



Global Environment Facility

May 11, 2009

COMPILATION OF TECHNICAL COMMENTS
SUBMITTED BY COUNCIL MEMBERS
ON INTERSESSIONAL WORK PROGRAM
APPROVED BY COUNCIL ON APRIL 21, 2009

NOTE: This document is a compilation of technical comments submitted to the Secretariat by Council members concerning the project proposals presented in the April 2009 Intersessional Work Program approved by the Council on April 21, 2009.

TABLE OF CONTENTS

PAGE NO.

GENERAL COMMENTS	1
BIODIVERSITY	2
1. Argentina: Strengthening Fisheries Governance to Protect Freshwater and Wetland [UNDP].....	2
2. Colombia: Colombian National Protected Areas Conservation Trust Fund – Additional Financing for the Sustainability of the Macizo Regional Protected Area System (SIRAPM) [World Bank]	3
3. Lao PDR: Mainstreaming Biodiversity in Lao PDR’s Agricultural and Land Management Policies, Plans and Programmes [UNDP/ FAO]	6
4. Mexico: Mainstreaming the Conservation of Ecosystem Services and Biodiversity at the Micro-watershed Scale in Chiapas [UNEP].....	8
5. Mongolia: Strengthening of the Protected Area Networking System in Mongolia (SPAN) [UNDP].....	9
CLIMATE CHANGE	12
6. Benin: Energy Efficiency Program [World Bank]	12
7. China: Integrated Renewable Biomass Energy Development Project [ADB]	15
8. Egypt: SPWA-CC Industrial Energy Efficiency (IEE) [UNIDO]	18
9. Nigeria: SPWA-CC Nigeria Urban Transport [World Bank]	22
10. Togo: SPWA-CC Efficient Lighting Program [World Bank].....	25
11. Ukraine: Energy Efficient Lighting in Residential and Public Buildings [UNDP].....	27
INTERNATIONAL WATERS	28
12. Regional (Malaysia, Philippines, Indonesia, Vietnam, Cambodia, Papua New Guinea): CTI Strategies for Fisheries Bycatch Management [FAO]	28
MULTI-FOCAL AREAS	30
13. Global: 4th Operational Phase of the GEF Small Grants Programme (add-on) [UNDP].....	30
14. Argentina: Rural Corridors and Biodiversity Conservation [World Bank]	33

15. Bolivia: Conservation and Sustainable Use of Biodiversity and Land in Andean Vertical Ecosystems [IADB]	34
16. Philippines: CTI: Agusan River Basin Integrated Water Resources [ADB].....	36

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

GENERAL COMMENTS

COMMENTS FROM THE UNITED STATES

Strategic Program for West Africa: Energy Component

1. This work program includes three Project Information Forms (PIFs) for projects under this GEF program. The transportation project in Nigeria appears to be of good quality, and we are pleased to support it. (See comments below). We are concerned with the quality of the Benin and Togo projects, and this leads to broader concerns about the direction in which the West Africa program is moving. At this point, we will not ask to delay Council approval of these two projects. We will, however, want to discuss these projects and the overall program with the World Bank, GEF Secretariat, and UNIDO to see what can be done to improve the program and projects within it. This might include the need for discussion at the next Council meeting. We believe that this program will be an important learning opportunity for the GEF network regarding programmatic approaches and the design of the RAF/STAR.

2. Looking at the Benin and Togo projects (and other projects in the energy efficiency and renewable sectors in this program) it is apparent that the program is developing in an atomistic "country-by-country," and "agency-by-agency" manner. The original program document had noted that efforts in the region are fragmented, but the program does not seem to be doing much at all on a regional basis. Only one \$700,000 part is regionally based. The intent does not seem to be building capacity or standards at the regional level or to convince the IAs and EAs to work together on joint approaches or projects. Working at a regional level would also allow for greater efficiencies in program delivery. We had asked a question in November with regard to the South East Asia UNIDO program as to why a truly regional approach to capacity building was not used, and we would like to raise the same question here. This seems applicable to components of the two projects in this work program as well as other projects in the pipeline under this program. We are concerned that the GEF does not seem to be fully delivering on its potential in terms of working across agencies or working at the regional level.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

BIODIVERSITY

**1. Argentina: Strengthening Fisheries Governance to Protect Freshwater and Wetland
[UNDP]**

COMMENTS FROM GERMANY

1. The STAP Advisory gives its consent to the PIF and provided some guidance on three points which should be incorporated in the Final Project Documents (clarification on linkages of regional approach and delivery of PIECAS, gender aspects to be incorporated in studies, risks coming from increases of upstream water development projects). Germany agrees with the result of the STAP screening.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

2. Colombia: Colombian National Protected Areas Conservation Trust Fund – Additional Financing for the Sustainability of the Macizo Regional Protected Area System (SIRAPM) [World Bank]

COMMENTS FROM GERMANY

2. Comments from Germany:

- Germany supports the further guidance from STAP to specify the proposed mosaic approach (component 1).
- Germany proposes a stronger focus on the development of a strategy that ensures financial sustainability after the end of the GEF support.
- Germany would like to know how the project proponents are going to deal with the identified political risks (page 6, f, first bullet point).

3. Furthermore, we would like to know which organizations contribute to the co-financing of the project (bilateral agencies, private sector, NGOs, other).

COMMENTS FROM SWITZERLAND

General Comments

4. Overall, the project is consistent with GEF operational criteria and principles and the biodiversity focal area strategy priorities.

5. At a first glance the project seems well embedded in Colombia's national efforts with the protected area system, takes advantage and continues on earlier investments in the project region (*the GEF's Biomacizo Project*) and is supposed to be nested under the National Protected Area Conservation Trust Fund (NPACTF).

6. However, in a more detailed analysis, the information given in the PIF leads to a number of questions and concerns and the conceptual design seems still rather weak. Particularly the fact that this new proposal is based on earlier GEF experience, sound baseline information and a solid conceptual framework can be expected.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

7. Questions, concerns, challenges and suggestions related to project preparation:

- So far, the project design is not sound. Basically it comprises two components: the first with a too wide mix of different activities and the second which basically refers only to project management and institutional coordination. Thus, the impact-oriented activities are to be supposed below the technical component (1), which includes: (i) legally formalizing fundamental management arrangements at the local level, (ii) developing financial sustainability mechanisms (e.g. revenue sources for PA management and payment schemes for environmental services [PES], and (iii) consolidating ongoing sustainable productive systems developed by Biomacizo In order to achieve measureable results: this component should be much better focused. For planning reasons, and to visualize better the characteristics of each activity, a differentiation in three technical components could possibly be envisaged.
- The project framework (table below chapter A) is not fully consistent with the description of the components (e.g. not a single outcome / output is given for the PES), and the expected outcomes and outputs are not sufficiently specified in qualitative terms, are not quantified at all and refer mainly to activities or management tools. There is a complete lack of indicators regarding the global environmental benefits and biodiversity trends. So far the only output with some appearance of what will happen in the field is “*n° of families in SIRAPM region adopting sustainable production systems, maintaining them by PY5*”. In our opinion this is neither sufficient, nor allows for any assessment regarding the expected relevance of the project (e.g. which percentage of the families and which percentage of the production areas?)
- Considering that the GEF already invested in the project region (the Biomacizo Project), we expect that the rationale, relevance and strategy of the new project is supported by sound and solid baseline information. So far, at the level of the PIF, this is not the case.
- Following the PIF, co-financing of the project would be rather substantial. However, the kind of co-financed activities and the sources should be specified.
- As stated in the PIF, participation of ethnic communities, private land owners, municipalities and other civil society members in conservation activities and SIRAPM management will be a critical element. Therefore major attention has to be given to the sound arrangement of the related scheme participation and the definition of the roles and competences of the parties. Participation should be built up explicitly on a scheme of real agreements (“*concertación*”), and not only consist on a level of consultations.

- The link with NPACTF must be further clarified. Please specify the kind of activities that will be financed by NPACTF in the project area, as well as the approximate total amount foreseen.
- And last but not least, the key issue of the PES will be the freshwater services. Not only for that reason we would welcome it, if in further planning the possible impact of future climate change would be assessed, and as minimum requirement an exercise “to put the climate lens” in the assessment of project risks would be set.

Conclusions and Recommendations

8. Overall the project objectives are worth being supported and the project seems well embedded in the national efforts. However, so far the project design is rather superficial, requires being focused better and information must be given in more detail.

9. Switzerland supports that the planning of this project proposed for GEF financing is continued further, however it also expects that the above mentioned concerns are further addressed and resolved in planning and it will keep an eye on whether these open questions are settled in a satisfactory manner in the final project documentation proposed for CEO endorsement.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

3. Lao PDR: Mainstreaming Biodiversity in Lao PDR's Agricultural and Land Management Policies, Plans and Programmes [UNDP/ FAO]

COMMENTS FROM FRANCE

10. The project aims at preserving agro-biodiversity by ensuring biodiversity is fully taken into account in Laos agriculture and land use policies. To do so, the project targets both the central level (policies, administration, national extension services) and the provincial and local level (in particular demonstration on 2 pilots sites covering 500 000 Ha).

11. It is clear that the stakes in terms of agro-biodiversity are high in Laos whether speaking of aquatic/terrestrial fauna or flora. Nevertheless, the current logic of the project seems incomplete. The changes in farming system approaches in Laos are fuelled by national but also regional factors. There is increasing involvement from private companies or interests from Thailand, Vietnam or China in Laos's agriculture: rubber plantation, teak, etc. It is to be demonstrated how the project can reach those interests and ensure they take into account agro-biodiversity other than through legal, policies aspects (cohercitive).

12. Some statements of the PIF can be challenged and weaken the technical background of the project. For instance, the PIF indicates that SCV (or DMC in English : Direct seeding Mulch-based Cropping Systems) is one of the threats to agro-biodiversity in Laos while DMC is trying to do exactly the opposite : e.g. to protect soils, limit water consumption, promote biodiversity by doing multi-cropping compared to mono cropping, limit slash and burn shifting agriculture, etc.

13. In terms of incentive to promote agro-biodiversity friendly production, it is worth quoting the on-going experience in the Bolovene Plateau (South of Laos) where the local mountain coffee production is promoted by Geographical Indications (a label promoting the origin of the production) with French cooperation support.

14. To conclude, it is surprising that the PIF does not quote as related initiatives activities supported by the French and German cooperation which are very active in the field of agriculture in Laos, collaborate tightly with the Ministry in charge of agriculture and support the development of relevant approaches: DCM (SCV) and Geographical indication as indicated above for instance for the French cooperation.

15. Opinion: Favourable with a strong recommendation to enlarge the consultation to all relevant stakeholders and initiatives in Laos and to precise the analysis of the underlying cause of changes in agriculture practices and land use in Laos.

COMMENTS FROM GERMANY

16. Comments from Germany:

- The requirements of a ‘Strategic Programme’ are met, especially these concerning Strategic Programme 4 ‘Strengthening the policy and regulatory framework for mainstreaming biodiversity’.
- Total costs and co-financing are fixed.
- The concept for a further development of the project is visible but partly not well-elaborated and too narrow: the ‘Guidelines for private firms on biodiversity-friendly practices’ will not be implicated by firms simply because they are now set up. With information and guidelines alone no changes will be achieved (see STAP).
- There is indeed an intersection with other projects, especially with the ‘Agro-biodiversity initiative’ (TABI), launched by the SDC and beginning in May 2009. It is absolutely necessary to define and initialize possible synergies with this project beforehand. Examples for this practice are the coordination mechanism (there is a TABI Coordination Unit in the Department of Planning of the Ministry of Agriculture and Forestry which should also be responsible for the GEF project instead of installing another council) and the TABI Knowledge Information Unit of the National Agriculture and Forestry Research Institute. There will also be a ‘National Agro-biodiversity Strategy and Action Plan Steering Committee’ (NBSAP) which should be essential for the strategic output of TABI and the GEF project.
- By the planning and realization of the GEF project, a collaboration with the transnational project of the BMZ NAREN (Sustainable management of resources in agriculture: Agro-biodiversity) should definitely be arranged.
- The project works in the sector ‘capacity building/mainstreaming’, including training. The training module has already been applied successfully in China and the Philippines. It further offers substantial experiences in the sectors “Conservation by Utilization” and Public Awareness.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

4. Mexico: Mainstreaming the Conservation of Ecosystem Services and Biodiversity at the Micro-watershed Scale in Chiapas [UNEP]

COMMENTS FROM GERMANY

17. Comments from Germany:

- Germany supports the further guidance from the STAP, especially regarding the risks resulting from climate change.
- Please specify the larger in-kind contributions (COFOSECH 2 million US Dollar, Conservation International 1 million US Dollar) as well as the institutionalised relationship between the project and corporations such as Wal-Mart.
- Development of a marketing strategy for the products that are produced under environment friendly practices (which markets shall be addressed with which products, who could be a suitable partner)
- In order to avoid any duplications of work, we propose to closely cooperate with other programs for payments for ecosystem services in order to benefit from synergies that may arise.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

**5. Mongolia: Strengthening of the Protected Area Networking System in Mongolia
(SPAN) [UNDP]**

COMMENTS FROM GERMANY

18. The project proposal can be supported without a need for further comments.

COMMENTS FROM SWITZERLAND

General Comment

19. The PIF is weak and vague, without a sufficient scientific and/or technical basis. The PIF addresses – justifiably – the lack of sustainable financing of Mongolia’s existing PA System as a key problem; it fails, however, to provide concrete and convincing arguments / strategies on practical solutions. It remains unclear whether focus would be on existing protected areas, the expansion of the current system, or both, and also, whether emphasis would be on policy development and agency support at the ministerial level or on on-the-ground support.

20. The PIF indicates the use of model areas, one of them to be Hustai Nuuru. It does not make sense to select the only protected area in Mongolia enjoying massive financial and technical support and currently generating sufficient revenue to cover its operational costs.

21. The PIF claims a lack of baseline data in terms of operational costs of PAs, training and equipment needs, and manpower requirements. This appears strange in view of a detailed analysis being available from WWF (2008) that addresses all three issues. Also the findings had been presented at a donor workshop in Ulaan Batar in 2008. The study results clearly highlighted the cardinal issues and problems to be dealt with on a priority basis by the donor community. This is not reflected by the PIC.

22. The results of the Capacity and Financial Need Assessment, realized in above context, confirm that all PAs are under-staffed, under-equipped and under-financed. Furthermore, that the ecological integrity of all areas appears to be threatened/unsecured as a result of excessive overgrazing by livestock, directly linked to Mongolia’s constitutional “free range access” rights granted to every citizen, and the size of PA core zones being too small to meet minimum critical size requirements for an ecologically viable PA.

23. Data from mentioned sources indicate that as little as 1.8% of the country is effectively under protection, not 13%, as the figure provided in the PIF; furthermore that a total of US\$ 6.6

million is needed for PA infrastructure and equipment and US\$ 3.3 million in total operational costs annually for the 48 protected areas in order to provide minimum protection. This shows that the interpretation may differ widely from source to source.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

24. Questions, concerns, challenges and suggestions related to project preparation:

- UNDP Country Office “in Kind and Grant: How much is “In Kind” and how much is grant?
- Page 4, bullet 2: Please explain why rangers should conduct “biodiversity surveys”. “No data on operational cost of PA System available”: this is not correct, see WWF Assessment.
- Paragraph 4: How to secure mining revenues for PA financing? What exactly are proposed innovative financing mechanisms?
- Paragraph 4: There are no Argalis, nor Musk deer in Hustai Nuuru as claimed.
- Paragraph 8: The proposed project may be in line with GEF strategies but it is not clear whether the proposed interventions meet country priorities; so far, the project seems rather little realistic. It is unclear how the project is expected to strengthen local partnerships? Is the proposed expansion of the current PA system desirable at this point in view of the existing system being defunct? Why exacerbate the problem?
- Paragraph 9: How can the project build on the on-going GEF/UNDP project in the Altai Sayan in view of the rather poor results so far?
- Paragraph 10: Donor cooperation in Mongolia has been very poor in the past (very few synergies), why would it be different through the proposed project?
- Paragraph 12: It is not clear what “value added” would imply. What exactly has been achieved by the current GEF/UNDP Altai Sayan project in terms of community support?
- Paragraph 4: All risks rated “low” by the PIC should read “high” and very “high”.

25. By the way it is worth mentioning that if all donor/NGO funds spent within the last two decades in support of Mongolia’s 46 protected areas had been invested into an Endowment Fund instead, the proceeds from the Endowment Fund would be more than sufficient to cover all operational costs of the country’s 46 PAs plus infrastructure requirements and personnel needs; hence safeguarding the protection of existing areas.

Conclusions and Recommendations

26. So far, this project proposed by PIC is overall weak and the PIF leaves many questions open. It is impossible to understand how this project would result in visible benefits, particularly in measurable global environmental terms.

27. Therefore it requires major improvements. Nevertheless, due to the importance of the overall objective, we support that the planning is continued further, however we expect that the above mentioned concerns are further addressed and resolved in planning and we will keep an eye on whether they are settled in a satisfactory manner in the final project documentation proposed for CEO endorsement.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

CLIMATE CHANGE

6. Benin: Energy Efficiency Program [World Bank]

COMMENTS FROM FRANCE

28. The WB is supporting a large project to increase the access to modern energy (101m\$). The GEF/WB aims at developing the use of energy efficient light bulbs and air conditioners through an appropriate scheme involving the Energy Directorate of the MoEnergy. 350 000 incandescent bulbs will be replaced. The project includes (i) the promotion of efficient households, and (ii) the establishment of standards and labels. 5% of the peak load (equivalent of 10 MW) is expected to be reduced. In terms of CO2 emission reduction, around 46 000 tons per year are estimated.

29. **Opinion:** favourable but the issue of the use of CDM carbon credits as in Senegal to finance further development can be raised and addressed.

COMMENTS FROM GERMANY

30. Comments from Germany:

- It is unclear how the project increases the population's *access* to energy, thereby achieving one of the country's objectives. CFLs are replacing incandescent light bulbs rather than providing expanded energy access. The expansion of access argument is unclear and needs to be taken into consideration the potentially conflicting goals of both expanding energy access while trying to reduce GHG emissions.
- How will revenue from CFL sales be used? How will their resale be prevented? Will new air conditioners replace old ones, or are they new installations where no ACs previously existed?
- Was a CDM Program of Activities (POAs) approach considered instead of the current plan to subsidize the sale price of CFLs for consumers? Examples of CFL PoAs exist in India and Senegal.

- With regard to cost effectiveness for GEF, the costs are calculated based on GHG emissions reductions over a 10-year period; however, CFLs do not generally have such a long life-span. Why is a 10-year period used?
- The lack of a disposal plan for used CFLs is a concern, as they contain mercury and therefore are considered as hazardous waste. Recycling or safe disposal plan should be included in the program design.
- Monitoring and Evaluation: will this plan also include follow-up visits to homes to see if a) bulbs are being used, and b) if a rebound effect has resulted whereby people let lights burn longer because of the greater efficiency? Without information about CFL use, the estimate of GHG savings risks being inaccurate.

COMMENTS FROM THE UNITED STATES

Togo and Benin Projects

31. We have the following comments regarding these two projects and other similar projects in West Africa focused on efficient lighting. In addition to these two projects (\$4 million), it appears to us that between \$5 million to \$8 million of other GEF funding will be allocated to projects with substantial investments in efficient lighting. Both projects will engage on work on standards and labeling, as will other projects in the region - in Mauritania, Cote d'Ivoire, Ghana, Nigeria, etc.

32. We see that "linkages" between the projects is mentioned, but we do not believe this is sufficient for the type of transformative impact that should be our goal. We recommend that the GEF and the agencies examine reallocation of some of the funding for these projects (or perhaps from the global and regional exclusion if funding is available) and use it for a regional approach to standards and labeling. Given the very small size of most of these markets and their dependence for imports, it seems neither cost effective nor sustainable for each country to develop separate standards and or energy efficiency testing laboratories. Also, a truly regional GEF program on this issue would seem to be much more transformative. Elements of such a regional approach could include:

- Development of a regional database accumulation process in West Africa;
- Development of regional standards for lighting (or for other appliances, such as air conditioners);
- Review of products in the region against the standard;
- Creation of a training and code certification program to develop a skilled workforce; and

- A regional energy efficiency testing laboratory.

33. We are concerned that neither project will ensure proper disposal of the CFLs, which contain mercury. This again is something that could be addressed at the regional level.

34. The Benin project asks for \$2 million while Togo proposes using \$2 million only for lighting? Please explain how the funding will go further in Benin.

Benin Energy Efficiency Program

35. As mentioned above, we are disappointed with the quality of this project. We question the country-by-country approach to standards and labeling. Moreover, the GEF component seems to be a "sustainable" add-on to a larger World Bank project and we are concerned that important opportunities for mainstreaming sustainability in the full project might be going unaddressed.

- Are there energy sector policy shortcomings in the country that should be addressed, such as price subsidies? This should be addressed in the full project.

36. The final project proposal will need to address the question of sustainability. How will the bulk purchases yield sustainable behavior change once the lights are all sold?

37. Cofinancing: We have been concerned by a considerable degree of "inflation" in what is being counted as co-financing. This is an important issue as it relates to the GEF's credibility. The listing of the IDA credit's value (\$74.25 million) as "co-financing" (yielding a co-financing ratio of 1:37) seems unrealistic and is not consistent with GEF's co-financing policy adopted in May 2003. (See pages 3-5 of the policy at:

http://www.thegef.org/Documents/Council_Documents/GEF_C21/C.20.6.Rev.1.pdf)

38. The IDA credit is for the upgrading of the power grid and network and for increasing access to electricity, which is an essential development goal. This qualifies, however, as baseline funding that should be counted as associate financing under GEF's policy. As defined by the policy, cofinancing consists of "project resources that are committed by the GEF agency itself or by other non-GEF sources and which are essential for meeting the GEF project objectives." Only the relevant parts of the IDA credit should be included. We request that the Bank and GEF follow established policy in this regard.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

7. China: Integrated Renewable Biomass Energy Development Project [ADB]

COMMENTS FROM FRANCE

39. The project aims at promoting new renewable energy sources for rural areas and allowing agro-enterprises to generate power for agriculture wastes and be connected to the grid. To do so, the project plans to cover 50% of the additional investments needed (on 150 sites in 6 provinces) through ADB funding.

40. GEF support would focus on the connection of the middle and large scale biogas plants (MLBGP) to the grid. The use of CDM is considered to ensure the long term financial sustainability of the MLBGPs.

41. As indicated by STAP, it would be worthwhile for the project to precise the type of digester that are going to be promoted, since different designs lead to different performance in terms of biogas production but also in terms of maintenance and operation costs. It would be good also to further define the biomass that is targeted: animal waste, plants residues.

42. In terms of partners, it seems necessary to involve the CDM centers when they exist at the provincial level as well as ACCA 21 from Ministry of Science and Technology and NDRC at the central level.

43. **Opinion:** favourable when addressing the above comments.

COMMENTS FROM GERMANY

44. The project proposal can be supported without a need for further comments.

COMMENTS FROM SWITZERLAND

General Comments

45. Electricity production in the People's Republic of China (PRC) is mainly based on coal resulting in high GHG emissions, mainly due to CO₂. On the other hand, there is a large amount of unused agricultural residues that nowadays contribute to GHG emissions in the form of methane and N₂O; these in addition contribute to water pollution. By anaerobic digestion of

agricultural waste to biogas and utilization of the biogas for energy production, net GHG and water pollution can be significantly reduced. With respect to GHG emissions, the benefits are enhanced, if biomass is applied to subsidize coal. Although small-scale applications of biogas production for self-consumption are established to a certain extent, these would be insufficient to use up all the agricultural waste potential and a connection to the grid is not worth considering due to scale effects.

46. The proposed project will support the implementation of medium to large-scale biogas plants (MLBGP) in the size range of typically greater than 500 kW (which is the target size of the government) or slightly smaller in six provinces of the PRC. Further, the connection of existing and new MLBGP to the grid shall be established. For this purpose, anaerobic digesters (AD) shall be introduced for the medium size range and include co-fermentation as an option. For existing MLBGP, necessary adaptations will be supported. To achieve these targets, technology development will be supported to assist 24 agro-enterprises for energy supply to the grid and up scaling of about 12 MLBGPs to co-fermentation and/or centralized systems. In parallel, assistance will be offered / provided to overcome non-technical barriers, such as regulatory constraints, and to promote bio-energy markets, as well as for training.

Questions, Concerns and Challenges for the further Project Preparation

47. Measures for technology development and to overcome non-technical barriers are described in a generic way. During the project extension, targets and approaches for both measures will be further developed.

- Concerning technology development: Digester technology and size has to be addressed with respect to the specific needs. In addition, gas clean-up technology has to be considered as an important part of the system. For the evaluation of the technology, target values for efficiency and emissions shall be defined in order to guarantee that the described potential to reduce GHG emissions may be achieved. In this context, emissions of GHG resulting from leakages in biogas production also need to be considered.
- Concerning regulatory measures: Agreements with operators of the electric grid will be established in order to enable a successful implementation of MLBGPs. Experiences in Europe show that decentralized power generation can only be established if policy dictates clear and advantageous conditions for feed-in of renewable electricity, while under existing market conditions, decentralized power production cannot be established.
- Concerning agricultural waste management: To establish MLBGPs, it is essential to establish regional management and logistic systems to collect the locally available agricultural wastes and to distribute the organic fertilizer produced as biogas residues. During the project extension, this issue needs to be specifically addressed considering the fact that agricultural waste will not be available for regionally centralized MLBGPs except if the farmers receive a significant economic advantage by providing their wastes. Respective agreements shall be prepared and potential costs for waste purchasing need to be considered.

Conclusions and Recommendations

48. The implementation of MLBGPs is a highly valuable instrument in order to reduce air and water pollution from the agricultural sector. Consequently, the project has a huge potential to reduce GHG emissions and it additionally enables an improvement of the water quality and an approach to sustainable food production in six provinces of the PRC. Hence the project basically merits strong support. However, the challenges to technology development, elimination of regulatory constraints and agricultural waste management need to be clarified during the project extension.

COMMENTS FROM THE UNITED STATES

49. This seems to be a very solid GEF project that is well integrated with the overall ADB project. It seems to have the potential for transformative impact. Only three comments:

- (a) STAP raised a question as to whether the MLBGPs will conflict with the small farm level ones, which have been supported by the ADB and GEF. We understand that the intent is for this project to collect livestock wastes from medium-size farms or plants, in which case, issues of overlap with efforts at smaller farms is minimized. If this does not turn out to be the case, we would appreciate some discussion in the final document as to whether the grid electricity would be affordable for farmers.
- (b) The project should insure that a water monitoring system is in place to document before and after affects on water quality parameters in the affected areas.
- (c) We are unsure the ADB should count all \$220 million as "cofinancing for the GEF project given that this financing is for 154 plants where as the GEF component is only for 24 plants. Please see cofinancing policy at: http://www.thegef.org/Documents/Council_Documents/GEF_C21/C.20.6.Rev.1.pdf)

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

8. Egypt: SPWA-CC Industrial Energy Efficiency (IEE) [UNIDO]

COMMENTS FROM FRANCE

50. Egypt is planning to phase out subsidies in the energy sector and to develop energy efficiency policy. The project aims at disseminating the good practices in the field of energy efficiency in the industry sector.

51. The project encompasses (i) dissemination of ISO compatible energy management standard (200 industries), (ii) the stimulation of the demand in term of energy efficiency services and goods, (iii) the building of the local capacities (500 representatives of industries), and (iv) the direct support to energy intensive industries (50).

52. This project should “synergized” with a UNDP/GEF energy efficiency improvement programme and others, such as programs supported by USAID (Energy conservation and environment programme), Germany or Denmark. For memory, the UNDP/GEF programme reached merely 10% of the 200 audits planned. (1999/2003)

53. **Opinion:** Reserved unless sound answers to following concerns.

54. UNIDO hopes to do better than the precedent UNDP/GEF project in term a quantity (improvement of energy efficiency from 5 to 30 %) by promoting a new approach (energy management standard and system optimization).

55. The UNIDO budget is however extremely limited with 95 000 \$ during the preparation phase and not mentioned at all during the implementation.

56. The PIF which is submitted is very “theoretical”. No single example of envisaged projects is presented. The real institutional appropriation by the Egyptian authorities of the project should be questioned, the modalities of implementation either.

COMMENTS FROM GERMANY

57. Comments from Germany:

- The success of the project is linked in part to governmental subsidies for energy being lifted and channeling “new revenues” into energy efficiency measures. The source of new revenue is unclear. Are there actually new revenues or are the *savings* from lifting subsidies to be channeled into EE measures? Since the

current subsidies are a “burden” on the national budget, would there actually be any *saved* money to use for EE measures? (Part B, page 7)

- The stated lack of interest on the part of industry to invest in EE improvements or to even consider the energy inputs as part of overall cost-management is a major hurdle to success. Clarification is needed on how this hurdle will be overcome.
- The current GEF/UNDP Project: Energy Efficiency Improvements and Greenhouse Gas Reduction (EEIGGR) is described as an EE project focusing on improvements of a few technologies “that are relatively easy to implement with short payback period rather than the technically more challenging work of energy management and system optimization envisioned in this proposal.” However, EEIGGR reports only a 10% success rate with regard to its goal of conducting 200 energy audits. Why was the success rate so low and how might similar hurdles impact the success of the newly proposed EE project? Specifically, how might the success of component 5 be impeded with regard to 50 in-depth system assessments and 25 systems optimization projects implemented given the low success rate of EEIGGR?

COMMENTS FROM SWITZERLAND

General Comments

58. The proposed project on Industrial Energy Efficiency fits well into the GEF4 strategic programme priorities with its proposed focus on energy intensive industries and SMEs. The proposed approach is however biased to capacity building with unclear prospects how financial incentive programmes could in practice enhance demand for energy efficiency services and goods and so to effectively address prevailing barriers. Therefore, it is suggested orientating a larger share of project resources into incentive schemes supported by policy shifts and initiating the process of sustainable market transformation.

Questions, Concerns and Challenges for Further Project Preparation

59. Questions, concerns and challenges for further project preparation:

- The STAP comment outlines concerns related to conceptual weaknesses in the proposal, particularly with regard to the criteria and approach applied in selecting beneficiaries giving adequate weight to cost effectiveness of the targeted GHG mitigation and the replication potential of targeted capacity building interventions. The project proposal submitted seems inadequately biased towards capacity building. Market based instruments for incentivizing demonstration of best practices are not a prominent part of the proposal. The document fails to highlight

whether the proposed capacity building interventions are really those with the best chances to overcome barriers and how this should be achieved in a sustainable manner. The proposal lists barriers providing evidence that energy efficiency has a low weight among the targeted industries. The current market downturn will be likely to add to the weight of those barriers with regard to financing of energy efficiency measures and accessing debt finance.

- In that situation it seems advisable to complement the proposed approach by market based instruments which could induce policy leavers. In the further work on the Prodoc up to CEO endorsement the project proponents are invited demonstrate how market transformation could be achieved by strengthening component 4 “improvement of incentive of financial incentive programmes supporting the implementation of energy efficiency programmes in Industry”. This component is now supported by 200’000 USD only, which seems inadequate to ensure that such incentive schemes are implemented effectively. It is recommended to assess to what extent financial incentive schemes could in particular be introduced in cooperation with utilities launching energy efficiency award in different categories (energy intensive industries, SMEs). In Switzerland the “energy model Zurich” which comprises tariff incentives granted to firms which achieve energy efficiency benchmarks by the local utility, has been successfully spread demonstrated and disseminated. The project could introduce such an incentive through an award scheme, which calls for the application of capacity building tools proposed in the project. Awarded firms demonstrating best in service benchmarks could receive a monetary award which could be co-financed by GEF. Such awards could help pioneering firms to recover some of the capital investment and in addition to support the communication of environmental management achievements of ISO certified enterprises.

Conclusions and Recommendations

60. The project approach requires a major revision. It is strongly recommended to significantly improve the proposal as outlined above and also requested by STAP in the process to CEO endorsement.

COMMENTS FROM THE UNITED STATES

61. We are pleased to see that this capacity building project will take place in a context where the national government has established a policy path for reforming distortive energy subsidies for industry. In policy discussions, it would be helpful for UNIDO to emphasize vigilance in maintaining the established pricing reform schedule as this will be important for the success of the project.

62. It is not clear from the proposal where the energy efficiency experts are to be housed after they are trained. It also mentions that there might be a “lead consultancy entity” for the entire country. It would be helpful to know why Egypt should seek to establish only one such provider rather than allowing a market for such services. Also, is there likely to be sufficient business for such providers?

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

9. Nigeria: SPWA-CC Nigeria Urban Transport [World Bank]

COMMENTS FROM GERMANY

63. Comments from Germany:

- A concern is raised in the proposal that a lack of political commitment on the part of the government of Nigeria, combined with a lack of interest on the part of stakeholders could prevent the project from being a success. The lack of co-financing contributions from the government seems to underscore this concern. How can the role of partners within the various ministries be strengthened to increase ownership and responsibility for stated goals?
- The proposal states that GEF funds will be used to: “help enhance the capacity-building component of the underlying project such that there is additional emphasis on systems planning to improve both operational efficiency and service characteristics that enhance mode switching in favor of climate-friendly modes.” How will this be achieved in concrete terms?

COMMENTS FROM SWITZERLAND

General Comments

64. The Nigeria urban transport project addresses very relevant issues – also in terms of GHG emissions and hence GEF-topics – by setting the goals to improve transport management capacity and to enhance the efficiency of the public transport systems in Lagos and Kano metropolitan areas. Despite this general assessment there are several concerns as to whether the approach laid out in this proposal will meet these expectations.

Questions, Concerns and Challenges for the further Project Preparation

65. Some of the concerns were already raised by the STAP and the GEFSEC, but the responses are not yet fully convincing, respectively leave room for necessary improvement.

66. Our concerns are:

- It is difficult to discover / grasp a particular identity of the project. The objectives are formulated in very general terms, and it is unclear which specific measures and actions will be taken and supported by the GEF resources (particularly component 3).
- Therefore it is also difficult or impossible to specify particular and measurable and monitorable benefits.
- One might wonder why certain elements (e.g. “improving local capacity to plan, implement, and monitor public transport services”) should be assigned to GEF funding and why they are not already a necessity for the project and hence part of the World Bank project.
- Elements with a certain link to GEF-topics are mentioned as relevant challenges (e.g. old and poorly maintained vehicles), but they are not addressed further in the proposal. One would expect that the proposal sketches at least in general terms how this issue will be tackled. This should then allow one to make an assessment of the benefits, e.g. the improvement of the energy efficiency in quantitative terms.
- Other risks indicated are the lack of political commitment and – related to this, how the project deals with an appropriate policy and regulatory framework. This seems particularly relevant in view of an unregulated and fragmented market. Without expecting a specific “cause-and-effect link” between such a framework and success, the proposal gives no clear indications about the intentions and the key elements for the development of the framework. This is surprising because this policy dialogue is mentioned as a key factor for the BRT project so far.

Conclusions and Recommendations

67. In principle we support this project due to the importance of the issues addressed. However, the project needs to be reshaped:

- It should get an identity in its own – instead of a general “add-on” to a follow-up project of the World-Bank.
- The measures and actions planned should be denominated and they should be made more specific – particularly also with regard to GEF-related topics (like energy efficiency, vehicle fleet renewal, maintenance).
- The expectations of the effects should be indicated in order to allow for an adequate monitoring.
- The process, respectively the continuation of the process to form a policy and regulatory framework should be described in more detail.

- The resources for the different elements should to allocated more specifically – and not just as a lump-sum value, particularly in component 3.

68. We expect that the above mentioned concerns are addressed and resolved in planning and we will keep an eye on whether they are settled in a satisfactory manner in the final project documentation proposed for CEO endorsement.

COMMENTS FROM THE UNITED STATES

69. We are happy to support this project. Issues that should be addressed in the final proposal include:

- Given institutional concerns, the World Bank should exercise solid fiduciary oversight on procurement and the granting and monitoring concessions.
- Will the project include mechanisms to generate feedback from local communities utilizing the public transport system? This could enhance successes of the project in maintaining and supporting the transport changes.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

10. Togo: SPWA-CC Efficient Lighting Program [World Bank]

COMMENTS FROM FRANCE

70. The project is a copy of the Benin project commented above and limited to the bulbs only. WB is currently preparing an emergency energy project which aims at increasing the access of electricity in Lome (80% of the electricity demand of the country) (27 \$m) 400 000 bulbs are to be replaced under the project through an appropriate procurement scheme in conjunction with the national electrical energy company (CEET).

71. **Opinion:** favourable but the questions of (i) the use of CDM carbon credits to finance further development, and (ii) regional work to establish standards and labels instead of national approach can be raised and addressed.

COMMENTS FROM GERMANY

72. The proposal was developed in tandem with the Energy Efficiency Program for Benin (see above), therefore many of the same comments apply:

- Recycling and/or safe disposal plan for used CFLs is needed
- How will revenue from CFL sales be used? How will their resale be prevented? Can a PoA mechanism be used as a co-financing option to overcome the need for CFL subsidies?
- Monitoring and Evaluation: will this plan also include follow-up visits to homes to see if a) bulbs are being used, and b) if a rebound effect has resulted whereby people let lights burn longer because of the greater efficiency? Without information about CFL use, the estimate of GHG savings risks being inaccurate.

COMMENTS FROM THE UNITED STATES

Togo and Benin Projects

73. We have the following comments regarding these two projects and other similar projects in West Africa focused on efficient lighting. In addition to these two projects (\$4 million), it appears to us that between \$5 million to \$8 million of other GEF funding will be allocated to projects with substantial investments in efficient lighting. Both projects will engage on work on standards and labeling, as will other projects in the region - in Mauritania, Cote d'Ivoire, Ghana, Nigeria, etc.

74. We see that "linkages" between the projects is mentioned, but we do not believe this is sufficient for the type of transformative impact that should be our goal. We recommend that the GEF and the agencies examine reallocation of some of the funding for these projects (or perhaps from the global and regional exclusion if funding is available) and use it for a regional approach to standards and labeling. Given the very small size of most of these markets and their dependence for imports, it seems neither cost effective nor sustainable for each country to develop separate standards and or energy efficiency testing laboratories. Also, a truly regional GEF program on this issue would seem to be much more transformative. Elements of such a regional approach could include:

- Development of a regional database accumulation process in West Africa;
- Development of regional standards for lighting (or for other appliances, such as air conditioners);
- Review of products in the region against the standard;
- Creation of a training and code certification program to develop a skilled workforce; and
- A regional energy efficiency testing laboratory.

75. We are concerned that neither project will ensure proper disposal of the CFLs, which contain mercury. This again is something that could be addressed at the regional level.

76. The Benin project asks for \$2 million while Togo proposes using \$2 million only for lighting? Please explain how the funding will go further in Benin.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

11. Ukraine: Energy Efficient Lighting in Residential and Public Buildings [UNDP]

COMMENTS FROM GERMANY

77. The proposal states: “In collaboration with local and international CFL producers and national retailer networks design and implement CFL dissemination program for residential consumers (30-40 mln CFLs by the end of the project).” Similar CFL-dissemination proposals in other countries propose plans to subsidize CFL costs in order to overcome the hurdle of high up-front cost of a CFL in comparison to incandescent bulbs. This proposal provides no details about how the cost hurdle will be addressed. Could a JI-PoA mechanism be used as a co-financing option? Clarification is needed.

COMMENTS FROM THE UNITED STATES

78. The project has the potential to have solid impact if decent quality CFL bulbs can be produced in Ukraine at realistically affordable prices, with job creation as a side benefit. If the bulbs are disseminated throughout the country, potential energy efficiency savings could be quite large. Public awareness and price will be paramount.

- How cost competitive are Ukrainian bulbs likely to be with imported bulbs?

79. We believe the CO2 reduction and cost effectiveness estimates might be overly bold. We are unsure how likely it will be that Ukraine’s market achieves a product penetration of 20% by 2012. The full proposal should benchmark against the success of similar projects in comparator countries.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

INTERNATIONAL WATERS

**12. Regional (Malaysia, Philippines, Indonesia, Vietnam, Cambodia, Papua New Guinea):
CTI Strategies for Fisheries Bycatch Management [FAO]**

COMMENTS FROM GERMANY

80. Germany would like to see that the comprehensive and fundamental comments provided by the STAP are taken into account in the development of the project. The information presented in the PIF is quite general and clarity in the objectives and the expected output is needed.

COMMENTS FROM SWITZERLAND

Overall Comments

81. The project addresses a wide range of issues related to bycatch management. It intends to transfer the success of the FAO/UNEP/GEF project "Reduction of Bycatch in Tropical Shrimp Trawling" (REBYC) to regional fisheries management, aiming at a bycatch management in the Coral Triangle/South China Sea (CTI/SCS).

82. We concur with the STAP's advisory response that the project needs much greater clarity in its objectives and design if it is to succeed. In its present formulation, the project raises many relevant issues in sustainable fisheries management, locates itself in a marine zone with high biological diversity and refers to a series of related initiatives, but remains vague in where it intends create added value.

Questions, Concerns and Challenges for the further Project Preparation

83. Questions, concerns and challenges for the further project preparation:

- The combination of the participating countries is unclear. Locating itself under the CTI and addressing one of CTI's central goals, it would be desirable to have all CTI members on board.
- Further, we feel that focusing the bycatch avoidance priorities of the project on well publicized groups in the targeted region, e.g. turtles or marine mammals, might help both to strengthen the project's case under the Strategic Program 1 and to get a clearer commitment of participating project partners.

- The project description mentions that climate change impacts are likely to have an overarching role, but lacks any explanation in which way this will be taken into account in the project.
- The project description alludes to an intended FAO proposal for an Ecosystem Approach Fisheries and to another project on Sustainable Fisheries investment. The further project preparation will have to clearly demonstrate the added value of the proposed GEF project to these projects.

Conclusions and Recommendations

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

85. We see however a lack of consistency between the wide objectives and the presented design, participation and means. We feel that more focused objectives will be needed to show a tangible added value.

86. We recommend revising both project objectives and design in the further project preparation.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

MULTI-FOCAL AREAS

**13. Global: 4th Operational Phase of the GEF Small Grants Programme (add-on)
[UNDP]**

COMMENTS FROM FRANCE

87. This project consists to replenish the funds for the continuation of the GEF Small Grant Programme which last since 1992. Several evaluation of the SGP were implemented and allowed to assess progress and stakes with this programme. This new replenishment should allow to financing 770 NGOs or Community Based Organizations.

88. **Opinion:** favourable under answers to following aspects.

89. The PIF doesn't provide some clear directions to answer to the previous recommendations of the "2007 Joint evaluation of the Small Grant Program":

- Proposing a level of management costs on the basis of services rendered and cost-efficiency rather than on the basis of a stated percentage;
- Starting a process to change SGP's central management system suitable for the new phase of growth and to address the risks of growing complexity;
- Strengthening country programme oversight;
- Further strengthening monitoring and evaluation;
- Proposing a revision of the current criteria for access to SGP resources to maintain cost efficiency; and
- Further developing a graduation policy for the SGP country programmes which takes into account the identified risks to GEF achievements and cost effectiveness, especially in SIDS and LDCs.

90. Moreover, the PIF mentions that: "There is also increasing utilization of the GEF SGP mechanisms and procedures in the micro grants components by some full-sized projects of the GEF [...]".

91. Some independent evaluation should be directed to clarify that this utilization of GEF SGP resources is not a mean to compensate derivation or inefficient use of resources from GEF full size-project, but participates to a clear and efficient complementary use of financial means.

COMMENTS FROM GERMANY

92. The project proposal can be supported without a need for further comments.

COMMENTS FROM SWITZERLAND

General Comments

93. The project document for the 4th Operational Phase (OP4) of the SGP running from July 2007 to June 2010 was approved by the GEF Council in June 2007. In terms of GEF4 financing, the GEF Council approved USD 106,000,000 in SGP Core funds, and USD 56,927,902 in anticipated RAF funds. The SGP core funds were released in October 2007, and the financing submission of RAF for the first half of GEF4, totaling USD 17,646,591 was endorsed and released in February 2008.

94. The current RAF submission corresponds to USD 44,423,500 in GEF financing as requested by SGP participating countries from their individual country RAF allocations for the second half of GEF4. It is based on earlier decisions and leaves little margin for new opinions. However, given that considerable amounts have already been spent under the SGP, and also that the new submission implies again a substantial contribution by GEF, we regret that the current PIF provides only rather general information. Therefore, we decided to comment on some of our concerns regarding the SGP and to raise a few questions.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

95. Questions, concerns, challenges and suggestions related to project preparation:

- The proportion of the core funds within the SGP is very high. Thus, with such a high proportion, is the criterion of cost-effectiveness of the overall programme really satisfied?
- The project framework (the table below chapter A of the PIF) specifies only in very general terms the expected outcomes and outputs. In order to provide an adequate orientation and guidance to the individual country projects and to guarantee a sufficiently differentiated reporting by the individual countries facilitating the up-scaling of the information to the overall program level, particularly on the global environmental benefits, we are convinced that the current project framework (and the log-frame) has to be specified further.

- Co-financing: We recognize that at this stage, it is not possible to provide detailed information on the expected co-financing. However, we expect that the SGP will pay attention to a systematic follow-up of the commitments on co-financing and report accordingly on this aspect to the GEF.
- Following the project PIF “SGP has continued to support the creation and implementation of small grants components of large GEF projects”. Please do not only provide one good example but indicate which proportion of the total amount of the SGP country allocations are directly supporting small grants components of large GEF projects. Please provide that information at country level.
- Please complement annex 1 with data on the contributions to SGP for the first half of GEF 4.

Conclusions and Recommendations

96. The current submission refers to the 4th Operational Phase (OP4) of the SGP, particularly to the second half of the RAF-SGP allocations.

97. As this proposal is based on earlier Council decisions, we recommend its approval. However, we underline, considering the efforts made so far under the SGP, that one could expect clear background information; further considering that a substantial amount of 44 million USD is requested to GEF, one could also expect a clearer description of the approach and management.

98. We therefore underline that we expect that the final project documents will satisfy much better our expectation.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

14. Argentina: Rural Corridors and Biodiversity Conservation [World Bank]

COMMENTS FROM GERMANY

99. Comments from Germany:

- The project shall integrate monitoring and evaluation activities and provide budget for these activities.
- Development of a strategy to ensure the sustainability of the activities of the project.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

15. Bolivia: Conservation and Sustainable Use of Biodiversity and Land in Andean Vertical Ecosystems [IADB]

COMMENTS FROM GERMANY

100. There is the need to cooperate with the following two technical cooperation projects:

- (a) Proagro (Programa Desarrollo Agropecuario Sostenible, implemented in cooperation with DGIS). Its aim is to improve the efficiency and quality of services provided by national programmes for the promotion of sustainable agricultural development in Bolivia, including the Altiplano.
- (b) Cambio climatico de los Andes: The aim of the project is to support the adaptation of agriculture to climate change and to build capacity in the relevant institutions. It is implemented through the regional organisation CAN, Community of Andean Nations and is part of wide network of related activities/projects in Bolivia.

COMMENTS FROM SWITZERLAND

General Comments

101. This project addresses a wide range of issues to conserve agro biodiversity and native species in Bolivia and aims to protect endangered species and secure food security for the Ayllus population. It seems consistent with GEF policies and well embedded in the national framework and further initiatives for biodiversity conservation and adaptation to climate change. Its three components, summarized as (a) establishing the information decision support system, (b) strengthening of policies, regulatory frameworks and local capacity for vertical ecosystem management, and (c) promoting best practices, are soundly combined. The background information given also satisfies our expectations at PIF-level.

102. Switzerland didn't identify major concerns regarding the project design. However, especially regarding climate change, which is expected to generate negative impacts in the semi-arid zones of Bolivia and thus also in the project area, the challenges for the project are evident and require special attention in the further planning process and in the future implementation of the project.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

103. Questions, concerns, challenges and suggestions related to project preparation:

- Project area: The project will be implemented in the northern part of Potosi and the southeast of Oruro. We recommend considering a possible extension of the area to one part of Chuquisaca, where most of the endangered species (flora and fauna) are well presented.
- Adaptation to climate change: The adaptation to climate change will be of crucial importance. Therefore the project has integrated this issue within its design and has foreseen being linked with further ongoing activities / projects in this field. Nevertheless, we stress upon the question: how will the possible climate scenarios been considered in the fine-tuning of objectives and targets? Furthermore we underline the importance of a baseline and monitoring which integrates indicators regarding the climate change. For the establishment of a research agenda, the modeling of scenarios and the quality of the input-data are essential. And last but not least, to achieve the desired outcomes (of project component 1), a strong commitment of the main local institutions is required.
- Communication: The Ayllus population is the key counterpart to conserve agro biodiversity and native species in the region. The broad indigenous knowledge and experience has to be included through intensive participation of the Ayllus in the process, i.e. in the establishment of adequate biophysical indicators, and in the promotion of best practices. Therefore communication will play an important role. However, for a successful communication, the use of the native language is essential. It should be explicitly foreseen in the planning document.

Conclusions and Recommendations

104. We fully support the project objectives and believe that it is in general terms well conceived. We therefore recommend to the GEF to continue with the further planning of the project and hope that the above mentioned challenges will be considered correspondingly.

**INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/IS/21)**

16. Philippines: CTI: Agusan River Basin Integrated Water Resources [ADB]

COMMENTS FROM GERMANY

105. The project proposal can be supported without a need for further comments.