GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS*
THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	**5317**		
Country/Region:	**Madagascar**		
Project Title:	**Increased Energy Access for Productive use Through Small Hydropower Development in Rural Areas**		
GEF Agency:	**UNIDO**	GEF Agency Project ID:	
Type of Trust Fund:	**GEF Trust Fund**	GEF Focal Area (s):	**Climate Change**
GEF-5 Focal Area/ LDCF/SCCF Objective (s):		**CCM-3; Project Mana;**	
Anticipated Financing PPG:	**$85,000**	Project Grant:	**$2,855,000**
Co-financing:	**$14,145,000**	Total Project Cost:	**$17,085,000**
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Alex Njuguna Waithera**	Agency Contact Person:	**Mr. Mark Draeck**

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating **country eligible**?	ANW, March 11, 2013: Yes	
	2. Has the **operational focal point** endorsed the project?	ANW, March 11, 2013: Yes	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the **resources available** from (mark all that apply):		
	• the STAR allocation?	ANW, March 11, 2013: Yes, the CC Allocation is US$3,300,000 which is within the funding requested by the proposed project. The US$3,219,300 requested includes project preparation cost, project cost and agency fees.	
	• the focal area allocation?	N/A	
	• the LDCF under the principle of	N/A	

	• the SCCF (Adaptation or Technology Transfer)?	N/A	
	• the Nagoya Protocol Investment Fund	N/A	
	• focal area set-aside?	N/A	
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF **results framework and strategic objectives**? *For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).*	ANW, March 11, 2013: Yes, the project is aligned with CCM-3 Strategic objective.	
	5. Is the project consistent with the recipient **country's national strategies and plans** or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	ANW, March 11, 2013: Yes, the project is consistent with the National Policy for the Environment (NPE) of Madagascar which encourages the use of clean energy through the development of locally available energy resources to increase access to electricity. In addition, the proposed project is in line with the Second National Communication and TNA for Madagascar.	
Project Design	6. Is (are) the **baseline project(s),** including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	ANW, March 11, 2013: a) Please clarify what is the added value for GEF, as well as UNIDO's engagement in this project. The PIF has listed a number of players involved in the development of Small-hydro power (SHP) in Madagascar, including GIZ, GRET, ADER and REF. b) Please describe how the activities of this project are incremental. c) Please clarify what are the main barriers preventing the development of SHP in Madagascar and how the	

		barriers. ANW, April 11, 2013: a) At CEO endorsement, please provide further detail on the alignment and complementarity of GIZ and UNIDO-GEF activities b) Clarification provided. Comment cleared c) Barriers identified. Comment cleared	
	7. Are the components, outcomes and outputs in the **project framework** (Table B) clear, sound and appropriately detailed?	ANW, March 11, 2013: The proposed project intends to build the national capacities and capabilities to locally produce turbines in the country, however it is not clear how the proposed project will build this capacity. Please describe the baseline for this activity and how the proposed project intends to build upon existing activities related to this action. ANW, April 11, 2013: Baseline for local manufacturing of SHP in Madagascar has been provided. Comment cleared	
	8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	ANW, March 11, 2013: Yes	
	9. Is there a clear description of: a) the **socio-economic benefits**, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their	ANW, March 11, 2013: Yes	

	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	ANW, March 11, 2013: Unclear. The document does not seem to articulate and suggest mitigation measures of risk associated with political instability and potential impacts of upcoming elections on the national and local institutions, as well as on project implementation. ANW, April 11, 2013: The political situation in Madagascar has been included as a potential risk. The Agency will monitor the situation and its potential impact on the project. The Agency is requested to provide updates about the political situation and impacts on the project to the GEF Secretariat before and after the upcoming election.	
	12. Is the **project consistent and properly coordinated** with other related initiatives in the country or in the region?	ANW, March 11, 2013: Unclear. Please clarify and provide up-to-date information on other initiatives in the field of SHP, and articulate further the level of agreement for collaboration. ANW, April 11, 2013: Clarifications provided. Comment cleared	
	13. Comment on the project's **innovative aspects, sustainability, and potential for scaling up**. • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. • Assess the potential for scaling up the project's	ANW, March 11, 2013: a)The PIF does not describe the innovativeness of this project. Please describe the innovativeness. b) Please articulate the sustainability strategy for the project further, and describe UNIDO's presence and engagement in Madagascar. ANW, April 11, 2013: a) The innovativeness of the project will lie in the adoption of both public and private finance to build SHPs for productive use in rural areas in Madagascar	

		sustainability strategy of the project is embedded in the creation of an enabling policy framework, scale-up and capacity building which have the ultimate aim to put Madagascar on track for sustainable replication of SHPs and activate its full potential. However, at CEO endorsement please provide concrete descriptions of the financial instruments that will be adopted to promote sustainable replication of SHP in Madagascar. Comment cleared.	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	ANW, March 11, 2013: Yes, the ratio of GEF Financing to Co-financing is 1:5	
	17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?	ANW, March 11, 2013: No, the Co-financing provided by UNIDO is 0.85% of the total financing and 50% of this is in-kind. Please increase UNIDO's co-financing. ANW, April 11, 2013: Explanation provided. Comment cleared	
	18. Is the funding level for **project management cost** appropriate?	ANW, March 11, 2013: Yes	
	19. <u>At PIF</u>, is PPG requested? If the	ANW, March 11, 2013: Yes, a PPG of	

	the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? At CEO endorsement/ approval, if PPG is completed, did Agency report on the activities using the PPG fund?		
	20. If there is **a non-grant instrument** in the project, is there a reasonable calendar of reflows included?	ANW, March 11, 2013: Unclear. Please clarify how the GEF money will be used in this project, whether as a grant or non-grant instrument. ANW, April 11, 2013: At CEO endorsement, please provide a further and clear assessment on whether a non-grant instrument will be used and how it will be managed	
Project Monitoring and Evaluation	21. Have the appropriate **Tracking Tools** been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a **budgeted M&E Plan** that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	**24. Is PIF clearance/approval being recommended?**	ANW, March 11, 2013: Not at this time, please address comments in boxes 6,7,11,12,13,17 and 19 ANW, April 11, 2013: The PIF has been technically cleared and	

		The Agency is requested to provide updates about the political situation and impacts on the project to the GEF Secretariat before and after the upcoming election.	
	25. Items to consider at CEO endorsement/approval.	ANW, April 11, 2013: a) Confirmation and detailed analysis of GHG emission reduction figures b) A detailed analysis of financial instruments that will be adopted to promote sustainable replication of SHP in Madagascar. c) Strengthening of the project framework to include concrete, measureable indicators. d) Clarification on the number of persons gaining energy access through this project	
Recommendation at CEO Endorsement/ Approval	**26. Is CEO endorsement/approval being recommended?**		
	First review*	March 27, 2013	
Review Date (s)	Additional review (as necessary)	April 11, 2013	
	Additional review (as necessary)		

* **This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**