



## GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS\*

### THE GEF/LDCF/SCCF TRUST FUNDS

GEF ID:	4520		
Country/Region:	Guyana		
Project Title:	Sustainable Energy Program		
GEF Agency:	IADB	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; CCM-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$5,000,000
Co-financing:	\$23,370,000	Total Project Cost:	\$28,370,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Dimitrios Zevgolis	Agency Contact Person:	Jesus Tejeda

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	DZ/AL, May 4, 2011: Yes.	
	2. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DZ/AL, May 4, 2011: This is a grant.	
	3. Has the operational focal point endorsed the project?	DZ/AL, May 4, 2011: Yes, by letter signed on Feb 22, 2011.	
Agency's Comparative Advantage	4. Is the Agency's comparative advantage for this project clearly described and supported?	DZ/AL, May 4, 2011: Yes. The IA both has personnel on the ground, and experience from several previous projects in the country.	
	5. Is the co-financing amount that the Agency is bringing to the project in line with its role?	DZ/AL, May 4, 2011: Yes.	
	6. Does the project fit into the Agency's program and staff capacity in the country?	DZ/AL, May 4, 2011: By promoting economic diversification, the project directly supports the IADB Strategy's first pillar: Strategic Infrastructure Investments	

\*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 9-8-2010

		in Energy. The project will also contribute to the achievement of several government efforts and selected IDB funded electrification programs. IADB has staff in the country that has capacity and previous experience from working with energy projects.	
Resource Availability	7. Is the proposed GEF/LDCF/SCCF Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DZ/AL, May 4, 2011: The total STAR allocation for Guyana is US\$6.3 million while the CC allocation is US\$2 million. The proposed project requests US\$5.5 million, under the flexibility rule.	
	• the focal area allocation?	DZ/AL, May 4, 2011: The total STAR allocation for Guyana is US\$6.3 million while the CC allocation is US\$2 million. The proposed project requests US\$5.5 million, under the flexibility rule.	
	• the LDCF under the principle of equitable access?	N/A	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
	• focal area set-aside?	N/A	
Project Consistency	8. Is the project aligned with the focal area/multi-focal area/ LDCF/SCCF results framework?	DZ/AL, May 4, 2011: Yes.	
	9. Are the relevant GEF 5 focal area/ LDCF/SCCF objectives identified?	DZ/AL, May 4, 2011: The project is aligned with Focal Area Objectives CCM-3 (outcome and indicator 3.1, outcome and indicator 3.2) and CCM-2 (outcome and indicator 2.1, outcome and indicator 2.3). The relevant GEF5 objectives are identified in the Table A, however those mentioned under Section A.1.1 are the GEF4 programs. Please rectify.  DZ, Aug 30, 2011: Comment addressed.	
	10. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, and NCSA?	DZ/AL, May 4, 2011: Yes. The project is consistent with Government of Guyana's priorities, its energy sector strategies as well as the recent Low Carbon Development Strategy.	

	11. Does the proposal clearly articulate how the capacities developed will contribute to the institutional sustainability of project outcomes?	DZ/AL, May 4, 2011: Not clearly. The recipients of the capacity building activities are not clearly identified as those involved in the institutions responsible for the implementation of the project.  DZ, Aug 30, 2011: Comment addressed.	
Project Design	12. Is (are) the baseline project(s) sufficiently described and based on sound data and assumptions?	DZ/AL, May 4, 2011: It is unclear how the new project will build upon baseline activities. In several instances an overlap of present activities seem to take place (Guyana Energy Agency has activities promoting EE, UAEP will provide solar PV to communities, IDB has provided PV panels to 14 communities based on funding from UAEP, etc). Furthermore most present and short term future demand will be met by the hydro project AFHEP. Please describe clearly which of the described outputs will derive from the baseline activities that will be cofinanced by the soft loans and grants that will be provided by the GEF Agency.  DZ, Aug 30, 2011: The baseline project activities are better defined. However, some of these activities (and their cofinancing) cannot be considered as part of the project since they are not clearly linked with the delivery of global environment benefits. These activities include the installation of meters and the reconfiguration of networks (~\$5m of cofinancing). Also, please clarify the baseline activity regarding "alternative studies for the use of low carbon technologies." Does this activity concern only a specific large hydro power plant (150MW) other than the AFHEP project? Finally, please clarify the baseline activity of the development of a public financial mechanism financed with \$5m; is this funding the seed funding for the financial mechanism and how this funding is linked	

		with the investments under the investment sub-component which are GEF-financed?	
		DZ, Dec 22, 2011: Clarifications provided. Comment cleared.	
	13. Is (are) the problem(s) that the baseline project(s) seek/s to address sufficiently described and based on sound data and assumptions?	DZ/AL, May 4, 2011: Please see the above comment.  DZ, Aug 30, 2011: Please see the above comment.  DZ, Dec 22, 2011: Comment cleared.	
	14. Is the project framework sound and sufficiently clear?	DZ/AL, May 4, 2011: No. The following comments should be addressed: Component 1: This component has two subcomponents: a TA and an INV subcomponent. The TA part includes an activity for the detailed review of the electricity sector to identify existing barriers that limit the development of RE projects. Given the many energy/electrification projects that have already taken place/are ongoing in Guyana it seems unreasonable to assume that no review of the legal institutional and regulatory aspects of the electricity sector has taken place. In any case this activity should be done during the project preparation phase in order to decide the final design of the incremental activities to be funded by the GEF. Additionally, the "preparation of a set of proposals for improvements" seems to lack ambition and commitment from the side of the executing partner (Office of the Prime Minister); why not aim to implement the improvements? Moreover, under the same component "4 RE measuring stations [will be] installed." According to the description in p.7 these stations will determine the quality of solar and wind resources in potential sites. Does this mean that 4 potential sites are already identified? In that case, the benchmarking evaluation and general screening are not needed. It should also	

	<p>be noted that the total allocated financing (US\$2.7 million) for these TA activities is too high; reallocation of funding to the investment components is more suitable. Also, the investment subcomponent has extremely low capacity targets considering the size of the allocated funding (US\$12.35 million). Please use reasonable cost assumptions and revise the installation targets accordingly.</p> <p>Component 2: This component also has two subcomponents: a TA and an INV subcomponent. The cost of the TA component (US\$4.35 million), especially in comparison with the INV component (US\$2.4 million), is extremely high; please consider the reallocation of funds. Also, it is not clear why the sectoral assessments are needed; the targeted sectors are not specified, while the EE project activities are only targeted to the buildings sector. It should also be noted that the national utility should have such data available, and the data of electricity losses too; in any case the collection of such data should be considered as a baseline activity. Moreover, the implementation of an "EE program in the power sector" is not analysed at all; please provide more information about the foreseen interventions under this program.</p> <p>The INV subcomponent refers to the installation of 3,000 power meters in buildings and the installation of 50,000 CFLs. Please use reasonable cost assumptions and revise the installation targets accordingly. It should also be noted that the installation of power monitors cannot bring energy savings if not accompanied by specific measures, please redesign. Also clarify if these power meters concern buildings where no electricity consumption measurement is taking place.</p> <p>Component 3: 850kUSD for 2 workshops and a campaign seems too high; please</p>	
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	<p>provide reasonable costs. Also, the first output is inconsistent: energy auditing training is not relevant to the implementation of solar and wind systems; please rectify. Also, the output regarding a report about the existing financial schemes is not relevant to this component, and it is not linked with any other project activity (e.g. the development of financial schemes. Financial barriers should be assessed during the project preparation, and the development of specific financial schemes should be considered under the investment components.</p> <p>Component 4: Mainly consists of a regional seminar which is expected to cost US\$800,000. This is not cost-efficient. Also, clarify who are the recipients of the workshop; is it international or national? A national awareness initiative is more proper, and seminars usually target more specific audiences than the general public.</p> <p>DZ, Aug 30, 2011: The project components have been modified.</p> <p>Component 1: The TA sub-component includes two activities: the revision of the framework to support RE and EE, and the "alternative studies." Regarding the "alternative studies," please clarify according to the comment 12. As for the revision of the institutional framework, according to the submitted cost analysis, only GEF funding is foreseen; please explain the lack of cofinancing for this activity.</p> <p>The installation of the RE monitoring stations has been transferred under the investment subcomponent, and according to the submitted cost analysis, only GEF funding is foreseen; please explain the lack of cofinancing for this activity.</p> <p>The investment subcomponent targets and funding have been upgraded. Please</p>	
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		<p>clarify the following:</p> <p>(i) Some activities (PV and wind power) are not cofinanced; how is this justified by applying the incremental cost principle for them?</p> <p>(ii) The financial mechanism is fully cofinanced; please explain which are the relevant installation targets.</p> <p>Since this sub-component concerns the majority of GEF funding, it is proposed to present it as a separate component.</p> <p>Component 2: This component does not require GEF funding, however more than 90% of its budget refers to activities (e.g. installation of meters, distribution lines) that address the reduction of non-technical losses, which dominate the distribution losses in the country according to the utility's statistics. Please substantiate the claimed global environment benefits of these activities.</p> <p>Component 3: The comments - referred to the old component 4 - are addressed.</p> <p>DZ, Dec 22, 2011: Clarifications provided and cofinancing is adjusted to the achievement of GEF objectives. Comments cleared.</p>	
	15. Are the incremental (in the case of GEF TF) or additional (in the case of LDCF/SCCF) activities complementary and appropriate to further address the identified problem?	<p>DZ/AL, May 4, 2011: Please see the above comment.</p> <p>DZ, Aug 30, 2011: Please see the above comment.</p> <p>DZ, Dec 22, 2011: Comment cleared.</p>	
	16. Are the applied methodology and assumptions for the description of the global environmental benefits/adaptation benefits sound and appropriate?	<p>DZ/AL, May 4, 2011: Targets are too modest for this level of financing.</p> <p>DZ, Aug 30, 2011: RE capacity installation targets are enhanced, however the targets that refer to the \$5m financial mechanism should be clarified. The cost assumptions seem sound. Please justify the allocation of costs between the GEF funding and cofinancing based on incremental reasoning.</p>	

		DZ, Dec 22, 2011: The allocation of cost between the GEF funding and cofinancing should be analytically justified at the CEO endorsement stage. Comment cleared.	
	17. Has the cost-effectiveness sufficiently been demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?	DZ/AL, May 4, 2011: No. Please address the above comments.  DZ, Aug 30, 2011: Please address the above comments.  DZ, Dec 22, 2011: Comment cleared.	
	18. Is there a clear description of the socio-economic benefits to be delivered by the project and of how they will support the achievement of environmental/ adaptation benefits (for SCCF/LDCF)?	DZ/AL, May 4, 2011: Socio-economic benefits are linked with the electrification activities. However the expected electrification targets of the project are too modest.  DZ, Aug 30, 2011: Electrification targets are enhanced. Please address the comment 16.  DZ, Dec 22, 2011: Comment cleared.	
	19. Is the role of civil society, including indigenous people and gender issues being taken into consideration and addressed appropriately?	DZ/AL, May 4, 2011: Civil society or community participation is not clearly foreseen.  DZ, Aug 30, 2011: Comment addressed.	
	20. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	DZ/AL, May 4, 2011: Yes.	
	21. Is the provided documentation consistent?	DZ/AL, May 4, 2011: There are inconsistencies between the submitted PIF and the PIF template provided by the GEFSEC regarding the Project Framework.  DZ, Aug 30, 2011: Comment addressed.	
	22. Are key stakeholders (government, local authorities, private sector, CSOs, communities) and their respective roles and involvement in the	DZ/AL, May 4, 2011: Only governmental authorities seem to be involved.  DZ, Aug 30, 2011: Comment addressed.	



	project identified?		
	23. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>DZ/AL, May 4, 2011: The related initiatives described are those that provide the project's cofinancing. A clear description of the activities that will be covered by the cofinancing (and their expected budget) should be provided.</p> <p>DZ, Aug 30, 2011: Cofinanced activities and their budgets are better described, however in the light of the above comments regarding the cost allocation, please enhance the description.</p> <p>DZ, Dec 22, 2011: Please provide an analytical description of the coordination scheme at the CEO Endorsement stage. Comment cleared.</p>	
	24. Is the project implementation/ execution arrangement adequate?	DZ/AL, May 4, 2011: It seems adequate.	
	25. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	26. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	27. Is the GEF/LDCF/SCCF funding level for project management cost appropriate?	<p>DZ/AL, May 4, 2011: PM costs are too high for this type of activities.</p> <p>DZ, Aug 30, 2011: Comment not addressed. GEF PM funding is more than 5% of the total GEF grant and 28% of the total PM budget. This high percentage of GEF PM funding does not reflect the expected cost savings due to the streamlining of the project with the on-going or planned IDB activities.</p> <p>DZ, Dec 22, 2011: GEF PM funding is</p>	

		under the 5% threshold; the comment is cleared.	
	28. Is the GEF/LDCF/SCCF funding per objective appropriate to achieve the expected outcomes and outputs according to the incremental/additional cost reasoning principle?	DZ/AL, May 4, 2011: GEF funding is too high for the level of outputs expected and considering the high volume of cofinancing.  DZ, Aug 30, 2011: Please address the comment 16.  DZ, Dec 22, 2011: Comment cleared.	
	29. Comment on indicated cofinancing at PIF. At CEO endorsement, indicate if cofinancing is confirmed.	DZ/AL, May 4, 2011: Cofinancing is too high for the level of outputs expected .  DZ, Aug 30, 2011: Please clarify which baseline project activities will be financed with the \$3m grant under the EC Energy and Water Initiative and the \$0.9m IDB grant for the expansion of bioenergy opportunities.  DZ, Dec 22, 2011: Clarifications provided. Further analysis of the baseline activities is expected at the CEO endorsement stage. Comment cleared.	
	30. Is the budget (GEF/LDCF/SCCF funding and co-financing) per objective adequate to achieve the expected outcomes and outputs?	DZ/AL, May 4, 2011: Please address the above comments.  DZ, Aug 30, 2011: Please address the above comments.  DZ, Dec 22, 2011: Comment cleared.	
Project Monitoring and Evaluation	31. Has the Tracking Tool been included with information for all relevant indicators, as applicable?	N/A	
	32. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	33. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		

Secretariat Recommendation			
Recommendation at PIF Stage	34. Is PIF clearance/approval being recommended?	<p>DZ/AL, May 4, 2011: No. We recommend the agency to discuss with the GEFSEC before further development of this proposal.</p> <p>DZ, Aug 30, 2011: No. We recommend the agency to discuss with the GEFSEC before further development of this proposal.</p> <p>DZ, Dec 22, 2011: PIF clearance is recommended.</p>	
	35. Items to consider at CEO endorsement/approval.	<p>Please address the following issues:</p> <ol style="list-style-type: none"> <li>1. Please provide analytical description of the baseline activities and their cofinancing.</li> <li>2. Please make efforts to enhance the cofinancing allocation in order to increase the project outputs relevant RE installed capacity.</li> <li>3. Please justify the format (grant vs. non-grant) and the size of the GEF funding for the investment activities based on sound cost assumptions and the incremental cost principle.</li> </ol>	
Recommendation at CEO Endorsement/ Approval	36. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	37. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	May 05, 2011	
	Additional review (as necessary)	August 30, 2011	
	Additional review (as necessary)	December 22, 2011	

\* 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.

## REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	
	2. Is itemized budget justified?	
Secretariat Recommendation	3. Is PPG approval being recommended?	
	4. Other comments	
Review Date (s)	First review*	
	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.