

# De-risking Sustainable Off-grid Lighting Solutions in Nigeria

Review CEO Endorsement and Make a recommendation

## Basic project information

**GEF ID**

9743

**Countries**

Nigeria

**Project Name**

De-risking Sustainable Off-grid Lighting Solutions in Nigeria

**Agencies**

UNDP

**Date received by PM**

5/29/2019

**Review completed by PM**

11/24/2020

**Program Manager**

Filippo Berardi

**Focal Area**

Climate Change

**Project Type**

## PIF ☐

### CEO Endorsement ☐

#### Project Design and Financing

1. If there are any changes from that presented in the PIF, have justifications been provided?

Secretariat comment at CEO Endorsement Request  
**This item is cleared.**

#### Comments July 24 2019

The changes made vs. the PIF, as listed in the CEO ER document, appears to be broadly justifiable. However, please note the following items:

- Output 1.1 in table B is still reflective of the PIF name, and has not been updated as per the changes described in Table 1.
- Output 2.3: please provide Annex SA1.

#### Response to Secretariat comments

**FK, 7 August 2019:**

- In Table B (CEO ER), Output 1.1 has been revised to "Business case developed for off-grid decentralized solar technology delivery model" as in the project document.
- Annex SA1 (and all other Supplementary Annexes as per 2 below) have now been uploaded to the portal.

**2. Is the project structure/design appropriate to achieve the expected outcomes and outputs?**

Secretariat comment at CEO Endorsement Request  
**This item is cleared.**

### **Comments July 24 2019**

Yes, the project structure appears to be appropriate given the project objectives and expected outcomes and outputs.

As a general comment, there are quite a few annexes to the ProDoc referred to in both the CEO ER document and is the ProDoc itself (SA1, SA2, SA3, SA4, SA6, etc). Could these annexes possibly be provided as a single document (or several if too heavy for upload) in the portal?

In addition, please provide the stakeholder engagement plan and the relative report of the activities conducted during project design. Annex F is missing from the ProDoc provided on the portal.

### **Response to Secretariat comments**

**FK, 7 August 2019:**

- The Supplementary Annexes (SA1, SA2 etc ?) have now been uploaded to the portal.
- Annex F: Stakeholder Engagement Plan has also been uploaded to the portal. It is pointed out that Annex F is already provided in the CEO ER as a hyperlink.
- Details of all stakeholder engagements to design the UNDP-GEF project are given in Annex SA1.

**3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?**

Secretariat comment at CEO Endorsement Request

**This item is cleared.**

### **Comments Aug 11, 2020**

All responses to comments regarding the budget are accepted and cleared.

Before providing final clearance, the agency is requested to kindly:

1. Update "Figure 1. Project Organisation Structure" in the CEO ER, to reflect the changes made in the UNDP ProDoc to the same table.
2. We would recommend extending the expected date for the project implementation start two more weeks, to allow for enough time for these changes to be made, the CEO ER to be technically cleared and for the CEO to issue the endorsement letter.

### **Comments Apr 22nd, 2020**

-- Project Budget:

A. please submit the revised detailed budget table (SA6) since it incorporates changes which are referenced in the new version of the CEO ER document (see for instance the M&E budget, where Annex SA6 is frequently mentioned). The updated version was not found in the portal.

B. Please revise the label of the following budget line, as it should be "Total Project Management Costs" instead of "Total Management GEF". Otherwise it is not clear what it refers to, please explain:

					outcome 3									
PROJECT MANAGEMENT UNIT	REA	62000	GEF	71400	Contractual Services Individual	-	23,860	23,860	23,860	23,862	23,860	119,302	23	
				75700	Workshops and Meetings		3,000						3,000	24
				71600	Travel				1,625			1,774	3,399	25
					sub-total GEF		26,860	23,860	25,485	23,862	25,634	125,701		
		4000	UNDP	71400	Contractual Services Individual	-	37,788	37,788	37,788	37,789	37,788	188,941	26	
					Sub-total UNDP		37,788	37,788	37,788	37,789	37,788	188,941		
					Total Management GEF		64,648	61,648	63,273	61,651	63,422	314,642		
				PROJECT TOTAL GEF			230,585	656,820	1,047,750	524,116	180,455	2,639,726		
				PROJECT TOTAL UNDP			59,947	67,888	58,588	58,589	54,988	300,000		
				PROJECT TOTAL GEF			290,532	724,708	1,106,338	582,705	235,443	2,939,726		

C. We note that there are approx. \$32k earmarked for the "DREI Analysis for minigrids". This needs to be considered in the context of the overall GEF financing for Nigeria in this sector, particularly as GEF recently approved the GEF7 Africa Minigrids Program, which will include Nigeria. GEFSEC expects the fact that this product is developed within this project (GEF ID 9743) will be reflected and not duplicated in the design structure of the child project under the minigrid program, which will build on this GEF6 project. No action needed at this point on this comment.

-- Project Management costs and Direct Project costs: the changes are noted and accepted, but please submit revised SA6 document as per comment above (detailed project budget).

**Comments Aug 22 2019**

Project Budget: thank you for submitting the activity-level budget. This is cleared.

Project Management Costs: the explanation offered in response to comment to "component 3, output 3" is not acceptable. According to GEF policies and guidelines:

1. PMC should include all costs related to the execution of the projects, in particular including the salary of the project manager and of the project procurement/financial/administrative assistant [see GEF project cycle guidelines (GEF.C.52.Inf\_.06.Rev\_.01) - Annex 8, Table B]. By definition the PM should provide services to all the project components, but this doesn't mean that the project components should charge for a certain share of the cost of the PM salary.
2. PMC should *not* be used to cover for monitoring of project indicators, independent terminal evaluations, mid-term evaluations. All these items should be covered with the M&E budget, listed as separate item [see GEF project cycle guidelines (GEF.C.52.Inf\_.06.Rev\_.01) - Annex 8, Table C]
3. Cost of the transportation services/driver related to activities of the components can be allocated to the relative components as it related directly to field trips.

GEF guidelines recommend that GEF-funded PMC for FSPs (above 2 million of GEF financing) do not go above 5% of the total GEF grant. Considering that, for this project, the expected actual PMC required for execution are estimated above this threshold, it is recommended that the difference is covered with project co-financing (either in cash or in kind). This is consistent with GEF policies and guidelines which state that PMC are to be covered by GEF funding and co-financing funding, and that there should be proportionality between the portion of GEF funding vs. the total project financing, and the portion of the PMC that are covered by GEF funding vs. co-financing.

It is recommended therefore that all evaluation-related costs are shifted to M&E plan costs in the components; PM and Admin assistant costs are moved within the PMCs. The portion of the expected PMCs which is above the GEF-funding recommended threshold (5%) should be covered with the portion of the co-financing allocated to the PMC component (USD 4.16 million), especially if the PM and Project Assistant are going to provide execution services to some/any of the activities that will be funded with/by the co-financing resources.

Direct Project Costs: in light of the broader on-going discussion between the GEF and the UNDP management units, these costs should be removed as direct execution of project activities by the GEF Agency is not in line with the GEF policy requirements re: segregation between implementation and execution functions.

### **Comments July 24 2019**

- Project Budget: Please provide a budget broken down by activity or output (i.e. Market analysis, MRV system, publication X, Y, Z, etc), to complement the budget provided in the Prodoc at pag 59, which is broken down by type of services procured (i.e. International consultant, National consultant, etc.).

- Project Component 3, Output 3: As per the notes #25, 26 and 27 to Outcome 3 of the Budget in the PRODOC, a number of expenses totaling approximately USD 200k, i.e. more than half of the total GEF budget for component 3, seems to be not directly related to the description of the activities listed under component 3 (3.1, 3.2 and 3.3). These activities include MRV for GHG emission reductions, mid term and final evaluations, salary for driver and administrative assistant. MRV costs should be consistent with the M&E plan activities.

Please provide justification as of why these costs are embedded in component 3 and not listed separately. It should also be clarified why some of these costs are not part of the Project Management Costs.

Also, please provide more information and justification as of why the transportation costs (driver, \$60k) are separate from travel costs, and assigned to component 3.

- Project Management Costs: note #42 of the Budget details direct project costs for an amount of \$41,763. It refers to Annex SA6 which is not provided in the project documentation, please provide it. Also, please provide a letter from the GEF OFP that request direct implementation of these resources from UNDP. The letter uploaded in the portal appears to be unsigned.

#### Response to Secretariat comments FK Aug 13, 2020

1. As requested, Figure 1. Project Organisation Structure has been updated in the CEO Endorsement Request to reflect the changes made in the project document to the same table.

2. As suggested, we have extended the expected start and end dates of project implementation by two weeks to allow sufficient time for CEO endorsement.

#### FK, 6 Aug 2020

A. As requested, we have revised the detailed activity-level budget in response to the earlier GEF review comments regarding the PMC and direct project costs. We have updated the Total Budget and Work Plan and M&E Budget accordingly. Supplementary Annex 6 (SA6) has been submitted separately via the portal.

B. As suggested, we have revised the sub-heading in the budget table to "Total Project Management Costs" as it reflects the sum of the GEF-funded and UNDP-funded project management costs.

C. The comment is well noted. UNDP will ensure that Act. 3.3.1 on carrying out a DREI analysis for mini-grids will not be duplicated in the design of the Nigeria child project under the Africa mini-grids program.

D. The project organization structure has been updated in line with the latest guidance. The Project Board's organizational chart has been revised to reflect UNDP's role as Development Partner, not a 'Senior Supplier'. The specific responsibilities for this Project Board role of UNDP is also in line with its oversight services as the GEF Agency for this project.

E. We have updated the planned start date and planned end date of the project to 1 September 2020 and 31 August 2025 respectively.

**FK, 20 April 2020:**

As requested, we have removed the direct project costs from the PMC budget and all evaluation-related costs have been shifted to component 3 on good practices and lessons learned. Furthermore, all references to executing functions or execution support services have been removed from the project documentation. The Project Manager's and Admin Assistant's salaries are now covered by the project management cost (PMC). All changes to the Total Budget and Work Plan are highlighted in green. The subtotal for each component remains the same.

**FK, 7 August 2019:**

Project Budget: Please see Annex SA6 that provides an activity-level budget breakdown for GEF and UNDP contributions separately. The tables have been annotated in order to clarify the logic used in budgeting. Please note that the UNDP ProDoc Template does not require such a breakdown to be provided.

Project Component 3, Output 3: The rationale used for allocating part of salaries to project components derives from the fact that the Project Manager will be contributing substantively to the technical components, as part of the PM's responsibility for day-to-day implementation and regular monitoring of project results and risks. Project support is budgeted under PMC while support to technical components is budgeted under the technical components. For instance, the salary of the Project Manager is spread across project outputs under Output 1.3 (budget note 3) and Output 2.1 (budget note 16). While 45% of the salary of the Administrative Assistant has been covered under the PMC (see Annex SA6), the remaining has been allocated against project activities as the Admin Assistant will be providing support to some of the technical components, notably in organizing workshops. In this case, the allocation has been done under Activity 3.2.2. Similarly, the salary of the project driver (that cannot be attributed to travel costs under UNDP rules), has been allocated to Activity 3.3.3, as the driver will be supporting field missions. The use of Outcome 3 to cover these salaries is to balance out the coverage of the PM salary under Outcomes 1 and 2. Beyond the rationale provided above, it should also be noted that the PMC budget is not sufficient to cover these costs.

As explained in Annex SA6, Project Management Cost (PMC) covers 42.3% of the costs associated with MTR and TE. The remaining 57.7% are covered under Activity 3.1.2 and is justified since the independent reviews will be used to evaluate and compile lessons learned that will be used as inputs to the final Lessons Learned Report.

The development of a MRV mechanism forms an integral part of the Monitoring and Evaluation Framework for the project in order to track the Objective Level Core Indicator Mandatory Indicator 2 '(Lifetime direct project GHG emissions mitigated): *Direct project CO<sub>2</sub> emission reductions, metric tCO<sub>2e</sub>*'. The GEF funding is from the Climate Change STAR Allocation that has the objective of reducing GHG emissions to

contribute to the long-term objective of the UNFCCC. Hence, it is vital to have a MRV system for ensuring that the climate change mitigation objective of the project is achieved, and this is attributed to Activity 3.1.1 for monitoring and capturing lessons learned in terms of GHG emission reductions. As rightly pointed out by the reviewer, MRV expenses need to be added to Lessons Learned in M&E Plan. Necessary, revisions have been made to Table 10 (ProDoc) and Table 7 (CEO ER).

Project Management Costs: Please note that the letter from the GEF OFP related to DPC has now been submitted through the portal as an Annex J to the ProDoc. The budget note #42 has been revised to refer to Annex J instead of Annex SA6

**4. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk response measures? (e.g., measures to enhance climate resilience)**

Secretariat comment at CEO Endorsement Request

**This item is cleared.**

Risks applicable to this project have been identified, listed and given a risk rating. Response measures are described in the project documentation which are deemed sufficient to mitigate the identified risks.

Response to Secretariat comments

**5. Is co-financing confirmed and evidence provided?**

Secretariat comment at CEO Endorsement Request

**10/19/2020: this item is cleared.**

The Agency has updated the prodoc and CEO ER to clarify that the \$75 million co-financing envelope which is made available by the Nigerian REA, is sourced from the World Bank. The Agency has further clarified that the co-financing envelope is part of a larger loan issues by the WB to the Government of Nigeria for \$350 million, of which the \$75 million tranche earmarked for co-financing is specifically aimed at the solar home systems off grid market. Explanation is provided in the Prodoc.

**090320: Additional comments from GEF PPO:**

1. The co-financing letter from the government/rural electrification agency mentions that their co-financing includes \$75M debt co-financing from the World Bank. As per the co-financing policy guidelines Agencies should use ?Name of the entity that provides the Co-Financing? rather than the name of



the project/fund with which it is associated. Please revise the submission to include ?World Bank? as source and name of the co-financing (debt financing from donor Agency).

2. Please clarify how much of the \$75 million parallel financing from the WB would actually be used for this project as the loan seems to finance the entire Nigerian Electricity Program.

#### **Comments July 24 2019**

Co-financing letters are provided for all but one of the co-financing lines listed in table C.

Co-financing letter is missing for an amount of \$300k to be provided in kind by the Federal Ministry of Environment. Please provide the supporting documentation.

#### **Response to Secretariat comments**

##### **FK, Oct 5, 2020**

1. As requested, we have updated the source of the \$75 million debt financing to donor agency and the name of the co-financier to the World Bank.
2. We can confirm that the entire \$75 million of parallel financing from the World Bank will support the implementation of the GEF-financed project and the achievement its objective. The total World Bank loan under the Nigerian Electricity Programme (NEP) is \$350 million, of which \$75 million is used for standalone solar systems and will support several of the project components.

##### **FK, 7 August 2019:**

The outstanding letter of co-financing from the Federal Ministry of Environment in the amount of \$300,000 has now been submitted through the portal.

##### **6. Are relevant tracking tools completed?**

Secretariat comment at CEO Endorsement Request

#### **Comments 4/22/2020**

**This item is cleared.**

#### **Comments 8/22/2019**

**Core indicators:** We are checking on this item with our IT system/portal team. Thank you for your patience. To save time, we are sending the review sheet back to you so that you can address the issues under section 3 above, in parallel.

**Gender: cleared.**

### **Comments July 24 2019**

Core Indicators: please include estimates for target of expected tons of CO2 abated at PIF stage in the corresponding fields of indicator 6, 6.2 and 11 (at least for those which were already included in the PIF).

Please provide Annex SA4 (word file and data sheets) with the calculation of the CO2 emission reduction estimated for this project.

Gender:

- **Gender analysis:** While the analysis is fairly general, lacking specificities on the target beneficiaries, it is relevant and comprehensive.
- **Gender action plan:** The gender action plan is well thought through. However, it is unclear what the budget numbers refer to. Please provide clarification about this (for instance, there is a \$417,633 allocated for component 2, and it is not clear what that represents).
- Finally, as this project will contribute to socio-economic benefits for women, please tick 'yes?' for the gender tag related to 'generating socio-economic benefits or services or women?.'

### **Response to Secretariat comments**

**FK, 7 August 2019:**

Core indicators: The expected GHG emission reductions at PIF stage have been provided in the template, and as per 2 above, all Supplementary Annexes (including SA4) have now been submitted through the portal. Please note that we were unable to enter the CO2 emission reduction targets at PIF stage in the relevant section of the portal as there was no option to enter the data. However, the core indicators table has been uploaded in Annex E. The table includes the estimated targets at PIF stage for core indicators 6 and 11.

Gender:

*Gender Analysis:* No action required

*Gender Action Plan (GAP):* The budget allocation in the GAP has been linked to the activity-level budget breakdown developed in response to 3 above (Annex SA6). Table 7 in the ProDoc has been revised accordingly, wherein the second column now indicates the project activity to which each action in the GAP is related. For instance, the sum of \$417,633 referenced above is related to the access of capital grants under Activity 2.1.1 by women entrepreneurs amounting to 30% of total disburseable capital grants of

\$1,392,111 (i.e. \$417,633). Table 4 (identical to Table 7 in ProDoc) in the CEO ER has been updated accordingly.

*Gender tag:* The gender tag ?generating socio-economic benefits or services or women? has been selected.

**7. Only for Non-Grant Instrument: Has a reflow calendar been presented?**

Secretariat comment at CEO Endorsement Request

N/A

Response to Secretariat comments

**8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?**

Secretariat comment at CEO Endorsement Request

**This item is cleared.**

Yes, the project takes into account and is consistent with the national priorities and is well coordinated with the baseline activities and initiatives already ongoing in the country.

Response to Secretariat comments

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

Secretariat comment at CEO Endorsement Request

**This item is cleared.**

**10/24/20:**

**PPO comments were addressed.**

**10/19/2020: Additional comments from PPO:**

A) This item cannot be cleared as the M&E budget included in the version live on the GEF portal does not reflect the changes in language.

1. Please ensure that the changes are made consistently both on the CEO ER version uploaded on the portal and on the ProDoc.
  2. Please ensure that the changes are made with regards to both Gender Action Plan and the Stakeholders Engagement Plan.
- B) Please correct the discrepancy in the amount budgeted (3,000 or 5,000?).
- C) Please remove this expense (inception workshop) from the PMC and move it to Component 3 (it should also continue to be listed in the M&E Plan budget (both in Portal and in ProDoc)).

**In PMC:**

27	US\$ 3,000 has been earmarked for organizing the project kick-off workshop.
----	-----------------------------------------------------------------------------

**In M&E Plan**

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget[1] (US\$)		Time fr
		GEF grant	Co-financing	
Inception Workshop	UNDP Country Office	USD 5,000	None	Within two months of document signature

**09/03/2020: Additional comments from GEF PPO:**

1. The drafting of the Gender Action Plan is an ineligible item under M&E budget as the preparation of this item is normally done before the presentation of the CEO ER, and it is in any case part of the project design activities, not the M&E activities. If the intended activity is to finance the monitoring aspects of the gender action plan, please modify the item to call it "Monitoring activities related to the Gender Action Plan".
2. Please refer to note 27 of the PMC section of the Prodoc: There are \$3k earmarked for the "Inception Workshop as required by the M&E requirements". If these activities are meant to satisfy M&E requirements, please remove the correspondent amount from the PMC and list it in the M&E budget. Otherwise, please revise footnote 27 and the relative classification of the correspondent item in the Annex 6 (detailed budget) to simply list "project kick-off workshop" to avoid confusion with a M&E-related component of the inception workshop.

**Comments July 24 2019**

Prodoc (pag 49ss) details a number of activities and the relative budget for the implementation of the M&E Plan. This is also included in the CEO ER document. However, please provide a detailed project budget, broken down by activity, complementing the budget included in Prodoc at pag 59 (X. Total Budget and Work Plan), with clear indication of the components/budget lines which the M&E Plan activities have been allocated to.

#### Response to Secretariat comments

**FK, Nov 19, 2020**

A) The changes in language to the Gender Action Plan and the Stakeholder Engagement Plan have now been applied to the M&E budget in both the CEO Endorsement Request and the project document and are reflected in the GEF portal.

B) Thank you for pointing out this discrepancy. The correct budget for the Inception Workshop is \$5,000. We have updated the Total Budget and Work Plan accordingly.

C) As requested, we have removed the Inception Workshop budget line from the PMC and moved it to Component 3. The Inception Workshop is included in the M&E budget both in the GEF portal and in the prodoc.

**Fk. Oct 5, 2020**

1. The referenced activity in the M&E budget is intended to finance the monitoring aspects of the gender action plan. As suggested, we have amended the text in the M&E budget to "Monitoring activities related to the Gender Action Plan."

2. We have revised footnote 27 in the project budget to indicate that the \$3,000 has been earmarked for the "project kick-off workshop."

**FK, 7 August 2019**

Activity-level budget is detailed in Annex SA6 accompanying the ProDoc and has been submitted through the portal. This annex also highlights the M&E budget items that are carried out independently from the responsibilities of the Project Manager. Table 10 in ProDoc has been annotated to link M&E budget items to project budget through activity-level budget breakdown given in Annex SA6. Table 7 (identical to Table 10 in ProDoc) in the CEO ER has been updated accordingly.

**10. Does the project have descriptions of a knowledge management plan?**

Secretariat comment at CEO Endorsement Request

**This item is cleared.**

**Comments July 24 2019**

There are several elements that are recommended in a knowledge management approach as best practices: 1) Overview of existing lessons and best practice that inform 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) Discussion on how knowledge and learning will contribute to overall project/program impact and sustainability and 7) Plans for strategic communications.

This section includes a good discussion on most of these. Please include an overview on how existing lessons and best practices have informed the program concept, to strengthen this section.

In addition, the specific knowledge products and the relative audience for each one of such products, should be listed systematically.

#### Response to Secretariat comments

**FK, 7 August 2019**

How existing lessons and best practices have informed the project concept: A new paragraph 20 has been added in the ProDoc to highlight how existing lessons and best practices have informed the project design.

Specific knowledge products and relative audience: The UNDP-GEF project will generate several knowledge products under Component 3. A new paragraph 21 has been added to enumerate the target audience for each knowledge product.

Section A.8 of the CEO ER has been updated accordingly with the addition of paragraphs 22 and 23.

#### Agency Responses

#### 11. Has the Agency adequately responded to comments at the PIF stage from:

GEFSEC

#### Secretariat comment at CEO Endorsement Request

No comment were left unaddressed at PIF stage.

**Item cleared.**

#### Response to Secretariat comments

STAP

Secretariat comment at CEO Endorsement Request

Comments from STAP were considered, and incorporated in the design where applicable.

**Item cleared.**

Response to Secretariat comments

GEF Council

Secretariat comment at CEO Endorsement Request

**This item is cleared.**

#### **Comments July 24 2019**

Council Member from Germany: Comment 2: the comment raises the important issue of credit worthiness/history of potential end-beneficiaries of SHSs and SLs. The response from the agency mentions that the comment have been duly integrated in the project design. However, it is not clear where in the Prodoc the issue of limited financial credit of final customers is addressed in the project design. Having reviewed components 1.6, 1.7 and 2.2 there is no clear explanation of the details explained as answer to the Council Member's comment in the CEO ER document (in particular this section: "(1) The project will partner with FCMB (see letter of co-financing in Annex J of the ProDoc) that has one of the most extensive networks of micro-finance outlets in Nigeria. Its customers are predominantly involved in agriculture, and micro-financing is used to increase agricultural productivity, and, in turn, increase the creditworthiness of rural communities that practice mainly agriculture for income generation. The project will work with FCMB to target its existing base-of-pyramid (BOP) rural clients on the adoption of off-grid RETs. In this case, the purchase of off-grid RETs would be through a secondary loan secured through income on enhanced agricultural productivity and agricultural activities)").

Please indicate in which section these elements have been incorporated.

Council Member from the USA: Comment 1: The comment highlights concerns that "essential policies, regulations and financial services essential to success are not in place" and asks "What will the project team actually do to get the government to adopt policies it has not adopted to date [...]". The Agency notes in their response that a

number of policies have recently been adopted in Nigeria, including: 1. Removal of energy subsidies, 2. Rural electrification Strategy and Implementation Plan, 3. National Renewable Energy and Energy Efficiency Policy, 4. New Telco Policy allowing for a number of financial transactions conducive for mobile-payments for off-grid electrification technologies. In the absence of more specific information about which exact policies the Council Member comment refers to, we can consider that the response from the agency is satisfactory in addressing this comment.

Council Member from the USA: Comment 2: The Agency's Response point 1. mentions that the affordability of SHSs and SLs will be "reduced" through the provision of 40% capital grants. In fact, the affordability would be increased for the end users. Please revise the language accordingly.

Council Member from the USA: Comment 5: the question concerns the sustainability of the new market for SHSs and SLs. One of the elements on which the ToC of the project rests, is the need to increase upfront affordability of the renewable energy technologies, and this is done through the creation of the WCFF. The WCFF will provide a subsidy up to 40% of the cost of the equipment to eligible service providers looking to enter the market. However, in Result Framework table, Outcome 2, indicator 8, there is mention of a risk for which the assumption reads: "*Assumptions: The linking of off-grid RET purchase with income generating agricultural activities will be sufficient for BOP households to invest in off-grid RETs at 40% or lower capital grant financing structure.*" This makes the reader think that the 40% subsidy (grant) will be in fact provided to the BOP end consumer. Please clarify why there is this inconsistency. How will the 40% grant be split between the service providers and the end-users, and who will ultimately benefit from that?

#### Response to Secretariat comments FK, 7 August 2019

Council member from Germany: Comment 2: This explanation is given in footnote 39 in the ProDoc.

Council Member from the USA: Comment 1: No action required

Council Member from the USA: Comment 2: Thank you for picking up this typo. The word ?reduced? has been changed to ?increased?.

Council Member from the USA: Comment 5: The wording has been changed in the Results Framework to clarify that the capital grant will flow to the private investor: ?The linking of off-grid RET purchase with income-generating agricultural activities will be sufficient for BOP households to invest in off-grid RETs when a 40% or lower capital grant financing structure is made available to the private investor.?

Convention Secretariat



Secretariat comment at CEO Endorsement Request

N/A

Response to Secretariat comments

**Recommendation**

**12. Is CEO endorsement recommended?**

Secretariat comment at CEO Endorsement Request

Not yet: please address the following comments

**04/23/21:**

1. the checklist is well received. Item cleared.
2. the COVID risk and opportunity analysis should be included in the CEO ER form live on line on the portal, in addition to the added sections on the prodoc. Further, the risk/opportunity analysis should elaborate briefly on risks and opportunities the COVID 19 pandemic is posing to the project implementation, not just generally to the country of Nigeria. Please refer to the many other COVID19 sections submitted by UNDP projects to date if in doubt. We look forward to a quick resubmission of this project, which will need to be circulated to the Council prior to CEO endorsement.

**Comment Jan 14, 2021:**

1. The Agency is requested to submit the "UNDP Check list for all projects pending GEF approval" in the document section. Pursuant to the decisions of the GEF Council during the 59th GEF Council meeting, UNDP is required by GEF Council, to demonstrate that this project design meets all of the 2020 OAI audit recommendations as a prerequisite for further consideration and review by the GEF Secretariat.
2. Also, please include a short paragraph on risks and opportunities the project implementation faces regarding COVID19.

**Comments Aug 11, 2020**

All responses provided to the latest round of comments regarding the budget are accepted and cleared.

Before providing final clearance, the agency is requested to address the two remaining comments.

**July 24 2019:** not at this stage. Agency is requested to address the comments included in this review sheet.

#### Response to Secretariat comments

##### **FK, 3 May 2021**

As requested, we have elaborated further on the risks and opportunities that the COVID-19 pandemic poses to the project implementation. We have also included a COVID-19 related risk and corresponding risk mitigation measures in both the Risks section (Table 6) and in Annex H: Risk Log. As suggested, we have incorporated the COVID-19 risk and opportunity analysis in the CEO Endorsement Request form in the GEF portal. Finally, taking into consideration that the project will still need to be circulated to the GEF Council prior to CEO endorsement, we have extended the project start and end dates by two months.

##### **FK, 16 April 2021**

1. As requested, the audit checklist has been prepared and signed by the UNDP Resident Representative, the Deputy Director of the Regional Bureau for Africa, and the UNDP GEF Executive Coordinator. The checklist has been submitted in the document section of the GEF portal.

2. We have included two paragraphs on COVID risks and opportunities for the implementation stage of the off-grid lighting project, which we have included in the Development Challenge and Strategy sections of the project document.

##### **FK, Oct 5, 2020**

The additional comments from PPO have been addressed. Please note that we have extended the expected start and end dates of project implementation to allow sufficient time for CEO endorsement and project document signature. We look forward to receiving the CEO endorsement.

##### **FK, 13 Aug 2020**

Both of the remaining comments have now been addressed. We look forward to receiving the CEO endorsement.

**FK, 20 April 2020:** All technical comments have now been addressed. We look forward to receiving the CEO endorsement.

##### **FK, 6 August 2019:**

All technical comments have now been addressed. We look forward to receiving the CEO endorsement.

**Review Dates****Secretariat comment at CEO  
Endorsement Request****Response to  
Secretariat  
comments**

<b>First Review</b>	<b>7/24/2019</b>
<b>Additional Review (as necessary)</b>	<b>8/22/2019</b>
<b>Additional Review (as necessary)</b>	<b>4/22/2020</b>
<b>Additional Review (as necessary)</b>	<b>8/11/2020</b>
<b>Additional Review (as necessary)</b>	<b>11/23/2020</b>

**CEO Recommendation****Brief Reasoning for CEO Recommendations**

All comments have been addressed. The project is being recommended for technical clearance. A CEO memo is included in the comment box of the workflow page.