



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

GEF ID:	5676		
Country/Region:	Venezuela		
Project Title:	Promotion and Development of Renewable Energies through the Set-up of Mini-hydro Plants in Rural Communities Located in the Region of The Andes and the Southern area of the Bolivarian Republic of Venezuela		
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;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,657,534
Co-financing:	\$16,842,858	Total Project Cost:	\$21,500,392
PIF Approval:		Council Approval/Expected:	March 03, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Alberto Elizalde

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 ?	MY 1/13/2014. Yes.	
	2.Has the operational focal point endorsed the project?	MY 1/13/2014. Yes. The OFP endorsed: \$4,657,534 for the project \$442,466 for agency fees Total: \$5,100,000.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	MY 1/13/2014. Yes. As of January 13, 2013, Venezuela had a remainder of \$14,574,389 in STAR.	

*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 January 2013

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	<ul style="list-style-type: none"> the focal area allocation? 	MY 1/13/2014. Yes. As of January 13, 2013, Venezuela had a remainder of \$7,685,000 in CCM.	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	MY 1/13/2014. N/A.	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	MY 1/13/2014. N/A.	
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	MY 1/13/2014. N/A.	
	<ul style="list-style-type: none"> focal area set-aside? 	MY 1/13/2014. N/A.	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives? <i>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 progress toward achieving the Aichi target(s).</i></p>	MY 1/13/2014. Yes, Climate change objective 3: "Promote investment in renewable energy technologies"	
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	MY 1/13/2014. Not at this time. Please review and check if this project is aligned with the country's national strategies and plans that are relevant to the UNFCCC, for example, Venezuela's first national communication and the second national communication if available. MY 1/28/2014 Yes. Comments addressed.	
	<p>6. Is (are) the baseline project(s), including problem(s) that the baseline project(s) seek/s to address, sufficiently described and</p>	MY 1/13/2014. Yes. Baseline situation: The Andes and Southern regions of Venezuela are	

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Project Design	based on sound data and assumptions?	<p>isolated communities being lack of electricity and high poverty levels. Families in these areas are using kerosene burners and firewood for cooking and heating, and kerosene and candles for lighting. Lack of electricity also limits productive potential and has negative impacts on health and education. This project will facilitate rural electrification in these regions with increased investment in mini- and small-hydro power plants. Without this project, rural electrification in the regions might be delayed and more GHG could be emitted.</p> <p>Baseline projects include 686 reviewable energy systems, most of which are solar PV systems in the regions, which are not connected to the national power grids. This situation fits the current project.</p>	
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>MY 1/13/2014. Not at this time.</p> <p>In Project Component 1: setting-up of mini-hydro plants and power grids in rural communities (page 1). The expected outputs include (1) acquiring, setting-up and starting -up 11 small hydro power plants with a total capacity of 13.2 MW; and (2) acquiring and setting-up of low-voltage power distribution grids and other facilities for connection to the mini-hydro plants. The total budget for this component is less than \$13.7 million. The above figures imply that "it costs approximately \$1.03 to install/acquire 1 Watt (W) of hydro power generation capacity". This \$1.03/W may not be correct for the development of small</p>	

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		<p>hydro power plants. Please check the data and assumptions again.</p> <p>Project Component 3 "Evaluation & Monitoring" on page 3 is not related to INV. It is TA. Please revise it.</p> <p>MY 1/13/2014.</p> <p>Yes, comments addressed.</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>MY 1/13/2014. Not at this time.</p> <p>Please review the project benefits for the re-submission to ensure that they are not over-estimated.</p> <p>On page 11, the PIF states the following: "Number of mini-hydro plants: 11 Capacity of each mini-hydro plant: 200kW. Yearly service hours of each mini-hydro plant: 8,760 hours/year. Firm energy percentage of each mini-hydro plant: 80%. Each mini-hydro plant would deliver a total of 1,401,600kWh/year to its community. The 11 mini-hydro plants in aggregate would deliver 15,417,600kWh/year."</p> <p>We would appreciate further clarifications of the statement. "Firm energy percentage of each mini-hydro plant: 80%" might be "Net capacity factor". The net capacity factor of a power plant is the ratio of its actual output over a period of time, to its potential output if it were possible for it to operate at full nameplate capacity</p>	

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		<p>indefinitely. Capacity factors for hydro power plants vary greatly depending on the type and size of reservoirs of the plants. For small and mini hydro power plants, the net capacity factor is usually less than 50% because their reservoirs are small. Please consider using on-site collected data to justify your capacity factor: 80%.</p> <p>MY 1/28/2014. Yes. Comments addressed.</p>	
	9. 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?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	<p>MY 1/13/2014. Not at this time. The role of public participation, including CSOs, and indigenous peoples where relevant, was not identified and explained.</p> <p>MY 1/28/2014. Yes. Comments addressed.</p>	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	<p>MY 1/13/2014. Yes. But please put the risks and risk mitigation measures into a table for a better presentation.</p> <p>MY 1/28/2014. Yes. Comments addressed.</p>	

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	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	MY 1/13/2014. Not enough. Please summarize how the project consistently and properly coordinated with other related initiatives. MY 1/28/2014. Yes. Comments addressed.	
	13. Comment on the project's innovative aspects, sustainability, and potential for scaling up. <ul style="list-style-type: none"> Assess whether the project is innovative and if so, how, and if not, why not. Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. Assess the potential for scaling up the project's intervention. 	MY 1/13/2014. Not at this time. The PIF does not address innovativeness, sustainability and potential for scaling up. Please add one paragraph for each of the above three topics in Part II: Project Justification. MY 1/28/2014. Yes. Comments addressed (added on page 7).	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?		
	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes	MY 1/13/2014. Not at this time. See comments in Box 7. MY 1/28/2014.	

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Project Financing	and outputs?	Yes. Commentes addressed.	
	17. <u>At PIF</u> : Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u> : Has co-financing been confirmed?	MY 1/13/2014. Not at this time. The amount (\$424,000 as a soft loan) that the Agency is bringing to the project is 2.5% of the total project costs (\$16,842,858). Please consider increasing it. MY 1/28/2014. Yes. Commentes addressed.	
	18. Is the funding level for project management cost appropriate?	MY 1/13/2014. Yes.	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line with project design needs? <u>At CEO endorsement/ approval</u> , if PPG is completed, did Agency report on the activities using the PPG fund?	MY 1/13/2014. N/A.	
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	MY 1/13/2014. N/A.	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		

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	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	MY 1/13/2014. Not at this time. Please address comments in Boxes: 5, 7, 8, 10, 11, 12, 13, 16, and 17. MY 1/28/2014. Yes. All comments were addressed.	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	January 14, 2014	
Review Date (s)	Additional review (as necessary)	January 28, 2014	
	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.**