



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

GEF ID:	5752		
Country/Region:	Benin		
Project Title:	Promotion of Sustainable Biomass-based Electricity Generation in Benin		
GEF Agency:	UNDP	GEF Agency Project ID:	5115 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	CCM-3; LD-3; SFM/REDD+-1;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$3,872,602
Co-financing:	\$14,300,000	Total Project Cost:	\$18,272,602
PIF Approval:		Council Approval/Expected:	May 01, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Franck Jesus	Agency Contact Person:	Saliou Toure

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating <b>country eligible</b> ?	CCM FJ/KC March 18, 2014. Yes.	
	2. Has the <b>operational focal point</b> endorsed the project?	CCM FJ/KC March 18, 2014. Yes. Mr. Delphin AIDJI signed endorsement letter has been submitted.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		
	<ul style="list-style-type: none"> <li>• the STAR allocation?</li> </ul>	CCM FJ/KC March 18, 2014. Yes  LD+SFM/JMS March 18, 2014: We would not like to add more transaction costs, but we would like to advise the Agency to check with the	

\*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

<sup>1</sup> 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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		<p>country OFP if it is possible to use \$200,000 from the remaining BD resources applying the marginal flexibility adjustment.</p> <p>FJ+JMS March 21, 2014: Cleared.</p>	
	<ul style="list-style-type: none"> <li>• the focal area allocation?</li> </ul>	CCM FJ/KC March 18, 2014. Yes	
	<ul style="list-style-type: none"> <li>• the LDCF under the principle of equitable access</li> </ul>	N/A	
	<ul style="list-style-type: none"> <li>• the SCCF (Adaptation or Technology Transfer)?</li> </ul>	N/A	
	<ul style="list-style-type: none"> <li>• the Nagoya Protocol Investment Fund</li> </ul>	N/A	
	<ul style="list-style-type: none"> <li>• focal area set-aside?</li> </ul>	CCM FJ/KC March 18, 2014. Yes. The project requested for \$913,242 of SFM/REDD+ multi-focal area set-aside.	
<p><b>Strategic Alignment</b></p>	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>?</p> <p><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>	<p>CCM FJ/KC March 18, 2014. Yes. However, there is very little information provided on the rationale for choosing biomass-based power generation as priority. Please justify this further and also please see comments in box 5.</p> <p>LD+SFM/JMS March 18, 2014: We would like the Agency to confirm that LD and SFM resources are well programmed for activities that are eligible under GEF5 LD and SFM strategies. We understand, based on the table A, that LD should focus on LD3 and SFM on SFM1. However, in the table B: - \$160,000 from SFM is planned in the component 1 related to the institutional and legal framework for biomass electricity</p>	

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		<p>- \$80,000 from LD is planned in the component 3 related the establishment of the first biomass plant in Benin We suggest reducing the component 1 and 2 and assigning the LD and SFM resources to the component 4 that better fit with eligible outcomes and outputs.</p> <p>CCM/FJ March 21, 2014: Cleared.</p> <p>LD+SFM/JMS March 21, 2014: Addressed</p>	
	<p>5. Is the project consistent with the recipient <b>country's national strategies and plans</b> or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>CCM FJ/KC March 18, 2014. In the various national initiatives and strategic plans listed in the PIF there is no specific mention on biomass sector as identified priority for current and future GHG emissions. Please provide relevant information on this subject using the country's national communications and development strategies.</p> <p>CCM/FJ March 21, 2014: Cleared</p>	
<p><b>Project Design</b></p>	<p>6. Is (are) the <b>baseline project(s)</b>, including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>CCM FJ/KC March 18, 2014. Please clarify whether the 250 kW pilot mentioned in barrier 1 and the 400 kW pilot in baseline are two different projects. If so, as both are located in Bouka and both are based on the same RE technologies, how does the implementing agency evaluate and rate the success/failure of the proposed project. Please specify the major policy gaps that are preventing materialization of planned RE projects. Please also see comments in box 7 and 8.</p>	

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		<p>LD+SFM/JMS March 18, 2014:</p> <p>a) p10, barrier 4: The reference to CIRAD (2011) is not relevant as this work focused on the coastal areas of Southern Benin, a very different context from the department of Borgou. You can use Toko (2007) instead.</p> <p>b) For the barrier 4, beyond the absence of inter-sectoral institutional coordination, you do not mention the existence of customary rights for land and forests uses and the role of traditional authorities. Without a deep analysis on local governance, there is a risk to miss the right partners. Please, revise, and add traditional authorities in the stakeholders. Specifically, the Department of Borgou and the forest of three rivers host among the largest sacred forested areas of Benin.</p> <p>Baseline</p> <p>c) Please explain what is financed by the co-financing (notably the Islamic Development Bank).</p> <p>d) This project is based on \$3.8 million from the GEF with \$14.3 million of cofinancing. It is mentioned p11 that the needed budget is \$20 million and it is not yet secured. What will happen if Benin cannot leverage the budget? Don't you see any problem of sustainability and risk?</p> <p>CCM/FJ March 21, 2014: Cleared.</p> <p>LD+SFM/JMS March 21, 2014: Addressed. With thanks</p>	

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	<p>7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?</p>	<p>CCM FJ/KC March 18, 2014.</p> <p>a) Please clarify whether the targeted, installation of 1 MW under component 3 is part of the 4 MW installation planned under component 2 thanks to a partial risk guarantee fund mechanism.</p> <p>b) Please clarify how the project intends to support carbon finance activities. In this regard please explain how the project will facilitate the use of the standardized baseline developed through the proposed project. and how this will be taken into account in the estimation of the indirect GHG impact of the project (offsetting emissions within the UNFCCC framework may not be accounted in the GEF project benefits).</p> <p>c) Please clarify how the financial size of the proposed guarantee scheme has been established and what amount of co-financing the project needs to secure during the PPG phase on top of the GEF grant amount proposed to go in the scheme.</p> <p>d) Please clarify how the project will ensure that the biomass use for energy production will not have negative impact on the biomass market and associated natural resources during the project and beyond its implementation (for the expected scaling up of the project).</p> <p>e) Please clarify which partner of the project implementation has experienced in designing, implementing and managing the proposed guarantee scheme.</p> <p>LD+SFJ/JMS March 18, 2014:</p>	

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		<p>f) Please complete the table "part I: project information" with other executing partners. We understand this project will involve the Ministry of Energy and Water, as well as SBEE. However, for the fourth component, the Ministry of Environment should be committed, as well as the commune of Kalale.</p> <p>g) Component 3: output 3.1. Feasibility studies and environment impact assessment: please note that the GEF does not finance EIA. It is considered as a baseline activity and should be financed by the government or the private sector</p> <p>h) Component 4: We will not object to the use of LD and SFM resources in this project mainly focusing on Biomass energy. But we would like to see these resources used for eligible activities under the GEF5 strategies. Based on the formulation of the outcomes, we suggest focusing all outputs and activities for results on the ground to reach 9,000 ha of agriculture lands under SLM and 3000 ha of forests rehabilitated in the surroundings of Kalale and the forest of Three Rivers.</p> <p>i) Please confirm that the GEF will support additional activities and explain what the co-financing is taking in charge under the output 4.2.:</p> <p>- We are not sure that this project should finance a national legal framework for SLFM: 1) the notion of Forest and Land framework does not fit into the current legal and institutional framework in Benin and 2) the formulation "under construction" is not acceptable as an</p>	

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		<p>output.</p> <ul style="list-style-type: none"> <li>- "A SFLM unit in charge of SFLM established": we are not sure that this project should finance a SLFM unit: it sounds as a business as usual activity, not an incremental activity for the GEF and it is not sustainable.</li> <li>- Explain the rationale and the interest for "guidelines for mainstreaming of SLFM principles and priorities into the agriculture and forest sectors". Many references exist, notably for the forests of Northern Benin, and especially by the University of Parakou (Sopkon et al. 2006 e.g.).</li> <li>- Please, take note that integrated management plans for classified forests were financed under a past GEF/WB project. Under GEF5, an additional financing from the GEF and IDA is financing the implementation of some of these plans. We do not see the interest to finance a new management plan for the forest of Three Rivers.</li> <li>j) Output 4.3: We do not understand the rationale (and doubt the eligibility) for the use of LD and SFM resources to finance "a framework for reinvestment of energy proceeds into community conservation". cf. p15.</li> <li>k) p17: the GEF cannot be used to finance EIA or measures related to EIA. We recommend including during the PPG a study on local governance of the considered territory and including the results in the project document. Some key stakeholders are not mentioned. It might be a problem for sustainability</li> </ul>	

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		<p>(traditional authorities, farmer organizations, communes, e.g.).</p> <p>CCM/FJ March 21, 2014: a), b), d) and e) Cleared. c) Comment cleared. Please see Q13.</p> <p>LD+SFM/JMS March 21, 2014: All points have been addressed. Thanks.</p>	
	<p>8. (a) Are global environmental/ adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>CCM FJ/KC March 18, 2014. This project estimate to reduce 248,740 tCO2 directly from the 4 MW biomass based electricity generation facility. Additionally, the rehabilitated forest area of 3,000 hectares will add up to 45,000 tons of carbon stocks.</p>	
	<p>9. Is there a clear description of: a) the <b>socio-economic benefits</b>, 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>10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?</p>	<p>CCM FJ/KC March 18, 2014. Yes.</p> <p>LD+SFM/JMS March 18, 2014: a) We recommend exploring the opportunity to involve the University of Parakou, as well as the University of Abomey-Calavi (team of Prof. B. Sinsin) who have significant scientific references related to the Three Rivers Forests. b) In the list of stakeholders, p19, please include traditional authorities, farmer organizations, and Communes.</p> <p>LD+SFM/JMS March 21, 2014:</p>	

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		Addressed	
	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)	CCM FJ/KC March 18, 2014. Yes.	
	12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?	<p>CCM FJ/KC March 18, 2014. Not yet. Please address the comments in box 5.</p> <p>LD+SFM/JMS March 18, 2014: Please, explain how the investments on the ground will complement and will not duplicate other GEF projects:</p> <ul style="list-style-type: none"> <li>- The Three River forest classified forest is covered by another GEF/WB project that recently received an additional financing from the GEF and IDA (#5215 GGW: Forests and Adjacent Lands Management Project, PGFTR in French).</li> <li>- #3770, UNDP, SPWA-BD: Incorporation of Sacred Forests into the Protected Areas System of Benin</li> <li>- #5431, UNDP, Strengthening the Resilience of the Energy Sector in Benin to the Impacts of Climate Change</li> </ul> <p>CCM/FJ March 21, 2014: Cleared.</p> <p>LD+SFM/JMS March 21, 2014: Addressed</p>	
13. Comment on the project's <b>innovative aspects, sustainability, and potential for</b>	CCM FJ/KC March 18, 2014. This will be further analyzed once other comments are addressed.		

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	<p><b>scaling up.</b></p> <ul style="list-style-type: none"> <li>Assess whether the project is innovative and if so, how, and if not, why not.</li> <li>Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</li> <li>Assess the potential for scaling up the project's intervention.</li> </ul>	<p>Please clarify how the project will ensure the proposed mechanisms (and in particular the financial mechanism and premium price payment) can be sustained and scaled up to support biomass based electricity in Benin beyond the proposed 4MW.</p> <p>CCM/FJ March 21, 2014: By CEO endorsement, the project is expected to detail (i) how it will ensure the risk guarantee scheme can continue its operation beyond project completion with adequate co-financing identified; and (ii) how the gradually diminishing price premium will work, be funded and secure beyond project completion.</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>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?</p>		
Project Financing	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>CCM FJ/KC March 18, 2014. Not yet. This will be analyzed once other comments are addressed.</p> <p>CCM/FJ March 21, 2014: Cleared.</p>	
	<p>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</p>	<p>CCM FJ/KC March 18, 2014. This will be analyzed once other comments are addressed.</p>	

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	<p>bringing to the project in line with its role?  <u>At CEO endorsement</u>: Has co-financing been confirmed?</p>	CCM/FJ March 21, 2014: Cleared.	
	<p>18. Is the funding level for <b>project management cost</b> appropriate?</p>	<p>CCM FJ/KC March 18, 2014.            No. The project management cost level is above the 5% threshold (currently 5.9% of GEF grant prior to inclusion of project management cost). Please reduce the project management cost level to below 5%.</p> <p>CCM/FJ March 21, 2014: Cleared.</p>	
	<p>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?</p>	CCM FJ/KC March 18, 2014. Yes.	
	<p>20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?</p>	CCM FJ/KC March 18, 2014. No.	
Project Monitoring and Evaluation	<p>21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?</p>		
	<p>22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?</p>		
Agency Responses	<p>23. Has the Agency adequately responded to comments from:</p>		

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	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
<b>Secretariat Recommendation</b>			
<b>Recommendation at PIF Stage</b>	<b>24. Is PIF clearance/approval being recommended?</b>	CCM FJ/KC March 18, 2014. Not yet. Please address the comments in above boxes.  FJ+JMS March 21, 2014: Yes, the project is recommended for work program inclusion.	
	25. Items to consider at CEO endorsement/approval.	FJ+JMS March 21, 2014: a) By CEO endorsement, the project is expected to detail (i) how it will ensure the risk guarantee scheme can continue its operation beyond project completion with adequate co-financing identified; and (ii) how the gradually diminishing price premium will work, be funded and secure beyond project completion. b) Co-financing are expected to be clearly confirmed by CEO endorsement.	
<b>Recommendation at CEO Endorsement/ Approval</b>	<b>26. Is CEO endorsement/approval being recommended?</b>		
	First review*	March 17, 2014	
<b>Review Date (s)</b>	Additional review (as necessary)	March 21, 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.**