



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

GEF ID:	4873		
Country/Region:	Tanzania		
Project Title:	Promotion of Renewable Energy (RE) Applications in Agro-industries and Rural Lighting in Tanzania		
GEF Agency:	UNIDO	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; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$5,277,000
Co-financing:	\$26,385,000	Total Project Cost:	\$31,662,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Mr. Jossy Thomas

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, Apr 3, 2012: Yes.	
	2. Has the operational focal point endorsed the project?	DZ, Apr 3, 2012: Yes, however the endorsement concerns two GEF agencies (UNIDO and WB) and the proposed agency fees are not equal to the 10% of the GEF project grants per agency. Please clarify whether this is a joint UNIDO/WB project, and revise and resubmit the OFP letter accordingly. MY, September 17, 2012: Cleared. A revised letter received.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	DZ, Apr 3, 2012: Yes, both agencies have a comparative advantage for the components that they are expected to implement.	

*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.

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	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	<p>DZ, Apr 3, 2012: The project involves the establishment of a revolving fund for supporting RE investment. However, there is no linkage between the investment component and this fund; please explain. Also, the lighting component involves an existing financial instrument; please explain how this instrument differs from the revolving fund proposed, and justify its need and level of concessionality.</p> <p>MY, September 17, 2012: The issue has been addressed. The Program Manager of the GEF SEC agreed that the linkage between the investment component and the revolving fund should be further investigated and addressed during the PPG implementation stage.</p>	
	5. Does the project fit into the Agency's program and staff capacity in the country?	DZ, Apr 3, 2012: Yes.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	DZ, Apr 3, 2012: Yes.	
	• the focal area allocation?	DZ, Apr 3, 2012: Yes, \$6.86 million of the STAR CC allocation for the country remain to be programmed.	
	• the LDCF under the principle of equitable access	DZ, Apr 3, 2012: N/A	
	• the SCCF (Adaptation or Technology Transfer)?	DZ, Apr 3, 2012: N/A	
	• Nagoya Protocol Investment Fund	DZ, Apr 3, 2012: N/A	
• focal area set-aside?	DZ, Apr 3, 2012: N/A		

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Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	DZ, Apr 3, 2012: Yes.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	DZ, Apr 3, 2012: Yes.	
	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, Apr 3, 2012: Yes.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	<p>DZ, Apr 3, 2012: Not clearly. The proposed interventions do not seem to have sustainable outputs since they have limited scale and the proposed investments are dependent on grant financing.</p> <p>MY, September 17, 2012: Cleared. The capacity development component is revised. If achieved, the capacity development in the project will contribute to the sustainability of the project outcomes.</p>	
	11. 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?	DZ, Apr 3, 2012: The proposed project seems to address two distinct problems: the carbon footprint the agro-industrial sector and the lack of modern off-grid lighting. These two problems are generally described, however the description of the baseline projects, which will take place in the absence of the GEF-funded activities, is not sufficient. The description of barriers relevant to both problems is generic, without a quantitative account of the	

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Project Design		<p>achievements of the existing interventions.</p> <p>MY, September 17, 2012: Cleared. Two scenarios without GEF financing (baseline) and with GEF financing (incremental reasoning) are briefly presented on page 14 of the revised PIF.</p>	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?	<p>DZ, Apr 3, 2012: Not clearly. The GEF funding for the proposed activities is not justified based on the incremental cost principle.</p> <p>MY, September 17, 2012: Cleared, but a little bit work needs to be done in the PIF.</p> <p>The detailed project baseline and incremental reasoning scenarios are presented on page 9 (Appendix B: Incremental Cost Benefits) of the agency's response to the GEF comments. Please include the whole (not only a prt) Table in the revised PIF.</p> <p>DER, September 19, 2012. The table was included on page 17. Comment cleared.</p>	
	14. Is the project framework sound and sufficiently clear?	DZ, Apr 3, 2012: The proposed project is actually two distinct project proposals to be implemented by two different	

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		<p>agencies, which are packaged together. There is no justification for packaging such different interventions in the same project proposal. Specifically:</p> <ol style="list-style-type: none"> 1. The components 1, 2, 3, and 5 (total GEF funding: \$2.56M) concern the promotion of biomass, led by UNIDO, while the components 4 and 6 (total GEF funding: \$720k) concern modern off-grid lighting, led by the World Bank. 2. Based on the figures mentioned in the OFP endorsement letter, the M&E and PM funding by the GEF (\$170k) seems to be allocated as a whole to the UNIDO part. 3. The selected interventions have limited outputs and do not seem to have a transformational impact to the respective sectors. 4. In the case of biomass promotion there is no specificity in the policy instruments and provisions to be implemented; the country has already adopted renewable energy policies and existing GEF projects are expected to refine them. There is no justification for a technology-based, piecemeal approach in the field of renewable energy policies. 5. Despite the proposal for the establishment of a revolving fund, the investment component of the project is not linked with the application of that revolving fund. 6. The off-grid lighting interventions seem to be a replication of a previous WB project in the country; please clarify. Also please explain how the 	

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		<p>new intervention can achieve a sustainable outcome if the outcomes of the previous intervention were not self-sustained.</p> <p>MY, September 17, 2012: Cleared. The issues have been addressed, and the PIF has been revised accordingly.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>DZ, Apr 3, 2012: The applied methodology seems appropriate, however the direct benefits of the off-grid lighting project also include indirect benefits due to the growth of sales of lanterns beyond the project period. Please adapt the calculations based on the guidelines regarding direct benefits.</p> <p>MY, September 17, 2012: Cleared. The proposed methodology and assumptions (on pages 14-17 of the PIF) look appropriate. They need to be further researched and strengthened during project PPG 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, Apr 3, 2012: A general description is provided.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>DZ, Apr 3, 2012: Only specific governmental authorities are identified, while specific industries, financing institutions, and local communities involved in the project are not.</p>	

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		MY, September 17, 2012: Cleared. Information is given on pages 20-21 of the PIF.	
	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, Apr 3, 2012: A list of risks and mitigation measures is provided. However, the sustainability risk is not properly addressed. MY, September 17, 2012: Cleared. Information is given on pages 18-19 of the PIF.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	DZ, Apr 3, 2012: The coordination with projects led by the two involved GEF agencies is mentioned.	
	20. Is the project implementation/ execution arrangement adequate?	DZ, Apr 3, 2012: The proposed project involves two different sets of interventions, which seem to be led by two different GEF Agencies. Please clarify the execution arrangement. MY, September 17, 2012: Cleared. Now, UNIDO is the one and only agency for the project.	
	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, Apr 3, 2012: PM GEF funding is less than 5% of the total GEF grant, PM costs excluded.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes	DZ, Apr 3, 2012: Yes, in fact the total budget is considered more than sufficient to achieve the proposed	

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	and outputs?	outputs (4MW of biomass applications and 50,000 off-grid lighting systems).	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	<p>DZ, Apr 3, 2012: There is no justification regarding the level of the cofinancing based on the baseline project formulation and the incremental cost principle.</p> <p>MY, September 17, 2012: Cleared. The Program Manager thinks that it is reasonable for the GEF to finance 22.5% of the total project incremental costs (US\$14.67 million) in this RE project in an African country.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	<p>DZ, Apr 3, 2012: WB provides all the cofinancing for the off-grid lighting part (\$1.85M), while UNIDO provides only \$80k for its part. Please explain this imbalance.</p> <p>MY, September 17, 2012: Not at this time.</p> <p>Agency contribution to this project, namely \$60,000 in cash and \$20,000 in-kind, is not enough. Please consider contributing \$400,000 cash to this project.</p> <p>DER, September 19, 2012. Agency co-financing was increased to \$150,000. Comment cleared.</p>	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		

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	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?	<p>DZ, Apr 3, 2012: Please address the above comments and consider the major redesign of the project proposal. Specifically, please clarify the role of the two GEF agencies in the project, and provide an OFP endorsement letter that reflects this execution arrangement.</p> <p>MY, September 17, 2012:</p> <p>Not at this time. Please See Boxes 13 and 26.</p> <p>DER, September 19, 2012. All comments cleared. The PIF has been technically cleared and may be included in an upcoming Work Program.</p>	
	31. Items to consider at CEO endorsement/approval.		
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 03, 2012	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	Additional review (as necessary)	September 17, 2012	
	Additional review (as necessary)	September 19, 2012	
	Additional review (as necessary)		
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* **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?	MY, September 17, 2012: Not at this time. One more issue should be addressed in the PPG. This is related to the comments in Box 15 of the PIF review sheet. The proposed methodology and assumptions need to be further researched and strengthened during project PPG stage.
	2. Is itemized budget justified?	MY, September 17, 2012: Yes. But the proposed research on methodology and assumptions, and the corresponding budget should be added in the list of activities in the PPG.
Secretariat Recommendation	3. Is PPG approval being recommended?	MY, September 17, 2012: Yes. The Program Manager recommends the proposed PPG, as long as it is cleared.
	4. Other comments	MY, September 17, 2012: Another review is needed for the PPG.
Review Date (s)	First review*	September 17, 2012
	Additional review (as necessary)	

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