



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

GEF ID:	<b>5286</b>		
Country/Region:	<b>Equatorial Guinea</b>		
Project Title:	<b>Sustainable Energy for All: Promoting Small Scale Hydropower in Bioko and Other Clean Energy Solutions for Remote Islands</b>		
GEF Agency:	<b>UNDP</b>	GEF Agency Project ID:	<b>5143 (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;</b>		
Anticipated Financing PPG:	<b>\$150,000</b>	Project Grant:	<b>\$3,502,968</b>
Co-financing:	<b>\$40,000,000</b>	Total Project Cost:	<b>\$43,802,968</b>
PIF Approval:	<b>April 24, 2013</b>	Council Approval/Expected:	<b>June 20, 2013</b>
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	<b>Ming Yang</b>	Agency Contact Person:	<b>Saliou Toure</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> ?	ANW, February 11,2013: Yes	MY 4/29/2015: Yes.
	2. Has the <b>operational focal point</b> endorsed the project?	ANW, February 11,2013: Yes, by letter signed on January 8th, 2013	
<b>Resource Availability</b>	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	<ul style="list-style-type: none"> <li>• the STAR allocation?</li> </ul>	ANW, February 11,2013: The total STAR allocation for Equatorial Guinea is US\$ 4 million while the CC allocation is US\$2 million. The proposed project requests US\$ 4 million, under the flexibility rule. The US\$4 million includes project preparation cost, project	MY 4/29/2015: Yes.

\*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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		cost and agency fees.	
	<ul style="list-style-type: none"> <li>the focal area allocation?</li> </ul>	N/A	MY 4/29/2015: Yes. Equatorial Guinea was a flexible country in using its STAR resources in the GEF5 period. The total STAR allocation for the country was US\$4 million including US\$2 million in the climate change focal area. The proposed project requests US\$4 million that covered project preparation cost, project cost, and agency fees.
	<ul style="list-style-type: none"> <li>the LDCF under the principle of equitable access</li> </ul>	N/A	MY 4/29/2015: N/A
	<ul style="list-style-type: none"> <li>the SCCF (Adaptation or Technology Transfer)?</li> </ul>	N/A	MY 4/29/2015: N/A
	<ul style="list-style-type: none"> <li>the Nagoya Protocol Investment Fund</li> </ul>	N/A	MY 4/29/2015: N/A
	<ul style="list-style-type: none"> <li>focal area set-aside?</li> </ul>	N/A	MY 4/29/2015: N/A
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>?</p> <p><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></p>	ANW, February 11,2013: Yes	MY 4/29/2015: Yes. This project is aligned with CCM-3 of the GEF5 strategic objectives: To promote investment in renewable energy technologies.
	<p>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,</p>	ANW, February 11,2013: Yes. Equatorial Guinea's Initial National Communication (INC) to the UNFCCC is under development, with a key focus on identifying the mitigation options suitable	MY 4/29/2015: Yes, as stated and cleared in the PIF.

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	NAPA, NCSA, NBSAP or NAP?	to the country. Its finalization will be informed by national mid-term development and energy policy frameworks-respectively, the National Economic and Social Development Plan (NESDP) "Horizon 2020", and the National Electrification Plan (NEP)-as well as international long-term initiatives, such as the global Sustainable Energy for All (SE4ALL) initiative. The importance of access to energy is also confirmed by the country's commitment of its entire STAR allocation under the GEF-5 to its first climate change mitigation project.	
Project Design	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?	ANW, February 13,2013: No. The baseline description needs to be strengthened. It is unclear how the new project will build upon baseline activities, especially for solar and wind. The PIF is silent about the baseline activities related to solar and wind. ANW, March 14,2013: According to the Agency,there are no background solar or wind interventions in the country. The resource assessments will inform potential to replicate/scale-up in various renewable energy technologies. Comment Cleared.	MY 4/29/2015: Yes. Equatorial Guinea is a country with rich oil and natural gas resources. Because of that, the country ignored the development of renewable energy resources, particularly new renewable energy resources such as solar PV and wind energy. This country does not have effective and sufficient policies, technologies, and institutional capacities in developing new renewable energy. This forms the general baseline of the project.
	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	ANW, February 13,2013. Yes	MY 4/29/2015: Yes, but it seems that Component 3 spends too much fund (\$16.8 million) for the demonstration of 5MW of solar and wind power (or at US\$3.36/W). The equipment cost for solar PV and small wind power in the international market has been significantly decreasing over the past two years. Please double check

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			the costs and consider increasing the amount of total installation capacity for the demo projects.
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	ANW, February 13,2013. Yes	MY 4/29/2015:  Not at this time. The Agency did not describe in detail how the project will cost-effectively reduce 1.78 million tonnes of CO2 from the pilot/demo projects in Components 2 and 3. Please clearly present methodologies/approaches, assumptions, data (emission factor, for example), and calculation steps, so that any professionals who want to audit the project global environment benefits can repeat the calculation.  MY 10/26/2015 Yes. Comments were addressed.
	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?		MY 4/29/2015: Yes, on page 15.
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	ANW, February 13,2013. Yes	MY 4/29/2015: Not completed.  The CEO ER discussed the role of NGOs in the project, but it did not describe if the project is relevant to indigenous people. Please address it.  MY 10/26/2015

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			Yes. Comments were addressed.
	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, February 13,2013. Yes	MY 4/29/2015: Not completed at this time. Please address the risk of lack of policy and regulatory framework for new renewable energy investments, and make a strong measure to mitigate the risk.  MY 10/26/2015 Yes. Comments were addressed.
	12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?	ANW, February 13,2013. No. Please describe clearly how the activities of the proposed project will be coordinated with other related initiatives in the country or in the region. ANW, March 14, 2013: The project will be implemented by MPM with MMIE and SEGESA, in direct coordination with all activities Equatorial Guinea plans to undertake related to the Sustainable Energy For ALL (SE4ALL) initiative. Comment Cleared	MY 4/29/2015: Yes, on pages 13 and 14.
	13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b> <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> </ul>	ANW, February 13,2013. Yes, the project is innovative as it will promote a reduced dependence on fossil fuel generated electricity in Equatorial Guinea, particularly its island regions, with increased access and consideration of cleaner energy resource (e.g. small scale hydro, solar and wind power). The proposed project will also address the weakness of the country's policy,market and institutional frameworks for supporting renewable energy development.	MY 4/29/2015: Not at this time. The CEO ER presented some information on this but not enough.  It can be understood that this project will innovatively assist Equatorial Guinea in developing new policies and intuitional capacity for new renewable energy technology transfer and investments, which will likely change its energy supply mix from increasing hydrocarbons and large-scale power to

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	<ul style="list-style-type: none"> <li>Assess the potential for scaling up the project's intervention.</li> </ul>	<p>ANW, February 13,2013. Please clarify how the activities of the project will be sustained after project closure. Also please clarify how this project will lead to large-scale replication.</p> <p>ANW, March 14, 2013: The project will initially support development of hydropower demonstrations of a total 4.2MW (in Riaba and Musola) and will be replicated to an additional 10MW in Ilachi Plant, and will boost the planned 200MW hydro investments in the mainland. Comment Cleared.</p>	<p>solar PV, wind farms, and small/mini hydro power.</p> <p>But on sustainability, please elaborate how the demo projects will sustainably run after the GEF project implementation period is over. Will the revenue of the demo power plants cover the total costs of operation of the plants? Who will provide technical maintenance of the power plants in a long run? Section A.6 does not provide such information.</p> <p>On scaling up, please describe how the new policies, the demo projects, and institutional capacities developed in this project will scale-up investments in new renewable energy technologies in an energy market where fossil energy resources are rich.</p> <p>MY 10/26/2015 Not completed at this time. For sustainability, please consider using the following fact to justify sustainability: Renewable energy power generation in the country is cheaper than diesel fired power generation, which is showed in your document in cost-effective analysis.</p> <p>MY 12/9/2015 Yes. Comments were addressed.</p>
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		<p>MY 4/29/2015: Yes. The project structure and design have been changed but they are sufficiently close to what were presented</p>

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	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?		<p>at the PIF. The Agency also clearly presented the changes in a table on pages 3 and 4.</p> <p>MY 4/29/2015: Not at this time. The Agency did not demonstrate in detail how the global environment benefits will be cost-effectively achieved. Please see Comments in Box 8.</p> <p>MY 10/26/2015 Yes. Comments were addressed.</p>
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, February 13,2013. Yes	MY 4/29/2015: Yes, most of the co-financing will be in cash and the ratio is more than 10.
	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?	<p>ANW, February 13,2013. No. The co-financing provided by UNDP is 1.25% of the total co-financing. Also the co-financing provided by UNDP is in-kind. Please consider increasing the UNDP co-financing to reflect its role.</p> <p>ANW, March 14, 2013: According to the Agency, UNDP's co-financing to this initiative represents 20% of its core resources for the next 5 years. It has been clarified that UNDP contribution is in cash and not in-kind as captured earlier. Comment cleared.</p>	MY 4/29/2015: Yes.
	18. Is the funding level for <b>project management cost</b> appropriate?	ANW, February 13,2013. Yes. The project management cost provided is 5% of the GEF-grant subtotal.	MY 4/29/2015: Yes, it is 5%.
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from	ANW, February 13,2013. Yes the PPG is requested and approved.	MY 4/29/2015: Yes.

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	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?		The Agency reported on the activities using the PPG fund on page 25.
	20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?	ANW, February 13,2013. This is grant.	MY 4/29/2015: N/A
Project Monitoring and Evaluation	21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?		MY 4/29/2015: Not at this time.  The Tracking Tools had not been submitted by March 23, 2015.  MY 10/26/2015 Not at this time. A piece of information is missing in the Tracking Tool. Please complete it and resubmit it.  MY 12/9/2015 Yes. Comments were addressed and the Tracking Tool was completed.
	22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?		MY 4/29/2015: Yes, on page 16.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		MY 4/29/2015: Yes, on pages 22 and 23.
	• Convention Secretariat?		MY 4/29/2015: N/A
	• The Council?		MY 4/29/2015:



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			<p>Not at this time.</p> <p>Per the PIF and the CEO ER documents, the Agency took into account the comments of the German and US Council members while developing the CEO ER. But the Agency did not formally address these comments. Please see the comments below and address them in a Table and in the text of the CEO ER.</p> <p>Germany Germany approves the following PIF in the work program but asks that the following comments are taken into account: Suggestions for improvement to be made during the drafting of the final project proposal:  <ul style="list-style-type: none"> <li>• The project framework defines an output "reduction of insurer premiums/contingencies".</li> <li>• It is not defined how this output shall be achieved and it should be clarified if direct support to insurers is excluded. Further, the indicated total cost of component 2 seems rather high.</li> <li>•The proposal mentions a barrier of limited hydropower expertise at MMIE and MFE which seems strange in view of the country relying to one third on hydropower. In view of the significant hydropower share refurbishment/repowering could be taken into the list of measures to enhance electricity production.</li> </ul> </p>

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			<ul style="list-style-type: none"> <li>• Paragraph 11 describes that the Chinese SynoHydro Corporation might invest in hydropower activities together with government's oil and gas revenues. Clarification is sought about how oil and gas revenues are assigned either to the SynoHydro Corporation or to the GEF funded activities, respectively in how far replication can be achieved.</li> </ul> <p>United States</p> <ul style="list-style-type: none"> <li>• We are concerned that the mitigation measures for the risks mentioned are not strong enough. The lack of policy and regulatory structure for small scale renewable energy coupled with the high risk of conflict among various government institutions is worrying.</li> <li>• The project could benefit from an explanation of the relative costs and benefits of small scale hydropower compared to other renewable energy options, especially given the possibility of climate change affecting rainfall patterns and river flow (reduced rainfall/river flow will have a proportionally larger effect on small hydropower projects as compared to large hydropower projects).</li> <li>• The project would also be strengthened by including public participation, especially participation by any local civil society organizations that could provide input or help to implement these projects.</li> <li>• The project mentions fuel subsidies and a plan to phase them out, but it is not clearly explained how this would</li> </ul>

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			<p>happen.</p> <ul style="list-style-type: none"> <li>The United States believes the goal of sustainable energy development is beneficial in Equatorial Guinea. However, the United States, in light of its policies for certain development projects, abstains from participating in the decision.</li> </ul> <p>YM 10/26/2016 Not completed at this time. Please read the comments of the Council members and address them one by one.</p> <p>MY 12/9/2015 Yes. Comments were addressed.</p>
	<ul style="list-style-type: none"> <li>Other GEF Agencies?</li> </ul>		<p>MY 4/29/2015: N/A</p>
<b>Secretariat Recommendation</b>			
<b>Recommendation at PIF Stage</b>	<p><b>24. Is PIF clearance/approval being recommended?</b></p>	<p>ANW, February 13, 2013: Not at this time. Please address the comments in boxes 6,12,13 and 17.</p> <p>ANW, March 14, 2013: The PIF has been technically cleared and may be included in an upcoming Work Program</p>	
	<p>25. Items to consider at CEO endorsement/approval.</p>		
<b>Recommendation at CEO Endorsement/ Approval</b>	<p><b>26. Is CEO endorsement/approval being recommended?</b></p>		<p>MY 4/29/2015:  Not at this time.</p> <p>Please address the comments in Boxes: 8, 9, 11, 13, 15, 21, and 23.</p> <p>MY 10/26/2015:</p>

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			<p>Not at this time. Please address the comments in Boxes: 13, 21 and 23.</p> <p>MY 12/9/2015  Yes. All comments were addressed. The project is technically cleared. The PM recommend CEO endorsement for this project.</p>
	First review*	February 13, 2013	April 29, 2015
	Additional review (as necessary)	April 29, 2013	October 26, 2015
	Additional review (as necessary)		December 09, 2015
<b>Review Date (s)</b>			

\* **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.**