



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

GEF ID:	5345		
Country/Region:	Nigeria		
Project Title:	Promoting Low Carbon Energy Solutions in Nigeria Energy/Power Supply		
GEF Agency:	UNDP	GEF Agency Project ID:	5243 (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:	\$0	Project Grant:	\$4,400,000
Co-financing:	\$213,550,000	Total Project Cost:	\$217,950,000
PIF Approval:	September 12, 2013	Council Approval/Expected:	November 07, 2013
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Faris Khader

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 ?	FJ - March 25, 2013: Yes, Nigeria ratified the UNFCCC on August 1994.	MY 1/11/2016 Yes.
	2. Has the operational focal point endorsed the project?	FJ - March 25, 2013: An endorsement letter from the National Focal Point but the title of the project mentioned does not match the title of the proposed PIF. Please adjust either document to have a similar titled for both. FJ - April 3, 2013: The title of the PIF has been adjusted. Comment cleared.	MY 1/11/2016 Yes.
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		

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	• the STAR allocation?		MY 1/11/2016 Yes.
	• the focal area allocation?	FJ - March 25, 2013: Yes. Nigeria remaining CCM allocation is \$7.9 million. This project request \$5 million in total.	MY 1/11/2016 Yes.
	• the LDCF under the principle of equitable access		MY 1/11/2016 N/A
	• the SCCF (Adaptation or Technology Transfer)?		MY 1/11/2016 N/A
	• the Nagoya Protocol Investment Fund		MY 1/11/2016 N/A
	• focal area set-aside?		MY 1/11/2016 N/A
	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 - March 25, 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 - March 25, 2013: Yes.	MY 1/11/2016 Yes, as cleared at the PIF stage.

*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.
FSP/MSP review template: updated January 2013

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Project Design	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 - March 25, 2013: Yes.	MY 1/11/2016 Yes, as cleared at the PIF stage.
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>FJ - March 25, 2013:</p> <p>a) Please clarify how the use of grant money from the GEF to invest in the financial de-risking instruments of component 2 would be key to the launch of these instruments and functioning. Please clarify how you assessed the amount needed for the de-risking instruments. Please clarify whether there will be co-financing for these instruments (a partnership with the Nigerian Bank of Industry is mentioned). Please also clarify the respective roles and the differences between the financial de-risking instruments to be set up by the project and the WB-supported partial guarantee scheme.</p> <p>b) It is expected that the CEO endorsement request will detail how component 4 will validate through real case implementation each of the activities proposed in components 1 to 3.</p> <p>c) Please note that the CEO endorsement request is not expected to include activities to design the details of a policy-financing mix. The PPG requested is expected to clarify all elements of the project design.</p> <p>FJ - April 3, 2013:</p> <p>a) Thank you for the clarifications. At CEO endorsement, detailed explanations</p>	MY 1/11/2016 Yes, as cleared at the PIF stage, and the de-risk issues were addressed in component one in the CEO ER document.

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		<p>are expected as to how the proposed de-risking instrument will enable renewable energy project to be competitive vis-À-vis fossil fuel-based power generation projects considering the existence of the WB-supported partial guarantee scheme.</p> <p>c) Cleared</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>FJ - March 25, 2013: The incremental reasoning considers that the GEF support will accelerate the adoption of RE policies and transition towards on grid RE, generating GHG reduction much earlier and at larger scale than under BAU. Please take this assumption into account when estimating the GHG benefits of the project.</p> <p>FJ - April 3, 2013: The previous comment is not addressed yet. The GHG emission reductions associated with the pilot projects of component 4 should take into account the fact that these project would have occurred anyway but much later. Please consider revising the carbon benefit estimations to limit the calculated benefits to the initial years representing the head start allowed by the project.</p> <p>FJ - April 9, 2013: The estimations of CO2 benefits have been adjusted. Comment cleared.</p>	<p>MY 1/11/2016 Yes, as cleared in the PIF stage.</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</p>		<p>MY 1/11/2016 Yes, as addressed on pages 18 and 19.</p>

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	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 - March 25, 2013: Yes.	MY 1/11/2016 Yes, as cleared in the PIF stage.
	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 - March 25, 2013: Yes.	MY 1/11/2016 Yes.
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	FJ - March 25, 2013: The complementarity of the project's activities with the activities of the EC/GIZ project is expected to be detailed at CEO endorsement stage.	MY 1/11/2016 Yes.
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <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. 	FJ - March 25, 2013: Innovativeness a) The project combines activities supporting the development of renewable energy production and activities enabling a better inclusion of renewable energy production in the grid. The projects also endeavor to set up mechanisms and reforms to limit the cost of RE production support by focusing first on de-risking. Financial stability b) The financial sustainability of the de-risking mechanism would need to be clarified (see Q7 a). c) The financial sustainability of the means needed for training and technical	MY 1/11/2016 Not completed at this time. There is some confusion in paragraphs on innovation, sustainability and scaling up (pages 21 and 22). For example, De-risking Renewable Energy as one of the Nationally Appropriate Mitigation Actions (NAMA) might be a new government initiative. If so, it should be described in the paragraph of "Innovation". Please re-write a short paragraph for each of the following topics: 1. Innovation; 2. Sustainability;

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		<p>assistance would need to be strengthened. Please consider designing a process that would ensure a gradual transition of support till the end of the project implementation with identified partners and means ready to take charge of the needed support for training and project technical assistance.</p> <p>d) The financial means the country is willing to dedicate to future feed-in tariffs is yet to be clarified.</p> <p>Scaling up</p> <p>e) If he project is successful, the potential for scaling up RE production in the country would be very important given the size of the RE potential.</p> <p>FJ - April 3, 2013:</p> <p>b) The previous comment is not addressed yet. It is understood that the government of Nigeria intends to set up a feed-in tariff and that the de-risking mechanism proposed by the project will help reduce the cost of this feed-in tariff system. However, responses to Q7 indicate that the proposed de-risking mechanism would be designed for a limited number of projects (the pilots of component 4). Given the rationale of the de-risking mechanism, one would expect that the project designed this mechanism so that it could be funded and continue operation beyond the project implementation. Please revise the project with this objective in mind.</p> <p>c) Please clarify how the project will help secure the needed means for the entity(ies) that will take charge of the</p>	<p>3. Scaling up; and</p> <p>4. Impact of transformational change of the project on the RE development in the country.</p> <p>MY 2/22/2016</p> <p>Yes, comments were addressed and issues were cleared.</p>

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		<p>needed support for training and project technical assistance.</p> <p>FJ - April 9, 2013: Comments cleared.</p> <p>b) It is expected that, at CEO endorsement stage, details will be provided on the expected duration and evolution over time of the de-risking instruments and on the rationale behind these elements.</p> <p>c) It is expected that, at CEO endorsement stage, details will be provided on the business model proposed to sustain the activities of the entity taking over the responsibility for provision of technical assistance, training and advice for IPPs beyond the project duration.</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		<p>MY 1/11/2016 Yes.</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>MY 1/11/2016 Yes, on pages 20 and 21.</p>
Project Financing	<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 - March 25, 2013: Please address Q7 a).</p>	<p>MY 1/11/2016 Yes.</p>
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate?</p>	<p>FJ - March 25, 2013: Yes, UNDP is providing a grant of \$1.5 million of co-financing.</p>	<p>MY 1/11/2016 Yes, all co-financing letters were received and saved in the PMIS.</p>

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	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?		
	18. Is the funding level for project management cost appropriate?	FJ - March 25, 2013: Yes. The project management cost represents 5% of the GEF grant.	MY 1/11/2016 Yes.
	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?	FJ - March 25, 2013: Yes. A PPG is requested with \$142,350.	MY 1/11/2016 Yes, on page 42.
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	FJ - March 25, 2013: The project is a grant.	MY 1/11/2016 N/A
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		MY 1/11/2016 Yes.
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		MY 1/11/2016 Yes, on pages 22-25.
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		MY 1/11/2016 Yes, on pages 38-41.
	• Convention Secretariat?		MY 1/11/2016 N/A
	• The Council?		MY 1/11/2016 Yes, on pages 34-38 to response the

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			comments of the German Council member.
	<ul style="list-style-type: none"> • Other GEF Agencies? 		MY 1/11/2016 N/A
Secretariat Recommendation			
Recommendation at PIF Stage	<p>24. Is PIF clearance/approval being recommended?</p>	<p>FJ - March 25, 2013: Please address the above comments.</p> <p>FJ - April 9, 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 - March 25, 2013:</p> <p>a) It is expected that the CEO endorsement request will detail how component 4 will validate through real case implementation each of the activities proposed in components 1 to 3.</p> <p>b) Please note that the CEO endorsement request is not expected to include activities to design the details of a policy-financing mix. The PPG requested is expected to clarify all elements of the project design.</p> <p>c) The complementarity of the project's activities with the activities of the EC/GIZ project is expected to be detailed at CEO endorsement stage.</p> <p>d) At CEO endorsement, detailed explanations are expected as to how the proposed de-risking instrument will enable renewable energy project to have be competitive vis-À-vis fossil fuel-based power generation projects considering the WB-supported partial guarantee scheme.</p>	

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		<p>e) It is expected that, at CEO endorsement stage, details will be provided on the expected duration and evolution over time of the de-risking instruments and on the rationale behind these elements.</p> <p>f) It is expected that, at CEO endorsement stage, details will be provided on the business model proposed to sustain the activities of the entity taking over the responsibility for provision of technical assistance, training and advice for IPPs beyond the project duration.</p> <p>MY 1/11/2016 Yes. The above comments were addressed in the CEO ER (pages 31-33).</p>	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		<p>MY 1/11/2016 Not at this time. Please address the comment in box 13.</p> <p>MY 2/22/2016 Yes, comments were addressed and issues were cleared. The PM recommends the CEO to endorse the project.</p>
	First review*	March 25, 2013	January 11, 2016
Review Date (s)	Additional review (as necessary)	April 09, 2013	February 22, 2016
	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. Greyed areas in each section do not need comments.