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COMPILATION OF TECHNICAL COMMENTS
SUBMITTED BY COUNCIL MEMBERS
ON WORK PROGRAM
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NOTE: This document is a compilation of technical comments submitted to the Secretariat by Council members concerning the project proposals presented in the Work Program approved by the Council on April 24, 2008.

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WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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GENERAL COMMENTS

COMMENTS FROM FRANCE

25 Projects have been reviewed (out of 49 submitted):

Biodiversity: 1, 3, 5, 6, 8, 9, 10

Climate Change: 12, 13, 15, 16, 17, 18, 19

International Waters: 24, 25, 27, 28, 30, 31

Multi Focal Areas: 36, 40, 41, 43

POP: 44

We consider this sample representative of the main problems out of the April 2008 FIP Work Program, which are the following from our perspective:

- How the proposed project / programme is based on or is taking into account the lessons of past projects and post evaluated projects?
- How governments / states and other actors are committed to take the incentives (tax) and / or to finance recurrent costs?
- What is the strength of the partnerships (and of their financial commitments): public sector (states, municipalities) or private sector? And what is the involvement of the local communities?
- What are the synergies with projects or programmes already initiated with the support of other donors?
- What are the respective roles of the World Bank and UNDP (climate change projects)?
- What are the magnitude of the costs of the sub-projects in the “umbrella” projects/programmes?

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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BIOLOGICAL DIVERSITY

1. Regional (Antigua and Barbuda, Barbados, Dominica, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines, Trinidad and Tobago): BS Regional Project for Implementing National Biosafety Frameworks in the Caribbean Sub-region - under the GEF Biosafety Program [UNEP]

COMMENTS FROM FRANCE

The project concept is good, but consistency with previous OME evaluation of the GEF Initial strategy on Biosafety, as well as the project overall sustainability remain unclear.

Opinion: favorable, but with the following questions and remarks to be taken into account:

Consistency with previous OME evaluation of the GEF Initial Strategy on Biosafety (cf. “Strategy for Financing Biosafety” – GEF council meeting, December 5-8, 2006).

The proposed project provides a good rationale of components and activities, but little is built on previous evaluation. It would be good to explain why this new project is not putting some focus on the following recommendation of the GEF OME:

- future support should be better customized to the respective country conditions;
- consider providing longer term training for building and sustaining specialist capacity in risk assessment and risk management; and
- emphasize awareness-raising, public consultation and information sharing (to the public and not only to the specialist only).

Sustainability

The project provide little information on how the maintenance of the equipments needed and the salary of all the specialists to be engaged in the biosafety management scheme at the regional level will be financed after the end of the project.

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

The project seemed to be based upon the outcome of regional processes and project undertaken by organisation as the Inter-American Institute for Cooperation in Agriculture (IICA) and the Caribbean Agricultural Research and Development Institute (CARDI). Both of them were mandated by the CARICOM Heads of Governments to develop regional policies on modern biotechnology and biosafety in the context of a Caribbean free market agreement.

Germany would like to stress that the objective of the Cartagena Protocol refers to the protection of biodiversity and human health. There had been considerable concerns and debates concerning the relationship between trade and the protection of the environment and health during and after the development of the Cartagena Protocol. To reflect the outcome of these discussions and to ensure that the Cartagena Protocol is fully implemented in the Caribbean sub-region, Germany would like to make following recommendations:

- The project must be developed and executed in close cooperation between the Ministries for Agriculture and for Environment because both harbour biosafety responsibilities and competence in the Caribbean countries.
- During the development of the project, it has to be made clear how the regional biosafety approach is linked to the regional processes and policies dealing with biodiversity and environmental issues. It should also be clarified, how and to what extent regional governmental bodies and institutions in the field of biodiversity and environment - if they exist - will participate in biosafety decision making.
- If a regional biosafety framework in the context of the free-market policy of the Caribbean Single Market and Economy of the CARICOM is going to be funded by the GEF, it has to be ensure that both the interests that foster a common market and that promote the protection of the environment, biodiversity and human health are equally represented in the project development and execution.
- One means to ensure the balance of interests is to engage a broad range of stakeholders in the field of consumer protection and environmental protection in the development and execution of the project.
- Although the CARICOM consists of 15 member states, the project currently addresses only 7 member states, because not all of them have yet ratified the protocol or endorsed the PIF. It is not clear how you are going to develop a

regional biosafety process with binding implications without the other member states that will not participate in the regional project.

COMMENTS FROM THE UNITED STATES

- The United States supports improving the science-based biosafety capacity of countries in the Caribbean.
- Harmonizing the biosafety regulation and rules of the region would increase trade and decrease barriers to trade for the region.
- However, we have concerns about some of the specific language in the proposal because it does not appear to be science-based and gives the impression of being anti-biotech as opposed to neutral. We request that terms and phrasing such as those indicated below be avoided in the final project document when it is presented to Council for review.
 - The paper uses the term “*modern biotechnology threats*” in several instances, which makes it sound like biotech is definitely a threat rather than a possible risk or potential threat.
 - There is also a mention that biotechnology is a threat to “biodiversity, agriculture, and sustainable livelihoods.” We would like to point out that we do not know of any instances in which biotechnology or products of biotechnology has damaged biodiversity. More appropriate language would be: ‘Improved biosafety capacity will decrease the possibility of potential negative effects from biotech products.’
 - On page two, the following language is unclear: “..... in order to minimize the possibility for unintentional and or accidental release of LMOs into *inappropriate* environment in CARICOM member states.” It is not clear who decides what an ‘inappropriate’ environment is? You might want to this as “unintentional or accidental release of LMOS into other CARICOM member states.”

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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2. Regional (Micronesia, Palau, Marshall Islands): PAS The Micronesia Challenge: Sustainable Finance Systems for Island Protected Area Management - under the GEF Pacific Alliance for Sustainability [UNEP]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

The GEF funds applied for (approx. US\$ 5.5 m) are planned to be used by 100% to capitalize the Micronesia Challenge Trust Fund. With the sparse information given in the PIF, many questions remain unanswered:

- GEF appears as donor for capitalizing the fund, without having a function in the design and management of the fund. Information is required on how it will be ensured that the Trust Fund works in line with GEF's policies and aims.
- The PIF does not give information on the foreseen management structure of the fund. Is it independent from the government? What is the role of governmental agencies, what the role of non-governmental organisations? Who are the foreseen beneficiaries (cash transfers to PA management authorities?).
- What is the value-added of a tri-national trust fund against three national trust funds? Wouldn't this approach raise the need for coordination and thus management costs?
- One outcome reads as "Sustainable financial resources sufficient for management needs in target PA's of the Micronesia Challenge Network in (and between) the five MC Jurisdictions (to include Guam and CNMI's)." – What is the fundament of this statement? A trust fund capitalized with US\$11.4m gives an annual yield of roughly half a million US\$. Is this enough for ensuring the financial sustainability of PAs in five jurisdictions?

With substantial co-financing by NGOs in the amount of US\$6.0 m and bilateral aid agencies in the amount of US\$4.5 m, it would be helpful to learn the names of these organisations, in

particular as the amount committed exceeds the usual range of funds which can be provided by non-governmental organisations.

The PIF does not show a clear concept for establishment, management and tasks of the *Micronesia Challenge Trust Fund*. With the information available, the risks seem to be high, and the instruments for taking influence on the design of the Trust Fund are hardly available. It is therefore recommended to re-submit a PIF containing more conceptual information.

3. Cameroon: BS Development and Implementation of a National Monitoring and Control System (Framework) for Living Modified Organisms (LMOs) and Invasive Alien Species (IAS) - under the GEF Biosafety Program [UNEP]

COMMENTS FROM FRANCE

Opinion: favorable, but with the following questions and remarks to be taken into account: (Comments are the same as for No. 1 above, extended to the subject of Invasive Alien Species.)

Consistency with previous OME evaluation of the GEF Initial Strategy on Biosafety (cf. “Strategy for Financing Biosafety” – GEF council meeting, December 5-8, 2006).

The proposed project provides a good rationale of components and activities, but little is built on previous evaluation. It would be good to explain why this new project is not putting some focus on the following recommendations of the GEF OME:

- future support should be better customized to the respective country conditions;
- consider providing longer term training for building and sustaining specialist capacity in risk assessment and risk management; and
- emphasize awareness-raising, public consultation and information sharing (to the public and not only to the specialist only).

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

- Since more than 10 years Cameroon has conducted resp. participated in biosafety capacity building projects and activities, amongst them the UNEP-GEF Pilot Biosafety Enabling Activity Project (1997-99) and the UNEP-GEF MSPs on Implementation of National Biosafety Frameworks (2002-05). During these two projects, Cameroon received GEF support to develop and to implement its National Biosafety Framework. The FSP proposal states that the former biosafety capacity building projects did not lead to the establishment of a functioning biosafety system due to inadequate national capacities. Germany is of the opinion that the chosen approach to overcome this lack of capacities_by combining biosafety issues with invasive species issues in which Cameroon's national capacities seems to be even less developed bears some risks and needs in depth consideration. It has to be shown clearly that the chosen approach to combine the two issues in one capacity project will lead to a substantial and long-term improvement of the legal and administrative situation with regard to the oversight of genetically modified organisms and invasive alien species in Cameroon.
- Possible duplication of activities and funding:

A brief overview about selected indicators of the finalized MSP and the expected outputs of the planned FSP leads to the conclusion that several activities conducted during the MSP might be again conducted in a very similar fashion during the FSP.

- Cameroon has developed and adopted a National Biosafety Framework, a Biosafety Law and Decree, and other documents including a Manual on Biosafety Risk Assessment and Risk Management for Cameroon in the context of the implementation of the Cartagena Protocol on Biosafety. Under the FSP, a new set of such documents should be developed in the context of a Biosecurity Policy, an approach promoted at the international level by the FAO.
- Cameroon has developed a Biosafety Clearing-House (<http://www.minep.gov.cm/BCH/>) under the MSP. Under the FSP the BCH should be merged with other websites into a biodiversity information system (<http://www.biocam.net>).
- Cameroon has equipped laboratories under the MSP to enable them to function as inspection and detection facilities. Under the FSP activities to identify such laboratories are to be conducted.

Germany regards it as crucial that the development of the FSP must be based on the following points:

- (a) The development of a biosecurity system in Cameroon through a GEF FSP must be based on an assessment and the lessons learnt of the finalized capacity building projects and developed frameworks in the fields of biosafety and IAS.
- (b) The development of a biosecurity policy and legislative system should build upon the existing biosafety legislative system unless it has been shown that this system is inadequate.
- (c) Cameroon must ensure sustainability of the proposed FSP activities, especially in terms of providing adequate human and technical resources to integrate the built-up administrative system into its governmental structures after the project.
- (d) The maintenance of the BCH - developed under the MSP - is a binding requirement for the Parties to the Cartagena Protocol. The means to keep the BCH updated and functional should not be provided through project funds but should be secured through the national budget. It has to be guaranteed that the information given through the BCH has the status of official governmental information.
- (e) The further upgrading of detection laboratories should make use of the human and technical resources provided by the MSP.

<u>Selected Expected Outputs</u>	<u>Selected Indicators</u>
FSP UNEP/GEF: Development and institution of a national monitoring and control system (framework) for Living Modified Organisms (LMOs) and Invasive Alien Species (IAS)	MSP UNEP/GEF: Support to the Implementation of the National Biosafety Framework for Cameroon (2002-2005)
<ul style="list-style-type: none"> • Policy on Biosecurity and legislative instruments on LMOs and IAS developed • Regulatory instruments (including laws, implementing decrees, guidelines), Codes of Practice and Operational Manuals (including Consensus documents on Risk Assessment and Management/monitoring and enforcement, standards for containment, field trials, detection of LMO/IAS developed), Policies, Brochures, Newsletters on handling, monitoring control and enforcement translated and published 	<ul style="list-style-type: none"> • Adopted national legislation • Devised and published guidelines and regulations to implement the national legislation • Publication of guidelines and regulations
<ul style="list-style-type: none"> • Administrative system for handling LMOs and IAS established 	<ul style="list-style-type: none"> • Functional institutions National Biosafety Committee (NABIC) + Institutional Biosafety Committees
<ul style="list-style-type: none"> • Operational manuals for handling including detection, risk assessment and management for LMOs and IAS developed 	<ul style="list-style-type: none"> • <i>The MSP project has published a "Manual on Biosafety Risk Assessment and Risk Management for Cameroon"</i>
<ul style="list-style-type: none"> • Consolidation of existing databases or new 	<ul style="list-style-type: none"> • Biosafety National Clearing House Portal established

databases on biodiversity conservation including the nBCH into a national biodiversity information system with nodes for GMO and LMO management	and functional <ul style="list-style-type: none"> • Biosafety database system and biosafety portal active • The National Biosafety Clearing House and the Website established and linked to regional information sharing mechanisms and to the global BCH
• Identified laboratories to handle LMO and IAS detection upgraded	<ul style="list-style-type: none"> • Biotechnology/biosafety Centre in Yaounde equipped • Facilities needed to enable the centre to perform inspections on LMOs and related products purchased

COMMENTS FROM THE UNITED STATES

- The United States believes that biosafety capacity building and the prevention of invasive alien species (IAS) introduction are important objectives, but we had significant misgivings about handling both IAS and LMOs under the same proposal.
- We reluctantly agreed to allow the PIF to go forward but only on the condition that the final project document demonstrate clearly that the project will establish clearly separate regulatory frameworks for LMOs and IAS in Cameroon.
- The United States does not believe it is a sound approach to place IAS and LMOs under the same framework because threats from LMOs and IAS are not comparable, and they do not require comparable regulatory systems.
- We agree that some of the same issues need to be assessed with IAS and LMOs (e.g. potential for invasiveness), but we disagree that these two types of organisms can or should be regulated/managed under the same framework since the goals are fundamentally different.
- Different tools and expertise are needed to address LMOs and IAS. For example, Project component 1 lists as an expected output, the upgrading of laboratories to handle LMO and IAS detection. Generally, no laboratory tests are needed to identify IAS. Another listed expected output is “operational manuals for handling detection, risk assessment and management for LMOs and IAS”. LMOs and IAS require distinctly different detection, risk assessment and management strategies, and such a manual would be ineffective at dealing with at least one, and likely both, of these issues.
- The PIF overstates the magnitude of the threats of LMOs, by suggesting that without the proposed framework “Cameroon will not have the capacity to manage the threats on food security that may result from inability to monitor/control the introduction of IAS and LMOs to natural habitats and to agriculture” (pg 7). In reality, the introduction of LMOs is more likely to contribute to food security than threaten it. Additionally, LMO’s, whatever threats they may pose, are highly

unlikely to degrade ecosystem services such as “water level, [...] biogeochemical cycles, [or] climate/weather”.

- We also don’t agree that risk assessment and management needs to be done at the point of entry to ensure safe transboundary movement for both LMOs and IAS. The focus should be on risk assessment prior to import, or on management of risk (i.e., containment) for products coming in as experimental material. It would be impossible to test for all products coming in and to perform any type of risk assessment at the borders.
- The project references a project to harmonize national biosafety projects in the Central Africa Region. We also understand that CORAF/WECARD intends to conduct outreach to Central African countries in the hopes of including them in a process to develop a regional biosafety framework for West and Central Africa. Given that Cameroon has limited technical expertise in biosafety and biotechnology, any proposed biosafety projects should explicitly link to projects and processes to establish regional biosafety frameworks, to better take advantage of the larger pool of regional expertise.
- Our technical experts are available to discuss this proposal further and our expectations with regard to how IAS and LMOs should be regulated under separate regimes. We will review the final project proposal carefully when it is circulated to Council.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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4. Colombia: Mainstreaming Biodiversity in the Coffee Sector in Colombia [UNDP]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

- Project Framework: Project components 2 and 4 are outcomes rather than part of the actual project and should be revised. By which means can these outcomes be achieved?
- The replication of the project's outcomes (component 4) is out of the actual project reach and should therefore not be included as a project component.
- Apart from Rainforest Alliance (RA)-certification it remains uncertain whether a shade-certification or a certification according to bird-friendly-requirements of the Smithsonian Institute is desired. RA is not a shade-label, but a label for sustainable agriculture. If shade coffee cultivation is the objective, other standards have a higher reputation on markets in the USA.
- The planned financing and incentive mechanisms sound nice; however CDM in the coffee sector is quite far off from reality. Only a voluntary market seems realistic. Moreover the implementation of these services is only roughly described and the focus shifts towards certification and its preparation. It should be carefully considered if a support to producers to fulfill certain standards is an adequate strategy as there should be economic incentives for producers to adopt these standards. This can be implemented by the Colombian Coffee Federation (FNC) itself without financial assistance by donors. Assistance is only useful when developing innovative services, thus the focus should shift in that direction.
- The cited facts are outdated. For example, the coffee price has increased substantially in the past two years. Therefore Colombia was able to expand its competitive situation. Coffee production is very profitable and the threat from livestock production is not as big as stated.

- Diversification remains a crucial safeguard strategy against volatility of the coffee market, especially in Colombia. It should be considered to further develop this aspect.
- **GTZ had a very successful PPP project with FNC in which coffee farmers were able to implement the 4C standard and then prepared themselves for RA certification within two years.** The same could also be applied here. Farmers would have better marketing options and could get better market access even during implementation.

COMMENTS FROM SWITZERLAND

General Comments

The current PIF is presented under the Strategic Objective 2 “*to mainstream biodiversity in production landscapes/seascapes and sectors*” of the Focal Area Biodiversity and specifically it will contribute to the Strategic Program 5 of the GEF strategy (fostering markets for biodiversity goods and services). The project objective is “to preserve and enhance the biodiversity of global importance found in shade-coffee farms and their surrounding landscape”. This would be reached by three components: a) *catalyzing payments for ecosystem services (PES) to attract and keep farmers committed to growing shade coffee*, b) *certifying coffee and other agro-forestry products grown in shade-coffee farms*, and c) *promoting landscape-based planning measures that underscore the importance of conservation corridors between coffee farms and the natural forest*. The proposal’s approach was built on the lessons of the Colombian component of the regional UNDP-GEF Project “*Biodiversity conservation in coffee sector by increasing demand for certified sustainable coffee*”. It is important to remark that this regional project (Colombia is one of six countries) just started one year ago its 7-year implementation.

We recognize that the PIF presents with its three components an interesting integral approach. Its institutional arrangements foresee the participation of the Colombian institutions with the top competence in the related fields, particularly: the Colombian Coffee Federation (FNC) as top partner for the coffee sector, the Von Humboldt Institute as research partner for biodiversity conservation, as well as the Regional Autonomous Corporations and the authorities of the municipalities. The participation of these key institutions is a promising basis for a successful implementation.

Although in general terms the PIF is presented in a consistent manner, we have identified some concerns and questions which are explained below.

Concerns

► **Which of the different partners will assume the role of the leading executing agency?**

Despite the effort of the proponents to explain the technical roles of the different partners, it is not clear which of these will be the leading executing agency. Please note that the PIF

indicates UNDP as “GEF Agency” and the Colombian Coffee Federation (FNC), The Von Humboldt Institute, Regional Autonomous Corporations, Rainforest Alliance and Fundación Natura as “other executing partners”.

We underline the importance of having only one leading executing agency responsible for the overall development of the project and for the coordination of the further involved partners, and last but not least as the national counterpart of UNDP as the “implementing agency” and finally, towards the GEF, responsible for fulfillment of the objectives.

Therefore we hope that this question of the lead will be clearly defined below the institutional arrangements of the final document.

► **Doubts about the validity to apply in this project the experience of coffee certification taken from the regional GEF project which started implementation only one year ago.**

The international NGO Rainforest Alliance (RA) and its Colombian partner the “Fundación Natura” are in Colombia the executing agencies of the regional UNDP-GEF project denominated “*Biodiversity Conservation in coffee sector by increasing demand for certified sustainable coffee*”, financed to certify in the context of the regional project shade coffee in a department of Santander.

In the current PIF of the Colombian country project, these same institutions figure again as partners to certify 27,000 ha in the selected project areas (of the departments of Quindio, Nariño and Valle del Cauca).

Considering that the regional initiative has just finished its first year of implementation (of the 7 years programmed), we believe that the replication and transfer to other areas of its newly developed coffee certification scheme is still premature. A replication of that experience should be considered only after its validation and an independent evaluation. Thus, these conditions are not fulfilled.

Furthermore, we would stress once more one of our concerns mentioned in the Swiss commentaries in 2005 to the regional project: “*through this project implementation, the Rainforest Alliance Certification (RAC) system can take an important reinforcement in the world of the coffee certification systems, which maybe is not consistent with the rules of free-market competition*”. And now, with the new country project, new GEF funds are assigned again to the same RAC system, and benefiting in the case of Colombia the very same entities.

Last but not least, due to the existing synergies between the ongoing regional and the new country project, it is very important to clarify and well specify the activities that will be financed by GEF below component 2 of the current proposal. This refers to the certification of 27,000 ha of shade coffee that will be made by the Rainforest Alliance and Fundación Natura. Some products expected by the newly proposed project could have synergies with the products obtained of the certification applied by the regional GEF Project; therefore it is necessary to avoid duplication of efforts, and possibly of GEF financing. Switzerland will pay attention to these aspects in the final document of the new project. Likewise, we recommend to the project proponents to explain in a comprehensive mode and supported by quantitative data, the assertion made in the current PIF, which says that based on the

experience of the regional project, the Rainforest Alliance certification contributes to the economic viability of shade coffee farms.

Conclusions and Recommendations

Overall we support the objective of the current proposal and recommend to the GEF the approval of the current PIF. Nevertheless we underline our concern regarding a too early transfer of the experience of a regional GEF project which started implementation only one year ago, and of benefiting the same entities responsible for the promotion of a new certification system at the limit of the consistency with the rules of free-market competition. Switzerland will look forward to the final project document, eager to see how the critical points have been resolved.

Further comments

We agree that the implementation of PES models in the current PIF proposal is based on the experience of the Humboldt Institute, provided by another GEF project implemented and concluded in the Andean Region. Nevertheless, we hope that detailed information is given in the final document about this PES model and its replicability in the selected area of the current PIF project.

5. Colombia: Mainstreaming Traditional Knowledge Associated with Agrobiodiversity in Colombian Agro-ecosystems [UNDP]

COMMENTS FROM FRANCE

The project aims at conserving sustainable agro-ecosystems in Colombia by protecting and managing agrobiodiversity and associated traditional knowledge.

The partnerships between private partners and local communities as well as the use of a “supply chain approach” give some credibility to the considered pilot demonstration projects.

Favourable opinion

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

- It did not become clear which the actual target group of the project is, i.e. small-scale farmers using traditional or modern and commercialized methods of production. Each of these groups requires distinct ways of intervention.
- The statements given about the Ministry of Agriculture (MoA continue to devote significant resources to the promotion of intensive agriculture use and management of agrobiodiversity has been ignored) give reason to believe that the necessary institutional support might be lacking with regards to this very important stakeholder. How can the attention of the Ministry be directed towards the benefits of agrobiodiversity?
- There is a big question mark behind the issue of marketing channels of the farmers. Where is the evidence that the pilot projects can be scaled up? Is there a market/a demand for such products nationally/internationally? If not, how can a demand be created?
- Components 2 and 3 should be reversed in order. Before starting pilot projects, it seems desirable that the relevant communities and local government authorities have been exposed to the topic. After that, the demonstration projects should be established to develop markets for agrobiodiversity resources.
- Moreover, component 4, awareness-raising, should be refined and implemented at the same time or before component 2, as a market must be in place before the product are grown in the first place. Otherwise the demonstration products are produced without a sufficient demand.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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6. Cuba: Application of a Regional Approach to the Management of Marine and Coastal Protected Areas in Cuba's Southern Archipelagos [UNDP]

COMMENTS FROM FRANCE

This project is very important as it covers a biodiversity area of great significance.

Opinion: favorable, but with the following questions and remarks to be taken into account:

The project should present results, lessons learnt and recommendations of the post-evaluations or mid-term review of the numerous previous projects which contributed to Cuba's biodiversity conservation.

In particular, according to the importance of the assistance received so far by the Government of Cuba (GoC), and the statement of the poor attention and means derived to sustainably finance the Protected Area Network, and the Marine Protected Area so far, the project should present a fair assessment of the willingness and the capacity of the GoC to sustainably finance the activities after the end of the project. The following statement in §14 "Funding of MPAs will continue to rely on government funds, which are inadequate, and international donor funds, whose varied requirements and durations preclude effective planning and require significant time and effort" is showing that the project don't build an exit solution to this new project notably in terms of sustainable finance for biodiversity conservation and National Protected Area Network.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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7. Ecuador: Marine and Coastal Biodiversity Conservation [IADB]

COMMENTS FROM GERMANY

Germany agrees to the project proposal. However, we would like to know what the specific economic and social benefits of MPAs at household level are, as envisaged by the project.

8. Honduras: Conservation of Biodiversity in the Indigenous Productive Landscapes of the Moskitia [UNDP]

COMMENTS FROM FRANCE

The project aims at protecting the biodiversity in the Moskitita region. It considers in particular to developing alternative production systems (subsistence, artisanal and community based commercial) with indigenous communities which favour biodiversity. In this regard, the PIF should indicate more clearly which partners are going to be sought to work on market access of the productions developed. The involvement of such partners (public, private, NGO) will be crucial to ensure that the alternative productions reach markets and start generating real and significant benefits for the indigenous communities.

No objection subject to precisions provided.

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

The successful implementation requires cooperation of different government institutions which have had problems in the past. The project document must clearly specify the lead institution and the mechanisms of cooperation.

Please clarify the conditions of the soft loan by IDB as the major co-financing to the project. The IDB Pronegocios Project appears as another source of co-financing. Within this project

possible financing of business ventures include African palm oil, milk and paraffin-coated cassava. On the other hand conversion to palm oil has been identified as threat to biodiversity. Although environmental impact assessments are foreseen for all sub-projects, a strategic environmental assessment might be an alternative to avoid conflicting project outcomes.

KfW and GTZ are co-financing with in-kind contribution. However, the Rio Platano Biosphere Project by KfW/GTZ operating since 1997 in the vicinity of the proposed project is not mentioned under “D. Coordination with other related initiatives”, although many of the activities are identical.

9. Mexico: SFM Transforming Management of Biodiversity-rich Community Production Forests through Building National Capacities for Market-based Instruments - under the Sustainable Forest Management Program [UNDP]

COMMENTS FROM FRANCE

The project aims at strengthening the capacities of the local populations as regards natural resources management through the certification of the forest products. The objectives of the project seem relevant and flow in the direction of a sustainable management of the natural resources.

Opinion: favorable.

COMMENTS FROM JAPAN

On the table of “A Project Framework”, the targets and/or activities in the section of “Expected Outcome” should be the “Expected Outputs”, and vice versa.

COMMENTS FROM THE UNITED STATES

- We believe the results framework for the final project will need to be stronger. The PIF included a good list of expected outcomes but without baseline, interim or target benchmarks. We request that baseline information and interim and target benchmarks be included in the final project.
- We're pleased this project is building off of experience with USAID projects in other countries in the region and that USAID will be providing some cofinancing.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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10. Venezuela: Strengthening the Financial Sustainability and Operational Effectiveness of the Venezuelan National Parks System [UNDP]

COMMENTS FROM FRANCE

The project aims at strengthening Venezuelan National Parks System with a focus on its financial sustainability and the improved effectiveness of its protected areas management.

The PIF raises the following questions:

- The PIF mentions the importance of involving local communities, while INPARQUES (National Parks Institute) appears to be the main public organization involved. When it comes to indigenous population, the PIF should clearly state, who are going to be the other partners involved whether governmental, NGO...
- Coordination with the existing projects supporting Venezuelan national parks should be sought to ensure consistency between the tools, management methods that will developed with GEF support. The FGEEF, in relation with Inparques and The Nature Conservancy, is currently supporting a project in Venezuela focused on Canaima National Park and its indigenous communities.

No objection subject to precisions provided.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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CLIMATE CHANGE

11. Chile: Promoting and Strengthening an Energy Efficiency Market in the Industry Sector [IADB]

(No Council comments received)

12. India: IND Chiller Energy Efficiency Project - under the Programmatic Framework for Energy Efficiency [World Bank]

COMMENTS FROM FRANCE

The project aims at accelerating the process of the replacement over 3 years of 440 old and energy inefficient CFC chillers by the mobilisation of a comprehensive mechanism made of incentives (GEF-MLF and CDM), technical assistance and demonstrative projects. The financial mechanism is planned to be run as a revolving fund. The total cost of the project is 99.5 million \$.

Comments

The participation of the GoI does not appear clearly in this project. It could have been included in the global mechanism some fiscal incentives (for example).

Opinion: favourable opinion subject to clarifying GoI significant participation

COMMENTS FROM JAPAN

When additional carbon credits are earned from the 280 chillers replacement, it should be ensured that the sub-project agreements are signed between ICICI and their owners so that the future carbon credits would belong to ICICI, under the same condition for the owners who replace their chillers through Multilateral Fund for the Implementation of the Montreal Protocol (MLF) and GEF support.

The GEF should precede projects in other countries required to phase out the consumption of CFCs by the end of 2009, when certain progress has been made in this India project without waiting for this project to be completed and a full evaluation to be made.

COMMENTS FROM SWITZERLAND

Overall Comments

We acknowledge that the project fits well into the Programmatic Framework EE in India and is addressing a relevant market for “green buildings” combining innovative and interesting approaches. The project concept outline as presented however seems to be vulnerable to the effect of delays incurred in project preparation and approval as well as in implementation during a short time window up to 2010/2012 respectively. There are three main concerns addressed here:

Questions, Concerns and Challenges for the further Project Preparation

First: The phase-out of CFC production and import in India is bound to take place latest by 1.1.2010, and CFC production possibly ceases before this date. Induced price increase of CFC11 and reduced availability of CFCs is due, which may lead to increased rate of retrofit or natural replacement of chillers now, i.e. within 2008 and 2009, hence before the project is operational on the ground. The need to activate at least the Montreal Protocol component at the earliest possible date is to be considered by stakeholders in the approval process as well as by the Bank and the Government of India in its project approach.

Second: the value of post 2012 CER revenues is uncertain, which contains a barrier to fast track implementation, as investors and financial agencies involved will rate the significant effort to comply with CDM procedures against the level of future revenues. The CDM component in promoting energy efficient chiller designs past the 31.12. 2009 Montreal Protocol deadline may invite further delays in deal closure. The project could even create an additional barrier to market transformation due to the complexity of issues involved which may lead to a situation where investors are tempted to withhold action or revert to lower cost/quick fix retrofit options rather than chiller replacement. These concerns need to be addressed more explicitly in the final project document.

Third: The 2007 COP/MOP policy decision on accelerated phase out of HCFC may have implications on technology choices. As STAP suggests, addressing technology options more explicitly is strongly recommended for the final project document. The relevance being that project activities may deal with replacement of old HCFC chillers or installing technology which does have a potential to replace HCFC chillers in future. The project should take proper care that in view of HCFC phase-out non-HCFC technologies are preferred if available in the market with comparable energy efficiency.

The project foresees fast action on 160 chillers using the MFL and GEF grants and proposes to address the remaining 280 chillers through CDM revenues. We see a substantial risk that due to the strong signal from CFC phase-out schedule in India the market for CFC chiller replacement may be significantly reduced after 2010. This exposes this project to a significant risk in case of any implementation delays. The chiller population data on which the approach is based stems

from 1991 and may be outdated. This risk factor should be discussed by the final project document as it could have a significant impact on the leverage factor for the GEF / MLF funds.

In view of sustainability of the project, proper care should be taken that an integral analysis of the building energy efficiency is made before replacing the chillers with the same capacity as was installed earlier. This is to avoid excess part-load conditions of the chiller and create a barrier for later energy efficiency improvements at the building level as it is targeted by the Indian Bureau of Energy Efficiency under the GEF funded Programmatic Framework Project for Energy Efficiency in India.

Conclusions and Recommendations

On the basis of the above considerations we recommend to go ahead with further developing the project, taking into account the various points raised in this project review and in the STAP review. The issues raised should be adequately addressed in the final document which will be submitted for CEO endorsement.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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13. Iran: Facilitating Sustainable Mobility in Tehran [UNDP]

COMMENTS FROM FRANCE

The project aims at organizing the transport sector in Teheran (planned and integrated system, BRT, traffic regulations). The experience of Teheran could be replicated in other Iranian cities. The project is a kind of follow-up of a WB project.

Comments

The added value of this UNDP project compared to the WB project is not very clear at all. The comparative advantage of UNDP itself is not clear, and its contribution is mean (350 k\$).

Opinion

There is a need to clarify in depth the relationship between the two projects and to increase significantly the UNDP contribution.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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14. Malaysia: Building Sector Energy Efficiency Project (BSEEP) [UNDP]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

Regulatory framework, incentives and financial support are geared towards demonstrating that large scale energy savings are possible in Buildings in Malaysia. Not enough explanation has been given how this will be upscaled without GEF support after the “demonstration phase”.

15. Mexico: Mexico Rural Development [World Bank]

COMMENTS FROM FRANCE

This project comes after a previous project PERA (Renewable energy for agriculture) which has been already supported by the GEF (8.9 M\$) between 2000 and 2006 with the WB. The new project will focus on environmentally and economically sustainable agro-processing facilities in small and medium sized producers and processors (use of biomass and of energy efficient processes). The GEF grant will be blended with a 60m\$ IBRD loan.

Comment

The number and the size of the investments (sub-projects) are not indicated therefore it is difficult to understand and to justify such a level of subsidize requested by the Bank.

Opinion: favourable in principle subject to more detailed justification

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

As the use of renewable energy in rural areas is of critical importance and experience not widespread, it is considered critical to foresee a component that analyzes the lessons learned in this context very closely and draws conclusions for application both in the national Mexican context but also for rural areas in comparable settings. Knowledge management is not addressed prominently enough in the proposal.

COMMENTS FROM JAPAN

The “X” and “Y” in the Expected Outcome should be clearly explained in order to justify the amount of resources from GEF and the Agency.

16. Russian Federation: RUS Improving Efficiency in Public Buildings in the Russian Federation - under the Energy Efficiency Umbrella Program [EBRD]

COMMENTS FROM FRANCE

The project aims at facilitating of investments in the field of energy efficient technologies in the public buildings (school, hospitals, etc). The project is structured around the classical application points such as assistance to audit, investments support and innovative financial instruments. The project will capitalize on the new legislative development, the development of new public-private partnerships and Energy savings companies (ESCOs). The EBRD plans to mobilize a 62 m\$ loan in the context of EBRD’s Sustainable Energy Initiative (1,5 B\$ in 2006-2008).

Comments

The main innovation in the project is the new financial mechanism based on “forfeiting” (sales of receivables) which is indeed quite interesting and well fitted to the context of municipalities. The participation of the GoR is not known but will certainly be limited (200 k\$).

The concept is excellent, however the public finance is rather limited. No reference is made to the GEF/UNEP project with CEENU, UNF and FFEM (6 M\$) “Facilitating investments in EE in Eastern Europe (2006)”. These two projects should liaise and develop synergy.

Opinion: favourable subject to the above recommendation.

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

While the need to address energy efficiency in buildings in Russia appears evident, it remains unclear to what extent the policy and regulatory framework is conducive to help upscaling investments in energy efficiency beyond the proposed project.

COMMENTS FROM JAPAN

The expected outcomes, such as “project identified and implemented”, are not appropriate for the GEF projects. Both outcomes and outputs should be more specifically identified and appropriately articulated.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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17. Russian Federation: RUS Improving Urban Housing Efficiency in the Russian Federation - under the Energy Efficiency Umbrella Program [EBRD]

COMMENTS FROM FRANCE

The project aims at encouraging the reconstruction and refurbishment of municipal housing in selected area of FoR (p.e city of Surgut in the Khanty-Mansi okrug). EBRD will mobilize 50 m\$ loan and a line of grant of 1.7 M\$. The “Russian Municipal Housing Reform Fund” (9,8 B\$) will participate with grant up to 50% of the cost of the value of the investments. Municipalities will pay up to 45%.

Comment

The GEF grant will support the housing municipality planning, building code implementation and incentives for demonstration projects.

Opinion: favourable

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

While the need to address energy efficiency in buildings in Russia appears evident, it remains unclear to what extent the policy and regulatory framework is conducive to help upscaling investments in energy efficiency beyond the proposed project.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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18. Turkey: Market Transformation of Energy Efficient Appliances in Turkey [UNDP]

COMMENTS FROM FRANCE

The project aims at upgrading the efficiency of electrical household appliances in Turkey (refrigerators, air conditioners, electrical ovens, etc) through capacity building, increase of awareness, communication and statistical survey of the transformation market.

Comments

This project is one of the cornerstones for the improvement of the global energy performance of the residential sector and should be supported.

Opinion: favourable

19. Turkey: Promote Energy Efficiency in Buildings [UNDP]

COMMENTS FROM FRANCE

The project aims at introducing the use of an integrated building design in the building sector with the construction ministry with the view to improve energy efficiency while containing over-costs. It follows a similar project with GTZ which is closed (creation of an energy center to promote the benefits of EE in the building sector). The GoT has pledged a significant contribution in cash (11 millions \$) and 7.68 millions in kind. The UNDP contribution is not precised.

Comments

There are currently no GEF climate changes in Turkey. The UNDP contribution is weak in cash terms. The added value of UNDP taskforce is not very specific.

Strategic project strongly supported by the GoT. UNDP should invest more of its own resources.

Subject to an additional and visible contribution from UNDP, opinion favourable.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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20. Uzbekistan: Promoting Energy Efficiency in Public Buildings [UNDP]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

While the need to address energy efficiency in buildings is evident, it remains unclear to what extent the policy and regulatory framework is conducive to help upscaling investments in energy efficiency beyond the proposed project.

COMMENTS FROM THE UNITED STATES

- In terms of technical aspects regarding building design standards, this project appears to be sound. We are concerned, however, by the lack of attention given to energy pricing and energy sector reform in the proposal.
- We believe that low energy prices in the country will significantly impede replication because building managers will not have a sufficient incentive to adopt the standards.
- Several studies have noted the problem of low energy prices in the country. According to a 2006 World Bank report, based on 2003 data, electricity tariffs were only 37% of cost recovery levels, and this was estimated to translate to an implicit subsidy of 12% of GDP. Uzbekistan's 2007 Welfare Improvement Strategy stated the following:

“The extremely high energy consumption rate, one of the highest in the world and exceeding the energy intensity of many developing countries by 200-250%, remains a major problem for the country. The low costs of major energy resources do not create incentives for consumers to use energy efficiently. If high energy efficiency losses cannot be prevented (currently they exceed 20%) and a highly energy efficient economy is not created, then the country will need additional generating capacity to support the annual 8% GDP growth.”

- We believe the PIF does not give sufficient attention to fundamental economic questions. There is no mention of the need for energy price reforms, particularly in section F on project risks. This section rightly notes the risk of “lack of government commitment” and “lack of motivation among public facilities managers” to revise and introduce the standards, but this is a risk is due to the lack of incentives caused by low prices. The proposed mitigation is a “command-and-control” response that relies on new regulations. Public facilities managers would have a much more powerful incentive if they knew they were going to have to pay higher prices for energy.
- The section on “weak energy management” also demonstrates this weakness. We believe an important reason why energy audits are not performed and why there is only one energy audit in the country is the lack of an incentive for such activities. Raising energy prices would provide a more powerful and cost-effective incentive than relying on enforcement of the standards, which can always be subject to evasion.
- As we discussed with UNDP and the GEF Secretariat and mentioned in our comments in Council, we would like the GEF to draft a strategy for its climate change operations in Uzbekistan that specifically addresses the issue of energy pricing in the country. We would like this to be an information note to Council and for it to be circulated prior to circulation of the final project document for CEO endorsement.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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INTERNATIONAL WATERS

21. Global: CTI GEF IW: LEARN: Portfolio Learning in International Waters with a Focus on Oceans, Coasts, and Islands and Regional Asia/Pacific and Coral Triangle Learning Processes - under the Coral Triangle Initiative [UNDP/ADB]

COMMENTS FROM SWITZERLAND

Overall Comments

The project addresses global issues on “LEARNING Processes” regarding international waters with a focus on oceans, coasts, islands and regional Asia/Pacific and Coral Triangle (CT) areas. The umbrella project is Asia Coral Triangle (CTI). The main idea is to channel ideas and experiences into the umbrella project. The concept is commendable and deserves attention

Questions, Concerns and Challenges for the further Project Preparation

Question: The global issues addressed abound with problems which nevertheless vary considerable in different systems and regions. The question arises on how those responsible for the project preparation practically intend to pinpoint those issues which are relevant for CTI countries in particular, and to streamline their activities accordingly. Some kind of matrix presentation should help to improve efficacy Conclusions and Recommendations

Conclusions and Recommendations

The reviewer is convinced that this present GEF Program must be launched and given utmost priority. There are intrinsic global, regional and communal issues at stake

For best results to be achieved, the reviewer argues that key representatives of CTI Secretariat, Technical Working Groups and other relevant representatives should be actively involved at this early project stage, and throughout as the project evolves.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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22. Regional (Indonesia, East Timor, Papua New Guinea): CTI Arafura and Timor Seas Ecosystem Action Programme (ATSEA) - under the Coral Triangle Initiative [UNDP]

COMMENTS FROM SWITZERLAND

Overall Comments

- ATSFA is an integral part of GEF CTI Program and as such must at all times be closely monitored and evaluated periodically by the latter.
- As in related problem areas, illegal, unregulated and unreported fishing (IUU) poses a major threat to the region in question.
- The best measure of success should probably be the degree to which at least improved sustainability of the relevant coastal communities can be achieved in the shortest possible time.

Questions, Concerns and Challenges for the further Project Preparation

- Concern 1: The fear that PNG will not in due course be involved in dialogue on the threats facing the ATS with the long-term goal of having them join the ATSEF (Part II. B. Page 5 top).
- Concern 2: Alternative livelihood projects may be conveyed to an insufficient number of needy coastal communities.
- Concern 3: Insufficient funds may be available for stepping up research concerned with both impact of climate change related to global warming in the sea and on chemical oceanography (Part II. E. Page 5 bottom).
- Challenge:*"Yet a task of this magnitude requires a major injection of technical assistance and investment to reach long-term regional goals"*.... (Part II. E. Page 5 bottom).

The sufficient injection of assistance to reach this long-term regional goal may not be forthcoming, though to avert this from happening is a major challenge which faces all such projects in general, the present one in particular, and which thus has from experience only a marginal chance of being avoided

Conclusions and Recommendation

The reviewer proposes that the Program be instigated and financed as proposed. He strongly recommends, however, that the comparative role of the “13 multi-country marine/coastal, river and Lake Basin management agencies or 6 Commissions including.....” (Part II. H. Page 6 bottom / Page 7 top) shall be outlined more stringently a.s.a.p.

23. Regional (Indonesia, Malaysia, Philippines): CTI Sulu-Celebes Sea Sustainable Fisheries Management Project (SCS) - under the Coral Triangle Initiative [UNDP]

COMMENTS FROM SWITZERLAND

Overall Comments

- Indonesia, Malaysia and the Philippines are rather large countries with GNPs of an order of magnitude in comparison to which the total project cost seems negligible
- The project – which in the eyes of the reviewer undoubtedly has its potential merits – should thus rather be termed as a “mini-pilot project”. On this basis it may be justified: It must lend itself to multiple duplication

Questions, Concerns and Challenges for the further Project Preparation

- Concern 1: It is not evident from the project document, by what project stage TDA as well as SAP shall be completed. This should in the eyes of the reviewer be stated already at this early PIF-state
- Concern 2: Strengthened national fisheries laws and policies are envisaged to attain sustainable fisheries management practices. The funds available seem to be inordinately small to reach this goal
- Concern 3: ... *”The number of people affected are given as 35million, expanding at 2:5% annually. The capture fisheries production alone is placed at over USD 1.0 billion a year. Pressures on the marine environment are listed as:*
 - *Destructive fishing techniques*
 - *Mismanaged aquaculture practices*
 - *Pollution*
 - *Poorly planned and inappropriate land use**Additional barriers for remedial action are:*
 - *Insufficient understanding of the connectivity of marine biodiversity and its supporting ecological processes*
 - *Generally ineffective and under-supported conservation management and enforcement regimes*
 - *Limited capacity*

- *Lack of coordination among natural resource managers*
- *Economic incentives that favour short-term resource over exploitation*

All these have resulted in losses that are in the magnitude of (ONLY?) millions of US dollars annually”....

Therefore, summary “Concern 3”: By simple arithmetic, some millions of USD-losses annually are a negligible amount compared to the one billion dollar catch annually. Furthermore, the sheer task of properly outlining the underlying problems (cited above) seems to take on mammoth proportions. An inherent discrepancy between the scale of the problem stated and the small size of funds to be made available is evident

Conclusions and Recommendations

The task undertaken is inappropriately complex compared to the funds requested. The question seriously arises whether there is a mistake in the project document. The reviewer therefore earnestly proposes that either:

- a) the expected objectives and outcomes are scaled down considerably, and/or
- b) the funds are increased several fold. The funds available are – in the opinion of the reviewer – grossly insufficient to even formulate proper TDA and SAP, not to speak of the other stated goals and/or actions.

The reviewer therefore earnestly requests a Council Discussion on the project for a proper reconsideration – either way – in order to match the magnitude of the problems stated with the financial and managerial resources for remedial action requested.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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24. Regional (Botswana, Lesotho, Namibia, South Africa): Development and Adoption of a Strategic Action Program for Balancing Water Uses and Sustainable Natural Resource Management in the Orange-Senqu River Transboundary Basin (resubmission) [UNDP]

COMMENTS FROM FRANCE

The project targets the improved management of the Orange River between Botswana, Lesotho, South Africa and Namibia through the development of a Transboundary Diagnostic Analysis (TDA) and Strategic Action Plan (SAP).

As indicated in the PIF, this project will interact and complete several others on going initiatives supported by bilateral and/or multilateral donors (FGEF, GTZ, EU...). The FGEF is supporting in particular a project which is to carry out 10 of the 30 priority surveys identified by ORASECOM.

Coordination between the different initiatives will be crucial and it is hence important to ensure that the consultation and coordination process that took place during the first phase of this GEF project continues.

Favourable opinion

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

- Germany (GTZ in the implementing agency) is co-financing the project, it is part of the SDAC Transboundary Water Management Program. InWent is also co-financing the program in its River Basin Dialogue project. The German contribution in total is 2,240,000 Mio \$ (GTZ 1,960,000\$; InWent 280,000\$).
- The STEAP requires minor revisions; it has no objections but requests follow-up actions concerning the global environmental benefits which need to be explained further. The main concern is in Component 2 since it is not clearly expressed in the project document who has started the Transboundary Diagnostic Analysis. This needs to be clarified and documented.

25. Regional (Belarus, Ukraine): Implementation of The Dnipro Basin Strategic Action Program for the Reduction of Persistent Toxics Pollution [UNDP]

COMMENTS FROM FRANCE

The project concerns the DNIPRO river basin shared between Russia, Ukraine and Belarus. It follows up a first GEF supported program with these three countries, which led to the development of a Transboundary Diagnostic Analysis (TDA) and Strategic Action Plan (SAP). It targets persistent toxic pollution generated by the industrial discharged through the municipal waste water treatment systems.

The proposal raises several issues that need to be addressed during the project preparation.

The PIF indicates that Russia is not part of the project due to political consideration. The PIF indicates further that 20% of the Basin is situated in Russia. It should also indicate the amount of pollution coming from this part of the Basin, compared to the 80% covered by the project to know what share of pollution the project will actually address.

The PIF should have been clearer about the target of the pilot projects:

- Is it the industries themselves with cleaner production methods?
- Is it the management and technologies of municipal waste water treatment systems?
- Is it both and then what kinds of interactions are considered between the private sector (industries) and municipal and public entities?

No objection subject to precisions provided.

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

- We concur with the comments of the STAP on the PIF. The PIF lacks sufficient information on important aspects, such as characteristics and sources of the pollutants and opportunities for launching pilot projects in specific industries (which ones?). As this project is a follow-up to an earlier project of the same agency, results and outcomes of the earlier project should be presented, such as pollution inventory data and results of the introduction of cleaner technologies.
- Coordination with other ongoing projects on similar and related issues in the thematic area deserves particular attention to avoid overlap and duplication.

26. Regional (Russian Federation, Mongolia): Joint Actions to Reduce PTS and Nutrients Pollution in Lake Baikal through Integrated Basin Management [UNDP]

(No Council comments received)

27. Regional (Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Samoa, Solomon Islands, Palau, Papua New Guinea, Tonga, Tuvalu, Vanuatu): PAS Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries - under the GEF Pacific Alliance for Sustainability [UNDP/UNEP]

COMMENTS FROM FRANCE

The wastewater management in the states of the Southern Pacific is a major problem for biodiversity. The innovative propositions that the project will contribute to put in place should be relevant for the protection of the marine ecosystems in this area.

Opinion: favourable

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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28. Regional (Argentina, Uruguay): Reducing and Preventing Land-based Pollution in the Rio de la Plata/Maritime Front through Implementation of the FrePlata Strategic Action Programme [UNDP]

COMMENTS FROM FRANCE

The high level of land based pollution in Rio de la Plata justifies actions suggested by the project. The strengthening of policy and legal frameworks have to be examined with special attention.

Opinion: favourable

29. Regional (Armenia, Azerbaijan, Georgia, Iran): Reducing Transboundary Degradation in the Kura-Aras Basin [UNDP]

COMMENTS FROM THE UNITED STATES

We would like to note that USAID has provided assistance to Armenia in the water sector for the past seven years and hope to continue to collaborate and coordinate with UNDP in the water sector in Armenia.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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30. Regional (Africa): Strategic Partnership for a Sustainable Fisheries Investment Fund in the Large Marine Ecosystems of Sub-Saharan Africa (Tranche 1, Installment 2) [World Bank]

COMMENTS FROM FRANCE

Opinion: mitigated

The demand for the second installment of the strategic partnership is built on several assumptions which are raising concerns and could be more documented.

1/ (A. p4 last §) *“by improving the value of the resources from in-land processing (and improved post-harvest handling of fish catch), the investments will develop the artisanal sector and create jobs from small-scale processing activities, thereby decreasing the pressure on the resource.”* This assumption is not convincing. Since the last ten years several international projects (from France, UE, World Bank) tried to increase the value added generated by the artisanal sector and it didn't reduce the pressure on the resource: it was the opposite as the size of the fleet of artisanal fishers increased in the period. This assumption implies also a massive reconversion of some artisanal fishers toward some post-harvest handling activities: the political, technical and financial feasibility of these reconversions remain to be demonstrated.

2/ (B. p5 first §) *“Each of the 9 participating countries of West Africa has shown strong interest and commitment at the highest political level, by engaging discussions with the CSRP (sub-regional commission for fisheries) to establish a common vision for sustainable fisheries management in their waters.”* This statement is overoptimistic and doesn't reflect the still weak capacity of the CSRP to actively engage the 9 participating countries in a common vision. Strong support and lobbying remain to be done to convince the 9 participating countries to actively engage a regional cooperation for sustainable fisheries management.

3/ (F. p7 (iii) on weakness in the investment climate and banking toward increased value added captured locally) *“This risk would be reduced through an integration of the project's objectives and activities into the ongoing macro-economic dialogue of the World Bank in the countries, and through collaboration with the International Finance Corporation (IFC).”* The capacity of IFC to engage in this sector needs to be documented, particularly in terms of eligible projects, minimum amount of loans (which usually is too high too allow small local investors to qualify), transaction costs. The project should present what will be the financial mechanism to bank the projects of local investors and how it will encourage some fishermen to turn out from fishing activities to enroll in these new activities ?

4/ (G. p8 last §) *“The sustainability of the operations [...] will be assured by the nature of these investments, which will be focused on institutional capacity-building and national policy and regulatory reforms that would enable sustainable management of the fisheries resources of the LMEs long after the completion of individual projects”.* It is not convincing that investment in capacity building and national policy will be sufficient to secure sustainability of the activities of the projects, particularly in regards of the financial cost of the monitoring, control and enforcement of the regulation which will be promoted by the project.

5/ (Annex I. p9) One of the target indicator of *“Area of the sea in SSA under networks of MPAs increased...”* is supposed to jump in 3 years from 1000 to 2000 sq Km. (between 2012 and 2015) which seems overambitious according to the context in 2008, as currently it is still challenging to bring the existing MPA into full operation. This target could increase the area under *“paper MPA”*. A detail localization and assessment of the feasibility of this target should be provided during project preparation.

Moreover, this target is not taking into account the existing work of several international NGOs in SSA who started to establish a West African MPA Network (Programme Régional de Conservation côtière et Marine – PRCM).

Regional (Mauritania, Senegal, Gambia, Cape Verde, Guinea-Bissau, Guinea, Sierra Leone, Liberia, Ghana): Sustainable Fisheries Development Projects in Nine West African Countries - under Strategic Partnership for a Sustainable Fisheries Investment Fund in the Large Marine Ecosystems of Sub-Saharan Africa [World Bank]

COMMENTS FROM FRANCE

This PIF assumes that fisheries are *“currently being depreciated due to the inability of countries to control the use of the marine fish stocks and prevent their overexploitation and depletion (mostly from illegal or ‘pirate’ vessels)”* which is overemphasizing the role of “control and enforcement” activities while hiding the role of the absence of regional management plan of fish stocks and the low capacities and political will to manage regional fishing efforts.

As it is a multicountry project and not a regional project, it is neither clear in the present PIF how the management and coordination of all local stakeholders at the national level will be secured, neither the coordination between the national and regional level (again the capacity of the CSRFP will need to be strongly fostered to play the regional coordination role)

The project is not sufficiently identifying and articulating with the numerous stakeholders already engaged in the sector besides the ministries: professional organization of fishers and artisanal fishermen, NGOs, etc...

On another side, environmental and socio economic impact assessment of investments which will be promoted by the project "*to encourage greater domestic benefits*" should be systematically implemented. There are several prospects in the region to open new extractions activities to diversify local revenues and lower pressure on the fisheries, but with little if no real impact assessment to date.

31. Regional (Azerbaijan, Iran, Kazakhstan, Russian Federation, Turkmenistan): The Caspian Sea: Restoring Depleted Fisheries and Consolidation of a Permanent Regional Environmental Governance Framework [UNDP]

(No Council comments received)

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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LAND DEGRADATION

32. Peru: Promoting Sustainable Land Management in Las Bambas [UNDP]

(No Council comments received)

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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MULTI-FOCAL AREAS

33. Regional (Papua New Guinea, Solomon Islands, Palau, Micronesia, Fiji, Timor Leste, Vanuatu): PAS Coastal and Marine Resources Management in the Coral Triangle of the Pacific - under the Pacific Alliance for Sustainability Program [ADB]

(No Council comments received)

34. Regional (Indonesia, Malaysia, Philippines): PAS Coastal and Marine Resources Management in the Coral Triangle: Southeast Asia - under the GEF Pacific Alliance for Sustainability [ADB]

(No Council comments received)

35. Regional (Argentina, Bolivia, Paraguay): SFM Sustainable Forest Management in the Transboundary Gran Chaco American Ecosystem - under the Sustainable Forest Management Program [UNEP/UNDP]

(No Council comments received)

36. China: PRC-GEF An IEM Approach to the Conservation of Biodiversity in Dryland Ecosystems - under the PRC-GEF Partnership on Land Degradation in Dryland Ecosystem Program [IFAD]

COMMENTS FROM FRANCE

Land degradation in China results of anthropic pressure and economic development. The project aims at reducing this two constrains with actions focused on the involvement of local population.

Opinion: favourable

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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37. Colombia: Mainstreaming Biodiversity in Sustainable Cattle Ranching [World Bank]

COMMENTS FROM FRANCE

The project aims at protecting the biodiversity of Colombia by using natural resources by the farmers in sustainable conditions. This objective seems particularly relevant.

Opinion: favourable

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

The project covers a relatively small area (615 km²) and is heavy in expenditure (total 41 million \$, of which 7.9 millions are to be paid by GEF). In view of the small size of the project, mainstreaming may be the wrong word, it is rather an advanced larger scale pilot.

The ratio of GEF funding and co-financing is 1:4.2 and below average for the calls.

A number of issues remain unclear:

- The project proposal mentions that 80% of cattle producers are small scale in Columbia as a whole. It does not however indicate which proportion of cattle are kept by and which proportion of land is managed by these small scale producers (10 %, 20 % or 50 %?). Data from the project areas are also required. Are 50 or 5000 households potential beneficiaries?
- The project is innovative since it includes an attempt to have the beneficiaries of environmental services pay for these services (water users). It would be good to know if this practice is totally new, or if there is within country experience with this practice. It appears doubtful, whether the water users will accept this without considerable resistance.
- For marketing of certified products from cattle products it is unclear, where the products should be marketed – within Columbia or overseas? – The development

of 10 small to medium producer organisations and 5 large agribusinesses sound an excessive number of institutions to be involved in marketing, potentially increasing transaction costs of marketing and thus reducing the benefits for farmers – or are such institutions already active in the project areas?

- With respect to agrotourism, it is unclear how many household/enterprises will be involved, because the number of farms in the project areas is not given. It is also unclear where the tourists are supposed to come from – domestic or international? The internal market for eco-tourism is very competitive, and hopes for a share in this market should not be put too high.
- Much of the co-financing is expected in kind. Is this realistic?

Furthermore the additional effects of SPS as carbon sinks may be overestimated, as pastures are already good carbon sinks. Recent research suggests that they can be as efficient as forests as carbon sinks.

Thus far the project proposal looks very top down. Farmers are trained and are recipients of payment for environmental services, but they do not appear to be actively involved in nature conservation. Are land care groups something which is totally alien to Columbians?

COMMENTS FROM SWITZERLAND

General Comments

The current project is presented under the Strategic Objectives of the GEF Biodiversity Program seeking to mainstream biodiversity conservation in production landscapes and sectors, and of the GEF Land Degradation Program. The project would foster markets for biodiversity goods and services, and support sustainable agriculture and rangeland management. Its objective is “*to induce increased adoption of biodiversity-friendly sustainable livestock production systems in areas of degraded extensive pastures so as to create a more biodiversity-friendly production landscape and increase farmer income*”. This would be reached by four components: (1) integrated farm management, (2) green markets development, (3) agro-tourism development, and (4) project management.

Some of the project components are supported by the experience and lessons learned from the GEF *silvopastoral regional project* (Colombia, Nicaragua and Costa Rica) started in 2002 and programmed for 5 years.

In principle we agree with the approach of the PIF addressing the replacement of the current cattle ranching practice, which is associated with problems of environmental degradation, by more biodiversity-friendly production systems, such as the Silvopastoral Production Systems (SPS). We appreciate that the Colombian Cattle Ranching Association (FEDEGAN), which is the most important and traditional representative of the cattle rangers, would be the appropriate partner to assure impact at national level.

However, we have identified a serious of concerns which require further attention and are therefore presented below.

Main Concerns

► Which are the environmental problems for water quality and their causes that the project is supposed to tackle?

The basic question of what is the real environmental problem that affects the water quality is not well described in the PIF. Considering the variety and geographical dispersion of the 5 pre-selected project areas, this aspect needs to be clarified. We assume that the current cattle ranching practices are not the only and possibly not the main source of problems concerning water quality. That would be certainly the case of the lower Magdalena Region, the coffee producing ecoregion and upper Cauca River, and the traditional cattle production region of Cundinamarca, Antioquia, Boyacá and Santander.

Unless the environmental problems to be addressed by the project are not further qualified, it is also not possible to assess whether the PES are well designed and viable (see next concern).

► Doubts regarding the approach on PES and the lessons learned to be considered in the current project.

The Payment of Environmental Services (PES) is the most important component of the GEF financing (5.5 of the 7 million USD). Presumably the proposed PES mechanism would be functioning through payments from water users and its design would be based on the experience gained from the still ongoing regional project “Integrated Silvo-Pastoral Approaches to Ecosystem Management”.

First of all we underline that with the information made available it is not possible to understand the proposed PES mechanism and to assess its viability. What is the environmental problem and who causes it? Which activities are envisaged to minimize those problems and to be financed by the PES? How relevant are these for the solution (to provide better water quality for the users)? Who are the beneficiaries of the activities taken which assumingly should be ready for the payment of the environmental services in the long run, and how willing are they to pay for such services? Which arrangements are foreseen to achieve sustainability of the PES? What legal basis exists to enforce the activities and if the PES practice was satisfactory to replicate the experience?

Furthermore, as the PES mechanism of the current proposal would be based on the experience of the above-mentioned regional project, one can expect that the key elements of the approach and of the experience considered were already given at the PIF level. However, the only information available about the regional project PES results in the PIF proposal is that this regional project has demonstrated the positive impact of Silvopastoral Production Systems (SPS) on water quality. Consulting the implementation status of this regional

silvopastoral project in the GEF Project Database, we only found the following indication: *“Disbursement rate is in line with what was planned in all components with the exception of component 3 (Environmental Services Fund); Funds will be reallocated.”* Does one have to assume that there are any difficulties with the PES component of that regional project?

- **The geographical area is too dispersed, which substantially affects the chances of a successful implementation and of achieving any significant project impact.**

The project covers 5 geographical areas which are dispersed over several country regions. This implies a rather wide variation of geographical characteristics to consider, of the legal frameworks to adapt to and of institutional authorities to cooperate with, and finally it implies a wide variation of the environmental problems to be tackled and requires a sound adaptation of the PES mechanism to several local conditions.

From our point of view, such a wide geographic focus is simply too ambitious and we doubt whether this proposal satisfies the criteria of cost-effectiveness, whether it can be managed in an efficient way and if it can generate any relevant impact.

In parallel with this concern goes the observation that the PIF provides very little information on the project regions and areas of intervention. Although we recognize that at this early stage of planning only limited background information is made available, we underline the need of detailed information on the project areas, and the additional efforts required in this respect due to the extension and diversity of the areas. From the final project documents we expect inclusively detailed information on the potential service payers, last but not least, because it is essential to assess the viability of the proposal.

- **The strategy on biodiversity conservation is only very vaguely defined.**

Although biodiversity conservation is part of the justification of the GEF funding of the current project, its related strategy is defined only very vaguely. It cannot be assumed that because silvopastoral production systems are more ecofriendly than the current practices foreseen for substitution, they will substantially contribute to biodiversity conservation priorities.

We therefore expect the biodiversity conservation strategy, especially at landscape scale, to be further specified. In the same spirit we underline the need for a further specification of the indicators regarding biodiversity. The only indicator on this issue given so far in the logframe is not sufficiently specific (*“50 globally important plant species conserved and multiplied in cattle ranching farms”*) and still allows for any interpretation. Also the project impact on biodiversity conservation in function of the biological corridors and of the strategic natural ecosystems endangered in the neighbouring of the project areas must be of interest, and must be monitoring and evaluated.

- **There is a lack of information about the certification system foreseen for beef and dairy products.**

The project also aims at the promotion of environmentally friendly certified beef and dairy products. The proponents affirm that the efforts would be based on the Colombian experience with the certification of these kinds of products. However, no information about the certification system itself that would be implemented is mentioned in the PIF. In order to appraise the viability of the proposed work, it is absolutely necessary that detailed information is given.

Analogously, the project component 3 refers to the development of agro-tourism. However, the PIF provides very little information on this topic.

► **The institutional set-up has to be clarified.**

Who will assure the effectiveness of the SPS regarding biodiversity conservation and the expected related impact in the project areas?

Following the PIF, FEDEGAN's assistance centers located in project areas assume the technical assistance to design and implement the conversion plans to SPSs (the component 1: integrated farm management). Considering the challenge of the diversity of the project areas and the limited experience of FEDEGAN in biodiversity conservation, the question must be raised whether FEDEGAN is the optimal partner to assure the development of biodiversity-friendly SPSs. In the same sense we regret that the role of the Colombian Centre for Research in Sustainable Agricultural Production System (CIPAV) is not sufficiently clear. Considering that the latter is possibly the Colombian research institution with the most experience of biodiversity in the context of SPSs, we would welcome it if its role, particularly with respect to the project component 1, were specified more explicitly.

In the same sense, by whom and how will the projects impact in terms of biodiversity conservation be evaluated? It is underlined that following the PIF the project areas have been selected because of their nearness to strategic ecosystems and to protected areas, and by consequence because of their possible role as biological corridors between endangered ecosystems (e.g. fragments of dry tropical forest). However and as previously mentioned below the concern on the biodiversity strategy, the PIF doesn't refer to any strategy to evaluate the impact of the converted landscapes to SPS and biodiversity-friendly land-use practices on the conservation of the biodiversity of the endangered ecosystems. Certainly FEDEGAN has not the experience required for this kind of approach.

Conclusions and Recommendations

Although we support the overall objective, we fear that the current proposal is geographically and thematically too ambitious.

We therefore expect a far-reaching clarification of the approach, particularly a clear geographical concentration of the activities, which will improve considerably its chances to achieve measurable impacts.

Parallel with that overriding condition goes the request for:

- ▶ detailed specification of the proposed PES (mechanism, target population, goals, sustainability) and a summary of the experience considered in its design,
- ▶ detailed information on the certification system, and
- ▶ the clarification of the biodiversity conservation strategy.

In synthesis, the current PIF leaves many questions to be clarified. We insist that our comments and concerns be taken into account and responded to in the further development of this project. We would not be able to agree to final GEF approval unless the main concerns we are raising in this comment are clearly resolved.

38. Iran: MENARID Institutional Strengthening and Coherence for Integrated Natural Resources Management [UNDP]

COMMENTS FROM JAPAN

The expected output of component 1, “Enhanced knowledge of the driver”, should be clearly explained.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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39. Jordan: MENARID Mainstreaming Sustainable Land Management Practices [IFAD]

(No Council comments received)

40. Morocco: MENARID Participatory Control of Desertification and Poverty Reduction in the Arid and Semi Arid High Plateau Ecosystems of Eastern Morocco [IFAD/UNIDO]

(No Council comments received)

41. Philippines: Mindanao Rural Development Program Phase II - Coastal and Marine Ecosystem Conservation Component [World Bank]

COMMENTS FROM FRANCE

The project aims at improving the incomes of the local populations with a better access to the market for agricultural and fishery products whose production does not affect the natural resources.

Opinion: favourable

42. Tunisia: MENARID Support to Sustainable Land Management in the Siliana Governorate [IFAD]

COMMENTS FROM FRANCE

The drought and socio-economic development strongly affect the land degradation in Tunisia, especially in agricultural area as Siliana Governorate. The objectives of the project are relevant. They should promote agricultural practices taking into account the local conditions and sustainable development.

Opinion: favourable

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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43. Vietnam: SFM Sustainable Forest Land Management - under the Country Program Framework for Sustainable Forest Land Management [World Bank]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

Based on the risk analysis as outlined in the PIF, related milestones should be defined and clear indicators formulated in the start-up period of the project, including instruments and means how to address and overcome the defined risks.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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PERSISTENT ORGANIC POLLUTANTS

44. Regional (Georgia, Kyrgyzstan, Tajikistan): DSSA Demonstrating and Scaling Up Sustainable Alternatives to DDT for the Control of Vector Borne Diseases in Southern Caucasus and Central Asia [UNEP]

COMMENTS FROM FRANCE

The project aims at trying out alternatives to DDT and at destroying part of existing stocks. For this reason, the objectives of the project are relevant.

Opinion: favorable

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comment

In the list of freestanding PIFs for the April work program (document link via internet), the project is listed as being implemented in four countries. However, Azerbaijan does not show up in the PIF itself.

COMMENTS FROM JAPAN

Co-finance should be confirmed before approval of this project.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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45. Belarus: Persistent Organic Pollutant Stockpile Management and Technical/ Institutional Capacity Upgrading [World Bank]

COMMENTS FROM JAPAN

Project paper should describe the priority of activities in this project within NIP.

The target schedule of “report” referred in Article 15 of Stockholm Convention should also be set in this project.

46. Brazil: Establishment of PCB Waste Management and Disposal System [UNDP]

COMMENTS FROM JAPAN

We are of the view that the output and outcomes of this project will not be necessarily important. (Reason: We are concerned about the fact that the development of NIP, which is supported by GEF, has not yet been completed in Brazil. Nevertheless, this project contains many components such as review of regulation system and upgrading of existing facilities all of which will require more financial and human resources from the Brazilian government.)

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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**47. China: Environmentally Sound Management and Disposal of Obsolete POPs
Pesticides and other POPs Wastes [UNIDO]**

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

The project aims at environmentally sound management and disposal of obsolete pesticides and other POPs related wastes in the country.

Germany supports this objective and agrees with the scope of the project in principle. However, in our view the project lacks certain critical elements for successful implementation. Among them are the following:

- The first step towards the successful implementation of the NIP is a detailed nationwide inventory. This step is not yet included in the PIF.
- Technology choice and – linked to this – cost-effectiveness are important issues that need further careful consideration.
- The PIF puts exclusive focus on non-combustion technologies for disposal. This seems to be premature, as the suitability of these technologies will only be known once the PPG phase is completed (see page 6, 3rd bullet).
- The detailed analysis of the cost-effectiveness under section G of the PIF should be considered as preliminary data, as there is at present too little experience with the costs of the suggested non-combustion technologies in China. Costs may not yet fully be known as the technologies need to be tested first (for example, the unit cost of disposal of € 128 for the technology suggested in the PIF). Thus, conclusions with regard to technology choice should be postponed. This type of analysis should be based on a more thorough comparison of the full range of technology options (including combustion and non-combustion technologies and temporary engineering containment) and thus come at a later stage.
- The links to increasing the foundational chemical management should be strengthened. Although the project objective stated in the PIF does not explicitly

exclude obsolete stocks of non-POPs chemicals, these stocks are not mentioned later on. Available evidence, e.g. from the bilateral Chinese-German disposal project suggests that POPs and non-POPs pesticides often can not easily be separated. It would make sense to develop ESM and disposal strategies for both categories in a synchronised manner.

- The PIF is silent about the PCB issue.
- The PIF is too ambitious with regard to targets for disposal and cost-effectiveness. Based on the information in the PIF, the predisposal and disposal of 10,000 tons of obsolete pesticides would cost at least € 21.28 million (which is US \$ 33.7 million at the current exchange rate). This adds up to more than 80 % of the available budget. However, most likely the disposal of 11,000 tons of POPs-contaminated fly ash will cost a comparable amount of financial resources, thus exceeding the available budget.
- The table of indicative financing shows that about 62.6 % of the co-financing are in-kind contributions of the private sector. The document lacks information how these contributions will be mobilised. There is a high risks that these contributions will not materialise, as the PIF document mentions that the chain of custody has been lost and there are difficulties in applying legal and market mechanisms to enforce the contribution of waste holders and waste generators (section F, para 15). Thus, there seems to be little incentive for the private sector to contribute to the project. If private sector contributions fail to materialise, the project will have to be reshaped.

COMMENTS FROM JAPAN

- Standards, guidelines or tools which have been established internationally should be used.
- Co-finance should be confirmed (many cases are “N.A.” in proposal).
- Results of a survey of soil contamination should be reported to the Secretariat as referred in Article 15 of Stockholm Convention.
- How vast the land area of a country is not an appropriate “incremental reasoning” item.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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48. Mongolia: Capacity Building for Environmentally Sound PCBs Management and Disposal [UNIDO]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

Comments

The project aims at creating capacity for Environmentally Sound Management of PCBs, eliminating PCB releases from the electrical equipment, avoiding contamination of electrical equipment, and disposing of 1,000 tons of PCB wastes.

The project concept is sound. Two issues should be addressed during further planning steps as follows:

- The statement in Section E, Para. 20 is misleading. According to information from KfW's project partner, there is no evidence that circuit breakers contain PCB. We suggest to delete para 20 for the time being as there is no concrete evidence, that circuit breakers contain PCB and the respective statement in the PIF is only an assumption. Cooperation of the suggested project with other ongoing projects, such as the KfW-supported project, on PCB management issues is already mentioned in para 21.
- Some budget lines seem to duplicate activities. For example, components 1.6 (data management) and 2.1 (inventory) should be combined.

COMMENTS FROM JAPAN

Consistency between this project and NIP should be described.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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49. Philippines: Integrated POPs Management Project: Dioxins and Furans, PCB and Contaminated Sites Management [World Bank]

COMMENTS FROM JAPAN

Consistency between this project and NIP should be described.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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PROGRAMMATIC APPROACH: BIODIVERSITY

1. GEF Biosafety Program [FAO, UNEP, UNIDO, WB]

COMMENTS FROM GERMANY

Recommendation

Germany agrees to the Biosafety Program. Nevertheless, **we would like to change the wording** in certain paragraphs to strengthen the spirit of both the Cartagena Protocol on Biosafety and the GEF Strategy for Financing Biosafety. We should ensure that there are no doubts regarding the protection of biodiversity and human health objective.

Comments

While we support the development of an operational framework for GEF Agencies and countries to achieve the objective of the GEF Strategy for Financing Biosafety, we are of the opinion the current version of the Program Document needs some improvement to fully reflect the wording and spirit of both the Cartagena Protocol on Biosafety and the GEF Strategy for Financing Biosafety. While the document rightfully mentions the controversial debates that took place in the GEF Council when dealing with biosafety issues, it contains several paragraphs that do not reflect the current state of this debate. **We would like to propose following changes in the Project Document:**

A) We would like to delete **paragraphs 1. - 4. and replace** them with the paragraphs 1. - 3. of the GEF Strategy for Financing Biosafety.

In the context of supporting the implementation of the Cartagena Protocol through GEF, Art. 8g of the CBD is of no relevance. Art. 8g refers to national regulatory issues concerning organisms that were modified by the application of biotechnologies as defined in the CBD. In practice those legislative frameworks would comprise any organisms that have been modified by any breeding technique. The Cartagena Protocol and consequently the GEF Biosafety Strategy refer to organisms that were modified through the application of modern biotechnologies as defined in the Protocol. In practise, the respective legal frameworks only cover those organisms that were modified by the application of genetic engineering.

The overarching topic of the GEF Council debates dealing with the strategies and projects to implement the Cartagena Protocol **is not the "safe use of modern biotechnology"** - a terminology that is not contained in the Protocol - but **"ensuring an adequate level of protection in the field of the safe transfer, handling and use of living modified organisms"**

resulting from modern biotechnology that may have adverse effects on the conservation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focusing on transboundary movements". The Protocol is an international environmental treaty and not an agreement promoting a specific technology.

B) We would like to change the wording under paragraph 14.

The **expected impact** of the Program should read as follows: "Countries will have the tools to effectively assess the risks from the transfer, handling and use of LMOs, allowing them to make informed decisions to avoid or minimize the risks through appropriate management strategies."

This wording would **include the two essential governmental tasks** under the Protocol - risk assessment and decision making - under those issues on which GEF-funded biosafety projects should have an impact. Furthermore, the Protocol in Art. 10 and 11 on decision-making explicitly states that Parties can take decisions to "avoid or minimize" adverse effects.

The second part of the sentence starting with "and access the benefits" can be deleted because there is no direct relation between biosafety decisions and the implementation of the third objective of the CBD.

The expected outcome of the Program should read as follows: "Sustainable operational national biosafety decision-making systems that contribute to the conservation and sustainable use of biological diversity, taking also into account risks to human health in conformity with the provisions and decisions of the Cartagena Protocol on Biosafety".

This wording would reflect the objectives of the Cartagena Protocol on Biosafety.

C) We would like to change the wording under paragraph 17.

With regard to the above comments the phrase "expertise in the safe use of modern biotechnology" in the second sentence should be changed into "expertise in biosafety".

D) We would like to change the wording under paragraph 36.

The last sentence starting with "Addressing the risks and benefits..." should be deleted.

During the development of the GEF Biosafety Strategy, extensive discussion took place to clarify whether the Cartagena Protocol justifies financial support of the GEF to capacity building in risk-benefit analysis of LMOs. The negotiators of the Protocol decided that this topic should not be part of the treaty. The consensus decision was that the Protocol covers science-based risk assessments solely. Benefit analyses - as one element of socio-economic considerations - are not covered by the operational provisions of the Protocol. Consequently, the GEF Biosafety Strategy does not cover the issue of risk-benefit analyses. On request of the Parties, socio-economic considerations will be a focus of the forthcoming MOP. The 4th Meeting of the Coordination Mechanisms for Capacity Building has drafted respective recommendations for MOP-4. **The**

GEF should not make any decisions on this issue before MOP-4 has adopted the respective guidance.

Furthermore, it should not read "linking biotechnology" but "linking modern biotechnology" in the third sentence of paragraphs 36.

Tables 2 & 3

In the light of these remarks, some of the project titles listed in the Tables 2 and 3 give raise for concerns. FSP no 1 and 2 obviously request support for capacity building in biotechnology which would not be covered by the GEF Biosafety Strategy. The wording of MSP no 5 gives raise to the assumption that the project rather deals with promotion of technology than with protection of biodiversity and human health.

PROGRAMMATIC APPROACH: CLIMATE CHANGE

2. Programmatic Framework for Energy Efficiency in India [UNDP, UNIDO, WB]

COMMENTS FROM SWITZERLAND

Overall Comments

The countrywise structuring of project interventions intended for implementation during GEF4 under Programmatic Frameworks and submitting structured plans to the council for review at an early date is welcome. The proposed focus of this Programmatic Framework Project for EE in India, which supports 3 out of 8 components of the national energy conservation and efficiency strategy, is well justified. The building and small-scale industry sector has a vast potential to conserve energy and reduce GHG emissions at low marginal net cost. Many of the proposed measures may in fact be profitable. Multiple barriers presently prevent the mobilization of this potential.

Questions, Concerns and Challenges for the further Project Preparation under this Programmatic Framework

Component 5: Programmatic Knowledge Sharing (WB): The Energy Conservation Building Code (2007) is only enforced on a voluntary basis (compliance to energy audit for commercial buildings above a defined size, no mandatory standard yet to comply with energy consumption thresholds). Besides facilitating programmatic knowledge sharing and learning between supported projects, the knowledge-sharing component will have to play a vital role also in mobilizing a strong interface to policy makers with a view to enforcing standards for energy consumption for lighting/cooling/heating purposes. The related project document should address options for action learning and policy dialogue in an explicit manner.

Component 1: Energy Efficiency Improvements in commercial buildings (UNDP): The objectives and expected outcomes of this project are strongly supported. This is a very relevant project. The key concerns are related to two questions:

First: is a technical assistance-based project approach focused on capacity building/technical training capable to address the barriers prevailing in the market and to contribute effectively to market transformation?

Second: based on the past track record and the focus of its knowledge base, is UNDP the most suitable agency for implementing such a crucially important project (as the objectives clearly state that EE in commercial buildings is targeted by this intervention and not just an intervention

in public buildings)? Would not other agencies such as the World Bank or the ADB, with a track record in project financing, seem much better positioned to take on such a project? This comment reflects the opinion of the authors and not necessarily of FOEN/SDC.

Key barriers to EE in commercial buildings in India are:

- A significant share of new commercial buildings is coming up in the 4 biggest cities and in the large cities where land prices are high. Buildings are typically built by investors/contractors who are renting out the office space; hence they do not have to include future energy bills in their balance sheets. Market transformation towards green buildings needs financing options customized to the results of life-cycle cost benefit analysis.
- In such situations, improving energy efficiency calls for innovative financing solutions and service delivery solutions (ESCOs?) as much as for technical training of architects/design professionals on life-cycle cost benefit and return on investment.

There is without any doubt a need for technical training addressing the Energy Conservation Building Code proposed in May 2007. If GEF, however, chooses to intervene basically at the level of technical training (e.g. through UNDP) without bringing the knowledge of financial institutions into play at the same time, a significant opportunity may be missed. It seems important to implement, at least on a pilot scale, model buildings demonstrating the application of advanced designs in selected cities. This is considered a crucial step for influencing investors as well as for dissemination of advanced designs, hence for market transformation.

Conclusions and Recommendations

The Programmatic Framework Project for EE in India is endorsed with the exception of the proposed project Energy Efficiency Improvements in commercial buildings. This project is recommended for redesign comprising an explicit involvement of financial institutions and hence targeting market transformation as outlined above.

3. Energy Efficiency in the Russian Federation (Umbrella Program) [UNDP – Lead Agency, EBRD, UNIDO]

(No Council comments received)

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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PROGRAMMATIC APPROACH: MULTI-FOCAL AREAS

4. GEF Pacific Alliance for Sustainability Program Framework (PAS) [ADB, FAO, UNDP, UNEP, WB]

(No Council comments received)

5. MENARID -- Integrated Nature Resources Management in the Middle East and the North African Region [IFAD – Lead Agency, AFDB, FAO, UNDP, UNEP, UNIDO, WB]

(No Council comments received)

6. Coral Triangle Initiative (CTI) [ADB – Lead Agency, FAO, UNDP, WB]

COMMENTS FROM SWITZERLAND

Overall Comments

- *...”GEF has an opportunity to demonstrate its support for this remarkable commitment to improving management of the planet’s most biodiverse marine ecosystems through approving this program”... (i.e. Coral Triangle Initiative, CTI; Chapter VIII / Page 4).*
The reviewer argues that this statement in itself can be whole-heartedly supported!
- *...”The consultative process to determine specific elements of the program is still underway. A considerable degree of flexibility is therefore required”..... (i.e. Coral Triangle Initiative, CTI; Chapter VIII / Page 4).*
The reviewer supports this view and argues in addition, that “calculated flexibility” is a prerequisite for success.
- *The GEF-Council is requested to approve the overall direction of the GEF CTI program ... as well as the PIFs already defined and presented.... With the*

understanding that future sub-projects will be presented to Council for its approval.....(i.e. Coral Triangle Initiative, CTI; Chapter VIII / Page 4).

The conclusions of the reviewer are in fact based on this very basic and important premise!

Questions, Concerns and Challenges for the further Project Preparation

- **Question:** Is the reviewer correct in assuming that GEF CTI Program will throughout the process and with due respect to all ensuing sub-programs serve as the umbrella and as such take an active role in monitoring all related future actions?
- **Concern 1:** The role, status and composition of the “Sekretariat” (Appendix 1, IV COORDINATION MECHANISMS, Page 7, is defined only vaguely; it should be defined more precisely at the earliest possible stage of the Program.
- **Concern 2:** *“Several major oceanic currents (North and South Equatorial Currents) connect these Pacific reefs to the rest of the CT and PROBABLY serve as sources of ... (II. Differentiated Threats to Coral Triangle Resources. Page 2).*
The reviewer would like to emphasize that great care will have to be exercised and considerable energy invested in ascertaining whether this “PROBABLY” can be supported with corroborating evidence.
- **Concern 3:** There is a commitment to establishing a “Technical Working Group” (TWG) (V. The Proposed GEF CTI Program Framework, Page 3, Paragraph 7)
The reviewer notices that this TWG is still missing in Appendix 1 IV. COORDINATION MECHANISMS and he stipulates that relevant corrective action be taken a.s.a.p.
- **Challenge** for further Project Preparation:
“Process for monitoring and evaluating progress on CTI Plan of Action” (Appendix 1, VII: MONITORING AND EVALUATION, Page 7
Reviewer comment: In the main text Chapter V. The Proposed GEF CTI Program Framework ..., it is stated at the end of the relevant chapter that... *“acknowledging that the action plan is still evolving”....* Consequently, one main challenge will be to define an “Action Plan” in the first place, and this as soon as possible. Notwithstanding this, adequate monitoring and evaluation of the ambitious program might prove to be the greatest challenge of all.

Conclusions and Recommendations

The reviewer is convinced that this present GEF Program must be launched and at the same time be given utmost priority. There are intrinsic global, regional and communal issues at stake, which have to be tackled.

COMMENTS FROM THE UNITED STATES

- The United States strongly welcomes GEF's proposed support for the Coral Triangle Initiative, as detailed in the CTI Program Framework Document (PFD) and the five Project Identification Forms (PIFs) in the work program.
- The US Government is also making a significant financial commitment to implementing the CTI, and we request that the CTI implementing agencies and the GEF Secretariat coordinate on a regular basis with US agencies to insure complementarities with and synergies between the CTI work that USAID and GEF are funding.

We would like to offer the following technical comments:

- (a) **National policy reform commitments:** Success and sustainability for CTI investments will require strengthened political will to make hard national policy reform commitments, and implement them. Issues like reducing fishing fleet over-capacity, removing subsidies that promote overfishing, clarifying near-shore marine tenure arrangements, including for community-based management, and adopting an ecosystem-based approach to fisheries require significant policy shifts in most CTI countries. CTI project preparation needs to include: analysis and specification of needed policy reforms in each country, the securing of commitments to those reforms from each government, and establishment of indicators and milestones. GEF financing should be provided in phases, with disbursements dependent on achievement of agreed policy reform milestones.
- (b) **Financial commitments from CTI governments:** At least in the case of Indonesia and the Philippines, the counterpart financial commitments from national budgets, as listed in the PIF, are, at \$250,000/year, an order of magnitude below what we would consider acceptable. GEF and the agencies need to seek and obtain more realistic financial commitments from the participating governments. Provision of mutually agreeable levels of domestic co-financing should also be key milestones conditioning the disbursement of GEF, as is the case with policy reform milestones, as noted above.
- (c) **Bringing in partners to deal with capture fisheries aspects of CTI:** We support the inclusion of fisheries issues within the CTI Framework. We believe, however, that action on the fisheries aspects of CTI will require bringing in some new partners with specific mandates and expertise to address regional fisheries issues, particularly for large commercial fisheries such as tuna.
- (d) **Developing and Implementing Country-specific Capacity Building Strategies:** A strong focus should be placed on identifying and addressing the capacity building needs within each country. During the design phase, one of the assessments should focus on the level of individual and institutional capacity

within each country and develop appropriate strategies to build the required capacity to meet the stated goals and objectives of the CTI. This assessment could be coupled with the early consultation process to also capture the “best practices” and “lessons learned” from other programs and activities that have been previously implemented in each country. The CTI should build upon the best information and practices available already existing within each country context. Regional sharing of best practices could then occur after the national assessments and consultations.

- (e) **Sustainable livelihoods should have greater emphasis than alternate livelihoods:** The United States places a strong focus on reforming capture fisheries management to promote sustainable livelihoods. With regard to the creation of alternative or supplemental livelihoods, we support these efforts ONLY if there is a direct and demonstrable link with reduced fishing pressure on a permanent basis. Direct management efforts could include such actions as regulations to cap and reduce the number of fishers, the number of licenses, and quotas. Based upon our experiences, investments in alternative livelihoods without a direct link are ineffective and thus poor investments. USG also does not support the generation of livelihoods through promotion of the exotic pet trade.
- (f) **Marine ornamental trade:** The USG is very concerned about the unsustainable nature of the international marine ornamental trade (including the aquaria, seashell, curio, and jewelry trades) and the use of destructive and illegal collection practices associated with these trades. Many of these products originate from the Pacific and the Coral Triangle and are destined for US, EU and Asian markets. USAID and the GEF have made substantial investments to reform the marine aquarium trade through certification efforts, but these efforts have failed. The GEF agencies involved might wish to consider forming a technical working group to develop options for reforming the trade and conserving coral reef biodiversity, especially within an ecosystem-based approach to fisheries management.
- (g) **Geographic scope of CTI:** The geographic scope of the GEF CTI projects extends beyond the six countries that are formally part of the Coral Triangle Initiative to include a number of additional countries in the Pacific. While we understand the rationale for this extension, we urge the GEF Secretariat or the executing agencies to consult closely on this expansion with the governments that are formally part of the CTI.
- (h) **Donor collaboration:** it is essential that we avoid thematic and geographical overlap to the extent possible, including during the assessment and stakeholder consultation phase. If not, CTI governments, and especially their rural communities, will be fatigued by the whole process. USAID is planning to provide a “program integrator” function that will (among other things) provide for an annual work planning meeting to which all donors will be invited for the

purpose of synchronizing and achieving not just coordination but collaboration. We also note that between the two GEF/ADB CTI projects, (SE Asia and the Pacific), there is not complete synchronicity, with assessments and consultations for each on different timeframes.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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7. PRC-GEF Partnership on Land Degradation in Dryland Ecosystems [ADB – Lead Agency, IFAD, WB]

(No Council comments received)

8. Sustainable Forest Management – Programmatic Framework (SFM) [IFAD, UNDP, WB]

(No Council comments received)

9. Vietnam - Country Program Framework for Sustainable Forest Land Management [UNEP]

(No Council comments received)

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.33/9)
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PROGRAMMATIC APPROACH: PERSISTENT ORGANIC POLLUTANTS

10. Demonstrating and Scaling-up of Sustainable Alternatives to DDT in Vector Management (DSSA) [UNEP]

(No Council comments received)