



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

GEF ID:	4490		
Country/Region:	Nigeria		
Project Title:	Small-scale Associated Gas Utilization		
GEF Agency:	World Bank	GEF Agency Project ID:	126201 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-1; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$2,727,236
Co-financing:	\$30,646,763	Total Project Cost:	\$33,373,999
PIF Approval:		Council Approval/Expected:	May 01, 2011
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Chizuru Aoki	Agency Contact Person:	Paola Agostini

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?	CA/DZ 1 April 2011: Yes, Nigeria is a NAI party of the Climate Change Convention.	
	2. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	This is a grant.	
Agency's Comparative Advantage	3. Has the operational focal point endorsed the project?	Yes, by letter signed on March 22, 2011.	
	4. Is the Agency's comparative advantage for this project clearly described and supported?	CA/DZ 1 April 2011: The agency implements rural electrification activities in the country and provides significant IDA funding.	
	5. Is the co-financing amount that the Agency is bringing to the project in line with its role?	CA/DZ 1 April 2011: The agency is bringing a US\$10 million loan. The baseline activities financed by this loan are not clearly described. CA/DZ, April 7, 2011: The baseline investment and TA activities financed by the \$10 million portion of the IDA credit are expected to be clearly defined at the	

	6. Does the project fit into the Agency's program and staff capacity in the country?	CA/DZ 1 April 2011: The project fits into the Country Partnership Strategy between the WB and Nigeria. Please provide information about the staff capacity in the country. CA/DZ, April 7, 2011: The comment is addressed.	
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?	Yes.	
	• the focal area allocation?	Yes.	
	• the LDCF under the principle of equitable access?	N/A	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
Project Consistency	8. Is the project aligned with the focal area/multi-focal area/ LDCF/SCCF results framework?	CA/DZ 1 April 2011: Please present the expected FA outcomes (and their respective funding) in separate rows in the Table A. CA/DZ, April 7, 2011: The comment is addressed.	
	9. Are the relevant GEF 5 focal area/ LDCF/SCCF objectives identified?	CA/DZ 1 April 2011: The CC Strategic Objective 1 is identified. Objective 1 may involve technology options that are new/cutting-edge, or options that are commercially available but have not been adopted in their particular markets. Please clarify how the proposed flare technologies could be characterized as such, to justify for this project to be categorized under this objective. CA/DZ, April 7, 2011: At the CEO Endorsement stage, the selected technologies to be transferred should be clearly described.	
	10. Is the project consistent with the recipient country's national	CA/DZ 1 April 2011: Yes, gas-flare reduction is one of the priority mitigation	

	and assessments under relevant conventions, including NPFE, NAPA, and NCSA?	according to its national communication to the UNFCCC.	
	11. Does the proposal clearly articulate how the capacities developed will contribute to the institutional sustainability of project outcomes?	CA/DZ 1 April 2011: No. Please describe. CA/DZ, April 7, 2011: The project will have a significant demonstration effect. Nevertheless, specific activities should be developed that will ensure the replicability from the side of the executing agency (specific regulatory measures, incentive schemes, etc.). Please consider the development of such specific activities and present them at the CEO Endorsement request.	
Project Design	12. Is (are) the baseline project(s) sufficiently described and based on sound data and assumptions?	CA/DZ 1 April 2011: The baseline project involves the agency's "Nigeria Rural Access and Renewable Energy Project." GEF already finances another project that involves the same WB project. The baseline project activities that will be co-financed - under the proposed project framework - are not clearly identified. Please describe them further. CA/DZ, April 7, 2011: It is clarified that the IDA credit does not involve the existing GEF project. The baseline investment and TA activities financed by the \$10 million portion of the IDA credit are expected to be clearly defined at the CEO Endorsement request.	
	13. Is (are) the problem(s) that the baseline project(s) seek/s to address sufficiently described and based on sound data and assumptions?	CA/DZ 1 April 2011: The problem is clear: the emissions due to gas flaring.	
	14. Is the project framework sound and sufficiently clear?	CA/DZ 1 April 2011: The project has four components and only the first two are financed by the GEF. The first two components appear to have received support from previous and other donor-supported initiatives. Given this, please consider minimizing GEF support to these components and allocating funds to Components 3 and 4.	

The first component involves the identification of technologies and the assessment of their feasibility. The need and the value-added of these activities are not clear, given that the Global Gas Flare Reduction Partnership has already undertaken similar activities. Please clarify and link the response with the estimated cost and the baseline activities (mainly funded by IDA).

The second component concerns the development of business plan and the provision of transactional advice. The grant type is stated as "Investment," however the description of the outputs implies that this component involves TA activities. Also, the output 2.6 needs clarification - what is the purpose of the Environmental and Social Management Framework and the Resettlement Management Framework? Please describe which are the baseline activities (mainly funded by IDA) and how the indicative costs have been estimated.

The EU-funded SUNGAS project has similar objectives and activities with the first two components of this proposal. Which are the exact gaps and the issues that this proposal will address beyond the SUNGAS project?

The last two components are not financed by the GEF, but receive the major part of the co-financing from the WB and the private sector (\$23 million). Please consider allocating GEF funding for these activities to strengthen and assure the delivery of the direct benefits of the project.

Finally, Section A.2 indicates that the project will support policy changes in the power sector as well as economic development strategies. but they are not

		<p>elaborate.</p> <p>CA/DZ, April 7, 2011: The project design has been reformulated; GEF funding is expected to be allocated to the grid activities. The grant for the component 2 is still referred as "investment"; please at the CEO Endorsement rectify the reference it to "TA" since it clearly involves TA activities.</p> <p>The proposal doesn't provide information for the exact gaps and the issues that this proposal will address beyond the SUNGAS project. Since it is expected that the SUNGAS project will be quite advanced when the GEF project starts implementation, the GEF project activities should be designed so as to address the remaining issues and gaps. Please provide relevant detailed justification at the CEO Endorsement Request.</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>CA/DZ 1 April 2011: Not yet. Please clearly identify the baseline activities, so that the incrementality of the GEF activities could be assessed.</p> <p>CA/DZ, April 7, 2011: The comment remains. The CEO Endorsement Request should clarify.</p>	
	16. Are the applied methodology and assumptions for the description of the global environmental benefits/adaptation benefits sound and appropriate?	CA/DZ 1 April 2011: The direct benefits involve the reduction of flaring of 5 million cu.ft. per day.	
	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?	<p>CA/DZ 1 April 2011: Not yet. Please refer to the project design comments.</p> <p>CA/DZ, April 7, 2011: The comment is addressed.</p>	
	18. Is there a clear description of the socio-economic benefits to be delivered by the project and of how they will support the	Yes.	

	adaptation benefits (for SCCF/LDCF)?		
	19. Is the role of civil society, including indigenous people and gender issues being taken into consideration and addressed appropriately?	Yes, but please clarify further for the CEO endorsement.	
	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)	Yes.	
	21. Is the provided documentation consistent?	Yes.	
	22. Are key stakeholders (government, local authorities, private sector, CSOs, communities) and their respective roles and involvement in the project identified?	CA/DZ 1 April 2011: The executing agency is the Rivers State government, but it is not clear which of the activities require the intervention of the state government versus the federal government. Please clarify. CA/DZ, April 7, 2011: The comment is addressed.	
	23. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	CA/DZ 1 April 2011: The project should coordinate with the PFAN and SUNGAS projects in order to avoid overlap. Please describe how coordination with these projects would be achieved. Also, under section B.4 it is implied that VDI is one of the project proposers, and under B5 it is mentioned that it will contribute in-kind resources. Please describe this institution, explain its involvement in the project, and since it is expected to contribute, then include its contribution in the cofinancing plan. CA/DZ, April 7, 2011: The comment is addressed.	
	24. Is the project implementation/ execution arrangement adequate?	CA/DZ 1 April 2011: Please refer to the comments in boxes 22 and 23.	

	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?	CA/DZ 1 April 2011: GEF PM funding is 9.1% of the total GEF funding.	
	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?	CA/DZ 1 April 2011: Costs seem high given the existence of ongoing activities. Please justify. CA/DZ, April 7, 2011: Costs should be justified in detail at the CEO Endorsement stage.	
	29. Comment on indicated cofinancing at PIF. At CEO endorsement, indicate if cofinancing is confirmed.	CA/DZ 1 April 2011: Please clarify which activities are co-financed. CA/DZ, April 7, 2011: The comment remains. The CEO Endorsement Request should clarify.	
	30. Is the budget (GEF/LDCF/SCCF funding and co-financing) per objective adequate to achieve the expected outcomes and outputs?	Same as box 28.	
Project Monitoring and Evaluation	31. Has the Tracking Tool been included with information for all relevant indicators, as applicable?		
	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:		
	<ul style="list-style-type: none"> • STAP? • Convention Secretariat? 		

	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	34. Is PIF clearance/approval being recommended?	CA/DZ, April 1, 2011: No. Please address the above comments. CA/DZ, April 7, 2011: PIF clearance is recommended. Please address the above comments during the project preparation.	
	35. Items to consider at CEO endorsement/approval.		
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*	April 01, 2011	
	Additional review (as necessary)	April 07, 2011	
	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.

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)	

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