



GEF-6 GEF SECRETARIAT REVIEW FOR FULL-SIZED/MEDIUM-SIZED PROJECTS THE GEF/LDCF/SCCF TRUST FUND

GEF ID:	9650		
Country/Region:	Guyana		
Project Title:	Mainstreaming Low-emission Energy Technologies to Build Guyana's Green Economy		
GEF Agency:	UNDP	GEF Agency Project ID:	5831 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-6 Focal Area/ LDCF/SCCF Objective (s):	CCM-1 Program 1;		
Anticipated Financing PPG:	\$50,000	Project Grant:	\$1,750,172
Co-financing:	\$6,424,430	Total Project Cost:	\$8,224,602
PIF Approval:	March 29, 2017	Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Milena Vasquez	Agency Contact Person:	Marcel Alers

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
Project Consistency	1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹	MO October 31, 2016 Partially Yes. The project is aligned with CCM 1 Program 1. Please see box 4. MO February 27, 2017 Comment cleared.	Acknowledged. Please refer to the answer under 4.
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MO October 31, 2016 Yes. The project is aligned with the INDC.	
Project Design	3. Does the PIF sufficiently indicate the	MO October 31, 2016	The project strategy and logframe have

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
	<p>drivers² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?</p>	<p>The project is not sustainable nor innovative. The proposed components do not address barriers discussed in paragraph 10 and 11. Paragraph 40 discusses innovative financing scheme, but this is not reflected in project components. Paragraph 41 discusses scaling up through a transformation of the formal power sector, but the project does not target this sector.</p> <p>MO February 27, 2017 Comments cleared.</p>	<p>been revised, clarifying the relation between proposed outcomes/outputs and the identified barriers; see the table in the PIF, par 15. There is increased focus on addressing the business models and finance barriers, which will be supportive to sustainability of investments. Innovative elements are introduced including the Derisking Renewable Energy Investment (DREI) framework, developed by UNDP, which assists policymakers in developing countries to cost-effectively promote investment in renewable energy. (See: http://www.undp.org/content/undp/en/home/librarypage/environment-energy/low_emission_climateresilientdevelopment/derisking-renewable-energy-investment.html)</p> <p>The Project will further draw upon output and experiences obtained from parallel GEF-funded UNDP initiatives in the Caribbean, including the DREAM project in Barbados (GEF ID 5453) and the LCDP in Dominica (GEF ID 5686), both currently under implementation. Innovative business and contracting</p>

¹ 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 the project's contribution toward achieving the Aichi Target(s)?

² Need not apply to LDCF/SCCF projects.

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
			<p>modalities include energy performance contracting (ECP), financing, operation and transfer schemes (BOOT) and financial lease. The introduction of such schemes would be a major step forward for Guyana to attract private businesses to invest in RE and EE technologies in Guyana.</p> <p>The intended message in paragraph 41 was that RE/EE investments in the formal power sector (GPL) are outside the scope of this Project; the upscaling potential considered and influenced by the Project would be distributed and stand-alone RETs, and EE technologies implemented in private and public sectors (excluding the formal energy sector). The phrasing has been clarified correspondingly.</p>
	4. Is the project designed with sound incremental reasoning?	<p>MO October 31, 2016</p> <p>(1) Policy on renewable energy is already included in the IADB/GEF project (GEF ID 4520). Please provide justification for the component 1.</p> <p>(2) Output 1.3 ("preparation of proposal") is not appropriate as the GEF project. It should discuss the result/output/outcome which are aligned with the GEF-6 Strategy.</p> <p>(3) Basic procurement process (output 2.1, 2.2, 2.3) is not regulated by climate policy. The relevant activities</p>	<p>(1) The role and objectives of the IDB project are acknowledged, as well as IDB's long-term support to strengthen institutional capacities and governance of Guyana's power sector, including technical assistance to Guyana Power & Light (GPL) and investment in the transmission and distribution systems.</p> <p>Notwithstanding, Guyana still lacks an overall energy strategy. No strong linkages exist between energy policy and Guyana's Low-carbon Development Strategy (LCDS) and actions to increase</p>

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
		<p>should be supported by co-financing.</p> <p>MO February 27, 2017 Comments cleared.</p>	<p>resilience of the energy sector to the effects of climate change.</p> <p>Support for such strategy is included in the Project to enhance momentum, considering that the new Government demonstrates more ownership than in previous decades. As such, the proponents believe that it would be a lost opportunity not to facilitate this process. The feasibility of this output (delivering an energy sector strategy) will be carefully assessed during the PPG; this will include engaging with other agencies and multilaterals supporting Guyana's energy sector. This GEF Project would focus on the integration of distributed low-emission energy technologies into the envisaged energy strategy, rather than the formal power sector.</p> <p>(2) This output has been removed (see revised logframe). Mobilization of investment capital is now pursued through innovative business and financing modalities (output 1.1) and facilitating access to multi/bilateral funding under Guyana's LCDS (output 2.2). The ambition level has been increased (from proposals to established mechanisms).</p> <p>(3) This is acknowledged. A more comprehensive output has been formulated (2.2) aimed at mainstreaming</p>

PIF Review

Review Criteria	Questions	Secretariat Comment	Agency Response
			RE/EE technologies into public procurement, which covers activities such as eligibility criteria and their incorporation into public contracting procedures. GEF funding will only be used to cover incremental costs.
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MO October 31, 2016 Please revise entire components to address drivers and barriers discussed in paragraph 10 and 11 and to be aligned with GEF-6 strategy.</p> <p>MO February 27, 2017 Comment cleared. Although the components have been improved, the cost-efficiency is quite low. Through PPG, please improve the efficiency and increase GEBs.</p>	Please refer to the adjustments made to the project logframe and strategy.
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	MO October 31, 2016 Yes.	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• The STAR allocation?	MO October 31, 2016 Yes.	
	• The focal area allocation?		
	• The LDCF under the principle of equitable access		
	• The SCCF (Adaptation or Technology Transfer)?		

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
	<ul style="list-style-type: none"> Focal area set-aside? 		
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	<p>MO October 31, 2016 Not at this time. Please address comments in box 1, 3, 4 and 5.</p> <p>MO February 27, 2017 Comments cleared. The Program Manager recommends PIF clearance. Before submitting CEO MSP approval request, please improve cost-efficiency and increase GEBs.</p>	
Review Date	Review	October 31, 2016	
	Additional Review (as necessary)	February 27, 2017	
	Additional Review (as necessary)		

CEO endorsement Review			
Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Project Design and Financing	1. If there are any changes from that presented in the PIF, have justifications been provided?	MGV, April 12, 2018: There are have been changes to Table B and the scope of several outputs. The GEF project financing breakdown per component has also changed mainly to decrease the amount allocated to	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>the INV portion of Component 3 and reallocating that amount to the to the other components. Changes to component 1 are well justified.</p> <p>Please address the following comments:</p> <p>a) We note that the PMC has been increased from \$130,172 to \$160,172, which is above the 10% ceiling. Please reduce to 10% or less than the subtotal.</p> <p>b) Changes to component 2 require further clarification and refinement, particularly Output 2.2. Developing proposals to access international climate funding does not seem aligned with the rest of the outputs in the component, which aim to strengthen policy support and institutional capacities. It is understood that the cofinancing from the REDD+ Investment Fund is not available, however, the original project output was to set up a funding window and developing funding proposals for the NAMA Facility and the GCF does not seem to address the barrier of poor mobilization of investment capital, especially non-donor funds. Please think how this output may be able to involve the domestic and international financial sector and focus on attracting private</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>investment, in addition to funding from multilateral banks and donors. It should directly support Component 3.</p> <p>c) Please add a description to the changes in financing and thus scope if not phrasing of outputs proposed for Component 3 to the table in p. 5-6.</p> <p>MGV, June 13, 2018:</p> <p>a) PMC has been reduced to below 10%. Comment cleared.</p> <p>b) Changes to component 2 have been further clarified. Output 2.1.2 has been restructured from focusing on developing funding proposals to enhancing coordination and capacity for financing low-carbon energy projects in the Office of Climate Change. Comment cleared.</p> <p>c) Changes to component 3 have been justified. Comment cleared.</p>	
	<p>2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?</p>	<p>MGV, April 12, 2018: Please address the following comments:</p> <p>a) Please clarify the status of the 3 MW solar PV project. Is there already potential funding for it or will the project enable it to get financed? Have feasibility studies including solar resources assessments already been carried out?</p> <p>b) Please clarify if the hybrid grid projects would aim to retrofit existing diesel generating units with solar PV, battery storage and/or micro-hydro,</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>or if the projects would be entirely new developments.</p> <p>c) According to the results framework, all four projects are expected to be completed by project completion, which is ambitious considering the different types and locations of the potential pilot projects. Please comment on this.</p> <p>MGV, June 13, 2018:</p> <p>a) Solar PV project is not yet developed or financed and it may actually become 2-3 distinct projects. Comment cleared.</p> <p>b) The hybrid grid projects focus on existing diesel systems that will be retrofitted with solar PV. The GEF support will focus on system optimization. Comment cleared.</p> <p>c) Project proponents believe all pilots are feasible and can be achieved within the project's timeline. Comment cleared.</p>	
	<p>3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?</p>	<p>MGV, April 12, 2018: Please address the following comment:</p> <p>a) Please clarify how the pilot projects under Component 3 are expected to be financed, especially considering the reduction in financing for that component. Is the cofinancing listed enough to support all 4 pilot projects?</p>	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		<p>MGV, June 13, 2018: a) The project will need to leverage additional co-financing of approximately \$3.5M to implement the projects. Project proponents hope these will be provided by the IPP company or government, as well as other partners for the hybrid local grids. However, no additional commitments have materialized at this time. The project will focus GEF resources on removing the barriers to these investments materializing and increasing cost-effectiveness, nonetheless the project proponents believe financing these 4.4 MW of projects is feasible. Comment cleared.</p>	
	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)	MGV, April 12, 2018: Yes.	
	5. Is co-financing confirmed and evidence provided?	MGV, April 12, 2018: Yes, cofinancing letters are provided.	
	6. Are relevant tracking tools completed?	MGV, April 12, 2018: The CCM tracking tool submitted is an old version. Please use the GEF-6 CCM Tracking Tool, which can be found here (http://www.thegef.org/documents/gef-	

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
		climate-change-mitigation-tracking-tool). MGV, June 13, 2018: An updated CCM tracking tool has been submitted. Comment cleared.	
	7. <i>Only for Non-Grant Instrument:</i> Has a reflow calendar been presented?		
	8. Is the project coordinated with other related initiatives and national/regional plans in the country or in the region?	MGV, April 12, 2018: Yes, the project is coordinated with the GEF project Sustainable Energy Program for Guyana implemented by the IADB, as well as the Japan-Caribbean Climate Change Partnership and the REETA project.	
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?	MGV, April 12, 2018: Yes.	
	10. Does the project have descriptions of a knowledge management plan?	MGV, April 12, 2018: Yes.	
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC	MGV, April 12, 2018: GEBs have increased since PIF, but co-financing has decreased. Comments related to these changes are made above.	
	• STAP	N/A	
	• GEF Council	N/A	

³ If it is a child project under a program, assess if the components of the child project align with the program criteria set for selection of child projects.

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
	<ul style="list-style-type: none"> • Convention Secretariat 	N/A	
Recommendation	12. Is CEO endorsement recommended?	<p>MGV, April 12, 2018: Not yet. Please address comments above.</p> <p>MGV, June 13, 2018: All comments have been addressed. PM recommends CEO Approval.</p>	
Review Date	Review	April 12, 2018	
	Additional Review (as necessary)	June 13, 2018	
	Additional Review (as necessary)		