



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

GEF ID:	5289		
Country/Region:	Guinea		
Project Title:	Developing a Market for Biogas Resource Development and Utilization in Guinea		
GEF Agency:	UNDP	GEF Agency Project ID:	4780 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-3;		
Anticipated Financing PPG:	\$60,000	Project Grant:	\$2,647,706
Co-financing:	\$10,150,000	Total Project Cost:	\$12,857,706
PIF Approval:		Council Approval/Expected:	June 01, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Franck Jesus	Agency Contact Person:	Saliou Toure

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 ?	FJ - Feb 8, 2013: Yes, Guinea ratified the UNFCCC on May 7, 1993.	
Resource Availability	2. Has the operational focal point endorsed the project?	FJ - Feb 8, 2013: Yes, by letter dated Aug 29, 2012.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
Resource Availability	<ul style="list-style-type: none"> • the STAR allocation? 	FJ - Feb 8, 2013: No. The country has a flexible allocation with \$4.63 million remaining. Within the April 2013 work program, the country is allocating \$1.665 million as part of the fifth operational phase of the GEF SGP. The UNDP PIF STAR allocation request (including project grant, management costs, fees, PPG and associated fees) for this project	

		allocation of Guinea by \$35,062. Please revise the amount requested to fit in the remaining allocation. FJ - Apr 2, 2013: The budget has been revised. Comment cleared.	
	• the focal area allocation?		
	• 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 results framework and strategic objectives ? <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 - Feb 8, 2013: Yes.	
	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?	FJ - Feb 8, 2013: Yes.	
	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?	FJ - Feb 8, 2013: Please address Q8 and Q13. FJ - Apr 2, 2013: Some of the responses provided seem contradictory. The PIF explains that baseline activities focus on small scale bio-digesters while the GEF funds will be	

Project Design		<p>PIF includes elements implying that the GEF funds will also be used to support small scale digesters. Please clarify. Doing so, please consider focusing the GEF supported activities only on large scale bio-digesters as small scale digester are already covered by the baseline activities.</p> <p>FJ - Apr 8, 2013: Comment cleared.</p>	
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>FJ - Feb 8, 2013: Please address Q8 and Q13.</p> <p>FJ - Apr 2, 2013: Please address Q6, Q8 and Q13.</p>	
	8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>FJ - Feb 8, 2013:</p> <p>a) Please clarify the added value of GEF funded activities for policies, laws and regulations on biogas under component 1 compared to similar baseline activities of the PRONIASE project.</p> <p>b) The project has a target of 2,000 small (6m3) family sized units constructed and installed (Output 2.6) but the document indicates that the National program for domestic biogas in Guinea funded by the EU already has the exact same target. Please clarify.</p> <p>c) The output 1.4 aims at a complete assessment of Guinean Biogas resource potential but the document mentions a UNDP sub-program under PRONIASE already focusing on a Study on the bioenergy potential of Guinea. Please clarify.</p> <p>d) Please briefly clarify how the provided CO2 impact number was calculated.</p> <p>FJ - Apr 2, 2013: a) to c) Please address O6.</p>	

		<p>estimate the expected emissions reductions due to the GEF project is incorrect on two aspects: (i) the emission reductions linked with the small scale digesters are part of the baseline and should not be counted as results of the GEF project; (ii) the methodology should account for the emissions related to the burning of the digesters' methane. Also, for the CEO endorsement request, please clarify the difference that may occur between the current emissions of the aerobic fermentation of livestock and agriculture waste and the emissions of the anaerobic fermentation of these wastes. The digesters' anaerobic fermentation is designed to produce CH₄ and may produce more CH₄ than would happen in the baseline scenario through aerobic fermentation.</p> <p>FJ - Apr 8, 2013: Corrections have been made to the estimations. Comments cleared.</p>	
	<p>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?</p>		
	<p>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>FJ - Feb 8, 2013: Yes.</p>	
	<p>11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient</p>	<p>FJ - Feb 8, 2013: The risk analysis mentions the development of a microfinance scheme to support biogas manufacturing but no</p>	

	<p>measures to enhance climate resilience)</p>	<p>appear in the project framework or the component description. Please clarify.</p> <p>FJ - Apr 2, 2013: Please clarify what the pre-financing mechanism for technical assistance will be used for and whether/how it will support the development of a manufacturing and maintenance capacity in the country.</p> <p>FJ - Apr 8, 2013: Comment Cleared. It is expected, at CEO endorsement stage, that details will be provided on the design, functioning and sustainability of the pre-financing mechanism.</p>	
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>FJ - Feb 8, 2013: Please address Q8.</p> <p>FJ - Apr 2, 2013: Please address Q6.</p> <p>FJ - Apr 8, 2013: Comment cleared.</p>	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • 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 intervention. 	<p>FJ - Feb 8, 2013:</p> <p>a) Please clarify the buy in of the government for implementing an incentive schemes for biogas technology applications beyond the project demonstration target. Please clarify the financial resources that would be used for such scheme.</p> <p>b) Please clarify how the project will ensure that the necessary training identified may continue beyond the project implementation.</p> <p>c) Please explain how the project will ensure that biogas development will proceed beyond the 10+2000 biogas demonstrations planned in the project</p>	

d) The cost of a small-scale bio-digester (\$800) seems relatively high and has a payback investment (5 years) that seems relatively long for a local household. Please clarify whether similar investment size and payback time are common for Guinean rural households.

e) The proposed development of bio-digesters relies on 25-30% grant subsidies and on 70% microcredit loans. Please clarify (i) what will replace the 25-30% grant subsidies once the project is implemented, (ii) how the transition will be managed, and (iii) whether existing micro-finance institutions have the financial resources to support a large scale development of bio-digesters beyond the implementation of the project.

f) Please clarify what is meant by the terms "value chain analysis", and "business models" used page 7 of the PIF and what the project will do to address these issues.

g) The PIF makes reference to a need to develop a functional market supplied with good quality, sustainably produced and affordable biogas in response to adequate demand. Please clarify what kind of market is envisioned here. Biogas production plants considered are small and seem likely to mainly focus on self-consumption. If not, please clarify what form the distribution of biogas may take and the implication it would have on the project. Please also clarify what is meant page 8 by "biogas infrastructure".

FJ - Apr 2, 2013:

a) Please clarify whether the investment fund for the construction of bio-digesters,

Biogas will be available for large scale digesters.

b) Please address Q11. At CEO endorsement stage a detailed description of the pre-financing mechanism for technical assistance is expected along with explanation of its funding sources, its sustainability and details about the capacity of the institution that will be in charge of managing this mechanism.

c) and e) The overall scheme of financial mechanisms and technical assistance support for large scale digester is still confusing. It is understood that the project will provide large scale digester proponents with (i) technical assistance through a pre-financing mechanism, (ii) micro-finance credits, and (iii) access to subsidies through the investment fund of the National program of Biogas. Please clarify if that is effectively the support framework considered by the project.

- For the technical assistance part, please identify what type of technical assistance is considered.
- For the micro-finance credits, it is expected that, by CEO endorsement request, a detailed description of the type of credits proposed, their management and the identified funding sources will be provided.
- For the national subsidy, please clarify whether the project will support the design of the investment fund, the level of subsidy envisioned, and its evolution over time. At CEO endorsement stage, a detailed description of the subsidy scheme and its funding sources is also expected.

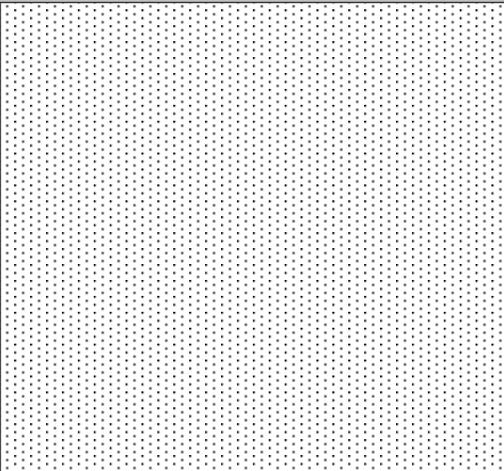
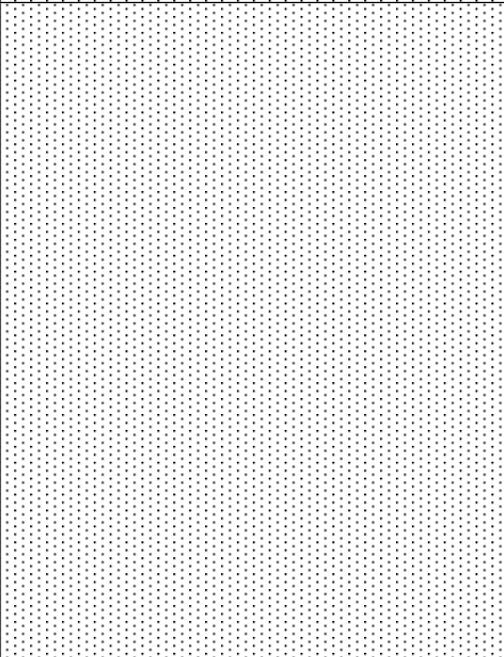
d) Since the GEF funds will be used for large scale bio-digesters, please clarify

		<p>scale flexible bio-digesters are useable in the Guinean context. f) Cleared. g) Please address Q6.</p> <p>FJ - Apr 8, 2013: Comments Cleared. It is expected, at CEO endorsement stage, that details will be provided on how the project will support the design of the biogas investment fund and on how the latter will support large scale bio-digesters.</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>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>		
<p>Project Financing</p>	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>FJ - Feb 8, 2013: a) Please clarify where and how the UNCDF micro-finance co-financing is expected to be used in the project framework? b) Please revise the agency fee indicated on top of page 1 as it should not include the amount of the PPG agency fee. c) The PIF indicates page 6 that the overall budget of CERESCOR and University of Conakry is counted as co-financing while these institutions are working on a range of applications (from improved cookstoves to various solar PV applications) wider than biogas. Please clarify.</p>	

		<p>a) Please address Q6 and Q13 c) and e) b) Cleared c) Cleared. The "overall budget" mentioned refers only to the biogas production programs of CERESCOR.</p> <p>FJ - Apr 8, 2013: Comments cleared</p>	
	<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 bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	<p>FJ - Feb 8, 2013: Yes.</p>	
	<p>18. Is the funding level for project management cost appropriate?</p>	<p>FJ - Feb 8, 2013: Yes.</p>	
	<p>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?</p>	<p>FJ - Feb 8, 2013: A PPG is requested for \$65,700.</p>	
	<p>20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?</p>	<p>FJ - Feb 8, 2013: The project is a grant.</p>	
Project Monitoring and Evaluation	<p>21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p>		
	<p>22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?</p>		

	responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		

Secretariat Recommendation

<p>Recommendation at PIF Stage</p>	<p>24. Is PIF clearance/approval being recommended?</p>	<p>FJ - Feb 8, 2013: No. Please address the above comments. Before any further development, this proposal should be discussed with the GEF Secretariat.</p> <p>FJ - Apr 2, 2013: No. Please address the above comments.</p> <p>FJ - Apr 8, 2013: Yes. The PIF has been technically cleared and may be included in an upcoming Work Program, subject to availability of resources in the GEF Trust Fund.</p>	
	<p>25. Items to consider at CEO endorsement/approval.</p>	<p>FJ - Apr 8, 2013: a) At CEO endorsement stage a detailed description of the pre-financing mechanism for technical assistance is expected along with explanation of its funding sources, its sustainability and details about the capacity of the institution that will be in charge of managing this mechanism. b) It is expected, at CEO endorsement stage, that details will be provided on how the project will support the design of the biogas investment fund and on how the latter will support large scale bio-digesters. c) For the micro-finance credits, it is expected that, by CEO endorsement request, a detailed description of the type of credits proposed, their management and the identified funding sources will be</p>	

		d) For the national subsidy, at CEO endorsement stage, a detailed description of the subsidy scheme and its funding sources is expected, along with a clear description of how the subsidy will evolve over time.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	February 08, 2013	
Review Date (s)	Additional review (as necessary)	April 02, 2013	
	Additional review (as necessary)	April 08, 2013	

* **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.**