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To: Monique Barbut
Chief Executive Officer and Chairperson
Global Environment Facility
Email: gcoordination@TheGef.org

Subject: Comments by Germany on Intersessional Work Program March 2011

Dear Ms. Barbut,

Attached, please find Germany's comments on the Intersessional Work Program March 2011.

Germany approves the Work Program. Attached, please find our comments on several of the PIFs with the request to take these into account during the drafting of final project documents.

Germany requests that 4 projects will be sent as final project documents for Council review four weeks prior to CEO endorsement (see page 2).

Best regards,

Matthias Seiche
on behalf of
Frank Fass-Metz

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

4. Sustainable Land and Forest Management in the Greater Caucasus Landscape, Multi Focal Area (Azerbaijan), GEFID = 4332
5. Fifth operational Phase of the GEF Small Grants Program (Costa Rica), GEFID = 4382
6. 5th Operational Phase of the GEF Small Grants Program in Ecuador (Ecuador), GEFID = 4375
8. 5th Operational Phase of the GEF Small Grants Program in Kenya (Kenya), Multi-Focal Area (Kenya), GEFID = 4362

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

1. Securing Biodiversity Conservation and Sustainable Use in China's Dongting Lake Protected Area (China), GEF ID 4356

Suggestions for improvements to be made during the drafting of the final project proposal:

As the proposed FSP is expected to provide experiences and "lessons-learned" that could prove to be catalytic in launching similar approaches in other national wetlands, we would expect coordination with ongoing donor initiatives in the design of the project. In particular, we recommend cooperation with the Sino-German Project on Wetland Biodiversity Conservation in China (2010-2014).

2. Russia Energy Efficiency Financing, Climate Change (Russia) GEFID=4427

Suggestions for improvements to be made during the drafting of the final project proposal:

- The Russia Energy Efficiency Financing (REEF) proposal tackles, amongst other issues, also building insulation. Potentially this means that HFC (as standard mainstream technology) will be applied. The proposal as such is lacking detailed elaboration on the choice of technologies which has also been criticised by STAP. Details should indicate clearly that natural blowing agents will be used for production of insulation materials.
- Germany supports the STAP comments with regard to the baseline scenario and the barrier analysis which, given the large scale of this project, would both benefit from a more detailed elaboration.
- Germany notes that while the project focus is clearly on increasing supply of EE financing through financial institutions, more attention needs to be given to generating the demand for and the capacity to absorb and deploy the financing. Germany therefore suggests that the market development component puts greater emphasis on outreaching to and capacity development for the end-users of the grants provided, i.e. industrial companies.

3. Second Upland Agricultural Livelihoods and Environmental Management Project. (Tajikistan), GEF ID: 4352

Suggestions for improvements to be made during the drafting of the final project proposal:

We strongly recommend actively consulting and coordinating with the Central Asian Country Initiative on Land Management CACILM, additionally to being "consistent with the land degradation focus" of CACILM. We strongly recommend actively coordinating and consulting with ongoing projects related to land management implemented by USAID, IFAD, GIZ and others.

The PIF states that "Capacities will be built to reduce desertification, soil erosion and deforestation". We would like to emphasize that we see the problem of rural energy supply as one of the root causes of deforestation. Therefore we suggest to clearly address related issues and to identify how a reduction of deforestation can be achieved. German

Development Cooperaton has extensive experience in addressing deforestation and desertification in Tajikistan, therefore we suggest consulting GIZ on this issue. We suggest to place special emphasis on the question, how sustainability of capacity development can be achieved.

The PIF mentions land insecurity, limited private sector capacities, lack of investment capital as additional problems. We suggest to clarify how these problems will be addressed.

5. Fifth operational Phase of the GEF Small Grants Program, (Costa Rica), GEF ID 4382

Suggestions for improvements to be made during the drafting of the final project proposal:

Climate change

- The GAP Analysis is based on the work of GRUAS until 2009. There is no reference to the potential climate variability or the potential effects of climate change. Although we support the assumption that the resilience of ecosystems can be supported through an enhanced connectivity, we suggest to carry out supplementary vulnerability assessments (Biodiversity, Agriculture, and Tourism) to analyse the expected impacts of climate change.

Risk analysis:

- The risk analysis is very optimistic. Experiences with small scale measures cannot be transferred easily into the complex design and management of biological corridors. Governance aspects are only briefly described as barriers, but they are not addressed as part of the solution. Therefore we suggest elaborating the risk analysis.

Cooperation with other initiatives

- It should be clarified how the proposed project relates to the Costa Rica Forever Initiative, an association that manages the public-private conservation initiative developed by the Costa Rican Government together with NGOs and private foundations. Within this initiative, the German Government supports the project "Marine and coastal biodiversity, capacity development and adaptation to climate change (BIOMARCC)". Potential for coordination and cooperation should be explored. The stakeholder analysis should be enhanced in this context.

Co-financing:

- Germany notes that only \$200,000 of the anticipated \$4,625,000 co-financing sources have been identified at this stage. Sources of co-financing should be confirmed prior to approval of the Final Project Document.

6. 5th Operational Phase of the GEF Small Grants Program in (Ecuador), GEFID: 4375

The proposed GEF small grant project "Increase in sustainable managed landscapes and seascapes that integrate biodiversity conservation" picks up on important and necessary issues and activities for Ecuador.

Suggestions for improvements to be made during the drafting of the final project proposal:

1) General remarks

- Comment on Expected Output 2.1.1: “Twelve biological corridors designed and their management plans prepared...” The number of 12 biological corridors seems very high considering the timeframe and financial resources.
- Comment on Expected Output 1.1.2: “Eco-friendly economic activities such as alpaca breeding and production of alpaca wool”: We suggest – if not yet done – to exchange experiences and coordinate activities with ECOCIENCIA as this NGO is since several years working on this topic in Chimborazo.
- The strategy on capacity building for the involved institutions should be described in more detail in the Final Project Document.
- The Final Project Document should state, how the project is related to Ecuador’s “Plan de Buen Vivir”.
- It should be considered to promote the certification of aquaculture (via the ASC) products in order to meet sustainability targets. By certifying aquaculture products it is possible to achieve ecological, social and economic benefits concurrently.

2) Coordination with ongoing projects in the region

- The proposed GEF project focuses on subjects that are very similar to the GIZ programme Gestion Sostenible de Recursos Naturales (GESOREN). Coordination between the GEF SGP and GIZ is recommended.

3) Co-financing

- Several Bilateral Cooperation Agencies, amongst them GTZ, are mentioned in “Sources of Co-financing”. Sources of co-financing have to be confirmed before submission of the Final Project Document. From the side of (GTZ/GIZ) so far no co-financing has been agreed.

8. 5th Operational Phase of the GEF Small Grants Program in Kenya, Multi-Focal Area (Kenya), GEFID-4362

While the PIF effectively identifies a wide range of environmental challenges that need to urgently be addressed in Kenya, Germany notes that the focus is very broad and an integrated focus is lacking between the proposed project components and focal areas. The proposal seems to suggest that in a four-year timeframe some very serious challenges can be resolved, which seems unrealistic given the stated barriers. Therefore,

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

- Consider setting the project goals to overcome stated barriers as a first step, i.e. awareness-raising.
- Address how the breadth of focus and ecosystems can effectively be managed under the SGP
- Address how the stated goals can realistically be reached in the 4-year time horizon.

Experiences in many countries show that these processes take time and require enormous amounts of capacity building, awareness raising and coordination at many levels. The question is whether the proposal for Kenya is realistic for the number of communities and time horizons proposed. Further justification on this point would be helpful.

9. Fifth Operational Phase of the GEF Small Grants Programme, Multi-Focal Area (Pakistan), GEFID, 4380.

Suggestions for improvements to be made during the drafting of the final project proposal:

- Germany notes that a significant 50% share of the cofinancing for the proposed SGP is planned to be private sector contribution. However, the PIF lacks detail on the identity or general nature of the private sector agents that would contribute this funding. Therefore, Germany recommends that the strategy for leveraging these funds is given further thought and spelled out clearly during the drafting of the final project proposal.
- Germany recommends a calculation of the emission reduction achieved by building low carbon housing and by the promotion of solar energy products, since this would further demonstrate the significant GHG benefit and the cost-effectiveness of this project. The PIF just indicates emission savings achieved by cookstove distribution and reforestation activities.

10. Fifth Operational Phase of the GEF small grants programme in the Philippines, GEF- ID4338

Suggestions for improvements to be made during the drafting of the final project proposal:

The objectives of the proposed Small Grants Programme are very ambitious. Enhanced coordination among the different stakeholders will be necessary to achieve these objectives and to support the implementation of national and regional development strategies (such as the Comprehensive Land Use Plan (CLUP)). The following points should be taken into account during the further planning of the project:

- Apply a more holistic ridge-to-reef approach that enhances the combination of land use plans for terrestrial and coastal zone/ marine areas more thoroughly.
- Enhance the integration/ combination of management plans in conservation and resource use

Possible overlaps between the program “Protection and Rehabilitation of Coastal Ecosystems for an improved Climate Change Adaptation in the Philippines as a contribution to the Coral Triangle Initiative - ACCCoast” (funded by the German Ministry for the Environment) should be explored, in order to enhance synergies and avoid duplication of work.