

COMPILATION OF TECHNICAL COMMENTS  
SUBMITTED BY COUNCIL MEMBERS ON  
INTERSESSIONAL WORK PROGRAM  
APPROVED IN MARCH 2000

NOTE: This document is a compilation of technical comments concerning the project proposals presented in the intersessional work program approved by the Council in March 2000. These comments were submitted to the Secretariat by the Council Members.

## **General Comments:**

### *Comments from France (03/08/00)*

The Secretariat underscores the chronic paucity of greenhouse projects and is relying on the mobilization of regional banks and new operational programs (particularly Transportation) to revive project activity.

In the area of International Water, the Secretariat has reservations about the methodology used, which is standard for this type of project (Transboundary Diagnostic Analysis and strategic Action Program). Other than a very theoretical definition of the transboundary costs that can be borne by the GEF, we think that this methodology provides little by way of new information

The only projects that are submitted under the greenhouse effect heading pertain to the treatment of household waste (production of compost in Indonesia and landfill methane recovery in Uruguay). This is a key topic in the effort to combat the greenhouse effect in developing countries and it is important for it to be featured, with increasing prominence, in the work programs of the GEF.

### *Comments from Germany (03/08/00)*

#### Clarity of funding

The proposals usually do not distinguish between cofinancing and parallel financing. In many cases, funds provided by other donors are not managed under a joint scheme, and contributions described as cofinancing sometimes include e.g. already ongoing projects. The GEF project proposal should therefore describe in detail, which contributions are under the direct roof of the project. It is further recommended to briefly summarize these relationships under a separate heading in the main body of the proposal, as part of the standard outline of the proposal.

#### Problem analysis and log frame

Many proposals remain very general regarding the problem analysis and describe the reasons for taking action insufficiently. The relationship between the degree of certain threats to biodiversity, the national and global priority in biodiversity conservation, and the level of funding needs broader discussion than usually done.

#### Length of project proposals

It seems that the length of the project proposals has increased in recent times. Some proposals such as on Lesotho & South Africa (91 pages), Trinidad & Tobago (86 pages) and on Ecuador (76 pages) exceed the usual possibilities of the Council members' staff to read and prepare qualified comments. As the annexes always contain important information relevant for decision-making, it is not possible to read only the main part of the proposals. The length of the "core-proposals" should therefore be limited to a maximum number of pages (e.g. approx. 15 pages), annexes should be added only if they are significant. In our view, bibliographies or copies of the original focal point endorsements should not be submitted to the Council.

#### Incremental costs

Although incremental costs are one of the basic principles of GEF, the project proposals often do not sufficiently describe the global environmental benefits of the proposed measures. Within the

main text of the proposal, a clear description of the baseline scenario should be given and be compared with the scenario expected after GEF intervention. The incremental cost matrix in the appendix should, in addition, give at least an indication how the costs for both baseline activities and the GEF alternative were calculated. This will often not be possible without breaking down the cost matrix into activities for each expected output.

#### Project costs

We would expect from a project proposal to get a break-down of the project costs into cost categories (salaries, consultant services, equipment, etc.) and a characterization of the GEF contribution as Technical Assistance and/or Financial Assistance.

**Regional (South Africa/Lesotho): Maloti/Drakensberg Conservation and Development Project** (WB) GEF: \$17.100 m; Total: \$45.400 m

*Comments from France (03/08/00)*

Five-year transfrontier project on biodiversity conservation and community development through nature-based tourism.

Conventional project covering conservation activities within and outside parks, involvement of village communities, promotion of nature-based tourism, and the strengthening of institutions.

Very little quantitative data is provided on the basic socio-demographic and economic aspects that can be used to gauge the financial sustainability of the project. The project is supposed to address problems related to excessive livestock grazing and deforestation for subsistence agriculture, and contains no information that makes it possible to estimate, quantitatively, how tourism will provide the populations with the expected alternative revenue.

Furthermore, the project will spend an average of \$3 million per year, which should be considered along with recurrent costs and the capacity of the countries, particularly Lesotho, to assume these costs after the project.

*Comments from Germany (03/08/00)*

We can agree to proceed with the further preparation and implementation of the (other projects) with the exception of project A1 which should be presented to the Council after having been revised.

The objective of the project is to conserve/rehabilitate biodiversity and/or ecosystems in regions with high to very high ecological values – an objective, which is in full line with GEF focus. The ecosystems are endangered and countermeasures should be taken.

However there are some doubts if the project designs consider duly the institutional weaknesses and the conflicting interests, which are common characteristics of the political and economic environments of the project. The project involves several sectors, institutions, governments and donors – experience shows, that such a project has a high risk of failure especially when disbursement will be made has to be spent within a short period of time. Management capacity of the project seems to be weak – there is therefore some risk, that it cannot give sufficient strong leadership or cope appropriately with the manifold problems and conflicts during execution.

It is not clear whether the wording used – e.g. “flexible long term approaches that build in adaptive management based on feedback from experience are needed to address the challenges of biodiversity conservation” is always based on realistic and not overoptimistic assumptions and on a clear vision about the feasible solutions.

The project is ambitious and may stress the capacities of the involved institutions beyond a reasonable level. It is therefore recommended to check for the project whether the management

capacity should be further strengthened, to divide more clearly into project phases and to reduce the number of targets.

A clearer outline of the global benefits of the project would be required. The proposal, however, contains hardly any descriptions and conclusions, how the project will help to protect biodiversity on a global scale. What would be expected from the incremental cost analysis given in Annex 4 of the proposal is the comparison of the present and future status of biodiversity in the project area with and without GEF contribution, i.e. a comparison of the baseline scenario with the GEF alternative. Although a few lines give the incremental costs of each of the eight main components of the project, it remains unclear how they were derived and they therefore remain vague. The chapter on incremental cost analysis is in fact largely a repetition of the project description summary. The global benefits of the outputs and activities need detailed explanation and discussion in the context of global biodiversity benefits, in particular as they are not apparent in some cases (e.g., conditions for tourism investment secured” or cultural heritage management”).

The information on the project budget is very meager, and includes only over-all costs, but no further details. No assessment can hence be made whether funding is appropriate.

Conclusion: As the incremental cost analysis is regarded as insufficient, it would be useful to provide this analysis prior to take a decision on the approval of the project by the Council.

**Ecuador: Control of Invasive Species in the Galapagos Archipelago (UNDP)**  
**GEF: \$18.680 m; Total: \$41.540 m**

*Comments from France (03/08/00)*

Six-year, US\$41m project, with GEF financing amounting to \$18.3m. The aim of the project is to protect the exceptional biodiversity of the archipelago from the introduction of alien species.

It involves the improvement of quarantine systems, research programs on methods of controlling invasions and eradication, animal and plant species eradication pilot programs, the establishment of a \$15m trust fund, with \$5m in financing from the GEF, and awareness-building among populations.

One interesting aspect of the project is the establishment of the trust fund. It is useful to note that it will provide only a small part of the recurrent costs of the program, that is, \$0.8m of \$5.3m, with the bulk of financing coming from the particularly high fees for entry into the archipelago.

*Comments from Germany (03/08/00)*

The objective of the project is to conserve/rehabilitate biodiversity and/or ecosystems in regions with high to very high ecological values – an objective, which is in full line with GEF focus. The ecosystems are endangered and countermeasures should be taken.

However there are some doubts if the project designs consider duly the institutional weaknesses and the conflicting interests, which are common characteristics of the political and economic environments of the project. The project involves several sectors, institutions, governments and donors – experience shows, that such a project has a high risk of failure especially when disbursement will be made has to be spent within a short period of time. Management capacity of the project seems to be weak – there is therefore some risk, that it cannot give sufficient strong leadership or cope appropriately with the manifold problems and conflicts during execution. It is not clear whether the wording used – e.g. “flexible long term approaches that build in adaptive management based on feedback from experience are needed to address the challenges of biodiversity conservation” is always based on realistic and not overoptimistic assumptions and on a clear vision about the feasible solutions.

The project is ambitious and may stress the capacities of the involved institutions beyond a reasonable level. It is therefore recommended to check for the project whether the management capacity should be further strengthened, to divide more clearly into project phases and to reduce the number of targets.

The eradication of over 100,000 feral goats from Isabela Island seems to be one of the most challenging tasks of the project. Unfortunately, the proposal gives only insufficient information on the status of these feral goats: what is the interrelationship with the human population? These questions are of crucial importance for the eradication program, as the response decides upon possible confrontation with or support by the local human population.

Taking the project duration into account, and also the factor that the goats will continue to reproduce during the life span of the project, the eradication mean a “slaughtering” of ten thousands of goats per year. The methods for eradicating such high numbers of goats presented by the proposal are not convincing. It should be not forgotten that even small numbers of goats may build up new populations within several years, and this may threaten the sustainability of a very costly project component.

The proposal speaks throughout on eradication of alien and invasive species. This is very ambitious. From common experience, this will hardly be possible for any species. The project should therefore better identify “tolerable population levels” of alien and invasive species onto which the current population size has to be reduced, and determine methods how to maintain the population sizes on these levels.

Conclusion: It is recommended that the project proposes carefully re-consider the methodological approach for goat eradication and adapts project implementation accordingly.

#### Comments from Switzerland (03/08/00)

##### General Comment

The proposal addresses the complex issues of exotic species threatening the ecological integrity of fragile and unique ecosystems of the globally significant Galapagos Archipelago. In general, the proposal is well prepared, articulated and presented. It provides should and comprehensive background information on the issue and local framework conditions and offers a range of activities, aimed at the development of techniques and methods to be applied to combat the problems. The proposal meets GEF funding criteria in principle.

Fundamental differences, however, regarding the proposed approach to problem solutions in Galapagos, an extravagant FEF grant request and significant omissions in the proposal regarding (a) threats to the integrity of the Archipelago’s terrestrial ecosystems and (b) the background conditions in Ecuador in general as related to the proposal, are sufficient reasons to request that the proposal be reconsidered and streamlined before final approval is given.

##### Main Concerns

The proposal insufficiently addresses potential solutions to human population growth on the Archipelago, although people are recognized as key root cause within the complex issue of “bio-invasion”.

The proposal fails to mention fire (i.e., human-induced and natural) as key disturbance factor and threat to the ecological integrity of the islands. The proposal mostly holds goats responsible for forest and ecosystem destruction, although fire historically had and still has a much larger impact on the Archipelago’s changing ecosystems, especially in the lower elevation forests.

The proposed eradication program of select “invasive” species contradicts the legitimate concern that a complete eradication of such species is highly unlikely. This applies especially to rodents (rats and mice) and flies (houseflies are not even mentioned as introduced species) and several aggressively colonizing plant species. Of special concern in this context is the proposed pilot project on the eradication of goats (*Capra hircus*) on part of the Isabela Island. The extraordinary high costs associated with this effort (i.e., \$7 Million) with unpredictable results, seem little justified in terms of opportunity costs, i.e. in light of the numerous pressing ecological concerns of global significance that exist in Ecuador and are in urgent need of funding. Furthermore, *Capra hircus* has been part of the Pacific Ocean’s Archipelagos (including the Archipelagos of Juan Fernandez and San Ambrosio) for more than 500 years. The question is, how long does it

take for an introduced species to be recognized as integral part of new habitat and the evolutionary processes of the ecosystems which it helped to create? On the island of Mas Afuera (Archipelago Juan Fernandez), for example, the goat population seems to have naturally stabilized over the past 5 centuries (with insignificant human interference) and is adjusted to the carrying capacity of the island.

The requested GEF funds of more than \$18 Million are difficult to justify in light of (a) the \$5 Million revenue income generated by the Galapagos National Park, with half of it dedicated to cover recurrent/operational costs of the NP, (b) the many other ecological priority projects in Ecuador that remain without any funding and (c) the disproportionately high risk associated with the proposed interventions which cannot be sustained financially. As it is, the bulk of the revenue generated by the Galapagos NP remain in the archipelago and amounts to more than the total of funds available for the rest of Ecuador's protected areas combined.

The allotment of close to \$5 Million to research activities associated with introduced species (i.e. predominantly esoteric research without promise for tangible results) is an ill affordable luxury in light of other pressing needs elsewhere in Ecuador. Furthermore, most of the proposed research projects will not be able to identify long term effects of introduced species on the Archipelago's ecosystems within the five-year project duration.

The proposed creation of one more fund with special dedication to managing "invasive species" in the presence of three different, already existing funds associated with Galapagos National Park, is not understood and is expected to be of little success; the request of nearly \$1 Million in GEF funds exclusively for the development of the framework conditions for the funds seems excessive. Furthermore, it is highly unlikely that the goal of a \$15 Million fund can ever be achieved (e.g. the Charles Darwin Research Foundation Station which has been involved in fund raising since its establishment in 1959 is constantly struggling for funds and still has not been able to establish an endowment fund which would provide sustainable revenue to cover its recurrent costs).

#### Conclusions and recommendations

1. The proposed project is highly ambitious. It deal with a very controversial subject and proposes activities that promise little success overall. The budget appears inflated and disproportionate in light of the following major concerns.
2. There exists some consensus that successful eradication of all introduced species is close to impossible and it is likely that some introduced species with a high impact on the endemic biodiversity will remain and become established.
3. A large portion of the request grant is dedicated to esoteric research requiring long term monitoring in order to provide meaningful baselines and which does not provide solutions to the problems at hand.
4. The control and combat of introduced species should be covered by the comparatively very high budget available to the GNPS.
5. There are numerous environmental problems of global significance in Ecuador with alarming impacts on the country's protected area system and the ecological integrity of most of its mainland ecosystems in general (i.e., galloping desertification in coastal areas, large scale destruction of rain forest in the "zona oriente" and large scale contamination problems related to petro-industry and mining inside and outside protected areas), raising serious concerns about the opportunity cost of the proposed project investment. A GEF grant of this size can be better spent on combating ecological problems elsewhere in the country, with a much higher probability of success.



Due to the apparently disproportionate GEF grant requested, especially in light of the substantial risks, it is recommended that the proposal be reconsidered and streamlined accordingly before final approval.

#### Further Commentaries

**Bio-Invasion:** although human population growth on Galapagos has been identified as root cause for the problem of “bio-invasion” to be eliminated (Annex F), the proposal fails to address problems related to *Homo sapiens* as principle “bio-invader” threatening the archipelago’s ecological integrity. The proposal does not specify any activity that would address the closely associated problem of human population growth on the archipelago (e.g. environmentally sound economic development planning, creation of re-settlement opportunities on the mainland, etc.). although a “migratory control system” in Galapagos has been established under the Special Law for Galapagos (paragraph 25), it will be nearly impossible to enforce as long as there is no solution to the bleak economic problems on the mainland; further more, the special law does not address natural population growth on the islands accounting for over half of the 5.9% annual population growth rate on Galapagos (= 850 persons/year). In this light, the forced return of 65 “unauthorized migrants” to the mainland in 1999 (paragraph 25) has contributed little to a long-term solution for the most pressing problem under the heading of “bio-invasion”.

The stated introduction rate of 8 species per year with an estimated arrival of 250 new plants since 1970 (paragraph 9 (i) is somewhat misleading, since only a fraction of these may be classified as real and potential invasives posing a threat to ecosystem integrity (i.e., aggressive colonizers replacing native species).

The proposal fails to mention the system modifications by introduced species which took place over past centuries and which have already contributed to the Archipelago’s evolutionary processes, with irreversible impacts. Intervention may cause a renewed system imbalance.

Quarantine and Inspection (Paragraph 11): As long as boat traffic to and from the numerous islands of the Archipelago cannot be controlled –and it can never be fully controlled–, this program is doomed.

Adaptive Management (Paragraph 13): There is no consensus amongst ecologists on the validity of ex-situ captive breeding programs and genetic plasma/seed banks for threatened species as “insurance against their extinction and for repatriation programs”. Such programs are generally very costly and have mostly shown poor results in other parts of the world. The money earmarked for such activities would be better spent on habitat conservation (i.e., holistic approach to ecosystem management).

INGALA and the GNPS (Paragraph 21): It is apparent that INGALA’s major trust will always be regional development planning with little influence on and/or legal mandate for problem management associated with invasive species in the archipelago. Since 98% of the Archipelago is incorporated into Galapagos National Park, management of invaders should be the responsibility of the GNPS. If agriculture is recognized as major threat to ecosystem integrity (Paragraph 22), INGALA should develop plans for the re-settlement of islanders to the mainland instead of enhancing the agri-sector on the Archipelago!

Paragraph numbering following paragraph 31 is inconsistent. Paragraph 31/page 13: the abbreviation DSF is not included in List of Acronyms; the same with “SESA”, Paragraph 60.

End of Project Situation (Paragraphs 49-50): The proposed outputs are very unlikely to ever be achieved, with or without a GEF grant, and the presented outlook is generally much too

optimistic. In light of this and of the many alternatives for sound project investment, the planned expenditures of \$18 Million in GEF funds appear unjustifiable.

PME (paragraph 59-62): Why create a special PMU? This seems an unnecessary addition to an already bulging bureaucracy on Galapagos. Why add 12-15 staff with a sole responsibility for problems associated with “Bio-Invasion”; why can’t this be handled by the current GNPS staff of about 145?

Risk Ratings (Paragraph 65): The risk ratings are far too optimistic and the actual risks are far too high to justify the proposed expenditures of \$18 Million.

**Trinidad & Tobago: Protected Areas and Wildlife Management Project (WB)**  
**GEF: \$4.200 m; Total: \$16.800 m**

Comments from Germany (03/08/00)

The objective of the project is to conserve/rehabilitate biodiversity and/or ecosystems in regions with high to very high ecological values – an objective, which is in full line with GEF focus. The ecosystems are endangered and countermeasures should be taken.

However there are some doubts if the project designs consider duly the institutional weaknesses and the conflicting interests, which are common characteristics of the political and economic environments of the project. The project involves several sectors, institutions, governments and donors – experience shows, that such a project has a high risk of failure especially when disbursement will be made has to be spent within a short period of time. Management capacity of the project seems to be weak – there is therefore some risk, that it cannot give sufficient strong leadership or cope appropriately with the manifold problems and conflicts during execution.

It is not clear whether the wording used – e.g. “flexible long term approaches that build in adaptive management based on feedback from experience are needed to address the challenges of biodiversity conservation” is always based on realistic and not overoptimistic assumptions and on a clear vision about the feasible solutions.

The project is ambitious and may stress the capacities of the involved institutions beyond a reasonable level. It is therefore recommended to check for the project whether the management capacity should be further strengthened, to divide more clearly into project phases and to reduce the number of targets.

Comments from France (03/08/00)

The aim of the project is to establish a legislative and administrative framework responsible for protection and a system of protected areas to which most of the GEF financing is being channeled, and to promote the sustainable use of resources.

The issue of recurrent costs is addressed only in the context of a trust fund for hypothetical revenue, the amount of which is unspecified.

Comments from Switzerland (03/08/00)

General Comments

The project seems consistent with the GEF Operational Strategy, Principles and criteria. The project targets three inland terrestrial areas and two coastal/marine wetland areas – GEF funding is requested for the coastal and marine wetlands.

After an analysis of the project brief and of annexes 1-6 we feel that the project approach combines sound institutional strengthening, protected areas management and community development. The concept is outlined in rather general terms, whereas the necessary information for assessment is mainly given in the annexes.

We appreciate that a cost-benefit analysis has been performed for the project's proposed protected areas. The comments of the STAP reviewer are well oriented and detailed, as is the Bank's response.

#### Main Concerns

##### (a) GEF component vs. the overall project:

Basically, the project brief describes the overall concept, which integrates GEF-grant and co-finances (mainly by an IBRD loan) objectives and activities. Although it is well perceived and it is welcomed that GEF and co-financing are combined, the GEF component and its associated activities are described so as to make it difficult to distinguish them from the other components. For example, it is clear that the GEF targeted areas are the coastal and marine wetlands, but it is difficult to associated the activities listed under project components 1 (institutional strengthening) and 3 (community development) to the GEF component. The budget also fails to provide clues in this regard.

Furthermore, we note that the information given in the project design summary (annex 1) on key performance indicators, monitoring and evaluation, as well as critical assumptions, is particularly insufficient or even non-existent in those areas that we assume refer to the GEF component (see page 3 of annex mentioned).

##### (b) The IBRD loan as key component of the overall budget:

The support by the Government will be crucial for a successful implementation of this project. In this respect, we interpret the US\$8.2 million to be financed through an IBRD loan, as an measure of the level of commitment by the Government of the Republic of Trinidad and Tobago. This loan will constitute a key portion of the overall project budget and must therefore materialize to make the project feasible.

The project brief fails to provide information on the status of the loan negotiations and it remains unclear whether there is a significant risk that there negotiations may fail. We feel strongly that final approval for this project should depend on the outcome of the loan negotiations.

##### (c) National Parks and Other Protected Areas bill/Environmentally Sensitive Areas Rules:

According to Annex 2 (pages 1, second paragraph) it appears that the National Parks and Other Protected areas bill is expected to be adopted by Parliament in march 2000. It will provide the basis for the "preservation, protection and management" of the project.

In this respect, we fully share the appraisal given in the document under sustainability and risks (page 27): "In addition, critical aspects specific to the sustainability of the project's national parks and other protected areas are: (i) the passing into Law of the Environmentally Sensitive Areas Rules (including the amendment based on the National Parks and Other Protected Areas Bill) without which the protected areas could not be declared, managed and protected,...

This legal framework is therefore crucial for a successful project implementation and the adoption of such legislation will be another critical manifestation of political support and country ownership of the project. It should therefore be regarded as a precondition for final project approval. Again, we consider the realization of this project. The remaining questions are (i) How does the GEF deal with the uncertainty regarding the passing of the proposed legislation and the implication of a possible failure and (ii) is the proposed legislation compatible with international standards?

Conclusion

We are in agreement with the objectives and the proposed activities, but regard both the IBRD loan and the adoption of the proposed legislation as preconditions for final approval.

**Indonesia: West Java/Jakarta Environmental Management Project (WB)**  
**GEF: \$10.000 m; Total: \$27.000 m**

Comments from France (03/08/00)

The tranche system (adaptable loan program) is expected to be used in the compost production project. The GEF is providing technical assistance funding for implementation and a compost subsidy. The idea is interesting to the extent that it is indeed the absence of a real compost market that is preventing the widespread use of this procedure. The feasibility study should ascertain the sustainability of the project (What will happen when the GEF subsidy is no longer provided? Will the market sustain itself?)

Comments from Germany (03/08/00)

The project is concentrating on the reduction of methane emissions through a new local waste manage system. We share the opinion of the reviewer that the project is rather ambitious even though it is integrated in a larger development program.

The project, if successful, will reduce GHG emission at very low cost, calculated to be 1.7 S/t carbon equivalent. The four phase funding approach as proposed by the reviewer and incorporated by the World Bank will, no doubt, substantially contribute to achieve the ambitious goal of the project.

The phased funding may be a recommendable approach also to other GEF projects to achieve a higher reduction rate compared to total up front incremental cost funding as practiced so far.

Comments from Switzerland (03/08/00)

General comments

Through complex, this project definitely has many strong points. The political system in Indonesia currently undergoes reform towards more decentralized structures which is taken into account in the design of the project. While this may bring many advantages it is also apparent that local governments and administrations are still struggling with the increased maneuvering space and their new responsibilities which is not surprising after such a long period of extremely centralized decision-making. While critical for the success of this project it remains unclear how (and when) legislation on decentralization will be implemented and the associated risks should not be under restimated.

Main concerns

This is a complex project in institutional terms. The proponents appear well aware of the risks involved and are proposing measures to address them, based on the APL (adaptable program lending) modality.

Among the many relevant institutional aspects we would like to mention two that seem particularly critical:

- The tasks of local government s and communities to carry the project to a successful completion require considerable management and organization skills. For example, the project requires the phasing out of commercial waste collection by local governments. In the

past, waste collection –in commercial and residential areas, but less in poor areas with difficult access for waste collecting vehicles- has been a source of revenue for many local governments and their waste collection operations. Licensing fees from private waste collectors and other measures are proposed to compensate for the loss of such revenues (115). Cost recovery is thus a crucial issue, as is the issue of the ratio of loan versus grant (handled to-down from central to local government) for the activities within the project (84). It is understandable in the current situation of the Indonesia economy that this is a contentious issue in which local governments do not want to incur additional loan finance.

- Weak cooperation between government agencies is considered a substantial risk to the success of the project. Previous experience mentioned in the proposal (South Sulawesi UDP, 66) shows that investment projects trigger greater commitment (contracts, implementation) of involved government agencies compared to projects with a predominant management aspect.
- Implementation of compost credits. The proposal could be more specific and it needs appropriate safeguards to ensure proper functioning of this otherwise innovative system.

#### Additional Comments

Given existing measurement uncertainties with methane this project could make a good contribution in terms of evaluative research on this topic.

Composting is not really ideal for the treatment of organic waste that is not well structured and has a high water content (such as vegetables, grass, food leftovers) because it will often produce intense and unpleasant odors for the neighborhood”. The environment assessment (106) for the project states merely that the environmental impact from compost facilities needs to be monitored carefully. It appears that the success of this component will depend on the number and location of the planned local composting facilities and of course on how they will be operated.

#### Comments from USA 03/08/00

It is our understanding that the GEF component of this project is a community-based organic waste compost scheme. First, given that compost can generate dangerous residues (eg. Heavy metals), we would like to know if measures have been taken to adequately test the quality of these materials. This is an important issue if the compost waste is to be sold for agricultural usage. Second, we would appreciate clarification on the potential labor pool to be used in the separation of the organic waste from the other waste materials. Specifically, is there a possibility for child labor to be used in this activity? If so, we would like to know how the implementing agency will ensure that this possibility is minimized.

We would appreciate a written response to this letter from the implementing agency for the Indonesia project.

**Uruguay: Landfill Methane recovery Demonstration Project (WB)**  
**GEF \$1.000 m; Total \$4.112 m**

Comments from France 03/08/00

The replicability of the process is linked to the repurchase mechanism of the energy produced, which, in the long run, should be paid by electricity users (and no longer by the GEF in order to be sustainable). The project appraisal could provide more details on this mechanism.

Comments from Germany 03/08/00

The project constitutes in principle a good demonstration how to make use of such landfills.

However, the important matter of replication possibilities may have to be followed up more in detail as the location may not be appropriate. As it is even stated in the document (para E. (b).) the municipality selected has a high per capita income for Uruguay and for Latin America. Therefore, to become in the long run a model to be set up without external grants, the question is not only whether the additional investment and operating cost can be covered by power sales revenues. The actual problem could be the financing of the investment and operation cost by revenues from the respective municipality. Consideration how to deal with this possible problem should be included in the project documentation.

Concerning the cost figures, the values in Para II (incremental cost assessment, in particular column 2 – e.g. operating cost) seem not to match with the figures in Para III/Table 3.



**Regional (Cameroon, Central African Republic, Chad, Niger, Nigeria): Reversal of Land and Water Degradation Trends in the Lake Chad Basin Ecosystem (UNDP/WB) GEF: \$9.947 million; Total: \$13.077 million**

*Comments from France 03/08/00*

We would ask the proposal to be reviewed by Council Members before endorsement by the CEO. Regarding this proposal, we find that it may have benefited from a council discussion because of its strategic aspect and because it raises some questions on a more general level. We did not want however to send the wrong signal to the Agencies and the countries involved in the proposal by asking to postpone its review. We may however raise some of the more generic issues at the next Council meeting.

The sustainable development of the Lake Chad Basin is closely linked to the functioning of this hydrosystem and fully justifies the submission by the GEF of a project of this nature.

However, after five years of preparation, the document raises a host of questions:

**The Budget Submitted**

- A reformulation of the budget leads to the following conclusions:
- The structural and coordination costs of the project (component 1 and part of component 2) amount to US\$3m over 4 years.
- Component 5 (demonstration projects) includes a number of preparatory studies, an area in which there seems to be little activity. The total study and programming budget, including components 2 and 4, is approximately US\$2.5m.
- The workshop/consultation budget stands at US\$1m.
- The expenses that are more operational in nature, which are not, however, related to investment (implementation of measures, modeling, pilot projects) amount to US\$3m.

This cursory analysis shows that this project will finance many administrative and intangible costs and few investment costs. A redistribution of the budget towards more operational activities (learning by doing) seems desirable.

**Proposed Activities**

- US\$2m has been allocated to a TDA/SAP (component 4 for US\$2m), the added value of which, based on documents already prepared, is questionable (diagnostic study, master plan, and strategic action plan drafted during the PDF-B, which has already done a synthesis of existing information). The primary justification is to facilitate access to new measures during the three-year duration of the project. In the case surface water data, this should not change significantly the conclusions drawn from the analyses done with different sets of data over more than 60 years. However, this seems more justifiable for the analysis of the operation of aquifers. A TDA/SAP (the general methodology of which is not very clear) for such an amount seems
- unwarranted given the results that are already available.
- The description of the demonstration projects (component 5 for US\$2.5m) is very vague, which indicates their lack of activity. Furthermore, it seems that the exact definition (cf.

workplan) of these activities requires a PDF (B or C, the text is not clear) from the World Bank. These projects would have a very short life span of two years. A determination of the progress made with this component would be helpful.

- In component 3, a budget of US\$0.8m is earmarked for local initiatives through planning workshops. Little information is provided on the methodology used and on the objectives of this activity.

In sum, a significant portion of the project budget (US\$5.3m, that is, more than 50%) is allocated to activities that have not been clearly described or have little justification. The project implementation duration (reduced to two years for operational activities) seems short given the amounts involved.

#### **Institutional Organization**

The institutional organization of the project is unclear. This is attributable in part to the problems associated with the functioning of the Lake Chad Basin Commission, which are spelled out in the project. Without providing details on all the links with already existing structures, it seems, however, important to specify the role and organizational ranking of the different and myriad project structures: Project Coordination Unit, Project Task Force, Project Steering Committee, Interministerial Committee for Lake Chad Basin, National Secretariat, Interim Basin Committee for Strategic Planning.

The distribution of roles between the World Bank and the UNDP is very clear in the case of component 2, and emphasis is placed on the desirability of including the World Bank in component 6. However, very few details are provided on this distribution for component 5 (PDF World Bank and component executed by the UNDP?) and for the other components. It would be helpful to clarify the role of these two organizations in the implementation and monitoring of the project.

#### *Comments from Sweden 03/08/00*

The Lake Chad Basin Commission was founded in 1964 and apparently revitalized in 1994. From the project proposal it is not quite clear to what extent the Commission has managed in fulfilling the mandate of the Convention and what conflicts/conflicting use of shared water resources that have arisen;

As the problems are of a transboundary nature, what mechanisms for conflict prevention, management and resolution will the project assist to establish?

As the concerned countries belong to the poorest in the world, the project proposal could have elaborated further on the need to focus on poverty and gender issues. This is particularly important as second implementation phase if foreseen. The main concern is the changes in user rights that could marginalise the poor as a consequence of improvement of the lake basin.

#### *Comments from Switzerland (03/08/00)*

#### **General Comments**

The project seems consistent with the GEF Operational Strategy, Principles and criteria and eligible under Operational Program No.9. with its regional approach it involves 5 countries: Cameroon, Central African Republic, Chad, Niger and Nigeria.

The water resources of Lake Chad are crucial for the overall regional development and for a population large in number, and the region also hosts biodiversity of global significance. In view of the transboundary characteristics of the problems to be addressed, the choice of a regional approach seems appropriate. There can be no doubt that the project objective corresponds with important interests of the population concerned.

The project design is based on a series of preliminary work and diagnostics, as well as on existing institutions in the countries concerned, underlining the efforts of the Lake Chad Basin Commission (LCBD) and the regional LCB Strategic Plan.

The project seems well embedded in a number of further initiatives supported by various donor agencies. It is assumed that the project will contribute to ensuring effective coordination of international assistance to address the problems of the Lake Chad area.

The project brief given a good background information, the concept is soundly designed, and the objectives, outputs and activities are rather precisely defined. We welcome the details given with outputs and activities, as they help to understand and assess the proposed work.

### Main Concerns

As mentioned before, for the overall project with its 6 outputs the regional approach seems appropriate, and we fully support the purpose of the project to overcome barriers to the concerted management of the basin through well orchestrated and enhanced collaboration and capacity building among riparians and stakeholders. Nevertheless, considering the enormous challenge to be confronted it seems advisable to perform a thorough cost/benefit analysis for the individual investment components and to some prioritization with respect to the regional programs and the initiation of demonstration projects (project output 5).

Regarding impact, output 5 will be the most crucial component of the project. We regret that particularly in this case the information given refers mainly to administrative aspects and mechanisms, but is too general on technical and conceptual issues. An indication of the principles and criteria to be applied to the demonstration projects would be very helpful.

### Comments from Germany (03/08/00)

The regional project aims at improving the management of the ecosystem of the extensive Lake Chad Basin by establishing cross-country coordination mechanism, enhancing coherent policy formulation and policy enforcement in the concerned countries and by building capacity for the major actors involved. In view of the high importance of this vulnerable ecosystem, we fully support the project objectives. The setup seems to be appropriate and apt to overcome major obstacles of a sound management of the basin. Nevertheless, we would like to raise the following issues for your consideration:

In Art. 34 the GEF classifies the level of project risk as moderate. In our opinion this risk assessment is too optimistic. Considering that involvement of no less than 5 countries in this crisis-prone region the political risk can only be considered high and potentially endangering the success of the project. At least a consciousness of the potential high risk should be admitted and included in the risk rating.

In Art. 35 the GEF estimates that there is only a moderate risk that the project activities will end after the project. The reasoning behind this assessment is that the entire project setup builds on the assumption that future financial requirements will be secured by other international donor finance. Consequently, reflections on institutional sustainability are neglected to a certain extent.

We would recommend to include built-in mechanisms to increase national contributions and thus ownership of the countries involved ending in a long term exit strategy of international donor involvement at least as a vision.

In order to alleviate the considerably high risk we highly recommend to introduce a pilot phase of 2 years. An important result of this pilot phase should be the formulation of more realistic targets reachable within a defined time-span of project implementation. The focus of activities in the main phase should be on more concrete physical projects (e.g. efficient use of water in existing areas of irrigation, protection areas for wetlands) and less on activities as formulation of policies and elaboration of plans. Demonstration of projects alone – as planned – may not be sufficient to achieve tangible results.

As a starting point for the pilot phase, an in-depth problem analysis needs to be conducted during this phase although one would have expected that the elaboration of priority actions had already been carried out during project preparation. This should include an assessment of the weaknesses of the institutional setup as well as institutional weaknesses within the involved environmental institutions; the involvement of stakeholders should be considered from the very beginning (in contrast to the work plan – Annex 5). Also the start-up of activities (recruitment of project personnel etc) should be carried out in shorter time span. Built on the results of this analysis, number and scope of the targets should be reduced and adapted as well as appropriate activities designed. Conflicting interests, aspects of sustainability after the life-span of the project should thereby be taken into due consideration.

Professional project management is essential to achieve tangible results during the proposed pilot phase as well as during project implementation. Special care should, therefore, be taken that the management unit disposes of the necessary professional skills and is not hampered by bureaucratic procedures and undue political pressure.

#### Conclusion

We recommend to include the above mentioned aspects into further planning steps in order to reduce the risk of project failure.

**Estonia: Program for Phasing Out Ozone Depleting Substances (UNDP/UNEP)**  
**GEF: \$0.919 m; Total \$0.964 m**

*Comments from Switzerland (03/08/00)*

Main Concerns

The project aims at phasing out the use of ODS in Estonia through institutional strengthening, training of trainer and technician training workshops, recovery and recycling activities and a regional Halon Management scheme. While the overall approach appears justified, some concerns exist regarding the individual Subprojects:

- Complete phase out by 2002 as stipulated in the table on page 10 of the RMP (Annex II) can not be achieved as a result of the Training of Trainer (Subproject 2.1) and R & R (Subproject 2.2) activities. Therefore out of the 40MT of ODS consumption in RAC sector, a total of 18 MT will remain even after implementation of this project.
- Recovery and recycling activities are unlikely to develop the projected impact unless financial incentives are present for the service and maintenance units and logistical arrangements are in place (e.g. for handling of the recovery bags used by smaller units and in field servicing). The project does not mention any measures in this respect.
- The impact of the R & R scheme is constrained by refrigerant losses occurring under appliance operation (leaks), appliance failures with refrigerant loss, uncontrolled disposal of existing equipment, not recoverable and not recyclable fractions of the refrigerant in the systems as well as the lack of discipline on the part of services technicians. The assumptions of the impact of the R & R do not adequately reflect these parameters but are based on standard assumptions (1kg recovery per day per machine, 0.1kg per day and bag).

Further Commentaries

- The training activities under Subproject 2.1 should cover all possible refrigerants (incl. Hydrocarbons) and also include retrofitting procedures for CFC equipment. Based on experience gained from similar programs, Training of Trainer sessions should be of at least two weeks duration, technician training at least two to three days duration. The funds provided for training seems to be inadequate for such duration.
- The training goals under Subproject 2.2 are almost identical with the training goals under 2.1. This parallel approach by UNEP and UNDP is expected to lead to a significantly reduced cost effectiveness as compared to a combined approach which covers both good practices AND R & R through a trainer and dissemination strategy in one go.

Conclusions and Recommendations

Considering the impact of the proposed activities, a complete phase out of ODS as stipulated by the RMP will only be achievable after replacement of retrofitting of all existing equipment for non-ODS solutions. Therefore it is suggested that an additional component on retrofitting be included, in the form of a demonstration program. In addition it is proposed to combine the training activities of Subproject 2.2 and 2.1 which would increase the budget per training intervention and therefore would allow the appropriate training duration. The comments, if considered valid by GEF, implementing agency and the Government of Estonia, could be integrated into the final project document.

**Kazakhstan: Program for Phasing out Ozone Depleting Substances (UNDP/UNEP)**  
**GEF: \$5.600 m: Total \$6.360 m**

*Comments from Switzerland (03/08/00)*

A core element in the ODS phase out strategy is the refrigerant management plan (RMP) with projects in training trainers of technicians and a recovery and recycling program. These interventions are designed to reduce the ODS consumption in the refrigeration service sector from 860 ODP tons to 436 ODS tons by 2002. The recovery and recycling program does contribute the main share to the projected reduction in ODS consumption (360 ODP tones/year) and absorbs a significant part of the resources (2.5 million USD). The RMP assumes that due to increasing CFC prices, owners of CFC based equipment would feel a sufficient economic incentive to decommission and scrap the old CFC based equipment.

Considering the large geographical extension of Kazakhstan the estimation of 360 ODS tons recovered may be on the high side as also observed by the STAP review. Considering travel time involved the comment by the STAP review regarding the need for longer training courses of 2-3 days rather than one day is supported as well as the observation that this training should cover new refrigerants including isobutane and retrofit practices.

In absence of a credible effort to retrofit existing equipment it will take definitely longer than up to 2004 to reduce the remaining ODS consumption in the refrigeration sector of 436 ODS tons to zero. As car air conditioners are not repaired for economic reasons, functional refrigeration equipment which needs service is unlikely to be scrapped as long as repair remains cheaper than procurement of new equipment. The comment made by Switzerland regarding integration of a hydrocarbon blend based retrofitting component for domestic and small scale commercial refrigerators into the recovery and recycling program of the Russian Federation is valid for Kazakhstan as well. Depending on the development in the Russian Federation (availability of drop-in hydrocarbon refrigerants) the transfer and use of such dro-in retrofit technology shall be promoted in Kazakhstan as well.

Further Commentaries

The comments made on co-ordination of training courses between UNEP and UNDP made above for the refrigerant management plan of Estonia also apply to Kazakhstan.

Conclusions and Recommendations

It is recommended to advise the implementing agencies to integrate above comments into the final project document.

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