



Global Environment Facility

September 14, 2005

**COMPILATION OF TECHNICAL COMMENTS
SUBMITTED BY COUNCIL MEMBERS
ON INTERSESSIONAL WORK PROGRAM
APPROVED IN SEPTEMBER 2005**

NOTE: This document is a compilation of technical comments submitted to the Secretariat by Council members concerning the project proposals presented in the Intersessional Work Program approved by the Council in September 2005.

TABLE OF CONTENTS

	<u>PAGE NO.</u>
GENERAL COMMENTS.....	1
BIOLOGICAL DIVERSITY	2
Regional (Benin, Burkina Faso, Niger): Enhancing the Effectiveness and Catalyzing the Sustainability of the W-Arly-Pendjari (WAP) Protected Area System [UNDP]	2
Belarus: Catalyzing Sustainability of the Wetland Protected Areas System in Belarusian Polesie through Increased Management Efficiency and Realigned Land Use Practices [UNDP]	3
Botswana: Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta [UNDP].....	5
Croatia: Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development [UNDP]	6
El Salvador: Protected Areas Consolidation and Administration [WORLD BANK]	8
India: Mainstreaming Conservation and Sustainable Use of Medicinal Plant Diversity in Three Indian States [UNDP]	10
Venezuela: Biodiversity Conservation in the Productive Landscape of the Venezuelan Andes [UNDP].....	11
CLIMATE CHANGE.....	13
Armenia: Renewable Energy Project [WORLD BANK].....	13
Brazil: Second National Communication of Brazil to the UNFCCC [UNDP]	14
Burkina Faso: Transformation of the Rural PV Market (previously Energy Sector Reform) [UNDP]	15
Honduras: Rural Infrastructure (Electrification Sector) [WORLD BANK]	16

Indonesia: Integrated Microhydro Development and Application Program (IMIDAP), Part I [UNDP]	17
Macedonia: Sustainable Energy Program [WORLD BANK]	20
Peru: Rural Electrification [WORLD BANK]	21
INTERNATIONAL WATERS.....	22
Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania): Programme for the Agulhas and Somali Current Large Marine Ecosystems: Agulhas and Somali Current Large Marine Ecosystems Project (ASCLMEs) [UNDP].....	22
Regional (Comoros, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania): Southwest Indian Ocean Fisheries Project (SWIOFP) [WORLD BANK].....	23
Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania): Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project [WORLD BANK]	24
LAND DEGRADATION.....	25
Bhutan: Sustainable Land Management [WORLD BANK]	25
Nicaragua: Sustainable Land Management in Drought Prone Areas of Nicaragua [UNDP].....	26
Niger: Sustainable Co-Management of the Natural Resources of the Air-Tenere Complex [UNDP].....	27
MULTI-FOCAL AREAS	28
Regional (Albania, Macedonia): Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece [UNDP].....	28
PERSISTENT ORGANIC POLLUTANTS	30
Moldova: POPs Management and Destruction Project [WORLD BANK]	30

General Comments

COMMENTS FROM USA

There are also two general issues I would like to raise:

First as the US has indicated since September 2004, the treatment of cost-effectiveness, which is a central principle in the GEF Instrument, is of increasing importance in my government's review of the effectiveness of U.S. budget programs. While several projects in this work program have adequately addressed this issue (for example, the Indonesia Micro-hydro project and the Bhutan Sustainable Land Management project), the treatment of cost effectiveness continues to be uneven. Many GEF projects still confuse cost-effectiveness with financial leveraging. The fact that GEF funds leverage other funds does not mean that the project is cost-effective. Rather, cost-effectiveness can be demonstrated by comparing indicators on unit costs, describing how the project is more efficient in achieving results than previous efforts, indicating how the project aims to increase efficiencies over time, or perhaps noting that project implementation will use open and internationally competitive procurement practices. Therefore, we would remind agencies that, beginning with the November 2005 work program, the US reserves the right to object to any project that does not contain a satisfactory justification of cost-effectiveness.

In addition, as the US indicated at the June 2005 Council meeting, we do not believe that the UN Environment Program has the requisite fiduciary framework, project-at-risk systems that detect and correct problems in a timely manner, and effective and independent evaluation capabilities to undertake investment projects or projects involving the use of financial instruments such as guarantees or special funds. (In our view, the World Bank and the regional development banks currently have all of these capabilities to varying degrees.) The GEF Instrument clearly did not envision UNEP (or UNDP for that matter) engaging in these operations; nor did it envision bilateral or private financial institutions serving this key accountability function. Therefore, the US reserves the right to call for a vote on any of these types of operations put forward by UNEP as the sole Implementing Agency. We would also appreciate greater information from UNDP on its capabilities in these areas.

We appreciate the hard work that went into preparing this work program and look forward to discussing the issues that we have raised at the next Council meeting.

BIOLOGICAL DIVERSITY

Regional (Benin, Burkina Faso, Niger): Enhancing the Effectiveness and Catalyzing the Sustainability of the W-Arly-Pendjari (WAP) Protected Area System [UNDP]

COMMENTS FROM GERMANY

General Comments

1. The proposal is logic and complete. However, within the same area (Pendjari and WW-Benin) GEF was already active in cooperation with the World Bank. Despite evaluations that have been undertaken, “lessons learnt” of this project are not incorporated into the proposal.

Specific Comments

2. Earlier efforts in the terminated project to match the expenses with monetary income have not managed to close the financial gap. Consequently, the issue of financial sustainability is the main concern that needs to be addressed. The sources of income in the current project seem even more limited (less tourism and game hunting opportunities). Therefore a long term financing scheme (e.g., a trust fund) has to be established.

3. The scheme should be part of an overall business plan for the project. These annual business plans should also be evaluated annually to assure a transparent management.

4. Co-management processes should be addressed more prominently in the proposal, as they are directly linked to the questions of good governance and to the newly emerging communities in the decentralisation process.

Recommendation

5. Germany supports the proposal. The above raised concerns should be addressed during further planning and implementation.

COMMENTS FROM FRANCE (September 16, 2005)

The project is not built on the analysis of success and failures of previous initiatives on the same area during the last ten years. To take one example, GEF-BM is already financing Cenagref in Benin, without any clear success: what have been the lessons learned and why it will be different this time?

It is however clear that this area is by far the most important area of wildlife in West Africa, and has to be supported. It is therefore important to start from a thorough analysis of what failed before.

*More information or clarification could have been provided at this stage.

Belarus: Catalyzing Sustainability of the Wetland Protected Areas System in Belarusian Polesie through Increased Management Efficiency and Realigned Land Use Practices [UNDP]

COMMENTS FROM GERMANY

General Comments

6. The objective of the Belarus Project is to improve the management of the Wetland Protected Areas System in Belarusian Polesie and to integrate biodiversity conservation objectives into the key economic activities – agriculture, forestry and flood defence.

Specific Comments

7. Considering the importance of establishing management plans for the selected reserves and the problems involved in the sustainable financing of their implementation, including ecotourism and private sector participation, we recommend to take into account concepts and experiences accumulated by the Conservation Finance Alliance, thereby expanding traditional management plans towards business plans.

Recommendation

8. Germany supports the proposal. The above raised concerns should be addressed during further planning and implementation.

COMMENTS FROM USA (August 25, 2005)

9. The project has strong and clear results measurement framework and seems well thought out and focused. We had a few quick questions:

- (a) Are non-governmental groups involved in this project?
- (b) Is any resettlement required or expected? If so, have affected people been consulted and is there a resettlement plan?

COMMENTS FROM USA (September 9, 2005)

10. The *Belarus Catalyzing Sustainability of Wetland Protected Area System* project has strong and clear result of measurement framework and seems well thought out and focused. However, we are concerned about the potential adverse impact that the project- might have on those currently inhabiting one of the project areas, and want to ensure that their concerns are

taken into account as the project is further developed. Therefore, the US requests that this project be recirculated to the Council prior to CEO endorsement so that the Council can review the detailed stakeholder involvement plan, and requests that UNDP provide further information on the impact of the project on people living in the Mid-Pripyat reserve.

Botswana: Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta [UNDP]

COMMENTS FROM GERMANY

11. Germany supports the proposal.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The proposal addresses the complex interactions and relationship between people in one of the world's most significant and unique freshwater wetland ecosystems, which hosts a high beta diversity. The Okavango Delta as the key target area of the proposed project provides critical water, forage and other resources for wildlife, livestock, and humans at a time of the year when these resources are becoming scarce elsewhere. Although the core area of the delta is still mostly pristine, mostly due to the occurrence of the tsetse fly, the proposal lists numerous threats which increasingly impact on the ecological integrity of the wetland ecosystems of the Delta. The proposal convincingly shows that under the Baseline Scenario the management of water and other economically important natural resources will improve but will not be sufficient to safeguard the sustainable protection of the Delta's biodiversity. It therefore suggests a two-pronged approach in an effort to contribute to problem solving by involving the GoB in mainstreaming biodiversity into land use planning and by involving land users in the implementation of the project activities and land use plans. It is expected that the proposed strengthening of existing capacities and developing knowledge management systems will result in global benefits.

The proposed activities appear to address all major threats and their root causes to ecosystem integrity in the target area and are designed to contribute to resolving the problems encountered. With its holistic approach to ecosystem planning and management, the project is of high relevance. Stakeholder participation and questions of sustainability and replicability appear to have been covered sufficiently.

The proposal meets the key eligibility criteria for GEF funding (threat removal, sectoral integration, institutional strengthening, capacity development, stakeholder participation) and is consistent with the national vision, policies and strategies. It appears to enjoy strong political support. Botswana ratified the CBD in 1995. The proposed project meets GEF's Strategic Priority 2 (Mainstreaming Biodiversity in Production Landscapes and Seas) and qualifies under OP 2: Marine, Coastal and Freshwater Ecosystems.

Main Concerns

The project is very complex. It appears therefore unlikely that its ambitious goals and objectives can be met within the proposed five-year timeline, in particular in the light of the critical cross-sectoral/multi-stakeholder involvement, which is crucial to achieving the proposed targets.

Although the proposal provides background on linkages with other GEF sponsored, UNDP implemented projects in the target area, it insufficiently details the regional context, especially as it relates to Angola and Namibia, which control most of the water sources feeding the Okavango Delta. Furthermore, the proposal fails to show linkages to other regional international donor projects with a direct bearing on the Okavango Delta (i.e., multi-donor, five-corner Kaza-SADC project etc.). In light of growing scarcity of funds for environmental protection and the management of natural resources, it is prudent, however, to maximize synergies and synchronize on-going and planned activities to the fullest.

Conclusions and Recommendations

The very well written and very well presented proposal is scientifically and technically sound and provides a comprehensive synopsis of the local framework conditions. Against the background of current threats and their root causes related to the Okavango Delta, the proposed project appears timely and of high local and global priority. **We recommend that the project should therefore be endorsed in principle.**

We recommend to extend the timeline of the project to a minimum of seven years, since it is unlikely that measurable results can be achieved within the proposed five year timeline.

We suggest that the project would gain from sound synchronization with other donor-sponsored activities in the region, especially those related to the Okavango/Chobe Rivers, regional tourism development plans and other trans-frontier activities of relevance to the project (i.e., USAID/SIDA transboundary coordination of water management and the “five-corner” KAZA project).

Further Comments

The proposal states that a “wide-range stakeholder consultation” took place in preparation of the proposal, claiming a truly “participatory” process. But consultation does not necessarily imply stakeholder participation in the design of the project. It is laudable that the project aims at transferring key conservation responsibilities to land-users. However, lessons drawn from other projects prove that stakeholder ownership and buy-in may only be achieved through active stakeholder participation at a very early stage and throughout the project design and implementation process.

Paragraph 77: It is not yet clear how the proposed “knowledge management system” will be sustainable.

Paragraph 87: The risk table rates “external pressures” as “low”. In light of continuing international pressure regarding tsetse control in the Okavango Delta and increasing demands for water from neighbouring countries, the risk related to outside pressures offering poor mitigation

opportunities appears rather high. We would like the authors of the project to address how this difference in interpretation can be reconciled.

Paragraph 112: Technical Advisory Group: Lessons show that without remuneration such Committees and Groups will not work. We suggest therefore that provisions should be in place for the remuneration of its members.

Paragraph 120: With respect to the “Outcome Budget Table”: It is not yet clear what the 1, 5 million USD listed as “UB” funds refer to (would UB be the Implementing Agency (UNDP) for this project?) Would these then be UNDP contributions (none listed under Co-financing) or costs?

Paragraph 138: With respect to the Incremental Cost Matrix: The Matrix lists the UB costs at 500 000 USD. We suggest that this item be further specified.

We also suggest that project document indicates the source of the 1.8 million USD listed as confirmed Private Sector Co-Financing.

Croatia: Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development [UNDP]

COMMENTS FROM GERMANY

General comments

12. In general, most of the results intended in the three sectors lack realism. The proposed measures and outcomes give the impression of a random compilation of ideas under the umbrella of biodiversity conservation. It is also questionable if the project within the Ministry of Planning has the mandate or legal back-up concerning interventions in the tourist, fisheries and agriculture sector, in particular, if land tenure matters are concerned. Further, the proposal only mentions favourable national policies and commitments by stakeholders but neglects the respective legal framework of the sectors which are for example necessary to relocate cage culture operators, enforce regulations or reprimand non-compliance with biodiversity related regulations.

Finances

13. It is highly questionable if the share of co-financing (75% of the budget--which is often based on verbal commitments, see footnote page 13) is realistic.

Recommendation

14. For the above mentioned reasons we ask for recirculation of the project proposal to the Council for a second review prior to CEO endorsement.

COMMENTS FROM USA (August 25, 2005)

15. This is definitely an important area for GEF support, and the project seems well thought through and quite ambitious in scope. However, the project summary documentation raised the number of questions that we weren't able to find answers to in the summary document and a quick glance at the project document.

- (a) Please describe the EU accession requirements relevant to the project and the basis for the apparent incremental cost baseline assumption that Croatia will not meet its obligations. Isn't baseline supposed to be what the government is planning to do, in this case adhere to EU accession obligations?
- (b) What are the reforms in the banking system referred to on p.20? Are they required for project success? Are they in place now? If not, what is timing and likelihood?

- (c) The document seems to suggest that you creating a separate small grants program for Croatia. Why aren't you using the GEF's existing small grant program for this purpose?
- (d) What are the terms of the partial-risk guarantees? What type of fund or instrument is backing up the guarantees? Is GEF money any part of that? What happens to the funds if the guarantees are not needed? Will they be returned to the GEF?
- (e) The cofinancing commitments seem somewhat vague, especially private-sector. So do some of the monitoring and evaluation targets and plans, especially for the biodiversity indicator. Under the M&E terms of reference, targets and plans should be ready at the time of Council approval not at CEO endorsement and baselines should be done in 1st year.
- (f) We are not convinced of sustainability (document seemed to argue that there are no reasons to believe otherwise, which is not compelling). The project appear to assume that it can put in place an incentive structure (presumably requiring budgetary support) and catalyze a fundamental cultural change toward biodiversity, both of which are fundamentally difficult objectives. For example, if market incentives are required after the project, how much will this be funded? If partial risk guarantees are still required for companies to set up environmentally friendly businesses, who will assume the risk?

COMMENTS FROM USA (September 9, 2005)

16. Although the *Croatia Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast* project is clearly directed at an important area, the project document raised a number of issues that were not resolved satisfactorily by UNDP's response to our questions. For example, the incremental cost calculation does not appear to give sufficient weight in the baseline of the actions that Croatia will take as part of its EU accession requirements. The terms of the proposed partial risk guarantee have not yet been negotiated; since there is not a GEF policy on these instruments, it is unclear whether the terms will be acceptable. There is insufficient justification for the proposed creation of a separate small grants program instead of using the existing GEF-wide small grants program. It is not clear that the proposed banking reforms have been reviewed in the context of the safety and soundness of the overall banking system. Key indicators for monitoring and evaluation have yet to be selected, and the cofinancing commitments seem somewhat vague. Therefore, the US requests that the Croatia project be postponed until the November Council meeting in order to discuss these issues.

El Salvador: Protected Areas Consolidation and Administration [WORLD BANK]

COMMENTS FROM GERMANY

General Comments

17. The objective of the Project is to conserve El Salvador's globally significant biodiversity by strengthening the national protected areas system and consolidating two priority protected areas.

18. There are no ongoing German cooperation activities in the context of biodiversity and protected area management in El Salvador. Due to the intensive work in the areas of co-management with municipalities and local land-use planning it might be worthwhile for this project to also consider the experiences of two GTZ-Projects in El Salvador:

- (a) Advisory services to communal development and decentralization (PROMUDE-GTZ); and
- (b) Participatory spatial planning in the La Paz region.

Specific Comments

19. Considering the importance of establishing management plans for the selected reserves and the problems involved in the sustainable financing of their implementation (identified as a major problem in the lessons learned from other reserves in El Salvador), including ecotourism and private sector participation, we recommend to take into account concepts and experiences accumulated by the Conservation Finance Alliance (<http://www.conservationfinance.org/>), thereby expanding traditional management plans towards business plans.

Recommendation

20. Germany supports the proposal. The above raised concerns should be addressed during further planning and implementation.

COMMENTS FROM USA (August 25, 2005)

21. This appears to be a fairly solid project, but we have a few questions and comments, and one serious concern about fiduciary matters:

- (a) The project states that project execution and all fiduciary matters will be handled by the Ministry of Environment and Natural Resources (MARN), and we would

like more information to determine whether this is appropriate. We are assured in a footnote that arrangements for ensuring adequate fiduciary capacity would be established within the Ministry during the first year of project execution, and that this would benefit a future environmental services project. What capacity does MARN lack, and will its shortcomings be fixed before disbursement of funds? What is the risk of diversion of GEF resources?

- (b) Why have national protected areas not been effectively protected in the past? How are the causes of those failures being overcome in this project? What is the project doing to ensure that staff hired under this project can be maintained on the government payroll?
- (c) Land tenure issues are particularly important for this project, and are quite difficult in El Salvador. We would strongly recommend that the issue of resolving land tenure challenges receive special attention as you further develop the project.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The project's environmental objective is to conserve El Salvador's globally significant biodiversity by strengthening the national protected areas system and consolidating two priority areas. It puts forward 3 proposals for outcomes:

- (a) updated strategy and action plan for consolidating national protected areas system;
- (b) two pilot protected areas consolidated and effectively managed; and
- (c) biodiversity benefits secured in at least 37,517 ha of mangrove or associated humid forest coverage, respectively of dry tropical forest or associated riparian forest; for the latter, reaching zero deforestation compared to baseline.

Executing Agency is El Salvador's Ministry of Environment and Natural Resources (MARN) and the National Registry Centre (CNR).

Threats to biodiversity conservation are identified as habitat destruction, deterioration through conversion of forest, pollution, and overexploitation of natural resources.

The project refers to all 4 Biodiversity Operational Programs. It is mainly in line with the Strategic Priority 1 (catalyzing sustainability of protected areas). The project would also, following the Project Brief, provide valuable support for Strategic Priority 4 (generation and dissemination of best practices), and it seems consistent with further GEF criteria.

El Salvador is benefiting from one further country project and eight regional biodiversity projects, which are currently implemented or under preparation. The relationship and the link of

the current proposal with the GEF Mesoamerican Biological Corridor (MBC) Project, as well as with the recently approved GEF Environmental Services Project, are of major interest.

The 3 project components (outcomes) are soundly balanced and the basic elements of the project are well described. Nevertheless, regarding their further specification in the conceptual design, there are several concerns which merit further attention. They are described below.

Main Concerns

- Links with other ongoing GEF biodiversity projects are not sufficiently clarified and/or not sufficiently addressed in the project design.

(a) Links with GEF's Mesoamerican Biological Corridor (MBC) Project:

The MBC project is listed as one of the major related projects. Due to its role, it could even be considered as the umbrella project for all further biodiversity conservation activities in the region. Nevertheless, little information about links and possible duplications with the current proposal is provided. Especially regarding its outcome 1, we would like to ask whether the current project duplicates any efforts to strengthen the national protected areas system. Are their complementarities regarding the institutional strengthening? Furthermore, are the newly proposed project areas situated within the Mesoamerican Biological Corridor? If this was not the case, we would assume that the authors of the project would be in a position to provide a thorough explanation that the new project areas are of sufficient global priority to justify a new GEF intervention.

(b) No links of the field activities with GEF's Environmental Services Project:

In its response to the STAP reviewer, the project proponents indicate reasons why there are no concrete links in the field between the current proposal and the currently approved Environmental Services Project. Although we recognize that both project designs have followed their own tracks, we regret the lack of such links. In addition, the success of the new project will depend on the willingness of the concerned population to forgo the use of resources in the PAs. In economic terms, it will not be enough to designate land rights, nor will their number be very significant for the area covered. Thus, a territorial link with the Environmental Services Project would be highly welcome: It would create synergies and it would at least partially resolve the problem mentioned. And, last but not least, the Environmental Services Project could also benefit from such a link in terms of its impact on biodiversity conservation.

Considering the relatively small size of El Salvador (21000 sq km), we wonder why GEF's interventions for biodiversity conservation are not further interconnected. So far, they look rather dispersed across the country. At the level of GEF's country biodiversity project portfolio, there is so far no evidence of a clear territorial prioritisation or of any territorial concept. We are of the opinion that more attention should be given to the geographical selection of GEF interventions and the thematic links between GEF projects.

- The indicators are defined in terms that are too general. They are thus so far not very appropriate to measure project results, especially regarding biodiversity conservation.

The indicators described in annex 3 (results framework and monitoring) are defined in such a

general way that they will not be appropriate to measure project results. The indicators have to be further specified.

The findings of the GEF Overall Performance Study (OPS-3) emphasized the same need to sufficiently specify the indicators already at the design stage of a project.

We like to point at two indicators that may stand as examples of our concern:

- Indicator "draft inter-institutional agreements for operating the NPAS for year 5", which is geared to component 1 (NPAS strengthened to enable long-term sustainable management through consolidation of existing strategy):

We would like to ask what level of information can be expected from such an indicator? To us it does not seem very appropriate to assess the level of consolidation. Furthermore, we are concerned that the indicator only covers the status in year 5. In order to assure long-term sustainability, this would not be enough.

- Indicator "number of beneficiaries with improved environmental and biodiversity management through implementation of updated management plans increased by 10% in both areas", which is geared to component 2 (two pilot areas consolidated and effectively managed):

If the number of beneficiaries in the baseline scenario is very low, a 10% increase is hardly relevant for the biodiversity. In addition, the question to focus on is not only the number of beneficiaries, but also the surface areas concerned, and the type of change. And further, the authors of the project have yet to address which criteria would allow to rank a beneficiary's management as environmentally improved?

In synthesis, the indicator proposed is still too general to really assess the expected changes in terms of their quality and quantity.

Finally, there are no indicators yet which would allow any assessment of the further evolution of the threats. For example, the *Bahia de Juiquilisco* PA aims at reaching a zero deforestation rate for the mangrove and associated humid forest coverage, but no indicator is designed to confirm this goal. Similarly, there is no indicator yet to assess the project results in terms of biodiversity conservation.

➤ Sustainability is not yet sufficiently assured.

We fully agree with the STAP reviewer that the institutional sustainability is not yet well described in the project document.

In response to STAP, the project proponents state that the institutional and financial sustainability of MARN is currently being analysed. Recommendations of these studies will be incorporated in the design of component 1. Therefore, we are of the opinion that at this stage in the drafting of the project (i.e., project brief) and until the recommendations mentioned are taken into account, it is not yet possible to assess comprehensively the institutional sustainability of this project.

At the same time, the project proponents put particular emphasis on showing how year 5 will be assured with national resources. Indicative in this sense is also the already discussed indicator of outcome 1: "draft inter-institutional agreements for operating the NPAS for year 5". Although we recognize that year 5 will be of crucial importance in the transition to the

national follow-up of the project activities, there is a need to show how sustainability is assured in the long-term.

Conclusions and Recommendations

We support the objectives of the current project. Despite the fact that the project is basically well described and its components are soundly balanced, there are considerable concerns regarding (a) the links of the current proposal with ongoing GEF projects in El Salvador, (b) the appropriateness of the indicators, and (c) the sustainability of the project.

Therefore, we recommend approval of the project by the GEF, but expect that our concerns are further analysed, satisfactorily responded to, and integrated in the final project preparation.

Further Comments

➤ [Potential for replication in other areas.](#)

Based on the account of the project proponents, the consolidation of the two selected protected areas and the heavy emphasis on learning and adaptive management would provide valuable support for Strategic Priority 4 (generation and dissemination of best practices), by integrating the results into the redefinition of the National Protected Areas Policy and disseminating them at the national, regional, and global levels.

This statement does indeed look very promising. At the same time, we would like the project to benefit from results of and experiences gained with already successful GEF projects. We would therefore highly welcome if the project proponents sought to integrate such results and experiences from other GEF projects in the current project design.

➤ [Land tenure.](#)

Following the project documents, “many residents from nuclei and some directly adjacent land without clear legal title will receive land rights subject to limitations set forth in the management plan”.

We fully recognize the World Bank’s experience in the field of land tenure. Nevertheless, it is worth underlining the complexity of this issue. Thus, possible delays with the process of provision of land titles might affect further project activities and outcomes.

Due to the importance of this issue, we also recommend defining indicators more specifically with regard to the provision of land titles.

India: Mainstreaming Conservation and Sustainable Use of Medicinal Plant Diversity in Three Indian States [UNDP]

COMMENTS FROM GERMANY

General Comments

22. The project aims at the establishment of *in situ*-conservation areas for medicinal and aromatic plants in three Indian States (Northwest, Northeast und Central India). The project is well justified and involves all relevant stakeholders in India. We welcome the impact orientation of the log-frame and the formulation of the outcome indicators.

Specific Comments

23. We wish to raise attention to the fact that two of the States are part of the Hindukush-Himalaya Region. The International Centre for Integrated Mountain Development is working in this geographical region and has ample experience with community-based approaches in natural resource management, including the sustainable management of medicinal and aromatic plants. Especially regarding Outcome 4 on the replication it would be useful to include ICIMOD as a relevant actor, who could contribute to extend the experiences of the project not only to all of the northern Indian States but as well to the neighboring countries.

Recommendation

24. Germany supports the proposal. The above raised concerns should be addressed during further planning and implementation.

COMMENTS FROM FRANCE (September 16, 2005)

*Interesting project design about medicinal plants.

We feel however that indicators should normally be determined before the first year of the project, as proposed. With a 345.000 \$ PDF, we feel that GEF Secretariat is entitled to get a clear set of quantified indicators, before decision. This already happened in other UNDP projects.

*More information or clarification could have been provided at this stage.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The project aims at mainstreaming the conservation and sustainable use of medicinal plants in three Indian states through (i) the creation of an enabling environment for mainstreaming on the national level, (ii) fostering forest management policies in the three project states, (iii) improving conservation and sustainable use on the local level through the establishment of Medicinal Plants Conservation Areas and Forest Gene Banks, (iv) the development of materials for replication of successful models of conservation, and (v) through establishing an effective monitoring and evaluation scheme.

The project is consistent with the GEF Biodiversity Strategic Priority 2 and it also addresses the GEF Operational Program 3 (Forest Ecosystems).

This particularly well-designed project creates a win-win situation through, in the medium term, contributing to the improvement of the livelihoods of people relying on the use of medicinal plants, without losing a distinct focus on conservation and sustainable use of biodiversity.

The project benefits from a strong commitment on all levels of stakeholders involved (including co-financing), which is a strong basis to secure its sustainability: The broad support and stakeholder involvement are a good basis to extend the project's impact well beyond project duration.

We support the proposal of the STAP for the early establishment of meaningful biodiversity indicators.

Main Concerns

None.

Conclusions and Recommendations

We support the project proposal, and recommend its approval by the GEF.

Venezuela: Biodiversity Conservation in the Productive Landscape of the Venezuelan Andes [UNDP]

COMMENTS FROM GERMANY

General Comments

25. The project is consistent with the GEF procedures.

Specific comments

Financing

26. From the 7.3 Mio GEF-Support nearly 2 Mio will be used for outcome 4, focusing on the PCM and M&E of the project itself. As the GEF contribution shall cover the incremental costs of the project, we think that the budget needs to be re-adjusted.

World market for organic and fair trade coffee

27. Although there is positive evidence for the growth of this niche market, the success of the project not only depends highly upon the stability and growth of this market niche but also on the access of the farmers to the market. The components of the production of other products than shade coffee should be given more importance during project implementation. Therefore, it would be necessary to find local and national markets for all products to diversify the clients to become more independent from one market sector.

28. While higher prices for organic and fair trade coffee are getting less important on the world market, the relevance of aspects such as certified origin and quality of the coffee beans is rising: Other countries in Latin America and Central America are currently addressing this issue, trying to improve the quality of their coffee. We would like to ask the GEF Secretariat and the implementing agencies how the project intends to address these challenges.

29. German Development Cooperation is a member of the “Common Code for the Coffee Community” Initiative (the “4C Initiative”). The objective of this code is to foster sustainability in the mainstream green coffee chain and to increase the quantities of coffee meeting basic sustainability criteria. We therefore propose to initiate an exchange of information and experiences between the project and the “4C Initiative”, in order to avoid a duplication of work and to benefit from the lessons learned.

30. It is not obvious why there should be “only” 600 families with certified coffee production but a total of 10.500 families with an increased annual income and 17.500 families with an additional source of income (see indicators of outcome 1). We would like to ask the GEF Secretariat and the implementing agencies for clarification.

Land titles

31. Most of the small farmers do not have formal land titles, “a fundamental requisite for accessing assistance programmes” (p. 3 of the executive summary). The project outline does not point out clearly how to face these challenges, although this would be an important baseline for the success of the project, especially in terms of sustainability after project end.

Incremental cost

32. The GEF increment will result in “increased livelihood and food security, including demographic stability, among the local population, thereby helping to ensure landscape stability” (11.ii, p. 6 of the executive summary). The demographic stability depends on numerous factors, which will be difficult to calculate and handle within a project like this.

Improved living conditions

33. “Living conditions (for example, access to water and sanitation) will be improved, as a direct result of the increased incomes resulting from the application of biodiversity-friendly activities” (p. 7 of the executive summary). Although the income of numerous farmers’ families is supposed to increase, it is not becoming clear how this can have a direct influence on infrastructure in the region (see also logical framework: last indicators for the objective of the project). Strategies for a more direct influence of the development of this kind of investigations should be developed during project implementation.

Environmental Services

34. The project proposal does not state clearly who will pay for the produced environmental services.

Stakeholder participation

35. The stakeholders should be involved in the monitoring and evaluation of the project itself (outcome 4).

Recommendation

36. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM FRANCE (September 16, 2005)

We agree with most GEF Secretariat comments and do not feel that IA gave convincing answers on the following points.

- It is said that there is not a big pressure to transform forest into coffee area, and that 640.000 ha of forest will be integrally maintained. In the same time, it is said that there is a guaranteed market for quality coffee. This is contradictory: if there is a market, then coffee will be planted in forest area.
- It is also said that there is a market for biodiversity friendly coffee: we are not sure there is such a market for the 362.000 ha of shade coffee. As GEF has been financing in several countries similar programs of biodiversity friendly coffee, it would have been necessary to develop the lessons learned by those projects on the market.

- We did not see in the summary who is going to pay forest owners for environmental services, for how much and for how long. Is Venezuela willing to enter in a long-term policy of environmental services payment?

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The proposed project is located at the Merida Cordillera (northern Andean region of Venezuela). The project covers montane forest ecosystems, which are classified as being of highest national priority for conservation. The project basically focuses on the maintenance of the existing shade coffee production systems, which are situated at an altitude from 800 to 3000 meters above sea level. The project aims at promoting production systems which are compatible with biodiversity conservation, such as shade coffee (including organic agriculture) associated with rural eco-tourism, in order to reverse current trends towards the replacement of shade coffee with other less biodiversity friendly production systems. It is expected that the project would result in an increase of the biodiversity value of the productive landscape in the project area.

The project proposal indicates 4 expected outcomes:

- (a) Producers in pilot municipalities have the required capacities to establish and manage biodiversity friendly production systems;
- (b) Enabling policy, planning, and regulatory frameworks support BD-friendly productive systems in pilot municipalities;
- (c) Pilot municipalities operate as platforms for the interchange of experiences on best practices and lessons learnt; and
- (d) Adaptive management principles supported by monitoring tools guide project implementation and management functions.

The proposal is consistent with the principles of the GEF OP4 (Mountain ecosystems) and is in line with the Strategic Priority 2 (Mainstreaming Biodiversity in Production Landscape and Sectors). The threats to biodiversity and its root causes are well identified and soundly described.

Although we basically share the project's orientation towards the development of biodiversity friendly production systems, we are concerned that the issue of biodiversity conservation is mainly treated at the level of the project rationale and objectives, and only to a small extent at the level of project activities, outcomes, and impact. The issue of biodiversity conservation is not yet followed through in a consistent way from the definition of the rationale and objectives to the level of outcomes, impact, and indicators.

Main Concerns

Biodiversity conservation is not sufficiently addressed.

We fully recognize that coffee shade production systems are basically biodiversity-friendly, a fact well described in the rationale of the proposal (high level of structural and species diversity; role in maintaining ecological processes and natural population dynamics for many species in a productive landscape with remaining forest patches). We also agree that it is important to attach value to the shade coffee production systems, thus increasing their attractiveness as a production alternative to the local farmers (one of the primary goals of the proposal).

However, in order to justify a GEF financing, it does not seem enough to soundly describe in theory all the advantageous aspects of shade coffee production systems for biodiversity conservation at the landscape level, but, regarding its application in the project design, leaving the outcomes and impacts for biodiversity conservation untouched. As a consequence, the indicators put forward in the project refer to development activities and to their socio-economic impacts, but there are not yet any well-specified and appropriate indicators for biodiversity outcomes and impacts. Last but not least, this deficiency is also highly critical in view of the findings of OPS-3.

In the same sense, the GEFSEC's technical review made comments regarding the previous existence of specific conservation aspects in the initial PDF proposal (such as activities related to biological corridors to allow for a better connectivity of this landscape production mosaic and the remaining montane forest patches of the Meridean Cordillera) that afterwards disappeared and can no longer be found in the current proposal. Despite the response of the project proponents to the GEFSEC technical review with regard to these changes, we do not agree with the current proposal and the fact that biodiversity is addressed only in an indirect way.

In synthesis, the project proposal focuses basically on aspects of rural development through the promotion and strengthening of shade coffee production systems, but the biodiversity conservation strategy, as well as its targets, activities, outcomes, and indicators at the landscape level are widely neglected.

The target of the project to maintain the current land use mosaic is of limited impact for biodiversity conservation.

The project aims at maintaining the current surface (in hectares) of shade coffee and of non-coffee forest cover (see impact indicator, annex B executive summary). Thus, although shade coffee is considered as a biodiversity-friendly production system, the goal of the project seems to be of little impact for biodiversity conservation; at least it would not significantly improve the actual biodiversity. This modest target for biodiversity is in contradiction with the more promising project objectives (e.g. page 9, executive summary), which indicate: "*maintenance and stabilization of forest cover, conversion to shade coffee and / or organic agriculture within farming plots,...*".

In order to improve biodiversity, the project proponents should not only target the maintenance of the current surface of biodiversity friendly production systems, but also the (re-)conversion of

other production systems, which are less biodiversity friendly (e.g. coffee production without shade).

As quoted in the project brief (page 10, paragraph 30 and 31), approximately 48% of the montane forest in the Merida Cordillera has been lost to date and the area of shade coffee stands has diminished by an estimated 50% in the last 30 years. In addition to the loss of these habitats, the complexity, connectivity, and habitat value of the productive landscape as a whole is being reduced through its gradual conversion from a mosaic of small patches of different land uses to increasingly homogenized and ever larger continuous expanses of pasture.

In synthesis, if the project's outcome will basically be the maintenance of the existing 362,400 ha of shade coffee (representing 18.3% of the total project area), no additional effort for biodiversity conservation is made and no major impact on the biodiversity conservation at landscape level can be expected.

Conclusions and Recommendations

The project proposal lacks a veritable approach to biodiversity conservation. The targets for biodiversity conservation are not further specified, and indicators to measure results and impacts in terms of biodiversity conservation are widely absent. Earlier observations of the GEFSEC regarding a consideration of biodiversity targets in the project design have not been followed up in the project design.

Basically, the project aims at the improvement of the production of the current shade coffee production systems through the promotion of organic agriculture, certification, and eco-tourism. Biodiversity conservation, however, is touched upon only in an indirect manner. Furthermore, aiming principally at maintaining the current land use mosaic (in terms of surfaces) is not enough to improve biodiversity trends. And last but not least, with the current project design, the results with regard to biodiversity conservation will not be measurable.

Although we support the orientation of the project towards rural development, in our opinion a GEF financing is not justified as long as biodiversity is addressed only in a very indirect way.

We therefore request that this proposal is not yet approved as part of the Intersessional Work Program. In our opinion, it is necessary to integrate the biodiversity concerns in a more explicit manner in the project design:

We recommend that the project proponents take into consideration biodiversity conservation not only as an intrinsic value of shade coffee production systems but that they also address biodiversity conservation in an explicit manner, specifying its proper targets and activities and outcomes. In addition, the results of the project – in terms of biodiversity conservation – must become measurable and a matter of evaluation.

Further Comments

Lack of maps in annex: Without a visual help it is very difficult to form an idea of the characteristics and spatial relations between the targeted area of the project, the remaining forests, and the protected areas. At the moment, some maps are mentioned in the project document, but they are not yet made available in the project documentation.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

CLIMATE CHANGE

Armenia: Renewable Energy Project [WORLD BANK]

COMMENTS FROM GERMANY

37. Germany supports the proposal.

COMMENTS FROM FRANCE (September 16, 2005)

The project aims at developing the local private investment in a set of small size renewable energy projects (mainly small hydro and wind). Armenia presents good potentials (740 MW) and has a supportive framework in place (tariffs, guaranteed purchase power agreements...). Therefore, the general approach is a coordination and promotion of different activities such as capacity building, support for structuring and financing the investments...). The CDM is not part of the scope of project. The participation of a local specialized fund is considered (R2E2 Fund) to monitor the project and to initiate the investments. Several institutions have expressed interest to participate (IDA for 5 M\$, EBRD 7 M\$, Cafesjian Family Foundation 3 M\$). KfW is looking at co-financing the downstream sub projects through the local commercial banks (7 M\$ allocated). The manager of the fund will be the Cascade Credit owned by CFF. It is assumed that 80 MW will be built.

The energy sector of Armenia (3 200 MW) consists of 1 700 MW of gas thermal power plants, 1 000 MW of hydro and 400 MW with a nuclear power plant.

* Three questions on the project can be raised: (i) how competitive are these small power projects compared, (ii) The R2E2 fund is a private body. How are the IBRD/IDA funds will be injected into the project (iii) what are the references of Cascade Credit regarding the sector and the project?

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Brazil: Second National Communication of Brazil to the UNFCCC [UNDP]

COMMENTS FROM GERMANY

38. Germany supports the proposal.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Burkina Faso: Transformation of the Rural PV Market (previously Energy Sector Reform) [UNDP]

COMMENTS FROM GERMANY

General Comments

39. The implications for the target-group and their involvement in the whole project have not been addressed sufficiently. Water management on the village-side is vital for the sustainability of the programme.

Specific Comments

40. The project brief gives only a vague understanding on the involvement of the target groups. We presume that the same type of water management will be applied that is mentioned in PRS I (Programme Régional Solaire I) and PRS II project documents. If this is not intended yet, we request to follow these water management concepts.

41. Due to the fact that little is known about the groundwater table in Burkina Faso we propose to attach a component to this project to support the villagers to reinforce or to start to build small walls:

- Cordonne pierreuses, Height ca. 30 – 40 cm
- Diguettes, Height ca. 50 – 60 cm
- Dignes, Height ca. 60 – 100 cm

42. These small walls stop erosion and support rainwater infiltration and increase the production of agricultural products considerably.

Recommendation

43. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM USA (August 25, 2005)

44. This project appears to depend critically on government action to eliminate import duties and value added tax on the photovoltaic equipment. How solid is the commitment to do this? Is this action an effectiveness condition of the grant agreement?

COMMENTS FROM FRANCE (September 16, 2005)

The project aims at supporting the development of PV in the rural water service delivery program areas of centre-sud. 220 solar pumping systems are planned in conjunction with ADB cooperation. The basic idea of the project is to promote the PV in the remote villages where the grid is too expensive to be connected or diesel prices for power generation are expensive. The sustainability of the project is being sought through the participation of the private sector and the policy / fiscal measures to incentive the sector.

- * Opinion: this type of projects has been extensively experimented in Burkina Faso and various countries for the last 20 years with very limited results. This is due mainly not at the concept level but at the implementation level.
A water services organization has to be put in place locally with a guaranteed continuity of services in terms of quality, quantity at an affordable price for the local communities. The use of PV is a tool. The market of the PV in Burkina is an aid-driven market and it is high risk to consider the PV water services in rural areas as a sustainable activity with the participation of the private sector.

The project should mention the conclusions of the audit on GEF activities in PV in 2004, which underlines the non-performance of the cooperation in this field and the need to define new concept and more realistic approach.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

Stated objectives: *“the barriers to the utilisation of PV to meet the basic electricity needs of rural communities both for personal and productive uses can be classified into the following four broad headings, namely: Institutional, Economic, commercial and market, Technical and information, Education and training”*.

This project addresses the very important issues of clean water supply in remote rural areas without access to water pumping. It is essential to reduce water born diseases, which are at the root of the majority of illnesses in rural areas.

This project is not “technology neutral” as it focuses on PV alone. One of the basic questions is therefore: Is it logical that PV alone be seen as an option? Regarding rural electrification, it is generally recognised that SPV allows an entry to a state of pre-electrification, resulting in a considerable increase in quality of life (clean-water pumping, lighting). However, it does not generally provide additional income generation by power-driven productive means.

Main Concerns

- This project does not seem to be integrated into the broad frame of rural electrification, village energization, and related additional income generation activities. SPV is nowhere in the project compared to other options. The cost effectiveness of PV systems against other technologies is not mentioned.

- The project document does not mention the recent experiences with multifunctional platforms to energize villages in remote areas (projects under the funding of UNDP) in the neighbouring country Mali, and more recently in Burkina Faso. The project proponents should consider coordinating their approach with such initiatives.
- PV is very often the most expensive option (even in comparison to oil). When a community (a village) decides to invest in a PV system, the burden to repay the loan will hinder any other additional income generation investments for a couple of years. It is therefore recommended that PV should not be the only choice, but should come as a reasoned choice against other alternatives, be it with or without renewables (e.g. multifunctional diesel platforms or with biofuels, etc...). There should be a clear demonstration that PV is the least-cost option and the most valid approach to generate the highest additional income benefits (livelihood enhancement).
- CO₂ abatement alone cannot be the justification for PV promotion. The analysis for PV choice as the best solution should be based on a multi-criteria evaluation method (water sanitation, additional income generation potential requiring power, development scenario through these activities, sustainability of energy supply, ...) with a technology neutral approach.

Conclusions and Recommendations

This project supports the PV market transformation and is well designed for this purpose. The non-technology neutral approach of such a project has some disadvantages (see above). It is recommended that the project be coordinated with other efforts aiming at similar objectives in a more holistic manner (for example, see UNDP programs for multifunctional platforms in the region).

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)**

Honduras: Rural Infrastructure (Electrification Sector) [WORLD BANK]

COMMENTS FROM GERMANY

45. Germany supports the proposal.

COMMENTS FROM USA (August 25, 2005)

46. This seems like a well conceived approach in a challenging environment, and one that is fully supportive of the government's poverty reduction strategy. However, we have a few questions about the investment climate for such projects, and whether this GEF project would negatively affect that climate.

- (a) We have heard reports that nearly 2 dozen private-sector renewable energy projects are stalled because the Ministry of Environment and Natural Resources has not responded to requests from these project sponsors. If these reports are true, what is the reason for this, and what impact it might that have on project success?
- (b) Finally, again, if the reports are true, what impact would this project have on the reportedly stalled private sector ones? For example, would the GEF project displace or compete with the private sector ones?

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

**Indonesia: Integrated Microhydro Development and Application Program (IMIDAP),
Part I [UNDP]**

COMMENTS FROM GERMANY

General Comments

47. Any initiative which is aimed at removing the prevailing barriers to further exploitation of Indonesia's vast micro hydro resources is generally welcomed. The geographical nature of the country, limited fossil fuel resources and a host of other reasons makes such a policy both economically and environmentally attractive.

48. Over the past 15 years a number of initiatives have been implemented in the micro hydro power sector in Indonesia, most importantly the micro and mini hydro projects supported by GTZ under which a range of technologies for rural electrification as well as for grid-connected and captive commercial schemes have been developed and introduced.

49. At present the country is experiencing a noticeable boom in the renewable energy sector, triggered by recent technical and political developments, which have significantly improved the overall climate for renewable energy in the country. Micro hydro power is without question the most attractive of these.

50. The proposed areas of intervention (i.e., finance, technology, community development and productive use of hydro power energy) are fully supported, but the program is deemed to be too complicated in its structure. Based on the experience gained over the past 15 years a more streamlined and pragmatic approach to providing well focused, efficient and genuinely intended inputs is required.

51. The program still talks about demonstration projects. Indonesia already has adequate demonstration projects covering all different technologies (stand alone, grid connection, captive, etc). Demonstration projects are not needed anymore in Indonesia. Customized assistance to motivated and committed project developers is required. For projects to be successful the main requirements are:

- (a) Finance
- (b) Technology
- (c) Institutional
- (d) Policy

52. The concept – to identify and to remove the barriers existing within these areas of intervention in two years and then proceed to the implementation – is over simplistic. In a vast country like Indonesia this approach is too demanding considered to the time span of two years for the first phase. Some institutions have been working addressing these shortfalls for much

longer periods and will continue to do so. Germany therefore would prefer to see an approach whereby the GEF project lends its resources to the on-going initiatives of private sector, NGO's and the GOI which have achieved significant results over the past decade and could continue to do so into the future if properly resourced.

Specific Comments

53. The expectations and demands placed on DGEEU as counterpart organization of the project is very worrying. DGEEU is a very weak organization with extremely limited technical and managerial capacity. Carrying out necessary administrative functions is something they are able to do. Their capacity to be able to manage such a complex project is extremely questionable. The project thus should be streamlined.

54. The issue of productive uses for stand alone micro hydro schemes obviously has a high priority. Development of sustainable end uses for energy utilization requires demanding technical (the type of equipment, hydrology, etc., all must support end use) and socio-economic criteria (skills, tradition, marketing, finance, - elements of SME development). These requirements are effectively a project in itself. While productive end uses can and should be an integral part of MHP projects, the particularities of stand alone MHP projects should be kept in mind. The project proposal raises expectations which in this respect are to be considered unrealistic.

55. The GTZ Mini Hydro Power Project (MHPP) was barely approached regarding input for this program. Considering that the German Technical Cooperation has been working in this sector in Indonesia for the past 15 years, "lessons learnt" of this project should be considered.

Recommendation

56. The success of the project will be on its management. The program is going to require some quite radical streamlining to ensure that a proper focus is achieved and that the intended project partners are deriving benefits from the program. Unless properly steered from the outset the program will risk simply busying itself with politicians, committee's and various other budget consuming events in Jakarta and achieving very little tangible benefits for the really intended beneficiaries.

57. Summarised the following issues have to be addressed:

- (a) From the outset it has to be attempted to streamline the program down to realistic and appropriate areas of intervention.
- (b) On technology issues the focus has to be on private sector participation.
- (c) Significant CO2 emission avoidance can only be realised if the project focuses on grid-connected technologies.
- (d) Prioritized involvement of local banks in finance related components is required in order to achieve financial sustainability, especially with respect to further development in reduction of poverty in rural areas.

58. For the above mentioned reasons we ask for recirculation of the project proposal to the Council for a second review prior to CEO endorsement.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The overall goal of the proposed Integrated Microhydro Development and Application Program (IMIDAP) is the reduction of GHG emission from fossil-based power generation in Indonesia by accelerating the development of the country's microhydro resources and optimization of their utilization by removing barriers. The four components of IMIDAP are (1) Microhydro Policy and Financing; (2) Community-based Microhydro Development and Institutional Capacity Building; (3) Microhydro Technology Support; (4) Microhydro Application. The project is split into 2 parts with a total duration of 5 years, whereby the first part has a duration of 3 years.

The proposed project is consistent with GEF's Operational Program 6: "Promoting the adoption of Renewable Energies by removing barriers and reducing implementation cost". The project is further considered to be in line with the related GEF strategic priorities CC-4 "Productive Uses of Renewable Energies"; CC-2 "Increased Access to Local Sources of Financing for Renewable Energy and Energy Efficiency"; and CC-3 "Power Sector Policy Frameworks Supportive of Renewable Energy and Energy Efficiency".

Main Concerns

(1) *Project structure:* The areas of intervention (policy, finance, technology, community development) are in principle fine; however, the project structure in general seems yet to be too complicated and bureaucratic. Experience gained with previous initiatives to develop microhydro in Indonesia amongst institutions active in this sector strongly suggests that a more streamlined and pragmatic approach is required to provide well-orientated, efficient and – most importantly – genuinely required inputs.

The proposed project also envisages the establishment and involvement of too many bodies besides the Project Management Office (PMO), i.e. the Mini-Microhydro Clearing House, the National Microhydro Network, the Microhydro Advisory Council (MAC), and the National Microhydro Inter-Agency Committee (MIAC), consisting again of 4 Sub-committees.

(2) *Linkages/synergies with ongoing initiatives:* A number of donor organizations have been active in the microhydro sector over the past 15 years and considerable advances have been made in various areas of microhydro development. The most notable of these has been GTZ's presence, which helped to develop and introduce a range of technologies for rural electrification and more recently grid-connected and captive commercial schemes. Unfortunately, it seems that the valuable experience gained from these initiatives has hardly been considered during project development.

Furthermore, in Table 3 of the Project Document, several microhydro project initiatives of the ADB are included. However, none of these initiatives is mentioned in the following section "Linkages/synergies with previous and ongoing programs/projects".

- (3) *Demonstration projects*: The project proposal envisages to implement demonstration projects. However, it should be noted that Indonesia has already a number of microhydro demonstration projects covering the whole range of technologies (stand-alone, grid-connection, captive, productive uses, etc). Moreover, at least some of the proposed demonstration projects as summarized in Table 4 of the Project Document do not seem to be suitable to demonstrate key aspects of the project. First of all, four out of the six demonstration sites have a capacity of more than 1 MW and thus are not microhydro plants according to the project definition. Second, the turbine (Francis) proposed for four of the schemes is one of the most sophisticated turbine types and thus currently not suitable for local manufacture. Third, in the response to WB comment #6 it is stated that "*typical sizes of units will be installed as assumed: for the off-grid areas, 30 kW units will be used; while for on-grid, 100 kW units will be used, on the average.*", which is clearly different from the characteristics of most of the proposed demonstration schemes.
- (4) *Productive end use*: The fact that the issue of productive uses for stand-alone microhydro schemes has a high priority in the project is strongly supported. However, in practice this is a highly complex issue, as it basically means business development in a difficult (rural) environment. Development of sustainable end uses for energy utilization further requires that demanding technical (type of microhydro equipment, hydrology, etc.) and socio-economic criteria (skills, tradition, marketing, finance, etc.) are fulfilled. To achieve this effectively is, in most cases, a project in itself. Of course, productive uses can and should be encouraged amongst microhydro projects. However, the limitations of stand-alone microhydro projects and the expectations should be kept at realistic levels.
- (5) *Executing Agency*: The expectations and demands placed on DGEEU as executing agency of the project are very high, considering the fact that DGEEU is an organization with limited technical and managerial capacity. Considerable efforts and resources are required to enable DGEEU to manage such a complex project. It is questionable whether this is possible within this already highly ambitious and complex project.
- (6) *Project targets*: The project targets are in many cases inconsistent and mostly far too ambitious. For example, in the Project Logical Framework in Annex B1 under Outcome 2 it is stated that 3.2 million households will be electrified at the end of phase 2 (i.e. after 5 years). The same is mentioned in the Project Planning Matrix in Table 12 of the Project Document. In the response to the WB comment #11, however, it is stated that "*..the target of 3.2 million is for a 10-year period and includes also the business-as-usual of 1.4 million households...*" and further "*.. the incremental target translates to around 180,000 households per year*". But even the electrification of 900,000 households with microhydro schemes over a period of five years is extremely ambitious. It basically means that on a daily average nearly 500 households should be electrified. Moreover, considering the targeted incremental capacity of 52.7 MW over 5 years, the average connected capacity per household would be less than 60 W. This is – even in the context of rural Indonesia – not sufficient to cover peak demand.

The project also envisages the installation of 400 off-grid and 421 on-grid microhydro projects (Project Logical Framework, Annex B1), totalling 821 projects over 5 years. In the response to WB comment #6, the expression "project" is then changed into "units", and the targeted number of projects is stated to be around 230 over 5 years (i.e. 46 per year). Based

on this figure and taking the targeted incremental capacity of 52.7 MW, the average size of each project would be 230 kW. The process of planning, designing, and implementing such projects takes at least 2 years on average. A typical local enterprise specialized in microhydro can realistically not implement more than 5 to 10 such projects in 5 years. This means that at least 20, rather 50, well-functioning and committed local engineering and manufacturing companies are required to reach this target. Currently there are not nearly as many companies active in this sector in Indonesia and experience shows that establishing such capacities takes at least several years in each case.

Further Comments

- (1) The use of the expressions "microhydro" and "minihydro" is confusing and should be clearly explained, in particular since in many countries the expression microhydro is usually used for schemes with capacities of up to 100 kW and minihydro for capacities of up to 1 MW.
- (2) Project Document, page 10: "*The Mini Hydro Power Project (MHPP) funded by the German government through the GTZ has started development activities in the mini hydro sector in 1991. The GTZ projects were implemented for capacity building for microhydro equipment manufacture (JAMP project; 1991-1999).*" We would like to correct this statement. The GTZ mini hydro development initiative continued until 2005 and also included policy support, productive end use development, etc. The JAMP project (Joint ASEAN Mini Hydro Project) was jointly implemented by BMZ (German Ministry for International Cooperation) and SECO (Swiss State Secretariat for Economic Affairs) in the years between 1999 to 2002.
- (3) According to the Project Document (Table 1B) the regions that will initially be focused on are West, Central and East Java, as well as West Nusa Tenggara. In particular in Java, the national electricity grid has been expanded quite far into remote areas. Thus, in many cases microhydro will not be the alternative for diesel gensets, but for grid extension. This should be taken into account when estimating CO₂ emissions avoided.

Conclusions and Recommendations

The proposed Integrated Microhydro Development and Application Program for Indonesia adopts strategic choices that are consistent with GEF priorities. Generally, any initiative aimed at effectively supporting better utilization of Indonesia's abundant microhydro resources is highly commendable. Recent technical and policy related advances in Indonesia have significantly improved the overall climate for renewable energy development in general, and microhydro in particular.

However, there are serious concerns regarding the complex structure and far too ambitious targets of the project:

The project is thus recommended for approval only under the condition that its structure is significantly streamlined during the project inception phase. In addition, the targets should be scaled down to realistic levels. It is further recommended that the project activities be more focused on real needs, rather than on creating too many new bodies and committees which will ultimately do little to solve the prevailing technical, financial, and

institutional challenges on the ground. The project proponents are also strongly advised to more thoroughly consider experiences and achievements of previous and ongoing initiatives.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Macedonia: Sustainable Energy Program [WORLD BANK]

COMMENTS FROM GERMANY

59. Germany supports the proposal.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The proposed sustainable energy program (MSEP) aims at the development of a sustainable market for energy efficiency (EE) in investments primarily in the building sector, as well as for renewable energy (RE) production facilities which focus on the power and heat supply sector.

The project consists of 3 components:

1. The market framework component (GEF grant 1 million \$) with technical assistance and capacity building modules at strategic/policy level (support to the Market and Transmission System Operator (MEPSO), the Energy Agency and other Govt departments) as well as a subcomponent in project development and project investment support targeted at enhancing the deal flow for the SEFF (Sustainable Energy Financing Facility).
2. This component comprises support to start up a utility based ESCO (GEF grant 0.5 million \$) under the umbrella of the MEPSO. The ESCO shall stimulate the market for energy services by providing turnkey and performance based contracting for energy efficiency. Such projects will use third party financing, mainly for publicly owned buildings.
3. This 3rd investment facilitation component (GEF grant 4 million \$), called the Sustainable Energy Financing Facility (SEFF) will provide guarantees for EE loans and RE investments. It is managed by the Macedonian Bank for Development Promotion.

The project brief lists a variety of prevailing barriers for RE and EE projects, among them, lack of access to long term debt finance in local Financial Institutions (FIs). These barriers prevail in a number of transformation countries in Eastern Europe, where a number of GEF projects with TA/ESCO investment promotion components have been approved in recent years. Particularities for Macedonia seem to be the dependence of the power system on domestic lignite, the limited reach of these reserves and the apparent lack of action by utilities, though new large generation capacities are required within a 10 year horizon from the present. Apparently, low power tariffs in the past have led to a great use of electricity for heating purposes, a practice economically unfeasible if the generation park has to be replaced by modern gas-fired combined cycle power stations. We would have expected the project brief to base the proposed project design on explicit experience and lessons learned from similar projects. Also, we consider a section on the transformation of power tariffs and power purchase agreement conditions for private investors as

mandatory for such a project brief. The power tariff strategy is instrumental for market transformation. These important parameters are not yet sufficiently highlighted in the context of longer term sustainability of the project and its chances for success.

Main Concerns

The STAP reviewer assesses this project as difficult to review. While it appears to be well constructed to finance the specific hydro and rehabilitation of geothermal projects, the STAP reviewer observes that faith is required to assume that the government and ESCO structures with a public utility have sufficient expertise and sufficient project options, particularly in the EE building segment with prevailing electrical heating systems, to initiate a market transformation and to develop an attractive market in the EE and RE industry.

There is an apparent lack of concrete information required to submit a convincing proposal. For example, no prospective EE and RE projects are indicated/described and – as these are missing – the incremental cost analysis in Annex 15 remains meaningless as the latter critically depends on the mix of projects to be implemented. Moreover, it is unclear where the various CO₂ emission figures come from. The proposal is at this moment still very weak concerning technical issues. While the project brief mentions that the indigenous RE resources that could be tapped include hydropower, geothermal and biomass energy, there is no further information provided concerning what technologies are considered to harness the geothermal and biomass potential. To have a chapter on technology (Chapter 2 of the Appraisal Summary) which consists of a single line saying that “the project will only employ proven commercially viable RE/EE technologies”, is inadequate for a project brief.

Taking into account that the rehabilitation of existing geothermal energy schemes – a technology which is not at all considered to be technically and commercially proven (and which generally offers poor payback terms) – is one of the pillars of the RE project portfolio, the project brief should definitely provide some detailed facts and figures about the history and apparent difficulties in operating and maintaining these geothermal schemes, and it should give a strong justification why such a challenging type of project has been incorporated in the RE project basket.

The Bank assesses the project risks as significant. The questions of the STAP reviewer are not yet convincingly answered. 5-10 years after the approval of the first GEF projects with ESCOs in Eastern Europe, we would expect that the Bank could justify the design of the MSEP by replication of success stories from other transformation countries rather than the same “ex ante” perspective which has prevailed in GEF proposals for the last decade. Recent OPS studies emphasised the key importance of market transformation and the requirement to base a replication strategy on a body of consolidated experience. The project brief should contain an assessment of how recent development in energy prices has affected barriers and it should present a typical tentative portfolio of EE projects which can be realised at a 3 to 5 years payback period – the threshold for the availability of project financing prevailing in transformation countries outside the EU accession candidates.

The brief is also silent on possible options of leveraging carbon finance (CDM?) to support the RE strategy. We would also like to see more emphasis with regard to the stability pact for the

region and the efforts to harmonize procedures with regard to efforts to facilitate a later EU-membership (liberalization of power markets, EU ETS, etc.).

Conclusions and Recommendations

For intersessional approval, the proposal leaves open too many questions and unaddressed issues regarding project risk. The project approval should be postponed, and we recommend addressing the main concerns raised in a submission to the next GEF council meeting.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Peru: Rural Electrification [WORLD BANK]

COMMENTS FROM GERMANY

60. Germany supports the proposal.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The GEF assisted components of this World Bank project are:

1. Technical assistance for (a) development of an institutional framework and regulations for RE based provisions of electricity services (on and off-grid), (b) capacity building for bottom-up project development, and (c) RE promotional activities, including the development of policies.
2. A pilot program for the promotion of productive use of electricity.
3. A renewable energy revolving financing facility to provide bridge financing at early construction and initial operation phases, primarily small hydro.
4. Project management of GEF assisted activities.

This GEF co-financing to a World Bank and Government of Peru initiative, coordinated with a parallel activity of UNDP in the field barrier removal in solar PV for rural electrification, is designed to provide institutional, technical, and financial support to increase and accelerate rural electrification. The project approach, focussing on harnessing small hydropower resources and efficient use of power, appears generally sound.

Main Concerns

The establishment of a renewable energy financing facility could be a very effective way of providing financing to renewable energy projects, if closely integrated into the infrastructure financing components and the other activities in relation to institutional and regulatory development. The issue is not only about the financing of new infrastructure for rural electrification but also about its sustainable use (plant operation and maintenance, tariff structures, and customer relations). In the light of the recent OPS recommendations, the market transformation dimension of such a large investment merits a high priority, but the document remains often vague about the links between the first 5 year project period and the longer term efforts towards strengthening sustainability in power market transformation and operation. The STAP review suggested to provide greater insight into institutional and regulatory risks and how these might affect the economic sustainability of rural electrification projects during and after the proposed project duration. It is suggested that the final project document should address these risks and response measures in a consistent manner. This may be of crucial importance if the

project proponents seek, as a priority, to support electrification of more remote and poorer areas, in particular in conjunction with activities linked to the productive use of energy.

Carbon finance has the scope to strengthen sustainability and the institutional set-ups of proposed projects, as carbon finance supported projects have to comply with a higher level of transparency and monitoring, which may support market transformation efforts. The option of carbon finance merits to be more explicitly dealt with in the final project document

Conclusions and Recommendations

The project is recommended for GEF approval with an invitation to the project developers to address the concerns outlined above when finalizing the project document.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

INTERNATIONAL WATERS

Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania): Programme for the Agulhas and Somali Current Large Marine Ecosystems: Agulhas and Somali Current Large Marine Ecosystems Project (ASCLMEs) [UNDP]

COMMENTS FROM GERMANY

General Comments

61. The project proposal could be tightened and better structured.

Specific Comments

62. No contributions by German Activities are mentioned. However, the project should try to link with the corresponding regional bilateral projects. It has to be made sure that other regional LME projects link to synergize and minimize overlapping activities, maybe through a regional agency that coordinates all LME initiatives.

63. Care should be taken to involve stakeholders who have limited or no access to technological tools such as Internet or television.

64. It has to be secured that the benefits of the project are sustained once the project is completed.

Recommendation

65. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM FRANCE (September 16, 2005)

(See comments from France on the SWIOFP.)

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

- The UNDP Program for the Agulhas and Somali Current Large Marine Ecosystem Project (ASCLME) is ambitious indeed, seeing that two intricate LMEs are tackled simultaneously. It is further related to several other projects in the area, namely Southwest Indian Ocean Fisheries Project (SWIOFP, No. 16 of this present review), along with Western Indian Ocean Land Based Impacts on the Marine Environment Project (WIO-LaB, not presently reviewed), Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project (WIOMHD, No. 17 of the present review) and MACEMP, Tanzania Marine Coastal Environment Management Project.
- In view of the complexity of the project dealing with two LMEs simultaneously, in an area where baseline information is frequently missing, the project requested two STAP reviews, one from a reviewer with a “Marine Chemical and Oceanographic” background and one from a “Living Marine Resources Specialist” with experience in the Indian Ocean. We are of the opinion that these two respective STAP reviews are scientifically and procedurally sound, and we thus concentrate on more general project matters.
- A small Project Coordination Unit (PCU) is to be located in South Africa. The PCU will consist of an internationally recruited Project Manager, an Administrative Assistant, and other administrative and secretarial personnel. Without having seen detailed ToR for this unit, it is not evident whether its role is confined to the present ASCLME project, or whether its coordinating efforts are to be extended to the other two projects (No. 16, and in particular WIO-LaB). This aspect is also to be seen in the light of its role with regard to the Project Steering Committee (PSC) and Project Coordination Committee (PCC).
- Coordinated activities and joint actions between the projects (e.g. joint survey work, joint preparation of the Trans-boundary Diagnostic Analysis (TDA) and Strategic Action Plan (SAP), coordinated education activities etc.) are being contemplated. The idea is to eliminate duplication and to maximize synergies between the projects. This is highly desirable, but it warrants special efforts and an organizational set-up which is able to deal with such an intricate coordination. The present organizational scheme is not explained lucidly enough, nor does it seem to cater for the complexity of the coordination task at hand.
- Several reviews have voiced their fears that the project may confine itself to a “data collecting exercise for overseas academics.” Those responsible for the project have countered this point in as far as a clear emphasis will be made on building capacity within the appropriate national and regional institutes, so as to capture and enhance skills within the region. This aspect could be even further elaborated upon, as is presently done hereunder in “Further Comments” under “proposal for Regional Center of Competence”.
- In Annex C, Chapter C.1. p.29 two GEFSEC comments warrant to be repeated hereunder, namely:
 - Additional component needed to express TOR for mechanism to ensure collaboration among all (three) projects by the time of work program inclusion, etc., and
 - A detailed participation plan for the ASCLME’s project, Program Coordination Plan (for the three projects), and Monitoring and Evaluation Plan should be finalized in time for CEO endorsement.

These two comments point to one possible gap in the project proposal, and they are in line with our own conclusions. UNDP response to the above-mentioned comments ascertains that the comments have in fact been – or will be – taken care of. We hope and expect that this will be the case. Nevertheless, we raise the question if such crucial aspects should not have been included and taken care of at a far earlier stage of the project design.

Main Concerns

- Dealing with one LME at a time provides a challenge on its own. Tackling two LME's simultaneously, whereby the links still have not yet been clearly illustrated, is new ground. A step-by-step approach is recommended, whereby any follow-up step is based on the experience gained from the previous step.
- A Project Steering Committee (PSC) is to be created under the auspices of the United Nations Office of Project Services (UNOPS). One representative for each of the (three) related projects will be included. The PCS is to meet annually. In addition, a Program Coordination Committee (PCC) will be created, comprised of members from each of the (three) projects.

This is commendable, but the main concern is that the major emphasis is thereby placed on the scientifically-oriented present project [intercessional review No. 15], at the cost of the other related projects. It seems that SWIOFP [intercessional review No. 16] would be more destined for overall coordination.

- The present project emphasis is on scientific matters, monitored by a Project Science Review Panel (PSRP) as well as a Cruise Coordinating Group (CCG). Our main concern in that regard is that, with due respect to the scientific priorities, other project aspects may be neglected.
- In Annex C.2, Response to STAP Reviews, p.32 it is stated that....."The Project does not adequately describe the precise mechanisms of TDA-SAP preparation among the (three) interrelated GEF WIO projects. More clarity is required on how this project integrates with the UNEP (WIO-LaB) and WB components". The response to the comment is that this has been taken care of under Outcome 3, Output and Activity 3.5.

We argue that this alone is not sufficient. One could expect, already at this stage, a general outline (e.g. table of contents, major issues at stake) of the expected TDA and SAP respectively, as well as relevant comments on where the collected data would be utilized. This would greatly enhance confidence in the Program Management's grasp of the inherent basic key problems.

Conclusions and Recommendations

- The proposed project's main emphasis is and remains on the collection and interpretation of scientific data, without which remedial policies and measures cannot be formulated. There is thus definitely a need to proceed.
- The data are to serve as input into formulating a TAD and SAP respectively. One should have expected that this aspect would have been given more concise advance coverage (see also previous chapter). This could well help to counter the argument that the project is too scientifically oriented.

- The project organizational structure needs to be explained more lucidly – it is not clear for an outside reviewer – and in particular coordination matters between projects should be given more emphasis [see also Intercessional review No. 16].

Further Comments

- Political uncertainties and complexities have been put forward by one or the other previous reviewer. One may argue that a long-term project will face such inherent problems for a long time yet to come, and that precautionary measures can be contemplated to minimize the associated risks.
- The project has to be viewed on a long-term basis. Five years are a good start, but follow-up projects are bound to result. It might be wise to consider building up local expertise and capacity not only in each of the participating countries, but by focusing on a “Regional Center of Competence” (RCC) somewhere in the region. Much could be gained from this, such as genuine local interest and participation, continuity, improved sustainability and a pool of new ideas.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

**Regional (Comoros, Kenya, Mauritius, Mozambique, Seychelles, South Africa, Tanzania):
Southwest Indian Ocean Fisheries Project (SWIOFP) [WORLD BANK]**

COMMENTS FROM GERMANY

Specific Comments

66. The project proposal needs to better clarify and distinguish the two geographical regions WIO & SWIO.

67. There are no contributions by German Activities mentioned. However the project should try to link with the corresponding regional bilateral projects. It has to elaborate on the linkage of the project with related projects within the Southwest Indian Ocean to synergize and minimize overlapping activities.

68. Since local communities participate in the design of the project as consumers of results of the project, the project proposal should also mention in which way they will benefit from the outcomes of the project and how the anticipated results will be conveyed to them.

Recommendation

69. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM FRANCE (September 16, 2005)

The three projects 15, 16 and 17 are closely linked (Regional: Program for the Agulhas and Somali Current Large Marine Ecosystems, Regional: Southwest Indian Ocean Fisheries project (SWIOFP), and Regional: Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention project). France is involved in project 15 (ASCLME) and 16 (SWIOFP). For ASCLME Project, “Institut de Recherche pour le Developpement” (IRD) and “Institut Français de Recherche pour l’Exploitation de la Mer” (IFREMER) are contributing to the project: methodologies, monitoring and evaluation of stockfish. For SWIOFP, Fonds Français pour l’Environnement Mondial (FFEM/FGEF) is funding the project for a total amount of 800.000 euros. This FFEM contribution aims at support the creation of a regional fisheries organization.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

- SWIOFP (implemented by WB) is one of three linked projects in two separate Large Marine Ecosystems (LMEs) in the Southwest Indian Ocean (SWIO). It is currently being screened as No. 16. One core project is the Agulhas and Somali Currents Large Marine Ecosystems Project (ASCLMEs) implemented by the UNDP and currently being screened as No. 15. The ASCLMEs Project, along with the associated Western Indian Ocean Land Based Impacts on the Marine Environment Project (WIO-LaB) implemented by UNEP, will provide the descriptive information about the targeted LMEs to SWIOFP. SWIOFP will use these data to enable development of a long-term, environmentally sustainable management strategy for offshore exploited fish stocks that will also preserve marine biodiversity and the biodiversity of other species that are incidentally affected by commercial fishing (Table 1).

Table 1 Inter-relations between the three ASCLMEs Projects

Module	Project
Productivity	ASCLMEs Project
Ecosystem health & pollution	WIO-LaB/ASCLMEs
Fisheries	SWIOFP/ASCLMEs (Near-shore)
Management and governance	SWIOFP/ASCLMEs/WIO-LaB
Socio-economics	ASCLMEs Project / WIO-LaB / SWIOFP

- On Page 60 of the PES the STAP reviewer mentions MACEMP (Project Appraisal Document, November 2004. World Bank, Tanzania Country Office for Marine and Coastal Environment Management Project) – see also PES p.16 “Risks”. Although in the respective response to the STAP review it is mentioned that SWIOFP has a different objective than Monitoring, Control, and Surveillance activities funded in Tanzania waters under MACEMP, some interrelationship seems evident.
- Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project (WIOMHD&CMCPP, in short “WIO MHD”) (implemented by World Bank) will help to catalyse and coordinate support to protect globally-significant marine and coastal resources of the western Indian Ocean region. It is currently being screened as No. 17. Although seemingly not mentioned in the project documents for screening-projects Nos. 15 and 16, there seems to be some relevance.
- For better understanding of the relationships between the above-mentioned, inter-related projects and for illustration purposes of the present, simultaneous screening process of three projects, Table 2 is added herewith:

Table 2 Known Indian Ocean projects in the context of the present screening process

Project Name (abbreviation)	Implementing Agency	Other Implementing Agencies	(Present) Screening Project Document Number
ASCLME	UNDP		No. 15
SWIOFP	WB	UNDP (ASCLME) and UNEP (WIO-LaB)	No. 16
WIO MHD	WB		No. 17
WIO-LaB	UNEP		(not presently screened)
MACEMP	WB		(“ “ “.....)

- In view of the complexity of the LMEs as well as of the (known) projects dealing with one or more of the relevant issues at stake, the “Objectives” of SWIOFP as stated in the PES Page 4 are quoted hereunder, namely:

“The project has four development objectives:

- (i) *To identify and study exploitable offshore fish stocks within the SWIO, and more specifically to become able to differentiate between environmental (LME-related) and anthropogenic impacts on shared fisheries.*
- (ii) *To develop institutional and human capacity through training and career building needed to undertake and sustain an ecosystem approach to natural resource management consistent with WSSD marine targets;*
- (iii) *To foster development of a regional fisheries management structure for implementing the LME-based approach to ecosystem based management through strengthening the Southwest Indian Ocean Fisheries Commission (SWIOFC) and other relevant regional bodies;*
- (iv) *To mainstream biodiversity in national fisheries management policy and legislation, and through national participation in regional organizations that promote sustainable exploitation of fisheries resources.*

The project’s common global objective (OP8 and OP2) is:

To promote the environmentally sustainable use of fish resources through adoption by SWIO-riparian countries of an LME-based ecosystem approach to fisheries management in the Agulhas and Somali LMEs that recognizes the importance of preserving biodiversity.

The overall programmatic global objective (combined ASLMEs, SWIOFP and WIO-LaB Projects) is:

To ensure the long term sustainability of the living resources of the ASCLMEs through an ecosystem- based approach to fisheries management”

Under (i) above, environmental (LME-related) and anthropogenic impacts on shared fisheries are mentioned. We are of the opinion that both “environmental” and “anthropogenic” impacts could have received some advance coverage and definition, or differentiation respectively, with some kind of an enumeration, in the project document. Surely, based on present knowledge and on the basis of comparable examples, the main impacts should already be known. It would have allowed to better judge the proposed course of action taken.

This general remark apart, it seems that of the three projects commonly contributing to the overall programmatic global objective (viz. ASLMEs, SWIOFP and WIO-LaB Projects),

SWIOFP is most suited to take up a coordinating role. It is to be hoped that this aspect is given additional attention.

Main Concerns

- According to PES Page 3, the following comparison needs special attention, namely:
“Therefore there is a clear need for an effective assessment process to capture the requisite data to fill important gaps in information for management purposes. This project aims to replicate the successful approach used by the Benguela Current LME (BCLME) project wherein the presence of BENEFIT (the Benguela Environment Fisheries Interaction and Training Program) was instrumental in providing much of the requisite scientific data and information necessary to the development of a TDA and subsequently focused the SAP which will now be used for regional management of the BCLME. The project will not only move the countries of the region toward an important WSSD target, i.e. an ecosystem-based approach to management of the LMEs, it will also help to achieve other WSSD targets, including strengthened regional cooperation frameworks, and the maintenance or restoration of fish stocks on an urgent basis, and where possible by 2015”.

There is no harm in learning from other successful projects and approaches, in this case BCLME. However, such a comparison, even if only for procedural purposes, should be used very cautiously. The reason is that there are vastly different conditions in the two regions (between the LMEs, state of knowledge, countries’ disposition, political background etc). It would have been interesting indeed if in the project document (PES) such differences – or true similarities for that matter – had been enumerated and clearly defined.

- In Annex 6 of the GEF Project Brief, pp. 78, project “Implementation Arrangements” are explained. A three-level organizational structure of SWIOFP is given. Links to the WIO-LaB project are indicated. However, ASCLME project is absent from the graph named “Project Management Organigram” (Page 82) – or is it considered implicit in SWIOFP, as may be concluded from some of the text in the relevant annex?

It is not our intention to outline to the World Bank how to organize a project. In the present case, however, much is mentioned about coordination between the various projects, but this is not explained in sufficient detail in the text, nor is it evident from the other related projects. There seems to be scope for improvement in this respect.

- Under Outputs, Outcomes and Activities on Page 4 of the PES, it is stated that:
“The primary Project output will be to input the fisheries issues and corresponding national management responses into the Transboundary Diagnostic Analysis (TDA) and Strategic Action Program (SAP) for overall management of the natural resources of the Agulhas and Somali Currents LMEs (which will be driven by the ASCLMEs Project). These will define how each of the SWIOFP countries propose individually and collectively to address any trans-boundary issues identified. And particularly how each country intends to mainstream biodiversity conservation in deep sea fishing authorities, fisheries management legislation and policy, and through participation in regional fisheries organizations. The project has been organized into seven components as summarized below..... More details on the components can be found in the GEF Project Brief Annex 4 and Section B, and in Annex B of this Executive Summary”.

We did expect that general outlines of both the future TDA and SAP could already have been given at this project stage (table of content, major expected issues), even though much

relevant data are missing at this point in time. This even more so in view of the fact that BCLME similarities are being stressed in the PES (Page 3, see also above) as being evident. The argument is that data collection can proceed more effectively and goal-oriented when possible trans-boundary relationships have already been contemplated, and/or when typical, potential policy instruments have been defined.

Conclusions and Recommendations

- SWIOFP has the scope of being a key project for facilitating the understanding of one of the world's largest marine environments. Both the PES and GEF Project Brief have been compiled in an appropriate manner and supplemented according to various pertinent reviewers' remarks and suggestions respectively. There is thus no obvious reason why the project should not go ahead.
- We hope that our "Main Concerns" stated in the previous chapter are still taken into consideration. This refers in particular to the aspect of a more stringent project management structure and coordination between all related projects (e.g. ASCLME and WIO-LaB), as well as to the early and step-wise definition of both TDA and SAP. The earlier TDA and SAP are conceived on principle, the smaller the danger that data collection confines itself to a purely academic exercise.
- Some further comments, which might be considered worthy of consideration, are added below.

Further Comments

- Climate Change: In the rationale of the PES (p. 2), climate change is mentioned as one possible factor for habitat degradation. Although somewhat speculative by definition, this aspect should not be excluded, neither from data interpretation nor from future policy definition.
- Project Risks / Implementation Arrangement: The risks mentioned on p. 15/16 of the PES are stated in a lucid manner, and the reader gets the impression that they have been taken into consideration in an appropriate manner. One aspect that may need further elaboration, though, is the role of SWIOFC. Should this organization not be able or willing to assume a "management role" for the project, then some other organization / institutional set-up must take its place.
- Scientific Institutions / Regional Centre of Competence / Sustainability: The STAP review in Question 3.3 "Institutional Implementation and Arrangement" mentions that the role of existing scientific institutions in the development and sustainability of regional mechanisms is of paramount importance. (p. 56). We would like to add that one such institution – or one of its units - might well be turned into a Centre of Competence (CoC) for all scientific issues related to the two LMEs, during the course of the project and beyond.
- Sustainability (long-term): page 19 of the PES, top paragraph mentions that"It is envisaged that, after the five-year SWIOFP is completed, a 7-10 year follow-up program will be initiated". This is of utter relevance for long-term effects.
- Sustainability (financial): On p. 61 PES bottom, it is stated that"Due consideration will be given to include additional explanations of how investment in fisheries and fisheries' management in the 200 mile EEZ's of participating countries could benefit citizens of these

countries”. This aspect may turn out to be crucial for stakeholder interest and thus for long-term financial incentives and sustainability.

- Monitoring & Evaluation: We endorse the statement that”This should be further refined at appraisal” (p.50, Annex B: Responses to GEFSEC Comments, Paragraph 2).

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, Tanzania): Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Prevention Project [WORLD BANK]

COMMENTS FROM GERMANY

Specific Comments

70. The type of activities the co-financing is allocated to is not made explicit in the project documents.

71. There are no contributions by German Activities mentioned. However, the project should try to link with the corresponding regional bilateral projects, e.g., the linkage of the project with related projects within the Western Indian Ocean should be elaborated to synergize and minimize overlapping activities.

72. It has to be secured that the benefits of the project are sustained once the project is completed.

73. The countries of the Western Indian Ocean need to develop and agree on the institutional arrangements that will enable them to cooperate in managing a regionwide marine highway.

Recommendation

74. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM USA (August 25, 2005)

75. Why are so many targets listed as “to be determined”?

COMMENTS FROM FRANCE (September 16, 2005)

(See comments from France on the SWIOFP.)

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

- Of the three projects momentarily under GEF intercessional screening (i.e. Nos. 15, 16 & 17), this Project is the one which seems the furthest advanced. Maybe this is due to the fact that it has a strong technical component.
- Related projects: Apart from the related projects enumerated in screening No. 16 [i.e. ASCLME, SWIOFP, WIO-LaB, MACEMP], additional pertinent projects are mentioned in the PES. These are on the one hand other GEF-supported marine electronic highway and related projects (e.g. Straits of Malacca and Singapore, WIO Islands Oil Spill Contingency Planning Project, IMO Global Ballast Water Program and the Yemen Coastal and Marine Management Project). On the other hand, a further purely environmental project is involved, i.e. UNDP's Marine Ecosystem Project (MEP).
- On p. 28, paragraph 2 of the PES it is stated that”A key element of the Project is its commitment to coordinate and collaborate with other projects in the region that are working to protect the marine and coastal environment”. Furthermore, linkages are to be created with other Marine Highway Development Projects and related ones (e.g. IMO Global Ballast Water Program).

This is highly commendable. But a word of caution seems to be appropriate : most of the projects most of the time state that they will take an active role in coordination. And in this particular geographical area and at this point in time, the sheer magnitude of the problems and the number of related projects respectively renders coordination a full time task!

- Stakeholder involvement has been given high priority even during project preparation. This is appreciated. The same applies for stakeholder involvement during implementation. The use of International Maritime Organization (IMO), Indian Ocean Commission (IOC) and South African Marine Safety Authority (SAMSA) etc. vouches for success during implementation.
- Sustainability: With the oil and shipping industries being expected to contribute significantly to the cost, financial sustainability seems to look brighter than normal.

Main Concerns

- On p. 29, paragraph 3 of the PES it is stated that”it is expected that countries will generate some income by selling the updated nautical charts and publications to the shipping industry”.

This sounds a little bit dubious, and in addition there seems to be an inherent dichotomy: on the one hand the shipping industries are expected to make significant contributions to the cost of the project, and on the other they are supposed to pay for the outcome. This problem must be solved on a high project level, and should not lend itself to petty interpretation.

- P.6 of the PES, (c) of Component B states: “Developing a Methodology to value Ecosystem Benefits”. This is in line with project needs, in as far as “ecosystem benefits” are one justification for project expenditure. However, the project's key element is of a technical

nature, and this methodological environmental aspect should better be subcontracted.

- Technical sustainability: Project continuation (e.g. follow-up project) may help to ensure the longevity of the highly sophisticated technical installations, maintenance, repair and/or replacement. Nevertheless, the project should provide sufficiently for such contingencies, procedurally, organizationally, and financially.

Conclusions and Recommendations

- **We propose that the WIO MHD Project be implemented.** We hope at the same time that our remarks - which are supposed to be of a constructive and supplementary nature - are taken into consideration.
- Coordination of – and/or collaboration with – the many directly or indirectly related projects should be given some more thought. By now, this seems to be a major task of its own!

Further Comments

- A considerable portion of the project deals with training – qualified personnel must be found, trained, monitored and “kept on the job”. This problem is known worldwide: As soon as they have been trained, specialists are off to a better paid job somewhere else, within or out of the country. International donor organizations do not seem to have handled this serious and delicate issue very successfully. Reference to the socio-economic situation of the recipient countries does not help either. The projects’ viability is at stake. Maybe a new attempt should be made to solve this problem with longer-term project planning.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

LAND DEGRADATION

Bhutan: Sustainable Land Management [WORLD BANK]

COMMENTS FROM GERMANY

Specific Comments

76. Given the importance which is rightly attached to the development of institutional capacities, the required length of implementation should rather be estimated higher than at present.

Recommendation

77. Germany supports the proposal. The above raised concern should be addressed during further steps of planning and implementation.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The Kingdom of Bhutan is a small Himalayan country, very mountainous with a relatively small population, although the population is growing at a fast rate. The country suffers from the scarcity of good agricultural land since three quarters of its surface are covered with forest. The herders have a tendency to overgraze former forest areas. Due to heavy rain fall, steep slopes and ongoing deforestation, many regions suffer from mud- and landslides. Slope stability is a major problem in some regions of Bhutan. Nearly 80% of the population live in rural regions and subsists on crop and livelihood systems on small plots of less than 2 ha. The major good exported (to India) is electricity produced in hydro-power plants on mountain rivers. The sediment load of these waters is increasing due to the general instability of the catchment areas.

We note a number of positive elements of the project:

- The government is well aware of the problem of land degradation and has already taken measures to reduce its effects. The analysis of the causes and effects of land degradation have been thoroughly identified in the project.
- The project submitted will be executed in conjunction with an existing and already active NGO, DANIDA. Cost sharing with the Danish program will prove extremely interesting.
- The project plans to tackle the issue of land degradation in a global and systemic way, which seems most promising in this case.

- Understanding that a sectoral approach is synonymous with failure, the project intends to work in a multidisciplinary way, combining the various ministries involved in the field.
- The bottom-up approach will enable the different stakeholders to give their input in the search for proper solutions to the problems. In addition, this approach will enable those involved to take traditional know-how into consideration.

Main Concerns

The « Russian Doll » approach from small pilot geogs to regional entities is certainly very sound. At the same time we wonder if the pilot geogs will be able to overcome local issues in order to generate general solutions in such a short time, namely less than 2 years. The information gathered locally must be relevant to address questions of general relevance which may prove to be a major challenge. This project phase will depend on the capacity and personality of both the project director and project manager. Both will need strong support from the Ministry of Finance who will be ultimately responsible for the project..

Component 2 foresees mapping and inventories of local resources. Collecting the required data will probably take a lot of time; the question of land tenure in rural areas will not be solved in the 2 or 3 years before the next five-year plan. The information may be rather crude and probably not detailed to the extent envisaged in the project. GIS mapping will probably take a few years, and it should be underlined that it is probably the only way to have enough information and permit the production of a good Framework and Action Plan. We would also emphasize that indicators take a lot of time and energy to develop and implement if they shall be used for planning purposes.

The cascading system, from pilot geogs to dzonghags, i.e. from local to larger entities, will only work if the Action Plan is good enough to be adopted at the different levels.

It is important to acknowledge that the relevance of some problems will vary as a function of the difference in scales and land users concerned. The project should be more explicitly deal with this difficulty.

Conclusions and Recommendations

The project is of good quality, taking all important factors such as poverty, herder vs farmers, rural vs urban, local vs regional, central vs peripheral, into consideration.

The planned project is of relatively low cost, in part because it will combine various sources of funding, and the cost–benefit ratio could prove excellent if it succeeds in reproducing the local approach at the regional and national level.

The project is strongly supported by the authorities, and the outcome will serve as a basis for the drafting of national legislation.

We support the project and recommend its approval by the GEF.

Further Comments

We suggest that the project should be externally evaluated after the first and the third year.

We also like to add that due to global climatic change, mountainous regions in the monsoon belt run a great risk of increased flooding and mud- and landslides: it is therefore urgent to undertake sound measures to help stabilize the slopes, which is one goal set by this project.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Nicaragua: Sustainable Land Management in Drought Prone Areas of Nicaragua [UNDP]

NO COMMENTS RECEIVED (at webposting).

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The project objectives are of relevance and they are consistent with the objectives of GEF and OP15 in particular. The project tackles problems of high importance at the national level (mitigating causes and negative impacts of land degradation; contributing to people's livelihood and economic well-being). It will equally provide global benefits by accelerating country-driven actions on sustainable land management, thereby contributing to the preservation and restoration of ecosystems, to carbon sequestration and to biodiversity conservation.

The project corresponds to an evolution towards projects that produce synergies between the different focal areas (as recommended by the Third Overall Performance Study). However, with its focus on land management, it still fits very well into the SLM focal area.

Focussing on a region with high poverty levels and high ecological vulnerability (droughts, flooding, soil degradation) the project is also highly consistent with the objectives of UNCCD. It has been prepared under close coordination and active contribution of the UNCCD focal point. The project also links well with the National Biodiversity Strategy.

The focus on capacity building at multiple levels (national, municipal, and communal) is appropriate and well chosen. This also corresponds to a strategic priority of the GEF in the SLM focal area. The project is building on important investments by the Government and bi-lateral donors. With these aiming primarily at poverty reduction, the GEF funding could play an important role in influencing the development pattern towards a sustainable use of land resources.

Main Concerns

- ***Learning approach***

One of GEFs strategic priorities with regard to the land degradation focal area is the “implementation of innovative and/or indigenous on-the-ground investment”. The project will indeed finance on-the-ground investments in the form of model projects. The project document is quite clear in declaring that the technologies have so far not been validated in this area and by the land owners concerned. It is therefore very important that a learning approach is used, and that further innovation and adaptation by the land owners will need to be encouraged. Project outcome No 5 goes in this direction (“...learning evaluation, and

adaptive management”). It will be important that this approach will not only refer to the management of the project, but also to the adaptation, to further innovation, and to replication of production models. We feel this qualitative aspect could still be further strengthened in this project.

- ***Participation***

The project document gives a lot of importance to describing the participatory processes in preparation of the project and those planned for its implementation. It is clear that the quality of such process (“real and meaningful participation, not tokenistic approaches”) will be a key element of success or failure of the project. In this respect, we would like to point to output 2.1 (Participative community organisational structures...). Here the proposed means of verification are not yet sufficient (“List of participants in CDM meetings and attendance of individual representatives...”). Clearly, we would prefer an in-depth study on the quality and relevance of the participatory processes promoted by the project.

- ***Impact indicators***

With regard to the project objectives, a few impact indicators (forest cover, increment in income) are indicated. Other important possible impacts are not mentioned: i.e. concerning soil erosion, water management, biodiversity conservation, farmer’s non-monetary incomes and livelihood.

The logical framework as presented in the executive summary focuses in several cases mainly on output and outcome indicators, but not on impact indicators (e.g.: Output Nr 2.4. gives as indicator only the number of models validated for environmental and financial benefits; but it does not put forward any precise indicator on what the expected impact will be).

In general, the whole impact chain (from project outputs to outcomes and impacts) is not yet very well documented and the figures given remain sketchy. While we are aware that such data is usually very difficult to come by, it is an issue that needs more attention. We think it would be advisable that more efforts are undertaken to enlarge the knowledge base on the area (bio-physical and socio-economic data). This knowledge could then be used for the steering of the project as well as basis for land management decisions at different levels.

- ***Land rights***

The situation with regard to land rights is very complex in the area concerned by the project. It may represent a major risk for the project success. Unfortunately, the project document gives little concrete information on how this problem will be dealt with.

Conclusions and Recommendations

We recommend the project for approval. The project management may be encouraged to follow up the concerns raised in this review during project implementation.

Further Comments

- We would recommend further collaboration with universities (UNA, UCA) to enlarge the knowledge base on the region and to ensure capitalisation of the lessons learnt.
- Several NGOs have a lot of experience with both good and bad results with SLM implementation; further exchange of knowledge will be of great mutual benefit.
- Interesting experiences have also been gained with farmer-to-farmer exchanges. Such activities might also be highly beneficial to enhance the learning processes (e.g. with farmers from other regions).
- A lot of experience has been gained with participatory processes that enhance local innovations. This experience could also be very useful for the project.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

Niger: Sustainable Co-Management of the Natural Resources of the Air-Tenere Complex [UNDP]

COMMENTS FROM GERMANY

General Comments

78. We welcome the project which is generally in line with OP 15 and support the proposed approach targeting biodiversity and desertification issues at the same time.

Specific Comments

79. As decentralization in Niger is at its very beginning, we urge to work on a coherent approach for effective partnership among all stakeholders during the PDF B phase.

80. We share the analysis contained in the project document that the project will take place in an extreme context. Thus we propose to analyze during the PDF B phase what the minimum requirements are for the project to succeed and whether these criteria are met in order to assure success.

81. The German Development Cooperation is implementing a corresponding project within the area. Furthermore a variety of other related programmes and projects exists. In order to avoid duplication of work we ask for coordination of the different activities and collaboration among the different actors.

Recommendation

82. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

MULTI-FOCAL AREAS

Regional (Albania, Macedonia): Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece [UNDP]

COMMENTS FROM GERMANY

General comments

83. The proposal is well developed. The profound a.m. technical review identified the main points of concern, and gave necessary inputs for the implementation. The incremental costs are sufficiently explained. The project risks are well identified.

Specific Comments

84. Underlining the arguments of the technical review, special attention should be drawn to:

85. The comparatively weak involvement of the Greek side has to be addressed. A strategy to improve the Greek engagement is required.

86. The geo-ecological as well as socio-geographic relationship with the neighbouring regions, in particular the Lake Ohrid area demands a geographic extension, e.g., concept how to integrate the Lake Ohrid region.

87. A market-driven approach for the sustainable development, including innovative techniques of eco-efficiency is needed, e.g., training and awareness building and small grant funds for entrepreneurs.

88. Comprehensive regional marketing approaches for fishery, agro-business, forestry and tourism should be developed. A body for regional marketing should be implemented.

89. Tourism as a potential driving or supporting force for the sustainable use has to be included more explicitly, in form of a concept for the development of an association. There is a need for an exit strategy in case that there is little success for cross border integration (joint development of exit indicators).

90. German Development Cooperation has supported already a wide range of projects in the region. There should be a reference to the measures (capacity building, measures for cross-cultural confidence building, environmental awareness promotion, market development for a sustainable tourism) in the Ohrid-Prespa-Lakes area and elsewhere, tackling specific eco-system management issues in a similar socioeconomic environment. To mention in particular:

- (a) “Cross border cooperation in the region of Prespa and Ohrid Lakes” (GTZ);
- (b) “Implementing the biodiversity convention: Biodiversity conservation in the Lake District of Ohrid, Prespa and Little Prespa (GTZ);
- (c) land use planning furthering of infrastructure in the Lake Ohrid region (KfW);
- (d) “local environmental action plans” (GTZ); and
- (e) “REReP, regional environmental reconstruction programme for South-East Europe” (GTZ).

91. In order to avoid a duplication of work we ask for a close collaboration and exchange of information among the projects implemented by German Development Cooperation and the proposed GEF project.

Recommendation

92. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM USA (August 25, 2005)

93. This is a well conceived project and a priority for the countries involved, but we had two questions/concerns:

- (a) Why isn't there a monitoring and evaluation plan? Under Council-approved M&E guidelines, the Secretariat is supposed to ensure that this is taken care of prior to work program inclusion.
- (b) Illegal fishing is a problem that needs more attention and concrete action by both governments. Would appreciate if project could emphasize this more.

COMMENTS FROM SWITZERLAND (September 30, 2005)

General Comments

The project aims at conserving globally significant biological diversity and transboundary resources of the Prespa lake basin. The project's objectives are of relevance and they are consistent with the objectives of GEF. Especially noteworthy is the goal to establish an integrated Ecosystem Management involving the three countries sharing the Prespa Lake Basin.

This approach will lend itself to later duplication in the Ohrid lake basin, shared between Albania and Macedonia, where notable efforts are already under way, and the Dojran Lake basin shared between Macedonia and Greece.

In that regard, we expect the project to be well coordinated with other related efforts in the region.

Main concerns

None.

Conclusions and Recommendations

We support the project proposal, and recommend its approval by the GEF.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/13)

PERSISTENT ORGANIC POLLUTANTS

Moldova: POPs Management and Destruction Project [WORLD BANK]

COMMENTS FROM GERMANY

General Comments

94. The project has been well thought out, is technically sound, and will contribute, albeit in a small way, to the reduction of the global POPs burden.

Specific Comments

95. As stated in the project document, the inventories on PCB containing equipment and obsolete pesticides in Moldova cannot yet be considered to be fully comprehensive. The project indicators on concrete disposal actions to be carried out are clear and acceptable. However, the Expected Output of “complete disposal of all obsolete POP pesticides (outside of the pesticides dumped on Cismichioi dump site) and about 80 % of PCBs in Moldova” might be too ambitious and should be reconsidered carefully during project implementation.

96. We agree that incineration is the preferred form of disposal compared to the alternative of indefinite storage. Qualified international firms should be assigned while local firms should be involved only on a secondary level to assure safety requirements and prevent accidents.

Recommendation

97. Germany supports the proposal. The above raised concerns should be addressed during further steps of planning and implementation.

COMMENTS FROM USA (August 25, 2005)

98. While the project is generally sound there are a number of specific concerns we would like clarification on prior to our decision on whether to support.

- (a) There seems to be an operating assumption that all these pesticides ‘are potentially contaminated with POPs’ should be paid for because there may have been cross-contamination. We would like to see details on what pesticides are involved, and what the relative contribution may be of POPs and non-POPs to the inventory. As a general principal we believe there should be a heavier reliance on other funding sources to address the non-POPs content of such stockpiled materials, and want to evaluate if that is a relevant concern for this project.

- (b) With regard to PCBs, the project seems to include costs associated with site remediation, in addition to costs for dealing with stockpiled material and equipment. Again there is a question of the need for further external funding (for site remediation) that cannot be resolved without greater clarity on costs.
- (c) In the future, we would appreciate making specific references to the convention as to which part of annex a part ii applies to the material that they are proposing to take out of service and destroy. The general description provided makes it difficult to make a judgment about the necessity of this work. In this case, based on the information provided, we believe the work is appropriate.