



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

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| GEF ID: | 9220 | | |
| Country/Region: | Tuvalu | | |
| Project Title: | Facilitation of the Achievement of Sustainable National Energy Targets of Tuvalu (FASNETT) | | |
| GEF Agency: | UNDP | GEF Agency Project ID: | 5613 (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 2; | | |
| Anticipated Financing PPG: | \$0 | Project Grant: | \$2,639,725 |
| Co-financing: | \$15,900,000 | Total Project Cost: | \$18,539,725 |
| PIF Approval: | | Council Approval/Expected: | October 01, 2015 |
| CEO Endorsement/Approval | | Expected Project Start Date: | |
| Program Manager: | Ogawa Masako | Agency Contact Person: | |

| PIF Review | | | |
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| Review Criteria | Questions | Secretariat Comment | Agency Response |
| Project Consistency | 1. Is the project aligned with the relevant GEF strategic objectives and results framework? ¹ | <p>MO July 31, 2015 Yes. Yes the project is aligned with GEF-6, CCM Objective 1, Program 2.</p> <p>MO August 10, 2015 Please add Program 1 in Table A, as many components of the project also aim technology transfer.</p> | Per guidance provided by GEFSec on CC1 programs, this proposed project is under CC1: Program 1. This is now reflected in the PIF. |
| | 2. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions? | <p>MO July 31, 2015 Yes. Tuvalu has developed National Energy plan, and has the targets (1) 10% renewable energy for power</p> | |

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)?

PIF Review

| Review Criteria | Questions | Secretariat Comment | Agency Response |
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| | | generation by 2020, and (2) 30% energy efficiency improvement in Funatuti. | |
| Project Design | 3. Does the PIF sufficiently indicate the drivers ² of global environmental degradation, issues of sustainability, market transformation, scaling, and innovation? | <p>MO July 31, 2015</p> <p>There are many renewable projects are on-going, but Tuvalu still relies on fossil fuels, and has not developed detail plan to achieve the above mentioned goals.</p> <p>On innovation, this project will implement community based pilot and biomass technology, and will develop financial scheme.</p> <p>On sustainability and market transformation, this project will develop and implement policy and financial tools provided by the local bank. However it is not clear whether the capacity of business and commercial actors will be strengthened so that the low carbon technologies are introduced and maintained properly.</p> <p>1)Please include activities for these business and commercial actors in relevant component and as stakeholders to reduce the technical barriers discussed in page 6.</p> <p>2)Please revise footnote. There are</p> | <p>In the original PIF, Component 1 includes Activity 5, which is on the design and conduct of a capacity development program for the energy sector on the energy efficient operation and maintenance of RE based power generation systems. Currently, there are a number of business entities that provide small scale engineering, repair and maintenance services to the energy sector, and mainly to the commercial/residential sector. These are also among the intended beneficiaries of the capacity development program. This has been revised (Component 1, Activity 3c) to include these business entities in the capacity development program on energy services business model and technical capacity for the provision of services in the design, engineering, installation, energy efficient operation and maintenance of RE systems for electricity and nonelectricity applications.</p> <p>It is not clear what footnote is being referred to. It is assumed that these are footnotes (which are mainly supplementary information) on the paragraphs on barriers. Nonetheless, the</p> |

² Need not apply to LDCF/SCCF projects.

PIF Review

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| | | <p>many discussion of barriers and issues in the footnote, but some are very important information for this project and should be discussed in the main body.</p> <p>MO August 10, 2015 Comments cleared.</p> | <p>sub section on barriers have been revised to incorporate accordingly these footnotes.</p> |
| | 4. Is the project designed with sound incremental reasoning? | <p>MO July 31, 2015 Yes. The project will enhance deployment of renewable and energy efficiency technologies.</p> | |
| | 5. Are the components in Table B sound and sufficiently clear and appropriate to achieve project objectives and the GEBs? | <p>MO July 31, 2015</p> <p>1) Please revise the activities of component 1. We understand that any awareness raising activity should result in the change of behavior, and it should be supported by practical tools and schemes available for the public. This project will develop policy and test technology pilots and financial schemes. Once they are operationalized and can be replicated in nationwide, then the information should become available for the public to encourage their behavior change. However, current component 1 describe very general information, which will not result in fruitful outcome.</p> <p>2) Please merge component 2, 3 and activities (1) and (2) of component 4). Policy and institution cannot be developed separately. The</p> | <p>The items shown in Table B for all project components are outputs, not activities. The indicative activities for each component are presented in Part II, Sec. 1.3. For Component 1, the project proponents agree to the comment that awareness raising activities should result in the change of behavior. To avoid falling into the same unsuccessful results of previous capacity development efforts, the proposed program will focus on specific stakeholders that will play key roles in developing, implementing, operating and sustaining low carbon initiatives (e.g., EE and/or RE) in the country. The Component 1 outputs and activities have been revised in line with the reviewer's suggestion to ensure the realization of improved awareness and attitude towards renewable energy and energy efficiency applications in the energy and energy end use sectors in the</p> |

PIF Review

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| | | <p>issue of "who do what and how" should be developed in the integrated manner. The activities (1) and (2) of component 4 seems to cover nationwide technologies, and if so, they also should be discussed in relation to national policies, plans and institutions.</p> <p>3) Please clarify the current project target of 273,300 tons CO2 reduced will be directly and/or indirectly achieved.</p> <p>4) Please include knowledge management activity to learn from other relevant projects in other SIDS.</p> <p>MO August 10, 2015 Comments 1), 2) and 4) are cleared. On GEBs, 273,300 tons CO2 reduction is calculated according to the national target, and is indirectly achieved, as it includes both contribution of this proposal as well as other initiatives. Please estimate the GEBs directly achieved by the investment planned in this project.</p> <p>MO August 13 2015 Comment cleared.</p> | <p>country.</p> <p>Trivial as it may, but the reason for grouping the activities addressing institutional barriers and policy/regulatory barriers into 2 separate components is mainly for ease of implementation. Nonetheless, it makes sense that the 2 components be merge since the resolution of these 2 types of barriers go hand in hand. Hence, following the reviewer's suggestion Components 2 and 3 have been merge to address policy/regulatory and institutional barriers in an integrated manner.</p> <p>It is however not clear why Activities 1 & 2 of the original Component 4 have to be included in the now combined Components 2 & 3. These 2 activities are mainly for identification and selection of applicable low carbon development technologies (EE/RE) that will be demonstrated under the project; and for the design and planning of the application demonstrations of the selected EE/RE technologies. While the results and data/information generated from these 2 activities, and the results of the implementation of the selected EE/RE technology demonstrations can definitely be used as references for energy technology policy making, these 2 activities are not specifically designed for energy policy and planning work. These 2</p> |

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| | | | <p>activities are among the activities that are meant to address technical barriers, in general, and for the design of the EE/RE technology demonstrations, in particular.</p> <p>The estimated CO2 emission reductions are mainly based on achieving the country's target of 100% RE electricity generation by 2020, and sustaining that target level throughout the lifetime of the installed RE systems during the GEF project implementation. Based on the forecast annual % RE electricity in the country, and the current energy performance of diesel based power generation, it is expected that by 2020, the cumulative CO2 emission reduction (due to the annual reduction in dieselbased power generation) would be about 13,665 tons. Considering the average lifetime of the installed RE based power generation systems (mainly solar PV, with some biogas/biomass energy based, and wind energy based) the estimated lifetime CO2 emission reduction would 273,300 tons. This conservative amount does not include indirect CO2 emission reductions from EE initiatives in the energy end use sectors that not only save electricity and fossil fuel, but also reduce the grid electricity demand.</p> <p>Part II, Sec. 7 has been revised to include uptake of lessons learned and best</p> |

PIF Review

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| | | | <p>practices on low carbon development and EE/RE technologies from other Pacific Island Countries (PICs) and SIDS, as well as sharing of project results to other PICs and SIDS.</p> <p>As previously described, by 2020, the cumulative CO2 emission reduction (due to the annual reduction in diesel-based power generation) would be about 13,665 tons. Considering the anticipated baseline activities that can be subsumed into the proposed project and the estimated incremental activities that will be funded by the project, it is estimated that about 40% of the cumulative CO2 emission reductions can be attributable to the project. This would be about 5,446 tons. Considering the average lifetime of the RE-based power generation systems that will be installed with the support of the GEF project, the estimated lifetime CO2 emission reduction would be about 109,300 tons.</p> |
| | 6. Are socio-economic aspects, including relevant gender elements, indigenous people, and CSOs considered? | MO July 31, 2015 Yes. | |
| 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? | MO July 31, 2015 Yes. STAR allocation of \$3 million is available for climate change focal | In regards to the table in Part I, Sec. D, there was this note "No need to fill this table if it is a single Agency, single Trust |

PIF Review

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| | | <p>area.</p> <p>Please clarify Agency Fee, and please produce appropriate Table D. The endorsement letter shows agency fee of \$260, 275, but PIF shows only \$9,500 in the table E.</p> <p>MO August 10 2015. Agency fee is \$250,774 in the first section of PIF, and \$250,775 in the Table D. Project cost is \$2,639,725 (as in the letter from OFP) and maximum agency fee is \$250,773.875 (= \$250,774, up to 9.5%). Please revise.</p> <p>MO August 13 2015 Comment cleared.</p> | <p>Fund, single focal area and single country project." in the PIF template. Since the project is only for Tuvalu, with UNDP as GEF Agency, and is only seeking for GEFTF funds for a Climate Change project, we don't fill up the table. Anyway, the filled "in table has now been included in the revised PIF. The Agency Fee for the project proper is US\$ 250,775 (Part I: Project Information; Part I, Sec. D), while for the PPG, it is US\$ 9,500 (Part I, Sec. E). Hence, the total Agency Fee is US\$ 260,275.</p> <p>The stated Agency Fee in the table in Part I, Sec. D has been changed to US\$ 250,774.</p> |
| | <ul style="list-style-type: none"> • The focal area allocation? | NA | |
| | <ul style="list-style-type: none"> • The LDCF under the principle of equitable access | NA | |
| | <ul style="list-style-type: none"> • The SCCF (Adaptation or Technology Transfer)? | NA | |
| | <ul style="list-style-type: none"> • Focal area set-aside? | NA | |
| Recommendations | <p>8. Is the PIF being recommended for clearance and PPG (if additional amount beyond the norm) justified?</p> | <p>MO July 31, 2015 Not at this time. Please address comments in box 3, 5 and 7.</p> <p>MO August 10, 2015 Not at this time. Please address</p> | |

| PIF Review | | | |
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| Review Criteria | Questions | Secretariat Comment | Agency Response |
| | | <p>comments in box 1, 5 and 7.</p> <p>MO August 13 2015 All comments cleared. The program manager recommends CEO PIF clearance.</p> | |
| Review Date | Review | July 31, 2015 | |
| | Additional Review (as necessary) | August 10, 2015 | |
| | Additional Review (as necessary) | August 13, 2015 | |

| CEO endorsement Review | | | |
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| 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? | | |
| | 3. Is the financing adequate and does the project demonstrate a cost-effective approach to meet the project objective? | | |

CEO endorsement Review

| Review Criteria | Questions | Secretariat Comment at CEO Endorsement | Response to Secretariat comments |
|-------------------------|--|--|----------------------------------|
| | 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? | | |
| Agency Responses | 11. Has the Agency adequately responded to comments at the PIF ³ stage from: | | |
| | • GEFSEC | | |
| | • STAP | | |

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.

CEO endorsement Review

| Review Criteria | Questions | Secretariat Comment at CEO Endorsement | Response to Secretariat comments |
|-----------------------|---|--|----------------------------------|
| | <ul style="list-style-type: none"> • GEF Council • Convention Secretariat | | |
| Recommendation | 12. Is CEO endorsement recommended? | | |
| Review Date | Review | | |
| | Additional Review (as necessary) | | |
| | Additional Review (as necessary) | | |