



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

GEF ID:	4377		
Country/Region:	Ukraine		
Project Title:	Development and Commercialization of Bioenergy Technologies		
GEF Agency:	UNDP	GEF Agency Project ID:	2921 (UNDP)
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-3; Project Mana;	
Anticipated Financing PPG:	\$0	Project Grant:	\$4,700,000
Co-financing:	\$27,800,000	Total Project Cost:	\$32,500,000
PIF Approval:		Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Dimitrios Zevgolis	Agency Contact Person:	John O'Brien

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?	Yes.	
	2. Has the operational focal point endorsed the project?	<p>Yes, by letter on September 3, 2010. However, the amount endorsed is lower than the amount requested with the PIF. Also, the calculation of agency fee in the OFP endorsement letter is not according to the 10% rule of the GEF.</p> <p>DZ, Feb 28, 2011: The OFP has signed an undated endorsement letter. Please provide an endorsement letter with a date.</p> <p>DZ, Sep 28, 2011: An endorsement letter properly signed has been provided.</p>	

*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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Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	UNDP has a comparative advantage for TA interventions. Please, address the comments 5 and 6. DZ, Sep 28, 2011: Please address the comment regarding the co-financing amount that the Agency is bringing. DZ, Dec 19, 2011: Comment cleared.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	n/a	
	5. Does the project fit into the Agency's program and staff capacity in the country?	According to the PIF, addressing CC and the sustainable use of natural resources is one of the priorities of UNDAF 2012-16, which is under preparation. However no further detail is provided about the specific role of the Agency on bioenergy. Also, there is no clear information about the staff capacity in the country. DZ, Feb 28, 2011: More details about the UNDP CO staff capacity are provided. The project is consistent with the CC-related priorities of the UNDAF in Ukraine.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	Yes. Ukraine has a CC STAR allocation of \$22,460,000.	
	• the focal area allocation?	Yes.	
	• the LDCF under the principle of equitable access	n/a	
	• the SCCF (Adaptation or Technology Transfer)?	n/a	

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	<ul style="list-style-type: none"> • Nagoya Protocol Investment Fund 		
	<ul style="list-style-type: none"> • focal area set-aside? 	n/a	
Project Consistency	<p>7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?</p>	<p>According to Table A the proposal is aligned with the FA objectives CCM-1 and CCM-3. However, the CCM-1 objective is not applicable, since the specific technologies cannot be considered innovative.</p> <p>DZ, Feb 28, 2011: The project responds to the FA objective CCM-1, however the FA Outcomes and Outputs under Table A should be aligned with those describe under the results framework of the GEF5 CC strategy.</p> <p>DZ, Sep 28, 2011: Comment cleared.</p>	
	<p>8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?</p>	<p>Please, see comment 9.</p> <p>DZ, Feb 28, 2011: Please refer to comment 8.</p> <p>DZ, Sep 21, 2011: Comment cleared.</p>	
	<p>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?</p>	<p>Please provide information on the budget allocation by the Government of Ukraine for executing the Energy Strategy of Ukraine to 2030.</p> <p>DZ, Feb 28, 2011: According to the information provided \$600,000 of the state budget will be directed for the implementation of the Energy Strategy of Ukraine to 2030. However, according to the response, the whole amount of this funding is directed to this project. This</p>	

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		<p>indicates that this is the only project that the government will support under its Energy Strategy; is that correct?</p> <p>DZ, Sep 28, 2011: Comment cleared.</p>	
	<p>10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?</p>	<p>There is no clear linkage between the sustainability of the biomass market in the country and the specific capacity building of the project.</p> <p>DZ, Feb 28, 2011: The project is redesigned to address the development and commercialization of bioenergy technologies in the municipal sector. Since the project focuses on a specific number of municipalities, the sustainability of the outcomes can be achieved only for the specific municipalities and not for the whole sector.</p> <p>DZ, Sep 28, 2011: The comment has not been addressed. Targeting only a limited number of municipalities doesn't seem enough to have a sustainable impact to the bioenergy sector or the municipal sector. Also, the lack of commitment of government funding for the replenishment of the investment grant mechanism does not support the sustainability of the project. Please describe the development of an investment grant mechanism that will operate with clearly committed financial support by the government beyond the GEF funding.</p>	

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		DZ, Dec 19, 2011: The government's financial commitment for the expansion of the program is expected to be documented at the CEO Endorsement stage. Comment cleared.	
Project Design	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?	<p>No. Question B.1 is about the "baseline project" and not the "baseline scenario". We expect here a clear description of the project that would take place without GEF funding.</p> <p>Then, section B.2 should present the incremental activities funded by the GEF, whose mandate is to fund "the full cost of incremental activities". This should be based on a description of activities / outputs of the project and of their itemized cost.</p> <p>Component 2 and 3: Could you give details about the investment part of this components (content and amount)? How many units will be selected for the demonstration? How do you assess the cost of the component?</p> <p>DZ, Feb 28, 2011: In the Section B.1 there is description of baseline project activities, but these activities are not clearly linked to the cofinancing provided by the government, UNDP, and other financiers for the baseline activities. The comment about Section B.2 is not addressed. The comment about the cost of the investment components is not addressed;</p>	

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		<p>please take into account that the components 2 and 3 indicate GEF funding of \$3.7mn and cofinancing of \$13.4mn. These high indicative figures should refer to sound data and assumptions in order to be assessed.</p> <p>DZ, Sep 28, 2011: Based on the baseline project description and the cofinancing table the baseline project activities concern three UNDP projects (mentioned under comment 26), the NERC stimulus package (financed by the green tariff account?) for biomass cogeneration, the awareness activities of the Ministry of Environmental Protection, the NAER programs, the State budget assigned to the Energy Strategy of Ukraine, and activities of the Ministry of Agricultural Policy of a value of \$4.5m. Please clarify which baseline project activities (that have been included in the project framework) will be supported by the UNDP projects, the NAER programs, and the activities of the Ministry of Agricultural Policy.</p> <p>Moreover, according to the added text, the baseline project includes activities to support the green tariff legislative development, debt financing support through EBRD and other financial institutions, and support to SMEs in agricultural sector. Please clarify where in the project framework these baseline project activities are included. Please take into account that the EBRD financing is another GEF project, so it</p>	

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		<p>cannot be considered as a part of the baseline project.</p> <p>Also, there is conflicting information in this version of the PIF and previous versions. In a previous PIF it was mentioned that one barrier is "the requirement to have financial closure on a project before getting the green tariff." In this PIF we are notified that projects without financial closure have received the green tariff. Please explain.</p> <p>DZ, Dec 19, 2011: Baseline activities are more analytically developed. Comment cleared.</p>	
	<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?</p>		
	<p>13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/ additional reasoning?</p>	<p>No. The question in the PIF template has been altered and the request for a description of INCREMENTAL ACTIVITIES REQUESTED FOR GEF FINANCING has been deleted and ignored.</p> <p>Section B.2 should present the incremental activities funded by the GEF, whose mandate is to fund "the full cost of incremental activities". This should be based on a description of activities / outputs of the project and of their itemized cost.</p> <p>Further, since the baseline project has not</p>	

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		<p>been described in an appropriate form the incrementality of the proposed activities cannot be judged.</p> <p>On Component 1: From the current point of view, GEF is not going to fund any further policy activities on RE for the time being, since Roadmaps and national action plans are currently prepared and available in</p> <p>a) the GEF-UNIDO project in Ukraine on EE and RE; and</p> <p>b) Biomass Action Plan is drafted within the Dutch-Ukrainian Government to Government Project on Biomass and Biofuels (G2G07UA85) funded by The Agency for International Business and Cooperation (EVD) of the Ministry of Economic Affairs of the Netherlands and is implemented by the Ministry of Agricultural Policy of Ukraine. http://www.biomass.kiev.ua/pdf/BAP_EN</p> <p>Moreover, GEF funding is more than quadruple of the cofinancing, which is not justified, also by considering the above comment. Further, it seems as if the output 1.4. (fiscal and economic support measures/tax and import regimes) has recently been solved by The Law "On Amending Some Laws of Ukraine Regarding the Encouragement of Production and Consumption of Biofuels" (1391-VI from 21.05.2009) "The Law on Biofuels" envisages a number of privileges for the producers and consumers of biofuels and also for the producers of relevant equipment: -no</p>	

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		<p>custom duty and VAT on bioenergy equipment which is imported into Ukraine (from 01.01.2010 to 01.01.2019). Components 2 and 3: Literature published by Gelethukha et.al. discusses the type and kind of bioenergy demonstration projects already accomplished and praises their financial viability, also due to JI funding. The role of GEF funding for these components is very unclear.</p> <p>DZ, Feb 23, 2011: The 3rd para. of the Section A.2 refers to remaining issues with the green tariff and electrical utilities that "may well be able to find ways to avoid purchasing electricity at the higher green tariffs." The project doesn't APPEAR TO address these issues. Also, it is mentioned that the installed straw-fired boilers cannot burn pellets and there are only two manufacturers of such boilers. However, it is not clear why the lack of investment interest for straw pellet supply and straw-pellet fired boilers is an issue that a GEF project needs to address. The project doesn't provide the same arguments for other solid biofuels (wood pellets, biomass briquettes) which seem to have much higher market penetration. This is a universal issue since, worldwide, the agripellets have low market penetration due to their high environmental impact and the technical challenges in reference to their production and combustion. These issues require (and receive) the interest of research and technology development institutions</p>	

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		<p>worldwide, and the GEF5 CC strategy doesn't provide a mandate to promote focused R&D activities.</p> <p>Of course the GEF can support the deployment of commercial technologies, so the installation of biomass boilers is eligible, however it is not clear why there should be a condition that these boilers should be straw-fired. Please describe the rational for selecting a very specific technological solution among the range of available bioenergy technologies and why this approach is the most-effective to stimulate the bioenergy demand at the municipal sector.</p> <p>DZ, Sep 28, 2011: The Feb 23 comments are not clearly addressed. The proposal has been redesigned and now it focuses on TA for the development of national and municipal biomass programmes, and the development of an investment grant mechanism. Though the development of a financial mechanism is a step towards the right direction, this mechanism is considered to be funded only by the GEF. It is proposed that any financial mechanism developed to support municipal biomass projects should have additional funding from other public resources and a clear plan to remain sustainable after the end of the GEF project. Such a design would potentially have a greater impact than the development of just 6 investment projects.</p> <p>Also, the proposal still focuses to a</p>	

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		<p>specific biomass resource, i.e. agricultural biomass. The current limited attention to the specific resource is not adequate justification. Since the selection of the biomass resource should be a decision made by the public-private schemes of the municipalities with their private partners, putting such a restriction might divert from the selection of the most cost-effective biomass resource and technological solution.</p> <p>Also, despite the fact that the proposal identifies the lack of a green tariff for biogas applications as a barrier, it doesn't include any related activity related to the improvement of the legislation regarding this issue. It should be noted that biogas is a renewable source that can be collected in municipal facilities, like landfills and waste treatment plants. Is there any current initiative that addresses this issue?</p> <p>Finally, the proposal mentions that the investments will be developed by the private sector and they will provide heat and/or power to the local community. The project doesn't propose any intervention about the development of power/heat purchase agreements between the municipalities and the private power/heat producers; is the available regulation sufficient for the development of such agreements directly between these parties at the municipal level?</p> <p>DZ, Dec 19, 2011: Comment cleared. This issue should be analytically</p>	

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		addressed at the CEO Endorsement stage.	
	14. Is the project framework sound and sufficiently clear?	<p>No.</p> <p>The project framework is not coherent with regards to what is the status quo and what are the baseline activities and where it will lead too. Activities in the country seem to be more advanced than the outputs of the project (e.g. National Biomass Action Plan, GEF-UNIDO Project).</p> <p>Technical assistance (TA) and investment (INV) (sub-)components are not clearly distinguished and are not separately budgeted.</p> <p>Please elaborate on the companies participating in the local production of biomass technologies. Who are they? Do they have the financial capability to invest?</p> <p>Who is the source for the joint ventures on boiler production? How will the SMEs be motivated/enabled to participate?</p> <p>DZ, Feb 28, 2011: The proposal is redesigned. The initial proposal had a general focus on the commercialization of bioenergy technologies, while this new proposal focuses on the application of these technologies in the municipal sector and the development of straw pellet industry.</p>	

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		<p>Analytically: Component 1: Output 1.1, 1.3, and 1.5 are overlapping; also what is the geographical focus, regional or municipal? Moreover, it is unclear how a real market will be developed if these activities concern only two municipalities, instead of building a national programme that enforces legislation and targets for all the municipalities. In addition, which is the source for the stimulus package under output 1.4? It is not mentioned under the cofinancing and it is unclear what is meant by targeting the tax and import regimes at municipal level; please refer to the comment 15 regarding the project component 1. Finally, the output 1.6 is similar to the output 4.3.</p> <p>Component 2: This is stated as an investment component, but the GEF grant funding will be used only for TA. The output 2.1 about the technologies assessment, testing, selection, and adoption is too generic. The country has experience with pellet production and boiler manufacturing, and there are a lot of studies internationally that address the issue, so what is the concrete result of this activity. Also, the development and approval of local Ukrainian standards for pellets is also mentioned under output 1.2; is there an identified need for that? Since the majority of the local pellet production is exported to Europe, then these pellets should already comply with the standards of the targeted markets, and the EN standards. Please also refer to the</p>	

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		<p>comment 15.</p> <p>Component 3: Output 3.1 overlaps with the output 1.1.</p> <p>Output 3.2: The technology transfer dimension should be clarified.</p> <p>Output 3.3: Given the difficulties that many municipalities face to undertake large investment projects, due to budget limitations, please clarify how the selected municipalities plan to offer such substantial cofinancing. It should be noted that the barrier analysis doesn't make any reference to financial barriers.</p> <p>Output 3.4: GEF cannot cover transaction costs of JI projects.</p> <p>Output 3.5: Is there an existing database that needs to be elaborated? How is this output linked with the creation of demand?</p> <p>Component 4: It is not clear whether the creation of an Association of Municipalities for Biomass could be an effective tool for market development. The output 4.3 overlaps with the output 1.6. Why is output 4.4 separate to the same kind of work under Component 1?</p> <p>DZ, Sep 28, 2011: The project components are redesigned.</p> <p>Component 1: The output 2 seems dubious. Does it concern only biomass energy or generally biomass management? In the case of biomass energy aren't there specific responsibilities already assigned to other authorities? Output 3: How will this stimulus package differ from the green</p>	

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		<p>tariff? The output 4 should be included in the outputs of Component 5 since it involves a dissemination activity.</p> <p>Component 2: The reasoning for the output 1 is not clear. The development of a unit for the management of a financial support program for renewable energy investments is desirable, however the development of a biomass-specific unit in the Ministry of Agriculture to handle energy investments in public entities (municipalities) which are under the authority of another ministry is not justified; please clarify. Also, please explain the scope of the output 2; does it involve only the selected 6 municipal projects?</p> <p>Components 3 and 4: The two components can be merged since they involve exactly the same type of operations: the provision of capital grants to 6 sub-projects. Please justify the cost assumptions (i.e. \$22m for 6 sub-projects). Also please explain the reasoning for referring to biomass pellet projects as ineligible. Since the investments involve the new production of heat and power, what is the reasoning for regulating this new production based on the current uses of biomass pellets? Please clarify whether the projects that will be financed involve solely the production of heat and power (cogeneration) and not the production of solid biofuels.</p> <p>Component 5: GEF funding of the output 2 is not considered incremental, since this</p>	

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		<p>establishment is already operational. The output 3 should be merged with the output 1 of the component 1 since they involve exactly the same operation. The output 4 involves the the investment grant mechanism, so it can be merged with the relevant outputs of the previous components.</p> <p>DZ, Dec 19, 2011: Comments cleared.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>No. Provided figures on GHG emissions avoided are lacking basic background information for the assessments.</p> <p>DZ, Feb 28, 2011: The comment is not addressed.</p> <p>DZ, Sep 28, 2011: The comment is not addressed. Accurate estimations are not required at this stage, however since investments of specific size are going to be financed, the direct global environment benefits can be estimated based on the size of those investments.</p> <p>DZ, Dec 19, 2011: 80,000 tonnes of CO2e per year expected to be avoided by the six investments on the assumption that they total at 15MW. Detailed calculations will be carried out during the PPG. Comment cleared.</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/</p>	<p>No clear description.</p> <p>DZ, Feb 28, 2011: Addressed.</p>	

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	additional benefits?		
	17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?	<p>No clear description.</p> <p>DZ, Feb 28, 2011: The comment remains; what is the involvement of NGOs?</p> <p>DZ, Dec 19, 2011: Comment cleared.</p>	
	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)	<p>As mentioned in the Biomass Action Plan, Ukraine has developed legal acts on renewable energy and biomass, but But results are unsatisfactory. Could you please elaborate on the mitigation of risks of lack of political will and unclear legislation? Why and how will component 1 lead to results, whereas the former legislation could not?</p> <p>DZ, Feb 28, 2011: The project is redesigned. Financial risks are not addressed; the project doesn't have activities relevant to biomass harvesting and collection, so it doesn't address supply chain disruptions; regulatory risks (green tariff issues) are not really addressed.</p> <p>DZ, Sep 28, 2011: Comment addressed.</p>	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	<p>GEF finances an EBRD project in Ukraine that intents to support RE investments. How will the duplication of effort be avoided? Also, it is not clear how the coordination with the UNIDO</p>	

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		<p>project will be achieved, especially when the PIF refers to a "competitive advantage." GEF doesn't need to finance projects that try to compete each other in the same country.</p> <p>DZ, Feb 28, 2011: The EBRD project cannot be used as a source of financing for the demo projects, since this would be an overlap.</p> <p>DZ, Sep 28, 2011: Comment addressed.</p>	
	20. Is the project implementation/ execution arrangement adequate?	<p>Please, describe why the Ministry of Environmental Protection is selected as the executing agency in comparison to other ministries.</p> <p>DZ, Feb 28, 2011: Please refer to comment 22.</p> <p>DZ, Sep 28, 2011: Please refer to above comments regarding the selection of the Ministry of Agriculture as the host agency for the biomass unit and the investment grant mechanism.</p> <p>DZ, Dec 19, 2011: Comment cleared.</p>	
	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?		
	23. Is funding level for project management cost appropriate?	PM cost share for GEF funding is 10%, for co-financing only 6.8%. Please bring	

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Project Financing		<p>these cost share to an equal level. Considering the high level of GEF funding required, the PM share can be reduced substantially.</p> <p>Dz, Feb 28, 2011: Cost share of GEF funding and PM funding is at equal level, nevertheless the indicative PM costs seem high for the type of the project.</p> <p>DZ, Sep 28, 2011: PM GEF funding is 5.1% of the total GEF funding. Please decrease to 5% or lower.</p> <p>DZ, Dec 19, 2011: PM GEF funding should not exceed the 5% of the subtotal of the GEF grant without the PM GEF funding; please revise according to the guidelines for the PIF template, and resubmit.</p> <p>DZ, Dec 21, 2011: PM GEF funding revised accordingly. Comment cleared.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>No. Since no baseline project has been described, the incrementality of the GEF funding cannot be judged.</p> <p>DZ, Feb 28, 2011: The comment is not addressed.</p> <p>DZ, Sep 28, 2011: GEF funding and cofinancing seem adequate.</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	The private sector is expected to finance with grant money the bulk of the project, beyond the investment component. How is the current status of its engagement documented and how this co-financing	

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		<p>amount is supported?</p> <p>DZ, Feb 23, 2011: Cofinancing from municipalities is not clear; are there municipalities with access to this size of funds and what is the technical basis of indicating this amount of \$8mn? Also, please address the comment about the UNDP in-kind cofinancing under the comment 5.</p> <p>What is the expected use of the NGO funding? Is there any indication of which NGO will be interested to provide a grant directly to this project?</p> <p>Government funding is completely in-kind: how then a stimulus package can be funded?</p> <p>DZ, Sep 28, 2011: Please refer to the above comment regarding the baseline financing.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>Considering the high amount of GEF funding and cofinancing that this proposal claims, the UNDP funding is very low, and it doesn't respond to the role of UNDP.</p> <p>DZ, Feb 28, 2011: UNDP cofinancing concerns a grant of \$100,000 and in-kind co-financing of \$700,000. According to the PIF this in-kind cofinancing concerns the contribution from staff time and office facilities and office space. Please clarify what kind of services UNDP will offer in this case; if they concern project cycle management, then these services are normally covered by the agency fees.</p>	

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		<p>DZ, Sep 28, 2011: UNDP has clarified that its cofinancing comes from the Sustainable Development Programme of Lugansk region and the Municipal Governance and Sustainable Development Projects. Please clarify which baseline project activities (that have been included in the project framework) will be supported by these UNDP projects.</p> <p>DZ, Dec 19, 2011: Baseline activities better developed. Comment cleared.</p>	
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?	Not in its current form. The project appears to be a copy & paste of the recent publications on biomass in Ukraine by Tetyana Zhelyesna & Georgiy Geletukha from Scientific Engineering Centre "Biomass" Ltd. (SECB) with only some small adjustments to fit the PIF template.	

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		<p>So it appears to have a thorough assessment of the status quo and some ideas of targets. In its current form the PIF can not be accepted as a project testifying country ownership from political (lack of cofinancing) and private sector (no companies identified) stakeholders. Further it ignores the requirements of the GEF-5 template by missing to present a baseline project of the bioenergy technology stakeholders in the country and requesting for GEF funding only for incremental activities for additional global environment benefits. The proposal's objective and interventions should be revised substantially, by taking into consideration all the above comments. Also, the GEF funding for TA activities should decrease substantially.</p> <p>DZ, Feb 28, 2011: The proposal is redesigned, nevertheless remains weak. Before any further development, it should be discussed with the GEFSEC.</p> <p>DZ, Sep 28, 2011: The proposal has improved, however there are a lot of concerns that should be resolved. Before any further development, it should be discussed with the GEFSEC.</p> <p>DZ, Dec 19, 2011: PIF clearance will be recommended after resubmission with the revised GEF PM funding. Also, please consider the items under box 31 at the CEO Endorsement stage.</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		DZ, Dec 19, 2011: PIF clearance is recommended.	
	31. Items to consider at CEO endorsement/approval.	<p>DZ, Dec 19, 2011: At the CEO Endorsement stage please provide the following:</p> <p>(i) the evidence (i.e. documented allocation of state funds) of the government's support to the grant mechanism beyond the lifetime of this project and its expansion to the whole country;</p> <p>(ii) the fully developed analytical scheme of coordination between all the different stakeholders being involved in the development and financing of municipal biomass power plants (i.e. Ministry of Agric. Policy, Ministry of Env. Protection, NERC, etc.);</p> <p>(iii) analysis of the baseline activities, their financial resources and their scheduling;</p> <p>(iv) the incremental cost analysis that justifies the purpose and the level of the GEF funding for the investment activities, based on the foreseen costs (supported by market data) for the selected municipal (co)generation plants.</p>	
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*	September 27, 2010	
	Additional review (as necessary)	September 21, 2011	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	Additional review (as necessary)	December 19, 2011	
	Additional review (as necessary)	December 21, 2011	
	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?	DZ, Dec 19, 2011: Incremental cost estimations in order to justify the selected form of investment support mechanism should be provided. Please take into account the guidance from GEF documents regarding the use of grant and non-grant instruments for GEF investments.
	2. Is itemized budget justified?	DZ, Dec 19, 2011: Yes.
Secretariat Recommendation	3. Is PPG approval being recommended?	DZ, Dec 19, 2011: PPG is being recommended subject to PIF clearance.
	4. Other comments	
Review Date (s)	First review*	December 19, 2011
	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.