

COMPILATION OF TECHNICAL COMMENTS  
SUBMITTED BY COUNCIL MEMBERS ON  
INTERSESSIONAL WORK PROGRAM  
APPROVED IN MARCH 2004

NOTE: This document is a compilation of technical comments concerning the project proposals presented in the work program approved by the Council in February 2004. These comments were submitted to the Secretariat by the Council Members.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS  
(REFERENCE TO GEF/IS/10 – FEBRUARY 20, 2004)

**General Comments**

*Comments from U.S.A.:*

I am writing to convey the U.S. position on the March 2004 Intersessional Work Program. The U.S. is pleased to see that all of the projects have results measurement frameworks, although the quality is still uneven, and a significant share of them do not appear to meet the standard set by the GEF-3 replenishment agreement. In addition, while many projects appear well thought through and innovative, two of the projects raise significant policy issues that warrant Council discussion. Therefore, the U.S. approves the work program, with the exception of seven projects (discussed below), and will send separately detailed comments on the work program within the next two weeks.

The U.S. requests that five projects be recirculated to the Council prior to CEO endorsement.

We also convey some general concerns that the U.S. requests the Secretariat to address at the May 2004 Council meeting:

- First, the capacity building and research-type projects seem to be weakest on result measurement frameworks. It may be more difficult to make the connection between these types of GEF projects and global environmental benefits. However, if this is not done, the question arises as to whether the GEF should be funding the activity in the first place. We would ask the Secretariat and the independent Monitoring and Evaluation Unit to produce guidance for result measurement frameworks for capacity building and research-type projects.
- Second, while the presentation of projects has improved substantially in the past year or so, we found that many project documents could be improved further, foremost through clear and non-technical language; more concise descriptions of what GEF is paying for and what these funds will achieve in terms of global environmental benefits; a listing of acronyms; and a table of contents in all project documents.
- Third, the U.S. found the comments from the GEF Secretariat and the Scientific and Technical Advisory Panel (STAP) to be invaluable in understanding the projects and the issues they raise. However, it was not always clear that the comments were fully taken into account by implementing/executing agencies. Is there a clearance process to ensure that comments are fully addressed?
- Fourth, many of the comments from the STAP and the GEF Secretariat focused on whether the project has incorporated lessons learned. This issue arises often enough that we recommend that all project documents have a lessons learned section.

Finally, the U.S. requests the Secretariat to remind Implementing and Executing Agencies that the U.S. reserves the right to seek postponement until the following Council meeting of any project that does not meet results measurement standards.

Comments from Belgium:

On this occasion, however, I would like to flag the total absence of land degradation in the trend analysis (tables 1-3). Especially table 1 gives the false impression that nothing has happened in this area over the last five and a half years, while we know that several activities have been carried out even before land degradation became a focal area of the GEF. In the light of the political developments on this subject since last year – UNCCD COP accepted the GEF as a financial mechanism - and your announcement that the GEF expects to commit more than 500 million US\$ between 2003 and 2006 (at COP-6 in Havana and in a news release), I would urge you to correct this.

I believe that most land degradation projects are classified as multifocal activities or are "hidden" in other focal areas. Just as an example in this IWP, I note that the Tajikistan project has a link with OP15 and that the Regional IW project has a very strong connection with the desertification issue. This means that we should probably devise a system that allows projects (or parts of projects) to be classified under several focal areas at the same time. Such a system would not only clarify the GEF reporting to the UNCCD but also regarding its reporting agreements under the other conventions.

At the same time, GEF donors would be greatly assisted in their reporting obligations under those same conventions. For instance, under the Bonn Declaration of the UNFCCC, many donors have announced an increased support for climate change activities as of 2005 and the contributions to GEF can be taken into account for this calculation. We would therefore appreciate a lot if we could have an analysis of which portion of the multifocal projects, which reaches a considerable 10% of GEF activities, can be assigned to which focal area. I would imagine that also our colleagues from the recipient countries would benefit from more clarity.

Comments from Republic of Palau:

Regarding World Bank Group: Council Notification – February 2004 Intersessional Work Program, in reference to the aforementioned subject, I have the pleasure of formally conveying the Republic of Palau's formal endorsement for the referenced Work Program. Furthermore, the said Work Program is reflective of Palau's environmental priorities and objectives.

I take this opportunity to convey my sincere appreciation to the Global Environmental Facility (GEF) for its continued support and assistance to the Republic of Palau.

## **Biological Diversity**

**Regional** (Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, Uruguay, Venezuela): **Building the Inter-American Biodiversity Information Network (IABIN) (WB)**

### Comments from France:

The project aims at building a data network on biodiversity in 31 South, Central and Caribbean countries. The project is ambitious but the challenge is interesting and should be endorsed. It can be noted that WB is asking for a fee representing 18% of the GEF grant (out of PDF B), which adds to the 11% already spent for the PDF.

It could be put as a condition that the WB confirms its announced additional commitment to provide a 1.5 M\$ grant (p.32) to the initiative through the Development Grant Facility.

### Comments from Germany:

The project is well elaborated and can be supported, but the following remarks should be taken into consideration:

- Relationship to the CHM and global benefits

In general specific ideas are provided on how IABIN fits in into the overall work of the CHM and other networks (like GBIF). The intended will to work closely together with the SCBD and the CHM-Structure is stated several times. What is still needed is that this commitment will be reflected also within the proposed operations of the project (see detailed project description (Annex 2 of the project brief, pp 26-35). Regarding the first component (Interoperability and access to data) it is stated that “*the goal should probably not be development of IABIN Standards but rather collaboration with the CHM to develop CBD standards*”. From our point of view this aspect is very important because this would be a real global benefit beyond the enhanced regional cooperation within the Americas. For this reason it would be helpful to explain in more detail the relationship with the CHM (the approach of building up thematic focal points) regarding the Thematic Networks with their coordinating institutions. Furthermore the other components do not make references to the CHM-work and more information is needed to explain the involvement of the CHM-structure.

Along this line emphasis should also be laid on the aspect of replicability for other world regions and it seems quite important to consider this aspect during the mid term evaluation of the project.

Close co-operation with GBIF is welcomed, however it should be reminded (and it is also mentioned within the Executive Summary) that GBIF is still not very representative within the Americas and it will probably be recommendable to concentrate more on networks within the region (to foster the ownership in member countries to IABIN) and to intensify the work with regional and national CHM-structures.

- Traditional Knowledge and Stakeholder Involvement

Annex 5 of the GEF Project Brief delivers a general vision on the relationship of traditional knowledge to IABIN. As a conclusion it is proposed to develop a policy and guidelines for the inclusion of TK – focusing on IPR-aspects - and to include indigenous and local communities into the capacity building efforts. However, these proposals are still not reflected within the project description and there is no information on how this process will be organized. Since the overwhelming majority of the IABIN-Members are contracting parties to the CBD it would be recommendable that IABIN-policies should be consistent with the implementation of article 8j and related provisions (explicitly the programme of work on article 8j). Furthermore it would be helpful to use the Bonn Guidelines on Access and Benefit-Sharing as an orientation for the development of internal IABIN Guidelines.

- Sustainability and value added application

In general it seems that the commitment to build up and to foster the regional network are very strong and that there are good prospects for financial sustainability in the future. However when comparing the different project components regarding the financial volumes it is apparent that component 3 (Information products for decision-making) receives only a very small amount of resources (0.5 Mill. US-D). In our believe this component will be very important within the next years for the further development of IABIN since decision makers in member countries will appraise the added value of the network and consider later on their future commitments. It might be helpful to rethink the described activities and probably envisage more resources for this component, which actively promote the usefulness of the standardized information for decision makers in the region.

- Executive Summary

It should also be noted that the Executive Summary exceeds the recommended 10 pages: together with the annexes it comes to 32 pages.

**RECOMMENDATION:**

The comments made above are important for an efficient and consistent project implementation. Therefore changes should be made during further planning steps and during project implementation.

Comments from Japan:

We recognized the importance of promoting information sharing concerning the biological diversity as was resolved at the COP7 of CBD held last month. As there are

many on going efforts concerning the information sharing on bio-diversity in the international circles, we believe it is highly important for the project to seek further collaboration with these efforts in view of its efficient operation.

Comments from U.S.A.:

The U.S. requests that this project be recirculated to the Council prior to CEO endorsement, incorporating revisions to address the following comments:

Summary: This project aims to build an internet-based decentralized network to provide access to bio-diversity information currently scattered in individual institutions and agencies in the Americas. The Summit of the Americas endorsed this initiative in 1999.

The U.S. continues to support strongly the creation of this network, and views it as important path-breaking project with enormous potential to improve environmental decisionmaking and management in the region, as well as directly assist future GEF projects through the collection of baseline data. The project appears well structured, and contains an impressive degree of intergovernmental and private sector cooperation and commitment. However, the project does not meet the GEF-3 results measurement standards. The log frame should incorporate measurable outcome and impact indicators -- in particular, it should measure the impact the project will have on efforts to improve conservation and sustainable use -- and report annually on these indicators. In this context, we wonder whether metrics could be developed based on the experience of similar exercises (e.g., CONABIO in Mexico). In addition, the project document does not appear to answer satisfactorily the technical reviewer's question about whether there will be a critical mass of data to enable project success. Nor does it appear to address the question about the length of time -- estimated at over a decade -- to build specimen data, which appears to put this thematic network at risk of failure, or the suggestion to focus initially on restricted areas such as invasive species. Finally, it is unclear how the network will be financed once the money runs out. We would appreciate a commitment in the project document to report in two years on the amount of new grant financing, and an update from the World Bank on the status of Development Grant Facility proposal.

The GEF Secretariat should also consider whether to require that environmental data collected in future GEF biodiversity projects be made interoperable (by using GBIF/IABIN standards) and provide this information to these information networks.

U.S. Position: Revise and recirculate to Council prior to CEO Endorsement

**Regional (Indonesia, Philippines): Marine Aquarium Market Transformation Initiative (MAMTI) WB/IFC**

Comments from Canada:

The proposal needs to address how the project will counter the issue of illegal trade and activities in exotic pet trade, including the marine aquarium trade.

The level of co-financing does not seem realistic. The GEF will need to monitor whether the proposed co-financing does indeed materialize.

Given the heavy emphasis on community stakeholder participation, the proposal needs to demonstrate how it will address the gender dimension.

Comments from France:

The project aims at putting in place a progressive certified market of marine ornamental products. With regard to the increasing request for this kind of products, the objectives of the project are relevant but requires a close dialogue with all the stakeholders for reaching this goals.

A regional initiative on coral reef is actually appraised by the French GEF (FGEF). An objective of this project aims at the improving of collection and selection of alevins in the lagoon. This component is complementary with the objectives of this GEF project.

Comments from Germany:

The aim of the proposed project MAMTI is to transform the marine aquarium trade of the Philippines and Indonesia to ecological and economic sustainability using conservation management and rehabilitation to ensure the health of coral reef ecosystems and their contribution to poverty alleviation and food security.

We value the project concept with its objectives high and see the need for the implementation of the planned project. Particularly the experiences of the executing agency Marine Aquarium Council (MAC) in the Philippines and Indonesia seem to be a solid base for the planned project. However, we have some concerns regarding some implementation aspects.

- Lack of detailed analysis

We see the need for a more detailed analysis in different parts of the proposal:

Analysis of stakeholders

The project proposal does not mention and analyze the interests of other user such as other fishermen, who make use of marine resources found in the same coral reef areas where aquarium fish collectors operate. Who are other user and stakeholders?

Which interests do they have regarding the use and management of the coral reef areas? And how acceptable is it for other users to establish relatively large coral reef protected areas (no-take zones) as well as large management areas? Is it very likely that other users feel deprived of their livelihood?

A more detailed analysis of the different stakeholders and a description of approaches for the integration of their interests will be necessary to avoid conflicts.

GTZ on behalf of the German Ministry for Economic Cooperation and Development, together with its main partner BFAR (Bureau of Fisheries and Aquatic Resources), is presently implementing two fisheries related projects in the Philippines: The Visayan Sea Coastal Resource und Fisheries Management (VisSea) Project and a project in South Leyte for the Sustainable Management in Silago Bay. Experiences and outcomes of these projects could be very helpful for the planned GEF project. The Visayan Sea project is facilitating the development of a fisheries management plan for the Visayan Sea with the active participation of various stakeholders. The development of an ecological and economically viable aquarium trade could be one component of an integrated management plan. Therefore, a close collaboration in order to supplement its own activities with those that place resource protection in the Visayan Sea in a wider context (geographically and administratively) could be very important.

#### Analysis of alternative income sources

In the proposal it is mentioned that the planned GEF project will provide alternative income sources for local communities. However, there are no details given about already existing alternative income sources or how the planned project will facilitate the identification and implementation of alternative income generating activities. An analysis of existing alternative income possibilities as well as a description of the planned approach (i.e. professional enterprise promotion tools) should be included into the proposal.

#### Analysis of the target group

The principal target group of the planned project is the marine aquarium fish collectors and their coastal communities. According to our understanding the proposal lacks details about the target group including their social and economic situation and especially an analysis of their concerns or point of view regarding the planned project.

#### Selection of potential business operators

The MAMTI project plans to work with cooperatives as potential business operators (activities and outputs, page 12f). From our point of view it is questionable if cooperatives have the potential and willingness as well as the required enterprising attitude to operate a business. Past experiences of GTZ implemented projects for fishing communities have shown that the selection process and the criteria for the selection of persons with the required business attitude and potential to run a business is one of the most critical success factors. In the proposal the selection process is not mentioned at all.

In general, the private enterprise approach of the project proposal appears relatively superficial. We would recommend that the project would link to professional expertise in the field of private



enterprise promotion (e.g. through GTZ expertise in the area of WIRAM - Economic Reform and Market Development - Wirtschaftsreform und Aufbau der Marktwirtschaft).

#### Analysis of MAC experiences

MAC has in the past years already supported the implementation of certification projects in the Philippines in cooperation with GTZ-PPP (Public Private Partnership, GTZ) and selected Philippine/German private enterprises involved in the ornamental trade. As a result, the German company FLORA 2000, together with its Philippine partner company AQUAEx, set up a MAC-certified pilot export facility on Cebu Island, which complies with the MAC standards for marine ornamental trade. During a project period of two years (2000-2002) a training program on sustainable, environmentally sound techniques for the catching and handling of ornamental fish was developed. Links were made to other GTZ-supported coastal resource management programs in the Philippines in order to expand the training program to other provinces. More than 900 collectors have started to be trained in applying the standards. Practices, approaches, lessons learned (especially the limitations) and outcomes, especially income figures (with statistics) should be included in the proposal to underline experiences of MAC and to make clear the possible positive development for the income of the collectors. Figures from past experiences should ideally provide information on financial sustainability of the approach. Further readings: Marine Ornamental Fish Trade in the Philippines – New Ecological and Quality Standards. Lessons learned No. 2. GTZ, 2003

#### Analysis of existing Marine Protected Areas (MPAs)

In the Philippines, about 400 MPAs already exist (with a wide variation in management experiences). Potential linkages to existing MPAs and planned MPAs are not mentioned in the proposal. Does the planned GEF project plan to limit its support to the establishment of new MPAs only? A detailed map with the location of existing and planned MPAs would be helpful to provide an overview.

#### Analysis of demand for ornamental fish

The proposal does not sufficiently describe the demand of ornamental fish from the Philippines or Indonesia. Therefore we would like to recommend including detailed statistics to give an overview.

- Size of the MPAs

No figures are provided on envisioned sizes for individual management areas and Coral Reef Protected Areas. However, the given figure for the envisioned total size for management areas and Coral Reef protected Areas in comparison to the mentioned number of roughly 24 planned marine management areas, indicates that the planned areas will probably have a large size (graphic on page 17). The question in general is will it be possible for the communities and collectors to manage areas of large size?

- Risk assumptions

The project proposal lists many risk assumptions, which are likely to happen. The risk for insufficient capacity of local authorities with regards to the surveillance and management

regulation enforcement is evaluated as high, which is in line with our own experiences. A critical question is whether the project activities will be sufficient to strengthen existing local capacities. A close collaboration with other projects such as the above-mentioned GTZ implemented fisheries related projects is recommended.

- Cooperation with other planned GEF projects

Furthermore we would like to state that the International Finance Corporation (IFC) has present a GEF project proposal for the Philippines, named “Asian Conservation Company” (ACC), Nr. 506048 with the aim to conserve the costal and marine biodiversity. Possible cooperation between the GEF proposals should be outlined in the two proposals. At present, the second planned GEF project is not mentioned.

**Recommendation:**

We generally support the project concept and idea. However, the present project proposal has disregarded several essential elements and therefore it should be revised and further information provided with regards to above-mentioned aspects. Please respond to the comments raised above during further project planning and implementation.

Furthermore it is strongly recommended that the implementing agency plans further steps in close cooperation with the German implementing agency GTZ as experiences and outcomes of the above mentioned GTZ-projects could be very helpful for the planned GEF project.

**Contact to GTZ:**

<p>In Germany:</p> <p>Maike Waltemath Principal Advisor Policy Advice for Sustainable Fisheries Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH Division 4501 65726 Eschborn Germany Tel: +49 (6196) 79 1472 Fax: +49 (6196) 7980 1472 e-mail: <a href="mailto:Maike.Waltemath@gtz.de">Maike.Waltemath@gtz.de</a></p>	<p>In Philippines:</p> <p>Dr. J Michael Vakily Team Leader BFAR/GTZ Visayan Sea Coastal Resources &amp; Fisheries Management (VisSea) Project BFAR, Regional Office VI Muelle Loney Str. Iloilo City, 5000 Philippines Tel/Fax: +63 (033) 336 2708 e-mail: <a href="mailto:michael.vakily@gtz.de">michael.vakily@gtz.de</a></p>
--	---

Comments from U.S.A.:

The U.S. requests this project be postponed for consideration until the May Council meeting, in order to allow discussion of a number of significant policy issues raised.

Additional Comments from USA:

Summary: The goal of this project is to transform the marine aquarium trade of the Philippines and Indonesia to ecological and economic sustainability using conservation management and rehabilitation to ensure the health of coral reef eco-systems and their contribution to poverty reduction and food security. The Marine Aquarium Council (MAC) will certify marine

ornamental fish for using sustainable practices. Reef Check will monitor coral reefs. IFC will finance the investment needed to transform the industry.

USAID/Philippines is currently supporting the Marine Aquarium Council (MAC) through a Global Development Alliance, but with a different focus than this GEF proposal and with several major stipulations attached to the award. The USAID support to MAC addresses the threat to marine biodiversity posed by the use of cyanide and over-collection of fish and invertebrates for the ornamental trade in the country. The USAID program also differs in that it does not support reef restoration.

The exotic pet trade, including the marine aquarium trade, has been associated with illegal trade in rare and endangered species, money laundering, and illegal drug smuggling. Promotion of the marine aquarium trade may create incentives for this illegal trade.

U.S. Position: We appreciate the creative approach to trying to use market forces to solve this serious problem. However, we are concerned that several major issues need to be addressed in order to ensure that the project not inadvertently promote the marine aquarium trade, unsustainable collection of specimens, or lead to corruption. In this connection, the U.S. has a number of specific suggestions for appropriate safeguards for IFC's consideration.

First, we would appreciate a sharpening of the performance indicators in this area. The primary outcome of the project should be a measurable improvement in the health of the coral reefs (including size and condition of reefs and fish populations) of the project areas. Output indicators should include measures such as transformation of the market, mortality rates, trade in fish and invertebrates, income of collectors, reduced use of cyanide, etc..

Second, the project should only work in areas where cyanide is currently used for the collection of ornamentals. The project documentation should specify that funds shall not be used to promote the ornamental trade in areas where cyanide is currently not being used, nor shall they be used to start the trade in areas where collection is currently not occurring. Thus, the activity must reduce the cyanide threat, and not be used to promote trade in wild species, which would place additional pressures on marine biodiversity.

Third, the project must “seriously” address the trade in inappropriate species from the Philippines. Out of the approximately 2000 species in the trade, over 400 have been identified as “unsuitable” for the trade, i.e., those species which do not survive well in aquaria, are poisonous or are rare. In addition, live rock mining is not sustainable, as determined by Reef Check, and should be excluded from certification. More generally, MAC and the industry have been slow to delineate unsuitable species in the trade. We recommend that agreement on a list of unacceptable species be in place as a condition for disbursement after the first year. In keeping with the concept of “certification”, we also recommend that a list of “suitable” species be developed based upon strong scientific information and inference.

Fourth, the project should address the scientific authority of Reef Check in MAC decisions. For example, we understand that Reef Check indicated that live rock mining is not sustainable, but MAC is continuing to issue certification for this activity. Several species of coral in Indonesia

are now collected at significant depths, as they have been eliminated from shallower waters, a clear indication of unsustainable collection. How much weight will Reef Check and other scientific evidence be given in the MAC process? In addition, the project should address how it will ensure that the scientific and management requirements for sustainability under CITES will be met before CITES-listed species are certified.

Fifth, MAC is supposed to develop and implement sustainable management plans for the collection sites. However, as of several months ago, there were no limits being placed on either the number of fish collected or the types of species collected at certified sites. The only issue that had been addressed was the use of cyanide. Part of the problem may be that baseline survey had not yet been completed by Reef Check. We strongly recommend that until the surveys have been completed and sustainable collection levels established, all resource management plans adopt a precautionary approach to fisheries management – perhaps limiting ornamental fish harvesting to just 10 to 20 species in which there is high confidence, based upon existing scientific knowledge, that these species can be sustainably collected and are suitable for the trade.

Sixth, MAC should address the social equity issue so that the actual collectors are benefiting from the certification scheme. Although the certified products are commanding a higher price in the import countries, very little to none of that higher price appears to be reaching the collectors. Thus, the consumers and middle-men will be benefiting much more than the local communities. In this respect, we would like to see the establishment of a set of objective indicators to measure collector income. We also wonder whether, given the unsustainability of live rock mining, the project sponsors might consider the manufacturing of artificial live rock and aquarium statuary as an appropriate alternative livelihood project.

Seventh, we would request that the project sponsors consider additional measures to minimize corruption, since the project will be effectively creating new rent-seeking opportunities. The maintenance of fishing logs and structuring of local fisherfolk into groups where violation by one fisherman results in decertification of all of those in the group are important steps in this direction. However, we wonder whether some type of audits or other measures (e.g., regular rotation) should be directed at the local collectors' coordinator as well.

Finally, we would suggest that there be some discussion of the health and safety issues related to the use of compressors, and how this will be treated in the project.

U.S. Position: Revise and recirculate to Council prior to CEO Endorsement.

**Regional** (Antigua and Barbuda, the Commonwealth of Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines): **OECS Protected Areas and Associated Sustainable Livelihoods (WB)**

Comments from France:

The project objective is to improve the legislation and capacities concerning protected areas in the 6 countries of Eastern Caribbean, and to settle 6 new protected areas, mainly marine. The project has been substantially modified, from a Sainte-Lucie focused project to a regional one, with FGEF suggestion and cofinancing.

Comments from Germany:

The project comprises six countries: Antigua and Barbuda, Commonwealth of Dominica, St. Vincent and the Grenadines, St. Kitts and Nevis, St. Lucia, and Grenada. It is difficult to understand what the value added of bringing together these six countries under the roof of a single project is. The countries differ from each other significantly in their nature conservation policies, and thus the project proposal follows consequently different country-specific objectives. Apart from a joint workshop, the proposal gives little ideas on foreseen joint activities by these countries, and little information on how knowledge and experiences will be exchanged among them. The proposal does not convince that this project is a real regional approach, i.e. that it is more than the sum of six single country-based projects.

The preparation and updating of management plans for protected areas is one of the key project activities. However, it is surprising to see that “as a consequence of weak national institutional capacities” only three selected sites in three countries were fully prepared for the Project Brief (Antigua and Barbuda, St. Lucia, St. Vincent and the Grenadines). As considerable efforts have already been spent to prepare the proposal (and PDF B funds have been made available to support these efforts), it is not understandable why the other three countries did not nominate conservation areas to be promoted by the project, and to make the necessary preparations. One may suspect that there is only weak commitment by these governments.

- The Executive Summary (including annexes) comprises 45 pages.

**Recommendation:**

These remarks should be considered during further planning steps and during project implementation.

Comments from Japan:

"Protected area" policy is the effective tool to tackle with the loss of biological diversity. The COP7 of CBD discussed it as one of main agenda and resolved the work program

including obligation of each country. We believe that we should fully take into account of any achievements at the COP7 for successful and effective results of this project. We think it is desirable that the result of the project may contribute to the practical discussion about the ecology of small islands which is to be one of main agenda of the COP8 of CBD held in 2006.

Comments from Switzerland:

General Commentaries

The project aims at contributing to the conservation of biodiversity of global importance in the Eastern Caribbean region by removing barriers to the effective management of Protected Areas (PAs), and to increase the involvement of civil society and the private sector in the planning, management and sustainable use of these areas. It consists of four components, namely: (1) PA policy, legal and institutional arrangements, (2) protected areas and associated alternative and new livelihoods, (3) building capacity for biodiversity conservation and PA management and increasing environmental awareness and (4) project management, M&E, and information dissemination.

One of the key issues of the project will be to overcome weak national institutional capacities.

The project's objectives are fully consistent with the provisions of the Convention on Biological Diversity (CBD) and with the GEF Operational Strategy and specifically with several of its Operational Programs, and the project design seems technically and scientifically sound.

**Main Concerns**

• **Counterpart co-financing remains to be confirmed**

Sustainable financing is indicated as a pillar of evidence to ensure the project's long-term sustainability. Several examples of sustainable financing are identified by the project proponents, and direct governmental support will indeed be crucial.

At this stage of project development, the counterpart financing by Participating Member States & Communities (PMS) is indicated merely as one of the project's key assumptions. While we understand the difficulty of securing definitive cofinancing commitments at this stage of project development, we would like to signal that we regard delivery on the indicated cofinancing levels as absolutely crucial.

• **Lack of information and insufficient responses to the STAP reviewers' comments**

The STAP review identifies several areas where information is lacking, such as (a) threats to biodiversity and root causes, (b) legal and policy baseline and (c) a baseline on livelihood conditions in order to determine present income levels and assess if livelihood programs are having any effects on their improvements.

Some improvements have subsequently been made by the project proponents, but we feel that they fall well short of expectations.

The project brief mentions the limitations of project preparation resources and time to justify the rather incomplete response to the concerns raised in the STAP review and promises that the remaining information shortfall will only be addressed during implementation. In our opinion, this is too late and therefore poses too great a risk. We would expect the STAP concerns, which we consider most valid, to be fully addressed when final approval is due.

The information given in matrices of threats and of major underlying root causes is too general and lacks any prioritization. Here we also expect major improvements before final approval, in the form of a clear and consistent strategy with prioritized activities. Furthermore, the studies identifying potential economic opportunities in the context of this project remain to be done. They are of crucial importance.

- **Overly optimistic expectations regarding livelihood improvements**

The project indicates that “at least 70% of the targeted local community would benefit at least from 30 % increase in income” and that “50% of population in areas surrounding the six project developed PAs adopt new livelihoods attributable to project efforts”.

Such ambitious targets appear unfounded and overly ambitious at this stage and as a result we have strong doubts regarding sustainability.

Proper appraisal of the feasibility of such targets will depend on the provision of more solid data. As long as no figures are provided, even for the target population, the stated performance indicators are unfounded and rather meaningless.

### **Conclusions and Recommendations**

We fully support the project objectives and recognize that many key components are already well designed.

Counterpart financing is part of the current project design and has to be considered as crucial for a successful project implementation. Final approval of this project should be provided on the basis of solid commitment for the cofinancing figures indicated in this project brief.

#### Comments from USA:

Summary: The project will strengthen existing and create new PAs (Protected Areas), provide sustainable alternative economic opportunities for communities living around PAs, and improve the legal, policy and institutional framework on OECS countries. The project will result in improved management of at least 7,470 hectares under conservation or protection and “productive landscapes” in proximity to protected lands.

The project document assumes participating country commitments to fund the protected areas, provide material and human resources, and work with local groups. The project bases its assumptions on the approval of various policies and environmental plans, but sound policies alone do not guarantee that the countries will implement these policies by providing the necessary financing and human resources to make this project sustainable. The project needs to be carefully monitored to ensure continued commitment.

U.S. Position: Support. The log frame has measurable indicators and will collect baseline data and monitor performance as part of the project.

**Bulgaria: Forest Development Project (WB)**

Comments from France:

This GEF project contributes to the World Bank project in the Bulgarian forest sector. The GEF project is funding the strengthening of the protected areas management and the implementation of forest management plans.

With regard to the threats on the forest ecosystem in Bulgaria the objectives of this project are relevant.

Comments from Germany:

- The submitted project proposal is embedded in a group of various activities carried out by different donors within the broader sector of forestry and environmental resource protection in Bulgaria. The linkages between these projects are mentioned; however, it is recommended that the exact range of mutually stimulating effects for supplementary and complementary activities should be specified during the final planning and project implementation phase.
- The “Co-Financing” scheme of the project, which is stated on the front page of the “Executive Summary” is outlined clearly and filled with content in the project proposal. The “Financing for Associated Activities If Any”, however, is not explained in detail. Furthermore the description of the German GTZ activities in Chapter 5 of the Executive Summary should be complemented: GTZ is not only partner for private forest owners supporting their national representative bodies such as forest owners associations, but also provides technical assistance to awareness campaigns and public relation work to stimulate an interest in private forest. Moreover GTZ provides training courses to private forest owners and established, together with the Government of Bulgaria, an extension service especially for supporting the private forest sector.

The mentioned associated financing from the German part reflects a planned new project dedicated to pilot regions in the Rhodope mountains aiming at the improvement of agro-forestry structures in order to improve production as well as marketing conditions of small farmers and private forest owners in this region. The funds are limited to €900.000,- and are provided by the German government. Thus the correct description in the project proposal for financing of associated activities would be “BMZ (€900.000,-)”.

- Based on the “incremental cost analysis” the project intends to establish “strategic partnerships with local landowners...”. This approach to an expected contribution “to sustainability” is not outlined further. The basic question is, whether the re-privatisation/restitution of forestland makes the new forest owners feel committed to cooperate with the project for the sake of the environment or the biodiversity conservation.



Moreover the cost analysis does not explain, who is going to take over the part of the costs (6,72 m€) besides the one covered by GEF (7,75 m€) summing up to the difference between baseline and alternative (14,47 m€).

- Linked with this point there is also a comment needed on the project lifespan – 5 years according to the proposal. As far as the strengthening of the capacity of the State Forest Administration (component 1) is concerned, this seems to be possible. However, looking at the number of non-state forest owners under sustainable management plans (component 2), even the given low figures under the indicators of the “Result Matrix” have to be considered carefully. The reason is, that the restitution process of forestland to private owners takes very long, due to administrative/bureaucratic hurdles and requires long standing political commitment of the government for much more than the envisaged 5-year of project life span. Though this is pointed out in the assumptions, the project partners (World Bank and Government of Bulgaria) might think about extension of the project duration for the given reasons.
- Another important aspect is the linkage of the forestry and environmental sector with other adjacent or interacting sectors such as forestland watersheds or agriculture. The “promotion of sustainable eco-tourism”, which is mentioned as part of the capacity strengthening for non-state-forest owners in the project proposal requires reasonable involvement of other governmental bodies and preferably also the NGO-scene in the country. Besides the overall responsible Ministry of Agriculture and Forestry (MoAF) and the Ministry of Environment and Water (MoEW), there is no indication/reference to other involved ministerial bodies. The contribution to, as well as the responsibility of other ministries, for activities such as eco-tourism (economics) or road construction (infrastructure, physical planning) need to be elaborated and quantified in order to create a broad alliance within the Bulgarian government for this project.

### **Recommendation:**

It is recommended to take the above comments into account during further project planning and implementation.

### Comments from Switzerland:

#### **General Commentaries**

Being rather classical in its approach, the project comprises four components that aim at strengthening the public forest sector and the capacity of non-forest owners, supporting the transition to a market economy, and strengthening the system of protected areas (PA), notably through a contribution to a Protected Areas Endowment Fund.

The project as a whole is basically supporting Bulgaria’s adoption of new forms of forest management, and helping it modernize and adapt its forestry and timber sector to the market system. It is therefore financed to a large extent by the World Bank. The GEF contribution is requested to mainstream biodiversity in this sector. Besides the component which targets PA management, GEF participation is relatively modest and aimed only at financing the incremental costs necessary to address global biodiversity issues for the different groups of activities. It is

regrettable, in this respect, that few details are given, if any, to show what the incremental expenditure really covers. The baseline itself addresses biodiversity issues to a considerable extent. Owing to the relative lack of precision regarding the planned activities, the boundary between what is relevant to GEF and what is not is rather unclear.

It is not well defined what exactly the GEF contribution is in terms of increasing the biodiversity added-value of the project. Is it supposed to achieve the mainstreaming of biodiversity in the forestry policy of this country? The GEF also provides a substantial contribution towards strengthening PA management, but this aspect is also not well explained.

In general, we still feel that the project could bring about real progress. The brief correctly identifies and addresses a number of different problems that Bulgarian forests and forestry have to face, although it still lacks a fully comprehensive approach to these problems, notably at the institutional level.

### **Main Concerns**

As pointed out by the STAP reviewer, the traditional division of responsibilities between ministries has for many years been the cause of a difficult situation concerning management of protected areas in Bulgaria, as it has in many other countries. Although partly solved by the current PA act, there is still a complex and rather unclear (not to say conflicting) division of tasks between the two main institutions in charge of biodiversity conservation, the Ministry of Environment and Waters (MoEW) and the Ministry of Agriculture and Forests (MAF). Although the issue exists for every section of forested areas (except those that are fully under the control of the MoEW such as national parks and nature reserves), it is particularly important in the case of Nature Parks; those are typically multifunctioning and multi-owned territories, and their management depends on special directorates of the MAF. The issue has been identified by the authors of the project, as can be seen from the table of measures to be taken in nature parks (component 4), where the lack of proper interaction between these institutions is seen as a “main threat”. However, no method of addressing this challenge and trying to solve this problem is proposed in the project.

More generally, while nature parks are perfect examples of innovative PAs where biodiversity issues can be handled in conjunction with socio-economic factors, it is highly regrettable that, while focusing for a large part on this type of area, the GEF contribution to this project does not aim to develop initiatives for establishing collaborative management. Such initiatives are desperately needed for these PAs and for increasing their local ownership, thus helping to integrate biodiversity objectives in society. This issue is particularly crucial as nature parks appear to be a key (and rapidly growing) type of PA to be developed in Bulgaria in the future, while the inconsistency of their management constitutes a major constraint for their effectiveness.

### **Conclusions and Recommendations**

We endorse this project despite its severe shortfalls in the set-up, as presented in the project brief. We strongly recommend that the crucial issue of collaborative management in large, multi-owned protected areas be adequately addressed during the further development of the project. We expect that effective ways to address the persistent lack of cooperation between relevant institutions will be included in the planned activities by the time of final approval.

### **Further Commentaries**

- There is a consistent lack of precision regarding in describing the planned activities. For example (component 4), it is symptomatic that the programme of planned GEF action is nearly identical for all the nature parks in question! It appears certain that more detailed analyses will yield a more differentiated and tailor-made approach, which in return would raise our confidence level in this project.

- We appreciate the high quality of the table of indicators with quantifiable expected yearly results.

### Comments from USA:

Summary: The project includes the following components: 1) strengthening public forest management; 2) strengthening the capacity of non-forest owners for sustainable forest management; 3) supporting the state forest management transition to a market economy; 4) strengthening protected areas; 5) project management and monitoring. The project will result in 1.5 million hectares of land productive landscapes, including land around protected areas that are under productive use, but support habitats and ecosystems. In addition, the project will put 237,000 hectares under improved management for conservation and protection.

An analytical study on illegal logging will be undertaken and an action plan developed in the early phase of the project. What will be the impact on the project if the government does not implement the action plan resulting from this study? Would it not have been better to do this type of analysis as part of the due diligence in preparing the project?

U.S. Position: Support. The log frame has measurable outcome indicators with a baseline study to be undertaken as part of the project.

**Guinea: Coastal Marine and Biodiversity Management (WB)**

Comments from France:

The project aims at creating one protected area and improving the natural resources management by local communities along the coast.

The objectives and the means are appropriate.

We regret that the WB only refers to the project that it finances, as several other donors have been financing for a long time, in the same area, on the same topics, and with good results.

For instance, it could be interesting to note that French GEF, with Agence Française de développement (AFD), is currently financing a 3 M\$ project with exactly the same goals and which has been designed to test actions to pave the way to the GEF project.

We have not clearly identified the added value of the STAP reviewer remarks.

Comments from Germany:

The proposal is supported, but certain changes concerning the project components should be made:

- (Component 1) The interest in implementing participatory approaches for the creation of a protected area and its monitoring and evaluation is acknowledged. The corresponding output indicator is “Local communities involved in management of protected area”. Yet, there should be more detailed descriptions of the involvement of local communities in this context. The use of measurable indicators is necessary for evaluation and for establishing long-term effectiveness.
- (Component 3) Seeing the close linkages between the project proposal and the current World Bank Project “Village Support Program” (PACV) and the willingness to combine the new project with PACV project phase II, it would be extremely helpful if a progress report and evaluation of PACV I was provided. The use of procedures tested and implemented by the PACV has been underlined in the project proposal and a “positive mid-term review of the PACV” has been mentioned in response to GEFSEC comments in January 2004. However, no documents have been provided. Consequently, the effectiveness of the PACV mechanisms to a Local Investment Fund of environmental projects cannot be evaluated at this stage. Furthermore, the eligibility indicators for program entrance of a suggested micro project have not been presented adequately; the indicators measuring micro project effectiveness also remain weak.
- (Component 5) As declared following a bilateral meeting in February 2004, the indicators corresponding to component 5 and the M&E plan will only be prepared at the time of project appraisal. It is thus impossible to evaluate the effectiveness of project M&E at this stage. The

incremental financing of component 5 is disproportional and it remains to be not fully understood why it is representing such a high share in comparison to the shares provided for components 1-4.

The Executive Summary (including annexes) contains 38 pages.

**Recommendation:**

It is recommended to take the above comments into account during further planning steps and during project implementation.

Comments from USA:

Summary: The project will help Guinea develop sustainable strategies for coastal zone management and provide protection to coastal areas of global and national importance. The project establishes protected areas incorporating coastal zone Ramsar sites of high global significance, identifies and implements strategic activities with communities that would strengthen the sustainable use of resources in these sites.

In poor countries countries, such as Guinea, we wonder if GEF could comment on how successfully it has established the financial sustainability of protected areas. Do we have evaluation data on this question?

U.S. Position: Support. The project has measurable indicators and a monitoring and evaluation framework.

**Malaysia: Conserving Marine Biodiversity through Enhanced Marine Park Management and Inclusive Sustainable Island Development (UNDP)**

Comments from France:

Conservation project of the coral reef ecosystems in Malaysia whose objectives are relevant.

The financial participation of Malaysia seems weak with regard to the economic potential of this project for Malaysia.

Comments from Germany:

The proposal is comprehensive and well planned regarding site selection, stakeholder participation, budget allocations etc. However, a number of critical points have to be raised:

- Order of the document

The activities in the project planning matrix (Annex 1b) as well as parts of the narrative part of the document lack a clear sequence. Therefore, it is extremely difficult to envisage how this extremely complex project will be implemented and how the numerous activities are interrelated and depending from each other. Furthermore, many closely related activities appear under different outputs, e.g. relating to the “conservation charge” and the “eco-tax”. Thus, the activities should be brought in a clearer order.

- Indicators

The indicators in the project-planning matrix (Annex 1b) are neither quantified nor qualified. The workflow table (Annex 1c) contains only little information to which project sites (islands) the activities refer to.

The research permitting process (activities under “*Output 1.1 A mechanism for effective information sharing among researchers, marine parks management and stakeholders*” and “*Activity 1.5.2 Examine the wider application of research permit/approval process to other marine parks in Malaysia*”) should consider issues of access to genetic resources and related benefit-sharing, which are currently under international discussion.

Under “*Output 1.1 Effective information sharing among researchers, marine park managers and stakeholders*” and “*Output 1.2: Mechanisms for continuous collection, collation, analysis and distribution of data obtained from research in marine parks*” a research database and clearinghouse mechanism (CHM) is to be developed and continuously fed with data and research results. However, no reference is made in the project description to the existing CHM in

Malaysia, which seems to be in agony, since its web page has been last updated at 11.06.2001 and barely contains any substantial information.

- Incremental Cost Analysis

In the Incremental Cost Analysis (Annex 2) the domestic and global benefits for the incremental costs of *Outcome 3* are not indicated. The domestic incremental benefits of “*Outcome 4: Tourism operators integrated into protected area management to reduce the direct and indirect impacts of tourism activities on biodiversity*” focus solely on the sewerage system, which the national sewerage company plans to construct on some of the islands, whereas the activities under this outcome seem to provide much more benefits.

- STAP review

The comments and especially the recommendations of the STAP review in January 2004 (Annex C.2a) should receive much more careful consideration in the proposal than they have received.

- Executive Summary

An Executive Summary of 88 pages cannot be named a “summary”. Much of the text is mere repetition of the project brief.

**Recommendation:**

Changes should be made during further planning steps and during project implementation.

Comments from USA:

Summary: The project will strengthen the management of marine parks on the east coast of Peninsula Malaysia through a series of programs and activities aimed at enhancing local community involvement and tourism industry participation in the management of the marine parks. As a result of this project, coral reef cover will increase from 45% in 2001 to 55% by 2009.

The document has a *results management table* in addition to a log frame. The results presented are measurable outcome indicators. The results framework includes baseline data in some cases and collects other data as part of the monitoring program funded by the project.

U.S. Position: Support.

**Russian Federation: Conservation and Sustainable Use of Biodiversity in the Altai-Sayan Montane Eco-region (UNDP)**

Comments from France:

Ambitious project aiming at creating 900 000 ha of new parks in the ecoregion. The executive summary, even having 42 pages, does not say a word about the main cofinancer, Sayan Ring. Having in mind the gap of public funding in Russian federation, the affirmation that the parks will be self-financed by the end of the project looks rather unlikely.

Comments from Germany:

- The proposal shows, that one endeavours to overcome the deficiency of a transboundary planning. However there should be an organisational unit (e.g. committee, working group, responsible person (official position)), which is responsible for transboundary issues and international/interregional coherence building.
- Market considerations for sustainable use (Wood, Non-Timber-Products, tourism,...) should be taken into consideration, in order to avoid risks of investments and to prove already during phase 1 the feasibility and the economic value of a conservation management.
- Special attention should be given to mechanisms of public involvement, the involvement of the private sector, including foreign investment in the tourism business, the development and presentation of tourism products on exhibitions in the tourism source markets, the testing of acceptance and a destination policy.
- Masterplans (including its participatory process) for the management of certain economic engagements, such as natural resources, mineral resources, tourism shall be made part of the phase 1.
- The key indicators are mostly targeted on the last year of the project phase 1. In order to allow early feed-backs by internal as well as external evaluations, and to react within the project-time, there must be indicators for the project progress already in the first years.
- There is a running project “Feasibility study on a transboundary biosphere-territory of the Altai-Region, Kazakhstan, Mongolia, PR of China, Russian Federation”, which is supported by the German side (BMZ-funded, 2002 implemented by GTZ; co-financed by BfN (Federal Agency of Nature Conservation)). The findings are being discussed at the moment and the way of presentation is being agreed upon between the four parties. It is envisaged to have the results ready in May 2004. The results have to be taken into account, in particular concerning the four-lateral process of a transboundary regional planning territory.



**Recommendation:**

It is recommended to take the above comments into account during further project planning and implementation. The results of the above mentioned study in particular should be taken into account.

*Comments from Switzerland:***General Commentaries**

The Altai Sayan target area is widely recognized as a globally outstanding Ecoregion that is rich in biodiversity, culture and landscape diversity. With more than one million km<sup>2</sup> it is one of the largest Ecoregions worldwide, straddling five countries. 62% of this Region is located in Russia alone. Due to its inaccessibility and isolation much of the area is still undisturbed, offering excellent opportunities for the expansion of the PA network and trans-boundary initiatives. The proposed expansion of the Altai Sayan PA system appears necessary in order to include representative samples of ecosystems currently underrepresented within the PA network. If successful the project is expected to result in global benefits.

The proposed project is relevant and of priority in light of the growing threats to the Region's ecological integrity as a result of poor and illegal land and resource use, un-coordinated spatial land-use planning, overlapping and conflicting legal framework, insufficient law enforcement, chronic financial shortage regarding PAs, existing land tenure issues etc.

The proposal provides sufficient background on the opportunities offered by the Altai Sayan Region in terms of biodiversity conservation and the root causes threatening the ecological integrity of the targeted ecosystems. The document is technically and scientifically sound and the project's objectives are clearly formulated. The proposed activities are logically conclusive in theory. The participatory approach chosen to implement the different project components and the proposed capacity development and awareness building activities comply with GEF concepts.

The project is eligible under *Operational Programme 4: Mountain Ecosystems*. It complies with GEF requirements regarding proven co-financing and country-drivenness. Russia is a signatory to the Biodiversity Convention.

**Main Concerns**

The complexity of the project is a major concern that has to be seen against the proposed timeframe of just 5 years, which appears much too short for achieving the very ambitious and multifaceted objectives. Although the proposal indicates the need for two project phases the targets for each phase are not specified, neither the budget and timeline for a second phase.

The large number of key stakeholders, especially on a political level, gives reason for concern. This applies in particular to four different line Ministries involved, and Governments on three levels with overlapping mandates, interests and responsibilities. The proposal does not convincingly show how to integrate all key players. It also appears unlikely that this project can be implemented by one single coordinator without the support of a proper Implementation Unit.

Although the proposal uses all the right keywords and addresses all the right issues the activities related to the catchwords and issues generally lack depth and detail. This applies in particular to CBNRM projects, income generating opportunities for the rural poor, private sector involvement and trans-boundary cooperation.

It also remains unclear how the project exactly intends to achieve a true participatory approach in PA planning and management without visible tangible benefits to be provided to those people who lose traditional resource rights in the process.

There is too little cross-referencing with all the other projects and GEF supported activities in the same Ecoregion.

### **Conclusions and Recommendations**

The project could be improved by providing more detail and specifics on the proposed activities. The complexity of the project requires a more rigorous structuring of work programmes, more explicit and better defined reporting lines and detailed work schedules for each proposed working group with clearly identified responsibilities and budget allocations.

We endorse this project in principle, although a general revision and refinement appears imperative before final approval is given.

### **Further Commentaries**

Page 7, par.3: It is unclear how this project would comply with the BD Strategic Priority on financial sustainability of PAs. The way this is expected to be achieved is not convincing.

Page 23: Why create more protected areas if the existing PAs cannot be sustained? What exactly is planned in terms of activities for the “ecological corridors”?

Page 33: How to monitor “flagship” and “keystone” species populations and how to account for natural fluctuations within a 5-year project cycle? Proposed census of such species has provided very unreliable results in the past.

Page 35: An ecosystem approach to land use planning requires the elaboration of thematic maps and a spatial land use plan that needs stakeholder input and buy-in on all levels. It remains unclear whether this will be part of the project.

Page 34: How exactly will designated protected areas be established? And how can the proposed mobile inter-regional anti-poaching units be financially sustained.

Page 35: It is doubtful that raising the public awareness will assist in conserving rare animals as long as no clear incentives are offered to the people in lieu of their cooperation in conservation. What are the tangible benefits to the people to be educated?

Page 35, point 2.3: How to monitor “flagship species”? Close to impossible and not feasible within a five-year project cycle.

Page 36, point 3.2: “Model management plans” will not work. Management plans for PAs need to be customized.

Page 37, point 4.2: Specify incentives to be provided to locals.

Page 37, point 4.3: Networking is a noble thought; but who will maintain the proposed website on completion of the project and how many PAs have access to the net?

Page 38, point 5.1.1: Who exactly will update the regional legislation and what are the chances of acceptance by the regional authorities?

Page 38, point 5.1.2: How are the trans-boundary Committees to be established and how can they be sustained?

Page 39, point 6.1: Who exactly will administer the micro-grants, how are they financed, screened, controlled, evaluated etc.?

Page 41: What exactly is “essential” information?

Page 41, point 7.3: How exactly will the database be established, how can it be socialized and how can it be maintained in view of the diverse data sources? It is a fact that each agency likes its own database.

Pages 45-46: CBW- and tourism related community projects are a good idea but cannot be realized within a five-year project cycle.

Page 48: The overall project risks are judged much too positively. Instead of low to medium it should read “very high with little chance to influence”.

Page 51-52: There are some components which may be suitable to be replicated, but mostly not.

Page 63: How to verify that “flagship” species populations are stable/increasing by the end of a project with a duration of only five-years?

#### Comments from USA:

Summary: The key objective of this project is to conserve the biodiversity of the Altai-Sayan Ecoregion (ASE) through, expansion, consolidation, and operationalization of an effective PA system in the Russian portion of the ASE in close coordination with similar efforts in other countries of the ASE. The project will add 900,000 ha of national and regionally protected areas. It will also reverse the decline of globally important rare and protected species.

The project includes measurable outcome indicators and will collect baseline data as part of the project.

U.S. Position: Support.

**Senegal: Integrated Marine and Coastal Resource Management (WB)**

Comments from France:

The GEF financing focuses on protecting 3 ecosystems, covering 20 % of the coast, while WB finances the management of local fisheries all along the coast. Senegal has had a lot of international aid for its fisheries and its national parks, of which nothing is said, as usual with the WB. Its National Park administration in particular shows a limited implementation capacity and needs to be strengthened.

The case of the recurrent cost of this administration is not addressed. The need of such a project is however established

Comments from Germany:

It should be taken into consideration to integrate the following aspects into the project planning:

- Conceptual framework and operation of the project

A series of unclarities regarding the conceptual framework and the operation of the project have been addressed by the STAP reviewer and the GEF secretariat. It seems very important that these points receive consideration and will be incorporated ownership by the Implementing Agency during further planning steps and project implementation.

- Adaptation to Climate Change

Senegal is one of the countries which will be increasingly affected by impacts of climate change. Due to the plain landscape and a higher variability of rainfall in conjunction with more extreme weather events especially the region of the northern coastline is likely to be struck by flooding and droughts. Medium-term sea level rise may not only threaten housing and infrastructure of the local population but also cause an increased salinisation of the ground water body with impact on the availability of drinking and irrigation water.

Does the project take into account the severe impacts of climate change on people and biodiversity in the project area? Are the long-term risks of impacts of climate change in the area considered a project risk outside the actual project duration? Has the vulnerability of the local population been assessed? To what extent the GEF approach to adaptation to climate change has been taken into account in the design of the project?

- Cross linking with existing projects and experiences gained

Only few are mentioned about the opportunities of co-operation and collaboration with existing bi- or multilateral development/nature protection projects. Hence it should be screened which kind of practices have been gained by different stakeholders and institutions on all levels in environmental and social development measures. GTZ ran until the end of 2003 a project on *Protection and Sustainable use in the Buffer Zone of Djoudj National Park*, one of the future pilot zones of the proposed GEF-Project. As it will be dealt partly with the same target groups (such as for instance fishermen in Djoudj) and partner authorities it is highly recommended to benefit from the GTZ experiences and lessons learnt in the Senegal River delta. Other GTZ projects with valuable experiences are the *National-level advisory services on natural resource conservation and management* and the *Promotion of self-help structures for natural resource management in Sine Saloum*.

### **Recommendation:**

It is recommended to take the above comments into account during further project planning and implementation.

### *Comments from Switzerland:*

#### **General Commentaries**

The overall project goal is the enhancement of the coastal and marine ecosystem conservation and management, targeted at Senegal's 700 km coastline. This is expected to be achieved through an integrated and holistic approach to ecosystem management involving all key line ministries, and the country's artisanal and commercial fisheries sector. The GEF component of this multi-donor project appears complementary to the much larger and very complex project aimed at combating growing threats to fish and other marine life and the growing deterioration of critical habitats of terrestrial and marine wildlife, including important staging areas of migratory birds.

The project is relevant by addressing well-documented root causes of widely recognized threats to biodiversity. The project appears to comply with Senegal's national priorities. It provides sufficient background for a general understanding of the national and global context and on the conceptual approach chosen to effectively address the issues of concern. In the light of imminent and growing adverse impacts on the bio-resources typifying the coastal zone of Senegal the project appears justified in principle.

The objectives are clear and the proposed activities logically conclusive. The proposal addresses key CBD strategies centering on participation, capacity development, institutional strengthening on different levels, and environmental awareness building. Senegal ratified the CBD and the project qualifies under GEF objectives for Coastal and Marine Ecosystems, Operational Programme # 2.

#### **Main Concerns**

Judging by the sequence of documented threats and interventions as presented by the proposal, biodiversity conservation comes in second place as an appendix to the principle objective of the project that obviously centers on sustainable coastal fisheries and the creation of sustainable livelihoods for coastal communities rather than ecosystem conservation. Ecosystem conservation

surfaces only in context with habitat conservation (i.e., enhancement of the existing PA network) in order to secure fish resources for a sustainable local economy rather than addressing land and resource use issues through a truly sin-ecological approach. The proposal provides insufficient detail by which to judge its contribution to global benefits, a decisive criterion for a project to qualify under GEF. Neither does it provide sufficient detail on the global ecological significance of Senegal's coastal areas. It is difficult to judge the project's technical soundness, at least regarding the components related to biodiversity conservation. It is not clear whether project funds will cover the elaboration of management plans for the specified protected areas, or also their implementation.

The proposed project duration of five years is much too short to achieve the stated objectives and/or to spend USD 5 Million on protected areas wisely, especially in the absence of sound management plans.

Although the proposal repeatedly emphasizes a participatory approach to ecosystem management there is little evidence of how this will be achieved, especially with regards to PA planning and management.

The STAP reviewer's request for a more comprehensive background paper especially regarding biodiversity conservation related concerns and interventions, is underscored.

### **Conclusions and Recommendations**

The proposed project can be endorsed, if the concerns raised here are taken into account in its further development. The proponent is requested to place biodiversity conservation concerns center stage in order to get GEF funding. The need for further supporting information on the global significance of Senegal's coastal bio-resources and the to-be expected global ecological benefits resulting from the project is apparent. It is strongly recommended to amend the proposal accordingly and to extend the project duration from five to nine years.

### **Further Commentaries**

It is not understood why World Bank proposals do not follow the usual GEF format stipulated for project profiles. This requires a summary sheet, an executive summary and a full document with additional information provided in the Appendix. The technical background information as provided by the proposal is too scanty and the proposed interventions rather vague.

A list of acronyms and abbreviations is missing.

Page 4: It is suggested to reverse the order: first highlight the biodiversity values and prove global significance than describe the threats and proposed interventions that justify the project in terms of expected global benefits.

Page 11, par.2.3.2: A Biosphere Reserve is a Land use Planning concept and not a protected area or a PA category per se.

Page 13-14: The proposed ecosystem approach is quite applicable to coastal zones and area-based co-management very sensible; however the proposal fails to convincingly show how this will be achieved.

Page 15, par.3.3.2: The proposed Biosphere Concept approach to land use planning is laudable; the problem will be how to manage a biosphere reserve in view of the numerous actors and authorities involved and in view of overlapping and frequently opposing mandates and legal frameworks.

Page 17: Component 1: The overriding concerns are fisheries.  
Component 2: The overriding concerns are protected areas; however, the production of management plans without implementation opportunity is of low value.

Page 17, par.2.1.: Management plans should be elaborated participatory and not by one lead consultant “in consultation” with stakeholders. Participation by local people and stakeholders in the planning and management process is needed *inter alia* for stakeholders to develop ownership.

Page 21, par.5.: Please clarify whether the USD 5 Million GEF funding will also be used to implement the management plans (payment for infrastructure and equipment, capacity development etc.). This chapter is not specific enough regarding what exactly will be funded through the GEF grant.

Page 22, par.2.2.3.: No sense in sophisticated and costly monitoring and data collection if no proper facilities for data storage and processing are in place.

Page 22, par.2.2.4.: Financing a feasibility study in order to assess opportunities for the sustainability of PAs is not enough; if the project cannot show that the proposed interventions are sustainable, there is no sense in requesting a GEF grant.

Page 24: The use of the Biosphere Concept to “leverage synergies” sounds good in theory; the problem will be the achievement of synergies with due respect to the very complex (and possibly controversial) proposed Management Committees.

Page 24, par.4.1: Why are no community representatives invited to serve on the Steering Committee, especially in the light of stated co-management stipulations for PAs?

Page 42: In this context it is not clear how exactly capacity development for co-management of protected areas will be achieved, especially in absence of incentives for local stakeholders.

Page 42: Much more detail has to be provided at the proposal stage on how to address financial sustainability of the PAs to be supported by the GEF grant.

Page 43: A risk ranking and rating would be helpful in this context. The GEF component bears a very high risk with poor opportunities to influence:

- Lack of stakeholder ownership/incentives
- Poor prospects for financial sustainability of the targeted PAs

- No guaranteed protection of resources through the project

Comments from U.S.A.:

The U.S. requests that this project be recirculated to the Council prior to CEO endorsement, incorporating revisions to address the following comments:

There are many positive features to this project. The territorial user rights fisheries agreements are an innovative way to address the problem of over fishing. There also appears to have been an extensive degree of local participation. However, there do not appear to be adequate performance measures. Most of those listed in the project design summary focus on process; many are dependent largely on subjective assessments rather than objective measurements (management effectiveness of 50% of fisheries and three pilot areas improved by end of project; measures to alleviate the impact of production in fishing capacity rated satisfactory by at least 75% of targeted communities”); and the area covered is not clear.

Sustainability seems to be linked in part to the creation of a trust fund to cover recurrent costs for managing protected areas. Has GEF had any expressions of interest from potential donors to a trust fund? What is the possibility of covering recurrent costs of these parks from government revenues?

U.S. Position: Revise project document to sharpen global benefits indicators and recirculate to Council prior to CEO Endorsement.



## **Climate Change**

### **Botswana: Renewable Energy-based Electrification Program (UNDP)**

#### *Comments from Germany:*

We support the project without a need for further comments.

#### *Comments from France:*

The project aims at initiating a renewable energy programme for rural areas by substituting fossil fuels with photovoltaic and LPG. 88 villages are targeted (1 373 solar home systems) in 5 years. The GoB will subsidise at 66% rate the equipments. The GEF will support mainly soft activities such as awareness, assistance, training, and communication.

The cost of the technical project is estimated at 4,8 M\$. The GEF's additional support with 3 M\$ is quite high for a rather limited number of SHS. To illustrate this aspect, a comparison with the case of Morocco can be made. FrenchGEF (FGEF) brings an additional support of 1,2 M\$ for a project which is able to install 500 SHS per month. The 1 500 SHS in 5 years is rather slow and will not ensure the creation of innovative “fee for services” which can take care of the replacement of the batteries and the general maintenance of the SHS over 10 years.

#### *Comments from Switzerland:*

### **General Commentaries**

The proposed UNDP–GEF project entitled "Renewable Energy-Based Rural Electrification Programme for Botswana" aims at reducing Botswana's energy-related CO<sub>2</sub> emissions by promoting renewable and low GHG technology as a substitute for the fossil fuels (firewood, paraffin and coal) used in rural areas. The activities proposed in the project are designed to remove barriers to the wide-scale use of renewable energy sources and low GHG technology in order to meet the basic electricity needs of individual households in terms of lighting, power for radio-cassette/TV and income-generating activities. In turn, the proposed project will help the government of Botswana to launch the renewable energy sources programme it is planning and to encourage the development of private industry in the provision of energy from renewable sources in the country.

The project falls under the competence of GEF Operational Programme 6: “Adoption of renewable energy sources by removing barriers and reducing implementation cost”. The project consists of the following six components: (i) Delivery of technology packages; (ii) Policy support and policy framework; (iii) Raising awareness and changing perceptions; (iv) Private and public-sector strengthening and training; (v) Financial engineering; (vi) Learning and replication. Activities and outputs of the project are designed to achieve the *global objective* of reducing Botswana's energy-related CO<sub>2</sub> emissions by substituting fossil fuels with PV and LPG, and the

*development objectives* of improving people's livelihoods by making modern forms of energy more accessible and affordable, as well as assisting the government of Botswana to reduce dependence on imported fossil fuel.

### **Main Concerns**

- (1) *Continuing need for large government subsidies:* In the Project Brief the issue of the high level of subsidies required to cover the considerable cost of rural electrification through PV is discussed at several points. Also the risk that the government of Botswana will stop providing such subsidies upon completion of the project is addressed. Nevertheless crucial questions remain in this context. Firstly, the proposed level of subsidies (80% in the first year, decreasing to 60% in the fifth year of the project) is not directly compared with the required level of subsidies for other forms of rural electrification, such as grid extension (opportunity cost). Secondly, such high subsidies may cause future barriers to the use of PV by creating unrealistic price expectations among consumers that cannot be met once the subsidies are phased out after project completion. Thirdly, the private sector may be reluctant to invest and get involved in the PV business if there is substantial doubt that the government will be able to continue providing subsidies on a long-term basis. Generally the issue will have to be monitored closely throughout the project to minimize the risk associated with a sudden abolition of government subsidies.
- (2) *Hardware financing by GEF:* On page 21 of the Project Brief it is proposed that GEF finances hardware (mobile containers, low-voltage distribution network). There is no explanation provided as to why GEF should finance hardware in the case of this project. This aspect needs to be closely scrutinized before final approval.
- (3) *Unclear cooperation with other initiatives:* In the Project Brief other initiatives are described with respect to the promotion of PV for rural electrification, most importantly the JICA-funded Master Plan Study on Photovoltaic Rural Electrification (MSP) which should now be in the implementation phase. However, in the Project Brief it is not mentioned whether any cooperation or coordination is planned between the proposed UNDP-GEF project and the MSP, even though the two initiatives obviously have very similar objectives.
- (4) *Technology focus on PV systems:* Although renewable energy sources in general are frequently mentioned in the Project Brief, the proposed project is in fact mostly focused on PV. This may make sense in view of the prevailing climatic and topographic conditions in Botswana and the limited funds available under the project. However, since the objective of component 2 of the project (Policy support and policy framework) is to support the government in adjusting the policy framework for renewable energy sources, the concern is that PV may be assumed to be the preferred type of energy on a weak factual basis. In many cases other renewable energy sources such as biomass or wind may well be viable alternatives.

### **Conclusions and Recommendations**

The project is recommended for approval. It is generally well conceived and structured. The project also adopts strategic choices that are fully consistent with GEF strategies. A major concern is the high level of subsidies required from the government of Botswana to support PV-based rural electrification, and the risks associated with a possible sudden discontinuation of these subsidies after completion of the project. Further concerns are related to the unclear cooperation and coordination with other initiatives in the field of PV-based rural electrification,

as well as the focus of the project mainly on PV, thus excluding other renewable energy sources. The project proponents are recommended to carefully monitor the issue of the subsidies throughout the duration of the project. Furthermore, project activities should be coordinated with other initiatives wherever possible in order to avoid duplication. While providing support for improving the policy framework for renewable energy sources, all possible renewable energy sources should be taken into consideration.

### **Further Commentaries**

(1) Project Planning Matrix, page 13: The timeframe for some indicators provided in the matrix is longer than the duration of the project (5 years). However, for evaluation purposes, all indicators should be measurable by the end of the project at the latest.

#### Comments from U.S.A.:

The U.S. requests this project be postponed for consideration until the May Council meeting, in order to allow discussion of a number of significant policy issues raised.

Summary: The project will reduce Botswana's energy related CO2 emissions by substituting fossil fuels with PV and LPG for providing basic energy services to rural consumers. The project will reduce CO2 emissions by 52,000 tons over a 20 year period for the 88 villages targeted by this project and as much as a 345,000 ton reduction if replicated to between 25% and 35% of all rural customers.

The PV systems are heavily subsidized by the government. How sustainable is this over time? When does GEF assume a subsidy will no longer be necessary and the costs fully covered by consumers and the private sector?

U.S. Position: Postpone. There is considerable merit in this project, and the Government's commitment to it is impressive. However, the project does not appear sustainable or replicable without substantial long-term subsidies from the Government. Is there some cost-benefit analysis that has been done to justify the subsidies? What are the lessons learned from similar projects? What is GEF policy on subsidies?

## **Pakistan: Commercialization of Wind Power Production (UNDP)**

### Comments from Germany:

We support this project without a need for further comments.

### Comments from France:

This project aims at creating an enabling environment for on grid wind energy projects in Pakistan. This project comprises mainly (i) a wind power policy package – policy / tariff / legal framework, (ii) capacity building and (iii) others project facilitations (data analysis, specific financial instruments, advises to investors). It is deemed that a second phase will follow with a 15 MW wind farm at Pasni (Makran region). However, according to the STAP, this site is not considered as a very good location (see pages 43, 46) and therefore it has been recommended to look at other possible sites during the Phase 1. The co-financing by the Government of Pakistan is small. All these elements contribute to give an unclear picture on (i) the real opportunities to develop the wind energy sector in Pakistan in a near future, (ii) the real commitment of the GoP, (iii) on the relevance to spend so much money and in a short period.

The GEF should not commit to a second phase before to have a clear picture on the real potential of wind farm development.

### Comments from Switzerland:

#### **General Commentaries**

From the project document:

*“This project aims to reduce GHG emissions through the facilitation of commercial scale exploitation of renewable wind energy for power production in Pakistan. It focuses on establishing a wind power industry in the country based on internationally proven technology as an economically viable and sustainable option by removing policy, institutional, regulatory, fiscal and technical barriers to private investments in wind farms and their integration into the power grid, especially in remote areas where alternative generation options are limited and/or costly.”*

#### **Main Concerns**

The concerns about this project are the following:

- If the project aims at developing macro-based policy support and framework conditions, it should not be restricted to the local grid option, but take into consideration at least the two possible options of wind-farms (the two models are quite different because of the lower electricity cost for an inter-connected grid):
  - a) not connected to the grid (or regional grid only, like Pasni).

- b) connected to the grid (national level grid, or international cross-border connection, the most likely large-scale development in the future).
- More detailed analysis of the actual wind-energy potential could also lead to a more systematic analysis of the long-term future models (regional or inter-connected grid).
- The incentives should be defined according to a schedule (planned progressive decrease of incentives) in order to avoid a lack of clear business strategy development for potential project developers.
- The wind-farm proposed in Phase 2 is based on a comparison with a conventional local grid power system. The town of Pasni is not yet connected to the national grid. The financial viability of the project seems to be based on a comparison with a local grid. The basic cost mentioned seems very high in comparison with grid interconnected data elsewhere (example of Tamil Nadu where buy-back tariffs for wind-farms are less than 0.1 USD/kWh). The replicability of such a project and the sustainability of the development of wind energy in the long term in Pakistan along this model are questionable.
- A major issue is to know when a town like Pasni is likely to be connected to the national grid, or internationally across the border. Secondly, even if IPP's were to produce electricity locally by conventional means, the price of electricity generated by conventional means would most likely be lower than that considered in the project document. This raises the question of the capacity factor.
- The offshore option has not been mentioned as a possible solution (much better wind conditions), and the reason is not apparent or mentioned.
- The projects planned under Phase 2 should reflect the actual long-term replication potential (focus on national grid-connected, and not only on local island grid models).
- India has been using various models to develop more than 2000 MW of wind power. Recent developments involving wind-farms financed on an avoided-cost basis are of particular interest (State of Tamil Nadu). Project developers get a pool of industries to finance the wind farm. The industries subtract the current produced by their wind turbines from their electricity bills, at avoided cost level. This enables the impact of fluctuation in policy of buy-back prices on the grid to be avoided.

### **Conclusions and Recommendations**

The long-term potential of wind energy in Pakistan is likely to be greater than that mentioned in the project documents.

Some of the issues mentioned above are likely to be resolved by the time the project is launched.

However, the replicability and sustainability of the present project are still subject to conjecture. Apart from the above-mentioned issues, the development of such wind energy should be supported.

Comments from U.S.A.:

The U.S. requests that this project be recirculated to the Council prior to CEO endorsement, incorporating revisions to address the following comments:

This is the first of two phases to develop a commercial wind power production market in Pakistan. The first phase is aimed at reducing barriers (legal, regulatory etc.). There are a number of issues that were not satisfactorily addressed in the documentation. For example, the indicators signaling whether to go forward to the second phase are not clear. The cofinancing is quite low. There are questions about whether the site selected for the second phase is optimal, and the project does not address environmental issues such as siting to avoid migratory flyways. We would also appreciate more information on lessons learned from other projects referenced in the paper and how these lessons, particularly incentive schemes, could be applied to ensure a more robust project with private sector participation. In addition, the logic and replicability of the “demonstration of a business model” is not clear. We are told this is will be made clear in the detailed log frame and TOR before final CEO endorsement, but this is not a satisfactory response for us to support at this time.

We would appreciate more information on lessons learned from other projects referenced in the paper and how these lessons, particularly incentive schemes, could be applied to ensure a more robust project with private sector participation.

### **International Waters**

#### **Regional (Botswana, South Africa, Zimbabwe, Mozambique): Groundwater and Drought Management in SADC (WB)**

##### *Comments from France:*

The GEF support to management of transboundary groundwater in this region is a relevant objective and SADC is the required organization, which has the capacity to carry out this project in the long term.

##### *Comments from Germany:*

The project is supported. However, the following issues need to be addressed and be further elaborated:

- A transparent strategy to involve the local communities with participatory and multistakeholder methods needs to be developed and incorporated in the project and its design at the initial stage of implementation. Representation of rural communities/rural civil society and NGOs in the steering committee and other decision-making bodies within the project should be ensured.
- The division of responsibilities among all partners should be clearly outlined (SADC Secretariat – Water Division, Project Service Agency (PSA), Project Management Unit (PMU), Project Steering Committee (PSC), Limpopo River Basin Commission (LIMCOM), SADC Sub-Committee for Hydrogeology, SADC Water Resources Technical Committee (WRTC), Sectoral Committees of Senior Officials and Ministers of Water, other international River Basin Organisations in the region).
- A German contribution of 1,220,000 US\$ is mentioned that will be implemented by the BGR. The contribution shall be spent for regional groundwater mapping requirements. Linkages with the German financed and GTZ implemented transwater programme ([www.gtz.de/transwater/](http://www.gtz.de/transwater/)) may appear opportune. Through the transwater programme the GTZ is seeking to assist the riparians of the Nile, Limpopo and Orange Rivers to promote regional economies and maintain peace.

**Recommendation:**

It is recommended to take the above comments into account during further project planning and implementation.

Comments from U.S.A.:

The U.S. requests that this project be recirculated to the Council prior to CEO endorsement, incorporating revisions to address the following comments:

This project is designed to help member countries of the Southern African Development Community (SADC) manage transboundary groundwater resources in drought prone areas, in order to meet human development needs while protecting groundwater dependent ecosystems. We agree with the objectives of the project, but are concerned that the results are not well defined in the log frame. Most of the indicators are process oriented (80% of physical interventions identified, senior officials aware of pilot interventions and able to ensure sustainability) and do not show the measurable impacts and outcomes of this project on the sustainable use of the region's groundwater. Moreover, country ownership is questionable as measured by financial commitments. Of the \$6.9 million pledged in co-financing, only France has committed \$80,000. The remaining contributions are pledged or under discussion, including the contribution from SADC members.



**China: Guangdong - Pearl River Delta Urban Development (WB)**

Comments from France:

Within the framework of a large project funded by the World Bank to involve the management of the delta of the Pearl river where the town of Guangdong is located, the GEF project contributes to the funding for strengthen the institutions in charge of the delta management and water quality monitoring.

In the Chinese context, this project for reducing land degradation and involving water quality in the watershed is relevant.

Comments from Germany:

The following issues need to be addressed and further elaborated:

The promotion of inter-municipal collaboration in waste management facilities investment and operation, is a reasonable way for achieving more cost efficiency with respect to investment and operation cost, as it offers possibilities of economies of scale and streamlining of operation. However the given figure of a possible 35 % decrease in overall costs established in the preliminary review of the existing plans through better rationalisation of treatment plants seem to be greatly overrated.

Furthermore, it has to be stressed, that effects of economy will be limited, when a certain size of wastewater treatment plants is achieved and even reverse effects might be observed as centralised systems will require elongated and expensive main sewer connections and often as well pumping stations and energy consumptions for pumping. Therefore each case has to be analysed and individually planned with care, solutions may comprise centralised inter-municipal installations but shouldn't exclude local and decentralised systems. Nevertheless, the inter-municipal collaboration in pollution control will have positive effects and has to be enhanced.

The Executive Summary differs in some detail from the GEF Project Brief.

**RECOMMENDATION:**

It is recommended to take the above comments into account during further project planning and implementation.

Comments from USA:

Summary: The project is aimed at improving the environmental quality of the Pearl River Delta and the urban environment of the cities and towns that surround it. The global environmental objective is to help reduce land-based pollution of the South China Sea. GEF support will

contribute to this by facilitating the area's first collaborative intermunicipal environmental investment incentive program, allowing more investment wastewater treatment and more efficient operation of the new facilities over time. It will also help construct 18 new provincial water quality monitoring stations and rehabilitating existing ones, as well as supporting a range of institutional strengthening, training and policy reform activities.

U.S. Position: Support. The program has clear indicators and targets and a detailed monitoring and evaluation framework.

**Romania: Hazard Risk Mitigation and Emergency Preparedness Project (WB)**

Comments from France:

The project aims at setting up a framework for prevention of the environmental hazard in Romania. The component funded by GEF focused on the hazards related to mining in the Tisza basin.

With regard to the threats in this area, the objectives of the project are relevant.

FrenchGEF (FGEF) contributes to the prevention of industrial hazards in this same region within a project granted to International Commission for Protection of the Danube River (ICPDR). A synergy between the two projects should be put in place.

Comments from Germany:

The following issues should be addressed and further elaborated:

- Indicators should be formulated more stringently in order to allow the success of the project be measured in concrete terms also in regard to the global benefits expected.
- Possibilities for indirect subsidizing of mine-companies that participate in pilot schemes could be suspected. In financing/implementing pilot schemes, the risk of subsidizing selected companies has to be carefully addressed.

The Executive Summary could be more stringent with less duplication of arguments and information. Possibly helpful could also the use of a more simple language be.

**RECOMMENDATION:**

It is recommended to take the above comments into account during further project planning and implementation.

Comments from Switzerland:

**General Commentaries**

We support the overall thrust of this project, which in its GEF-financed component aims to reduce the risk of water and soil contamination and loss of human and aquatic life from catastrophic mining accidental spills of pollutants. We also take note and appreciate the cofinancing arrangement presented in the project brief and expect it to be finalized in this form (or better).

**Main Concerns**

Our main concern with this project is the balance between analysis, evaluation, standard-setting, and action-oriented planning activities on the one hand, and remedial (early) action on the other. It is acknowledged that the project includes the important component (in D2) of “identifying a risk-based priority investment program for the Tisza River catchment area and the implementation of efficient and cost-effective hazard prevention and remediation measures in identified high-risk and high-priority hot spots in the Tisza Basin”. Our concern lies in the fact that only two sites have so far been identified as high-risk and high-priority sites (Rosia Poieni mine and Baia Borsa mine). These two sites are destined for immediate and emergency remedial work during the first phase of project implementation.

From what we have learned about the state of more than 260 tailing dam facilities in the Romanian state-owned mining sector, we conclude that more immediate remedial action is not only desirable, but necessary. The project document itself states that 40 of these sites pose a severe threat to the surrounding population and the environment. We would therefore propose that the project be “front-loaded” with more concrete early remedial action on the ground, even if this comes at the expense of slowing down or streamlining certain preparatory processes, such as the review of the already completed comprehensive inventory of tailings dams and waste dumps in the Romanian part of the Tisza Basin. It is critical to aim for early action at dangerous sites, with the highest priority given to the 40 sites already identified as posing a severe threat.

In this context, it is important to mention one specific site that caused extensive environmental and health damage following a catastrophic tailing dam accident in the year 2000. It is the Aurul Mine in the Maramures Region. We have been unable to find any reference about the current status of this site in the project document. This site used to work with extremely high cyanide concentrations and therefore posed an extreme danger. What action has been taken to eliminate the danger emanating from this particular site?

For maximum efficiency in preparatory activities for this project component, we would urge the World Bank to fully take into account previous work undertaken by UNEP as part of the APELL-Program (Awareness and Preparedness for Emergencies at Local Level), including the local workshops and reports about dangerous sites in Romania (especially Baia Mare), if that has not been done already. The project document would benefit from a reference to this work.

### **Conclusion and Recommendations**

Switzerland endorses this project proposal, on the condition that the above main concerns and Recommendations are taken into account in the further development of the project.

### **Additional remark**

We strongly support the plan to provide two international experts for the national dam safety commission - CONSIB – and we would find it desirable if the highly qualified dam-specialist who participated in the UNEP/OCHA assessment mission to Romania, Hungary, and Yugoslavia could be won for this task.

Comments from USA:

This project is aimed at reducing Romania's vulnerability to natural disasters and catastrophic mining accidents spills of pollutants, by strengthening disaster management and emergency response capacity, implementing risk reduction measures for floods, landslides and earthquakes, improving the safety of water retention dams and improving the management and safety of tailings dams and waste dumps facilities. The GEF portion is focused a pilot project to remediate mine waste at two sites and address the safety of tailings dams facilities, which could be replicated throughout remaining and other parts of the Tisza and Danube basins.

U.S. Position: Support. The project appears well structured, has good indicators and a well-developed monitoring and evaluation framework.

## **Multi-Focal Area**

### **Tajikistan: Community Watershed Development (WB)**

#### *Comments from Canada:*

CIDA/CEEB has been approached by the World Bank to co-finance part of the larger project in Tajikistan, and we have indicated that CIDA continues to be interested in possible collaboration on the technical assistance aspects of the initiative. However, we were not able to commit any resources, pending approval from the Minister on future allocations for CIDA's program in Tajikistan.

With regard to the project, we are in general agreement with the initiative, but we have concerns about its financial and social sustainability. In particular, inadequate attention has been paid to gender we would encourage the World Bank to make greater effort to ensure that women are adequately represented on the Jamoat Development committees that will mobilize and oversee the implementation of various community-based activities. We note that the proposed contribution to the project from the beneficiaries of US \$2.4M is very unrealistic, given the poverty endemic in the mountainous communities which the project targets. Finally, the Ministry of Agriculture which is the executing agency for the project is weak and although the World Bank identifies the risk as medium that government officials will force a top-down approach in the selection of rural investments, in fact this risk could be relatively high.

#### *Comments from France:*

The project aims at strengthen natural resources protection in Tajikistan by supporting institutional framework in agricultural sector (research and development).

With regard to the economic situation of this country and threats on natural resources, the objectives of the project are relevant.

#### *Comments from Germany:*

It should be taken into consideration to integrate the following aspects into the project planning:

- The link between improving living conditions of populations also in environmentally critical areas and improving the sustainability of such areas appear not to be described clearly enough. Also the activities leading to concrete impacts on globally important environmental values are rather weakly described and some expectations concerning the benefits seem to be too optimistic. Impacts referring to international waters and climate appear far-fetched. And it also appears optimistic to expect substantial increase in vegetative cover, addressing climatic change. It is important that the project considers aspects of economic viability. On

the other hand there is a danger that the aspects of biodiversity conservation and sustainable nature resource management will get comparably little attention, especially if these efforts cannot provide short or even mid-term direct financial returns. Therefore, biodiversity issues should be enhanced and indicators addressing biodiversity and conservative land management should be revised in order to allow the success of the project be measured in concrete terms also in regard to the global benefits expected.

- The project appears not to be free of risks concerning negative environmental impacts resulting from increased rural activities in the future. The scientific and technical provisions of the project sound well, however introduction of new technologies and plants and too short programs can bear substantial risks. It is important to keep these risks under critical scrutiny. Likewise expectations of growth and growth of the human population have to be closely considered and addressed.
- A transparent strategy to involve the local communities with participatory and multi stakeholder methods needs to be developed and incorporated in the project at the initial stage of implementation.

**RECOMMENDATION:**

It is recommended to take the above comments into account during further project planning and implementation.

*Comments from Switzerland:*

**General Commentaries**

As far as can be determined from the information provided, in general terms the proposal meets the requirements of Tajik government strategy and the objectives of the six GEF Operational Programmes mentioned in the proposal.

However, it appears to be extremely difficult to institutionally safeguard a community watershed development project of such complex design, with the Ministry of Agriculture and Rural Development as the major partners.

Other ministries and subordinate institutions that focus on water or biodiversity, for example, will make their particular interests known through the many OP links. The multifaceted stakeholder negotiation process to be organized at this point could be difficult to manage, given what we know about the transition process in Tajikistan and other CIS states. These doubts are based above all on the fierce competition between the ministries and the conceptual difficulties in integrating all the concerns of the different OPs. This will be all the more true if local stakeholders from the watershed areas are included on an ad hoc basis, as foreseen in the proposal.

**Main Concerns**

Our concerns are related mainly to the following issues.

The project puts a lot of emphasis on a decentralized approach with a major role being played by the Jamoats. Based on our experience, absorption capacity at this level is still very limited. There are not enough experienced partners and institutional capacities available at this level. The proposal identifies this as a risk factor (project summary) but rates the risk as medium only. We would suggest that this risk is high. Such a project will have to invest heavily in creating the necessary human resource basis needed to train trainers and facilitators, technical staff and project teams. Our general impression is that the proposal is overoptimistic in this respect. We think that the creation and strengthening of such capacities will be of major benefit to the project if it is carried out in an appropriate way, but this will require time.

In addition, a decentralized approach is not easily compatible with de facto and still very centralized government structures. This will cause a lot of friction at this level, which will need time to be eliminated.

The second concern is related to land tenure issues. Although mentioned in the proposal, they are not identified as a risk in the summary. However, unclear and unresolved land tenure issues are a great obstacle to investment and sustainable land use practices. Solutions will not be easy to find and will require time and resources.

### **Conclusions and Recommendations**

Limited institutional capacities at local level and limited human resources available for training and facilitating community action should be rated as a high risk factor. This could slow down the implementation of the project or have a negative influence on the quality of the work done. In the initial phase it may be necessary to adjust the number of Jamoats to be included.

A participatory orientation is of central importance. A principal orientation towards the Jamoat Development Committees (JDC) is important in choosing local partners. The possibility of founding such self-help organizations in Tajikistan has been legally established. These JDCs conform to the law and play a central, future-oriented role in rural development. At the same time, they should be judged more positively as partners in future development than the NGOs that are usually established in Dushanbe. This inevitable separation of NGOs and JDCs is especially important for natural resource management. Changes that lead in the direction of sustainable resource management need to be rooted primarily at the local level.

We would recommend including land tenure issues as a major risk factor. This issue and its impact on production and sustainability should be analyzed in greater detail.

### **Further Commentaries**

Observations with regard to monitoring and evaluation:

- Use of satellite data is extremely costly and requires an additional budget.
- Comparing satellite data with data obtained locally, e.g. on overgrazing or the threat of erosion, is complicated and requires considerable training of local people.
- Close cooperation among specialists who also have training in local indicators, with the Jamoat administration, the JDC, and with farmers and shepherds is inevitable.



- It is important to define local indicators that the population can establish and observe themselves. This is the only way that a locally secure and sustainable monitoring process can be taken over by the Jamoats or the JDC, even years after the project has been completed.

Strong migration from the mountain communities by young laborers is an important element. This may affect the willingness of local communities to invest labor in soil and water conservation, unless paid labor can be made available. The project management will have to solve the problem of how to deal with this constraint. If conservation and other work are paid for by the project, care will need to be taken to ensure that the incentives created do not have a negative effect on the sustainability of the work done.

Swiss projects in the area of community and village development go largely unmentioned in the proposal (e.g. Caritas Community Development in Muminabad, CAMP priority actions projects, Dom Vody). Their experience may be of interest for this project.

*Comments from U.S.A.:*

The U.S. requests that this project be recirculated to the Council prior to CEO endorsement, incorporating revisions to address the following comments:

This project funds investments in farm productivity, land resource management and resource infrastructure in rural mountainous areas of Tajikistan, where farming on sloping lands is causing serious erosion and land degradation. While the project appears to be well structured, there is not an adequate results measurement framework for global environmental benefits. (In addition, the project co-mingles IDA grants and IDA credits, which the U.S. has opposed. Would like to see IDA grants fund a separate component with its own output/outcome indicators.)

**Global: Small Grants Programme (Second Operational Phase – Year 6) (UNDP) (Project Due For Replenishment)**

Comments from France:

The SGP seems to be considered as a success story by every evaluation. It should however be emphasized that for every dollar granted to a local organization, administrative and management costs represent 34 % of the GEF contribution or 50 % of total grants amount.

This aspect of the efficiency has to be reviewed, as still more administrative means are asked for. With 31 M\$ for the fiscal year, out of which 20 M\$ is for biodiversity, the SGP already represents 10- 15 % of the GEF commitments in biodiversity. Is it GEF's strategy to keep expanding that program, in particular with the new land degradation window?

Comments from Switzerland:

**General comment**

Switzerland has been a strong supporter of the GEF-SGP since its inception. The many evaluations carried out to date have all confirmed the pivotal role the SGP is playing in successfully linking global, national, and local level issues in a highly participatory and country driven manner. This allows the SGP to address local poverty issues while protecting the global environment, which it has done successfully in hundreds of projects in more than 60 countries since 1992. During that time, the SGP has gone through a successful learning process and was able to build on its strengths while successfully addressing identified weaknesses. Today, the achievements are widely recognized, and the SGP is often referred to as “the Ambassador” of the GEF. In response to this successful track record, it was agreed at the Second GEF Assembly in Beijing that the GEF should be expanded, in line with the recommendations of the latest independent evaluation. The GEF Business Plan approved in May 2003 established an SGP-expansion target of 10 countries per year, in order to respond to the large increase in demand.

In light of this experience, a request for replenishment of the SGP is before us, in line with the “rolling” financial modality for the SGP, agreed by Council in 1998. Under this modality, the resources requested cover the needs for year 6 of the second operational phase, lasting from February 2004 until February of 2005. It appears that the “rolling” financing modality has fallen behind schedule a bit, which is most certainly due to the resource and liquidity constraints the GEF has been facing in recent times, mainly due to the large arrears of a large donor. The plan to remedy this situation is for the SGP to submit a more comprehensive proposal to the May 2004 Council Meeting, with the deliverables and benchmarks for a new three-year period. The next funding request will then come in November 2004, putting the “rolling” SGP-financing model back on track by requesting resources for the period of February 2006 until February 2007 with appropriate lead time.

### **Main concerns**

We are concerned that the UNDP headquarters coordination unit is inadequately staffed at present, in order to handle the formidable tasks of central SGP management, while expanding the program to a large number of countries that include LDCs and SIDS. We are therefore please to see the provision for 3 new professional staff and 1 new general service staff. The justification appears solid and the additional cost reasonable. In addition, we welcome the fact that this can be done while maintaining the agreed grant vs. non-grant cost ratio. We regard it as certain, that the LDCs and SIDS to be added to the SGP will require extra support for program start-up and development and we want established SGP quality standards to be maintained.

Another concern with the SGP has been its ability to systematically provide support to the most successful projects, in terms of facilitating, as appropriate, scaling-up, replication, or continuation. We feel that this issue has been receiving increased attention in the past years. Concerted efforts have been made to steer such projects into the medium-sized modality, and/or to mobilize cofinancing from other sources, including local sources. We look forward to the more comprehensive proposal in May, where we hope to find more evidence on how this issue is to be handled in future. It may be desirable, for instance, to provide national coordinators with sufficient managerial flexibility to be able to allocate additional resources from their allocations to an existing SGP project after its expiration date, if the project is widely recognized as very successful. In general, we would welcome a rather systematic approach to supporting and promoting the most successful SGP projects.

It is somewhat unfortunate that the submission of deliverables and benchmarks applying to this funding request will be submitted only in May. We are, however, aware that this problem is not of the SGPs own making and that continuity in SGP funding must be provided now in order to prevent any counterproductive disruptions in this flagship program of the GEF.

### **Conclusions and Recommendations**

Given the proven track record of the SGP and the good experience with the “rolling” financing modality the Council has established for the SGP, we endorse this proposal, with the understanding that funding adjustments for year six can still be made in the context of the more complete SGP-submission announced for May 04

#### Comments from USA:

Summary: This project is a one year replenishment of the Small Grants Program. It contains a number of indicators for expanding activities, attracting co-finance and improving participation.

U.S. Position: Support. Request annual report on results for Small Grant Program (e.g., CO2 emissions averted)