



**GLOBAL ENVIRONMENT FACILITY**  
INVESTING IN OUR PLANET

COMPILATION OF COMMENTS  
SUBMITTED BY COUNCIL MEMBERS  
ON THE  
NOVEMBER 2013 WORK PROGRAM

NOTE: This document is a compilation of comments submitted to the Secretariat by Council Members concerning the project proposals presented in the Work Program approved by the Council in November 2013

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## NOVEMBER 2013 GEF WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE: GEF/C.45/11)

### GENERAL COMMENTS

Canada thanks the GEF Secretariat, the STAP, the Implementing Agencies and recipient countries for putting together a good work programme, which we are pleased to support.

We encourage the Secretariat and the Implementing Agencies to work together to ensure that GEF-5 resources are fully programmed in the GEF-5 period, with a focus on projects that clearly relate to recipient countries' obligations and commitments under the MEAs for which the GEF is the financial mechanism.

Canada requests that future work programs and GEF Programming Reports include a breakdown of co-financing by public and private sector.

### BIODIVERSITY

#### 1. Cape Verde: Mainstreaming Biodiversity Conservation into the Tourism Sector in Synergy with a Further Strengthened Protected Areas System in Cape Verde - UNDP (GEF ID 5524)

##### ✓ Comments by France

- We globally support this proposal. The Project is well designed and documented. The project rationale is robust.
- The project will (i) on one side improve the policy and regulatory frameworks to control adverse effects of tourism developments on biodiversity conservation and create an enabling framework for the tourism sector to finance conservation and fill the protected area financing gap; and (ii) on the other side improve management effectiveness of existing and new protected areas.
- Even if the project results indicator will not reach a level of additional financing from private sector (+ 350.000 USD/year by project end) to completely fill the financing gap of the Cape Verde protected area system (estimated between \$1.8 million and \$5.3 million/year to achieve basic and optimal management, respectively), the project can create a dynamic of change and improvement of the current situation.
- For this reason, the project preparation could perhaps be more ambitious and explore more innovative financing mechanisms to increase the financing flow for PA by the end of this project and to reduce even more the PA system financing gap.
- *Opinion: Favourable*

##### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany suggests that the proposal explicitly addresses the increasing problems of the huge dependence on food imports, adding to invasive species and hygienic issues, including the uncontrolled deposition of waste, for example as part of SEA and EIA requirements.
- Moreover, the description of the desirable long-term solution should include the aspect of safeguarding local livelihoods, i.e. negative effects of the increasing demand for, and prices of, local products (primarily fish) on the supply of affordable food for the local population need to be incorporated into the project approach.
- It is suggested to analyse and describe in more detail how the project will coordinate and overcome seemingly conflicting objectives with the planned WB-funded project on sustainable tourism, particularly with regard to the biodiversity impacts of an expansion of artisanal fisheries.
- With regard to incentivizing biodiversity-friendly tourism provision and dis-incentivizing biodiversity adverse investments the full proposal (and PPG-concept) should carefully analyze the implications of current tax privileges for foreign tourism investors and how they may need to be adapted. Activities to strengthen the National PA system should explicitly include the country's important terrestrial protected areas, adding value to the eco-tourism product of Cape Verde.

**2. Chile: Strengthening and Development of Instruments for the Management, Prevention and Control of Beaver (*Castor Canadensis*), an Invasive Alien Species in the Chilean Patagonia - FAO (GEF ID 5506)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany suggest that during the design of the final project proposal consideration is given to a clearer design of the participation system and stakeholder engagement both in demonstration activities (component 3) and in information, communication and monitoring (component 2) in order to enhance sustainability and preventing re-invasion.
- Output 1.1.3 needs to be sharpened with regard to the aim of the study as well as to the use and users of the results to ensure policy uptake.

✓ **Comments by United States**

- The United States is supportive of this project, but recommends the following be clarified in the final project proposal:
  - We note that \$8.75 million in co-financing has been requested from various institutions, but only \$1.5 million of that amount is committed as “cash.” The other co-financing is “in kind” or “unknown at this time.” We recommend the Secretariat review carefully the co-financing at CEO endorsement, as this project is ambitious in its scope and will need a solid resource base to succeed.
  - Additional specific information about the “early-detection system” or “early warning system” mentioned in the paper (under project component 2) should be included.

### 3. Ecuador: Conservation of Ecuadorian Amphibian Diversity and Sustainable Use of its Genetic Resources - UNDP (GEF ID 5534)

#### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- In line with GEF's Strategic Goal #4, Germany would like to emphasize that national universities and research institutions (for example the "Ponteficia Universidad Católica del Ecuador" PUCE) shall be taken much more into consideration as important stakeholders and that ongoing processes and legal technical instruments shall be strengthened.
- Further elaboration is needed to describe how to reduce pressure on vulnerable species and ecosystems and how to ensure sustainability, including financial sustainability, taking into account more clearly conservation issues and climate change (GEF's Strategic Goal #1).
- The aspects of benefit sharing shall include the development of distribution mechanisms which also benefit the local population. Germany strongly recommends coordination and cooperation with existing projects working in conservation of biodiversity (for example GIZ working in continental conservation gaps, municipal protected areas, National Biodiversity Strategy, implementation of the Nagoya Protocol, sustainable use of biodiversity, etc.).
- The financial contributions of the partner entities shall be formally confirmed before endorsement of the final project.

#### ✓ Comments by Japan

- We appreciate formulation of this project. It is desirable that the update of the regulations on ABS described in the expected outcome 3.1 (Nagoya Protocol ratified and regulations on ABS updated and model ABS agreements and contractual clauses for different taxa) will be highly relevant and in line with Article 6 clause 3 of the Nagoya Protocol. The implementation of this project is expected to develop good practices of ABS in Ecuador and contribute to the effective implementation of the Nagoya Protocol.

#### ✓ Comments by United States

- We concur with the STAP review that the Global Environmental Benefits section of this proposal needs significant improvement. In particular, additional detail should be added on how the activities in the proposal (especially the creation of institutional procedures for bioprospecting research with the University of Queens and research on skin secretions for new peptides with bioreactive properties) generate global benefits. Finally, we underline the importance of the inclusion of indigenous peoples as stakeholders in this project.

#### 4. Ethiopia: Mainstreaming Incentives for Biodiversity Conservation in the Climate Resilient Green Economy Strategy (CRGE) – UNDP (GEF ID 5440)

##### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The proposed project aims at strengthening the enabling framework for mainstreaming incentives for biodiversity conservation into the CRGE at national level and to pilot / test payments for conservation in selected sites. Expected outcomes are 1) enhanced conservation security for selected threatened species, and 2) improved management of 20,000 ha of mountain forests, land use changes under PES schemes, and enhanced institutional capacity.
  - Activities and outputs do not sufficiently target relevant indicator species (Plain zebra (*Equus grevyi* Equidae)-high risk, African wild dog (*Lycaon pictus*)-high risk, Mountain Nyala (*Tragelaphus buxtoni*)- high risk, Cheetah (*Acinonyx jubatus*)- Vulnerable, Lion (*Panthera leo*) –Vulnerable, East African cedar (*Juniperus procera*)- critically endangered, Arabica Coffee (*Coffea Arabica*) - high risk.). These species are to a large extent present and managed in the parks of the regional wildlife authorities and the federal authority EWCA, and not in the target areas of the PIF, with the exception of Juniper and Coffee. Elsewhere the PIF makes a point not to work in PAs. EWCA and regional wildlife organisations are at this stage not among the large number of implementing institutions. Germany therefore suggests that the indicator species are reviewed and considered thoroughly during the planning phase. EWCA and the relevant regional authorities shall be consulted closely.
  - Under the outputs “biodiversity scoring” is foreseen. This has been done already under the GEF-SDPASE project in 2012; see Gap Analysis on the SDPASE website: [http://www.ewca.gov.et/en/\\_sdpase](http://www.ewca.gov.et/en/_sdpase) . Germany suggests close cooperation with SDPASE during the preparation phase. There is a number of newer documents to be taken into account.
  - For the proposed outcomes for component 2: while the outcome would represent an important step towards better conservation in the country, Germany questions the matching of the target sites and the proposed implementing institutions. The PIF says that the South Western Forests are targeted, but there are implementing institutions (regional EPAs and universities) that are not necessarily present in the South-West. They range from Harar to Somali regional EPAs to universities in Dilla and Arba Minch. Germany suggests that the target sites and implementers be revisited during PPG.
  - The number and diversity of implementers seems to be a considerable administrative challenge and put a high burden on the implementing and coordination capacity of EPA (now Ministry of Environment and Forest). Germany suggests that the number, appropriateness and strengths and weaknesses of possible implementers will be analysed and a reduction in the number of implementing partners be considered.
  - With regard to some elements of the PIF information is already outdated and an update during PPG phase is considered necessary. Examples include: the “Bale Forest Enterprise” and Oromia State Forests Enterprise Supervising Agency” mentioned in the



PIF; these have merged into the Oromia Forest Enterprise” in 2009 and subsequently in the “Oromia Forest and Wildlife Enterprise”.

## 5. Madagascar: Strengthening the Network of New Protected Areas in Madagascar - UNEP (GEF ID 5351)

### ✓ Comments by Canada

- We note that the PIF section on relations with national plans is well done. In particular, we welcome it highlighting the project’s relation with specific Aichi Targets and indicators, and we look forward to this coverage going forward.
- We note that the PIF identifies conservation as a major weakness of past Protected Areas (PA) initiatives in Madagascar “with insufficient attempts to develop sustainable utilization and participatory, co-management approaches”. Given the perception that PAs are promoted by international actors, as stated in the PIF, we are concerned by the absence of domestic productive sectors as key stakeholders as well as co-financiers of the project. We request that the final proposal elaborate on this important element.
- Please clarify what is meant by new Protected Areas being “sustainably” and “effectively” managed; the project’s vision for the sustainable management of Protected Areas should be clear.
- Please explain how the project will achieve the following statement: “An underlying aim will be to generate socio-economic benefits for local communities and other economic actors, as well as generating biodiversity conservation, at all sites”.
- We request that the reference to “National and local fishery and agriculture departments” on Page 9 be strengthened for the final project document.
- We request clarity on the following questions:
  - Is “sustainability” equated to “large-scale funding from international partners”, as page 6, A.1.3 seems to suggest?
  - Is training enough to generate “effective and sustainable management of PAs” and, if so, training in what areas?

### ✓ Comments by France

We globally support this proposal but we would like to underline two concerns:

- First, there is the fact that the success of this project will be highly dependent on the success of the political process in the country to establish a stable government in capacity to finally review and pass the Law on the new protected areas management code (COAP) which is compulsory to legalize the whole process of creation of New Protected Areas. This new COAP was prepared toward 2008 and was never passed to the assembly because of the political crisis still on going. The current COAP from 2001 which is the legal reference at the moment is not providing legal provision to establish the NAP. The establishment of NAP is only governed by decrees and decisions with limited legal strength. The issue of passing this new COAP Law is beyond the reach of this project, and for this reason is a high risk for the

sustainability and replicability of the investments to be made. Mitigation measures should be developed on this subject at project development stage.

- Second, the project intends to support the CSAPM (Madagascar Commission for the Protected Area System) as a national coordination body for the development of the NAPs, as well as to support 9 NPAs on the field with different NGOs who are official ‘promoters’ and/or delegated ‘managers’ of those NPAs. If the idea is very good, it gives no clear statement on how the CSAPM will be empowered to be truly in capacity to coordinate multiple ‘promoters’ and/or delegated ‘managers’ of those NPAs. We know that beyond the nice picture of multiple NGOs supporting the conservation challenges in Madagascar (which is very much welcome), there’s in fact also many challenges with little coordination, different if not opposite strategies and approaches on the development and management of NPAs. In this regard, the PIF doesn’t provide any activity or results indicators in the logical framework to demonstrate how the CSAPM will be in capacity to improve the coordination. Will some ‘promoters’ and/or delegated ‘managers’ of NPAs accept to adopt best practices that can be developed by other organizations? Will ‘promoters’ and/or delegated ‘managers’ of NPAs adopt harmonized biodiversity monitoring system to allow the CSAPM to be in capacity to compare management efficiency of different NPAs ? etc. At development stage, the project document needs to tackle this issue.
- *Opinion: Favourable, with the above recommendations*

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Given the specific risk situation, Germany recommends focussing on a selected number of (3-4) NPA sites especially in coastal zones and mangrove areas (instead of general, system-wide support). There, management effectiveness should be improved and funding be guaranteed. Only subsequently the coverage of other NPAs should be sought on the basis of lessons learned.
- Cooperation with other organisations (e.g. GIZ and KfW) which have been working in Madagascar in the green sector to enhance capacity development on the national level is recommended. Important Madagascan institutions involved in NPA issues and cooperation between civil society organisations and policy makers, ministries and multi-level administration shall also be considered.
- NGOs working on NAPs in Madagascar are partly already funded by World Bank Programmes. Although adequate and necessary financial flows shall be maintained and guaranteed, potential double funding or possible overfunding shall be avoided.

✓ **Comments by United States**

- The U.S. government recognizes that Madagascar's biodiversity is an extraordinary public good, and merits protection. Therefore, for purposes of consistency with U.S. biodiversity policy, the United States does not register a formal objection to this program. This position does not indicate recognition of the de facto regime in Madagascar.

- Regarding the technical aspects of this project, on Page 3, Project component 3 Expected Output 3.1 states that there will be a “Mechanism to ensure local conservation knowledge is captured and stored in a format useful for national dissemination.” We recommend the final project proposal include specifics on the mechanism (or options for appropriate mechanisms) and what kinds of formats are most useful in the Madagascar context.

## 6. Panama: Sustainable Production Systems and Conservation of Biodiversity - World Bank (GEF ID 5546)

### ✓ Comments by Canada

- We note with interest the co-financing from a mining company and from Applied Energy Services (AES). We request the final proposal include information on how these two companies will be involved, including clarifying their relation to Component 2 of the project (Biodiversity and Sustainable Productive Landscapes).
- We request that the final project proposal clarify the project’s relation to National Biodiversity Strategies and Action Plans and its contribution to Aichi Targets.
- We agree with the GEF Secretariat that the additionally of this project needs to be further developed vis-à-vis the Rural Productivity and Consolidation of the Atlantic Mesoamerican Biological Corridor (CBMAP II) project. In particular, the final project proposal should clarify why this project is needed when CBMAP II was intended to address most, if not all, of the issues mentioned in this project. To help assess the additionally question, we request that the final project proposal include a baseline scenario without GEF intervention

### ✓ Comments by Germany

Germany requests for the following projects that the Secretariat sends draft final project documents for Council review four weeks prior to CEO endorsement:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- The proposal describes biodiversity needs. It underlines the importance of the relationship between NPs and buffer (economic) zones. However, expected impacts and sustainability of results shall be specified more thoroughly.
- The final proposal shall describe the relationship between the project and the Mesoamerican Biodiversity Corridor and how the new project will contribute to upscaling project results in other parts of CBM. It shall be clarified too, what the relationship is between CBMAP II and the new project.
- The analysis of economic aspects needs to be deepened: how to ensure long-term demand for biodiversity friendly products in local/regional/global markets (demand driven) to guarantee sustainability of project investments. This includes risk management, development of business plans, market and commercialization studies and marketing campaigns for the selected products.
- The private sector might require special attention, including measures for capacity building for public institutions to develop PPP-project schemes and negotiate investments

- Central America is threatened by climate change, with increasing temperatures and changes in rainfall patterns. CC uncertainties have to be integrated as a basic condition for economic and biotic planning (see CEPAL, The Economics of Climate Change in Central America - Summary, 2010). Adaptation schemes for biodiversity products have to be developed and designed jointly with farmers; output, outcomes and indicators need to be defined.
- Coordination and cooperation with projects of other agencies in the region shall be defined more thoroughly. Communication & outreach, as well as training strategies shall be clarified and expressed by dedicated indicators in the final proposal.

✓ **Comments by United States**

- The United States believes that the targeting of important gaps within biodiversity conservation in Panama, such as effective protected area management, and working with rural and indigenous populations living in areas with high levels of biodiversity has significant merit. However, we would appreciate a more detailed explanation of project activities, thorough review of risks related to the project, and a clear distinction between project indicators and expected outputs, in terms of increased global environmental benefits, as requested by the STAP. The final proposal should also address the capacity of the indigenous communities in Panama to manage their territories, especially in relation to managing funds and complying with all transparency and accounting requirements.

**7. Philippines: RicePlus-Dynamic Conservation and Sustainable Use of Agro-biodiversity in Rice-based Farming Systems - FAO (GEF ID 5549)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Among activities of great importance to facilitate the upscaling of the project as well as an in-situ maintenance of locally adapted rice landraces is particularly the establishment of community seed banks. This activity shall therefore be reflected in a suitable indicator, ideally under 2.1 of the project framework. A possible indicator could be: "Establishment of up to 3 community seed banks in the pilot regions."
- Adequate financial allocations should be considered for this activity and future financial alternatives should be looked into (e.g. payment for environmental services or the like) to guarantee that custodian farmers of local races of rice receive financial and other incentives. Inclusion of other relevant local land races and wild relatives in the community seed banks should be considered.
- It should be ensured that under component 2 "pilot activities to enhance and expand dynamic conservation practices for agro-biodiversity in three pilot communities", the Municipal Agricultural Offices of LGUs are adequately involved in the project through the devolution of agricultural extension services to Local Government Units (LGUs).
- Under component 1, "Mainstreaming agro-biodiversity considerations into policy and legal frameworks, development strategies and institutional structures", close coordination with the

National Convergence Initiative (NCI) as coordinating body for all national government agencies active in the sectors environment and rural development should be considered.

- Within Germany’s bilateral development cooperation, GIZ is in the process of preparing the implementation of the Philippine component of the upcoming project “Better Rice Initiative Asia” together with the Department of Agriculture (DA) under the umbrella of the German Food Partnership (GFP). Synergies on policy advice and project piloting between the two projects should be sought.

✓ **Comments by United States**

We requested the opportunity to review this project prior to GEF CEO Endorsement to allow the FAO to incorporate responses to our technical questions and comments. In particular we urge FAO to carefully consider the following recommendations as it prepares the project for CEO endorsement:

**Recommendations Related to Outcome 2.2:**

- Clarify the title of the project – while the title notes that the project addresses “farming systems,” the project description makes it clear the project is intended to support traditional rice varieties and species.
- Clarify the definition of “biodiversity friendly” that will be used to certify a product. Clarify whether the certification scheme will be focused on the process of production, the species, or variety being sold. In particular, as biodiversity friendly farming can happen at any scale (small and large) and with any varieties (traditional, hybrids, transgenic), it would be helpful to clarify if this certification scheme will exclude certain types of farmers, varieties, or farming practices as not being “biodiversity friendly”.
- Adjust outcome 2.2 to provide clearer product differentiation:
- Successful product differentiation hinges on clearly articulating the characteristics of the product that distinguish it from the competition. A “biodiversity friendly” designation based on the NIAHS does not seem sufficiently different from the NIAHS designation to warrant trying to establish two competing certifications and markets. Basing the biodiversity friendly designation on the NIAHS could end up confusing consumers (who would be faced with deciding whether NIAHS is better or worse than biodiversity friendly) and entailing higher costs for producers (who would have to adopt NIAHS to market indigenous varieties with biodiversity benefits). Either result would reduce biodiversity gains. To avoid this, we suggest two possibilities:
  - Conduct further pilot marketing of the NIAHS designation since verification and definitions have already been established. Since biodiversity is already an element of this designation – and it incorporates other attributes of importance to the proposal—this would seem to be a straightforward next step.
  - Conduct market pilot testing of indigenous varieties. Since biodiversity and preservation of indigenous varieties are not contingent on heritage farming systems, we recommend focusing on marketing indigenous varieties that might have value to consumers in terms of taste and experience. In addition, it seems most simple – and least trade distorting – to focus on the products themselves, rather than the systems that have produced them.

- We recognize that the methods proposed in Outcome 2.2 (certification scheme and willingness to pay studies) are based on previous successes in the region and in the Philippines. We note that several projects were referenced on page 12: 1) comprehensive market valuation research on indigenous food products of the Ifugao rice terraces, 2) stakeholder discussions during the PIF development, 3) long-term, extensive farmer survey series conducted by the Plant Genetic Resources Division at the University of Philippines, and 4) organic market demand and expansion as proxies. Please include citations to these studies in the final proposal. We recommend the final project proposal include additional information on whether all four of these studies looked at rice, and if not, what is the basis for providing parallels to rice demand. Finally, we would appreciate information on previous successes in using organic markets as proxies for other willingness to pay calculations. This information will help situate this project in the local and regional context and provide perspective on how this project relates to previous efforts to determine market viability for similar products.

### **Recommendations Related to Partnerships and Stakeholders**

- On page 6, we note that stakeholders have “unequivocally identified” that the fundamental barrier to effective agro-biodiversity conservation in the Philippines is inadequate appreciation of the socio-economic and cultural value of traditional varieties. The final project proposal should include specific information on the process of consultation, who was involved, and when the study was conducted that came to this conclusion.
- We also believe that this project should be linked to international efforts to promote the conservation and sustainable use of agro-biodiversity, especially through the International Treaty on Plant Genetic Resources for Food and Agriculture (ITPGRFA). We would appreciate clarification as to which parts of the agenda of the ITPGRFA the project intends to support.
- This proposal contains little genetic/genetic resource information, and we were unable to determine how many different traditional varieties would be conserved and the patterns of eco geographical variability that would guide conservation efforts. Will the conserved genetic resources be accessible domestically or internationally for research and/or crop improvement, and if so, how will they be made available? Rice is included in ITPGRFA Annex 1, so if the genetic resources conserved by this project are under the management and control of the national government, and in the public domain, then the proposal should outline how they would be made available for research, education, and breeding for food and agriculture under the ITPGRFA’s Multilateral System of Access and Benefit-Sharing.
- We strongly recommend that either or both the International Rice Research Institute and PhilRice, both based in the Philippines, should be involved as executing bodies in this project. These institutions have decades of experience developing new rice varieties and rice crop management techniques that help rice farmers improve the yield and quality of their rice in an environmentally sustainable way. They seem to be key partners in an agro biodiversity project focusing on rice.

### **Recommendations on Co-Financing:**

- We note that 93% or \$7.2 million of the co-financing is “in kind” with only \$500,000 identified as “cash”. The final project proposal should clarify what the “in-kind” financing is

comprised of, and we urge additional cash co-financing to improve the project's sustainability.

## **8. Russian Federation: Conservation of Big Cats - WWF-US (GEF ID 5559)**

### ✓ *Comments by Canada*

- This is a good project proposal that integrates the issue of wildlife crime into a broader, CBD-focused project proposal.
- To ensure the project's success, as per the GEF Secretariat's assessment, the following issues should be further clarified and resolved by the time of CEO endorsement:
  - baseline projects/activities supported by the government and others;
  - detailed assessment and alignment of activities with the concerned big cats strategies, including National Tiger Recovery Program and Snow Leopard Conservation Strategy;
  - assessment of big cats population and habitat, particularly the Persian leopard (which the status is less known), identifying differentiated and appropriate actions for each big cat;
  - incremental reasoning of the project;
  - risks and mitigation measures; and,
  - coordination and implementation arrangements.
- The proposal mentions that existing Protected Area funding is insufficient in Russia, yet includes the expansion of the Protected Area system to protect critical habitat. The proposal does not sufficiently consider the financial needs and sustainability of the current system, let alone an expanded one. As such, we request that the final project proposal address this critical issue before being endorsed by the CEO.

### ✓ *Comments by Japan*

- Japan acknowledges the importance of the project and would like to have detailed information of it, including the area in which the project will be implemented. We sincerely request the Secretariat to provide us the draft final project for consultation.

## **9. Seychelles: Seychelles' Protected Areas Finance Project - UNDP (GEF ID 5485)**

### ✓ *Comments by Canada*

- This is an important and well-developed project proposal; in particular, we note the important focus on the financial sustainability of Protected Areas through creative and innovative mechanisms. We expect that the lessons learned from this project will be useful for many other GEF recipient countries, particularly SIDS and LDCs.
- For the final project proposal, we request that the risk from the discovery of offshore oil and gas resources be elaborated upon, including analysis of how this element may affect the project and what possible mitigation actions could be adopted.

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The proposal presents a very important and challenging area of work to support an effective conservation of protected areas in the country. The proposal includes a very good analysis of the problem in the Seychelles and proposes a good strategy to mobilize and generate more financial resources, considering at the same time important mechanisms and instruments to overcome the financial gap in particular and improve financial management in general. It proposes sound indicators and targets and is well integrated into the overall CBD Framework, supporting the implementation of the Strategic Plan 2010-2011. It considers and supports socio-economic benefits, through institutional strengthening and new revenue streams.
- Germany suggests that stronger consideration is given to local communities. Additionally, Germany supports the STAP evaluation on the issue that the project shall address in a more detailed way possible measures and mechanisms to overcome conflicts and disagreements.

✓ **Comments by France**

- We globally support this proposal. The Project is well designed and documented. The project rationale is robust.
- We particularly appreciate the financial table in annex to the PIF which is providing detailed analysis of the financing gap of the protected area system of the Seychelles. In the future, we would recommend that every project presented to the GEF for sustainable financing of protected area system should in principle present the same kind of annex to demonstrate that the financial gap assessment has been thoroughly explored before the PIF stage.
- The project partners are strong. We know particularly Island Development Corporation (IDC) and Island Conservation Society (ICS) who are reliable stakeholders.
- This project is ambitious, but built on solid assessments and realistic approaches.
- *Opinion: Favourable.*

## CLIMATE CHANGE

### 10. China: Promoting Energy Efficient Electric Motors in Chinese Industries - UNDP (GEF ID 5360)

✓ **Comments by Canada**

- We agree with the case made to move towards more energy efficient electric motors in China is clear, notably its important impact on reducing GHG emissions.
- However, given that the cost of recycled or new energy efficient electric motors as compared to standard electric motors is low and the recovery period is minimal, it is not clear what are the incremental costs for the GEF to finance. Therefore, we request that the final project proposal provide a clear justification for GEF financing.



- In the absence of incremental costs for the GEF to finance, the lack of financing for energy efficient electric motor manufacturing should be addressed through existing commercial financial products.

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The project seems to be well-thought through. However, it would be worthwhile including life-cycle analyses of low-efficiency electric motors that are supposed to be remanufactured in the project. The question arises in which cases and at what time of the motor's lifecycle it is worth remanufacturing, when it is best to buy a new motor or even when rewinding of the motor is the most energy efficient option. A study by researchers at the Massachusetts Institute of Technology states that in just as many cases remanufacturing actually costed more energy than it saved [Gutowski 2011, Remanufacturing and Energy Savings, Environmental Science and Technology]. What is the lifetime assumed of HEMs and REMs?
- The project includes the conduction of training courses for local electric motor manufacturers on the design and manufacturing of EE motors and disseminate information on improved EE motor product design and production. In this regard it would be beneficial to integrate experiences and lessons learned on improving the efficiency of electric motors in other countries (e.g. USA, Canada).

✓ **Comments by United States**

- The United States, in light of its policies for certain development projects, has abstained from the decision on this project.

**11. El Salvador: Third National Communication (TNC) and Biennial Update Report to the UNFCCC – UNDP ( GEF ID 5540)**

✓ *No comments were received for this project.*

**12. Ethiopia: Promoting Sustainable Rural Energy Technologies (RETs) for Household and Productive Uses – UNDP (GEF ID 5501)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- When examining the modalities for a sustainable financial mechanism during the PPG phase, Germany recommends assessing possible impacts of subsidies given the pertinence of ensuring affordability and energy access especially for rural populations. In particular, high investment costs will be a key barrier for the poor and should be adequately addressed. If subsidies are considered a viable instrument, they will need to be carefully designed to adequately target and not negatively affect rural communities.

- Germany suggests making clear that NAMAs are not (yet) a carbon finance mechanism. However, NAMAs can help to attract (international) support. For the time being, other carbon financing instruments may be more appropriate. Co-finance through international carbon finance might be an appropriate risk mitigation action for the high risk of limited affordability. It should be addressed with appropriate and carefully designed risk mitigation actions tailored to the needs of the rural population.
- Considering the development of a NAMA with Cleanstart in the PPG Phase is considered a commendable approach. In that case, NAMA development would benefit from a knowledge exchange with other organizations developing NAMAs for rural electrification and improved cook stoves as mentioned by the STAP. This also implies that, before starting a new program, outcomes and lessons learnt of already existing programmes shall be taken into account.
- The expected GHG emission reductions resulting from one improved cook stove (2 tonnes of CO<sub>2</sub>e over its lifetime) seem very high. In this context, Germany seeks clarification on the assumed lifetime of cook stoves and the assumed baseline fuels for the energy services.
- Given that 30 million Ethiopians, most of them in rural areas, do live from less than 1 USD per day, the payback period assumed in the table would be much longer for most of the rural communities addressed by this project. The reference value of 43 USD should thus be adapted or explained.
- Germany shares the technical comments made by the STAP and especially recommends specifying the rationale for focusing on improved cookstoves and solar technologies only (e.g. compared to household biogas programmes) as well as specifying on the scale or capacity of the RET based power generation system. An assessment of the rural energy needs for different activities including the mitigation potential and techno-economic aspects would be valuable.

### **13. Indonesia: Large Enterprises Energy Efficiency Project - World Bank (GEF ID 5520)**

#### ✓ Comments by Canada

- We welcome this proposal, and highlight its large greenhouse gas reduction potential, significant amount of co-financing, use of non-grant instruments, and support for private sector financing for energy efficiency investments.

#### ✓ Comments by Germany

Germany requests for the following projects that the Secretariat sends draft final project documents for Council review four weeks prior to CEO endorsement:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- The proposal for the project is at very preliminary stage. Germany requests the following comments are taken into account:
  - The most debated barrier to adopt energy efficient technologies in large enterprises is seen in the current subsidy system. Thorough risk mitigation actions shall be taken.

- The potential for scaling up shall be described in more detail. The indication that there are “several more enterprises” is too vague especially considering that an enterprise might comprise of a large number of production sites and does thus not represent a uniform “unit”.
- Concrete measures and responsibilities are not defined and remain vague. The proposal does not indicate possible sectors or technologies. However, it mentions as one possible option to include „standard retrofits in key technical systems“. It is not clear if this covers “retrofits” including cooling devices, and thus eventually including the use of HFC. Germany approves the project under the condition that no energy efficiency measures in hydrofluorocarbons (HFC) facilities will be funded due to lack of innovation and financing of substitution of HCFC-HFC under the Montreal Protocol.
- While various market barriers for investments are mentioned in the proposal, there are no precise propositions as to how the government or industry could be effectively supported.
- There is no integrated approach that ensures appropriate consideration of environmental and climate protection:
  - Regarding the global environmental benefits, the proposal focuses on energy efficiency and the related emission reduction potential, but remains too general.
  - There is a lack of reference to other environmental and social standards. Germany recommends that all measures take into account environmental and climate protection. With regard to cooling and air-conditioning this specifically means ensuring that norms and standards do not discriminate natural refrigerants.
- Coordination with other activities, especially with recently approved GEF projects, shall be clearly defined as there a manifold ongoing activities in Indonesia.

✓ **Comments by Japan**

- In Indonesia, Japan has been implementing “Support to Indonesia’s Energy Efficiency Testing and Certification Facilities and Expertise”, a capacity building project for government officials and private sectors, in order to facilitate the achievement of the objectives of Indonesian national energy policy, through Japan-UNDP Partnership Fund since 2011 (approx \$490,000). Japan recommends that the World Bank and the UNDP share the information of the projects mentioned above with UNDP Indonesia.

✓ **Comments by United States**

- We suggest that the final project proposal include a definition of “large enterprises.” In addition, if the facility is to finance any retrofits of coal power production facilities, we would expect the GEF and World Bank to use a strict definition of what constitutes a retrofit. We refer the GEF and World Bank to the Guidance for U.S. Positions on Multilateral Development Banks Engaging with Developing Countries on Coal-fired Power Generation<sup>[1]</sup> for further information.

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<sup>[1]</sup> [http://www.treasury.gov/resource-center/international/development-banks/Documents/CoalGuidance\\_2013.pdf](http://www.treasury.gov/resource-center/international/development-banks/Documents/CoalGuidance_2013.pdf)

#### 14. Indonesia: Market Transformation through Design and Implementation of Appropriate Mitigation Actions in Energy Sector – UNDP (GEF ID 5339)

##### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The private sector contribution in the form of co-finance is from hydro-power developers provoking the question on the level of agreement for this contribution and the conditionality on implementing appropriate mitigation actions in the hydropower sector.
- The description of the “barriers that the proposed project will address” does not reflect some recent developments in Indonesia. We ask for inclusion of the following:
  - The PIF states that Marginal Abatement Cost-curves for the energy sector in Indonesia are not available. The curves are available at [http://photos.mongabay.com/10/indonesia\\_ghg\\_cost\\_curve\\_english\\_sm.pdf](http://photos.mongabay.com/10/indonesia_ghg_cost_curve_english_sm.pdf).
  - The PIF states that MRV guidelines and standard methodologies are not available. However, Indonesia (supported by JICA and GIZ) has developed “Guidelines for Monitoring, Evaluation and Reporting of RAN/RAD-GRK measures”. Following these guidelines Indonesian provinces are already preparing the first Monitoring and Evaluation Reports (MERs). The reports are expected to be ready by end of 2013.
- Germany suggests to coordinate with project financed by Germany and implemented by the Energy Centre of the Netherlands (ECN) entitled “Mitigation Momentum” as this is active in one of the pilot regions (West Nustengara).
- Component 1 of the proposed activity suggests the design of two NAMA projects. Clarification is sought on the expected scale of these NAMAs (national or provincial level) which also relates to the question of the potential for scaling up.
- Regarding the outcomes of the project Germany would like to highlight the need to clearly separate between baseline activities and achievements by the project especially in view of Indonesia’s declaration to mitigate emissions by 26% on a voluntary basis without international support and by 41% with international support.

##### ✓ Comments by Japan

- In Indonesia, Japan has been implementing “Support to Indonesia’s Energy Efficiency Testing and Certification Facilities and Expertise”, a capacity building project for government officials and private sectors, in order to facilitate the achievement of the objectives of Indonesian national energy policy, through Japan-UNDP Partnership Fund since 2011 (approx \$490,000). Japan recommends that the World Bank and the UNDP share the information of the projects mentioned above with UNDP Indonesia.

## 15. Madagascar: Increased Energy Access for Productive Use through Small Hydropower Development in Rural Areas - UNIDO (GEF ID 5317)

### ✓ Comments by France

- The project is coherent as a whole.
- However, the duration of 4 years for the work program seems somewhat short. This range of power requires detailed field studies. Compared with the experience of the other projects on the duration of the studies in this power range, it shows, if sites are already predefined, that studies do not last more than 18 months with drafting of preliminary design and final design. It is rather the constructions phase that may suffer from the vagaries of cases of major forces: cyclonic weather, administrative delays (especially the amount to be invested by ADER).
- The target area seems relevant. EDF had originally identified it for a similar program but later withdrew. The two areas are interesting and road to the region Alaotra - Mangoro current will facilitate travel and work.
- It is crucial to make sure that the NGO ECOMAD, with the CNRIT, is able to provide a real technical support. The NGO ECOMAD has an agricultural vocation and apparently CNRIT is its partner in the small technology and research. CNRIT which is a research center does not have the capacities of a partner for technical support and managing such a project.
- We may wonder whether ADER, given its very limited human resources, can performed support to the project as expected. It is a big concern. The disbursement of the financial part of ADER has to be negotiated. It's a very high participation (\$1,300,000). The budget expected from ADER is a bit high and this situation may the disbursement process at risk. Currently ADER is unable to make new commitments as long as there is no new Director. ADER is still without a Director, the previous having been fired 15 months ago. ADER was greatly disrupted because of the internal problems within the Department of energy and the political crisis in Madagascar. On the other hand, the project should provide an opportunity to lean more on how to best engage with the private sector.
- *Opinion: Favourable, provided the above-mentioned concerns are addressed.*

### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany especially supports STAP comments 6 and 12 regarding the incremental cost assessment and the level of agreement for collaboration. Germany requests the following requirements being fulfilled before endorsement:
  - Incremental cost reasoning should show among other things that the proposed activity represents the least cost option to achieve the targeted global benefits. As the focus of the proposed activity is solely on hydropower this question is especially relevant and comparison to other sources of renewable energy might be worthwhile especially in the combination with productive uses of energy.

- The expected outcome under component 1, 2.3 is very vague by covering a range from 0.1 MWe to 4.5 MWe in terms of the installed generation capacity attributable to the proposed activity.
- Regarding component 3, Germany seeks clarification in how far the mentioned co-financing of 1.6 mln US\$ would also cover the up-scaling potential in order to be able to judge the sustainability of the proposed activity.
- The mentioned basis for the determination of the baseline is very weak as it compares hydropower production data from 2010 to 2011 only. This stands in contrast to the importance of a thorough baseline in order to determine the global benefits of any proposed activity. Especially for renewable energy sources that heavily depend on natural conditions (e.g., in wet years hydropower production will significantly deviate from the production in dry years) fixing the baseline calculation on a two year interannual comparison is not appropriate.
- In the same line, the statement that an annual increase of 8% in the use of diesel based power generation is expected needs further clarification regarding the reference (i.e., increase in absolute or relative terms).
- The benefit of establishing pilot plants should be further elaborated in the light of a significant hydropower share in the current energy mix of Madagascar.
- Regarding the targeted public-private-partnerships the specification of who could be the operator is not responded to, but shared investment is the sole focus, thus far.

✓ *Comments by United States*

- The U.S. government supports efforts to expand access to renewable energy resources and recognizes that access to energy in Madagascar's rural areas is critical. Therefore, the United States does not register a formal objection to this program. This position does not indicate recognition of the de facto regime in Madagascar.

**16. Morocco: Mainstreaming Climate Change in the National Logistics Strategy and Roll-Out of Integrated Logistics Platforms – UNDP (GEF ID 5358)**

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The proposal is very comprehensive, progressive and self-critically reflects the hitherto existing barriers and adequately addresses observed shortcomings. The proposal is well placed in the national context and linked to other relevant areas (e.g. NAMA development, CDM SBLs).
  - Germany recommends to make clear in the beginning of the proposal that the Ministry of Equipment and Transport is the parent Ministry of the AMDL which is ultimately responsible for the National Logistics Strategy and which will support developing the mitigation aspects of the Strategy.

- The development of country-specific emission factors for different freight vehicle-types and fuels is commendable. However, it is ambitious and due care shall be taken in their design, including complementarity with BURs and NC which also assess NAMAs and use emission factors.
- Germany considers the replication strategy for up-scaling the 17 additional logistics platforms planned nationally a good approach. Specific local circumstances need to be taken into account when planning further logistic platforms. The lessons learnt of this project shall be integrated into the replication strategy to make it applicable to other situations.
- What is the value added in respect of the global benefits of revitalizing the NCCC for this project?
- When establishing NAMA eligibility and quality criteria the Committee will build on DNA's experience with CDM project approval criteria. Germany in this context welcomes that the GEF project will work with the Moroccan DNA to develop a SBL for freight modal switching from road to rail (Output 2.3) to be test-applied at the Zenata Platform.
- The planned development of a 'nested NAMA' framework is very innovative. However it is critical to ensure that overlap and duplication is avoided when inter-linking NAMAs and nesting NAMAs in other NAMAs. Further agencies/ technical experts shall be integrated in this process to observe a reasonable cost-benefit relation.
- What criteria are applied to the mandatory road vehicle testing? Will it include emissions testing?
- Please add non-GHG impacts (co-benefits) especially possible impacts on the region, city or the sector.
- How will the emission reductions from the eco-driving training be monitored?

**17. Nigeria: Promoting Low Carbon Energy Solutions in Nigeria Energy/Power Supply – UNDP (GEF ID 5345)**

✓ **Comments by Germany**

Germany requests for the following projects that the Secretariat sends draft final project documents for Council review four weeks prior to CEO endorsement:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- Germany has major concerns about approving this project proposal as there are large overlaps in the components 1-3 with the existing Nigerian Energy Support Programme (NESP) and also with other activities supported by different donors like DFID's Nigerian Infrastructure Advisory Facility. It is only the activities foreseen under component 4 that are complementary and could represent a value added to existing activities. Further, there has not been any coordination with NESP or GIZ during project preparation and the mentioned co-financing by GIZ is not agreed upon. The GEF proposal states that implementation was not a scope of NESP. However, actually the focus of NESP is on implementation. In detail:

- Component 1: The implementing entity of the NESP, GIZ, is currently advising on the finalization of a renewable energy policy. The development of a standard Power Purchase Agreement for on-grid renewable energy RE has already been developed under an USAID-funded programme. Hence, by the beginning of the GEF-funded project, the outputs of component 1 will probably have already been achieved.
- Component 2: Under NESP, GIZ is in discussions with the Federal Ministry of Power of analyzing de-risking mechanisms and developing respective instruments.
- Component 3: Under NESP, GIZ has commented on the grid codes and offered support in aligning them with the requirements of on-grid RE as well as further advising on grid and system integration of RE. Furthermore, a number of other donors are engaged particularly in the energy transmission and distribution sector.
- The project's aim of increasing the RE share up to 10% by 2020 (excluding hydro power) seems very ambitious against the background that only small capacities of solar and wind systems are used to date. The rationale for focus on wind and solar energy is not clear and shall be explained.
- What is the national vision target of 20:2020? Which measures have been foreseen to achieve this target?
- Relating to component 2 it remains unclear what the new tariff regime put in place in mid 2012 consists of.
- Germany recommends explaining the rationale for considering only on-grid renewable energy systems. Given that 80 per cent of the poor population in rural Nigeria have no access to electricity and that feeding power grids from small scale RE systems could result in additional costs, it is not clear why off-grid systems are not taken into consideration, especially for rural areas.
- The Proposal would benefit from including co-benefits

## **18. Philippines: Development for Renewable Energy Applications Mainstreaming and Market Sustainability (DREAMS) Project – UNDP (GEF ID 5363)**

### **✓ Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The distinction between the different project components shall be made more clearly during the design of the final project proposal consideration to avoid overlaps and establish clear indicators. Institutional strengthening as mentioned under Component 2 for instance, also forms part of enforcing a supportive policy and regulatory environment envisaged under Component 1 of the project. Germany supports the suggestions made by the STAP.
- It is not clear whether the project targets on-grid or off-grid systems and which RE technologies will be addressed. What RET are already in use in the Philippines?



- Ongoing projects of other agencies relevant to the overall outcome of the proposed project shall be specified and listed in the proposal. Complementarity and synergies with these projects should be considered when designing the final project proposal.
- Social acceptance is mentioned as a main barrier and continuing challenge. However, the measures envisaged under this project do not adequately address this point.

## 19. Russian Federation: Green Shipping Programme for Russia - EBRD (GEF ID 5530)

### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- It is mentioned that discussions by regional authorities on market-based measures for marine emission reduction have not progressed significantly; however it should be noted that the EU has published its proposal for an EU regulation (No. 525/2013) on MRV of CO<sub>2</sub> emissions from ships which could, if approved by the European Council and the European Parliament, enter into force on 1 July 2015. While the EU no longer seeks to push market-based actions on shipping GHGs (similar to those taken on air crafts, see integration of aviation sector in EU-ETS) should there be no international agreement and if the IMO failed to introduce an international scheme, the EU now focuses on taking steps towards setting up an MRV framework for establishing a global energy efficiency standard in the next phase. The EU proposal could help to establish a well-monitored demonstration project as proposed by STAP (#3).
- Component 1 would benefit from a dialogue with other countries and institutions including international research institutions active in reducing emissions from maritime transport.
- Germany considers it recommendable to share and disseminate the lessons learned in the course of the project in the context of the IMO in order to motivate other countries to reduce their emissions from maritime transport.
- Is an assessment planned of the types of technologies and measures in terms of their GHG impact and technical suitability as well as their practicality and cost-efficiency? The technologies proposed for financing do not include water flow optimization as proposed by the ICCT. Component 2 considers synergies with the Russian government strategy to convert the fleet to LNG. What does this mean in terms of cost-efficiency/abatement potential? Fuel switch from bunker to LPG/LNG is not considered in the marginal abatement cost curve.
- The proposal would benefit from adding potential co-benefits.

### ✓ Comments by Japan

- Japan acknowledges the importance of the project and would like to have detailed information of it, including the area in which the project will be implemented. We sincerely request the Secretariat to provide us the draft final project for consultation.

**20. Russian Federation: Transfer of Environmentally Sound Technologies for Industrial Climate Change Mitigation in the Republic of Tatarstan, Russian Federation - UNIDO (GEF ID 5072)**

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The main suggestions for improvement concerning the proposed activity are in two areas, 1) a clarification why and where a restriction of activities to Tatarstan is appropriate, and 2) questions surrounding the baseline.
- Regarding area 1:
  - The PIF specifies to promote providers in expanding or converting their production to include more energy efficient products. It is unclear in how far providers from Tatarstan are relevant and if providers from other regions in Russia are not targeted.
  - Outcome 1.7 mentions the dissemination of the results at national level; however it remains unclear whether this means the Russian Federation or the Republic of Tatarstan.
  - The proposed activity will develop a thematic up-scaling for the existing TEST without specifying the usefulness of the thematically up-scaled TEST to other applications (e.g., in Russia).
- Regarding area 2:
  - The likeliness to achieve the required economic attractiveness of the energy efficiency measures in order to leverage private sector investments should be specified while clarifying the importance of current levels of subsidization.
  - The assumption based to the emission reduction calculation should be further laid down while indicating why the emission reduction potential of an economy-wise rather small region like Tatarstan compared to Italy is more than double.
  - The PIF declares an annual afforestation of 10,000 ha is targeted by the Ministry of Forestry while it does not specify the period over which such an afforestation right would be necessary although this parameter is necessary in order to evaluate whether supporting a nursery represents a sustainable investment.
  - In how far has natural replacement of industrial equipment been considered in the baseline calculation for the component targeting industrial efficiency and in how far is natural renaturation/ regrowth of bushes and trees taken into account for the component targeting afforestation?
- Besides, Germany suggests clarifying in how far the barrier “missing knowledge about the existence of energy efficiency promotional programs like the EBRD credit lines” can be overcome by that support collaboration with the EBRD program.
- Further Germany suggest clarifying in how far the contribution of 18.2 mln US\$ by the Ministry of Forestry can be considered as co-finance as it is seemingly deducted from an annual budget dedicated to afforestation activities.

✓ *Comments by Japan*

- Japan acknowledges the importance of the project and would like to have detailed information of it, including the area in which the project will be implemented. We sincerely request the Secretariat to provide us the draft final project for consultation.

**21. South Africa: Industrial Energy Efficiency Improvement in South Africa through Mainstreaming the Introduction of Energy Management Systems and Energy Systems Optimization – UNIDO (GEF ID 5379)**

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The SA Gov/DFID/SECO Project focuses on five key industry sectors and thereby covers the largest energy consuming industrial sectors, except for cement. It is not clear whether the GEF project will cover cement production.
- The GEF project aims to expand the implementation of EnMS and ESO throughout the industrial sector and beyond to relevant commercial sectors. It remains unclear what activities will be targeted in the commercial sectors.
- It is a good approach that the same core project personnel will form the PMU and broader implementation team under GEF to transfer the knowledge gained. It shall be ensured that lessons learned, including possible shortcomings of the SA Gov/DFID/SECO Project, which are not part of the proposal, are adequately integrated when analysing the impact of the project during PPG stage.
- It is commendable to specify the sustainability aspects of the project.
- The envisaged partnering with other institutions (SAGEN and Swiss Agency) is deemed a good approach to translate their experience in building sector in commercial and industrial sector.

**22. Thailand: Achieving Low Carbon Growth in Cities through Sustainable Urban Systems Management in Thailand – UNDP (GEF ID 5086)**

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany requests that the following requirements are taken into account during the design of the final project proposal:
- There is need for intense coordination with existing projects of German cooperation in Thailand targeting very similar areas in order to avoid duplication of efforts and maximise synergies. The PIF mentions the GIZ projects on Clean Air in Smaller Cities and the project on “Strategic Alignment and Implementation of the Climate Change Policy in Thailand”,

which both have overlap of partners and outputs with the the proposed GEF project (in Klang and Korat Province). In addition, coordination should be sought with:

- “Energy Efficiency and Climate Change Mitigation in the Land Transport Sector in the ASEAN Region” by GIZ on behalf of BMZ, based in Bangkok
  - “National strategies for supporting Local Climate Mitigation and Low Carbon Development in Africa and Southeast Asia” in preparation, on behalf of BMU, to be implemented by Adelphi
  - Cities Development Initiative Asia (CDIA), a joint project by Germany and ADB which has experience in financing low carbon city infrastructure across Southeast Asia including Thailand
  - As Thailand is a member of the World Bank’s Partnership for Market Readiness (PMR), and in this context will receive support for establishing the Thai voluntary carbon scheme, the carbon market aspects of the outlined project should be aligned with PMR activities.
- The ‘Clean Air Plan’ developed for Korat advises against an elevated BRT system as proposed in the PIF. This is because of the immense costs an elevated system has compared to a BRT System on street level. The cost-advantage calculation has to be clarified further and coordination with the GIZ Clean Air project is needed. A revision of the elevated BRT system into a normal system should be considered.
  - While relevant stakeholders are listed, references to some important institutions are missing from the PIF. Clarification is sought about whether and how these institutions are included. In particular:
    - Office of Transport Planning (OTP) as part of the Ministry of Transport
    - Central Land Transport Control Board
    - Bureau of Regional Transport and Traffic Systems Promotion
    - MoT’s Rural Highway Department
    - TGO training center
  - Coherence with relevant strategies: in addition to the ones mentioned in the PIF, it is also key to align the suggested measures with: the Environmental Sustainable Transport (EST) Master Plan in 2012, National Transport and Traffic Master Plan (2011-2020); Thailand Transport Infrastructure Development Strategy (2013-2020) and Eleventh ‘National Economic and Social Development Plan’ (2012–2016); provincial Climate Change Action Plans.
  - Social inclusion: Clarification is sought about how the song-thaew operators are included in the new transport system. Without including these operators the implementation of a BRT system is much more challenging.
  - It is stated that the planned BRT in Korat will reduce approx. 10,000 tCO<sub>2</sub>/year. It is not clear which baseline scenario is taken. In particular against the background that vehicles are responsible for about 85% of the emissions in Korat and with total emissions of 284,346 tons in 2010, the reduction potential of this measure seems very limited. Abatement cost calculation should be further explained.

- The sustainable urban transport plans envisaged under this project should be comprehensive in the sense of taking into account Avoid, Shift and Improve measures and looking into both passenger and freight transport
- Enabling measures for the proposed BRT system should include:
  - Improving access to BRT systems
  - Long-term integrated urban planning
  - Managing parking demand
  - Improvement of the pedestrian and cycling facilities.

✓ *Comments by United States*

- The United States has several questions and technical comments with regard to this proposal:
  - The proposal does not address how the waste management projects will be managed. The project management is as important as project development. There are many unsuccessful waste management projects as a result of failed management.
  - To maximize the impact, the project should share its experiences with other municipalities or local governments.
  - On p. 10 of the proposal document, with regard to the first activity listed under Component 1A, it is not clear if this relates to the GHG inventory as described in the previous paragraph. The inventory will be very useful information to the cities to develop their low carbon plans.
  - There are specific opportunities for USAID to work with the Government of Thailand to help promote best practices achieved in these municipalities at the regional level. Therefore, USAID would like to be informed of project developments and would welcome occasional briefings on progress. We would be happy to provide further contact information as requested.

**23. Ukraine: Removing Barriers to Increase Investment in Energy-Efficiency in Public Buildings – UNDP (GEF ID 5357)**

✓ *Comments by United States*

- Although the United States is fully supportive of this project’s goals, there are numerous areas in which the proposal should be strengthened. We requested the opportunity to review this project prior to GEF CEO Endorsement to allow UNDP to incorporate responses to our technical questions and comments. In particular we urge UNDP to carefully consider the following recommendations as it prepares the project for CEO endorsement:
  - The proposed project does not take into account major donors’ projects including those of the EU, EBRD, GIZ, and USAID. For example, USAID MHRP with NEFCO and E5P started first in Ukraine Municipal ESCO for public buildings in Kyiv. The proposal neglects discussion about these donor initiatives and possible cooperation, synergy, or lessons learned that could help to strengthen the proposed efforts. Additionally, the National Agency for Efficient Use of Energy Resources (NAER) is not mentioned in the

- proposal but seems to be a natural partner considering they are involved in similar ongoing activities.
- The proposal does not indicate how funding from the GEF will contribute additional environmental benefits to what has already been or is projected to be accomplished through other completed, ongoing or approved projects funded by other donors. This project does not contribute to SEAPs preparation with clear emission reduction plan of activities and CO<sub>2</sub> accounting/sequestration actions.
  - Since the proposed ESCO mechanism requires significant change of legislation to produce large, broader adoption of energy efficiency standards (and donors such as EBRD, WB, and USAID already working on these legal changes) it is unclear that this project will be able to have a larger impact beyond the proposed pilot projects. Along these lines, the project relies heavily on awareness to spur continuing government commitment on energy efficiency, which is not sufficiently convincing. The proposal would be significantly strengthened if there were more engagement in developing appropriate incentives or penalties that would encourage mainstreaming of energy efficiency practices.
- The proposal does not sufficiently address risks and mitigation strategies. The Project Component 1: Institutional, Regulatory and Legal Framework to Support Energy Efficiency in Public Buildings, calls for new government decrees related to establishing a mandate for SEIA and national targets on energy efficiency. The success of the project will therefore depend, to a large extent, on government action. The Risks section appears optimistic about the prospects for continuing government commitment and engagement on energy efficiency. It would be helpful if the PIF would explain the reasoning further, and provide more detail on how the project will respond in case any delays or obstacles are encountered.
  - The cost associated with this proposed project looks unreasonably high for the proposed very limited impacts. USAID MHRP project implemented 34 demonstration projects for total 7.5 mln USD (50% co-financed by public and private partners).
  - We also have numerous more technical comments:
    - The proposed attribution of energy efficiency in buildings to the State Agency for Environmental Investments looks incorrect (taking into account of role and responsibilities in the GOU). NAER, MinEcon and MinRegion are responsible for energy efficiency in public buildings.
    - Project Component 2, “Innovative financing mechanisms to provide incentives for the public sector to invest in energy efficiency,” will explore “carbon finance through a supported NAMA.” It further states that the “supported NAMA like intervention will explore in detail how to build upon work which has already been carried out in Ukraine with regards to Green Investment Scheme (GIS) sales of Assigned Amount Units (AAUs) ...” and “will explore how a supported NAMA like mechanism can be integrated into a possible domestic emissions trading scheme for Ukraine which is currently under investigation.” It would be helpful if the PIF would explain how “NAMA” is being defined here. From the description, it is unclear whether the mechanism would work like a supported NAMA with financing support but no sales of emission reductions, or a crediting NAMA (with potential sales/trades of emission reductions to third parties,

- which can then be used as emission offsets). Or will part of it be supported and part a crediting NAMA, wherein sales of emission reductions are allowed but only after a certain target of (non-tradable) reductions are achieved? This is an important distinction; if the intention is to pursue a crediting NAMA with all reductions available for sale, then some of the emission reductions achieved could be offset through emissions produced elsewhere, reducing the net benefit to the global environment from the project.
- On page 15, a grid emission factor of 0.91 tons/MWh from an EBRD report is used to estimate the reductions. This is close to what one would expect from coal-fired generation. Given that one-half of the total power generation in Ukraine is from low emission nuclear and hydro power, this estimate thus seems high. Is this a marginal or an average emission factor? Does it account for T&D losses (i.e. per kWh generated basis or delivered basis).

#### **24. Vietnam: Energy Efficiency Improvement in Commercial and High-Rise Residential Buildings – UNDP (GEF ID 5365)**

##### **✓ Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The project proposes to make use of the rare type of parallel co-financing as referred to by the GEF. Germany seeks clarification especially for the question of how sustainable results shall be ensured and in how far the financing mechanisms to be established under UNDP's activity providing the parallel co-finance include loan and grant schemes or in how far the activity restricts to building up legal frameworks.
  - It is recommended to integrate awareness raising as part of the project proposal. A low level of awareness among building developers, owners, administrators and operators is mentioned as a main barrier to energy efficiency in commercial and high-rise residential buildings, but is not adequately addressed in the proposal. However, encouraging building owners to improve the energy efficiency of the building is essential -especially when their tenants pay the energy bills (see also STAP).
  - It remains unclear how the limited technical capacity of building practitioners will be improved, which is also mentioned as a major barrier.
  - Which technologies and interventions are envisaged to improve energy efficiency? An assessment of options is recommended.
  - It would be worthwhile to exchange with other countries and institutions on their experiences concerning the improvement of energy efficiency and revising building codes (e.g. Mexican efficient housing NAMA, EBRD sustainable energy financing facilities for the building sector, GIZ PROKLIMA targeting efficient cooling).
  - The proposal would benefit from including co-benefits.

✓ Comments by United States

- The United States welcomes this project proposal and encourages the following recommendations to be taken into consideration in the final project proposal:
- Emission factors:

On page 8, the PIF states that cumulative energy savings from the GEF intervention from 2013 to 2020 would be about 2,690 GWh, with avoided emissions of 1.092 million tons CO<sub>2</sub>e. The footnote states that this is based on a grid emission factor of 0.57 kg/kWh; however applying this factor to the 2,690 GWh yields a much larger value for the avoided emissions (over 1.5 million tons). We recommend this be checked.

Does the grid emission factor account for differences in fuel mix between Hanoi and Ho Chi Minh City?

Did the project designers use a single average emission factor, or one that accounts for baseload vs. peaking power?

From the PIF it looks uncertain whether the avoided emission calculations only include reductions from electricity use. Given the climate in Hanoi and northern Vietnam in the winter months, one would expect reductions in heating fuel use as well from improvements in the building shell, insulation etc. Are these benefits included, or are they expected to be small?
- On page 12, with respect to the risk that “low electricity tariffs could serve as a disincentive to EE,” the PIF states that “MOC and the CEEBs will coordinate with the utility and relevant government authorities to set the electricity tariff at a level that reflects the true cost.” This statement should be clarified. Is this an existing policy or plan? What is the time frame for implementation? If not, how is it expected to happen – will the GEF project itself attempt to catalyze this action? How will the program adapt if electricity prices are not increased?
- Many of the objectives of this project (e.g., reforming building codes, working with ESCOs) appear to be very similar to those of the USAID Vietnam Clean Energy Program (VCEP), but VCEP does not appear to be mentioned in the PIF. To what extent has/will this project be coordinated with VCEP?
- The project should also engage with the ILO which has a presence in Vietnam on worker safety and health issues, as well as the Vietnam General Confederation of Labor (VGCL) and relevant employer organizations on worker rights and safety issues in the building energy efficiency sector. The VGCL and employer organizations may also be able to support the project to identify key stakeholders – including target employers and workers - to enhance their capacity in designing, financing, and implementing EE measures.



## INTERNATIONAL WATERS

### 25. Regional (Angola, Botswana, Lesotho, Malawi, Namibia, Seychelles, Swaziland, Tanzania, South Africa, Zambia, Congo DR, Zimbabwe): Sustainable Groundwater Management in SADC Member States - World Bank (GEF ID 4966)

#### ✓ Comments by Japan

- JICA (Japan International Cooperation Agency) is developing a project aiming at sustainable forest management in collaboration with South African Development Community (SADC). As to management of watershed protection forest, the roles of countries located in upstream of rivers are crucial. Also, GIZ is implanting relevant projects with SADC. In this context, close coordination with JICA as well as GIZ is highly recommended.

#### ✓ Comments by United States

- Component 3 requires significant modernization of hydrometeorological monitoring, assessment and forecasting as it relates to both surface and groundwater in the basin. The proposed activity on the review of meteorological and hydrological networks and development of harmonized basin-wide monitoring program will require sizable efforts and specific technical expertise that needs to be conducted either by National Meteorological and Hydrological Services (NMHSs) or in very close partnership with them. NMHSs must agree upon protocols and standards for data collection and management to harmonize and share hydrometeorological data. If not, these systems will become inoperable in a few years. It is difficult to maintain advanced systems even if it is implemented with experts. Procurement, siting, calibration, data transmission and integration of these systems are technically highly complex. The sustainability of stand-alone gages and networks are low since they are usually are not part of the national networks and/or procured by outsiders without much attention to local standard. Therefore, it is difficult to maintain and operate them.
- USAID is working in the Zambezi River basin which also includes Okavango riparian countries due to lack of technical or financial resources by locals. UN World Meteorological Organization (WMO) is the leading UN agency and has experience and expertise to aid in implementation of hydrometeorological networks globally of which all the riparian countries are members. The UNWMO, the World Bank, GTZ, Denmark, UNESCO, USAID and other donors are also working on the improvement of national hydrometeorological monitoring in the Zambezi river basin countries.
- We suggest UNDP coordinate this activity with WMO rather than conducting their own studies and implementing or installing ad-hoc monitoring systems that are not sustainable that will also be easier for the countries to have one standard for all hydromet data exchange in the region regardless of river basins. Data harmonization and sharing is a relatively challenging concept even at national levels, sharing across the national boundaries requires a continuous effort that can only be accomplished if the authorized entities take ownership. Similarly, assessment of groundwater resources also needs to be done by nationally authorized entities or in very close cooperation with them. In addition, UNDP should consider partnering with UNESCO that has capacity and expertise to implement these type of activities. UNESCO is active in Namibia conducting relevant water activities.

**26. Regional: (Angola, Botswana, Namibia): Support to the Cubango-Okavango River Basin Strategic Action Programme Implementation – UNDP (GEF ID 5526)**

✓ Comments by United States

- Efforts of OKACOM, SAREP and other donors in developing SAPs and NAPs are commendable. And implementation of SAP and NAPs has been on-going. Based on experiences in other transboundary river basins, without robust implementation of current plans illustrating the value to the riparian governments, local buy-in on a long-term basin development vision, concept and framework will be extremely difficult. This is especially true when plans such as SAP are voluntary adherence and conflict with national development goals. Therefore, we suggest scaling up implementation of SAP and NAPs to convince countries to not only participate in development but also adhere to a long-term plan. Regardless of how well the long-term development plan is, if it is not acted upon, it will not facilitate the basin-wide effort due to significant pressures to develop river resources nationally. Proposed pilots are worthwhile to implement and probably scaling up these will motivate riparian countries.
- In addition, local knowledge needs to be emphasized for ownership at riparian level that is missing from the proposal.

**27. Regional (Antigua And Barbuda, Barbados, Brazil, Belize, Colombia, Costa Rica, Dominica, Dominican Republic, Grenada, Guatemala, Guyana, Honduras, Haiti, Jamaica, St. Kitts And Nevis, St. Lucia, Mexico, Panama, Suriname, Trinidad and Tobago, St. Vincent and Grenadines): Catalysing Implementation of the Strategic Action Programme for the Sustainable Management of Shared Living Marine Resources in the Caribbean and North Brazil Shelf Large Marine Ecosystems (CMLE+) - UNDP (GEF ID 5542)**

✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany applauds the prioritization of measures and the project's technical approach. Nonetheless the following comments shall be considered:
  - The project envisages regional coordinated activity to approach illegal fishery. High investments for monitoring systems are likely. The final project document should elaborate on how monitoring of the project outcome will be ensured.
  - For the project to succeed it is essential to coordinate and cooperate with and between existing initiatives. In particular following projects are relevant:
    - “Enhancing the Adaptive Capacity of Rural Economies and Natural Resources to Climate Change (PN 2011.9777.1)” (BMZ, Germany) which is focused on protecting marine ecosystems in the CARICOM-Countries
    - „Blue Solutions- implementing the CBD strategic plan in the field of marine and coastal biodiversity (PN 2012.9058.4)“ (BMU, Germany) which is focused on providing experienced-based knowledge and support international communication among projects on this topic.

**28. Regional (Bosnia-Herzegovina, Serbia, Montenegro): West Balkans Drina River Basin Management – World Bank (GEF ID 5556)**

✓ *No comments were received for this project.*

**29. Regional (Kenya, Comoros, Madagascar, Mauritius, Mozambique, Seychelles, Somalia, Tanzania, South Africa): Western Indian Ocean LMEs Strategic Action Programme Policy Harmonization and Institutional Reforms SAPPHERE Project - UNDP (GEF ID 5513)**

✓ **Comments by France**

- A new FFEM project, untitled “Conservation and sustainable exploitation of seamounts and hydrothermal vent ecosystems of the South West Indian Ocean outside of national legislative borders” on the same issue, is just beginning.
- The objective of this FFEM project is to improve scientific knowledge in order to better protect biodiversity, ecosystems surrounding seamounts and hydrothermal vents; to better understand the relationships between local and regional fishing resources of the Indian South West Ocean and to improve governance as well as the integral management outside national legislative zones.
- The program is subdivided into 4 main components and the second and the third component are strongly linked with this program:
- The second component will focus on the reinforcement of the governance of the high seas in the SW Indian Ocean. Through an assessment of the regional initiatives that exist for the governance of the ZONL and a review of the governance framework of the Occidental Indian Ocean this component will propose different scenarios of governance which will include: (i) an evaluation of the opportunities and of the feasibility of a geographical extension of the Nairobi Convention within the ZONL, (2) follow up and support for the implementation of the SIOFA. The project will ensure a reinforcement of the regional and local capabilities with regards to governance of the ZONL and sharing of the experiences from the project within scientific, technical and political regional and international institutions;
- The objective of the third component is to develop sound propositions and operational tools for the conservation and sustainable usage of the ZONL within the region (i) Marine spatial planning of the affected region, (2) Proposals for the Walters Shoal area management plans, (3) Proposals regarding follow up measures, control and surveillance, (4) study of the possibilities to implement mechanisms to finance conservation and management plans and (5) setting up of a flow chart that will specify the deadlines and requirements of each proposals.
- The overall leadership will be conducted by the global program for the marine and polar environments of the IUCN
- Partners associated with the project will also comprise universities from South Africa and Reunion Island, The Nairobi Convention and the international organism which manages mineral resources in international waters (ISA). It is also suggested that SAPPHERE could be a partner associated to components 2 and 3.

- **Opinion:** we support the initiative and suggest that the program works strongly with UICN/FFEM project especially to ensure a reinforcement of the regional and local capabilities with regards to governance of the ZONL.

## LAND DEGRADATION

### 30. Gambia: Community-Based Sustainable Dryland Forest Management – FAO (GEF ID 5406)

✓ *No comments were received for this project.*

### 31. India: Integrated SLEM Approaches for Reducing Land Degradation and Desertification - World Bank (GEF ID 5479)

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The full proposal shall clearly establish and describe the extent to which OP/BP 4.10 could be triggered by project measures, including mitigation measures if and where needed.
- Concerning component 1, Germany recommends that implementing partners thoroughly review available pilot experiences with climate sensitive land use practices as developed and tested by German Technical Cooperation and MoEF and analyze opportunities for upscaling these pilots.

### 32. Libya: Sustainable Land Management and Conservation of Oases Ecosystems in Libya - FAO (GEF ID 5522)

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The project proposal provides a very sound background and rationale with a clear description of the components, outputs and outcomes.
  - However, Germany requests that as a first step, the project analyses and highlights current landuse patterns in the oases in Libya (baseline review). This is needed to form the basis for selection for pilot oases and inform the action plan for implementation.
  - Understanding how the local communities function and organize themselves is necessary to insure the sustainability of the project after closing. At present, there are no activities in the proposal which take this issue into consideration. However, especially in Libya, this is very important given the heterogeneity of the population. This will help in building the organizational structure and ensure the disseminating of results, outputs and lessons learned after the project's closure.

- Component 4 aims at improving knowledge management and dissemination of best practices. This action is very important and needs a strong capacity building element targeting community leaders to take up responsibility and ownership for knowledge exchange and transfer.

**33. Tanzania: Securing Watershed Services through SLM in the Ruvu and Zigi Catchments Eastern Arc Region – UNDP (GEF ID 5463)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The summary section of the proposal mentions the Ministry of Water and Irrigation (MoWi) as executing partner. Meanwhile, this institution has been renamed in Ministry of Water (MoW).
- Output 3.1: Capacity enhancement programs already exist (at least in the Ministry of Water, including Basin Water Offices). New initiatives should therefore not be developed in parallel, but complement the existing ones.
- The PIF says that the substantial financial and human resources earmarked for baseline programs related to agriculture, forestry, land use planning and improvement of water quality in the Ruvu and Zigi Watersheds are deployed and managed by sectoral departments, which, despite the existence of the relevant Water Basin Authorities and Offices, still work in silos. Basin Water Offices being decentralized units of the Ministry of Water do not have a mandate beyond the water sector. They can help to better coordinate inter-sector exchange, but there is a high risk of overwhelming them with this complex task.
- The Tanzanian Government is currently developing Integrated Water Resources Management and Development plans (IWRM+D) for the nine basins, Wami/Ruvu basin being the most advanced. The SLM plans on district level, which the project will develop, need to comply with the content of the IWRM+D plans.

**MULTI FOCAL AREA**

**34. Armenia: Mainstreaming Sustainable Land and Forest Management in Dry Mountain Landscapes – UNDP (GEF ID 5353)**

✓ *No comments were received for this project.*

**35. Brazil: Reversing Desertification Process in Susceptible Areas of Brazil: Sustainable Agroforestry Practices and Biodiversity Conservation - FAO (GEF ID 5324)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The project is formulated in a very general manner. Germany asks for a clear definition of the regions, where actions shall take place. Furthermore, Germany suggests to coordinate with existing projects. Cooperation might be possible with regard to fire banned alternatives in agricultural management. For instance, the German Federal Ministry for the Environment, Nature Protection and Nuclear Safety (BMU) targets the countries Piauí and Tocantins.
- Further, to secure the sustainability of this approach it will be essential to define and include the respective states as stakeholders.

✓ **Comments by Japan**

- Following project of JICA is being implemented in the same area such as and scope of activities of GEF Project. In order to avoid duplication of assistance then create synergy between projects, close coordination with JICA is highly recommended.

✧ JICA Project

- Project Title: The Jalapao Region Ecological Corridor Project
- Implementation Agency: Instituto Chico Mendes de Conservação da Biodiversidade – ICMBio
- Duration: 3 years (2010 – 2013).

**36. Colombia: Forest Conservation and Sustainability in the Heart of the Colombian Amazon – World Bank (GEF ID 5560)**

✓ **Comments by United States**

- The United States is supportive of this project and believes that it is consistent with the core objectives of the GEF. To strengthen the proposed project, it may be beneficial for there to be coordination with the *Instituto de Hidrología, Meteorología y Estudios Ambientales* (IDEAM), particularly given the focus of this project on greenhouse gas emission reduction. Additionally, there should also be engagement of local and regional authorities.
- Prior to CEO endorsement, we recommend the final project proposal include the following:
  - Information on which productive systems the World Bank will address to reduce deforestation, and discussion of progress in engaging productive sectors in the conservation of the Chiribiquete forest given that agreements with productive sectors can take a long time to negotiate.
  - How indigenous communities will be included in this project.
  - Pathways to project sustainability, including information to support the sustainability of components 1 and 4.
  - Additional justification to support that the actions outlined (protected area management, governance and monitoring) are appropriate to prevent deforestation in this context.

**37. Congo DR: Community-Based Miombo Forest Management in South East Katanga - FAO (GEF ID 5547)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The focus of the project is on Miombo woods, a highly fragile ecosystem that needs to be managed very carefully in order to maintain the provisioning services. Germany approves the following PIF in the work program but requests that the following comments are taken into account:
  - The current approach proposed by the project does not build upon existing governance and management structures on the local level but rather proposes to create new structures. Germany strongly suggests reviewing this approach and basing the proposed forest management on existing structures. There are decentralized structures which are linked to the top or bottom.
  - Since Miombo woods are highly fragile a transparent and long-term engagement has to be ensured. The current proposal does not follow such a long-term engagement.
  - Communication with other projects is highly suggested to benefit from their expertise and their lessons learnt.

✓ **Comments by Japan**

- JICA is conducting forest resources assessment in Province du Bandundu for the purpose of establishing MRV system for REDD. Although there is no overlap with expected GEF project, information sharing is highly appreciated. Because Community Forest Management plays central role in DRC and JICA is planning to include such component into future project of JICA.

✓ **Comments by United States**

- The United States believes that the goal of this project is beneficial and that community based approaches can play a significant role in addressing the barriers to sustainably managed forests. Prior to CEO endorsement, we recommend the proposal address expectations for local managers, including whether or not the sustainable management of forests will be mandated. Additionally, the final proposal should provide greater detail on the community funds that manage the revenues from the sale of wood and non-wood forest products. Oversight and transparency of these funds is critical for success. Therefore, clear guidelines on the role of the fund should be developed, including what revenues will be transferred to the fund, how the funds will be distributed, how information on the funds will be disseminated, how management is designed, and the methods for ensuring proper accountability of the funds.

### 38. Turkmenistan: Energy Efficiency and Renewable Energy for Sustainable Water Management in Turkmenistan – UNDP (GEF ID 5536)

#### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Generally, the PIF illustrates collaboration with existing activities by other donors in the region, while it remains unclear in how far a duplication of activities could occur. In detail Germany requests that the following is taken into account:
  - Germany supports the comments raised by STAP.
  - Regarding the global benefits, improved household income through intensified agricultural production is mentioned. Links to negative environmental impacts are not established and, more importantly, the current barrier to intensification, water shortage/scarcity, is not addressed. Here the potential for and the importance of the mentioned use of drainage water should be defined.
  - Crucial for the success of the proposed activity is the modification of the technical norms concerning irrigation equipment. Especially their prescriptive character is perceived as an inhibitor to modernization of equipment. Although the importance of this aspect, addressed in component 4, the risk of the policy level opposing any modification of the current norms is neither mentioned nor targeted by measures.
  - The PIF remains silent on measures that fight the significant expansion of agricultural lands into other ecosystems like bush forests. Intensification of production is the only measure mentioned, but a thorough analysis of the problems seems to be missing. Further, measures against the increased salinization, blamed for yield decreases in the range of 20-30%, are undefined, but might already be covered by other existing activities. This seems to be a problem and also the relevant land code of Turkmenistan is deemed to be weak on defining instruments against land degradation.
  - Duplication of activities has to be avoided: For some activities, at least, duplication of activities cannot be excluded from the current state of the PIF. The BAU Summary describes that many activities aiming at energy efficiency, renewable energy, sustainable use of water, and land degradation are under way while it is stated that none had so far adopted an integrated approach to energy and water. As water is a major backbone of the Turkmen economy, it is hard to understand that activities targeting the energy sector should not already create a link between energy and water.
  - Duplication might also occur for the activity “Monitor SLM plan implementation” being part of component 3 and for the identification for the location of pilots being part of component 2, but already executed under UNDP/ GEF/ GTZ Sustainable Land Management Project (paragraph 36).
  - Please clarify the requirement for pilots as the major barrier to adoption of more energy efficient irrigation infrastructure allegedly lies in the lack of human capacity and the existing norms. Both barriers cannot be tackled by piloting.



- Costs must be incremental. With respect to the investment program for irrigation infrastructure under control of the Ministry of Water Resources in the extent of 100 mln US\$ it remains unclear if the mentioned co-financing by the same institution in the amount of 22 mln US\$ is on top of the existing investment program. In this context, Germany seeks also clarification in how far the mentioned co-finance by the European Union (1.0 mln US\$) and by Chevron (1.5 mln US\$) can be deemed incremental and are not already included in the baseline.
- Beyond the mentioned collaborations, collaboration with World Bank, ESMAF might be useful especially in the intersection area between modernization of irrigation infrastructure and identifying climate resilient infrastructure.

✓ *Comments by United States*

- The United States, in light of its policies for certain development projects, has abstained from the decision on this project.

**39. Venezuela: Sustainable Forest Lands Management and Conservation under an Eco-social Approach – FAO (GEF ID 5410)**

✓ *Comments by Germany*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The PIF does not refer to the current reform of the national forest law in Venezuela. The baseline does not make reference to potential synergies with regional capacity building programs implemented by OTCA such as “Proyecto Monitoreo en la Amazonía Regional” and the project “Fortalecimiento institucional de los países miembros de la OTCA en manejo integral y sustentable de los bosques para una gestión forestal ecológicamente responsable y conservación de la biodiversidad en la Amazonía”.

**POPS**

**40. Regional: Development and Implementation of a Sustainable Management Mechanism for POPs in the Caribbean – UNIDO (GEF ID 5558)**

✓ *Comments by Canada*

- We welcome this important regional project and request that the proposal be strengthened to ensure its success. In this regard, we have two general comments.
- First, we share STAP’s view on the sequencing issue, such that all countries involved in the project should officially submit their National Implementation Plans (NIPs) before being eligible to receive support. Since countries have already received GEF funding to complete their initial NIP, we ask the GEF Secretariat to ensure that funding from this project is not used to complete NIPs.

- Second, in line with STAP’s observation, we request that the final project proposal address the following issues:
  - the lack of a preliminary risk assessment;
  - the need for an economic/financial evaluation component;
  - the lack of initial assessment of the extent of contamination at project sites, which makes it impossible for the project to properly scale and design its interventions; and,
  - the need to include analysis of lessons learned from similar GEF and non-GEF projects.

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Clarification is sought whether component 3 (off-site treatment) is to happen through export or on the islands. According to the PIF, p. 9, there is yet no disposal facility (presumably no treatment facility either) in the Caribbean to adequately manage and dispose of PCBs.
- The incremental cost reasoning should be more stringent (e.g., the low motivation of stakeholders and insufficient enforcement through government agencies are no reason to declare these incremental costs to be covered by the GEF).

✓ **Comments by United States**

- The United States agrees with the STAP’s recommendation that the GEF Secretariat ensure that four countries included in this regional project (Trinidad, Bahamas, St. Kitts & Nevis, St. Vincent & the Grenadines) will complete their National Implementation Plans prior to CEO endorsement of this proposal.
- In addressing countries’ gaps in legal, policy, and institutional infrastructure on the management of chemicals and hazardous waste, the project should ensure that its efforts include a review of labor regulations on minimum age, wage and hour and occupational safety and health. Capacity building and training should include information on workplace safety and health, reaching workers who handle hazardous substances and materials. The project should consider partnering with international organizations, such as the International Labor Organization (ILO).
- In addition, page 10 notes that key ministries will be consulted and will form a National Project Coordinating Committee. The list of ministries does not include labor ministries. In some cases, the labor ministries may be the ministry responsible for overseeing occupational safety and health issues and other labor issues relevant to the safe handling of POPs in the countries. The project should therefore consider partnering with and consulting ministries of labor where possible.

#### 41. Cameroon: PCB Reduction in Cameroon Through The Use Of Local Expertise and the Development of National Capacities – UNEP (GEF ID 5367)

##### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany appreciates the technical approach, which follows the NIP. Nevertheless, the following comments should be taken into consideration.
  - Component 2 (Development of national capacity for the environmentally sound management and disposal of PCBs) appears to have a very low budgetary estimate (in combination of GEF and co-financing); the reason hereby probably is the absence of a technical element (remediation) from this component. Attention has to be paid though to the creation of sustainable structures. Especially laboratories, functionality and the usefulness to testing on other hazardous chemicals (beyond PCBs) in the future is paramount. Funding also has to be secured for the National Expert Group to be available after the project period.
  - It would be desirable to have clarity of the intention of exporting the PCB-contaminated elements (component 3), i.e. whether that will be to regional centers given the previous project in West Africa (preferable) or to industrialized countries. While the former option would be desirable for the future, these facilities would have to be tested.
  - The planned information exchange with the existing West African Regional Project is commendable for its effort to use synergies.

##### ✓ Comments by United States

- All four components of the project should ensure that due consideration is given to labor-related issues in the handling of PCBs. The regulatory review should include a review of labor regulations on minimum age, wage and hour and occupational safety and health. Capacity building, training and awareness raising should include information on workplace safety and health, reaching workers who handle PCBs and their disposal. The project should consider partnering with international organizations, such as the International Labor Organization (ILO).
- We are pleased to see the Ministry of Labor and Social Security identified as a key stakeholder to be consulted. The project document is unclear as to whether the identified stakeholders will also be considered for the National Expert Group. Consideration should be given to labor experts sitting on the National Expert Group.
- Key stakeholders of labor ministries may include representatives of organized labor and employer organizations, which aren't explicitly mentioned on the PIF.

## 42. China: Contaminated Site Cleanup Project - World Bank (GEF ID 5492)

### ✓ Comments by Canada

- We support this project on the understanding that the GEF is funding the development of appropriate strategies for identifying sites contaminated by POPs and strategies for the remediation of these sites in an environmentally sound manner, rather than funding the cleaning up of contaminated sites. This support is in line with the Stockholm Convention, Article 6 (1)(e), which states that Parties are obliged to “endeavour to develop appropriate strategies for identifying sites contaminated by chemicals listed in Annex A, B or C.”
- We note that the participation of the private sector in this project is a positive element; indeed, the sources of POPs that require disposal should have a central role in these types of projects.
- We agree with the STAP that the PID document does not provide sufficient information to properly assess the project proposal. In particular, the key results should include quantitative targets, not just indicators, to enable the assessment of the project’s value-for-money.
- We also note as a POPs project, the proposal should ensure that, while other chemicals may be indirectly involved and addressed as a result of project activities, the focus of the project should remain on POPs.

### ✓ Comments by Germany

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany shares the view of STAP regarding the technical comments.
- Preliminary risk assessment and the risk mitigation strategy are still missing in the documentation at this stage. Furthermore, a clear presentation of the global environmental benefits as well as the incremental cost reasoning should be added, though there is no general doubt as to their factual existence.
- Concerning site selection: Sites must not be selected where their remediation is likely to be financed completely by the private sector / industry in the future based on their economic attractiveness (briefly mentioned in 7-16-2013 Concept Stage Project Information Document.pdf). Site selection should be based rather on how well-suited the sites are for demonstration of diverse types of contamination or contextual conditions and based on the environmental and health benefit for the population and in the global context. This might lead to the selection of particularly problematic but economically less attractive sites. The project should demonstrate remediations where they are most necessary.

### ✓ Comments by United States

- We requested the opportunity to review this project prior to GEF CEO Endorsement to allow the World Bank to incorporate responses to our technical questions and comments. In particular we urge World Bank to carefully consider the following recommendations as it prepares the project for CEO endorsement:

- The United States agrees with the STAP assessment that there are critical details neglected from this PID. The proposal makes clear that there is a dire need for cleanup of many contaminated sites in China and that current legal framework and hazardous waste management plans are unable to adequately support large-scale site remediation. Nonetheless, there are many aspects of this project that, without further details, are difficult to assess for technical and logistical feasibility. We would like to see how the World Bank has addressed STAP's technical comments. Although we believe all of the STAP's requests for additional information are valid, we would like to reiterate the necessity to incorporate lessons learned from previous POPs focused projects. This is particularly important since this project aims to establish a policy and regulatory framework for contaminated sites and to elucidate and demonstrate technology appropriate for the intended scale of remediation. Analysis of prior work to remediate contaminated sites inside and outside China is critical to avoid replication and duplication of previous efforts and to allow for significant improvement in the approach for waste management and site cleanup efforts.
- We recommend the modified proposal provide a clearer, more explicit explanation of how this project will achieve global environmental benefits. As currently proposed, it is clear that the proposed project will aim to enable a technical approach to waste cleanup, but it does not seem to address the targeted POPs work to prevent contamination of sites rather than remediate existing contaminated sites.
- In addressing China's gaps in legal, policy, and institutional infrastructure on site contamination and cleanup, the project should ensure that its efforts include a review of labor regulations on minimum age, wage and hour and occupational safety and health. Capacity building and training should include information on workplace safety and health, reaching workers who handle hazardous substances and materials.
- The project should consider engaging the Chinese government's agency charged with safety and health issues – the State Administration for Work Safety (SAWS) on worker safety and health and with the Ministry of Human Resources and Social Security (MOHRSS) on wage and hour and minimum age issues.
- The project should also engage with the ILO which has a presence in China on worker safety and health issues, as well as the All-China Federation of Trade Unions (ACFTU) and relevant employer organizations.
- The project should ensure that vulnerable groups in and near the cleanup sites are fully consulted as part of project design, implementation, and monitoring and evaluation since they are the most affected by the contamination and could potentially become employed in the cleanup efforts.

## **PROJECTS SUBMITTED UNDER PROGRAMMATIC APPROACHES**

### **43. Kiribati: R2R Resilient Islands, Resilient Communities - FAO (GEF ID 5551)**

#### **✓ Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany recommends indicating the linkages to the parent Ridge to Reef Program (GEF ID 5395).
- In order to support a more integrated, island-wide and not a sectoral approach, Germany recommends spatial planning on land- and seascape level for whole islands (Whole of Island Approach) and their proposed marine protected and/or locally managed marine areas (also of different focal areas).
- As the Ministry of Fisheries and Marine Resource Development (MFMRD) and the Land Management Division are both key players for MPA development the definition of stakeholders shall be reviewed. In this context, Germany requests that coordination structures in regard of the more profound stakeholder analyses are reviewed.
- Germany requests that national policies and strategies like the Kiribati Joint Implementation Plan (KJIP) and the development of Outer Islands Strategic Development Plans are taken into account in the project planning and implementation.
- Regarding the mentioned co-finance, Germany requests further clarification on the type of co-finance and a clear separation between government and project funding.

✓ **Comments by Japan**

- “Regional Climate Change Ecosystems and Energy Programme for Reducing Emissions from Deforestation and Forest Degradation”, a capacity building project for government officials, has been conducted in island states including Kiribati, Tonga, Solomon, Samoa, Palau, Marshal and Fiji and Mongolia through Japan-UNDP Partnership Fund since 2010 (approx \$350,000). In this regard, Japan would like the information of the project No.43 to be shared with UNDP Asia Pacific Center.
- Also, “Kiribati Disaster Risk Management and Adaptation Project” has been conducted through Japan Policy and Human Resources Development Fund since 2011 (approx \$1.98million). Japan thus recommends that the FAO share the information of the project No.43 with the related World Bank office as well.

✓ **Comments by United States**

- In addition to the concerns raised by the STAP, the United States would also like to note the following concerns which we request to be addressed in the final project proposal:
- The current proposal makes it clear that if implemented successfully, there will be significant benefits; however, we recommend the project discuss risk factors in project execution more comprehensively. For example, the discussion could include exogenous economic factors that may impede success in actual management of the marine protected areas, such as the potential for commercial fishing fleets to enter Kiribati waters irrespective of community agreements. Additionally, we also expect to see more detail provided about how the project will overcome weaknesses in implementation of policies and management plans that were cited as one of the reasons for the project.
- It should be noted that, with only ~3.2% of total budget allocated to project component 3, and the sole indicator in this project being how many documents are published, it will be

challenging for broader adoption of the demonstrated environmental practice to ensue in this case. Any actions that can be taken to enable this to happen more efficiently are welcomed.

**44. Micronesia: R2R Implementing an Integrated Ridge to Reef Approach to Enhance Ecosystem Services, to Conserve Globally Important Biodiversity and to Sustain Local Livelihoods in the FSM – UNDP (GEF ID 5517)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- The GEF programmatic approach entitled "R2R Pacific Islands Ridge-to-Reef National Priorities - Integrated Water, Land, Forest and Coastal Management to Preserve Biodiversity, Ecosystem Services, Store Carbon, Improve Climate Resilience and Sustain Livelihoods" addresses – within its regional scope - similar issues as the national Micronesian project (GEF ID 5517) does. The latter's full proposal should therefore clearly identify the linkages to the parent Ridge to Reef Program (GEF ID 5395).
- The PPG shall elaborate on how scientific and technical support of the parent R2R program can benefit FSM to fill identified capacity gaps and clarify the role of regional support structures such as the Secretariat of the Pacific Community's Applied Science and Technology Division (SPC/SOPAC).

**45. Papua New Guinea: R2R Strengthening the Management Effectiveness of the National System of Protected Areas - UNDP (GEF ID 5510)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Given that the core of the project proposal is to improve governance of the PA system while strengthening PA management, it is suggested to conduct a governance assessment and development of action plan during the PPG-phase (e.g. using IUCN Best Practice Guidelines No. 20, 2013). The full proposal shall as a consequence strengthen the governance-related outcomes and outputs (such as improved legal frameworks for community management of CAs, strengthened capacities of CA management committees, etc.). Particularly with regard to the showcase Varirata NP the full proposal shall be more explicit as to whether a separate management plan (in addition to the Sirinumu Dam Integrated Land Use Plan) will be developed which shall include a business plan and feasibility study of a potential PES arrangement with the water/city authorities.
- The role of the private sector and parastatal agencies shall be defined more clearly in the full proposal.

✓ **Comments by Japan**

- In PNG, Japan has been implementing a project "Building a More Disaster Climate Resilient Transport Sector in Papua New Guinea" through Japan Policy and Human Resources

Development Fund since 2011 (approx \$1.93million). In this regard, Japan recommends that the UNDP share information of the project No.45 with the related World Bank office.

**46. Tuvalu: R2R Implementing a Ridge to Reef Approach to Protect Biodiversity and Ecosystem Functions – UNDP (GEF ID 5550)**

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany recommends indicating the linkages to the parent Ridge to Reef Program (GEF ID 5395).
- The ridge to reef project addresses measures in a number of areas – marine biodiversity and protected areas, land management and water resource management. To ensure an integrated approach, this would need to be addressed at the outset as the activities currently seem very sector focused.
- The proposed project could learn from the NAPA I+II as well as from the IRWM project with regard to multi-sector governance mechanisms and project steering structures. Germany requests these lessons being taken into account and building up capacity to enable the small Tuvalu Dep. of Environment to coordinate and manage the project.
- In the area of Knowledge Management the establishment of GIS systems shall recognize the IT constraints and ensure that a sustainability plan is put in place to ensure that the government has the capacity to manage the systems at the end of the project.

**47. Vanuatu: R2R: Integrated Sustainable Land and Coastal Management - FAO (GEF ID 5397)**

✓ **Comments by France**

- We globally support this proposal but we would like to suggest articulating the proposed GEF project with an existing project « Restoration of ecosystem services against climate change unfavorable effects – Resccue » (SPC - AFD - FFEM). Indeed, this project seeks to find long-term economic and financial solutions to ensure that ecosystem services are maintained in the Pacific islands, which climate change and societal changes are tending to put into danger. The overall objective of this regional project thus focuses on improving and sustainably funding integrated management of Pacific island coastal zones.
- The project is divided into five components, each with a specific objective, the first one is to Maintain / improve ecosystem functioning through ICZM activities and by strengthening the capabilities of communities and operators at the project's pilot sites. This objective covers restoring and improving land, coastal, and marine ecosystem services and also includes strengthening local stakeholders' capabilities (capacities plus possibilities) in terms of gaining control of these processes over the long term. It seeks to develop and implement protocols for integrated coastal zone management and to formalize a consultative framework bringing together the main stakeholders of the zone (administrations, economic operators, communities, NGOs, research centers, etc.) that are involved in these protocols.



- The regional program will be implemented in four pilot countries/territories of the South Pacific zone: Fiji, Vanuatu, New Caledonia, and French Polynesia. In each of these, one or two pilot sites have been chosen for setting up the project.
- For Vanuatu, the site is located in the north of Efate, from Mangaliliu to Epao including Nguna, Pele, Lelepa Emao and Moso islands.
- *Opinion: favourable, subject to above comments.*

✓ **Comments by Germany**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

- Germany recommends indicating the linkages to the parent Ridge to Reef Program (GEF ID 5395).
- Germany requests further elaboration on how the ridge-to-reef approach can be better demonstrated in specific watershed areas or zones as the project components still seem not adequately interconnected in terms of implementation arrangements. It might be a challenge in MFA projects to aggregate activities when distinct project components are formulated along the line of the different constituent focal areas.
- Germany recommends consideration of spatial planning on land- and seascape level for entire catchments and the marine protected areas to support a more integrated approach.
- Given the actual human resource capacity and the low number of staff in relevant ministries on the central and decentralized level (risk identified in the PIF), the availability of personnel to implement the proposed activities is crucial. Therefore, Germany asks for an indication of the staff/ human resources who will implement the project and/ or will act as providers of capacity building. In this context, the *Pacific Plan Concept* of capacity supplementation in case where capacity building is not an option due to lack of individuals for project implementation could be considered as an alternative.

✓ **Comments by Japan**

- In Vanuatu, UNICEF, UNHABITAT and UNFPA has been conducting the project “Community resilience and coping with climate change and natural disasters in Vanuatu” through UN Trust Fund for Human Security since 2011 (approx \$3million). Japan would like the information of the project No.47 to be shared with the UNICEF office in charge of the above-mentioned project.
- Also, a project “Mainstreaming Disaster Risk Reduction” has been conducted through Japan Policy and Human Resources Development Fund since 2011 (approx \$2.99million). Japan would like the information of this project to be shared with the related World Bank office as well.

✓ **Comments by United States**

- Although the United States is generally supportive of this project, we are concerned that there are significant unacknowledged risks and information gaps associated with this

proposal that could prevent the projected global environmental benefits from being realized. We therefore recommend the following be considered in the final project proposal:

- Clarify how biodiversity-based goods will be sustained when increased revenue may encourage over-exploitation of these resources.
- Detail how the project will overcome the weaknesses in policy implementation that were cited as one of the reasons for the project.
- Add detail on the adaptation part of the adaptive management plan to incorporate climate variability and change.
- The ability of this project to be implemented successfully likely requires dissemination of best practices and lessons (component 5) to include an examination of replication costs. We therefore suggest this to be added to the proposal.
- Establish and operate a systematic way to assess soil compaction from cattle on yields of coconut. A review of current literature may help to identify specific silvo-pastoral systems that do not result in sub-optimal yields of any of the system components.