



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

GEF ID:	9787		
Country/Region:	Solomon Islands		
Project Title:	Stimulating Progress towards Improved Rural Electrification in the Solomons (SPIRES)		
GEF Agency:	UNDP	GEF Agency Project ID:	6089 (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:	\$15,600,000	Total Project Cost:	\$18,239,726
PIF Approval:		Council Approval/Expected:	November 01, 2017
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Masako Ogawa	Agency Contact Person:	

PIF Review			
Review Criteria	Questions	Secretariat Comment	Agency Response
<b>Project Consistency</b>	1. Is the project aligned with the relevant GEF strategic objectives and results framework? <sup>1</sup>	MO March 7 2017 Yes. The proposed project is aligned with CCM1 Program 1.	
	2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions?	MO March 7, 2016 Please include the following information in the PIF: a) How does the project propose to align with and contribute to implementation of the INDC, including reference to specific measures or activities in the INDC that will be addressed by the project	a) The facilitation of the achievement of the energy objectives of the country including for rural electrification will assist the country in its low carbon development path, as well as enables the realization of Solomon Islands' contribution to the global effort to mitigate climate change as stated in its NDC Document. In that document, the

<sup>1</sup> 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)?

## PIF Review

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		<p>activities?                      b) When was the INDC submitted to the UNFCCC?</p> <p>MO April 6 2017                      Comments cleared.</p>	<p>country committed itself to a 25% reduction in GHG emissions (based on 2015 level) by 2025 and 45% reduction by 2030. The country intends to achieve these in several areas, among them are renewable energy and energy efficiency applications. The identified mitigation actions involving energy technology deployments (solar home systems, mini/micro hydro, and energy efficiency) are among those that will be promoted and facilitated by the project in enhancing the rural electrification in the country. These interventions will not only increase the electricity access in the off grid areas but also bring about energy savings and GHG emission reductions. The rural electrification projects and RE based power generation demonstrations and replications will make use of the energy technology applications that are cited in the NDC Document. The big on grid projects mentioned in the NDC Document can also benefit from the energy policies, energy planning tools/systems, energy database and institutional mechanisms that the project will develop and establish. The design and implementation of the demo and replication projects will also benefit from experiences and lessons learned from such on grid projects. Since the global environmental impact of the proposed GEF project is the reduction of</p>

## PIF Review

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			GHG emissions, this project contributes to the achievement of the commitments set in the country's NDCs particularly in specific actions and policies related to climate change mitigation actions. b) Solomon Islands submitted its INDC to the UNFCCC on 22 April 201. The country ratified the Paris Agreement on 21 September 2016. Its INDC is now referred to as its NDC.
<b>Project Design</b>	3. Does the PIF sufficiently indicate the drivers <sup>2</sup> of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation?	MO March 7 2017 The proposed project will focus on rural electrification to achieve the national target of electricity access. This is innovative thorough support for policy, institution, technology, and capacity building. The sustainability and scale-up will be achieved through the activities on development of financial mechanism and implementation plans development for replication. (1) Institutional and financial barrier section largely discusses lack of capacity for design, plan, implement and operation. This implies that the institutional and financial arrangement is available, so that the capacity development need to be implemented. However this barrier argument does not support the	(1)In the context of rural electrification in the Solomon Islands, that barrier in regards institutional and financial mechanisms is that these are generally weak. Such mechanisms/arrangements for integrated planning, design, implementation and operation of electricity infrastructure projects and RE based electricity production in the off grid areas have to be strengthened if the rural electrification target is to be achieved. Revisions have been made in Component 2 to emphasize that: (a) an enhanced set of institutional and financing mechanisms will be developed and enforced; and, (b) the enforced enhanced mechanisms will be evaluated (possibly towards the end of the GEF project), as to its effectiveness and impacts to determine whether to sustain and/or enhance them further.

<sup>2</sup> Need not apply to LDCF/SCCF projects.

## PIF Review

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		<p>proposed activities which aim to propose institutional and financial mechanism. Please revise this barrier section or activities.</p> <p>(2) Technical barrier discusses "fragmented and uncoordinated initiatives", but this should be recognized as institutional barrier. Please revise.</p> <p>MO April 6 2017 Comments cleared.</p>	<p>(2) This issue was initially considered part of technical barriers because, according to stakeholders, the varied results from these stand alone and uncoordinated initiatives has resulted in the low level of confidence in, and application of, RE technologies and RE based power generation. In retrospect, the project proponents agree that this could fit more as an institutional barrier. This is now included in the sub topic on institutional barriers.</p>
	4. Is the project designed with sound incremental reasoning?	<p>MO March 7 2017 Yes. Solomon Islands has the target 35% rural electrification by 2020, and the current status is 6% except Honiara area. With ongoing international and bilateral agencies support for rural RE projects, the proposed project will enhance the activities toward the target.</p>	
	5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs?	<p>MO March 7 2017 (1) The GEF appreciate the ambitious target of The Solomon Islands, and support to achieve this target. Please focus on policies and programs to support its target instead of using GEF financing to propose realistic target. (2) On rural electrification, the proposed project will produce various</p>	<p>(1) Some stakeholders and individuals who were consulted during the PIF development process have expressed opinions that the levels/magnitudes of the set targets of the country in regards RE and EE and electricity access in rural areas are ambitious and should be reevaluated. They have suggested that a reevaluation of these targets should be done. Hence the inclusion of such</p>

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		<p>outputs, such as plans (component 1), development plans (component 1), program (component 1 and 2), initiatives (component 2), and implementation plans (component 3). This sounds already fragmented and not integrated. Please revise and streamline the work.</p> <p>(3) Component 1 will propose investment plans and rural electrification program, but they need assessment of ongoing activities which will be assessed in component 2. Please explain how these different component are coordinated.</p> <p>(4) Please explain if the component 3 will assess the feasible and cost efficient RE and EE technology.</p> <p>(4) Please explain if the component 2 support the demonstration activities in component 3.</p> <p>(5) Please move dissemination activity (ii)(2) from component 3 to component 4.</p> <p>(6) Please move monitoring and database system activity from component 4 to component 1 to be integrated in policy development, implementation and improvement.</p> <p>(7) Please improve cost-efficiency of the proposed project. The current expected GEBs is low.</p> <p>(8) This proposed project is the 6th UNDP project in the Pacific SIDS on</p>	<p>reevaluation, inasmuch as a clearer understanding of the realistic targets will also assist in determining what interventions the proposed GEF project has to further do to achieve the set ambitious targets, at least for rural electrification. Nevertheless, for the sake of conciseness in the description of Component 1, the explicit texts on this have been removed as per the GEF suggestion.</p> <p>(2) The components of the proposed barrier removal GEF project have been organized according to barrier type. To clarify, Component 1, which is for addressing policy/regulatory barriers to rural electrification will produce, among others: (a) an evaluation of the existing rural electrification program of the country; and, (b) formal rural electrification plans at the national and local levels (inclusive of formal rural energy development investment plans, and follow up plan for the enhancement of rural energy policies, regulations and plans) based on the findings and recommendations of the evaluation of the existing rural electrification program. In Component 2, which addresses the institutional and financial mechanisms for the implementation of the enhanced rural electrification program will deliver, among others, completed rural</p>

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		<p>RE and EE. This has also very similar components with the previous projects (e.g. Vanuatu, Niue). Please articulate how this project will be benefited from the other SIDS projects and vice versa.</p> <p>MO April 6 2017 Comments cleared.</p>	<p>electrification initiatives as per the enhanced rural electrification program. It's not clear why Component 3 is included in the comment. This component, which addresses the technical barriers will deliver, among others, implementation plans for the demonstrations on RE based electricity generation and EE technology application in the electricity end use sectors in selected off grid areas. Nonetheless, since the demos are also meant to support the enhanced rural electrification program, their planning and implementation shall be coordinated with the interventions in Components 1 and 2 that will deliver: (a) an enhanced rural electrification program; (b) rural electrification plans that are based on the enhanced rural electrification program; and (c) rural electrification initiatives/projects that make up or contributes to the rural electrification plans.</p> <p>(3) Component 1 will deliver an evaluation of the investment plan for the existing rural electrification plan. Based on the findings and recommendation of the evaluation, the investment plans for the enhanced rural electrification program and for rural energy development will also be produced. The phrase in the comment "but they</p>

## PIF Review

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			<p>need assessment of ongoing activities which will be assessed in component 2." is not clear. The assessments in Component 2 are on the: (a) existing institutional arrangements for the financing and implementation of the rural electrification program of the country; and, (b) effectiveness and impact of the enforced enhanced institutional and financing mechanisms. Component 2 includes the implementation of rural electrification initiatives/projects as per the enhanced rural electrification program and facilitated by the enforced enhanced institutional and financial mechanisms. Such initiatives particularly those that are supported by government funds will be funded based on the investment plan. Obviously the investment planning will go hand in hand with the design and planning of the government supported rural electrification initiatives/projects. The MMERE and the finance ministry will coordinate together in coming up with the investment plans.</p> <p>(4) Component 3 includes the assessments of ongoing and planned RE based electricity generation activities in the off grid areas in terms of impacts such as contribution to the achievement of the country's rural electrification targets. The demonstrations are included</p>

## PIF Review

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			<p>in the planned activities, so yes this component will assess the feasible and cost effective RE/EE technologies. Additional texts have been added to the description of Component 3 to emphasize this. Component 2 includes the design, development, financing and implementation (operation) of rural electrification initiatives/projects apart from the demonstrations. These projects can either be replications of the installed demonstration units, or parallel projects that will be executed (by their proponents/owners) during the design and development of the planned demonstrations. Work on both sets of projects (demos and others) will be well coordinated to make use of the potential synergies in the design, engineering and operation.</p> <p>(5) The relevant data/information dissemination activity is now included in Component 4, as part and parcel of the national energy supply and consumption monitoring and reporting, and database system.</p> <p>(6)As stated earlier, the project activities have been organized according to the barrier types. Since Component 4 is mainly for addressing the capacity development and information needs of the country on energy matters, among</p>

## PIF Review

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			<p>them rural electrification, it would be better to have this component comprise of activities that will deliver the tools/systems and information sources that will be used for the purposes of energy policymaking and planning (including rural electrification), energy management as well as for the country's energy development and utilization programs. In this case, it would be logical to have the energy supply and consumption monitoring, reporting and database system be developed under this component. This system can then be used primarily by the MMERE for generating relevant energy data/information during the GEF project implementation period, and after the GEF project on a regular basis.</p> <p>(7) The issue of attribution plays a big part in the magnitude of GHG emission reductions that can be realized from the project. Firstly, the target is the rural sector. The country's national utility, Solomon Islands Electricity Authority (SEIA) has an extensive grid in the main island where the capital Honiara is located. In some of the provincial centers the SEIA operates mini grids served by diesel power generation units. As stated in the PIF, in 2009, 11.8% of the households in the country are connected to the SIEA grids. About 90%</p>

## PIF Review

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			<p>of these households are in Honiara, 10% are served by SEIA mini grids in provincial centers. Among the households that are not connected to the grid, 9.4% have their own power generation units (0.7% using diesel gensets; 8.7% using solar PV power generation). To achieve the 35% electricity access in the rural areas, the following are the expected (assuming the SPIRES Project starts in 2019).</p> <p>The estimated potential GHG emission reduction (direct and consequential) will vary based on the time frame considered and the attribution of the resulting GHG emissions to the SPIRES Project. The initial estimate of 346.8 ktons assumes all RE based power generation in the non SEIA areas (i.e., rural off grid areas) is directly and indirectly influenced by the project. It also conservatively assumes that only 35% of the non SEIA households in Honiara are influenced by the project. To accede to the reviewer's suggestion, the estimated potential GHG emission reductions from the project has been revised to 508.9 ktons.</p> <p>(8) The proposed project is on rural electrification in the Solomon Islands. However, since the RE and EE technologies that could potentially be considered in the achieving the percentage electricity access in rural</p>

## PIF Review

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			<p>areas of the country, this project is similar to the other previous projects in the Pacific Island Countries (PICs). Somehow, this reflects the similar circumstances that many of the PICs are in, and the common issues that they have, in their efforts to develop and utilize their RE resources and efficiently use the energy they need for their sustainable development. As in the other RE and EE projects in the PICs, this project also includes the setting up of an information exchange network for the promotion and dissemination of knowledge on sustainable energy and LC development. As in those other projects, the purpose of such network is for knowledge sharing, not only within the country but also with other PICs and SIDS in other regions. With such network, data/information on lessons learned and best practices in the application of RE and EE technologies in rural electrification, as well as implementation of sustainable energy, RE and EE technologies specifically in small island settings, can be obtained from other PICs and SIDS, and applied to specific situations and localities in the country.</p>
	6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered?	MO March 7, 2017 Yes.	

## PIF Review

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<b>Availability of Resources</b>	7. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> <li>• The STAR allocation?</li> </ul>	MO March 7, 2017 Yes. STAR CCM allocation is \$3 million.	
	<ul style="list-style-type: none"> <li>• The focal area allocation?</li> </ul>		
	<ul style="list-style-type: none"> <li>• The LDCF under the principle of equitable access</li> </ul>		
	<ul style="list-style-type: none"> <li>• The SCCF (Adaptation or Technology Transfer)?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Focal area set-aside?</li> </ul>		
<b>Recommendations</b>	8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?	MO March 7 2017 Not at this time. Please address comments in box 2, 3 and 5.  MO April 6 2017 All comments cleared. The Program Manager recommends PIF clearance.	
<b>Review Date</b>	Review	March 07, 2017	
	Additional Review (as necessary)	April 06, 2017	
	Additional Review (as necessary)		

## CEO endorsement Review

Review Criteria	Questions	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
<b>Project Design and Financing</b>	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?		
	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

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<b>Agency Responses</b>	11. Has the Agency adequately responded to comments at the PIF <sup>3</sup> stage from:		
	• GEFSEC		
	• STAP		
	• GEF Council		
	• Convention Secretariat		
<b>Recommendation</b>	12. Is CEO endorsement recommended?		
<b>Review Date</b>	Review		
	Additional Review (as necessary)		
	Additional Review (as necessary)		

<sup>3</sup> 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.