



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

GEF ID:	4890		
Country/Region:	Uruguay		
Project Title:	Towards a Green Economy in Uruguay: Stimulating Sustainable Production Practices and Low-emission Technologies in Prioritized Sectors		
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-1; CCM-1; CCM-3; CCM-3; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$3,392,727
Co-financing:	\$19,800,000	Total Project Cost:	\$23,192,727
PIF Approval:		Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	David Elrie Rodgers	Agency Contact Person:	MS. NINA ZETSCHKE

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?	DER, March 22, 2012. Yes.	
	2. Has the operational focal point endorsed the project?	DER, March 22, 2012. Yes on March 1, 2012 in an amount sufficient to cover the PIF and PPG. However, the endorsement letter does not describe which focal areas will be accessed to provide the requested funding exceeding the CCM allocation. DER, April 11, 2012. Revised endorsement letter received. Comment cleared.	

*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

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	DER, March 22, 2012. Yes.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	DER, March 22, 2012. No non-grant instrument is proposed, but one should be considered. This type of project could benefit from a revolving loan fund or risk guarantee fund that would encourage local financial institutions to provide investment capital. DER, April 11, 2012. Revised PIF now includes this approach which will be studied in the PPG phase. Comment cleared.	
	5. Does the project fit into the Agency's program and staff capacity in the country?	DER, March 22, 2012. Yes.	
Resource Availability	6. 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? 	DER, March 22, 2012. Yes the requested amount is less than the country's total STAR allocation.	
	<ul style="list-style-type: none"> the focal area allocation? 	DER, March 22, 2012. No, the request exceeds the CCM allocation of \$3.47M. However, the country has flexible allocation. Table D must be properly filled out to indicate the amounts of other focal areas that will be used for this project. DER, April 11, 2012. Revised amount is correct using Uruguay's flexibility. Comment cleared.	
<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	DER, March 22, 2012. NA		

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	DER, March 22, 2012. NA	
	<ul style="list-style-type: none"> Nagoya Protocol Investment Fund 	DER, March 22, 2012. NA	DER, March 22, 2012. NA
	<ul style="list-style-type: none"> focal area set-aside? 	DER, March 22, 2012. NA	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	DER, March 22, 2012. Yes. Table A is properly filled out for CCM-1 and CCM-3.	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF/NPIF objectives identified?	DER, March 22, 2012. a) For CCM-1, please clarify whether existing commercially available technologies will be demonstrated. Also describe the extent of North-South, and South-South technology transfer through the use of licenses, etc. Also describe any adaptation of technology for local conditions. DER, April 11, 2012. The technology transfer activities are described clearly. Comment cleared.	
	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?	DER, March 22, 2012. Yes.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	DER, March 22, 2012. a) Please clarify the plans for replication after the project is completed. Specifically, what financing mechanisms will be available for producers to buy waste to energy equipment. b) Please clarify if the project will promote the development and adoption	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>of a policy framework of financial incentives for promoting waste-to-energy projects? We believe this should be an important element of component 1.</p> <p>DER, April 11, 2012. a & b) The revised components demonstrate replication will be promoted through the study and application of financial mechanisms. comment cleared.</p>	
Project Design	<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?</p>	<p>DER, March 22, 2012. a) It is not clear from the baseline the plans of the Government for developing stronger regulations for waste to energy, or how the project activities will support enhanced regulations or financial incentives. Please clarify.</p> <p>DER, April 11, 2012. Explanation was provided. 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>DER, March 22, 2012. Yes, GEF support will help transfer technology and build several demonstration plants.</p>	
	<p>14. Is the project framework sound and sufficiently clear?</p>	<p>DER, March 22, 2012. a) On component 1, please clarify what regulatory framework is to be strengthened and how. We only see studies and tools in this component.</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>This component seems very weak as additional work may be needed to develop the appropriate regulations and financial incentives for a sustainable waste-to-energy sector.</p> <p>b) On component 2, GEF funding should not be used for laboratory research. Please use co-financing only for this activity.</p> <p>c) On component 2, we see the cost as very high. Certainly waste-to-energy technology is highly developed globally and studies should not cost \$1.6M. Please lower this amount and use the funding for other components.</p> <p>d) On the investment component we see a strong contribution from the agro-industry. But we expect that SME may need loans from local banks. Please clarify if this project could benefit from a revolving loan fund or risk guarantee fund that would encourage local financial institutions to provide investment capital.</p> <p>e) We would like to see a higher co-financing ratio for the investment component. In other GEF-5 projects with industrial and private sector partners we have seen 10:1 ratio. Please evaluate if this can be increased for this component.</p> <p>f) On component 4, please clarify the type of platform (is it internet?) and the targeting of the campaign.</p> <p>DER, April 11, 2012.</p> <p>a) Component was revised and</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>explanation was provided. Comment cleared.</p> <p>b) Only co-financing will be used. Comment cleared.</p> <p>c) Funding has been re-allocated. Comment cleared.</p> <p>d) Financial instruments are now included. Comment cleared.</p> <p>e) Co-financing has been raised. Comment cleared.</p> <p>f) Explanation provided. Comment cleared.</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>DER, March 22, 2012.</p> <p>a) The benefits estimate is somewhat unclear. Please clarify how a potential savings of 1Mton CO₂e per year translates into 1-2Mton savings over 10 years.</p> <p>DER, April 11, 2012. Explanation was provided. Estimated emissions benefits will be an average of 300,000-600,000 ton CO₂e annually over 10 years. 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/additional benefits?</p>	<p>DER, March 22, 2012. Yes.</p>	
	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>DER, March 22, 2012. Yes.</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
	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)	DER, March 22, 2012. Yes.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	DER, March 22, 2012. Yes.	
	20. Is the project implementation/ execution arrangement adequate?	DER, March 22, 2012. 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?	DER, March 22, 2012. Yes. The GEF amount requested, \$163,000, is 5% of the requested amount.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	DER, March 22, 2012. a) Component 2 seems too expensive and should be reduced, especially as it duplicates some of the work to be conducted during the PPG. DER, April 11, 2012. Funding has been adjusted. Comment cleared.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	DER, March 22, 2012. a) We would like to see a higher co-financing ratio for the investment component. b) We do not understand the co-financing listed for IDB and MGAP World Bank Loan (\$2M). Please clarify	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>how these are considered co-financing for this project and in which components it will be used.</p> <p>DER, April 11, 2012. a) Funding has been adjusted. Comment cleared. b) Explanation provided. Comment cleared.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	DER, March 22, 2012. Yes.	
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:		
	<ul style="list-style-type: none"> • STAP? 	DER, March 22, 2012. NA	
	<ul style="list-style-type: none"> • Convention Secretariat? 	DER, March 22, 2012. NA	
	<ul style="list-style-type: none"> • Council comments? • Other GEF Agencies? 	DER, March 22, 2012. NA	
Secretariat Recommendation			
Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	<p>DER, March 22, 2012. Not at this time. Please address the comments in boxes: 2,4,6,8,10,11,14,15,24,25.</p> <p>DER, April 11, 2012. Yes. All comments cleared.</p>	
	31. Items to consider at CEO endorsement/approval.	<p>DER, March 22, 2012.</p> <p>a) We would like to see strong investigation of the use of non-grant</p>	

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
		<p>instruments.</p> <p>b) We would like to see component 1 strengthened to include elements that address financial incentives for waste-to-energy applications.</p> <p>DER, April 11, 2012.</p> <p>a & b) These items are proposed in the PPG and will be reviewed at CEO endorsement. Also, please provide explanation for how the revolving fund will be established and supported during and after the project.</p> <p>c) Please ensure implementation of the GEF visibility guidance.</p> <p>d) Please also ensure sufficient technical and cost analysis of the incremental benefits of the GEF activities are documented and presented at CEO endorsement.</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*	March 22, 2012	
	Additional review (as necessary)	April 11, 2012	
	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?	DER, March 22, 2012. In general the components are clear and appropriate. a) We would like to see more analysis during the PPG phase on the regulatory and policy frameworks that will be needed for a sustainable waste-to-energy sector b) We would like to see analysis of the use of non-grant instruments and expanding the role of local financial institutions in the project implementation. DER, April 11, 2012. a & b) Elements have been added to the PPG. Comments cleared.
	2. Is itemized budget justified?	DER, March 22, 2012. Yes.
Secretariat Recommendation	3. Is PPG approval being recommended?	DER, March 22, 2012. Not at this time. Please address box 1. DER, April 11, 2012. Yes. Comments cleared.
	4. Other comments	
Review Date (s)	First review*	March 22, 2012
	Additional review (as necessary)	April 11, 2012

* 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.