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COMPILATION OF TECHNICAL COMMENTS
SUBMITTED BY COUNCIL MEMBERS
ON WORK PROGRAM
APPROVED BY COUNCIL ON NOVEMBER 16, 2007

NOTE: This document is a compilation of technical comments submitted to the Secretariat by Council members concerning the project proposals presented in the Work Program approved by the Council on November 16, 2007.

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WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.32/6 Rev.1)
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GENERAL COMMENTS

COMMENTS FROM FRANCE

1. The format of the PIF was indeed reduced compared to the former detailed project profile document, as it has been agreed for the new cycle of project.
2. The context and the broad objectives are well presented. However, the PIF are of variable quality. Some are clear but others give brief descriptions of the projects: the description of the activities, their costs, co-financings, their conditions of implementation, the expected results are shortly presented, so that it is difficult to give a relevant opinion on the contents of the projects themselves at this stage.
3. The remarks of the STAP do not appear any more at this stage and, as indicated higher, the delegation recommends that they should be formally available to the Council in the PIF. Moreover, the Secretariat of the GEF could also bring, at the stage of the PIF, his own comments: that will give to Council members a complementary lighting on the PIF whose language is smoothed.

30 PIFs have been analyzed:

“Favourable opinion”: nos. 4, 6, 9, 22, 25, 27, 31, 35, 37

“Favourable opinion with the following remark(s)”: nos. 10, 12, 18, 19, 26, 36, 40

“Favourable opinion but with the following questions and remarks to be taken into account”:

nos. 1, 2, 3, 7, 11, 13, 14, 15, 16, 17, 21, 23, 24, 34

COMMENTS FROM THE UNITED STATES

General Comments on Work Program

4. The PIF format seems rather solid. Quite a lot of information is included in these short documents, including with regard to outcomes, outputs, cost effectiveness, and project risk. We're also pleased that PIF submission dates are clearly listed. We reviewed the three programmatic approaches with great interest. We would like to offer the following general comments on the work program as a whole, including the PIFs and the programs.

- There was variance in the quality of the PIFs. Some included clear outcomes and outputs with quantified targets, while others performed considerably less well in this regard. More quality control is needed in this area.
- We also believe that a bit more information should be provided regarding sources of cofinancing. There is a break down according to type of entity providing cofinancing (e.g. multilateral agency, NGO), but it would be more helpful to know which entities are actually providing the co-financing. This could be done by listing the name of the partner in the table on co-financing or by footnoting this information.
- Also, cofinancing data was inconsistent in some places. The cofinancing amounts in Part I, Section C should match what the cofinancing line states in Part I, Section B.
- Recommend that SHORT sections be added to address (1) plans for sustainability and (2) replicability and learning, both of which are core GEF principles.

5. We believe it would be helpful to develop clearer guidelines, policies, and documentation requirements for programmatic approaches. All three seem to use different approaches. We recommend against using the term “programmatic PIF” since it confuses the difference between project documents and program documents.

6. We will be placing enhanced emphasis on the review of final project documents at the stage of CEO endorsement. In particular, we will be paying particular attention to ensuring that the following criteria are satisfied.

- Final project documents need to have fully developed results frameworks that meet the requirements of the GEF’s evaluation policy.
- They need to include indicator relevant to the GEF’s results management framework.
- Demonstrate cost effectiveness.
- Comply with the GEF’s policy on co-financing.

Programmatic Approach: China Biodiversity Partnership

7. We believe this strategy paper is the stronger of the three presented. Hopefully, it will help align GEF funding in a more strategic way enabling the GEF funding to have a greater programmatic impact. The strategy also seems well aligned with national priorities and we hope it enhanced national ownership. We had a few comments and suggestions on the strategy that can also be taken into account for future, similar strategies.

- It would have benefited from a section on how the strategy was developed and the degree of national ownership. Is the strategy a national document (like a PRSP) or is it a UNDP document? What is the degree of national ownership? Is the strategy something that was called for by the highest level of the Chinese executive? Was it created under any national laws? While the “Partner Coordinating Group” is helpful and it is mentioned that SEPA is the lead agency, it is not clear to whom SEPA and the “Partner Coordinating Group is ultimately accountable.

- The table listing themes and results was helpful, but the targets were not clear and there is no mention of monitoring and evaluation arrangements at the programmatic level. How will the GEF and other partners be able to tell whether this partnership had a broader impact beyond its individual projects?
- We would support a GEF project for strengthening law enforcement in China (page 32) given the important issues concerning the sale of wildlife products.

Programmatic Approach: Sustainable Forest Management

8. We support how the strategy seeks to support the non-legally binding instrument adopted by the UNFF. If the strategy is further developed, we would recommend that mention be made of the 7 strategic elements for sustainable forest management that were agreed by the UNFF in 2004. They express linkages with the key GEF priorities.

9. Given the focus of the GEF, the strong emphasis on biodiversity and climate is understandable, but if the strategy is developed further, we would support seeing a greater emphasis on issues related to sustainable land management, including forest health (including fire) soil health, community forest management, and non-timber forest products. Although some of these aspects aren't well recognized in the SFM strategy, they are present in some of the project proposals, so we support the contributions of these projects in these areas.

10. We are encouraged to see that the GEF is moving forward on the LULUCF agenda. We support countries' use of part of their climate change RAF allocations for individual investment and technical assistance projects. It will be important for the GEF to coordinate its support with that of other funders, such as the World Bank through the future carbon partnership facility.

11. In terms of methodological work on LULUCF, we recommend building upon the IPCC 2006 guidelines for national greenhouse gas inventories and their Good Practice Guidance for LULUCF and state that they intend to use those as a foundation/starting point for identifying their own standard methodologies.

12. In terms of biomass (section 6.5), if the intent is to invest in on-the-ground facilities, we suggest that the GEF leverage resources, particularly resources of the private sector, to finance the "incremental" gap between traditional technology and clean technologies. Our concern is that the GEF not pay for things the private sector, with some guidance and promotion, could find profitable anyway.

Programmatic Approach: India Country Partnership Program: Sustainable Land and Ecosystem Management Partnership

13. The goal of this project is very important and we believe the expected cofinancing is robust. However, we were confused by the presentation of this program. We preferred the approach of the program for china, with a clear paper describing the program and then separate PIFs for the individual projects. The results framework for the program also could have been better and included clearer outputs and targets (rather than things like "x hectares" of land to be

improved.) We note that the PIF for the UNDP project contained clearer targets than the PIF for the World Bank project.

BIOLOGICAL DIVERSITY

1. Regional (Pakistan, Sri Lanka, Vietnam) : Development and Application of Decision-support Tools to Conserve and Sustainably Use Genetic Diversity in Indigenous Livestock and Wild Relatives [UNEP]

COMMENTS FROM FRANCE

14. The project aims at developing and making available effective tools to support decision making for the conservation and sustainable use of indigenous animal genetic resources for food and agriculture (FAnGR) and their wild relatives in developing countries

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

15. This is a sound and timely proposal for a multipurpose project. The rationale rightly states FAO's leadership on AnGR (especially after the adoption of the Global Plan of Action for AnGR). FAO is also recognized as a co-funding agency of the preparatory phase. Considering the importance of global information systems to guide policy decisions on AnGR, links with FAO support facilities should be highlighted & national data collection processes on An GR enhanced.

COMMENTS FROM THE UNITED STATES

- The loss of genetic diversity in livestock is an important issue for economic development, and we think the training supported by this project will be beneficial. However, this project clearly seems to be an agro-biodiversity project, and it was our understanding that under the GEF's new focal area strategies, this was no longer a GEF priority. We also not sure as to whether this type of project qualifies as a mainstreaming project under the new strategy.
- It would be helpful for the Secretariat to provide some guidance as to whether agro-biodiversity projects fall under the biodiversity strategic priorities 4 and 5 in the new strategies. If the view is that certain types of agro-biodiversity projects do qualify, then it might be helpful to develop some criteria on this matter.
- We can support this project as development of his project started prior to finalization of the focal area strategy, but some clarification from the Secretariat would be helpful for the future.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.32/6 REV.1)
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2. Brazil : Rio Grande Do Sul Biodiversity Conservation [World Bank]

COMMENTS FROM FRANCE

16. The project aims at conserving the biodiversity of the grasslands in Rio Grande do Sul by integrating conservation approaches into productive activities (agriculture, forestry ...).

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

17. Based on our own experience in a similar project in Pantanal with FFEM, two weak points in the proposal would need further elaboration:

- How to structure private stakeholders and landowners around conservation practices, protected areas, ...
- The project focuses on pilot experiences on the ground, on the one side, and transversal State level activities (regulatory framework, awareness raising ...) on the other side. What about the feasibility and the support in terms of access to the market of the income generation activities developed. Wildlife ranching is for example subject to severe veterinary constraints which can prevent or burden any commercial use of the game. Fantastic organic farming can be developed without access to the market; the activities will die and end up counterproductive.

COMMENTS FROM THE UNITED STATES

- The use of agro-ecological zoning is promising, but the project should have a greater focus on enhancing the ecological connectivity of the landscape.

3. Brazil: Espirito Santo Biodiversity and Watershed Conservation and Restoration Project [World Bank]

COMMENTS FROM FRANCE

18. The project aims at developing sustainable land-use practices in the State of Espirito Santo to preserve its biodiversity (Mata Atlantica forest). It considers in particular developing Payment for Ecosystem Services scheme.

Opinion: favourable under the following remarks or questions to be taken into account:

19. The PIF should elaborate a bit more on the way to involve private stakeholders in the payment for ecosystem services and the related context: Is the majority of the land owner by smallholders or big producers? The PIF speaks about involvement on a voluntary basis: what would be the incentive for these private stakeholders to get involve in this scheme? Are they prospective agreement with some of them?

20. The expected outcome for target 2 of 450 ha of degraded areas recovered is very low. Is it a mistake (understand 450 000 ha) or the actual outcome?

COMMENTS FROM THE UNITED STATES

- We're pleased that the outputs for this project are quantified, but the coverage in terms of hectares seems to be low.
- The emphasis in terms of improving connectivity and PES systems is good.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

4. Chile: Building a Comprehensive National Protected Areas System: A Financial and Operational Framework [UNDP]

COMMENTS FROM FRANCE

21. The project aims at preserving Chile biodiversity by developing a National Protected Areas System.

Opinion: favourable

22. We strongly support this proposal, which should build on the lessons learned with other partners.

23. France was involved in Chile with FGEF on the development of a multi-purpose co-managed type of protected area in the XI region with CONAMA. There is a strong will of CONAMA to develop this type of approach elsewhere in Chile. A strong national protected area system would be the right vehicle for this ensuring consistency, sustainability, the representative character of the different Protected Areas. An ex-post evaluation of the project is on-going. Its results will be shared with UNDP to feed to preparation of the GEF new proposal.

COMMENTS FROM THE UNITED STATES

- The results framework was very solid. The project builds off a solid analysis of the financial sustainability issues.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

5. Ecuador: Management of Chimborazo's Natural Resources [World Bank]

NO COMMENTS RECEIVED

6. Indonesia: Citarum Watershed Management and Biodiversity Conservation Project [ADB]

COMMENTS FROM FRANCE

24. The project aims at supporting the integrated management of Citarum watershed which resources are essential within the water supply of Djakarta. The project supports the strengthening of the institutions for management of the watershed. It supports the actions of biodiversity protection in the basin, in particular the protection of the forest ecosystem. Specific actions are planned for the prevention of the risks and empowerment of the communities.

Opinion: favourable

25. The project supports a holistic framework of watershed management and protection measures. The GEF contribution is modest with respect to the implication of the local authorities.

COMMENTS FROM SWITZERLAND

General Comments

26. The proposed project is consistent with GEF criteria and meets several of GEF's Strategic and Operational Programs. The project's holistic approach to the management of the upper catchment areas of Indonesia's most important Citarum watershed is expected to create valuable synergies. The proposed project constitutes the first phase of a long-term effort aimed at the sustainable collaborative management of a complex region composed of protected areas interspersed with intensively utilized lands for agriculture and densely settled areas. One of the project's key premises is to mainstream biodiversity conservation into a production landscape, recognizing the need for biodiversity conservation inside and outside protected areas. The project recognizes the need to work on the macro-level in order to provide an enabling legal and administrative environment, and on the micro-level by actively involving rural subsistence farmers in the planning-, implementing- and decision-making process.

27. If successful the project will result in global benefits by providing protection to a landscape currently threatened by intensive resource utilization inside and outside PAs located in the targeted watershed.

28. The generous 15 years time-frame of the overall project appears to provide sufficient time to achieve the key goals of the project and to assess its impacts.

Main Concerns

29. A key concern is the complexity of the project and the multitude of stakeholders and land-use interests involved. The integration and active involvement of all parties into the process will be one of the key challenges.

30. As indicated by the proposal full Government cooperation and willingness to empower rural stakeholders and communities will be key to success.

Conclusions and Recommendations

31. The project should be endorsed under the condition that the barriers highlighted by the proposal can be managed satisfactorily.

COMMENTS FROM THE UNITED STATES

- The protection of Indonesia's forests is of critical importance in terms of both local and global environmental benefits.
- We're pleased that this project takes an integrated approach, but it is not clear what indicators the project will use to measure benefits in terms of improved watershed services and biodiversity conservation.
- To be effective, it will be important for this project to be embedded in a strong governance framework concerning forest conservation. The World Bank has worked with the Government of Indonesia to complete a new strategy for the forest sector in Indonesia. The final project document should address how this project intersects with that strategy.
- USAID has a number of biodiversity related programs in Indonesia, and is considering strengthening its natural resources portfolio in Indonesia over the next few years, and we encourage the ADB integrate efforts with USAID where feasible.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

7. Peru: Strengthening Biodiversity Conservation through the National Protected Areas Program [World Bank]

COMMENTS FROM FRANCE

32. The project aims at protecting Peru biodiversity by supporting the development of a national system of protected areas.

33. **Opinion: favourable but with the following questions and remarks to be taken into account:** We support the principle of this project which is similar to project developed in Uruguay and Chile. Nevertheless, the data given by the PIF are minimal and many numbers are missing in terms of outcomes or context datas (what is the financing gap for example). It is difficult in that regard to give any opinion on the adequacy of the funds requested compared to the outcomes considered.

COMMENTS FROM GERMANY

34. We welcome the project as it addresses national priorities and the OP/GEF aims at the same time. However, there are a few questions needing further clarification by an examination mission as outlined below:

- Financial sustainability: Clarification of the structure and mode of operation of the endowment fund
- More connection to the national PA
- Institutional Integration on a national level
- Technical advice, mainly to construct governance structures on a local level

35. It is recommended to take these issues into account throughout the examination mission.

COMMENTS FROM SWITZERLAND

36. This project merits special attention for Council discussion.

- Major concerns refer to: (a) the proposed endowment fund covering recurring and investment cost of the PAs is in our point of view no contribution to catalyze the sustainability of the PA system, and in consequence the project lacks any strategy

to achieve sustainability, and (b) the PIF fails to provide accurate information in support of its rationale to establish a series of conservation corridors and mosaics through a network of regional, local and private PA's. Unless such information is given in a satisfactory manner, the consistency with the focal area strategy is not proved or cannot be appraised. Therefore considerable efforts have to be done in the further planning to respond to our concerns.

General Comments

37. The project objective is “to enhance Peru’s biodiversity conservation through increasing the area of key ecosystems under protection and strengthening the capacity for strategic analysis and management under a decentralized management framework”. Following the PIF, the current proposal is subscribed to the four Strategic Programs (SP-1, 2, 3 and 4) of the Strategic Long-term Objective 1 and 2 of GEF’s Focal Area Biodiversity, which is “to catalyze sustainability of protected areas (PA) system”.

38. From our point of view, we are mainly concerned about the project’s consistency with the GEF Focal Area’s Strategic Objective 1.

Questions, Concerns and Challenges for the further Project Preparation

- ▶ **The endowment fund to cover recurring and investment costs for national, regional and local PAs cannot be interpreted as a contribution to catalyze sustainability of the PA system!**

Implicitly, the PIF presents the project’s component 3 as the main pillar to contribute to the sustainability of the PA system. However, the question must be raised: what are the annual mean recurring and investment costs of the PAs to be covered by the fund, and, in addition, in how many years will the fund be fully exhausted?

In our point of view, the proposed fund covering the recurring and investment cost for PAs cannot be interpreted as a contribution to catalyze sustainability of the PA system! The project’s component 3 and the aim of the endowment fund can lead to misunderstandings. In consequence, project sustainability is still not assured.

- ▶ **The PIF fails to provide accurate information in support of its rationale. It does not provide sufficient information on the existing ecosystem gaps and the ecological contribution of the proposed network to Peru’s PA system.**

To enhance the ecosystem representation of the PA system is the project’s main justification to establish a series of conservation corridors and mosaics through a network of regional, local and private PAs. However, so far, the need to include the corridor/mosaic ecosystems in the existent PAs is not demonstrated. The PIF fails to provide accurate information to demonstrate the existing ecosystem gaps and the ecological contribution of the proposed network to Peru’s PA system (with the exception of the need to include in the PAs costal and insular ecosystems, but which?).

Thus, the rationale for a GEF support in the context of its Strategic Objective 1 is not sufficiently clear. As the ecosystem representation of the PA system is basically the rationale for the current project and for its strategic choice, we expect clear information on this issue already at the stage of the PIF.

Conclusions and recommendations

39. Although we basically agree with Peru's importance for global biodiversity and support the overall objective, the current PIF fails to provide accurate information in support of its enhancement of the current network of PAs by developing conservation corridors and mosaics comprised of regional, local and private PAs in buffer zones or areas adjacent to already existing national PAs. So far, its full consistency with the Strategic Objective 1 of GEF's Focal Area Biodiversity is not proven.

40. Furthermore, from our point of view, the proposed endowment fund, covering recurring and investment cost of the PAs, cannot be presented as a contribution to catalyse sustainability of the PA system. The answer of financing those costs after the fund is exhausted is not given.

41. Therefore, although concluding that the current PIF leaves crucial questions open, we nevertheless agree that planning of this project can go on; however, we expect that decisive efforts be made in the further planning of this project to respond in a satisfactory manner to our concerns.

Further comments

► **The performance indicators are not yet soundly defined. Particularly there is a lack of definition regarding the impact in terms of the global environment.**

The key performance indicator to measure progress toward the project objective would be the following: "x% of key ecosystems of the new Peruvian System for Protected Areas under improved protection and a decentralized management framework", where "x" will be determined during the project preparation phase. Such an indicator is little indicative of the impact in terms of global environment.

Furthermore we are concerned that the project framework only includes columns for the expected outcomes and outputs, but so far no space is foreseen for impact indicators.

► **So far, no description of the project area is given.**

The PIF does not include any brief description of the project area. Nor does it include information on the key ecosystems that would be enhanced by the project, except the very general indication of coastal and island ecosystems. In order to appraise the quality of the proposal, such basic information is a must. And we expect that this kind of information is well set out in the final project documents.

► **The information on financing and co-financing of component 3 is not clear.**

The component number 3 of the project framework table is not clearly presented in relation with the complementarities between the endowment fund and the regional and private

matching funds, as well as in the proportion of the financing and co-financing assigned to the funds mentioned. The interpretation of this component can produce confusion.

8. Ukraine: Strengthening Governance and Financial Sustainability of the National Protected Area System [UNDP]

COMMENTS FROM GERMANY

42. The project aims at increasing revenues generated from protected areas. However, the potential of these sources is not clear. The proposal mentions entry fees, user charges, tourism fees and road use fees, without indicating how much can be expected from these sources at best. Before making a major investment, it should be assessed to which degree alternative revenues can supplement government sources in order to manage protected areas adequately. There are so many ongoing attempts to generate funding for protected areas in transformation economies (and elsewhere) and many of these efforts turn out to be unsuccessful. One of the main lessons learnt is that sufficient revenues may be generated from a relatively small number of protected areas, whereas the majority will always depend on subsidies from the state.

43. Apparently the GEF-supported project “Consolidation of the Polissya Ecological Corridor, Ukraine” already put much emphasis on the financial sustainability of the protected areas system. Activities in the PDF-B phase include an analysis of the financial weaknesses of the Ukrainian PA system, development of alternatives for financing the PA system, establishment of a plan for revenue generation and the design of a financial plan for a demonstration PA. The proposal of the new project should make sure that there is no duplication of efforts and that it will not go through the same experiences once more, but will build on these experiences and upscale them.

44. The role of Trust Funds as an instrument for financing protected areas is not mentioned. The experiences made in the Ukrainian Danube Delta and the East Carpathians (both with GEF support) should be analysed.

45. In general, we wonder how strong the commitment of the Government of Ukraine is to extend the Protected Areas System from 2.8 million ha to over 6.0 million ha. We have the impression that this is more a non-binding intention rather than a strong commitment.

46. It is recommended to take these issues into account when designing the project.

COMMENTS FROM THE UNITED STATES

- We believe this project is well designed and that it fills a critical gap in terms of enhancing financing for Ukraine’s protected areas.

- The results framework for the final project will need to have greater specificity in terms of indicators and targets.

CLIMATE CHANGE

9. Global: Global Market Transformation for Efficient Lighting [UNEP/UNDP]

COMMENTS FROM FRANCE

47. The project aims at creating a global platform to build synergy, share knowledge, promote initiatives and encourage policy and regulation framework within the international community. UNEP with the GEF secretariat and the UNDP will lead the programme. This programme will incorporate various programmes implemented at various levels and in different countries. These various programmes aim at phasing out the incandescent lighting and at promoting alternative solutions such as Compact fluorescence lamps (CFL). It is expected that the private sector contributes for 11.6 US\$ millions. The agency fee is 500 k\$.

Opinion: favourable

48. It is evident that the use of high performance lightening lamps will lead to a substantial diminution of energy consumption. Public sector has to take the lead as the private sector and individuals have to play their role as well. The international organization can play definitively a key role although the lighting market is control by large groups and is driven by market forces and local conditions. CFL represents an investment for a family in poor countries, and the conditions of large diffusion and of affordability are to be studied carefully.

49. However, it is not clear in the PIF how the project will be implemented, what are the priorities amongst the different activities, what will be the weight of the R&D, what will be the contribution of GEF to that regard?

50. The 4 years duration of the project seems to be very short. UNEP and GEF secretariat should precise which internally expertise and the knowledge they have to manage such an innovative project?

COMMENTS FROM THE UNITED STATES

51. We are not clear why a steering committee including the GEF Secretariat is necessary to implement this project as this might make implementation more difficult. The project document should clarify the rationale and role of this steering committee.

10. China: Enabling China to Prepare Its Second National Communications to UNFCCC [UNDP]

COMMENTS FROM FRANCE

52. The project aims at supporting China to prepare its second national communication to UNFCCC.

53. **Opinion: favourable with the following remark:** Considering China capacities, national co-financing levels appear very low and should be improved: 0, 65 MUSD of domestic co-financing for a GEF grant of 5, 00 MUSD.

**11. China: Market Transformation of Energy-Efficient Bricks and Rural Buildings
(MTEBRB) [UNDP]**

COMMENTS FROM FRANCE

54. The project aims at developing the use of energy efficient construction materials in rural China.

55. **Opinion: favourable opinion but with the following questions and remarks to be taken into account:**

- The project focuses on the production aspect of energy efficient brick but doesn't give any information about the actual Chinese market of construction material and how to penetrate it. Are the energy efficient bricks going to be more expensive than normal construction material? Who is then going to cover the additional costs?
- Do we need specific financial mechanisms to take that into account?
- What kind of technologies can be handled by the average Chinese construction company?
- Without this market technical and financial analysis, and proper responses to it, the project will help develop superb technologies and production capacities which will be underused and at the end of the end unsustainable.
- The targeting of rural market should be elaborated also. It is clear that rural construction still concerns a majority of Chinese people but on the other hand, development of energy efficiency material in urban construction seems more realistic to start the process.

COMMENTS FROM SWITZERLAND

General Comments

56. By combining EE brick manufacturing and EE building technology application, the project approach properly addresses the fact that dissemination processes in general depend on supply and demand side developments. The project design being largely built on the results of

the earlier GEF/TVE project, it can benefit from the lessons learned in this project and from established relationships with concerned governmental authorities and other involved stakeholders. On the other hand, the attempt to address both areas (brick manufacturing and building technologies) and to work countrywide (without regional focus) implicates an enormous challenge.

Questions, Concerns and Challenges for the further Project Preparation

57. The main concerns and challenges for the further project preparation are identified as follows:

- (a) A more detailed **analysis of lessons learned** from preceding projects with similar approaches (like the GEF/TVE) and of projects in other countries (Vietnam, India, Mongolia, Bangladesh) is needed to further specify the key aspects of the project.
- (b) The **economic efficiency** and the access to finance should be an integral part of the demonstration projects (component 4). Activity (5) under component 3 is not very clearly formulated. Actually, a proper analysis of local banks' due diligence criteria for financing EE brick manufacturing as well as EE building initiatives, should be the basis for the design of the demonstration projects and for negotiations with the banks. Banks/financing institutions should be involved from the very beginning to take into account their requirements. Besides the technical viability, the economic viability is a crucial parameter for success. Since "creating access to commercial financing for TVE and commercializing the financing of TVE energy conservation projects" was already part of the earlier GEF/TVE project, the respective lessons learned should be capitalized.
- (c) Given the size of the country and the "various climatic and economic conditions" the **selection of demonstration projects** is of crucial importance, e.g. for brick manufacturing different sizes of kilns/enterprises have to be considered and for EE building the local availability and affordability of material must be taken into account. For both project components, a **participatory approach** should be followed, meaning that the target groups (brick makers, building developers, practitioners etc.) with their problems and concerns should lead the development process (action research).
- (d) So far the **ownership and business organization** of brick-making plants is not mentioned as an important issue. However, given the fact that e.g. TVEs can be owned by collectives, individuals or private entities, local governments etc. this issue should be considered since it can be important for access to finance, realization of innovations etc.
- (e) The PIF mentions 12-16 demonstration projects and "no less than 60 replication projects" which have to be confronted with a total of about 90,000 brick-making plants. It is not explained how - based on these figures - the envisaged **project impact**, namely 10 % increase in the market share of EE bricks, can be achieved.

- (f) Besides the EE aspect of the new bricks, the **indoor air/environment quality** should also be considered (e.g. when using industrial waste for brick manufacturing).

Conclusions and Recommendations

58. Based on the available information on the project, it can be recommended to be further developed since it is in line with GEF objectives and strategic priorities. The main challenges are the variety of parameters and conditions to be taken into account in a country-wide approach and the consideration of a maximum of relevant aspects in the demonstration projects (ownership, technical features, profitability, etc.). For an efficient dissemination the project should identify strong partners.

COMMENTS FROM THE UNITED STATES

- This project is innovative, creative, and addresses a critical need and growth area.
- The project should estimate reductions in terms of energy consumption and GHG emissions.

12. China: Thermal Power Efficiency [World Bank]

COMMENTS FROM FRANCE

59. The project aims at phasing out small inefficient coal-fired plants and replacing them by more efficient, larger units.

60. **Opinion: favourable with the following remark:** Considering the length of the PIF, it is surprising to find mistakes such as the one concerning the amount of co financing in chapter B - indicative financing plan summary for the projects. According the chapter A, co financing amounts to 143 800 000 USD rather than 2 320 000 USD as indicated in B.

COMMENTS FROM SWITZERLAND

Overall Comments

61. The proposed project aims at reducing GHG emissions from low efficiency, smaller coal-fired thermal power stations by developing a policy framework for phasing out inefficient small units and by improving the efficiency of larger units. The objective of the proposed project is well in line with China's National Climate Change Plan published in June 2007 and therefore supported for implementation. Enhancement of energy efficiency in the power sector is a key objective of the Govt of China, supported, besides climate change objectives, by the generally increasing cost of energy, including coal.

62. However the project seems, assessed by the outcome indicators, overambitious for the set timeframe and the resources available. The budget for technical assistance to project implementation is rather small. Hence the project would have to largely rely on Chinese expertise. Chinese experts qualified in this field are typically overloaded by other ambitious goals set by GoC. The capacity of the environment division of the Bank's Beijing office is rather limited and already strongly engaged in implementation of the Bank's Carbon business in China.

Questions, Concerns and Challenges for the further Project Preparation

63. Assuming that rehabilitation of one 100 MW CHP plant would improve the efficiency by 0.2kg CO₂/kWh, one such rehabilitation would reduce GHG emissions by 100'000 t CO₂/year approximately. Over 20 years of remaining lifetime one rehabilitation project would yield some 2 MtCO₂ of emission reduction. To achieve the overall targeted 90MtCO₂ emission reduction, 45 100 MW plants would need to be rehabilitated during project lifetime up to 2012, which

seems to be very ambitious. This assessment is considering that there are technology/engineering/best practice issues to be resolved in plant rehabilitation with this time span as well as administrative capacity being built to operate a trading system at province level. Phase-out of small units, which would have a limited lifespan (less than 20 years) hardly save more than 1-2MtCO₂ by plant and hence do also not appear to be “low hanging fruits”. If the targeted emission reduction of 90MtCO₂ is set in relation to the GEF investment of \$19.7 million, abatement costs result of 0.2\$/tCO₂. It seems rather unrealistic to assume that policy measures are more than 10 times more efficient (by foreign investment) than CDM projects. The current CER floor price operated by China stands at 10\$/tCO₂.

64. To compare: China will at best be in a position to build one modern integrated gasification combined cycle (IGCC) plant, which could apply the recently approved CDM methodology by 2012. While working further in project preparation the direct objectives to be achieved by the project team up to 2012, in particular being specific with regard to targeted provinces, should be worked out more specifically compared to the assumed long-term policy gains which may or may not be realized in full depending on a number of co-founding factors difficult to forecast in China.

65. In order to remove barriers effectively, the “how” in dealing with those barriers should be more explicitly addressed in the further stages of project preparation. Targets should not be set too ambitiously for the target's sake. Very ambitious targets may not really be helpful in enhancing implementation quality in a dialogue between the implementing agency and the Chinese partners.

Conclusions and Recommendations

66. To take into consideration the questions and concerns addressed above in course of further project preparation.

COMMENTS FROM THE UNITED STATES

67. We believe this is a very important project with significant potential in terms of replication. It is quite consistent with the goals of the Asia Pacific Partnership for Clean Development and Climate. We do see three issues that should be addressed or clarified, and would appreciate the opportunity to discuss these issues with the World Bank.

68. First, we have questions about how benefits are calculated and their presentation. The table on page 4 indicates 90 million tons of CO₂ equivalent reductions between 2006 and 2012, which is presented to be the result of the \$163.5M project investment. The 90 million tons is based on an expected increase in gross generation efficiency for the entire set of units – going from 367 gce/kWh down to 355 gce/kWh. (This means the dispatched power averaged across the entire fleet is getting on average about 3.26% more efficiently generated.) However, the other assumption is that the power generated will grow from 2600TWh to 3300TWh, an increase of 27% in those 6 years. How is the 90 million ton reduction calculated?

69. We also suggest that the benefits from the different components separated out, into two parts: (a) the benefits of component #2, improvement of the efficiency of existing units; and (b) the benefits of component #3, improved dispatch.

70. Second, we see a potential contradiction between the components regarding (a) fiscal policies and incentives to phase out inefficient producers; and (b) moving to economic dispatch. On page 4, the discussion of component under (i) mentions "development of effective policies and regulations providing a mixture of mandatory and incentive measures to phase inefficient small coal-fired power generation units;". If indeed the system moves to economic dispatch, specific measures to phase out inefficient units will not be needed. The merit order of the dispatch is likely to render the inefficient units uneconomic and they will therefore need to close, if economic dispatch determines their fate. If the issue is one of timing, i.e., the adoption of economic dispatch is likely to take more time than is desirable for inefficient units to continue operating, then special policies to encourage their exit may be needed. The project document should address this issue.

71. Third, it is also not clear how much of the \$9 million under component #1 will be spent on developing policies and "incentives" and how much for implementing monitoring systems. Will any GEF funding be used to provide incentives for firms to exit? We don't believe this is the case, but would appreciate confirmation.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF C.32/6 REV.1)
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13. India: Sustainable Urban Transport Project [World Bank/UNDP]

COMMENTS FROM FRANCE

72. The WB is already involved in financing of several urban transport projects (Mumbai, Tamil Nadu, Karnataka) for 1 US\$ billion. UNDP is involved in various capacity building programmes dealing with institutions, municipalities and climate change. The project aims at supporting a “sustainable urban transport program” in major cities based on a proactive strategy incorporating climate change and other long term concerns (land use, urban development management). WB will have the leadership. The project has 2 components: (i) a technical assistance to support capacity development initiatives (4, 05 M\$ from the GEF) and (ii) a support for demonstration projects (18, 45 M\$ from the GEF). The agencies fee is 2, 3 M\$. The Bank is expected to finance 245 M\$ by loans. The Indian contribution is not clearly mentioned.

73. **Opinion: favourable but with the following questions and remarks to be taken into account:**

- The project is an ambitious project which involves a large number of stakeholders at various levels, in different states and in different fields.
- The envisaged duration (4 years) seems quite short and the scope of work extremely large. The conditions of implementation (activities) are not defined.
- It is understood that the project will be led by the Ministry of Urban Development. Will a specific management unit be established?
- What will be its composition (international, local experts)?
- What will be the financial contribution of the GoI?

COMMENTS FROM SWITZERLAND

Overall Comments

74. This project is in line with one of the High Priority Programming Areas (Sustainable Urban Transport). The basic structure with the two components - capacity building and a set of demonstration projects – provides a significant potential to contribute to the basic GEF objectives. Hence the project in principle merits the support.

Questions, Concerns and Challenges for further Project Preparation

75. Due to the early stage of the project design, several aspects deserve additional consideration during the further project preparation process:

- The two main components of the project proposal (capacity building, demonstration projects) differ considerably in terms of size and resources requested (1:15). Also the nature of the risks of not achieving the objectives is different. Hence, the linkages between the two components – and the possible impacts in the case of partial failures – should be addressed.
- In the present stage of the project the content of both components seems rather open and contains a broad list of measures and proposals. The demonstration project part for instance lists elements like BRTs, integration of public transport and non-motorized transport, integrated transport/land use/environment planning, and/or traffic management/transport demand management. It will be a challenge to design these demonstration projects more concisely and in an integrated form in order to generate the necessary synergies for being successful.
- We see a particular challenge in specifying meaningful, transparent and monitorable performance indicators and clear outcome targets, linking them to GHG reductions for both project elements also in quantitative terms, in order to judge whether the project eventually contributes in reducing more than just marginal amounts of GHG emissions.
- This is particularly relevant due to the fact that GEF funds eventually have to be justified based on the principle of additionality (and not only in terms of improving effectiveness and efficiency, as stipulated by the analysis of the present barriers by the MoUD).
- The involvement of two agencies (WB, UNDP) may be justified by comparative advantages and particular expertise in their specific fields. However, one might question the specific advantage of involving the two agencies in the same component of capacity building. It might be worthwhile reconsidering splitting the responsibilities of the two agencies along the two main project components.

Conclusions and Recommendations

76. Since the project addresses clearly relevant issues of high importance, the project deserves support. Due to the high amount of GEF resources requested, there is a need for additional focusing and specifying in more detail and more explicitly the different elements of the project and their linkages between the 2 main components as well as within each of the component. In addition, clear performance indicators should be identified in order to create transparency in advance and allowing a qualified monitoring later on to ensure the achievement of the objectives.

COMMENTS FROM THE UNITED STATES

- **“Clean” Bus Rapid Transport:** Even if BRT is introduced, it might not reduce local air pollution or GHG emissions unless cleaner fuels and vehicles are introduced. We suggest that this project ensure that all BRTs in India are equipped with the most efficient and least polluting buses available (e.g. EURO 3 &4 buses; hybrid buses; CNG buses), rather than relying on the existing bus fleet. Using the cleanest fuel available should also be examined (e.g. ultra-low sulfur diesel fuel or CNG.) Even in the most sophisticated BRT systems (Bogota is a good example), the use of high-sulfur diesel fuel will continue to negatively affect local air quality.
- **Tackling the existing bus fleet in India:** Even with the introduction of BRTs, there will still be many older buses on the road in India, so cleaning up such buses should be an important part of the project. Retrofitting older buses in Delhi with CNG is one option. The US EPA is currently conducting a demonstration project in Pune, where city buses are being retrofit with there different types of diesel technology. USEPA would be happy to discuss the results of this retrofit project with the World Bank.
- **Need to address three-wheeled vehicles:** We suggest that these vehicles be included in the technical assistance and in the demonstration projects, including the introduction of cleaner 3-wheelers and retrofitting older 3-wheelers to be less polluting and more fuel-efficient. 3-wheelers remain on the road for a long period of time. USEPA is currently demonstrating a direct injection retrofit technology for existing older vehicles in Pune.
- US EPA would be happy to share lessons learned from its project in Pune with the World Bank.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

14. Indonesia: Geothermal Power Generation Development Program [World Bank]

COMMENTS FROM FRANCE

77. Indonesia is one of the greatest potential for geothermic in the world. With 807 MW already in place, it is only 3% of the potential which has been so far developed. The GoI has planned to develop new capacities, 6 000 MW, before 2020. However, and in spite of WB support to energy reforms in Indonesia, the investments in the geothermal sector is expected to be very low in the coming years (around 350 MW). The institutional framework is not yet performing well and in practice, the tariff of energy purchase is actually too low to deliver attractive return on capital investment. The objective of the new project is to give new impetus and confidence in this sector. The work recently done by JICA on the technical geothermal assessment, will contribute to strengthen this confidence. The project is based globally on technical assistance.

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

- One of the major problems which hamper the development of the geothermal sector in Indonesia is the heavily subsidized energy prices for the consumers and the non conducive tariff of local energy purchase. It is not clear how the proposed project will overcome this tariff issue.
- It is deemed that CDM carbon credits might be a piece of the solution. How are carbon credits used in the context?
- The PIF mentioned a contribution in cash of the GoI (4, 0 M\$). How this contribution will be used?

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

**15. Indonesia: Micro-turbine Cogeneration Technology Application Project (MCTAP)
[UNDP]**

COMMENTS FROM FRANCE

79. The project aims at developing the use of MCT (co-production of heat and electricity) in various sectors such as industry, hotel and commercial services, mining and energy sectors. Within 4 years, the ambition is to get 200 MW newly installed. The project includes technology support, promotion and demonstration projects, attractive financing package, and supportive policy framework.

80. **Opinion: favourable but with the following questions and remarks to be taken into account:**

- MCT as other renewable or high energetic performance appliances need not only technical skills, reliable equipments and maintenance but as well and foremost a conducive energy framework where energy is considered as a commodity which is scarce and has a real value. The existing regime has not yet put in practice what it is evident in an increasing energy price context. The energetic system is actually heavily subsidized and is not conducive for energy savings.
- What are in practical terms the expected measures to be taken by the GoI, within what time schedule?
- What could be the role of CDM which is not mentioned in the document in that context? How will be implemented the project ? Who is in charge of its implementation?
- How will the GoI contribution in cash (5, 2 M\$) be used?

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

16. Thailand: Promoting Renewable Energy in Mae Hong Son Province [UNDP]

COMMENTS FROM FRANCE

81. The project aims at developing a renewable energy program in Mae Hong Song province.

82. **Opinion: favourable but with the following questions and remarks to be taken into account:**

- As indicated, the project topic of renewable energy in the rural sector is also looked into by the French Development Agency. So, we strongly support the principle of this project.
- Nevertheless, the description of the activities in the PIF is too short to give any more detailed opinion on the relevance of the actions considered:
- What biomass is targeted?
- How many villages? How many micro hydro installations, biomass installation to reach the 65 000 TCO₂ avoided per year?

17. Global (Yemen): Adaptation to Climate Change Using Agrobiodiversity Resources in the Rainfed Highlands of Yemen [World Bank]

COMMENTS FROM FRANCE

83. The World Bank is supporting a 30 M\$ project named “Rainfed Agriculture and Livestock project” which aims at reducing poverty and improving natural resources management in the highland rainfed areas. These areas represent half of the cultivated surface of Yemen and constitute a “reservoir” of agro diversity and traditional knowledge of great value. The GEF project focus will be on the conservation of this agro diversity and its utilization. Secondly different mechanisms such as planting of drought resilient varieties, cropping patterns, early warning systems, will be put in place to reduce the vulnerability of farmers to future climate shocks. ICARDA will be responsible for the technical assistance.

84. **Opinion: favourable but with the following questions and remarks to be taken into account:**

- The objective of project seems quite interesting and relevant in a country where agriculture and water are two essential items and will be heavily vulnerable with climate change. However, it is difficult to understand what are the activities of the project?
- What is the justification of its size and duration (8, 0 M\$ over 4 years)?
- What concrete results are expected?
- Furthermore, a loan (2, 8 M\$) will be provided. Who is providing this loan and for what?

85. A minimum information about ICARDA is required as the project seeks synergies with a WB project on agriculture and livestock and the protection of natural resources in five provinces, the use of ICARDA as implementing agency for both initiatives should optimise overall management efficiency. It may however also increase risks associated with project implementation and the delivery of final outputs at a larger scale.

86. We therefore wish to highlight the importance of cross-cutting linkages with other partners active in the field. Key stakeholders should include those national and international agencies which have experience at policy maker level and field level. Such experience may prove useful to reducing risks associated with unreliable commitment to in-situ and on-farm conservation of agro biodiversity in the country.

INTERNATIONAL WATERS

18. Regional (Botswana, Lesotho, Namibia, South Africa): Development and Adoption of a Strategic Action Program for Balancing Water Uses and Sustainable Natural Resource Management in the Orange-Senqu River Transboundary Basin [UNDP]

COMMENTS FROM FRANCE

87. The project aims at improving the management of the Orange-Senqu River Transboundary basin.

88. **Opinion: favourable with the following remark:** As indicated by the PIF, the Orange-Senqu River commission (ORASECOM) is already supported by several partners, among which FGEF. Good coordination and complementarities will be necessary between the existing initiatives and the new GEF project. We'd like to have some feedback on the way UNDP with ORASECOM intend to tackle the issue (coordination meeting...).

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

19. Regional (Angola, Namibia, South Africa): Implementation of the Benguela Current LME Action Program for Restoring Depleted Fisheries and Reducing Coastal Resources Degradation [UNDP]

COMMENTS FROM FRANCE

89. The project aims at preserving fisheries of the Benguela current in a coordinated ways between South Africa, Namibia and Angola.

90. **Opinion: favourable with the following remark:** As indicated in the PIF, it is crucial for this project to link with the project in preparation with the Orange River Commission to articulate the works of the two projects around the management of the Orange River mouth which is a strategic point along the coast in terms of fish stocks preservation.

COMMENTS FROM THE UNITED STATES

- This project appears well placed to build on the previous Benguela project to improve governance over transboundary resources, and this is to be applauded.
- The project, however, doesn't seem to have a mechanism to monitor and report on benefits that should flow from improved governance, including with regard to fish stocks and reduced degradation of coastal resources? How will benefits be measured and reported on?

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

20. Regional (Antigua And Barbuda, Bahamas, Barbados, Belize, Brazil, Colombia, Costa Rica, Dominica, Dominican Republic, Guatemala, Grenada, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St. Kitts And Nevis, St. Lucia, St. Vincent and Grenadines, Suriname, Trinidad and Tobago): Sustainable Management of the Shared Marine Resources of the Caribbean Large Marine Ecosystem (CLME) and Adjacent Regions [UNDP]

COMMENTS FROM SWITZERLAND

General Comments

91. The project foresees a challenging approach in grouping 25 widely differing countries over a large geographical area in their management of living marine resources. The intended shared management will have to overcome the current institutional, legal and policy frameworks which are fragmented and inadequate for this purpose.

92. In order to be sustainable, this will require a common political will of the participating countries, based on a shared vision of the risks of non-action and of the feasible project benefits. We therefore feel that the project success will largely depend on how far a joint economic case for action will be perceived by the participating countries.

Questions, Concerns and Challenges for the further Project Preparation

93. Given that the region does not have dominant large scale fisheries, the project will have to develop innovative governance/management approaches which are suited to the large diversity of medium and small scale fisheries, and focused primarily on conservation, optimization and intra-regional equity. The challenge for UNDP as the GEF Agency for this project will thus be to develop scalable management approaches without losing the joint commitment to specific targets. We expect that this will require intensive negotiations based on a concrete and robust analysis of the present situation, including external opportunities and threats.

94. In order to build a joint case for action from the analysis, we believe that it might be advantageous to specifically investigate and describe the effects of external opportunities and threats on the living marine resources in the region, e.g. the expected effects of climate change, possibly in scenarios.

95. We feel that the negotiation process can largely profit from the experienced network of the UNDP country offices as described in the PIF.

96. The PIF foresees important total project costs of USD 55 million over four years, including a remarkable cash co-financing of USD 43 million (87%), mainly by the governments of the contributing countries. The total cost share foreseen for developing the transboundary diagnostic analysis and the strategic action programme is USD 25 million with a co-financing of over 80%.

97. It is yet unclear to us how such an important cash co-financing for analysis and strategic work will be most effectively used for the project. In the further project preparation, UNDP as the GEF Agency will have the challenging task of balancing the project approach between the requirements of consistent methodologies of analysis, coordinated programme development and individual political relevance regarding different issues in the participating countries.

Conclusions and Recommendations

98. We recognize the importance of the targeted ecosystems, their transboundary character, the relevance of the project objectives and their consistency with GEF strategies and strategic programs.

99. We recommend to continue with project preparation while taking into account the issues raised above.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

**21. Regional (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, Venezuela):
Integrated and Sustainable Management of Transboundary Water Resources in the
Amazon River Basin Considering Climate Variability and Change [UNEP]**

COMMENTS FROM BRAZIL

100. On the matter, regarding the Council decision (agenda item 12) that sets 30 November 2007 as the deadline for submitting additional comments to the GEFSEC, we forward you the hereunder consideration:

So as to avoid any possible future misunderstanding about the terms adopted to name *Component I – Understanding the Amazonian Society*, we suggest that the definition of *Amazonian Society* be stressed and considered in the project as follows:

“For the purposes of this project, the term Amazonian society describes all stakeholders, corporations, governments, and NGOs, with influence and interest in the Region with respect to the sustainable use of its hydrological resources and the mitigation of impacts of climate change.”

101. Furthermore, we feel important to highlight our understanding that the resources for the project are allocated from the Strategic Pilot on Adaptation (SPA) and not from the Brazilian Climate Change RAF allocation.

COMMENTS FROM FRANCE

102. The project aims at working out a strategic action plan for the protection and the sustainable use of the natural resources in the Amazon basin. The project aims in particular at creating a useful framework for a strategic action plan implementation. The involvement of the riparian States in the project seems convenient.

Opinion: favourable

103. The objectives of the project are essential to strengthen the role of the Amazon Cooperation Treaty Organization (ACTO) for the management of natural resources in the basin.

104. The involvement of riparian states in the project is a guarantee for the sustainability of the actions implemented by the project.

PERSISTENT ORGANIC POLLUTANTS

22. Ghana: Capacity Building for PCB Elimination [UNDP]

COMMENTS FROM FRANCE

105. The project objective is to enhance the capacity for safe management of PCB oils and PCB containing equipment at all stages of PCB management cycle.

106. **Opinion: favourable but with the following question and remark to be taken into account:** The PIF states that there is a national plan in Ghana whereas we can't find it on the website of the Stockholm Convention (Perhaps the website is not upgraded). Furthermore, there is no enough in the project to improve monitoring of PCB movements.

COMMENTS FROM THE UNITED STATES

- Pleased that this project links closely with the priorities established in Ghana's NIP.
- The project should quantify the quantity of PCBs eliminated or destroyed.

23. Mexico: Environmentally Sound Management and Destruction of PCBs [UNDP]

COMMENTS FROM FRANCE

107. The project aims at minimizing risks of exposure from PCBs to Mexicans, including vulnerable populations (e.g., school children and workers), and to the environment, while promoting Mexico's timely compliance with the Stockholm Convention requirements for PCB management, including convention decommissioning, and destruction provisions.

Opinion: favourable

108. One of the most interesting projects in the POP area: it tackles with the issue of communication especially towards small companies.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

24. Morocco: Safe Management and Disposal of PCBs [UNDP/UNIDO]

COMMENTS FROM FRANCE

109. The project objective is to enhance the technical capacity for safe management and disposal of PCB oils and PCB containing equipment at all stages of PCB management cycle through devising of appropriate legal and policy frameworks and creation of public private partnerships in investments for disposal technology transfer.

110. **Opinion: favourable but with the following question and remark to be taken into account:** The PIF should be precise on how the PCB will be disposed.

25. Russian Federation: Building the Capacity of the Russian Federation to Implement the Stockholm Convention on POPs and Develop a National Implementation Plan [UNEP]

COMMENTS FROM FRANCE

111. The project aims at preparing the NIP and build the capacity of the Russian Federation to implement the Stockholm Convention; ultimately to reduce or eliminate Russia's releases of POPs.

112. **Opinion: favourable but with the following question and remark to be taken into account:** The ratification of the Stockholm Convention on POPs by the Russian Federation must be a condition to the final agreement of the project.

COMMENTS FROM THE UNITED STATES

113. The final project document should provide a detailed description of how the project will build capacity to implement the NIP. The information provided in Part II A. of the proposal is insufficient for evaluating the strategy to accompany the objective.

26. Tunisia: Demonstrating and Promoting Best Techniques and Practices for Managing Healthcare Waste and PCBs [World Bank]

COMMENTS FROM FRANCE

114. The project aims at reducing POP releases linked to Healthcare waste and transformer and condensers (PCB).

Opinion: favourable

115. The PIF is based on already strong elements and data while Tunisia, and its Agency in charge of waste, have the resources and competence to deal with the subject. Based on this experience, this type of project should be then reproduced in other African countries.

COMMENTS FROM SWITZERLAND

This review only refers to Healthcare Waste Management.

Overall Comments

116. The overall objective of the project is to reduce the emissions of PCDD/PCDF to the environment through the development of a sound healthcare waste management system.

117. We recognize positively that:

- the project is well prepared and defined;
- an overview of project components and the corresponding costs is given;
- some critical factors and risks are recognized and mentioned;
- the project has a total budget of USD 23'424'000 with a rate of 75% co-financing (incl. the government of Tunisia and the private sector);
- the project is consistent with the GEF Focal Area Strategy for POPs and falls under the strategic programs 1, 2 and 3.

Questions, Concerns and Challenges for the further Project Preparation

118. A list with answers to the following questions would help to understand better each part and the flow of the project (list of measures):

- (a) What has been done already?
- (b) What is in preparation right now?
- (c) What has to be done in the future?

119. Additional measures regarding some Project Components (PIF page 1):

- (a) Strengthening the Legal and Institutional Framework for HCW and PCB Management
Measures to add:
 - develop a protocol for analyzing and monitoring HCWM plan
 - set-up of national guidelines on HCWM
 - formulation of a national strategy for HCWM
- (b) Analyzing the current situation (= new component!):
Measures:
 - analyzing of the institutions' operational and financial capacities
 - elaboration of a training program
 - set-up of monitoring plans and control procedures at national, regional and health facility levels
- (c) Training and Capacity Building for (= new 3, old 2):
- (d) Investments in HCWM (= new 4, old 3):
Output to add:
 - HCWM is an integral part of healthcare budgets (hospital and government level)

Conclusions and Recommendations

120. It is very important to establish a monitoring system along the whole chain of healthcare waste, from generation to final disposal. With this monitoring system, it is possible to improve the implemented healthcare waste management system continuously.

121. One additional critical factor is that healthcare waste management has to be an integral part of healthcare and thus needs to be budgeted. Specific budget lines are needed at all levels, from the hospitals to the governmental authorities (full-cost calculation).

122. We think that the project is absolutely necessary to achieve a sustainable protection of the environment and human health.

COMMENTS FROM THE UNITED STATES

123. The PCB management aspects of this project appear to be generally sound, but we would appreciate it if the final project document clarified some issues related to healthcare waste management. It is not clear how much of the PCDD/PCDF emissions in the country are due to HCW incineration. Based on information presented in the proposal, it appears that this sector

accounts for 15% of the total PCDD/PCDF emissions, and uncontrolled combustion of other wastes (i.e. municipal solid waste) account for 76%. If so, the project needs to address how other sources of POPs emissions will be addressed.

124. Given that the World Bank loan listed as co-financing has already been approved, it is not clear that it is appropriate to count this as co-financing for the project. We would appreciate more information on how this complies with GEF cofinancing policies.

27. Vietnam: Building Capacity to Eliminate POPs Pesticides Stockpiles [UNDP]

COMMENTS FROM FRANCE

125. The project aims at removing capacity barriers to the sustainable elimination of POPs pesticides in Vietnam.

126. **Opinion: favourable with the following remark:** The project should deal with the issue of polluted lands because of the large amount of POPs pesticides found in buried stockpiles.

PROGRAMMATIC APPROACHES

China Biodiversity Partnership Framework for Action (CBPF)

28. China: CBPF Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin [UNDP]

COMMENTS FROM THE UNITED STATES

127. We support the bold outcomes for this project, such as those under #2 and #3. One example is the goal for a 50% reduction in fiscal incentives having a negative environmental impact. These are to be applauded, but the final project document should contain more detail explaining the project hopes to achieve these objectives.

128. The final project document should also have greater specificity regarding how outcome 4 (officials in all planned national EPCAs, and especially EFCAs with high global diversity values, have increased knowledge and awareness of biodiversity conservation) will actually be measured.

29. China: CBPF Priority Institutional Strengthening and Capacity Development to Implement the China Biodiversity Partnership and Framework for Action [UNDP]

COMMENTS FROM THE UNITED STATES

129. The funding for this project might be spread across too many objectives and that greater emphasis should be placed on monitoring and evaluating the impact of the partnership program as a whole.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

30. China: CBPF Shaanxi Qinling Mountains Integrated Ecosystem Development [ADB]

COMMENTS FROM GERMANY

130. On the one hand, the Project Identification Form presents concrete figures with respect to tourism development and its expected outputs:

- Number of jobs created through tourism 900,
- Income for the Botanical Garden up from 30 to 65 Mio,
- Duplication of visitation from 400,000 to 800,000 visitors etc.)

131. On the other hand, there is no information at all about the tourism development strategy behind that expected growth scenario, answering the following (and other) basic questions for tourism sustainability:

- Which market to address: Domestic? Regional Asia, International long-haul visitors? And in which proportion / market mix? (For instance 80% domestic plus 10% regional plus 10% international etc.)
- Which segment of the market in terms of wealth and spending habits: High-end, high spending international and regional? Wealthy/middle class Chinese or the low end of the Chinese mass market?
- Which segment in terms of interests: Nature / Ecotourists, Birdwatchers, Soft / middle / extreme activity / outdoor, wellness and spa tourists preferring a natural / mountain environment, souvenir/trophy hunters etc.
- What type of infrastructure and services do the market segments according to the expected market mix and segments require? For instance: international travellers would require other type of accommodation than national visitors and day excursionists; Birdwatchers need other infrastructure than natural spa guests etc.

132. Given that situation, we consider it highly risky to establish at this stage such concrete figures predicting a huge tourism growth.

133. The little information that we dispose of about the Shaanxi-Qinling Mountains is that it very much qualifies for a higher level tourism with limited numbers of guests with high spending habits. And that the influx of very high numbers of national, especially low spending visitors would have to be limited and directed to certain places in order to avoid interference with the requirements of other segments of the market (for instance, a huge bus parking ground for

Chinese day visitors would not be compatible with a 5 Star high end Natural Spa and Wellness resort next door...).

134. This is in line with a general strategy to minimize the impact of tourism in Biodiversity Hot Spots through the focus on fewer high spending guests, and allow only in some controlled areas public access.

135. Furthermore, it is not getting clear how the villages bordering the botanical garden will support the conservation of biodiversity and benefit from the revenues of the botanical garden, given the fact that the support of the local population is a precondition for successful biodiversity conservation. The PIF only refers to 173 households to be resettled. In other parks many conflicts arose because the local population had to provide land for the creation for a protected area but didn't benefit from the revenues and no longer had access to their former resources. Please clarify the proposed strategy.

136. Besides, would you please explain the high percentage of GEF support for the creation of the institutional arrangements?

COMMENTS FROM THE UNITED STATES

- The GEF funding seems to be allocated to conservation objectives, but we will be looking at the final project document to ensure that GEF funding is allocated to incremental and additional activities related to biodiversity conservation and sustainable use.
- There does seem to be much of a fit at all between the tourism development component and the conservation component. The tourism development and development of roads seems to have a very low degree of linkage to biodiversity conservation.
- We have significant questions as to whether, under GEF policies, all the \$89.2 million in co-financing dedicated for this part of the project should be counted as co-financing. This seems to mostly be “associated financing” that is not, per GEF policies, “essential for achieving GEF objectives.” The project document should have a clear justification as to how funding for cable cars, hot springs, and doaist sites, etc. is GEF cofinancing.

PROGRAMMATIC APPROACHES

Sustainable Forest Management (SFM)

31. Brazil: SFM Catalyzing the Contribution of Indigenous Lands to the Conservation of Brazil's Forest Ecosystems [UNDP]

COMMENTS FROM FRANCE

137. The project aims to strengthen and extend the protection actions of natural resources in the indigenous lands in Amazonian basin. For that, the project will capitalize the positive experiences, network the actions and work out recommendations for the future.

Opinion: favourable

138. Faced with the current threats on the forest ecosystems in Brazil, it is relevant to support the actions of strengthening the protection of the indigenous lands in Amazonian basin in order to guarantee a protection and a sustainable management of these forest ecosystems.

COMMENTS FROM THE UNITED STATES

139. This project is very good, and we support the focus on community forest management and how community activities and lands can be accommodated in PA systems.

32. Mongolia: SFM Forest Landscapes Development and Conservation [World Bank]

COMMENTS FROM GERMANY

140. Ad II D:

- A reference to FLEG is missing
- Please clarify overlaps with the FAO-project mentioned (Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Areas of Mongolia)
- The GTZ still works in the Khentii SPA and there aren't any plans to stop it. Therefore the formulation "it seems" is misleading.

141. Framework requirements: At the moment, the FAO-Project mentioned is suspended and hasn't started yet. There were conflicts hiring a national coordinator. Against this background, we shouldn't start a project with the same partner and overlapping goals and questions without comments.

142. The Mongolia PIF seems very ambitious. As the proposal reads, the success of the GEF contribution seems to depend to a large degree on the successful implementation of the IDA financed parts, namely the FAO project on community approaches. Further proposal development for GEF financing should carefully observe progress in the IDA financed components.

143. The risks of project failure are rated "very high". The project should therefore not be endorsed unless substantial changes are made in accordance to the above recommendations.

COMMENTS FROM SWITZERLAND

This project merits special attention for Council discussion.

144. Although the proposed project touches on four distinctly different but equally important national priorities, each of the thematic areas in itself would constitute a project by far exceeding the financial capability of this proposal. The proposed project is poorly conceptualized and cannot be implemented as planned. The risks of project failure are rated "very high". The project should therefore not be endorsed unless substantial changes are made in accordance to the above recommendations

General Comments

145. A project aiming at mainstreaming biodiversity conservation into sustainable forest management applied to a production landscape connecting some of the key protected areas of Mongolia, and the improved conservation of forest ecosystems within Mongolia's protected areas, is of urgent need and high national relevance. The high dependency by rural communities on fuel-wood, timber and non-timber forest products and the growing water shortage throughout northern Mongolia are indicative of the importance of proper forest stewardship. Forested watersheds of the area targeted by the proposed project are of vital importance to the capital's sustainable water supply, Lake Baikal and numerous downstream communities, and herder families and their livestock.

146. The proposed project meets GEF criteria. It complies with GEF's Strategy for Sustainable Forest Management and the Biodiversity OP3, Forest Ecosystems. If successful the project would contribute to global benefits by providing protection to globally unique forest ecosystems.

Main Concerns

147. The proposed project is a confusing amalgam of proposed activities related to (a) the forestry sector, (b) integrated land use planning and (c) protected areas. Forestry sector activities refer to work on the macro-level (i.e., forest policies, legal framework, strategy development etc.) and the micro-level (i.e., establishment of pilot projects related to forest thinning and biomass energy initiatives). The proposed work related to protected areas, exclusively to be financed by the GEF grant, refers to the elaboration and subsequent implementation of management plans, business plans and financing plans to be applied to five targeted protected areas. Although not specified by the proposal, it is assumed that the proposed integrated land use planning refers to the establishment of ecological corridors connecting the five PAs mentioned by the proposal within the context of management plan production.

148. The project goals are unrealistic to be achieved under the best of circumstances as proven by the generally negative experience in Mongolia by the donor community in all thematic areas proposed. The project is much too complex and ambitious.

149. Clarification is needed on how the proposed PA management plans relate to the other activities and how financial sustainability by the targeted PAs could be achieved as claimed by the proposal.

150. A recent capacity and financial need assessment of 16 of Mongolia's 48 protected areas (WWF and MoE, 2007) shows that only the core zones of protected areas are under effective protection. This translates to 1.8% of Mongolia's surface area under protection instead of the officially claimed 13%. Key threats to the ecological integrity (and the forests) of the PAs targeted by the WWF study proved to be high livestock numbers, over-grazing and man-caused fires related to livestock activity inside the PAs. Addressing these problems inside and adjacent to protected areas emerged as the highest priority requiring 20 range use specialists but only one forester in comparison.

Conclusions and Recommendations

151. Although the proposed project touches on four distinctly different but equally important national priorities (strengthening the forestry sector and the national PA system, and embarking on the extremely complex task of integrated spatial land use planning and the establishment of ecological corridors), each of the thematic areas in itself would constitute a project by far exceeding the financial capability of this proposal. The proposed project is poorly conceptualized and cannot be implemented as planned.

152. The proposal should not be endorsed unless it provides a well defined focus on one of the four proposed thematic areas. This should be either (a) improved forest management in support zones of the targeted PAs, (b) support to the targeted PAs in terms of management and business plan production, or (c) the establishment of a model ecological corridor linking protected areas. A corridor development project could incorporate several of the proposed thematic areas:

- participatory integrated spatial land-use planning;
- sustainable livelihood of herder families living within the corridor and/or the PAs linked by the corridor;
- sustainable forest management of corridor forests (forest use inside PAs is illegal according to Mongolian Law).

153. The risks of project failure are rated “very high”. The project should therefore not be endorsed unless substantial changes are made in accordance to the above recommendations.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

33. Russian Federation : SFM - Strengthening Protected Area System of the Komi Republic to Conserve Virgin Forest Biodiversity in the Pechora River Headwaters Region [UNDP]

COMMENTS FROM GERMANY

154. Although the project's overall objectives are highly embraced the project focuses very much on the strengthening of the PA system in general not taking adequately into account the special requirements and situation of the site's status a World Natural Heritage. It is suggested that the project outline is revised taking the WH status into account.

COMMENTS FROM SWITZERLAND

General Comments

155. The project objective is: a representative and effectively managed network of protected areas ensures conservation of pristine boreal forest and taiga ecosystems in the Komi Republic. The project aims at a better representation of some of the most critically endangered and vulnerable of the global 200 eco-regions in the national protected area system. It basically focuses on the reconfiguration of the PA system of the Komi Republic. Following its PIF, the indicative GEF financing is 4.5 million USD and the indicative co-financing is 15.9 million USD.

156. As described in the PIF, the Komi Republic has a considerable protected area system (PAS), which integrates 254 PAs and covers 14.6% of the territory. With such an extensive coverage, financing, management efficiency and sustainability of the overall PAS are of crucial importance, and the concrete implementation in the field is a challenge. On the other hand, particularly in the Pechora-Ilych Zapovednik considerable efforts have been made with regard to the improvement of the PA management, inclusively with international assistance.

157. Overall, the proposed project looks very ambitious. The key challenge of this project will consist in not only changing the PAS on paper but in catalyzing the sustainability of Komi's PAS in such a way that it can materialize its ambitions also in the field.

Questions, Concerns and Challenges for the further Project Preparation

- ▶ **Please provide detailed background information on Komi's PAS and on already existing efforts.**

- ▶ **A better ecosystem representativeness of the existing and reconfigured PAS must be clarified.**

The better representativeness of the global 200 eco-regions in Komi's PAS is the underlying rationale for the GEF support. Therefore we expect that the improvement of the eco-region representativeness and the intended reconfiguration of Komi's PAS must be made fully comprehensible and transparent. In concrete terms we request the inclusion of a table, in the annexes of the final project documents, comparing the ecosystem and eco-region coverage of the existing and the intended reconfigured PAS.

Furthermore, the reconfiguration of the existing PAS, if not very carefully done, may even be a risk for what has been achieved so far.

- ▶ **Catalyze the sustainability of Komi's protected area system.**

The long-term strategic objective 1 of the biodiversity focal area strategy is to catalyze the sustainability of the PA system. All 3 components of the proposed project refer directly or indirectly to this strategic objective.

In order to assess the project's relevance in this respect, we request that its contributions are explicitly described. Furthermore, to situate the project in the local context and appraise its relevance regarding the sustainability of Komi's PAS, we would expect that detailed information is given on annual expenditure for the overall PAS.

- ▶ **The institutional arrangements are of crucial importance for project success and need to be clarified.**

The PIF mentions as part of the normative solution that the reconfigured PAS will be effectively managed through a better coordination between federal and regional agencies and new partnerships with the business sectors. And project component 2 exclusively refers to the "improved institutional capacity for management KR PAS".

We agree that the institutional aspects will be of crucial importance for project success. Therefore we expect that detailed information on the institutional arrangements and the mechanism of coordination will be given in the final project documents.

- ▶ **The level of indicative co-financing is considerable, however it is not clear which type of activity will be co-financed.**

In the existing PAS, financing is so far a crucial limitation for the appropriate management of the areas. Quite a number of the protected areas figure more on paper and lack management plans and a corresponding management.

Therefore, we are very positively surprised about the considerable amounts of indicative co-financing shown in the PIF.

However we expect that the final project documentation provides more detailed information about the sources and particularly about the type of activity which will be realized with co-financing.

Conclusions and Recommendations

158. We fully support the overall project objective. Its strategic orientation seems consistent with the GEF focal area strategy.

159. The current PIF looks promising, however, so far, the project seems overly ambitious, and in further planning quite a lot of effort will be necessary to clarify our doubts regarding the project's intentions with a better eco-region representativeness of the Komi's PAS, its contribution to the improvement of the efficiency and sustainability of the regional PAS, and last but not least, regarding the institutional arrangements and the co-financing.

160. We hope that the final project documents will fully clarify these aspects.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

34. Tanzania: SFM Extending the Coastal Forest Protected Area Subsystem [UNDP]

COMMENTS FROM FRANCE

161. The project aims at extending the coastal Forest Protected Area Subsystem in Tanzania.

162. **Opinion: favourable with the following remarks to be taken into account:** Due to the concentration of the population on the coast of Tanzania, coastal forests are ecosystems submitted to a particularly important human pressure. In this regard, and since the project wants to enlarge protected areas on this area which is largely populated, the full and sincere involvement of the local communities will be a key point of the project success:

- modern co-management policies should be put in place in the different protected areas;
- realistic income generating activities should be put in place to compensate the restriction of use of the natural resources imposed on the communities by the extended protected areas ; these activities should go beyond the usual few pilot activities developed by projects and rely on economical business orientated sound approaches.

163. One of the priority landscapes of the project: Lindi-Rondo, is concerned by another project which ends at the end of this year: the Mnazy Bay project. It was supported by UNDP/GEF and FGEF and dealt with the development of the Mnazy Bay marine and terrestrial protected area. 30,000 people live inside the terrestrial limits of the Park and the project had huge difficulties to correctly involve these communities. Some villages even turned at some stage against the project. An ex-post evaluation of the project is scheduled (UNDP/GEF in December 07 and FGEF beginning of 2008).

164. Its conclusion regarding the involvement of local communities and the development of alternative income generating activities should be taken fully on board by the new project.

COMMENTS FROM GERMANY

165. Linkages to local communities are not sufficiently included in the proposal. Monitoring measures and enforcement of protected sites are not given the emphasis needed in the proposal as submitted.

COMMENTS FROM THE UNITED STATES

- We thought the results framework for this project was rather clear as it listed quantified outcome targets, but the project justification language was difficult to understand, with many indirect statements or unclear wording. (e.g. “ineffective management scenario,” “normative solution,” etc.) It would be easier to understand if the problems and solutions were more clearly and simply stated.
- We note that there are different levels of governance on the Tanzanian mainland and on Zanzibar. How will UNDP deal with the different levels of governance in both locations?

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

35. Global : SFM Carbon Benefits Project (CBP): Modeling, Measurement, and Monitoring [UNEP/World Bank]

COMMENTS FROM FRANCE

166. The project aims to strengthen and develop methodologies as regards quantification of carbon sequestration. It needs to assess the baselines and the methodologies in line with national authorities.

Opinion: favourable

167. Faced with the weakness of project sequestration submitted to Climate Change Convention, the methodological work proposed by the project is relevant. It needs to work closely with States, firms and local communities within the opportunities offered as regards carbon sequestration. A particular effort should be made by the project to support actions developed in Africa where the number of carbon sequestration projects submitted to convention is particularly weak.

COMMENTS FROM GERMANY

168. Concern regarding selected sites in the project proposal: The site selection in the project proposal does not always reflect an adequate consideration of high value for biodiversity protection and concrete opportunities for sustainable forest management. It is to be considered whether a second analysis based on the importance of the selected sites for biodiversity conservation should be undertaken.

COMMENTS FROM THE UNITED STATES

169. We support the comprehensive approach of this project. It will be important to build off of previous work (e.g. IPCC Good Practice Guidelines) and recommend that the final project document clarify how this will be done. Given that the World Bank and UNEP are involved in other efforts in this area, we expect that they will seek synergies and avoid duplication of effort.

170. As much work is moving forward in this area relatively quickly, we hope this project will move forward quickly. We suggest that the final project document include a timeline that shows how the agencies will deliver the basic methodologies on an enhanced schedule.

171. The proposal should also include a coordination and scientific involvement strategy. There should be opportunities and fora for input from experts, policy makers, and GEF stakeholders. Moreover, an ongoing scientific discussion of the measuring and methodology issues they are tackling would be educational for policy makers and could contribute to progress in the international climate regime.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

**36. Regional (Indonesia, Malaysia, Philippines, Thailand, Vietnam, Singapore, Brunei) :
SFM Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia [IFAD]**

COMMENTS FROM FRANCE

172. The project aims at ensuring the protection and the conservation of the peatland forests in Southeast Asia. The actions implemented by the project aims at strengthen the capacities of management for local stakeholders, in particular local communities, to reduce degradation of these ecosystems and put in place management plan.

173. **Opinion: favorable with the following remark:** In terms of biodiversity protection the project is relevant. However, it is needed to secure the strong involvement of local authorities in the project and, in particular, of their willingness to preserve these ecosystems.

COMMENTS FROM THE UNITED STATES

- This is another strong project as it firmly takes an integrated forest management approach, with clear climate benefits. It also addresses the key issue of fire in managing carbon emissions. We also like the attention to monitoring and assessment, stakeholder participation, and NTFPs. Placing it under ASEAN is encouraging, and we recommend that the project collaborate with other processes, such as the Asia Forest Partnership.
- We support the intent to raise private sector cofinancing and the final project document should address how the project will raise this funding.
- We also believe a stronger approach will be needed to address the risks identified in section F.1 related to governance, enforcement, and civil society participation. In particular, we don't understand how "coordination with national and local government agencies" will overcome problems of weak enforcement of policies and regulations. How will the project improve enforcement?

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

37. Indonesia : SFM Strengthening Community Based Forest and Watershed Management (SCBFWM) [UNDP]

COMMENTS FROM FRANCE

174. The project aims at supporting the involvement of local communities in forest ecosystem management of 6 watersheds. The project will work out on implementation of watershed management strategies of these basins with involvement of local communities and national institutions.

Opinion: favourable

175. The program has to reduce deforestation and land degradation on the selected watersheds. It needs to secure a strong involvement of the State in the project at national, regional and local levels.

COMMENTS FROM THE UNITED STATES

- We like the integrated approach of this project as it covers a number of the aspects we think could be better presented in the SFM strategy itself: community management, poverty alleviation, property rights, fire management...
- The final project document should clearly describe how the project will strengthen institutions, improve coordination (among agencies and between different levels of government) identify and remove barriers related to policy and capacity, raise awareness and improve intersectoral coordination.
- As noted for the ADB biodiversity project, we would also like to understand how this project will intersect with the forest strategy recently developed with the assistance of the World Bank?
- USAID has a number of biodiversity related programs in Indonesia, and is considering strengthening its natural resources portfolio in Indonesia over the next few years, and we encourage the UNDP to collaborate with this effort if feasible.

**WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF C.32/6 REV.1)**

38. Iran : SFM Rehabilitation of Forest Landscapes and Degraded Land with Particular Attention to Saline Soils and Areas Prone to Wind Erosion [FAO]

NO COMMENTS RECEIVED.

39. Paraguay: SFM Improving the Conservation of Biodiversity in Atlantic Forest of Eastern Paraguay [World Bank]

COMMENTS FROM GERMANY

176. The focus on re-establishing the connectivity between protected areas in general has to be seen as important task. However, the project outline is not taking adequately into account the potential challenges related to engaging owners of key areas of land in implementing sustainable biodiversity and conservation practices on the ground. The risk of dependence on land owners will to cooperate is not adequately addressed in the project proposal.

COMMENTS FROM THE UNITED STATES

177. This project has a strong results framework (with very clear outcomes and quantified output targets) and seems ambitious. There are several issues that will need to be addressed prior to CEO endorsement, particularly regarding transparency, financial management, sustainability, and stakeholder involvement.

- The inclusion of private industry is appealing, but it needs to be better developed. For example, Itaipu doesn't seem to be providing any co-financing and parts of the proposal (p4, component 2) make it sound as if government or project funds will actually support Itaipu lands.
- We also have concerns with regard to transparency and financial management. The Paraguayan side of ITAIPU has been repeatedly questioned by the General Controllers Office, the congress, and the press for regarding the management of millions of US dollars. We also understand that it has not opened its finances and audits to the government controlling institutions because of the argument that it is a supra-national entity. Caution is needed in this regard. If possible yearly monitoring evaluations should be done and they should be released to the public.

- The World Bank should also ensure that the GoP fully honors commitments for cofinancing. The Bank should consider conditioning disbursements on triggers related to delivery of cofinancing and meeting of goals.
- Given difficulties with the last GEF project (Paraguay Silvestre), there should be strong civil society and private sector participation in implementation and oversight. Although this is mentioned, further work is needed as the involvement of the Consejo Nacional del Ambiente (CONAM) alone is not a guarantee of sufficient stakeholder involvement.
- Governance and weak enforcement are cited as causes of massive deforestation in the past, but there's little information on how this has improved (citing new laws isn't proof if enforcement is lacking) and little consideration in the program design and risk assessment of how to address this.
- We have concerns regarding sustainability. There has been a pattern in the country where donor funding covers costs during a project, but then the government doesn't continue funding. On this point, we note that financing doesn't seem to be well diversified in that it is split between IFI funding and the government.

PROGRAMMATIC APPROACHES

India Country Partnership Program

**40. India Country Partnership Program: Sustainable Land and Ecosystem Management
[World Bank]**

COMMENTS FROM FRANCE

178. The program aims at promoting a sustainable management of land and biodiversity in India. The program focuses its interventions on tree main sectors: investments, capacity building and institutional strengthening. Two local projects are analyzed.

179. **Opinion: favourable with the following remark:** The objectives of the program are relevant. Nevertheless, it would be necessary to have some more information on the methodology for selection of the local projects.