



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

GEF ID:	5587		
Country/Region:	Malawi		
Project Title:	Increasing Access to Clean and Affordable Decentralized Energy Services in selected vulnerable areas of Malawi		
GEF Agency:	UNDP	GEF Agency Project ID:	5270 (UNDP)
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:	\$100,000	Project Grant:	\$1,725,000
Co-financing:	\$12,622,000	Total Project Cost:	\$14,447,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ming Yang	Agency Contact Person:	Lucas Black

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 9/13/2013 Yes.	
	2. Has the operational focal point endorsed the project?	MY 9/13/2013 Yes. The operational focal point endorsed: PPG: \$100,000 Project: \$1,725,000 Fees: \$173,375 Total: \$1,998,375	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	MY 9/13/2013 Yes.	

*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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		Total STAR allocation: \$7,580,000 As of 9/13/2013, STAR resource remainder: \$3,390,100	
	<ul style="list-style-type: none"> the focal area allocation? 	MY 9/13/2013 Yes. STAR allocation in the Climate Change Mitigation (CCM): \$2,000,000. As of 9/13/2013, the remainder in the CCM: \$2,000,000, sufficient to cover the budget of the current project.	
	<ul style="list-style-type: none"> the LDCF under the principle of equitable access 	MY 9/13/2013 Not Applicable.	
	<ul style="list-style-type: none"> the SCCF (Adaptation or Technology Transfer)? 	MY 9/13/2013 Not Applicable.	
	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund 	MY 9/13/2013 Not Applicable.	
	<ul style="list-style-type: none"> focal area set-aside? 	MY 9/13/2013 Not Applicable.	
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/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>	MY 9/13/2013 Yes, with CCM-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 9/13/2013 Yes.	

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Project Design	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>MY 9/13/2013</p> <p>Not at this time.</p> <p>There are a large number of baseline projects in the country, and the proposed alternative scenario with the three project components is connected to these baseline projects. On page 20, before the section of "Global Environment Benefits", please make a table briefly showing (1) the baseline project scenario (what would happen without the GEF project in the next 10 years); (2) GEF project components; and (3) expected benefits of the GEF project components in terms of GHG emission reductions.</p> <p>MY 10/17/2013</p> <p>Yes.</p> <p>A new table was developed and issues were cleared.</p>	
	7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?	<p>MY 9/13/2013</p> <p>Not at this time.</p> <p>Please clarify why there is not any energy policy related component or sub-component in this project.</p> <p>MY 10/17/2013</p> <p>Issues were cleared.</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	<p>MY 9/13/2013</p> <p>Not at this time.</p> <p>The description of the incremental/additional reasoning on page 20 is not appropriate, because it is not related to global environment benefits. On page 21, the PIF does not show any</p>	

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		<p>quantitative information on GHG emission reductions from this project. Please use the numbers in Table B to estimate GHG emission reductions from this project and put the estimated results on page 21.</p> <p>MY 10/17/2013 GHG emission reductions were estimated. Issues were cleared. But more detailed calculation on GHG emission reduction should be done during the project preparation stage.</p>	
	<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?</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>MY 9/13/2013 Not at this time. Please indicate if this project is relevant to gender issues and indigenous peoples.</p> <p>MY 10/17/2013 Issues were cleared.</p>	
	<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>	<p>MY 9/13/2013 Yes.</p>	

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	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>MY 9/13/2013 Yes.</p>	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for 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. 	<p>MY 9/13/2013</p> <p>Not at this time.</p> <p>Innovation: Please describe why MEGA has not changed its social enterprise model and tariff-setting model in the past, and why it will change them if the GEF provides funding for this project.</p> <p>Sustainability: Please stress that MEGA will continue using the changed models in its business operations after the GEF project implementation period is over.</p> <p>Scaling-up: Please stress how the outputs or outcomes of this project will be duplicated or enlarged in a larger scope, or in other sectors, or in other areas in the country.</p> <p>MY 10/17/2013 Yes. The whole section was re-written in the new PIF and issues were cleared.</p>	

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	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?	MY 9/13/2013 Yes.	
	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 9/13/2013 Not at this time. Please split "Cash and in-kind" into "Cash" and "In-kind" The amount that the Agency is bringing to the project is in line with its role. MY 10/17/2013 Yes. Table C was revised.	
	18. Is the funding level for project management cost appropriate?	MY 9/13/2013 Not at this time. The PMC (\$140,000) is not appropriate. Please revise it. MY 10/17/2013 Yes. The amount is appropriate.	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency	MY 9/13/2013 Yes.	

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	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?		
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	MY 9/13/2013 There is no non-grant instrument in the project.	
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?	MY 9/13/2013 Not at this time. Please address the comments in Boxes: 6, 7, 8, 10, 13, 17, and 18. MY 10/17/2013 Yes. The comments were addressed and issues were cleared.	
	25. Items to consider at CEO endorsement/approval.	MY 10/17/2013	

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		<p>Item No. 1: The following are the co-financiers for the project. Please make sure they will provide co-finance letters at the CEO Endorsement Request.</p> <p>Ministry of Energy - Department of Energy Affairs (DEA) Ministry of Environment and Climate Change Management Malawi Energy Regulatory Authority (MERA) Selected District Councils (Districts of Mulanje, Karonga and/or Chitipa) World Bank Malawi Renewable Energy Acceleration Program (M-REAP) / Government of Scotland Business Innovation Facility - Malawi /DFiD Japanese International Cooperation Agency (JICA) Mulanje Electricity Generation Agency (MEGA) Practical Action World Future Council UNDP - Private Sector Development project UNDP - Sustainable Energy Management (SEM) Support to Malawi project</p> <p>Item No. 2: Please add details to address the following two elements at CEO endorsement request: 1. How the considered tariffs of planned MEGA investment to be supported by</p>	

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		GEF will manage to cover both capital investment and costs of operation and maintenance; and 2. How the success of GEF supported investments will enable further development of the MEGA model without further GEF support by the end of the project.	
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*	September 13, 2013	
Review Date (s)	Additional review (as necessary)	October 23, 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.**