



COMPILATION OF COMMENTS
SUBMITTED BY COUNCIL MEMBERS
ON THE WORK PROGRAM
APPROVED BY COUNCIL ON NOVEMBER 16, 2010

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 on November 16, 2010.

TABLE OF CONTENTS

BIOLOGICAL DIVERSITY	3
ID-4330; Chile: Strengthening National frameworks for IAS governance: piloting in Juan Fernandez Archipelago (UNDP); GEF: 4 Million USD; total: 10.9 Million USD; duration 4 years	3
ID-4201; Yemen: Leopards and Landscapes: Using a flagship species to strengthen conservation in the Republic of Yemen (World Bank); GEF: 2.43 Million USD; total: 5.36 Million USD; Duration 5 years	5
CLIMATE CHANGE	7
ID-4348; Kazakhstan: Reducing GHG Emissions through a Resource Efficiency Transformation Programme (ResET) for Industries in Kazakhstan; GEF cost: 7 million USD; total project cost: 45 million USD	7
MULTI-FOCAL AREA.....	9
ID-4329; Global: 5 th Operational Phase of the GEF's Small Grants Program (SGP); (UNDP); GEF project grant: 134.6 million USD; total project cost: 269.2 million USD	9
OZONE DEPLETING SUBSTANCES	11
ID-4387; Russian Federation: UNIDO); Phase-out of CFC Consumption in the manufacture of aerosol metered-dose inhalers (MDI); GEF cost: 2.55 million USD; total project cost: 5.55 million USD	11

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE GEF /C.39)

BIOLOGICAL DIVERSITY

Switzerland Comments

ID-4330; Chile: Strengthening National frameworks for IAS governance: piloting in Juan Fernandez Archipelago (UNDP); GEF: 4 Million USD; total: 10.9 Million USD; duration 4 years

General Commentaries

The complex and much discussed issue of invasive plant and animal species has become a growing concern worldwide especially in context with climate change. Although the problem is widely recognized, many initiatives to control and combat IAS have proven little cost-effective and have been mostly unsuccessful.

The GEF-funded IAS Seychelles 2007 Project (GEF \$ 2 Million, total cost \$ 6,6 Million) and the GEF-funded IAS Galapagos Project (GEF 18,3 Million, total cost \$ 41 Million) - both proposed and implemented by UNDP- are prime examples of funds poorly spent with short-lived results. Creative methods for the eradication and sustainable control of alien species simply do not exist as global experience have shown over and over again. This includes Chile's Juan Fernandez Archipelago, where past efforts to eradicate/control the most obnoxious alien species (rats, flies, mice, coatis, goats, blackberries etc.) have failed. The unspecialized biology, flexible diet and reproductive strategy of especially rats and mice make them successful colonizers and survivors, seemingly impossible to eradicate.

Main Concerns

The proponent does not seem to specify and apply the lessons learnt from identical projects elsewhere, especially from GEF-funded IAS projects implemented by UNDP (Galapagos and Seychelles).

It is suggested that funds to be spent on eradication and control of IAS on Juan Fernandez will neither be cost-effective nor achieve lasting results.

The proposal mentions over-crowding of *Capra hircus fernandensis* on the un-inhabited island of Mas Afuera, although studies have shown that the goats which have been introduced to the island more than 400 years ago, are mainstreamed into the small island's ecosystems and seemingly having become an integral part of the island's fragile ecology.

The proposal fails to mention the past illegal and uncontrolled introduction of cattle to the same island by residents from Mas a Tierra with adverse impacts on the highly fragile coastal area of Mas Afuera, although the semi-feral cattle could easily be eradicated with political will.

Much emphasis is given on establishing an institutional structure, protocols etc., that do not seem sufficiently sustainable to us.

Conclusions and Recommendations

In Chile, as in numerous other countries, institutional structures and policies are usually in place to address IAS, frequently as part of CBD-stipulated Environmental Action Plans. Strategies however to combat IAS appear to be left mostly to civil society, NGOs and highly localized interest groups.

Against this background it appears somehow questionable to spend another 4 Million USD of valuable GEF funds on a project of a rather unpredictable outcome. Therefore, we expect that further attention is given to settling more tangible outcomes.

Despite our concerns, Switzerland is not objecting to the approval of this project by the GEF, however it expects that the further planning will address its concerns.

ID-4201; Yemen: Leopards and Landscapes: Using a flagship species to strengthen conservation in the Republic of Yemen (World Bank); GEF: 2.43 Million USD; total: 5.36 Million USD; Duration 5 years

Switzerland Comments

General Commentaries

Using the critically endangered Arabian Leopard as a symbolic flagship species for ecosystem conservation in a trans-boundary context appears to be an excellent overall conservation strategy, expected to strengthen the country's Protected Area System on the policy level and through direct interventions in terms of infrastructure development and improved management effectiveness. Raising public awareness and developing capacities on the local level by adopting a holistic and participatory approach could create synergies needed for an improvement of the country's threatened biodiversity.

Main Concerns

Three areas of main concern appear to be insufficiently addressed:

- (1) **How to effectively tackle the root causes responsible for the near extinction of leopards in the wild and the continuing deterioration of already highly fragmented ecosystems** (i.e. the result of wide-spread poverty, high dependency on natural resources by rural people, growing land alienation and deterioration, and livestock wildlife competition).
- (2) **Need for ecological connectivity** (i.e., creation of ecological corridors and how to deal with land use within).
- (3) **How to secure sustainable financing for the existing and the to-be expanded protected area network of Yemen.**

Another concern is the undefined co-financing listed: a \$ 1.8 Million Private Sector grant without providing a verifiable source and \$ 400,000 bilateral financing from un-defined aid agencies.

Conclusions and Recommendations

Although PIF documents cannot provide the level of detail requested from a project brief, the PIF document has to provide sufficient background on proposed interventions to allow for a fair assessment of their feasibility (i.e. It is not enough to merely "identify" alternative livelihoods, the key question is how to effectively reduce rural poverty, or how to create active and effective CBOs within the 5-year timeline of the project, or how to stop land alienation effectively?).

The PIF suggests to use leopard numbers as indicators of project success; considering the extremely low population density of leopards and its traditional prey species, it is highly doubtful that population growth can be measured within the five-year timeline of the project. More practical and realistic indicators have to be identified.

Although the proposed project should be endorsed in principle a serious effort has been made by the project proponent to convincingly address the key concerns.

Further Commentaries

The project is consistent with GEF strategies and strategic programs. If successful it is expected to enhance Yemen's protected area system. Proposed trans-boundary cooperation and conservation initiatives are laudable. However, there is a need for substantial improvement in the provision of convincing detail on all proposed interventions.

Germany Comments

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

- The full proposal should clearly identify how a high commitment by the Government of Yemen is ensured at all levels (national, local and at the level of protected areas).
- A large part of the leopard's range in Yemen is outside of protected areas. The full proposal should therefore explain how leopards will be protected in the broader landscape.
- "National Animal incorporated into marketing by high profile Yemen corporations" is mentioned in PIF as indicative co financing. Marketing by private companies would normally not be eligible as co-financing. A full explanation of the activities financed by private companies or by business philanthropic contributions should be provided.
- The proposal to promote leopards as flagship species entails the risk that this may create more interest among illegal hunters. The full project should explain how this risk is addressed.

CLIMATE CHANGE

Switzerland Comments

ID-4348; Kazakhstan: Reducing GHG Emissions through a Resource Efficiency Transformation Programme (ResET) for Industries in Kazakhstan; GEF cost: 7 million USD; total project cost: 45 million USD

General Commentaries

The project aims at reducing GHG emissions by implementing best available technologies and practices in the area of resource efficiency. The project builds upon another one financed by the EBRD in the field of energy efficiency and seems coherently included in the national sustainable strategy currently under development.

The proposed project addresses the reduction of GhG emissions through 3 components:

- ▶ (1): Strengthening national capacity to promote industrial resource efficiency.
- ▶ (2): Strengthening the capacity of industrial enterprises to improve resource efficiency.
- ▶ (3): Levering investments in more efficient equipment and practices.

This project structure with three components seems adequate.

However, the project does not focus on a particular sector or cluster.

Questions, Concerns and Challenges for further Project / Programme Refinement

- ▶ A comprehensive explanation of the inclusion of the project in the development of the legal and policy framework should be provided in the full project document. In particular, it should be explained how the project is part of the policies and measures already developed and under development (e.g. inter-linkages of measures relevant to the project, incentives for enterprises in the new framework, etc.) (see A.2).
- ▶ A comprehensive communication strategy of the government towards the enterprises and other stakeholders (e.g. local banks, industry associations) should be carefully designed. Indeed, one of the main problems identified in the project description is the lack of awareness to adopt best available technologies (B.1).
- ▶ Key sectors to be included in the project are to be identified. Will the oil and gas sector be included? (B.2)
- ▶ The strategy and scope (national, regional level?) for “certification / labeling scheme for efficient industrial equipment for manufacturers” is not clear (B.2, component 2).
- ▶ Entities for leveraging additional funds for industrial enterprises should be clearly described in the full project document and potential funds possibly quantified, if possible referring to similar projects in other countries (B.2, component 3).
- ▶ The coordination strategy and division of tasks between the Ministry of Industry and New Technologies and the Ministry of Environment Protection should be addressed in the full project document (B.5)

- ▶ The full stakeholder consultation mentioned in the PIF should be planned early enough in order to include all stakeholders (e.g. industry associations) (B.5).
- ▶ One is surprised that neither an industrial sector nor a cluster is mentioned or targeted. It seems ambitious for this large country not to focus on given sectors or clusters.
- ▶ The ambition to upgrade the best international technologies and practice seems again only applicable to some specific industries.

Conclusions and Recommendations

The project will help to:

- (a) reduce GHG emissions
- (b) reduce energy intensity of GDP and resource consumption
- (c) build capacity in the governmental and industry sectors
- (d) increase competitiveness of industries
- (e) create market opportunities for resource-efficient technologies

Risks are considered as low. A financial risk management strategy will be developed.

The project is in line with the CCM-2 goals. Switzerland supports its approval by the GEF, and recommends focusing on some specific clusters and/or sectors after studying the best potential of quick application. It could be either a few very large industries or clusters where replicability potential is very high. Only then would it be possible to make a quick transformation, otherwise the effect would be diluted and the impact low.

MULTI-FOCAL AREA

Switzerland Comments

ID-4329; Global: 5th Operational Phase of the GEF's Small Grants Program (SGP); (UNDP); GEF project grant: 134.6 million USD; total project cost: 269.2 million USD

* 127 Countries

** excluding GEF Agency Fees

General Comments

Operating for nearly 20 years, the Small Grants Program (SGP) has supported/funded hundreds of community and civil-society based projects in more than a hundred countries. It is assumed that its proposal for the 5th Operational Phase (OP5) takes advantage of the experience acquired so far.

Indeed, the objectives and expected outcomes of OP5 are built consistently on GEF's strategic priorities and the implementation arrangements based on the earlier phases. SGP National Steering Committees are constituted to guide implementation in each country and to ensure coherence with national priorities.

SGP has operated previously in 122 countries and with OP5 it will be expanding to 14 additional countries. OP5 comprises 10 objectives, will support more than 2000 projects and will strengthen the capacities of more than 2700 NGOs and CBOs (community-based organizations) as SGP partners. The GEF financing of SGP core funds will rise to 134.6 million and nearly as much funds are expected from co-financing; in addition GEF covers the agency fees of 5.4 million USD.

Basically we feel that the PIF of OP5 is well described and we recognize the efforts made in order to define a sound framework for the future implementation of the SGP. Thus, the programme is ambitious and implementation will be confronted with a series of operational challenges.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

The key challenges which merit further attention in the design of the institutional arrangements are the following:

- ▶ The risk of a dispersion of efforts: OP5 will cover 136 countries, comprise 10 objectives, and support more than 2000, mainly rather small-sized project initiatives. Thus, the risk of a dispersion of efforts is SGP-intrinsic and has to be handled carefully.
- ▶ The challenge to assure measurable global environmental benefits: due to the size and character of the community and civil-society based projects; it is difficult to pay sufficient attention to the design and monitoring of environmental indicators, as well as to the evaluation of the global environmental benefits at project level. Furthermore, it will be difficult to upscale the benefits from the individual project level to the country and program level.

- ▶ Cost-effectiveness of the overall SGP is challenged at two levels: (1) at country level due to the relative small size of supported projects which imply a rather high effort at steering, coordination, follow-up and control level, and (2) at the overall SGP level where coordination with 136 countries must be realized. Furthermore, the coordination of more than 2000 small projects and the strengthening of the capacities of more than 2700 NGO's and CBO's imply management and basic investment costs.
- ▶ The PIF describes well the categories for distribution of the core funds, however it also underlines that some country programmes must be able to acquire substantial additional STAR funds. Countries with small GEF portfolios will encounter problems in this respect. Therefore we also request that the future evaluation of OP5 should give an overview of core and additional STAR financing
- ▶ SGP has a standing expectation of 1:1 co-financing (50% in cash and 50% in kind), however, at this early stage of project preparation, the types of co-financing are still unknown. As the indicated co-financing is half of the overall project cost, it is (a) a challenge to GEF to assure the expected contributions and (b) to follow-up on the co-financing obtained.

Project management cost is indicated in the PIF as 10% of the total project cost; however no further information is given. A specification of this cost will be needed: How much is spent for the overall SGP management, and how much is made available for management at country level?

Conclusions and Recommendations

Switzerland supports the approval of the 5th Operational Phase of the GEF's Small Grants Program. However it requests the GEF to pay particular attention to the challenges described above.

Ways and means should be explored by the Evaluation Office in order to better account for transaction costs for the SGP projects and the costs accrued at the UNDP coordination unit.

OZONE DEPLETING SUBSTANCES

Switzerland Comments

ID-4387; Russian Federation: UNIDO); Phase-out of CFC Consumption in the manufacture of aerosol metered-dose inhalers (MDI); GEF cost: 2.55 million USD; total project cost: 5.55 million USD

Overall Commentaries

This project enables the completion of a statutory phase-out process of CFCs under the Montreal Protocol in the pharmaceutical/health sector. As the aerosol propellant in medical dose inhalers is taken into the lungs, specific standards and clinic test/registration for the substitute technology (HFC134a of higher purity than required for technical applications in the refrigeration and automotive sector) have to be completed. This explains the delay of this phase-out process in comparison to the phase-out of CFC use from other sectors. Similar projects as proposed for 2 Russian pharmaceutical industries have been conducted with success in China, India, Mexico and other larger G20 countries. The implementation of the project will achieve the total phase-out of CFC use in the Russian Federation. Towards this end legislation change and a capacity building component in the training of custom officers forms part of the proposal.

Conclusions and Recommendations

The project deserves support, as it marks a milestone in the implementation of the Montreal Protocol: the complete phase out of CFC use in the Russian Federation, formerly a large producer of CFCs. The proactive implementation of this project through UNIDO, an implementing agency experienced in this field and countries with an economy in transition, comes at a crucial point in time. Project approval by the GEF council will also set a signal of encouragement to continue with the phasing out of HCFCs in the Russian Federation.

The project is recommended for approval.