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

GEF ID:	**5539**		
Country/Region:	**Morocco**		
Project Title:	**Promoting the Development of Photovoltaic Pumping Systems for Irrigation**		
GEF Agency:	**UNDP**	GEF Agency Project ID:	**5284 (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:	**$100,000**	Project Grant:	**$2,639,726**
Co-financing:	**$49,100,000**	Total Project Cost:	**$51,839,726**
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	**Franck Jesus**	Agency Contact Person:	**Robert Kelly**

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion [1]	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating **country eligible**?	ANW, August 15, 2013: Yes.	
	2. Has the **operational focal point** endorsed the project?	ANW, August 15, 2013: No. The Agency is awaiting the Letter of Endorsement to be submitted by the Operational Focal Point (OFP). FJ - November 14, 2013: Cleared	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the **resources available** from (mark all that apply):		
	• the STAR allocation?	ANW, August 15, 2013: The climate change mitigation (CCM) allocation for Morocco is $5,810,000 while the	

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

[1] Work Program Inclusion (WPI) applies to FSPs only . Submission of FSP PIFs will simultaneously be considered for WPI.

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		Operational Focal Point (OFP) has endorsed two CCM projects totaling $5,410,504. Therefore, the remaining CCM allocation for Morocco is $399,496 which would not be enough to cover the proposed project of $3,000,000 which has no Letter of endorsement from the OFP. FJ - November 14, 2013: Cleared. The climate change mitigation (CCM) allocation for Morocco is $3,010,000. This project requests $3 million.	
	• the focal area allocation?	N/A	
	• the LDCF under the principle of equitable access	N/A	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
	• the Nagoya Protocol Investment Fund	N/A	
	• focal area set-aside?	N/A	
Strategic Alignment	4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF **results framework and strategic objectives**? *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).*	ANW, August 15, 2013: Yes.	
	5. Is the project consistent with the recipient **country's national strategies and plans** or reports and assessments under relevant	FJ - November 14, 2013: No. Please respond to the following comments and explain consistency with the country's national plans.	

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	conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?	a) The project proposal targets activities that are not part of the country's mitigation strategy presented in its 2010 mitigation strategy. b) The project targets a marginal portion of the emissions of the agricultural sector representing less than 20% of this sector's emissions, with no activity targeting the main emission sources of the sector. c) Please note that the project itself may or may not qualify as a NAMA, based on country priority and NAMA accession. It is however extremely prudent to strengthen and establish a robust MRV system which could be a governing pillar for all upcoming NAMA related projects and programs. Please clarify, if this project is designed to qualify as a NAMA. Morocco's submissions to the UNFCCC NAMA registry do not enlist the proposed project under the preparation/implementation category. FJ - Jan 21, 2014: Comments cleared. It is expected that the CEO endorsement request will clarify how the project will go beyond "recommendations to better align fertilizer subsidies with sustainable fertigation practices and support the Moroccan government in designing and implementing such alignment.	
	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?	ANW, August 15, 2013: FJ - November 14, 2013: Yes	

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Project Design	7. Are the components, outcomes and outputs in the **project framework** (Table B) clear, sound and appropriately detailed?	ANW, August 15, 2013: Under Component 1: a) Please clarify how the small-scale farmers to be provided with the 800 2kW off-grid PV pumps for drip irrigation will be selected. Also, please clarify what incentives the GEF funded project will provide to farmers to opt for GEF supported PV pumps rather than those of the baseline project. b) Please clarify the failure rates of the PV pump irrigation systems which are being implemented under the baseline project. c) Please clarify on the willingness of the farmers to switch from diesel powered pump to PV pump and the incentives that will make farmers want to adopt the new technology. Also, please clarify whether there have been market potential studies which will inform the implementation of the GEF project. d) This project seems to focus on small-scale farms switching to PV pumping systems. Please clarify what is the baseline for medium to large scale farms. e) By CEO endorsement, please provide the precise modalities for the collection scheme which will help to avoid a situation where the replaced fossil fuel based pumps are sold to other farmers. Under Component 2: f) By CEO endorsement, please provide the design details for the GEF RESCO as well as the business models (dealer/purchase/leasing/concession models etc) that will be utilized by this company.	

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		g) Please clarify on how many RESCOs will be created as a result of the GEF project. h) Please clarify on the plan which will be used to phase out grants/subsidies which are currently been provided by the baseline project. i) Please clarify how the GEF project will help to address the high initial cost of the Solar PV pump in the long-term and hence reduce the payback period to a farmer of switching from a diesel-powered pump to a PV pump which has been approximated at 6 years. Under Component 3: j) Please clarify how the proposed GEF project will help to phase out state funded grants and soft loans without increasing the cost burden on the farmers adopting the technology. Under Component 4: k) Please clarify the role of the body responsible for technical standards and how it will be engaged in the development and implementation of minimum equipment standards of PV equipment. l) The success of this project will be based on the local awareness of the farmers regarding the solar PV pump technology. Please clarify how this project will create this awareness and lead to increased adoption by local farmers. FJ - November 14, 2013: a) The rationale for using GEF grant to subsidize pumps for 800 farmers on top	

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		of the 1200 farmers subsidized by the Moroccan program is not clear. It may create confusion as farmers would face two different subsidy options. Moreover, the activities aiming at having tailored product, better standards, and facilitating access to RESCOs and local banks do not seem to apply to the bulk of the national program supported pumps. Please redesign the proposal with a stronger rationale for using GEF grant. b) Please address Q8.a). c) to g) Cleared. h) and j) Please address Q13 a). i) Please address Q8 b). k) Cleared. To be detailed for CEO endorsement. l) Please address Q13 b) FJ - Jan 21, 2014: Comments cleared.	
	8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	FJ - November 14, 2013: a) There does not seem to be a strong rationale for including the 1200 farmers supported by the baseline national program in the calculation of the GHG benefits of the project. Considering that they would all fail in the absence of the GEF support is far-fetched. Besides, the activities aiming at having tailored product, better standards, and at facilitating access to RESCOs and local banks do not seem to apply to the bulk of the national program supported pumps (national grants not conditional on these improvements). Therefore, it seems difficult to assume any positive influence on them. Please address these points and	

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		redesign the proposal. b) The national programme for solar irrigation pumps is modeled on Promasol. Since Promasol included measures for hardware quality certification, and technical capacity development, please clarify why the new program on solar pumps does not include similar activities and thus lead to the proposed project including them instead. FJ - Jan 21, 2014: Comments cleared.	
	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?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	FJ - November 14, 2013: 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 - November 14, 2013: Please clarify how the project will overcome financial institutions lending rules that would limit the provision of loans to farmers with either already high debt level or bad credit history. If the main risk mitigation strategy is targeting selected farmers without such issue, please then clarify how the project will enable further scaling up. FJ - Jan 21, 2014:	

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		Comment cleared.	
	12. Is the **project consistent and properly coordinated** with other related initiatives in the country or in the region?	FJ - November 14, 2013: Yes. Please provide details on complementarity and potential overlap with other existing initiatives prior to CEO endorsement request.	
	13. Comment on the project's **innovative aspects, sustainability, and potential for scaling up**. • 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.	FJ - November 14, 2013: a) The financial sustainability and capacity to scaling up of the project would need to be enhanced. The current ambition for a project with significant GEF and national support is rather limited (2000 out of 900,000 small-scale farmers. The project does not address the limited ambition deficiency identified page 8 of the PIF and does not seem to attempt to modify and improve the current national grant scheme. Please consider the following: (i) support modifications of the national grant support to gradually reduce the level of subsidy over the 4 years of the project; (ii) include activities during the last year of the project to assess the residual need for subsidy and help identify and put in place subsequent grant support before the completion of the project; (iii) support the introduction of conditions to access to the national subsidy similar to those of the proposed GEF supported 10% grant; (iv) merge the GEF proposed grant in the national grant to present to farmers only one subsidy option gradually decreasing over time. b) Please clarify how the project will	

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		ensure that sustainable means (include financial resources) are secured to enable the continuation of training and awareness raising activities beyond the project completion. Please ensure the project devotes appropriate activities and financing to do so. c) The estimated cost efficiency of the project for GHG emission reduction is not satisfactory with estimation likely to be underestimated at $21/tCO2 eq and more likely to be in the range of $52/tCO2 eq (if the impact of the 1200 baseline pumps is not included). Please revise the project proposal to drastically improve its cost-efficiency regarding emission reductions. FJ - Jan 21, 2014: Comments cleared. A detailed estimation of direct and indirect emission reductions is expected by CEO endorsement.	
	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?		
	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes	FJ - November 14, 2013: a) Component 3 is supposed to help design and put in place financial support to farmers from local banks and financial	

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Project Financing	and outputs?	institutions, but the total financing of the component is very low (not in line with the idea of a real financing mechanism) and does not include any co-financing from local banks and financial institutions. Please revise. b) Component 3 is supposed to help design and put in place design and implement â€˜smart' fiscal incentives but the total financing of the component is again very low (not in line with the idea of a fiscal incentive) and does not include co-financing from national institution that would be in line with setting up a fiscal incentive. Please revise. FJ - Jan 21, 2014: Comments cleared. The CEO endorsement request is expected to clarify and detail the co-financing of component 3 and its use.	
	17. At PIF: 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? At CEO endorsement: Has co-financing been confirmed?	FJ - November 14, 2013: Please address Q16. FJ - Jan 21, 2014: Cleared.	
	18. Is the funding level for **project management cost** appropriate?	FJ - November 14, 2013: Yes.	
	19. At PIF, 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? At CEO endorsement/ approval,	FJ - November 14, 2013: The amount requested for the PPG does not deviate from the norm.	

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	if PPG is completed, did Agency report on the activities using the PPG fund?		
	20. If there is **a non-grant instrument** in the project, is there a reasonable calendar of reflows included?	FJ - November 14, 2013: The project is a grant.	
Project Monitoring and Evaluation	21. Have the appropriate **Tracking Tools** been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a **budgeted M&E Plan** that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	**24. Is PIF clearance/approval being recommended?**	ANW, August 15, 2013: No. No letter of endorsement from the OFP has been submitted to the GEF Secretariat. In addition, the two CCM projects for Morocco that have already been endorsed by the OFP will utilize $5,410,504 from the CCM allocation leaving only $399,496 which is not enough to cover the budget of the proposed project. Please clarify with the Moroccan OFP on the way forward for this project. Pending the OFP decision, more detailed comments may follow.	

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		FJ - November 14, 2013: No. Please address the above comments. Please note that addressing these comments is likely to require important revisions in the project structure, objectives and activities. Please contact the GEF secretariat prior to re-submission. FJ - Jan 21, 2014: Yes. The project is technically cleared for consideration in a future work program.	
	25. Items to consider at CEO endorsement/approval.	FJ - Jan 21, 2014: a) It is expected that the CEO endorsement request will clarify how the project will go beyond "recommendations to better align fertilizer subsidies with sustainable fertigation practices and support the Algerian government into designing and implementing such alignment. b) The CEO endorsement request is expected to clarify and detail the co-financing of component 3 and its use.	
Recommendation at CEO Endorsement/ Approval	**26. Is CEO endorsement/approval being recommended?**		
	First review*	August 15, 2013	
Review Date (s)	Additional review (as necessary)	November 14, 2013	
	Additional review (as necessary)	January 21, 2014	

* **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.**