



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

GEF ID:	<b>5734</b>		
Country/Region:	<b>Argentina</b>		
Project Title:	<b>Sustainable Business Models for Biogas Production from Organic Municipal Solid Waste</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>5345 (UNDP)</b>
Type of Trust Fund:	<b>GEF Trust Fund</b>	GEF Focal Area (s):	<b>Climate Change</b>
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	<b>CCM-3; CCM-3;</b>		
Anticipated Financing PPG:	<b>\$75,000</b>	Project Grant:	<b>\$2,779,849</b>
Co-financing:	<b>\$12,665,000</b>	Total Project Cost:	<b>\$15,519,849</b>
PIF Approval:		Council Approval/Expected:	<b>May 01, 2014</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Franck Jesus</b>	Agency Contact Person:	<b>Oliver Page</b>

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
<b>Eligibility</b>	1. Is the participating <b>country eligible</b> ?	FJ - March 12, 2014: Yes. Argentina ratified the UNFCCC on 11 March, 1994.	
	2. Has the <b>operational focal point</b> endorsed the project?	FJ - March 12, 2014: Yes, by letter signed on 27 Feb, 2014.	
<b>Resource Availability</b>	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?	FJ - March 12, 2014: No. The project requests a total of \$3.2 million (agency fee and PPG included) of CCM funding and \$0.2 million of BD funding. The remaining CCM and BD	

\*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

<sup>1</sup> Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.

FSP/MSP review template: updated January 2013

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		allocations of Argentina are respectively \$3,029,202 and \$86,850. Please reduce the amount requested.  FJ - March 21, 2014: Cleared.	
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		
	• the Nagoya Protocol Investment Fund		
	• focal area set-aside?		
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b> ? <i>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).</i>	FJ - March 12, 2014: Yes.	
	5. Is the project consistent with the recipient <b>country's national strategies and plans</b> or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	FJ - March 12, 2014: Yes.	
	6. Is (are) the <b>baseline project(s)</b> , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	FJ - March 12, 2014: a) Please clarify how energy generation based on biogas is part of ENGIRSU and how the project will avoid any overlap with the ENGIRSU activities. b) Please clarify the apparent	

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Project Design		<p>inconsistency between (i) the expected tender from the government accessible to biogas, and (ii) what the PIF identifies as a lack of policy instrument facilitating grid connection and dispatch of distributed power systems (defined as a barrier in the PIF).</p> <p>c) It is understood that, through the GENREN program, the government will launch a tender accessible to biogas. Please clarify (i) how the tender is expected to work for biogas, (ii) what the proposed project will do that the tendering process cannot achieve, and (iv) how the proposed project will achieve emission reductions that cannot be achieved by the government tender process (since, in the end, the total emission reduction will depend on the amount of MW tendered for biogas).</p> <p>FJ - March 19, 2014:</p> <p>a) Cleared.</p> <p>b) and c) The clarifications provided do not address the previous comment. The PIF indicates that "The tenders are open up to a maximum capacity (MW) per type of technology" and "biogas will expectedly be included in the next tender round". The PIF then assumes that "the bids for biogas based power would likely not be successful, with few, or possibly no MSW-based biogas energy plants". This assumption can be questioned. By CEO endorsement, detailed justifications on this assumption are expected along with accounting of baseline biogas response to the GEREN tender in the</p>	

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		project impact estimation.	
	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	<p>FJ - March 12, 2014:</p> <p>a) The project indicates that it seeks to add value to biogas-based energy generation by adding benefits from residue streams. Please clarify what are the barriers to adding value from residue streams and how the project will remove these barriers.</p> <p>Component 1:</p> <p>b) Please clarify the nature of output 1.1. Is the objective to design a generic business model framework or specific business proposals for identified projects?</p> <p>c) Please clarify the expected representativeness of chemical analyses planned for output 1.2. Is the composition of organic waste stream expected to vary strongly from locality to locality and from time to time? If yes, please clarify how the results of output 1.2. can be used beyond the specificity of the organic streams on which the analysis will be done.</p> <p>d) Please clarify how the project will increase consistency in the quality of the waste to be used.</p> <p>e) The output of output 1.4 is expected to go beyond recommendation to enhance the regulatory framework for MSW biogas and support the actual implementation of improvement to the regulatory framework. Please revise.</p> <p>f) Please clarify how the support to awareness raising of output 1.5 will</p>	

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		<p>enable a continuation of needed awareness raising beyond the project completion.</p> <p>Component 2:</p> <p>g) Please address Q6 and Q13.</p> <p>h) Please clarify how the project will make sure methane leakage from installations will be avoided and which sustained system it plans to put in place to monitor potential methane leakages in the future.</p> <p>FJ - March 19, 2014:</p> <p>a) The previous comment has not been addressed yet. Please clarify what are the barriers to adding value from residue streams and how the project will remove these barriers.</p> <p>b) Please clarify what will be the use of developing generic theoretical business models and who is expected to use them. Without a clear justification, please consider modifying or deleting output 1.1.</p> <p>c) Cleared.</p> <p>d) The quality of waste is not only related to identifying inappropriate material. The composition of available waste streams can strongly affect the ability of a bio-digester to produce regular and sufficient amount of biogas. Please clarify how the project will increase consistency in the quality/composition/digestability of the waste streams to be used.</p> <p>e) and f) Cleared.</p> <p>h) By CEO endorsement, details are expected on (i) how the project will make</p>	

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		<p>sure methane leakage from biogas energy installations will be avoided, (ii) which system it plans to put in place to monitor potential methane leakages in the future, and (iii) how the project will ensure this monitoring system will be sustained beyond project completion.</p> <p>FJ - March 21, 2014: Comments cleared.</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>FJ - March 12, 2014: Please address the last comment of Q6 c).</p> <p>FJ - March 21, 2014: Cleared.</p>	
	9. Is there a clear description of: a) the <b>socio-economic benefits</b> , 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 engagement explained?	FJ - March 12, 2014: 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)	FJ - March 12, 2014: Yes.	
	12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country	FJ - March 12, 2014: Please address Q6 and Q7.	

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	or in the region?	FJ - March 21, 2014: Cleared.	
	<p>13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b></p> <ul style="list-style-type: none"> <li>Assess whether the project is innovative and if so, how, and if not, why not.</li> <li>Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</li> <li>Assess the potential for scaling up the project's intervention.</li> </ul>	<p>FJ - March 12, 2014:</p> <p>a) Please provide a rough estimate of the profitability of the proposed biogas systems and explain how the project intends to ensure a sustained profitability for similar projects in the future.</p> <p>The project proposal lacks a mechanism for replication and scaling up. The financial sustainability of the supported activities therefore appears very weak. Stating that the "development of a full-fledged enabling business environment is considered outside the scope of the GEF project" is not considered as sufficient.</p> <p>b) Please clarify if the only scaling up process considered is the planned government tender for RE including biogas.</p> <p>c) In the affirmative, and if Q6 comments have been addressed, please revise the project activities to (i) ensure that the project financial support will mimic the type of incentive stakeholders should expect with the tender, (ii) set in place a financially sustainable mechanism to support the preparation of projects. The latter mechanism would be used for the proposed pilots and would continue to operate beyond project completion.</p> <p>d) If other replication and scaling up modalities are considered, please include in the PIF activities to set the appropriate mechanisms in place, and to sustain</p>	

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		<p>them. Alternatively you would need to include activities to ensure the transition from the supported pilot to an existing or future replication mechanism if any.</p> <p>FJ - March 21, 2014: Comments cleared. By CEO endorsement, details are expected on (i) how the project will support and enable the transition from 2 highly subsidized pilots to 30 or more replications based on GIRSU resources, and (ii) how and with which partner the project will support the development and implementation of financial risk mitigation measures.</p>	
	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?	<p>FJ - March 12, 2014:</p> <p>This question will be reviewed once the other comments are addressed.</p> <p>FJ - March 21, 2014: Cleared.</p>	
	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	FJ - March 12, 2014: Please clarify (i) who would be the recipients of SAYDS loans, (ii) how these loans would be attributed, and (iii)	

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	bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	whether this lending system may continue after project completion.  FJ - March 21, 2014: Cleared.	
	18. Is the funding level for <b>project management cost</b> appropriate?	FJ - March 12, 2014: No. The project management cost should not exceed 5% of the GEF grant (excluding management costs). Please reduce the project management cost.  FJ - March 21, 2014: Cleared.	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	FJ - March 12, 2014: The PPG amount is in the norm.	
	20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?	FJ - March 12, 2014: n.a.	
Project Monitoring and Evaluation	21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		

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	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	<b>24. Is PIF clearance/approval being recommended?</b>	<p>FJ - March 12, 2014: No. Please address the above comments.</p> <p>FJ - March 21, 2014: Yes, the project is recommended for inclusion in a future work program.</p>	
	25. Items to consider at CEO endorsement/approval.	<p>FJ - March 21, 2014:</p> <p>a) The PIF assumes that "the bids for biogas based power would likely not be successful, with few, or possibly no MSW-based biogas energy plants". This assumption can be questioned. By CEO endorsement, detailed justifications on this assumption are expected along with accounting of baseline biogas response to the GEREN tender in the project impact estimation.</p> <p>b) By CEO endorsement, details are expected on (i) how the project will make sure methane leakage from biogas energy installations will be avoided, (ii) which system it plans to put in place to monitor potential methane leakages in the future, and (iii) how the project will ensure this monitoring system will be sustained beyond project completion.</p> <p>c) By CEO endorsement, details are expected on (i) how the project will support and enable the transition from 2 highly subsidized pilots to 30 or more replications based on GIRSU resources, and (ii) how and with which partner the project will support the development and</p>	

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		implementation of financial risk mitigation measures.	
Recommendation at CEO Endorsement/ Approval	<b>26. Is CEO endorsement/approval being recommended?</b>		
	First review*	March 12, 2014	
Review Date (s)	Additional review (as necessary)	March 21, 2014	
	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.**