



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

GEF ID:	5334		
Country/Region:	Sao Tome and Principe		
Project Title:	Promotion of Environmentally Sustainable and Climate-Resilient Grid-Based Hydroelectric Electricity Through an Integrated Approach in Sao Tome and Principe		
GEF Agency:	UNDP	GEF Agency Project ID:	4602 (UNDP)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	LD-3; CCM-3; SFM/REDD+-1;		
Anticipated Financing PPG:	\$100,000	Project Grant:	\$5,274,544
Co-financing:	\$20,390,000	Total Project Cost:	\$25,764,544
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Jean-Marc Sinnassamy	Agency Contact Person:	Saliou Toure

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	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?	Yes.	
Resource Availability	3. 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? 	Potentially, the CC allocation of \$2,000,000 is available as well as the LD allocation of \$2.73 million.	
	<ul style="list-style-type: none"> • the focal area allocation? 	OK	
	<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 	NA	

	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	NA	
	<ul style="list-style-type: none"> focal area set-aside? 	\$1,155,125 are requested from the SFM/REDD+ incentive program.	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCE/SCEF/NPIF results framework and strategic objectives?</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>	The project is aligned with the CCM3, LD3, and SFM1 focal area objectives.	
	<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>	<p>The project concept is compatible with the National Poverty Reduction Strategy, the second National Communication (2011), and the NAPA (2006). The "Strategy and the national report on desertification and land degradation (2005)" are mentioned. We have no doubt that this project fits well with these different national strategies. However, a little bit more of analysis of these documents is needed at PIF stage.</p> <p>- Please explain how this project will fit in the Strategy related to Land Degradation.</p> <p>- Kindly explain how the project contributes towards reducing the emissions as stated in the National Communications and please draw connections with energy policies of the country including its low carbon development plans.</p> <p>April 10, 2013 Addressed</p>	

<p>Project Design</p>	<p>6. 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>The baseline projects and problems are described.</p> <ul style="list-style-type: none"> - However, while it is appreciated that climate change risks to hydropower industry are acknowledged, the description (A.1, specially page 8-9) needs to be refocused on operations of hydropower and reduction of GHG emissions to clearly substantiate the CCM grant request (some information in the text suggests a CCA project. see also the following comment). - The Global Alliance on Climate Change is also a baseline project for a LDCF project in the country. Please provide clarifications on the possible co-financing and coordination issues to minimize double counting. <p>April 10, 2013 Addressed.</p>	
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>The project framework provides a good summary of the project and is appropriately detailed. However, the linkage between the different components could be strengthened to support the coherence of the project design. Eligibility for different FA grants could be supported further by clearer description of the barriers and project components.</p> <ul style="list-style-type: none"> - The project description gives importance to climate change effects and their risks to the generation of hydroelectric power, therefore reduction of GHGs. However, the project framework does not include mechanisms to determine how the sites for mini- 	

- In the same spirit, it is not clear if the micro hydro investments and the proposed sustainable land management activities are linked. Please, clarify, and we recommend to include project outcomes and outputs that will ensure linkage between sustainable land management, reduction in climate change risks and operations of hydropower to ensure GHG emission reduction.

- Please include expected outcomes/outputs that would ensure systematic monitoring of GHG emission reduction from the hydropowerplants throughout their operations.

- Please remove "climate resilient" as a part of the project component (1) and include it as a part of an output or outcome (the project should be clearly CCM3 eligible while some phrasing in the text p8-9 suggests a CC adaptation project - Please note that there are other opportunities for adaptation, notably with the LDCF and the SCCF, but not under the CCM).

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Based on the responses given by the Agency in its resubmission as well as through email exchanges, we understand that hydro investments and the proposed sustainable land management activities will take place in the same pilot river basins. At CEO endorsement, please confirm linkage between the land management activities and operations of the hydro-power plants.

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Addressed.

		GEFSec understands that different project components will be closely linked and that land management practices will be undertaken in the strategic areas within the basins with microhydros to increase their efficiency.	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	Yes. At CEO endorsement, please provide a more detailed description of GHG emission reduction expected, both direct and indirect, due to the project activities related to mini-hydro, including the method of GHG calculations and assumptions made.	
	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?		At CEO endorsement, please develop more the socio-economic benefits and the gender dimensions.
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	The main stakeholders are identified, including CSO and local communities. At CEO endorsement, please develop how they will be involved in project preparation and implementation.	
	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)	Yes. At CEO endorsement, please include a comprehensive risk assessment. Please see section 7.	
	12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	Addressed.	
	13. Comment on the project's innovative aspects .	Addressed.	

	<p>scaling up.</p> <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. 		
	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?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	No objection.	
	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?	We understand that UNDP will provide \$1 million from their core funds. At CEO endorsement, please confirm.	
	18. Is the funding level for project management cost appropriate?	The Project Management Costs are very low (under 5 percent).	

	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?	A PPG amount is requested and approved. At CEO endorsement, please include the progress of PPG with clear information of commitment status of the PPG.	
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	NA	
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:		
	• STAP?		
	• Convention Secretariat?		
	• The Council?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	Not yet. However, the PIF shows a high quality standard. Upon receipt of a revised document responding the points above, the PIF will be recommended. April 10, 2013 Thanks for the explanations and revisions. All the points are addressed at PIF level. Some clarifications will be detailed further at CEO endorsement.	

	25. Items to consider at CEO endorsement/approval.	<p>At CEO endorsement,</p> <ul style="list-style-type: none"> - Provide a deeper analysis of national strategies and reports (notably on Land Degradation, Climate Change Mitigation). - Please confirm linkage between the land management activities and operations of the hydro-power plants. Confirm the selection of pilot river basins. - please develop more the socio-economic benefits and the gender dimensions. - please develop how they will be involved in project preparation and implementation - please provide detailed information on calculation of GHG emission reduction (direct and indirect) - please include a comprehensive risk assessment. - Include a monitoring plan with indicators and baseline values. - Confirm the cofinancing and the core resources that UNDP will bring. 	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	March 21, 2013	
Review Date (s)	Additional review (as necessary)	April 10, 2013	
	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.**