



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: MEDIUM-sized Project  
THE GEF TRUST FUND

Submission Date: 7 December 2009

## PART I: PROJECT IDENTIFICATION

GEF PROJECT ID: 3789 PROJECT DURATION: 48 months

GEF AGENCY PROJECT ID:

COUNTRY: Benin, Burkina Faso, Burundi, Cape Verde, Cote d'Ivoire, Chad, The Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo

PROJECT TITLE: Promoting Coherence, Integration and Knowledge Management under Energy Component of SPWA

GEF AGENCY: UNIDO

OTHER EXECUTING PARTNERS: ECOWAS Center on RE and EE

GEF FOCAL AREA: Climate Change

GEF-4 STRATEGIC PROGRAMS: CC SP 1, 2, 3, 4 and 5

NAME OF PARENT PROGRAM/UMBRELLA PROJECT: GEF Strategic Program for West Africa (GEF SPWA) – Energy Component

INDICATIVE CALENDAR	
Milestones	Expected Dates
Work Program	March 2010
CEO Endorsement/Approval	April 2010
Agency Approval Date	May 2010
Implementation Start	June 2010
Project Closing Date	May 2014

## A. PROJECT FRAMEWORK

**Project Objective:** The project aims at supporting low carbon economic development in West African countries through knowledge sharing, capacity building including training and coherence in the projects approved under the energy component, strengthening integration, providing solutions to issues of regional dimension and deepening programmatic framework approach adopted under the GEF SPWA.

Project Components	INV, TA, or STA <sup>a</sup>	Expected Outcomes	Expected Outputs	Indicative GEF Financing		Indicative Co-Financing		Total (\$) c = a + b
				(\$) <sup>a</sup>	%	(\$) <sup>b</sup>	%	
1. Coherence mechanism	TA	Strengthened coherence and integration for deepening of programmatic approach on energy projects in West Africa	<p>1.1. An institutional mechanism in the form of Steering Committee set up at the regional level to promote coherence and synergies for targeted (technical) coordination</p> <p>1.2. Reporting mechanism established to receive and analyze information pertaining to issues of regional dimension, meetings organized at the regional level and integration with other ongoing national / multi / bilateral programmes</p> <p>1.3 Annual report at the program level compiled and accepted by stakeholders on the progress made and key issues addressed</p>	50,000	50	50,000	50	100,000
2. Providing	TA	Under the	2.1 End-use energy	350,000	50	350,000	50	700,000

<p><b>solutions to issues of regional dimension</b></p>		<p>umbrella of the ECOWAS, Effective coordination on key specific areas of regional dimension</p>	<p>efficiency: promotion of energy savings lamps and development of harmonized energy efficiency standards &amp; labels across the region</p> <p><b>2.2 Sustainable Agrofuel production and uses</b></p> <p><b>2.3 Mini and Micro Hydropower for power production</b></p> <p><b>2.4 Mini-grids based on renewable energy for productive uses</b></p>					
<p><b>3. Knowledge management</b></p>	<p>TA</p>	<p>Acceptance by stakeholders of the data base, best practices and information exchanged and disseminated on issues of regional dimension</p>	<p><b>3.1 Building on the existing information, a comprehensive knowledge data base on energy resource endowment, key players, , institutions, - and agencies working in the field of EE and RE technologies strengthened at the regional level</b></p> <p><b>3.2 A knowledge management and communication window to act as clearing house for efficient and effective dissemination of information to policy makers, experts, private entrepreneurs and financial institutions.</b></p> <p><b>3.3 Methodologies / tools developed for use of collated information for better planning and decision making</b></p> <p><b>3.4 An annual report and periodical newsletter on best practices, information on country level projects and key indicators of progress made under the project prepared and distributed to key stakeholders and</b></p>	<p>80,000</p>	<p>50</p>	<p>80,000</p>	<p>50</p>	<p>160,000</p>

			agencies					
<b>4. Capacity building</b>	TA	Capacity of decision makers, planners, institutions and experts enhanced on issues of regional dimension	<p><b>4.1</b> Decision makers, experts, planners, and institutions trained on issues of regional dimension (working closely with ECOWAS Regional Centre on RE and EE, and other institutions)</p> <p><b>4.2</b> Appropriate policy and institutional structures for scaling up RE and EE energy projects through public-private partnerships and enhanced private sector participation recommended / strengthened at the regional level</p> <p><b>4.3</b> Strategic policy tools (i.e. policy tools developed to attract private investments; provide single window clearances; and tax incentives for RE and EE projects) to promote RE systems and EE technologies developed and put in place at the regional level (complementing national level similar initiatives</p> <p><b>4.4</b> Two regional level consultations for information dissemination and two regional level training workshops organized every year specifically focusing on issues of regional dimension</p>	100,000	50	100,000	50	200,000
<b>5. Monitoring and evaluation</b>	TA	An M&E framework for the overall program and guidelines developed and implemented	<p><b>5.1.</b> A targeted M&amp;E framework put in place at the regional level for analyzing impacts of issues of regional dimensions</p> <p><b>5.2.</b> Linkages with M&amp;E systems at the national</p>	50,000	50	50,000	50	100,000

			level (including PIRs) strengthened					
			5.3 Progress under various activities of the regional programme closely monitored and evaluated periodically					
<b>6. Project management</b>				70,000	50	70,000	50	140,000
<b>Total project costs</b>				<b>700,000</b>		<b>700,000</b>		<b>1,400,000</b>

<sup>a</sup> INV= Investment; TA = Technical Assistance; STA = Scientific & Technical Analysis.

**B. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE and by NAME** (in parenthesis) if available, (\$):

Sources of Co-financing	Type of Co-financing	Project
Project Governments Contribution	In-kind	100,000
GEF Agency (UNIDO)	Cash	100,000
Bilateral Aid Agency(Austria)	Cash	300,000
Multilateral Agency(ies)		
Private Sector		
NGO (REEEP)	Cash	100,000
Others	in-kind	100,000
<b>Total Co-financing</b>		<b>700,000</b>

**C. INDICATIVE FINANCING PLAN SUMMARY FOR THE PROJECT (\$)**

	Previous Project Preparation Amount (a)	Project (b)	Total c = a + b	Agency Fee
GEF financing	0	700,000		?
Co-financing	0	700,000		
<b>Total</b>	<b>0</b>	<b>1,400,000</b>		

**D. GEF RESOURCES REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES)**

N / A. The project is for a single focal area, single program and single GEF Agency

**PART II: PROJECT JUSTIFICATION**

**A. THE ISSUE, HOW THE PROJECT SEEKS TO ADDRESS IT, AND THE EXPECTED GLOBAL ENVIRONMENTAL BENEFITS TO BE DELIVERED:**

**THE ISSUE:** The ultimate goal is to help African countries move on a low carbon development. Countries of West Africa are facing acute energy challenges in terms of very low access to energy, low levels of energy efficiency, weak policy and institutional linkages and low level of investments in energy sector. The desirable human and economic development in Africa requires massive energy services. This expectation is to be met in a carbon constraint world. Overall access rate to modern energy services is very low across the region thereby inhibiting prospects of developing economic activities, providing basic social services and fighting poverty. The region has some of the lowest modern energy consumption rates in the world with average electricity consumption of 88kWh/capita compared to the continental and global averages of 563 and 2596kWh/capita respectively. Household access to electricity across the region is about 20% but wide chasms exist between the access rates in urban areas that average 40% while rates in rural areas range between 6% and 8%. There are significant electricity and overall energy pricing inequalities within countries i.e. between rural and urban areas and between countries. Access to modern fuels for motive power and electricity in rural areas is particularly low since there are no decentralized energy systems in place. At household level, access to LPG or kerosene averages a mere 5%. Energy efficiency as a sector has also remained largely underdeveloped across the region. There is an increased drive towards regional approaches in addressing the region's developmental challenges, energy sector as demonstrated by some of the on-going regional projects that the West African Power Pool (WAPP) and the West African Gas Pipeline (WAGP). In 2006, ECOWAS/JEMOA adopted the White Paper on regional policy on access to energy services for populations on rural and peri-urban areas. These initiatives reflect

an increasing drive for integrated energy markets in the region and hence justify a regional approach in developing the renewable energy and energy efficiency sectors and markets in the region.

The introduction of the Resource Allocation Framework (RAF) for the climate change focal area has resulted in renewed impetus by the GEF Secretariat to work with countries, agencies and other stakeholders with the view to making this instrument achieve its intended goals. Examples of initiatives taken for this purpose include the strengthening of the national dialogue initiative and constituency and Sub-regional/Regional meetings. In April 2008, the Council approved the GEF's programmatic approach. One of the aims of this new development is to enhance the effectiveness of GEF projects by ensuring their implementation in a more coherent and effective manner. The introduction of this approach adds substantive value to ongoing efforts, particularly in view of the opportunities it offers to work towards enhancing programming and utilization of GEF funding available under the RAF. With a clear strategy and Council oversight, the GEF Secretariat is now able to more readily assist countries, particularly those in the group allocation category under the RAF, to plan their use of resources available to them in a more realistic and pragmatic manner. The programmatic approach is providing another framework for dialogue between countries, agencies and the GEF Secretariat. As a result, country priorities emerge more effectively in project identification and development processes, the Secretariat provides the much needed articulation and coordination of the process while the work of agencies is facilitated because they can anticipate and organize themselves to provide optimum support to countries in project development and implementation.

By bringing together in a coherent process a group of countries that have traditionally had limited access to GEF resources, the programmatic approach aimed at facilitating the provision of assistance to these countries while reducing transaction costs of project development. Ultimately it will help in showcasing greater impacts of GEF projects.

However, the design of the programmatic approach was constrained by the RAF and a number of other factors during the formulation phase, which are as follows:

- The country led consultations resulted in countries coming up with individual projects, with each being allocated an envelope of \$2 million. They elected to use their allocations towards national projects and no provision was made for addressing issues of regional scope. As a consequence, project proposals as contained in the Programme Framework Document are discrete, and some are expected to contain activities (capacity building, labeling, and standardization) that could have been better addressed in the context of a regional project, if sufficient resources were available.
- In addition, the programmatic approach has created unforeseen expectations from countries that are requesting to deepen it in the future. Thus, this experience must therefore be scrutinized, carefully monitored and documented to learn from its successes and shortcomings (close monitoring will be required i.e. facilitation between agencies, countries, and close involvement of regional entities such as ECOWAS to ensure effective project development and implementation).
- Further, implementation of a programmatic approach in an environment not used to it has raised a number of operational issues including inter-agency coordination that have to be taken into account and addressed at the regional level.

There is an urgent need to put in place an institutional framework to share experience, data, information and knowledge. Special efforts will be required to put a mechanism in place to learn from best practices and build capacity on issues of regional dimension (such as regional standards and labels for CFLs and appliances); testing labs; mini-grids for productive uses; biofuels (Jatropha); and policy framework at the regional level etc.). It will be critical to promote synergies, and ensure effective coordination between national projects and different agencies during the implementation phase. For this, there is a need to reinforce role of regional institutions like ECOWAS in its coordination role and strengthen linkages with other technical institutions in the region.

**THE PROJECT:** Keeping in view the regional priorities and support to be provided by GEF to energy projects in 18 countries within West Africa / adjoining regions, the present project has been developed to promote synergies, knowledge management, capacity building including training, coherence and coordination in the projects approved under the energy component, strengthening regional integration and deepening programmatic framework approach adopted under the GEF SPWA. By facilitating coherence and coordination of the national level energy projects at the regional level will promote greater synergies in their implementation, by enabling integration of efforts across multiple scales and national borders and by taking full account of the magnitude and extent of complexities involved in energy projects. The overall goal is to bring about significant global environmental benefits in the countries of the region in the climate change focal area, along with various local developmental benefits.

The project intends to engage and facilitate concrete regional level coherence, among others, on a set of four specific areas: End-use energy efficiency (comprising promotion of energy efficient lighting and appliances S&L), Sustainable Agrofuel production and use, Mini and micro hydro power, and mini-grids based on renewable energy for productive uses. These focal areas have been selected because they represented the most common topics addressed by individual countries under the GEF SPWA. A regional coordination under the umbrella of ECOWAS will also consolidate and enhance the expected impact and implementation of individual GEF projects. The selected areas can both contribute and benefit from an effective regional ECOWAS policy. This will be particularly relevant for the scale up of programme within individual countries and across the region. The project will also link up with other ongoing global / regional energy projects (such as UNEP's global programme on energy efficient lighting and UNDP's regional programme on Small Hydro Power etc.) to ensure exchange of information on lessons learned and best practices.

In particular the coordination for each selected focal area will explore how to build from GEF intervention a scale up based on market based financial mechanism, typically carbon finance.

The project will aim at putting up a mechanism in place to monitor the progress of energy component under the GEF SPWA, and take corrective steps whenever needed during the implementation of the program. The project will also provide solutions to the issues of regional scope identified during the preparatory phase. A high level of cooperation and coordination will be required among all these stakeholders if energy component under the GEF-SPWA is to deliver coherent and targeted assistance to the countries of West Africa. The project will update (data is very old in some cases) and strengthen data base (covering energy resources, potential, challenges and opportunities and projects covering EE and RE technologies), compile best practices and facilitate information sharing as a part of knowledge management activities. The project will also undertake capacity building of decision makers, experts, planners, and institutions through training workshops and seminars on issues of regional dimension.

The project will set up a Program level Steering Committee to provide strategic and tactical guidance on energy projects to both the GEF and, collectively, to all the countries of West Africa. This Committee will meet once in a year to review progress and provide guidance to the program's participants. The Committee will guide implementation by facilitating joint work programming and confirming operational alignment of agencies, ensure joint engagement, and forge synergies based on comparative advantage at the regional level. The Committee will comprise of members drawn from the ECOWAS, participating countries, the GEFSec, GEF agencies and multi/bilateral partners and civil society. Formally, the GEF-SPWA Steering Committee will be established by, and report to, the GEF Secretariat through UNIDO, the lead agency designated for the energy component under the programme.

UNIDO will be the lead agency designated for overall technical coordination and monitoring and evaluation of the energy programme at the regional level. In this capacity, UNIDO will serve as secretariat to the Steering Committee. Specific national level operational, implementation and monitoring activities will be the responsibility of the assigned GEF agency for energy projects approved for each country. These agencies will also submit project implementation reports (PIRs) as per GEF procedures once in year. UNIDO will lead the work of the Steering committee to develop a monitoring and evaluation framework for the energy component, compile information and prepare progress report to the GEF Secretariat once a year on the progress made under various components. Meetings of the Steering committee will be organized at the ECOWAS Secretariat to ensure close coordination.

**GLOBAL BENEFITS:** At the global level, the project would support an integrated programmatic approach as promoted by GEF that would accelerate progress in the access agenda and in energy efficiencies in countries of West Africa, and would deliver significantly more global environmental benefits across GEF focal areas. These global environmental benefits would be delivered primarily in terms of reduced GHG emissions due to enhanced use of renewable energies for rural electrification, improved energy efficiencies in industrial, residential and public sectors, and sustainable urban transport systems. In addition, there will be knowledge management benefits. These will include, among other things, the collation and wide dissemination of best practices, information and experience, and policy development functions. At the policy level, this will allow for more informed decision making by policy makers and for more effective implementation of the energy policies / programmes; at other levels, it will ensure a greater level of understanding and skills. The main benefits will be delivered by putting in place the necessary framework to support the overall goal of the programmatic Approach, and by ensuring that the outputs of the individual projects add value to regional energy programmes of ECOWAS and other institutions.

**THE CONSISTENCY OF THE PROJECT WITH NATIONAL/REGIONAL PRIORITIES/PLANS:** The project will support an integrated programmatic approach in line with regional energy priorities and plans of both ECOWAS and UEMOA. Its squarely fits in initiatives launched by ECOWAS and UEMOA especially the White paper for a Regional Policy on Energy Access in support of the millennium development objectives (January 2006). The project is also in conformity with priorities identified in the action plan for the environment initiative and the energy plan of the New Partnership for Africa's Development (NEPAD). It also takes into consideration

the key strategic concerns and outcomes of the Dakar International Conference on Renewable Energy in Africa and its Action Plan and recommendations made at the AU Head of Summit that took place in January 2009 at Addis Ababa.

**B. THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:**

This project would support the objectives of the energy component under the GEF Strategic Program developed for countries of West Africa (SPWA), and strive to achieve coherence under access and energy efficiency agenda within the climate change focal area. The project would coordinate efforts under all strategic components listed under the energy component conform to the priorities listed under the Climate Change Focal Area Strategy and Strategic Programming for GEF-4, namely Strategic Program 1: Promoting Energy Efficiency in Residential and Commercial Buildings; Strategic Program 2: Promoting Energy Efficiency in the Industrial Sector; Strategic Program 3: Promoting Market Approaches for Renewable Energy; Strategic Program 4: Promoting Sustainable Energy Production from Biomass, and Strategic Program 5: Promoting Sustainable innovative Systems for Urban Transport.

**C. THE TYPE OF FINANCING SUPPORT PROVIDED WITH THE GEF RESOURCES:**

The GEF resources will be utilized to support the setting up of coordination mechanism; providing solutions to issues of regional dimension; creating a knowledge management and information platform to act as a clearing house mechanism; organizing training seminars / workshops on issues of regional dimension, and build capacity of regional institutions (completing efforts under projects at the national level; and monitoring and evaluation and management of the project.

**COORDINATION WITH OTHER RELATED INITIATIVES:**

The project will coordinate with other regional level GEF and multi / bilateral initiatives to ensure synergies and promote access agenda and energy efficiency interventions in the region. The project will in particular coordinate with AU and NEPAD on their energy programmes in the region, and link up with the ECOWAS Regional Center for Renewable Energy and Energy Efficiency (ERC) that is being set up by ECOWAS with funding from the Austrian Government and support extended by UNIDO to establish and operationalise renewable energy and energy efficiency markets in the region.

**D. THE VALUE-ADDED OF GEF INVOLVEMENT IN THE PROJECT:**

GEF involvement in the project would facilitate in deepening the programmatic approach for regional cooperation and coordination in renewable energy and energy efficiency projects and programmes at the regional level. This project would help in promoting regional level policies, energy markets, scaling up of energy projects and strengthening issues of regional dimensions through policy interventions, capacity building, knowledge management, information dissemination and close monitoring and evaluation of the SPWA.

**E. RISKS THAT MIGHT PREVENT THE PROJECT OBJECTIVE FROM BEING ACHIEVED, AND THE RISK MITIGATION MEASURES THAT WILL BE TAKEN:**

The experience gained during the formulation phase of SPWA while working with policy makers, experts, partners and agencies working in the energy sector in West Africa have provided practical insights into the potential risks to the project, and the adequate steps that need to be taken to address or minimize them.

The project faces significant interlinked risks, barriers and challenges, the following being the most significant:

Component	Risk	Proposed Mitigation Measure	Risk Level
Coordination	Given the complexities and multi-dimensional / multi- stakeholders nature of the project, coordination and information flow among participating countries, agencies, project implementers, investors and the GEF Sec remains weak.	To minimize this risk, which will ultimately determine success of this project, a well defined steering committee will be set up comprising of key stakeholders, agencies, partners and governments, and its meetings will be held on regular basis to ensure effective coordination and information flow among all stakeholders.	High

Component	Risk	Proposed Mitigation Measure	Risk Level
Institutional	Lack of coordination among regional and national level institutions working in the field of renewable energy and energy efficiency in countries of West Africa, institutional support remains weak	To address this risk, UNIDO will work closely with already established regional and national level institutions, and in particular with ECOWAS to expedite setting up of the proposed Regional Center for Renewable Energy and Energy Efficiency. Other partners like TERI, an international NGO have also expressed their willingness to set up collaborative Technical Institutions / Centres in countries of West Africa.	Moderate
Policy	Absence of appropriate policy framework at the regional level will constrain deepening of programmatic approach as envisaged under the project	To minimize this risk, appropriate policy interventions will be formulated at the regional level to deepen the programmatic approach and coherence among national level projects	Moderate
Financing	Funding to develop regional level training tools and to organize seminars and workshops on issues of regional dimension (such as regional standards and labels for CFLs and appliances; testing labs; mini-grids for productive uses; biofuels (Jatropha); and policy framework at the regional level etc.) remains low.	To minimize this risk, intensive discussions will be held with interested donors, agencies, financial institutions and the private sector to seek their ownership and commitment to the issues of regional dimensions (initial discussions held on this issue have already yielded some results. The Austrian Government and REEEP have confirmed funding in cash to the tune of \$ 400,000 (\$ 300,000 by Austria and \$ 100,000 by REEEP) for deepening the programmatic approach through focusing on issues of regional dimension).	High

#### **F. THE EXPECTED COST-EFFECTIVENESS OF THE PROJECT:**

The expected cost effectiveness of the project lies in its multi-stakeholder approach that provides for a multiplying factor for information flow, capacity building, knowledge management, coherent policies and replication across countries of West Africa. In this way, there will be a more cost-effective use of the GEF and other resources made available to the projects at the country level; economies of scale will be achieved at the regional level; and the cost-effectiveness of activities of regional dimension such as developing training tools, capacity building through training workshops and institutional strengthening needs can be improved as the resources necessary for this can be pooled at the regional level. Besides, if successfully implemented, a programmatic approach could provide increased leverage for donor commitments and private sector contributions that would support longer-term planning at the regional level, and consistency and complementarity in implementation of concrete energy projects at the country level with measurable impacts and results.

#### **G. THE COMPARATIVE ADVANTAGE OF UNIDO:**

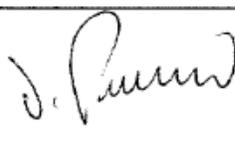
The project is a technical assistance/capacity development intervention that fits within the Climate Change focal area strategic programmes. The GEF Council paper "Comparative Advantages of the GEF Agencies" (GEF/C.31/5rev.1) recognizes a comparative advantage to UNIDO in these strategic programmes. UNIDO is especially well placed to implement this project because of its experience and expertise in developing this program jointly with the GEF team and other agencies.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINTS AND GEF AGENCY**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF THE GOVERNMENT:**

NAME	POSITION	MINISTRY	DATE: (Month, day, year)

**B. GEF AGENCY CERTIFICATION**

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Mr. Dmitri Piskounov Managing Director UNIDO GEF Focal Point		<i>Nov</i> 23, 2009	Mr. Pradeep Monga	+43 - 1 - 26026- 3018	p.monga@unido.org