



Comments by Germany on the November 2008 Work Program

TELEFAX

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To: Monique Barbut
Chief Executive Officer and Chairperson
Global Environment Facility
Fax: 001 – 202 – 522-3240
(advanced copy also sent by Email to: gcoordination@thegef.org)

Subject: **Comments by Germany on the November 2008 Work Program**

Dear Ms. Barbut,

Dear Monique

Please find below Germany's comments on the November 2008 Work Program.

Best regards

Vera Rosendahl

Vera Rosendahl
On behalf of
Frank Fass-Metz

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The following project proposals can be supported without a need for further comments:

Biodiversity:

2. Catalyzing Sustainable Forest Management in the Lake Tele-Lake Tumba (LTLT) Transboundary Wetland Landscape [UNDP] (GEF Grant: \$2.170 m)
4. Consolidation of Cape Verde's Protected Areas System [UNDP] (GEF Grant: \$3.290 m)
5. Enforcement of Protected Areas Network [World Bank] (GEF Grant: \$6.000 m)
9. Expansion and Strengthening of Mali's PA System [UNDP] (GEF Grant: \$1.770 m)
10. Sustainable Financing of the Protected Area System in Mozambique [UNDP] (GEF Grant: \$4.900 m)
13. Improving the Coverage and Management Efficiency of Protected Areas in the Steppe Biome of Russia [UNDP] (GEF Project Grant: \$5.300 m)

Climate Change:

17. Financing Energy Efficiency at Small and Medium Enterprises - under the Programmatic Framework for Energy Efficiency [World Bank] (GEF Grant: \$11.300 m)
23. Phasing Out Incandescent Lamps through Lighting Market Transformation in Vietnam [UNEP] (GEF Grant: \$3.030 m)

International Waters:

26. Restoration, Protection and Sustainable Use of the Sistan Basin [UNDP] (GEF Grant: \$2.000 m)
27. Testing a Prototype Caribbean Regional Fund for Wastewater Management (CReW) [IADB/UNEP] (GEF Grant: \$20.000 m)
28. Regional Framework for Sustainable Use of the Rio Bravo [UNEP] (GEF Grant: \$4.000 m)

Land Degradation:

29. Montenegro Institutional Development and Agriculture Strengthening (MIDAS) [World Bank] (GEF Grant: \$4.000 m)

Multi-focal Area

34. Strengthening Sustainable Forest Management and the Development of Bio-energy Markets to Promote Environmental Sustainability and to Reduce Greenhouse Gas Emissions in Cambodia [UNDP] (GEF Grant: \$2.360 m)
35. Silk Road Ecosystem Restoration Project [ADB] (GEF Grant: \$5.120 m)
37. SLEM - Sustainable Land, Water and Biodiversity Conservation and Management for Improved Livelihoods in Uttarakhand Watershed Sector [World Bank] (GEF Grant: \$7.000 m)

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The comments outlined below should be taken into account for the final project documents:

Biodiversity:

1. Implementation of National Biosafety Frameworks in Caribbean Sub-Region Countries of Bahamas, Belize, Grenada, Guyana and Suriname in the Context of a Regional Project [UNEP] (GEF Grant: \$2.630 m)

Since the proposed project extends the number of countries participating in the regional biosafety project submitted to the last council meeting in April 2008, Germany would like to maintain the following comment on the PIF (GEFSEC Project ID 2967) submitted by seven countries of the Caribbean sub-region for the Council meeting in April 2008, to which the project ID 3735 is an extension:

The project seemed to be based upon the outcome of regional processes and project undertaken by organisation as the Inter-American Institute for Cooperation in Agriculture (IICA) and the Caribbean Agricultural Research and Development Institute (CARDI). Both of them were mandated by the CARICOM Heads of Governments to develop regional policies on modern biotechnology and biosafety in the context of a Caribbean free market agreement. Germany would like to stress that the objective of the Cartagena Protocol refers to the protection of biodiversity and human health. There had been considerable concerns and debates concerning the relationship between trade and the protection of the environment and health during and after the development of the Cartagena Protocol. To reflect the outcome of these discussions and to ensure that the Cartagena Protocol is fully implemented in the Caribbean sub-region, Germany would like to make following recommendations:

- The project must be developed and executed in close cooperation between the Ministries for Agriculture and for Environment because both harbour biosafety responsibilities and competence in the Caribbean countries.
- If a regional biosafety framework in the context of the free-market policy of the Caribbean Single Market and Economy of the CARICOM is going to be funded by the GEF, it must be ensured that both, the interests fostering a common market and those promoting the protection of the environment, biodiversity and human health are equally represented in the project development and execution.
- One means to ensure the balance of interests is to engage a broad range of stakeholders in the development and execution of the project.

3. Improving Brazilian Capacity to Conserve and Use Biodiversity through Information Management and Use [UNEP] (GEF Grant: \$8.170 m)

The project objective and the planned activities are well formulated and clear. The risk analysis (Part F), the comments of the STAP review, and following recommendation should be taken into account during further elaboration of the project document.

- Component 1 of the project considers the systematization of the information of all - or several (it is not specified) - collections of the country in herbaria and museums. However, there are divergent positions within the academic community and managers of these collections, on the free access to the information via Internet. Therefore it would be interesting, if the proponent ministry (MCT) could certify the will of the societies and managers of the collections to share their information in this way, if necessary by signing letters of intent.
- The objective of component 3 is to make this information available to decision-makers. In this regard it should be reminded that the Ministry of the Environment is the main source of environmental information for decision-makers, inside and outside the government. Although there is a lot of high quality information in the universities,

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research institutions, and the Ministry of Science and Technology, this knowledge is neither fully integrated nor shared, with the MMA, as highlighted in the project text itself. Therefore it would be recommendable that the proponent MCT enters into a dialogue with the MMA, on how the information could be shared and be integrated, or how to avoid the overlapping with the biodiversity information systems developed in the MMA, as the System of Authorization and Information in Biodiversity - SISBIO, the System of Taxonomic Information - SISTAXON, the System of Biodiversity Monitoring (SIMBIO), and the System of Information of Biodiversity (SINABIO).

- In components 1 and 2, the project aims at improving the infrastructure and information systems in biological collections, and to invest in strengthening the research (field and laboratory research), and training of staff specialized in taxonomy. However, most scientific collections in museums and herbaria of Brazil are in need of investments (for construction of new buildings to contracting guards and technicians, or for maintenance of the collections). Also the research institutions and post graduate courses in zoology and botany, in different geographic regions of the country, have certain weaknesses and deficits regarding the resources for maintenance and expansion, scholarships or research programs or for contracting taxonomists. Soon, it would be interesting if the proponent could indicate which types of activities and geographic regions will be prioritized.

6. Sustainable Forest Management in Equatorial Guinea for the Conservation of Representative Ecosystems and Globally Significant Biodiversity [UNDP] (GEF Grant: \$1.770 m)

The project aims at strengthening the National Protected Area system and is not a Sustainable Forest Management Project. The project title should be revised. Expected outcomes seem ambitious, given the short (3 year) project implementation period, the multi-level character of the project and its dependency on several co-financing sources. Proposed changes in national policies, PA management and financing as well as community participation in PA co-management typically require more time, especially given the current lack of capacity in NIPA. The proposal does not elaborate on how the policy level, capacity development and local implementation activities can be effectively linked to ensure that a consistent approach is applied at all levels. An extension of the proposed project implementation period should be considered as an option to address these issues. Project outcomes should include a long-term funding strategy of the NSPA. Links with regional COMIFAC initiatives should be more clearly developed to show the project contribution to the regional COMIFAC convergence plan. Risks associated with high levels of expected national co-funding seem considerable and should be addressed during further project preparation

7. Mainstreaming Agro-biodiversity Conservation into the Farming Systems of Ethiopia [UNDP] (GEF Grant: \$3.860 m)

We commend the valuable STAP comments, especially their cautious judgement regarding the establishment of PES schemes. Five years are a relatively short time period for introducing the necessary behavioural and institutional changes for a sustainable scheme considering that past efforts in the region failed due to an institutional environment, which is still much weaker than e.g. in Latin America. The following comments should be taken into account when developing the proposal.

There are two sources of important information, which will help to better develop the strategies for two agrobiodiversity crops:

- Teff has been the object of an ABS agreement between Ethiopia and a Dutch firm. It will be important to consider this example when evaluating strategies to increase the

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value of agrobiodiversity resources. A complete documentation on the existing ABS-Teff Agreements can be found under

http://www.abs-africa.info/bioprospecting_cases.html (-> Ethiopia).

- Coffee forests and native coffee in Ethiopia are the research topics of an excellent long-term research project of the German Federal Ministry for Education and Research. They not only evaluated the genetic variability of coffee but also undertook cost-benefit analysis, supported certification procedures and established a multi-stakeholder forum. Information can be found under

<http://www.biota->

[africa.de/ica.de/spier_profina_ba.php?Page_ID=L975_13&PHPSESSID=9f955f1c4b44f470f065e196c1baa6fb](http://www.biota-africa.de/ica.de/spier_profina_ba.php?Page_ID=L975_13&PHPSESSID=9f955f1c4b44f470f065e196c1baa6fb), presentations 6.1 to 6.5.

8. Strengthening the Operational and Financial Sustainability of the National Protected Area System [UNDP] (GEF Grant: \$2.770 m)

An important co-financing for this project is 1 million Euros from KfW. The source of this funding is a regional fund which is still in construction; the criteria for disbursements have not been developed yet.

Germany supports the development of the PIF into a full project proposal under the precondition that the co-financing is secured in the stated amount (with or without the KfW contribution).

11. Protected Landscape Conservation Areas Initiative (NAM-PLACE) [UNDP] (GEF Grant: \$4.500 m)

The following recommendations should be taken into account during further elaboration of the project.

- Almost ¾ of the total project costs are co-financing of which \$5 mio. are from bilateral donors, which are not named, in the final proposal it would be important to know these donors.
- There are overlaps with other projects, which should be carefully analysed for better using synergies and complementarities, particularly the UNDP-GEF *Country Pilot Partnership Programme for Integrated Sustainable Land Management* (CPP/ISLM). The proposal considers treating different land-use systems separately (agriculture and forestry through CPP/ISLM versus tourism and wildlife through NAM-PLACE. This appears to us not very meaningful considering the targeted landscape conservation approach which will integrate the different land use systems.
- The GTZ project on „Biodiversity and Land management“ together with the Namibian Environment Ministry evaluates development and marketing options for different products. Overlaps occur with on-going activities promoting the sustainable use of native wildlife for the meat market.
- Further connections are with the German bilateral project „Support to land reform“ which advises in the area of land-use planning and resettlement policy. The PIF does not indicate whether the proposed landscape conservation areas are compatible with the land-use, development, and resettlement plans of other sector ministries.

The project will make an important contribution if:

- Communal and commercial land /resource user on the landscape level are integrated into a comprehensive co-management concept which propagates natural/ "nature near" management systems

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- The further development of the proposal is based on an inclusive consultation process with all actors and stakeholders, including other sectors
- The compatibility with land reform objectives as well as land-use and development plans is assured
- Synergies and complementarities with above mentioned initiatives are clearly established, especially initiatives of German development cooperation with long-term experiences in the fields of legal frameworks, communal development, community based resource management, biotrade and income diversification in protected areas, land-use planning, etc.
- The interests of local populations with generally weaker negotiation capacities are taken into account adequately.

12. Integrating the Sustainable Management of Faunal Corridors into Niger's Protected Area System [UNDP] (GEF Grant: \$1.770 m)

The project operates in an area of the country, which is politically instable and prone to conflicts. Final project design must correspond to this situation.

14. Strengthening Capacity to Control the Introduction and Spread of Alien Invasive Species [UNDP] (GEF Grant: \$1.830 m)

Most invasive alien species are not introduced intentionally, and even if so, they are mostly not introduced in an organised way by well-defined stakeholders. The introduction and spread of invasive alien species remains therefore hardly tangible. Proposed interventions such as capacity building, strengthening the policy framework, etc., may therefore have only little effect. The risks of the project to achieve tangible results are therefore considered high.

15. Launching Protected Area Network Management and Building Capacity in Post-conflict Southern Sudan [UNDP] (GEF Grant: \$3.820 m)

Since the decision has been taken to confine the length of PIFs to four pages, they again started to become longer gradually. The present PIF comprises 11 pages and has a clear potential to be presented in a briefer way.

As the GEF uses three higher level intervention levels (project objective, project outcomes and project outputs) it is not clear how the "project components" (used in the logframe on p. 1-2) fit into this intervention logic and what they are good for.

Chapter G (cost-effectiveness): It is not necessary to describe here why an investment into a protected area system is cost-effective; it should be better outlined why the way doing it in the proposed way is cost-effective (would there be e.g. scenarios with a higher cost-effectiveness such as working directly with the government instead of working through an international NGO?).

The risks the project will face are high and surely not always manageable.

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Climate Change:**16. Promoting Energy Efficient Room Air Conditioners (PEERAC) Project [UNDP] (GEF Grant: \$6.260 m)**

Reference is made to the STAP comments regarding the need to elaborate cost implications/barriers of introducing the technology and also the relevant practical technical implications as mentioned in the STAP Review.

18. Promoting Energy Efficiency in the Industries through System Optimization and Energy Management Standards [UNIDO] (GEF Grant: \$2.180 m)

It remains unclear why an industry should adopt ISO energy management standards and whether there is a sectoral focus for the activities outlined. Have cost barriers been quantified? What are the intended project interventions to overcome barriers?

19. Industrial Energy Efficiency [UNIDO] (GEF Grant: \$3.170 m)

It remains unclear why an industry should adopt ISO energy management standards and whether there is a sectoral focus for the activities outlined. Have cost barriers been quantified? What are the intended project interventions to overcome barriers?

20. Chiller Energy Efficiency Project [World Bank] (GEF Grant: \$2.600 m)

Potential barriers for the introduction of new chillers should be described more precisely. In addition, the PIF should provide more detailed information on the intended incentive structure and how it could help to overcome these barriers.

21. Industrial Energy Efficiency [UNIDO] (GEF Grant: \$3.620 m)

It remains unclear why an industry should adopt ISO energy management standards and whether there is a sectoral focus for the activities outlined. Have cost barriers been quantified? What are the intended project interventions to overcome barriers?

22. IMPROVE: Increase Product Efficiency in Venezuela (RESUBMISSION) [UNDP] (GEF Grant: \$4.090 m)

Reference is made to the STAP comment that it remains unclear what the incentive for manufacturers are to commit to energy efficient production, and secondly whether there is a strategy for replacement of inefficient appliances - if there is one, what does it say?

International Waters:**24. Implementing Integrated Water Resource and Wastewater Management in Atlantic and Indian Ocean SIDS [UNEP/UNDP] (GEF Grant: \$9.650 m)**

Please specify the the co-financing sources for the project. The co-financing amounts are indicated, but the sources are not mentioned.

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25. Red Sea-Dead Sea Water Conveyance Study Program [World Bank] (GEF Grant: \$3.500 m)

Germany is not able to provide a comment due to the minimal content given in the PIF. A description of the project framework is not provided and thus details how the project is going to be developed further are missing. The co-financing sources are still to be determined. Please specify these issues when developing the full project document.

Multi-Focal Area/Corporate Programs:**30. Enhancing Institutional Capacities on REDD Issues for Sustainable Forest Management in the Congo Basin [World Bank] (GEF Grant: \$13.000 million)**

Although the proposal aims at strengthening institutional capacity in the Congo Basin, the list of eligible countries excludes 4 of 10 COMIFAC member countries, and only 4 countries of the 10 are included in the FCPF. Additional regional activities addressing REDD/post-Kyoto aspects in all COMIFAC countries should be considered to increase the regional relevance of the project and to foster political acceptance within COMIFAC.

The Project start date of July 2010 appears rather late to allow the project to provide useful assistance to the region in the climate debate, as stated among the outcomes of component 1. Details provided on stakeholder participation in component 1 do not explain how the project is planning to ensure that the interests of indigenous peoples are considered in the REDD mechanisms. Wide-spread corruption in the region poses a serious challenge to any benefit sharing mechanism. These issues are, however, not yet addressed in the proposal's risk analysis.

The proposal remains vague on a number of project management issues: the selection of appropriate national coordination units is of critical importance for the project success and should be clarified in all countries before project implementation begins. Further clarification on the role of the COMIFAC secretariat and other regional initiatives, such as the COMIFAC regional working group on climate change/REDD and the ADIE (regional agency for environmental information) in project coordination is needed, as well as on the role of the Advisory Group and the Congo Basin Forest Partnership (CBFP) in donor/project harmonisation needs. Agreed regional mandates and roles should be duly considered in this clarification.

31. Towards Ecosystem Management of the Humboldt Current Large Marine Ecosystem [UNDP] (GEF Grant: \$6.930 m)

Germany agrees to the project proposal provided that the further guidance outlined in the STAP review will be taken into account during the next project planning phase.

32. Establishment of Incentives for the Conservation of Ecosystem Services of Global Significance [UNDP/UNEP] (GEF Grant: \$2.910 m)

Although the PIF complies with all the necessary criteria, especially when taking into account the valuable STAP comments, from our point of view levels of risk might have to be reevaluated and also the corresponding risk management. Due to the difficult political and economic situation at present, increased communication and awareness creation will be necessary in order to demonstrate the advantages of PES mechanisms and the adequacy of

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compensation payments from taxes to the public and political decision-makers. The "willing – to – pay" concept needs active lobbying through effective communication strategies.

33. Strengthening National Policy and Knowledge Frameworks in Support of Sustainable Management of Brazil's Forest Resources [FAO] (GEF Grant: \$8.850 m)

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

- GTZ is already supporting some activities mentioned in this proposal, particularly the development of a Monitoring and Evaluation System (#3, no. 4 Forest Information System). Activities need to be aligned as the project is further developed.
- The proposal with the description of the components is very generic in many parts, does not specify the roles of the project partners and why they were selected. It doesn't mention the key players to be considered for an institutional partnership on land-use decisions, many of whom have very adverse agendas to SFM. Though the Brazilian Forest Service has the mandate to oversee SFM, they don't have the mandate to oversee development and land-use decisions e.g. of the Amazon Region. The proposal should be more specific in how this integrates into national policy making and what the role and the limit of the BFS is.
- The proposal elaborates on what needs to be (or will be) achieved but is scant on how these processes will be designed and fed into national policy.
- A lot of information has already been created and is available somewhere, thus a distinction should be made between information that has to be gathered in field surveys and information which can be readily (or not) retrieved from various (public) sources.

36. Sustainable Management of Biodiversity and Water Resources in the Ibarra-San Lorenzo Corridor [IFAD] (GEF Grant: \$2.700 m)

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

- The project can have positive impact, if it is implemented in complementarity to other already ongoing or planned projects. So as to avoid duplication of work, further planning and project implementation should be closely coordinated with the ongoing and new bilateral German projects: KfW - MAE "Sistema Nacional de Áreas Protegidas SNAP", which will provide support to protected areas and biocorridors in Northern Ecuador and the GTZ – MAE programme for natural resources management, which will also provide support to indigenous communities, e.g. to Chachi, and, from 2009 onwards will contribute to the protected area network.
- Furthermore close coordination should take place with the MAE programme "Socio Bosque" aiming at compensation for avoided deforestation, which has been initiated in 2008 and will be financed by the GoE with 16 Mio USD.
- Adaptation to climate change should be taken up under point "F.6. Risks associated with climate change" (page 8).

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The comments outlined below should be taken into account for the final program documents:

Biodiversity:

1. Strategic Program for West Africa (Biodiversity)

The proposed program is supported

The Program is an "umbrella" covering 17 countries with very different ecological, social and political frameworks. Therefore it can only give general orientations and strategic outlines.

These strategic outlines are clear and balanced. Its important that poverty alleviation, biodiversity in landscapes and sustainable finance mechanisms are considered top priority in order to maintain biodiversity. There is a strong tendency to concentrate on corridors and other linkage between PA's to improve the overall results. Another positiv point is to improve the political support for biodiversity on a regional level, but not leaving it to papers and experiences in the political arenas, but to implementation on the ground in order to verify or to correct the corresponding policies. The feedback loops between policies and ground level must be one of the key elements for the knowledge management.

Within the knowledge management it is clear that some areas/countries are better off than others. The transfer of good practises is not "old stuff" but will be considered innovative in the other area. Established partnerships between regions with similar contexts are in our experience very helpful, if the exchange is not limited to capacity building for agents/government officials but incorporates also members of the communities, local NGOs and regional advisory staff.

There is a lot of hope put on income generation through tourism. This potential is often overestimated. We have to keep in mind that a number of countries are in a post-conflict situation (Liberia, Sierra Leone) and others in civil unrest (Cote Ivoire, Niger, Mali, Chad).

We are looking forward to receive the different PIF's in the pipeline, with more detailed information and perhaps already "good practise" examples, to be transferred after the necessary adaption.

Climate Change:

3. Strategic Program for West Africa (Climate Change)

While the intention to invest much more strongly in West Africa, a region with a large number of LDCs is highly commendable, it is important to stress that in this region energy consumption per capita is low and that for many people access to reliable and sustainable energy sources is a central concern before considering emission reductions. Nevertheless renewable energy sources can and should play an important role in supplying West African countries with energy. As the individual projects are not yet public, it is not possible to say at this pint how good the fit is between energy issues in West Africa and the measures that will be propsoed eventually.

4. Framework for Promoting Low Greenhouse Gas Emission in Buildings

Very important area both in terms of emissions and in terms of mitigation potential. STAP comments are echoed here: According to the program most risks appear at the project level.

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However, some program level risks, which are common to most Technological interventions need to be addressed. These risks could include: high first cost, poor performance of the Technical intervention, lack of access to technology and climate change.

5. Reducing Industry's Carbon Footprint in Southeast Asia

Overall good and relevant concept. There are a number of fundamental questions critical to the success of the program:

- What are the costs to shift to energy efficient systems – are they prohibitive for entrepreneurs?
- It remains unclear what the incentives for an industry are to adopt ISO energy management standards – to what extent is a governmental/ policy framework necessary to move implementation along?

Multi-focal Areas

7. Congo Basin Strategic Program (CBSP)

The strategic program for Sustainable Forest Management in the Congo Basin is considered a timely and welcome addition to the regional initiatives supporting sustainable management and conservation of the Congo Basin forest ecosystems. We believe that the Program was within its very ambitious timeframe well developed and that participation of stakeholders was high.

The program's regional focus on 6 out of the 10 COMIFAC member countries effectively excludes the countries of Burundi, Chad, Rwanda and Sao Tomé/Príncipe from the program. This may seem justified when looking purely at the extent of the Congo basin forests but poses a considerable challenge, when it comes to regional integration, capacity development and policy harmonization. Expanding the regional focus of the program to be fully in line with the COMIFAC would increase the regional relevance of the project and would foster political acceptance of the program within the COMIFAC region.

The program rightly emphasizes the regional coordination and policy harmonization role of the COMIFAC and the need for better coordination between the different funding initiatives in the Congo Basin, most prominently the CBSP and the Congo Basin Forest Fund (CBFF). The CBFF and the CBSP have overlapping objectives, are both to be implemented within the framework of the COMIFAC convergence plan and have similarly structured steering committees. The program outline foresees funding to support institutional strengthening of the COMIFAC Secretariat to boost COMIFAC's capacity as the main coordinator for sustainable forest management in the region but does not address the question how program harmonization could be achieved realistically. The program management structure should be flexible enough to allow for an integrated approach to multi-program coordination through the COMIFAC Secretariat and should include provisions to ensure that transaction costs and the risk of a regional or thematic program bias are minimized.