

Increasing Access to Renewable Energy in Tuvalu

Basic Information

GEF ID

10788

Countries

Tuvalu

Project Title

Increasing Access to Renewable Energy in Tuvalu

GEF Agency(ies)

ADB

Agency ID

GEF Focal Area(s)

Climate Change

Program Manager

Ming Yang

PIF

Part I – Project Informatic

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

3/26/2021 MY:

Not completed at this time.

Yes, it is well aligned with the GEF 7 CCM 1-1 objective.

But the project Title in Portal is different from that in the LoE. Please consider revising the title as follows: "Increasing Access to Renewable Energy in Tuvalu". This is to avoid confusion at the PIF stage.

Later on when the PIF is approved by the GEF Council, the ADB can add the following subtitle to the project: "Catalyzing Tuvalu's Energy towards 100% Renewables with Innovative Technologies and Institutional Capacity Building".

4/13/2021 MY:

Not at this time.

The revised PIF was not uploaded although many supporting documents were uploaded in the GEF Portal. Please upload the revised PIF.

Also Please use GEF template to show the **Project Taxonomy Sheet**.

Other comments will follow after the updated PIF is available.

4/14/2021 MY:

Yes, a new project taxonomy sheet was submitted on April 14, 2021 and the revised PIF was uploaded.

Agency response

ADB Response 12 April 2021

Done.

As advised/requested, the title has been changed to "Increasing Access to Renewable Energy in Tuvalu"

ADB Response 14 April 2021

We are puzzled with the observation that the revised PIF "was not [uploaded](#) . We checked in the "Submitted Projects" section after re-submission and even saved a .pdf copy of the PIF for our own records. We note that even in the copy that was returned - the PIF information is intact. Are we to understand that the old PIF was received without the revisions? Then why are we able to see the revisions on our view of the Portal?

OR - do you want a WORD version of the PIF attached? We have done this just to be sure. See 14 April 2021 version in the RoadMap.

The Taxonomy template has also been used and uploaded in the RoadMap and also in the Portal Annex.

Please note the revised CO2 reduction worksheet dated 14 April 2021.

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

3/26/2021 MY:

Not completed at this time.

There is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.9%, for a co-financing of \$13,300,000 the expected contribution to PMC must be around \$651,700 instead of \$180,000 (which is 1.35%). 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. A more definitive estimation of PMC should be presented and adjusted at CEO Endorsement stage.

4/14/2021 MY:

Yes, comments were addressed and the PIF was revised.

Agency Response

ADB Response 12 April 2021

Note: subsequent to the first submission, an additional US\$2 Million of co-financing has been mobilized (from ADB core resources).

Total PMC costs are now \$780,000, to which GEF contributes \$130,000 or approximately 17%, while ADB co-financing for PMC is \$ 650,000 or 83%. This is in line with overall project proportionality (GEF contributes approximately 15% of overall project costs)

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

3/26/2021 MY:

The co-financing amounts are adequately documented and consistent with requirements of the co-financing policy and guidelines.

But there is a minor mistake in Table C. In-kind contribution cannot be classified as investment mobilized. Please see GEF co-financing policy document and revise Table C accordingly.

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	Asian Development Bank	Grant	Investment mobilized	6,000,000.00
Recipient Country Government	Government of Tuvalu	In-kind	Investment mobilized	480,000.00
GEF Agency	World Bank	Grant	Investment mobilized	7,000,000.00
Total Project Cost(\$)				13,480,000.00

Please use category "donor Agency" for the "sources of co-financing" from the World Bank since it is not the GEF Implementing Agency for this project.

Please consider engaging the private sector to finance the project. A suggestion on how to do so is presented as a comment in the box of Private Sector Engagement below.

4/14/2021 MY:

Yes, comments were addressed and the PIF was revised.

Agency Response

ADB Response 12 April 2021

Done.

As advised/requested, the Government Contribution has been revised to 'recurrent expenditure' and the WB as 'Donor Agency'.

As mentioned above, subsequent to first submission, an additional US\$2 Million of co-financing has been mobilized (from ADB), thereby significantly increasing overall co-financing proportion.

Currently, there are no private sector organizations financing energy sector on Tuvalu. Previous assessments have determined that private sector investment in RE in Tuvalu is not attractive, as evidenced by their lack of involvement in all other donor supported RE projects. However, as part of an ongoing ADB supported technical assistance programme, a full assessment of the possibilities, the barriers to private sector investment, and potential mechanisms/pathways for generating private sector investment is being undertaken. This will guide further development of this project, and future projects. This is mentioned in Part II, in the section on private sector engagement

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

3/26/2021 MY:

\$3 million of GEF STAR resources have been reserved for the project.

But Table D needs to be revised. The ADB has noticed the issue and informed the GEF of it. Please revise it in the next submission.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
ADB	GET	Tuvalu	Climate Change	CC STAR Allocation	2,752,294	24,706	2,777,000.00
Total GEF Resources(\$)					2,752,294.00	24,706.00	2,777,000.00

4/14/2021 MY:

Yes, comments were addressed and the PIF was revised.

Agency Response

ADB Response 12 April 2021

Done. Agency Fee amount revised.

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes. \$3 million of GEF STAR resources have been reserved for the project.

Agency Response

ADB Response 12 April 2021

Done.

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes. \$3 million of GEF CCM STAR resources have been reserved for the project.

Agency Response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

N/A

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

N/A

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

N/A

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

N/A

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

3/26/2021 MY:

N/A. The ADB does not request any PPG.

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

3/26/2021 MY:

The methodology is straightforward. Although the quantity of CO2 reduction from this project is small, the project will greatly facilitate the country to move towards 100% renewable energy use. It is necessary for the GEF to finance this project.

But for Indicators, please use sub-indicator 6.2 (not 6.1) for GHG emission reductions outside AFOLU sector. Please also provide target for the estimated number of beneficiaries (men and women) through Core Indicator 11. Beneficiaries include those benefiting from capacity building (business training, scholarship program, training program) under components 2 and 3.

4/14/2021 MY:

Yes, comments were addressed and the PIF was revised.

Agency Response

ADB Response 12 April 2021

Done.

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

3/26/2021 MY:

Not at this time.

From the whole PIF package, Table G, namely project Taxonomy, cannot be discovered. Please indicate where the Table is or submit it separately in one file.

Please include SIDS or Pacific in the Taxonomy.

4/13/2021 MY:

SI... GEF... PIF... Table G... Taxonomy... SIDS... Pacific...

Please use GEF standard template to show the Taxonomy (not in MS-Word document).

4/14/2021 MY:

Yes, comments were addressed and the PIF package was revised.

Agency Response

ADB Response 12 April 2021

Done. Taxonomy updated, included SIDS in the list and a separate Taxonomy sheet is also uploaded, for reference.

ADB Response 14 April 2021

Done:

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

3/26/2021 MY:

Not completed at this time.

In the submitted PIF, before the section "2) the baseline scenario and any associated baseline projects", please describe the global environmental and adaptation problems, including the root causes and barriers that need to be addressed.

4/14/2021 MY:

Yes, comments were addressed and the PIF was revised.

Agency Response

ADB Response 12 April 2021

Done. The section “global environmental and adaptation problems, including the root causes and barriers that need to be addressed” has been restructured and significantly strengthened.

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

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes, it is presented on page 25 of the PIF.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes, it is well presented on pages 26-40 of the PIF.

Agency Response

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

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes. It is well aligned with CCM 1-1 programming strategy.

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

3/26/2021 MY:

Yes. The information is presented on page 41 of the PIF.

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

3/26/2021 MY:

Yes. The information is presented on pages 42 and 43 of the PIF.

The total amount of CO2 reduction from the project is small since the whole country has very small amount of CO2 emissions. However, this project will catalyze transformational change for Tuvalu from a fossil fuel based energy system to a 100% renewable energy based system by 2025.

Agency Response

ADB Response 12 April 2021

Noted. Given the additional co-finance mobilized after first submission, CO2 reduction estimated target has been increased.

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

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes, they are well described on pages 44-45 of the PIF.

Agency Response

Project/Program Map and Coordinates

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

is there a preliminary geo-reference to the projects/programs intended location?

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes, the Map is presented on page 47. Per the Map, the project covered area will not cause any territory dispute with any other neighboring countries.

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

3/26/2021 MY:

Yes. The information is shown on pages 50-56 of the PIF.

Agency Response

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

3/26/2021 MY:

Not completed at this time.

It is well noted that this PIF has considered important gender dimensions related to the proposed project components, including the gender assessment provided in the Due Diligence Report (July 2019) and information on the Gender Action Plan for Phase 1 of the project. It is also well noted that in the preparation of the Phase 2, an updated gender assessment will be provided together with an updated gender action plan. This project has been categorized as “effective gender mainstreaming” indicating that project outputs are designed to improve women’s access to social services, and/or economic and financial resources and opportunities, and/or basic rural and urban infrastructure, and/or enhancing voices and rights. This information is not ,however, captured in the “gender tags” in the portal section on gender. Please review the GEF gender tags and complete this information as appropriate.

4/14/2021 MY:

Yes, comments were addressed and the PIF package was revised.

Agency Response

ADB Response 12 April 2021

Done. Gender Tags are updated.

Private Sector Engagement

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

Secretariat Comment at PIF/Work Program Inclusion

3/26/2021 MY:

Yes, but more information needs to be presented. As described on pages 61-62, the private sector has been engaged for the project. In terms of enlarging co-financing from the private sector, please be reminded that opportunity cost of land or water surface of lagoons that will be used for solar PV installations for the project can be treated as equity co-financing.

4/14/2021 MY:

Yes, comments were addressed. The PM agrees that land contribution can be classified as government equity investment in the project.

Agency Response

ADB Response 12 April 2021

Sub-section 4 on Private Sector Engagement has been modified accordingly.

Notably, even in comparison to other small Pacific island states, Tuvalu's economy is dominated by the public sector. Private sector interest in investing in the energy sector has been extremely low. However, ongoing initiatives supported by ADB (IAREP Phase 1, and the Pacific Renewable Energy Investment Facility) are assessing the opportunities for private sector investments, analyzing the barriers, and will later prepare a pathway to private sector investment, and will support overall sector reform that should facilitate private sector involvement.

Note that the PV panels are unlikely to be installed on private land or water, and most likely will be on government owned land/water. Hence this land contribution would be covered under the government contribution

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 D15/Work Program Inclusion

Secretariat Comment at PIF/WORK Program Inclusion

3/26/2021 MY:

Not completed at this time.

Please submit any documents on the preliminary climate risk screening which is mandatory for all PIFs. For example, the ESSS supporting document states in para 20 that: "The project will rebuild the Nukulaelae powerhouse to raise the floor level for flood protection to the same as that of the battery house." The ADB should base the floor height on flood depth projections based on climate models, not replicate the design of a previously-built building which may not be using the best design specifications.

All possible risks including climate risks and COVID-19 risks have been addressed on pages 64-65. However, please consider any opportunities (due to COVID-19) to be taken for this project. These may include substituting vehicle transportation by information technologies in communications and service delivering, using Zoom rather than face-to-face meeting to engage more audience, etc.

4/14/2021 MY:

Yes, comments were addressed and the PIF package was revised.

Agency Response

ADB Response 12 April 2021

Risk section has been modified to include the following:

- a) Mention that a full climate risk assessment has been undertaken for Phase 1 (summary report can be found at <https://www.adb.org/sites/default/files/linked-documents/49450-015-cca.pdf>) As a result of the assessment, climate change adaptation measures were incorporated into the Phase 1 design, and, for example, key infrastructure is to be located 1.5m above current finished surface levels. Similar measures will be applied to future investments.
- b) Based on the Covid-19 specific risk assessment (now included in Annex H), measures will be taken to reduce the health risks to project staff and stakeholders.
- c) The short section on covid-19 related opportunities has been expanded.

Coordination

Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?

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

3/26/2021 MY:

Not completed at this time.

For implementation arrangements, there is a discrepancy between what is included in the narrative of section 6 (Coordination – Execution and Implementation Management). Per the PIF, the Tuvalu Electricity Corporation (TEC) is responsible for the overall implementation of the project, which are executing functions in the GEF term. Therefore, those functions should be carried out by the Executing Partner. However, in Project Information, the Executing Partner is the Ministry of Finance. Please revise it.

4/14/2021 MY:

Yes, comments were addressed and the PIF package was revised.

Agency Response

ADB Response 12 April 2021

Done. Project Information table has been modified. Modification have also been made to section 6 (coordination) in Part II.

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

3/26/2021 MY:

Yes, as presented on pages 70-72, the government of Tuvalu has its national strategies to transform its fossil energy system towards 100% renewables by 2025. This project is well consistent with the national priorities of national energy policy, climate change policy, power supply policy and sustainable development policy.

Agency Response

ADB Response 12 April 2021

Noted.

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

3/26/2021 MY:

Not completed at this time.

Please present the information on knowledge management on pages 72-73 in the following ways:

1. an overview of existing lessons and best practice that inform the project concept
2. plans to learn from relevant projects, programs, initiatives & evaluations
3. proposed processes to capture, assess and document info, lessons, best practice & expertise generated during implementation
4. proposed tools and methods for knowledge exchange, learning & collaboration

5. proposed knowledge outputs to be produced and shared with stakeholders
6. a discussion on how knowledge and learning will contribute to overall project/program impact and sustainability
7. plans for strategic communications

4/14/2021 MY:

Yes, comments were addressed and the PIF package was revised.

Agency Response

ADB Response 12 April 2021

Done. Section on Knowledge management has been restructured and strengthened.

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

3/26/2021 MY:

Not completed at this time.

It is well noted that the ADB has uploaded relevant ESS assessments and provided the overall project risk rating in the section on ESS in the portal. The ADB classified the project overall ESS risk as low in the section on ESS in the portal. The attached Rapid Environmental Assessment Checklist and Initial Environmental Examination (IEE) (August 2019), however, stated that the project category is B (moderate risk). The submission indicates that the Due Diligence Report (July 2019) related to Social Safeguards qualified the project as Category C (low) for social safeguard. Please provide further explanation/reason for why the project is classified as low in the Portal, while the environmental assessment/examination concluded that the project category is B (moderate risk).

4/14/2021 MY:

Yes, comments were addressed and the PIF package was revised.

Agency Response

ADB Response 12 April 2021

Done: Portal entry has been modified to Medium. Also the section on safeguards in the risk section has been modified.

Note that ADB provides *separate* ratings for environment and social safeguards.

For Phase 1, social safeguards were rated as low, whereas environment were rated as medium due to expected small, site-specific impacts during construction.

For Phase 2, the same ratings can most likely be expected. However, depending on the selected location for the floating PV, should it fall on lagoon land with private ownership, social safeguards will also be rated medium. This is to be assessed during detailed project preparation.

art 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

3/26/2021 MY:

Yes. The LoE has been uploaded onto the Portal.

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

3/26/2021 MY:

N/A

Agency Response

EFSEC 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

3/26/2021 MY:

Not at this time.

Please address the comments in the previous boxes.

1/13/2021 MY

4/13/2021 MY:

Not at this time.

The revised PIF was not uploaded although many supporting documents there in the GEF Portal. Please upload the revised PIF.

Also Please use GEF template to show the **Project Taxonomy Sheet**.

4/14/2021 MY:

All comments have been addressed and the PM recommends technical clearance.

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	3/29/2021	
Additional Review (as necessary)	4/13/2021	
Additional Review (as necessary)	4/14/2021	
Additional Review (as necessary)		
Additional Review (as necessary)		

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

The objective of the project is to increase the utilization of renewable energy and reduce greenhouse gas emissions by promoting a 100% renewable energy system in Tuvalu. The project has one component: “investment in renewable energy technologies to generate and use renewable energy”. The main project activities include solar PV and battery energy storage system installations on three outer islands and Funafuti island, and institutional capacity buildings. With \$2.75 million GEF CCM funding, this project will mobilize \$15 million capital investment, in addition to \$0.48 in-kind contribution from the government of Tuvalu. The project aims at reducing 46,300 tonnes of CO2 in its lifetime. More importantly, the project will transform the energy system of the country from fossil fuel-based systems to 100% renewable energy-based ones in the above-mentioned islands.

The project has significant risks due to climate change. For example, the floating solar PV (FSPV) is likely exposed to storms, tropical cyclones, waves, storm surges and sea level rise. These risks are to become greater with climate change. However, the FSPV is to be installed on the lagoon and close to the coast. This is a marine area that naturally enjoys a high level of protection from extreme events, notably waves are low, winds are mitigated, and even extreme tides and surges are buffered. Hence, it is considered unlikely that climate risk will lead to significant additional costs or provisions. A full climate risk assessment has been undertaken for this project. Per the assessment report (<https://www.adb.org/sites/default/files/linked-documents/49450-015-cca.pdf>), climate change adaptation measures were incorporated in the design of the project. For example, key infrastructure is to be located 1.5 m above current finished surface levels. A full climate risk assessment will be undertaken, and necessary resilience measures will be considered.

Impact of COVID -19: Since September 2020, no commercial flights to/from Tuvalu and the borders have been allowed to any non-nationals/residents. Arrivals/departures from Tuvalu are highly regulated. This strict measure has so far ensured that zero cases of COVID-19 have been confirmed on Tuvalu. This situation may prevent ADB professionals from working on-site in the country for a period of time, which may delay the time schedule of project development and implementation.

Opportunities of COVID-19: The GEF/ADB project may offer fewer opportunities related to post COVID-19 recovery, including (i) identifying pathways in Tuvalu towards building green recovery and overall resilience; (ii) exploring linkages with the emerging private sector on Tuvalu; (iii) defining possibilities for mutual supports between the project and country stakeholders of post-COVID green recovery/resilience strategies; and (iv) substituting transportation with information technologies in communications and service delivery.