



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

GEF ID:	4497		
Country/Region:	Suriname		
Project Title:	Development of Renewable Energy, Energy Efficiency and Electrification of the Hinterlands		
GEF Agency:	IADB	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Climate Change
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-3; CCM-3; CCM-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,400,000
Co-financing:	\$21,500,000	Total Project Cost:	\$25,900,000
PIF Approval:		Council Approval/Expected:	November 01, 2011
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Dimitrios Zevgolis	Agency Contact Person:	Christiaan Gischler

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?	DZ, April 5, 2011: Yes, Suriname is a NAI party of the UNFCCC.	
	2. Has the operational focal point endorsed the project?	DZ, April 5, 2011: Yes, by letter signed on February 23, 2011.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	DZ, April 5, 2011: Yes, the agency has experience in the country.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DZ, April 5, 2011: This is a grant.	
	5. Does the project fit into the Agency's program and staff capacity in the country?	DZ, April 5, 2011: Please refer to the boxes 4 and 5. Please clarify if the agency has in country staff capacity.	

*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 11-22-2010

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		DZ, May 6, 2011: The comment is not addressed. DZ, Aug 29, 2011: The comment is addressed.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DZ, April 5, 2011: Yes. Suriname is a flexible country, and the project will utilize resources allocated not only to the CC focal area, but to other focal areas as well.	
	• the focal area allocation?	DZ, April 5, 2011: Please refer to the above comment.	
	• the LDCF under the principle of equitable access	NA	
	• the SCCF (Adaptation or Technology Transfer)?	N/A	
Project Consistency	• focal area set-aside?	N/A	
	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF results framework?	DZ, April 5, 2011: Yes.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF objectives identified?	DZ, April 5, 2011: Yes, CCM-2 and CCM-3.	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	DZ, April 5, 2011: Yes.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	DZ, April 5, 2011: Not clearly. Please provide more detail regarding the establishment and the operation of the "national platform for stakeholder	

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		<p>involvement."</p> <p>DZ, May 6, 2011: Th only extra information about this "platform" is that it will facilitate dialogue between the main stakeholders. How is this different from the project steering committee? A modality for the engagement of all stakeholders is crucial for any GEF project and usually it is activated through the project management function. If the proposal foresees the establishment of a new modality that has a role beyond the project term, then the design of this modality should be clear and sustainable, and not "donor-driven."</p> <p>DZ, Aug 29, 2011: The comment is addressed.</p>	
Project Design	11. Is the description of the baseline project/ scenario – what is happening in the project area without GEF project – reliable?	<p>DZ, April 5, 2011: The baseline project involves the activities cofinanced by IDB. Please clarify whether the components funded by the GEF involve activities that receive GEF funding and cofinancing in parallel, or each funding source concerns different activities.</p> <p>DZ, May 6, 2011: According to the response to this comment, and the related revisions in the PIF, GEF will mainly finance the pilot investments, while the 1.5mUSD from the MIF will be TA for the same activities, and the rest of cofinancing involves the scale-up of the GEF investments. The, two important comments derive:</p> <p>a. GEF cannot finance the full costs of</p>	

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		<p>the pilot investments, but only their incremental costs; please provide the respective cost assumptions.</p> <p>b. Are the scale-up investments included in the expected outputs, as the financing for them is included in the financing plan? If so, then the expected outputs are extremely modest.</p> <p>DZ, Aug 29, 2011: The comment is addressed. Please submit final GEF funding estimations based on the incremental cost principle at the CEO endorsement stage.</p>	
	12. If GEF does not provide funding, is the rest of the project funded by other partners viable?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>DZ, April 5, 2011: Yes, but the assessment of the incrementality can be improved through addressing the above design comments.</p> <p>DZ, May 6, 2011: The comment remains.</p> <p>DZ, Aug 29, 2011: The comment is addressed.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>DZ, April 5, 2011: The project framework includes 4 components.</p> <p>The first component has 4 subcomponents. GEF funding is requested for two of them: the installation of at 10 weather stations for the assessment of RE potential, and the installation 170kW PV systems in urban</p>	

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		<p>areas. Please clarify the activities that involve the RE potential assessment; what type of missing data will be gathered and which RE sources will be assessed? Are there any other activities included (e.g. resource map development)? It should be noted that AdeKUS is now measuring the solar intensity and radiation, while wind measurements already exist.</p> <p>Also, the total funding for the installation of 170kW of PV power is estimated at 2.55 million USD; this implies a rate 15 USD/Watt, which is extremely high.</p> <p>Regarding component 2, GEF is expected to support the installation of 1,000 power monitors, the evaluation of EE potential, and the proposal for EE measures. The last two activities are TA activities, please present them separately. Also, please clarify the use of the power monitors; how are they expected to produce the mentioned energy savings and how that estimate has been produced, considering the lack of information about the level of the EE potential? Are they going to be linked with demand management software?</p> <p>Under the same component, GEF is expected to finance the demonstration of EE practices, mainly by the use of at least 40,000 CFLs. If the installation of 40,000 CFLs is the main demonstration activity, then the budget of 5.85 million USD is extremely high. Please clarify,</p>	

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		<p>and revise the budget accordingly.</p> <p>The third component concerns rural electrification. GEF is expected to finance at 100kW of PV power and at least 1MW of micro hydropower. The budgeted costs are too high; please explain.</p> <p>The fourth component involves a public awareness campaign for the dissemination of the results of the project. The budget seems too high to involve only the results dissemination. Please consider the development of public awareness plan and capacity building activities for the involvement of local stakeholders in the implementation of project activities.</p> <p>DZ, May 6, 2011: Component 1: Extra info is provided about the role of the weather stations. GEF cannot finance this activity since it should better be undertaken as a baseline activity; the data for solar radiation can be provided by the existing PV installations, NASA maps are accurate enough, and solar radiation doesn't has more stable characteristics than wind or hydro resources. Existing wind measurements show low wind speeds, and the project doesn't include any investment in wind. Also, hydro measurements are also included in component III. Peak output of the expected investment</p>	

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		<p>has been upscaled to 300kW, however this implies a cost of \$8.5/Watt. This cost is still considered at the upper band of prices for PV systems, especially in the case of on-grid systems that do not require battery backup. Please clarify and justify the cost assumptions.</p> <p>Component 2: Regarding the installation of 1,000 power monitors, their saving impact highly depends on the available tariff system, their ability to monitor the specific consumption of appliances, and the consumption pattern (i.e. consumption patterns differ between OECD and non-OECD countries). Please justify why this assumption is suitable for the case of the domestic sector in Suriname. Also, please clarify if the installation of power monitors concerns houses with existing power meters. It should be noted that while the domestic sector is addressed only by the installation of power monitors, power monitors are not foreseen for the public sector, where on the other hand specific EE measures are expected. These different approaches should be clarified, while it should be noted that if specific EE measures are only directed to the public buildings, the potential of the domestic sector remains unexploited. The budget remains high in comparison to the expected outputs; please share and justify the cost assumptions.</p> <p>Component 3: Ouptuts have been</p>	

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		<p>upscaled, nevertheless costs remain high. Please clarify and justify the cost assumptions.</p> <p>Component 4: The comment is addressed.</p> <p>DZ, Aug 29, 2011: The comments are addressed.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>DZ, April 5, 2011: The assumptions (emission factors, capacity factors, etc.) for the estimation of the global environment benefits are not shared.</p> <p>DZ, May 6, 2011: Emission factors and capacity factors are provided, however they are not justified. Specifically, is the 8% capacity factor of the PV systems based on existing systems in the country, or the available radiation data? Also the capacity factor and the emission factor of the biodiesel system should be justified based on life cycle data of the biodiesel resource. Also, explain the "grid electricity and gas" emission factor.</p> <p>DZ, Aug 29, 2011: The comment is addressed. More elaborate calculation is expected at the CEO Endorsement stage.</p>	
	<p>16. 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 of incremental/additional benefits?</p>	<p>DZ, April 5, 2011: Yes.</p>	

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	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	DZ, April 5, 2011: Not clearly. Please provide information about the foreseen involvement of the local communities in the development and operation of the off-grid installations. DZ, Aug 29, 2011: A clear and concrete plan is expected with the CEO Endorsement Request.	
	18. 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)	DZ, April 5, 2011: Are there any identified risks for the availability of hydro resources, given the effect of climate change to the coastal zone? Please elaborate. DZ, Aug 29, 2011: The comment is addressed.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	DZ, April 5, 2011: Yes.	
	20. Is the project implementation/ execution arrangement adequate?	DZ, April 5, 2011: Yes.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	DZ, April 5, 2011: Yes.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	DZ, April 5, 2011: No. GEF funding seems excessive for the level of outputs. DZ, May 6, 2011: The comment	

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		remains. DZ, Aug 29, 2011: Outputs have been adjusted. The comment is addressed. Analytical justification based on the incremental cost principle is expected at the CEO Endorsement stage.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	DZ, April 5, 2011: Indicative cofinancing seems adequate.	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	DZ, April 5, 2011: Yes, the agency is an MDB and provides loans and funding for technical cooperation.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments? • Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	DZ, April 5, 2011: No. Please address the above comments. DZ, May 6, 2011: No. A lot of comments remain to be addressed. Please consult with the GEFSEC before further development of the proposal.	

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		DZ, Aug 29, 2011: Comments are addressed. PIF clearance is recommended.	
	31. Items to consider at CEO endorsement/approval.	DZ, Aug 29, 2011: At the CEO Endorsement stage the incremental reasoning regarding the GEF funding per objective should be analytically developed in order to justify the exact level of the allocated GEF resources.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	April 05, 2011	
	Additional review (as necessary)	August 29, 2011	
	Additional review (as necessary)		
	Additional review (as necessary)		
	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.**

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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