



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

GEF ID:	9743		
Country/Region:	Nigeria		
Project Title:	De-risking Sustainable Off-grid Lighting Solutions in Nigeria		
GEF Agency:	UNDP	GEF Agency Project ID:	5691 (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:	\$100,000	Project Grant:	\$2,639,726
Co-financing:	\$10,600,000	Total Project Cost:	\$13,239,726
PIF Approval:		Council Approval/Expected:	November 01, 2017
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Faris Khader

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	MY 2/9/2017 Yes, the project is aligned with GEF6 CCM-1, to promote timely deployment, demonstration and financing of low-carbon technologies and mitigation options.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MY 2/9/2017 Yes.	
Project Design	3. Does the PIF sufficiently indicate the drivers ² of global	MY 2/9/2017 Not yet.	

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>environmental degradation, issues of sustainability, market transformation, scaling, and innovation?</p>	<p>For Output 3 of Component 2: "Equipment and services provided to MSMEs through a competitive procurement process..." on page 12, please articulate how the GEF \$1.3 million grant will be used. What kind of equipment and services will be procured? Why should the GEF do this?</p> <p>M-KOPA has successfully developed the business model in Kenya, why could not the company develop the same business model in Nigeria? Why GEF fund is required? Does this kind of private company (M-KOPA) really need GEF's resources? Are there any other barriers that prevent M-KOPA from scaling up its business in Nigeria?</p> <p>Please think of what the UNDP/GEF should do in Nigeria that will attract M-KOPA and other private firms to invest in Nigeria. For example, some barriers in the mobile banking system, credit system, and other legal system may block private solar PV firms' investments. Please identify these barriers.</p> <p>In the innovation section on page 16, please articulate what initiative is in this project per-se. Duplicating M-KOPA's model in Nigeria may not be enough to justify "innovativeness" of this project. Please tell readers what the UNDP will do on top of the business model of M-KOPA.</p> <p>Does the agency have candidates of any private firms such as M-KOPA to work with as business partners for this project? Who will provide \$3 million equity financing for the project (see Table C on page 3)</p>	

PIF Review

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		<p>For sustainability, please show the possible risk of default of the market. If 20% or 50% of individual customers do not pay back the loan of the solar PV kit at \$0.5/day, what will the firm do? How to ensure the payback of the firms' investment?</p> <p>MY 3/20/2017 Not at this time.</p> <p>Agency's response addressing the sustainability issue is not satisfactory. This project does not look sustainable due to two reasons. First, the project is designed to use GEF \$1.3 million grant to subsidize 10,000 homes, 3% on the top of existing 300,000 homes which are using the solar systems. It is not a good approach to use GEF resources to directly subsidize limited number of households. After the project implementation is over, who will continue subsidizing new customers to buy the solar systems? According to the World Bank 2017 data (http://data.worldbank.org/indicator/NY.GDP.PCAP.CD), in 2015, GDP per capita in Nigeria was \$2,640.3, while this number in Kenya was \$1,376.7. Over two million households in Kenya have paid the solar PV systems without subsidies as of today, why do the 10,000 households in Nigeria who are richer than those in Kenya need the GEF to subsidize the solar PV systems?</p> <p>The PIF indicated two major barriers to solar PV deployment in Nigeria: (1) The country is charging import duties for renewable technologies and products; (2) A combination of high capital costs and credit lines with tight payment represents a major barrier for cash sales and PAYG</p>	

PIF Review

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		<p>specialized sustainable off-grid lighting companies to obtain short-term financing. Please consider using the GEF \$1.3 million grant (that was budgeted for subsidizing the 10,000 households) to overcome the above two barriers.</p> <p>MY 3/23/2017 Yes, comments were addressed and issues were cleared.</p>	
	<p>4. Is the project designed with sound incremental reasoning?</p>	<p>MY 2/9/2017 Not yet. Please elaborate how the GEF grant will be used in the project INV component. See comments in Box 3.</p> <p>MY 3/20/2017 Not at this time. See the comments in Box 3.</p> <p>MY 3/23/2017 Yes, comments were addressed and issues were cleared.</p>	
	<p>5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBS?</p>	<p>MY 2/9/2017 Not yet.</p> <p>For outputs 1.1 to 1.7 on pages 1 and 2, please identify the real policy barriers that prevent the private sector from investing in Nigeria in small solar PV kits for the poor households. The barriers may be in the areas of mobile banking and crediting systems.</p> <p>For output 2.3 on page 2, please articulate what kind of equipment and how many units of equipment and services will be purchased by the GEF grant.</p> <p>MY 3/20/2017 Not at this time. See the comments in Box 3.</p>	

PIF Review

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		MY 3/23/2017 Yes, comments were addressed and issues were cleared.	
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	MY 2/9/2017 Yes, on pages 17 and 18.	
Availability of Resources	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> • The STAR allocation? 	MY 2/9/2017 Yes, as of 2/9/2017, the country has not used any GEF6 STAR funds.	
	<ul style="list-style-type: none"> • The focal area allocation? 	MY 2/9/2017 Yes, as of 2/9/2017, the country has not used any GEF6 CCM funds.	
	<ul style="list-style-type: none"> • The LDCF under the principle of equitable access 	MY 2/9/201 Not applicable.	
	<ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? 	MY 2/9/2017 Not applicable.	
	<ul style="list-style-type: none"> • Focal area set-aside? 	MY 2/9/201 Not applicable.	
Recommendations	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	MY 2/9/2017 Not yet. Please address comments in Boxes: 3, 4, and 5. In page 15, there might be an over-estimation of GHG emission reductions. The baseline used in the calculation is that the mini-solar PV power kits will replace grid power supply. The real situation in Nigeria may be as follows: "The solar PV kits will replace candles or kerosene lighting." If this is the real situation, please use	

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		<p>different approach to estimating GHG reduction benefits.</p> <p>MY 3/20/2017 Not at this time. See the comments in Box 3, 4 and 5.</p> <p>MY 3/23/2017 Yes, all comments were addressed and issues were cleared.</p> <p>The PM recommends PIF technical clearance.</p>	
Review Date	Review	February 09, 2017	
	Additional Review (as necessary)	March 20, 2017	
	Additional Review (as necessary)	March 23, 2017	

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?		
	2. Is the project structure/ design appropriate to achieve the expected outcomes and outputs?		

CEO endorsement Review

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	3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective?		
	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)		
	5. Is co-financing confirmed and evidence provided?		
	6. Are relevant tracking tools completed?		
	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?		
	9. Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
	10. Does the project have descriptions of a knowledge management plan?		

CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
Agency Responses	11. Has the Agency adequately responded to comments at the PIF ³ stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council • Convention Secretariat		
Recommendation	12. Is CEO endorsement recommended?		
Review Date	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

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.