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COMPILATION OF TECHNICAL COMMENTS
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ON THE INTERSESSIONAL WORK PROGRAM
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NOTE: This document is a compilation of technical comments submitted to the Secretariat by Council members concerning the project proposals presented in the Intersessional Work Program approved by the Council on March 17, 2010.

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Biodiversity

- 1. Global (Brazil, Kenya, Sri Lanka, Turkey) : Mainstreaming Biodiversity Conservation and Sustainable Use for Improved Human Nutrition and Well-being (UNEP/FAO) (GEF Project Grant : \$5,517,618)**

COMMENTS FROM GERMANY

The project proposal should be amended in substantive terms. The overall approach is purposeful and builds on existing initiatives, notably the FAO/CBD/Bioiversity Cross-cutting Initiative on Biodiversity for Food and Nutrition. Insufficient attention is presently given to the potential of (agricultural) biodiversity to improve human nutrition. The project contributes to remedying this situation.

Suggestions for improvement of the project proposal: The ITGRFA (International Treaty on Plant Genetic Resources for Food and Agriculture) Secretariat, with its various initiatives, and the issues covered by that Treaty (notably Article 9, Farmers' Rights), which are highly relevant to farm-level breeding and thus to the conservation of agrobiodiversity, should be given greater substantive consideration (project component 2). Greater priority should be given to the approach of establishing markets for biodiversity products in order to create an economic incentive for biodiversity conservation (project component 2). The project proposal does not yet integrate key partners in the farming/agricultural sector, e.g. in Brazil. Without their involvement, it will be unlikely to achieve efficient cross-sectoral cooperation.

COMMENTS FROM USA

The US abstains on this project due to legislative mandate. The US Treasury will record this project as abstention in its loan review database.

2. Global (Chile, Indonesia, Nepal, Vietnam) : Expanding FSC Certification at Landscape-level through Incorporating Additional Eco-system Services. (UNEP) (GEF Project Grant : \$2,880,000)

COMMENTS FROM GERMANY

Approval is recommended and implementation of this proposal is fully endorsed. Country selection is strongly biased towards Asian countries. Amazon region and all of Africa are not taken into consideration despite the vital lessons that can be learned in these regions. Even though this can be explained by depletion of country quotas under GEF 4, we strongly recommend to prepare a project extension under GEF 5.

Countries could be: LAC: Peru., Colombia, Nicaragua: SSA: Democratic Republic of Congo; Republic of South Africa, Cameroon.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/ IS/22)

- 3. Regional (Cook Islands, Nauru, Tonga, Tuvalu) : PAS Implementing the Island Biodiversity Programme of Work by Integrating the Conservation Management of Island Biodiversity (UNEP) (GEF Project Grant : \$1,740,600)**

NO COMMENTS RECEIVED.

4. Regional (Indonesia, Cambodia, Philippines, Vietnam) : Removing Barriers to Invasive Species Management in Production and Protection Forests in SE Asia (UNEP) (GEF Project Grant : \$3,081,045)

COMMENTS FROM GERMANY

The expected outcome 1 should be revisited, and more extensive coordination with ASEAN envisaged. The proposal states “that strong national and regional institutions working in a collaborative way” are needed to reduce the negative impacts of Invasive Alien Species (IAS). It targets at four SE Asian countries which have not yet established effective IAS programmes, and which shall act as pilots for the region. The project component 1 (“Establishing National Policy and Institutional Frameworks”), however, only targets “Policy and institutional environment enabled in at least two of four countries for cross-sectoral prevention and management of IAS”. Given the size of the project and its focus on institution building and cross-sectoral exchange, it is proposed that the project aims at enabling the institutional environment in all four pilot countries (Indonesia, Cambodia, Philippines and Vietnam).

Given the regional orientation and focus on networking and information exchange, the ASEAN Secretariat in Jakarta should, besides the ASEAN Center for Biodiversity in Manila, become involved. Coordination with ongoing ASEAN projects, e.g. the ASEAN-German Regional Forest Programme, should be targeted.

Long term funding for the proposed “Asia Pacific Forest Invasive Species Network” should be indicated to achieve required project sustainability.

COMMENTS FROM SWITZERLAND

Overall Commentaries

The PIF and the PPG are presented under GEF's strategic programme "invasive species". The aim of the project is to address invasive alien species (IAS) through mainstreaming the prevention of invasive species issues into national and regional policy-making, building adequate capacity, providing tools, engendering inter-sectoral and cross-boundary cooperation, particularly in management of existing IAS, as well as prevention of new invasive species infestations.

IAS are a major threat to biodiversity and may also have negative impacts on livelihoods of local communities and the forestry sector. The control, containment or eradication of invasive alien species is a highly challenging issue, requiring a close collaboration at all levels (i.e. community, local, national, regional level). To be successful, such a project therefore needs to be based on clear objectives and rely on a strong strategic backbone. The present PIF, however, proposes a very general and untargeted approach to the IAS

issue, with project components and expected outcomes that *per se* are justifiable, but, in their entity manifest a lack of strategic orientation.

Questions, Concerns and Challenges for further Project Preparation

- **Inconsistencies regarding project costs**

The project costs shown in the PIF and the endorsement letters as well as between the endorsement letters themselves are not consistent. There is an urgent need to clarify the cost estimations of the project.

- **Progress in PIF development cannot be traced**

After the initial submission of the PIF in April 2009, a total of three subsequent resubmissions were necessary. The three resubmissions indicate that major changes have been applied. Are the project's objectives still comparable to those of the proposal at the date of endorsement by the four countries?

We further regret that, due to the missing STAP review, neither can project development be traced nor progress assessed.

- **Inconsistencies regarding the project objectives**

Even though we recognise the very early stage of project development with so far only little project preparation activities (according to request for PPG) the description of the basic problems that the four countries face with IAS in their forest ecosystems is insufficient. Most of the information provided regarding the four countries describes problems encountered in wetlands and not in forests.

In general, it is rather difficult to relate the statements regarding project justification to the components of the project framework. For instance, the project title clearly addresses IAS in production and protection forests. However, project component no. 1 (national policy and instrumental frameworks) addresses explicitly IAS in general and the capacity building programmes (component no 3) target agriculture, forestry, transport, tourism etc.

We share the view that IAS management requires a broad as well as multi-stakeholder approach. Nevertheless, some prioritisation is urgently needed to set the baseline for a further coherent project development. Does the project address predominantly IAS in forests or does it address capacity building in a more general manner?

- **Involvement of key stakeholders needs to be addressed in a strategic way**

We fully support the view expressed in the PIF that the lack of interest and support from key stakeholders and a subsequent inadequate financial support to the project are key risks in the achievements of its goals.

We recognise an urgent need to tackle the issue in a proactive way and request that the involvement of key stakeholders is to be addressed strategically within the project framework. Indeed, it seems not acceptable that the main project outcome, i.e. the establishment of national policy and institutional frameworks, is anticipated to fail in 50% of the countries, or that strengthening the implication in IAS of the productive sector is used as a main criterion to justify GEF support, but no project component is dedicated to this issue.

Conclusions and Recommendations

The baseline information provided in the PIF is weak as is the project's strategic orientation. However, we recognise IAS to be a major threat to biodiversity and to have significant socio-economic impacts. We therefore support continuation of planning, but expect a major revision of the project design, focusing on clarifying the objectives as well as establishing a strategic framework on how to address and secure stakeholder involvement and support.

COMMENTS FROM THE UNITED STATES

The United States is encouraged to see a project that recognizes the significance of invasive species for forest health, biodiversity, and ecosystem services.

WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS
(REFERENCE TO GEF/ IS/22)

- 5. Angola : National Biodiversity Project (World Bank) (GEF Project Grant : \$2,000,000)**

NO COMMENTS RECEIVED.

**6. Brazil : Amazon Region Protected Areas Program Phase 2 (World Bank)
(GEF Project Grant : \$15,890,000)**

COMMENTS FROM GERMANY

The project proposal builds on the first phase of the project. Therefore, only a few aspects have to be commented:

The Brazilian Forestry Service (SFB) is not mentioned in the cooperation aspects. The SFB will be mandated to take the lead for the national REDD strategy, and in this context it can also provide knowledge on monitoring of large forest areas (especially remote sensing) and on the sensitive agricultural frontiers.

Risk 2: Availability of qualified management personnel for the protected areas is low. If financing human resources is not possible, a regular training opportunity should be included in the project measures.

COMMENTS FROM SWITZERLAND

General Commentaries

Building on the first phase of the successful ARPA project which show-cased effective synergies to be achieved through financial and technical cooperation between different donors (GEF/World Bank, KfW, GTZ and WWF network) the proposed project expansion and financing is justified for a project of unquestionable global conservation importance.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

Two areas of main concern appear to be insufficiently addressed:

1. **How to effectively tackle the root causes responsible for the still rapidly expanding destruction of the Amazon forest** (road access development enabling spontaneous colonization leading to large-scale land alienation, uncontrolled resource exploitation and land degradation).
2. **How to secure sustainable financing for the expanding protected area network.** The project appears to place its major financing strategy on FAP (APA's Endowment Fund). This appears very risky and strategically inappropriate in view of Brazil's enormous wealth. Financing strategies need to be diversified. In this context it should also be considered to complement the proposed management plans which are financed within the "consolidation" initiative of the project through area-specific business plans. Business plans

should be custom-tailored and adjusted to area-specific framework conditions and opportunities.

Conclusions and Recommendations

Although it is recognized that a PIF document cannot provide the level of detail presented by a project brief, the PIF document should at least provide sufficient background on the proposed interventions to permit the reviewer a fair assessment of the feasibility of individual interventions. Several proposed activities are too vague to be assessed (i.e., what are the follow-up costs resulting from PA consolidation/infrastructure development; how to achieve private sector cooperation; testing income-generating activities for buffer-zone communities; how to effectively monitor sustainable protection and evaluate success; how to safeguard ecological connectivity of PA systems etc.). Due to the importance of the project objectives, we support continuation of planning but expect that the above-mentioned issues are resolved satisfactorily.

Further Commentaries

The project is consistent with GEF strategies and strategic programs. It creates important synergies and enhances donor cooperation. It reduces deforestation and land degradation in the globally most important Amazon rainforest area. The project is scientifically sound but needs substantial improvement in detailing and justifying proposed interventions.

The Project duration has not been specified.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**7. China : CBPF Jiangsu Yancheng Wetlands System Protection Project (ADB)
(GEF Project Grant : \$2,500,000)**

NO COMMENTS RECEIVED.

**8. China : CBPF: Demonstration of Estuarine Biodiversity Conservation
Restoration and Protected Area Networking (FAO) (GEF Project
Grant : \$3,636,400)**

COMMENTS FROM GERMANY

While the problemacy addressed in the PIF is quite complex, with a great variety of factors and sectors contributing to current ecological degradation, more explanation should be given to the fact, that the State Oceanic Administration (SOA) has been chosen as a lead counterpart agency.

The objective of the project is to provide “best practices” which “could prove to be catalytic in launching similar activities in China.” (PIF p.6). To actually achieve the up-scaling of best practice example the backstopping of a political partner from the beginning of the project with this in mind is indispensable and hardly realizable at a late stage of a project.

Coordination with other related initiatives should be envisaged – not only other GEF projects and initiatives, but also e.g. BMZ/GTZ project Wetland Biodiversity Conservation PR China.

COMMENTS FROM THE UNITED STATES

The United States supports this project. We believe the approach and policy perspective are good and that the proposal considers the need for integrated and comprehensive support.

We are pleased to see that the project brings together federal, state, local, and academic partners and that it will share best practices.

**9. China : CBPF: Strengthening the Effectiveness of the Protected Area System
in Qinghai Province (UNDP) (GEF Project Grant : \$5,354,545)**

COMMENTS FROM GERMANY

One of the identified key factors for undermining the conservation objectives is the infrastructure development in Qinghai. One example mentioned is the Sanjiangyuan Ecological Construction Programme, which is a national level programme. It should be explained, whether and to which degree this specific, and other relevant national level programmes, permit the provincial level administration to influence their implementation.

The participation of the local communities is considered an essential factor in the successful management of the PA system (in Qinghai). On page 7 of the PIF clear resource access and use rights are considered the main incentives for the local communities to avoid the unsustainable use of resources. On page 9, financial and other support is mentioned. A clearer elaboration of the proposed benefit sharing should be made.

As with regards to the risks, inter-sectoral coordination with the objective to create an effective partnership is a challenge. The risk rating will therefore be probably higher than low.

Furthermore, it should be explained how the experiences made at the provincial level can be upscaled to the national level to strengthen the effectiveness of the national protected area system.

10. Colombia : Mainstreaming Biodiversity in Palm Cropping in Colombia with an Ecosystem Approach (IADB) (GEF Project Grant : \$4,250,000)

COMMENTS FROM GERMANY

Although palm oil plantations are financially highly profitable, from an environmental perspective results are widely considered negative or at least problematic. The proposal stresses rightfully that many aspects are experimental in nature and still have to show their feasibility. One important issue is the application of criteria and indicators as developed by the Roundtable for Sustainable Palmoil. Considering that the main destination of the palm oil is for biofuel, the project should apply the recently developed criteria and indicators as proposed by the Roundtable on Sustainable Biofuel and should actively participate in the on-going worldwide pilot testing of the RSB Standard in biofuel supply chains to identify needs of further refinement.

COMMENTS FROM SWITZERLAND

General Comments

Challenged with the rapid expansion of the palm-growing industry to satisfy the demand for bio-fuel, particularly in the Magdalena Medio and the Llanos Orientales regions, the current project aims at mainstreaming biodiversity in palm cropping with an ecosystem approach. Its objective is defined as: to induce the adoption of biodiversity-friendly production systems in palm-growing farms in Colombia aiming to protect and restore high value conservation areas in palm-growing regions, enhance their natural assets in the framework of regional conservation schemes, and improve local livelihoods with participation from social participants present in palm agro-ecosystems. It concentrates on four palm-growing regions: Tumaco, Magdalena Medio, Meta and Casanare, and the Ciénega Grande of Santa Marta, and comprises 3 technical components: (a) Integrated agro-ecosystem management, (b) payment for environmental services, (c) green markets development.

No doubt, with an expansion from 88'000 hectares in 1991 to 330'000 hectares in 2007, or an increase of production from 26'000 tons to 330'000 tons in the period mentioned, the issue of palm-oil production is of increasing concern for biodiversity conservation and therefore also merits special attention in GEF's country portfolio with Colombia. In addition, the project is consistent with GEF strategies, fits in with its strategic programs, and seems well-related to other initiatives.

Nevertheless, there are a series of questions which merit further attention in planning and which are outlined as follows.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

► **The risks that the project supports inadvertently the expansion of palm cropping activity to unfit or protected areas.**

The PIF itself identified the risk of an inadvertent support towards the expansion of palm cropping activity to unfit areas or to protected areas.

We consider that this risk is of major concern and that the project proponents' response on how to mitigate this risk is not sufficient. Our concern primarily refers to industries which do not participate in the Round Table for Sustainable Palm Oil (RSPO) and which are not interested in a certified production. For them, the economic interest may be stronger than the environmental concern, and thus it is not fully clear how their demand for new land can and will be satisfied. Therefore, it cannot be excluded that the project induces some dynamics which go in the adverse direction.

To better situate and minimize this risk, the following questions are raised:

- (a) Who participates in the RSPO and who doesn't (or in other words which percentage of the current palm oil production and of palm oil industries are represented under RSPO) and have the commitments made in the context of RSPO any legally binding character?
- (b) Who will approve the principles and criteria of the RSPO and who will certify palm-oil and / or agro-biodiversity products?
- (c) Which legal basis exists to stop or intervene against inadvertent expansion of palm cropping activity to unfit areas or to protected areas? Is GoC's zoning of suitable (and unsuitable) land for palm-cropping legally binding?
- (d) Is GoC's zoning of suitable areas for palm-cropping already published? Please note that the PIF indicates this zoning as being published by early 2009, thus, considering the current date, it is not clear whether this has occurred in the meantime or whether this indication is the subject of a delay and a lacking update of PIF.

► **The need to clarify further the project's concept and scope on the payment of environmental services (PES).**

Basically, the current project's concept on PES builds up on the experience of other ongoing GEF projects. Nevertheless, we identified some doubts regarding concept and scope and would like to raise the following questions, respectively outline the following comments:

- (a) Please note that the PIF's information on its PES scheme is rather general (e.g. "These payments could include environmental benefits from avoided deforestation, thus expanding the potential for generating global environmental benefits of the project, ..."). Thus it does not allow for any appraisal of the PES' feasibility. Please specify the type of services foreseen for payment, and the

- possible amounts in question. Furthermore it should be clarified: who will pay for the services?
- (b) Please clarify the project's commitment to the implementation of the PES. Following the PIF one of the expected outputs of component 2 is "4 watersheds in palm growing regions are implementing PES mechanisms". On the other hand, the same PIF specifies its scope regarding implementation as: "as well as the tools needed to monitor the implementation of the instruments" (see paragraph 3 of the PIF). If indeed the project did not comprise the PES implementation itself, then the cost of component 2 seems rather high. However, if the project included implementation, a corresponding output should be specified.
 - (c) As mentioned above, this new PES is built up on the experience of ongoing GEF projects. To situate the range of expectation with this new PES scheme, please provide key data on the results achieved so far in those ongoing reference projects.

► **The adequacy to establish a baseline on palm-oil production in the 4 project areas.**

We strongly recommend establishing a baseline on palm oil cropping (surface) in the 4 project areas. In order to allow for a comprehensive assessment of trends and of project performance, the data should be as specific as necessary, e.g. to differentiate between certified and non certified production, or appropriate and inappropriate practices, as well as between production on suitable areas and production on unfit or protected areas. .

Conclusions and Recommendations

No doubt, the project focuses on a rapidly emerging concern of biodiversity conservation and the project objective merits being supported. Switzerland therefore recommends its approval by GEF.

Nevertheless, although we recognise the early stage of preparation, we underline that all three components are described so far in very general terms and need to be specified and supported much further. In further planning it is recommended to pay particular attention to: (a) the risk of inadvertent expansion of palm cropping activity to unfit or protected areas, (b) a further clarification of the PES scheme and of its expected outputs, (c) to foresee a baseline on palm-oil production. Also recommended is a further analysis of the legal framework to minimize adverse effects of a further expansion of palm-oil cropping on the environment, and on biodiversity in particular.

COMMENTS FROM THE UNITED STATES

The United States believes that implementing biodiversity programs throughout the palm sector would be positive.

We suggest that the risk assessment framework should consider the historic poor labor practices in the palm industry.

**11. Cuba : Agricultural Biodiversity Conservation and Man and Biosphere
Reserves in Cuba: Bridging Managed and Natural Landscapes (UNEP)
(GEF Project Grant : \$1,368,182)**

COMMENTS FROM SWITZERLAND

General Comments

The project objective is: “to mainstream agricultural biodiversity into the management of Cuban Man and Biosphere (MAB) reserve system”, and the project’s development goal is: “to conserve the diversity within and around protected areas in ways that improve the livelihoods of rural communities and sustain ecosystem functions in and around the MAB reserves”. The project will concentrate on two of six Cuban biosphere reserves. It comprises three technical components: (1) mainstreaming mechanisms that integrate high levels of crop biodiversity into agriculture buffer zones, (2) improved protected area (PA) management system, and (3) benefit flow to communities linked to sustainable financing of the protected area management systems.

The project is built up on earlier efforts, and overall seems soundly and solidly designed. The background information given is good and sufficient to situate the project proposal in its context and to appraise its relevance. The project is consistent with national priorities and with GEF strategies and its strategic programs.

Nevertheless, there are a few issues which merit further attention and which to some degree have been outlined already by the STAP reviewer.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

- ▶ **The challenge that the new income-generating activities based on sustainable biodiversity management practices are economically sufficiently attractive to prevent and reduce poaching, land conversion, logging, and non-sustainable farming practices.**

The project’s success depends widely on the economic attractiveness of the new income-generating activities in comparison with the non-sustainable farming practices. It is therefore recommended not only to quantify the incomes by the newly generated activities but also to compare them with those incomes which arise from the non-sustainable farming practices.

- ▶ **The challenge to establish priorities and to concentrate on species with high economic potential and benefit flow to communities within and around the biosphere reserves.**

Baseline inventories document 322 species, respectively 258 species, which are cultivated by the local communities (as food, fodder, condiments, ornament, insecticide, craft-making, tools, and spiritual purposes) of the 2 project areas..

Although the project focuses more on mechanisms than on individual species, such a rich diversity may be a risk to disperse the project activities. Therefore it is warmly recommended to screen the species according to their economic potential, to establish priorities and to concentrate on species with higher economic potential and benefit flow. Particularly, to successfully develop marketing options, a prioritisation is necessary.

▶ **It is recommended not to neglect the threats.**

Although the project is based on an integrated system approach to promote new income-generating activities which are linked with sustainable practices and does not concentrate on individual objectives (e.g. the mitigation of mining) it is still recommended that monitoring and mitigation of threats (mining, logging, ...) is not neglected.

▶ **Specify quantitative targets for income-generation, benefit flow to communities and marketing.**

We warmly recommend specifying quantitative targets for the issues mentioned above.

Conclusions and Recommendations

Switzerland fully supports the current proposal and recommends its approval by the GEF. It also shares the STAP reviewers' comments and expects that they and its own commentaries outlined above are taken into consideration in the further planning.

12. Guatemala : Promoting Ecotourism to Strengthen the Financial Sustainability of the Guatemalan Protected Areas System (SIGAP). (UNDP) (GEF Project Grant : \$1,295,455)

COMMENTS FROM GERMANY

The Strategy is very clear and precise (enhance economic situation of protected area system via ecotourism incomes), therefore it focuses on institutional capacity strengthening and change of legal framework conditions. Although this clarity is positive, the project design is focusing exclusively on CONAP benefits (National Protected Areas Council). It does not take into account or reflect other governance models for protected areas or equitable benefit sharing mechanisms from tourism, i.e. with local communities, NGOs, private enterprise, etc. Although clearly addressed as a challenge in Project Justification (point 3 “local communities receive few benefits from ecotourism, which contributes to the lack of public support for the PAs.”), this thought is not being addressed in project design or in expected outputs. It might be worthwhile to look into options to “partner” this project with another one, focussing i.e. on ecotourism benefit sharing mechanisms in protected areas (understanding the term “benefit” in a very broad sense, and being more comprehensive than just economic).

COMMENTS FROM SWITZERLAND

Overall Comments

The objective of the currently proposed project is to strengthen the financial sustainability of Guatemala’s Protected Areas System (SIGAP) by developing new financing vehicles within the developing ecotourism sector, while ensuring the alignment of ecotourism activities with biodiversity conservation objectives. This shall be achieved basically by strengthening the legal and policy framework for implementing ecotourism as part of a strategy to engender the financial sustainability of the SIGAP and by improving the institutional framework for ecotourism management in PAs that includes a pilot program for ecotourism implementation in the Western Highlands of Guatemala.

Basically Switzerland recognizes the global importance of the country’s biodiversity and notices that the current proposal is consistent with Guatemala’s national priorities and with GEF strategies and strategic programs. It also finds that the project focuses on a real key problem of biodiversity conservation and that it is well conceived. Nevertheless, there are a series of questions and issues which merit further attention and which are outlined as follows.

Questions, Concerns and Challenges for further Project Preparation

- ▶ **The economic importance of the country's PAs for the national budget and the low re-investment in / reallocation to SIGAP of the revenue from tourist visits to PAs!**

As basic background information and finally also as a reason to justify a new GEF support to Guatemala's SIGAP, the PIF underlines that: "The SIGAP generates significant use values in the form of tourism, and the annual revenue from tourists' visits to PAs is estimated to be equivalent to 13% of the country's national budget. However, PAs are allocated only 0.001% of these resources, which contributes little to their financial sustainability or effective management."

The low reinvestment in / reallocation to SIGAP of PA revenues has been recognised for at least 1½ decades as a key concern of SIGAP. No doubt this issue merits being resolved in a more satisfactory manner and with top priority. However, the question can be raised as to why this has not been done earlier and why it has only now got attention from GEF.

- ▶ **The need of a clear commitment of the country's authorities to raise the reinvestment in / reallocation to SIGAP of revenues from tourist visits to PAs!**

As long as only a 0.001% ratio of the annual revenue of PAs generated from ecotourism is reinvested in SIGAP, even with a realistic scenario of ecotourism development, a substantial improvement of the financial sustainability of SIGAP will not occur unless the government is ready to reinvest a higher percentage of the PA revenues from ecotourism in its own SIGAP. Without such a commitment from the very beginning (before endorsement of the project by GEF), all efforts of the project risk being in vain.

- ▶ **The need to specify in the project document a quantitative target and the accuracy to legally fix the percentage regarding the reinvestment in / reallocation to SIGAP of revenues from tourist visits to PAs!**

Concerned by the low reinvestment in SIGAP of PA revenues and aiming explicitly at the improvement of the financial sustainability of SIGAP, there is a real need to specify in the project document a quantitative target for the amount, respectively the percentage of reinvestment. To support such a target, a more profound analysis of the revenues from tourists' visits to PAs and of the basic management and further cost of SIGAP is necessary.

In the context of the planned policy reform, we also recommend analysing the feasibility and considering the introduction of a legal fixing of the percentage of reinvestment in / reallocation to SIGAP of revenues from tourist activities to PAs.

- ▶ **The need to raise the awareness on the economic importance of the PA revenues from ecotourism for the national budget!**

Probably only part of the decision makers and stakeholders in the tourist sector and a low percentage of the overall population are aware of the economic importance of the annual PA revenues from ecotourism for the national budget. In order to promote further biodiversity conservation and to facilitate the political discussion in support of a higher reinvestment in SIGAP, it is warmly recommended foreseeing project activities to raise the awareness of policy makers, of stakeholders in the tourist

industry and of the public on that issue. From our point of view, this recommendation goes beyond what is planned so far under component (2).

► **The adequacy of improving further the consistency of the project title and the project objectives and activities!**

Whereas the title inspires the idea that the overall objective of the project refers to the promotion of ecotourism, the project objective seems primarily defined so as to strengthen the financial sustainability of SIGAP in relation to a policy reform regarding ecotourism activities in PAs.

From our point of view, project title, objectives and components are still not fully consistent in that respect and a further fine-tuning is necessary. In the spirit of our comments described above, as a first step, we recommend putting emphasis on the policy reform. A further promotion of ecotourism in the field (the proposed pilot program in the Western Highlands of Guatemala) should only be considered as a second step and strictly only after the policy reform is completed in a satisfactory manner.

Conclusions and Recommendations

Basically Switzerland recognises the global importance of Guatemala's biodiversity, notices that the current project proposal is consistent with GEF criteria and focal area strategy and focuses on a key problem of conservation. It is convinced that the current project might be an important opportunity to strengthen further biodiversity conservation in Guatemala and therefore recommends its approval by the GEF.

However, at this early stage of preparation, some inconsistencies and several challenges in conceptual aspects have still been found and the outputs and targets of the policy reform are not yet sufficiently defined.

From the Swiss point of view, the promotion of ecotourism activities will not help to improve the financial sustainability of SIGAP unless the level of reinvestment in SIGAP of PA revenues from ecotourism is significantly raised and guaranteed on a legal basis. For a successful policy reform, however, from the very beginning a clear commitment of the Guatemalan Government with the project objectives is crucial.

It is recommended that in a first stage the project concentrates primarily on component (1), which is linked to policy reform, and that the activities under component (2) to promote tourist activities in pilot areas of the Western Highlands are considered and started only after a successful completion of the policy reforms.

Further comments

- **Please provide further information on the current projects' relation with earlier and still ongoing GEF biodiversity country projects.**

Guatemala's GEF project portfolio consists so far of 7 country and 6 regional projects. Please provide information about how the new proposal is embedded within the country portfolio, and which lessons learned from already completed and still ongoing projects are taken into account in project design. Of particular interest seem the complementarities which exist between the new proposal and the following two country projects: (1) "Definition of National Priorities and Assessment of Capacity Building Needs in Biodiversity in Guatemala" and (2) "Consolidating a System of Municipal Regional Parks (MRPs) in Guatemala's Western Plateau".

- ▶ **Clearly differentiate between the mechanism to improve the financial sustainability of the nationwide SIGAP on the one hand and mechanisms that are being developed at local / municipal basis.**

Guatemala has made considerable progress with the establishment of local and municipal processes to protect areas which are inscribed in the national system. The strengthening of the financial sustainability of the national system should therefore be conceived in such a way that it does not affect but further motivates and promotes such local processes.

- ▶ **Apart from ecotourism, mainly the sustainable use and conservation of water resources may be an important alternative to contribute locally to the financial sustainability of determined PAs.**

In determined PAs, water resources are the main force motivating the local and neighbouring population to pay attention to their PA. Water resources from PAs may be a possibility for a local energy production, in some areas they are crucial for the local economy (e.g. export oriented vegetable production) and most often they are the source for drinking water.

Despite this considerable potential, we fully share the project proponents' strategic choice to concentrate all efforts on ecotourism in PAs to address policy reform strengthening the financial sustainability of SIGAP. However, to situate soundly the current effort and to provide a comprehensive view on the financial sustainability of SIGAP, we recommend mentioning in the project documents the existence of the alternative potentials and ongoing initiatives that need to be developed further by complementary projects.

- ▶ **The need to specify further the expected outcomes and outputs!**

In the PIF the expected outcomes and outputs are defined so far in rather general terms. This concern refers mainly to component (1) where e.g. the expected outcome is defined as "changes to tourism policy ...", and the expected outputs as "an amended decree 4-89 strengthens CONAP's mandate ...", "reformed policies on tourist activities in PAs ...", "regulation of the collection and reinvestment of gate / concession fees in PAs", "environmental standards and certification schemes for ecotourism development ...".

As long as outcomes and outputs are defined in such a general manner, the project implementation will have no clear horizons to aim at and the evaluation of the project performance won't have clear references.

COMMENTS FROM THE UNITED STATES

The United States supports the proposal's focus to develop ecotourism in the Guatemalan Western Highlands.

We also believe that ecotourism will provide added economic value to the protected areas.

13. Malaysia : Biodiversity Conservation in Multiple-Use Forest Landscapes in Sabah (UNDP) (GEF Project Grant : \$4,400,000)

COMMENTS FROM GERMANY

Field monitoring, the role of the local people, and coordination with other relevant projects should be strengthened. The proposal clearly outlines its link to the Heart of Borneo (HoB) initiative. HoB is a tri-national initiative, involving Malaysia (Sarawak, Sabah), Indonesia (Kalimantan) and Brunei Darussalam. Cooperation is envisaged with the GEF/ADB financed “Sustainable Forest and Biodiversity Management in Borneo” Project, but collaboration should also include other similar initiatives in the HoB region, including the Indonesian-German Forest and Climate Change Programme with its REDD and HoB components in districts neighbouring Sabah.

The project lacks a field monitoring component which controls that the objective of “no net loss of biodiversity” was achieved in the project area. The proposal mentions multi-stakeholder participation. It should stronger outline the role of the local population, in particular related to the planned enlargement of the conservation areas and to bio-prospecting. The proposal should discuss possible links to other REDD initiatives in Sabah (outside of the project area).

COMMENTS FROM THE UNITED STATES

The United States has reviewed the STAP comments and believes that these are accurate, but not insurmountable.

We recognize that REDD-plus is an important issue for Malaysia.

We note that the Sabah Forestry Department is professional and forward-looking and that they have previously demonstrated their capacity to implement sustainable forestry management practices.

14. Malaysia : Enhancing Effectiveness and Financial Sustainability of Protected Areas (UNDP) (GEF Project Grant : \$5,600,000)

COMMENTS FROM GERMANY

More evidence should be provided for the costs calculated for supporting institutional change and networks on national/sub-national level (totalling US\$ 9.1 million in the PIF, with an envisaged contribution of US\$ 3.1 million by GEF).

The development of “protected area business plans” on site level is very relevant and was e.g. supported by BMZ/GTZ in the Kayan Mentarang National Park Management Project in East Kalimantan during 2009 (the area also belongs to Heart of Borneo).

**15. Mexico : Fostering Sustainable and Competitive Production Systems
Consistent with the Conservation of Biodiversity (World Bank) (GEF Project
Grant : \$11,688,182)**

COMMENTS FROM GERMANY

The different existing standards and certifications schemes should be analyzed related to their application and/or adaptation potential in the mentioned production chains. The experiences already made with different certification schemes should be reflected in the project proposal. The development of new “green standards” and “market brands” bears the risk of reinventing the wheel and – especially in international markets and commodity markets - to provoke consumers` confusion.

Although it is clearly addressed as a requirement in the project justifications that the “ the private sector and markets need to play a greater role in encouraging sustainable production”, the strategic elements to involve the private sector in project activities might be elaborated a little more. To explore the market potential of products and services derived of sustainable use of Biodiversity, the demand-side of the value chain should participate more actively in the product innovation and differentiation process. Furthermore the development of models of benefit sharing – benefit understood in a broader sense - of high-value-products should also be concretized in the project proposal.

As already mentioned in the GEF-PIF-Screening, the links between certification systems and positive social and environmental should be elaborated more precisely and explain how the impacts will be measured.

**16. Russian Federation : Mainstreaming Biodiversity Conservation into Russia's
Energy Sector Policies and Operations (UNDP) (GEF Project
Grant : \$7,200,000)**

COMMENTS FROM GERMANY

Germany fully supports the STAP comment requiring minor revisions, especially with view to participation of stakeholders as outlined in Para 3 of the STAP comment and the valuation of other ecosystem services besides the provision of energy as outlined in para 4 of the STAP comment. These aspects should be incorporated into the project concept in order to support mainstreaming of biodiversity.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**17. Seychelles : Strengthening Seychelles' Protected Area System through NGO
Management modalities (UNDP) (GEF Project Grant : \$2,100,000)**

NO COMMENTS RECEIVED.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

18. Sierra Leone : SPWA-BD Integrated Ecosystems Management Project (World Bank) (GEF Project Grant : \$1,800,000)

NO COMMENTS RECEIVED.

**19. Sri Lanka : Maintreaming Agrobiodiversity Conservation and Use in Sri
Lankan Agro-ecosystems for Livelihoods and Adaptation to Climate Change
(UNEP) (GEF Project Grant : \$1,450,455)**

COMMENTS FROM SWITZERLAND

General Commentaries

The proposed project addresses key issues of global significance. Providing food security and stabilizing rural livelihoods in some of the poorest areas of the planet through environmentally compatible agriculture embedded in overriding biodiversity conservation goals meets local, regional, national and global needs.

Questions, Concerns, Challenges and Suggestions Related to Project Preparation

Main concerns are:

1. Low budget for a complex project.
2. Very short timeline for highly ambitious goals.
3. Measures addressing agro-biodiversity adaptation to expected climate change are poorly defined.
4. Undefined co-financing sources.

Conclusions and Recommendations

The project would benefit from streamlining, extension of its timeline and a budget increase. In view of the rather modest GEF grant requested it appears reasonable to include a follow-up phase as early as the design stage. It will be impossible to achieve measurable results related to agro-biodiversity conservation for (all) the proposed interventions ranging from improved production, crop diversification, crop testing and product marketing within the given time frame. A total timeline of a two-phase 12-year program would appear more realistic.

The project fails to convincingly argue the relationship of the proposed interventions to (unpredictable) climate change in the region.

In view of the project's complexity, it appears more reasonable for the project to focus on one of the three proposed pilot sites within a first phase. Upon proven success of the first phase the project could then be expanded to one of the other sites within a second phase.

Switzerland recommends continuation of planning, but prior to project approval a written statement for a co-financing commitment should be requested from the cited co-financing sources.

Further Commentaries

The PIF document clearly defines the root causes of the growing agro-biodiversity loss in Sri Lanka's rural areas, which appear to be adequately addressed by the proposed interventions. The proposed project fully complies with GEF strategies and strategic programs, meets national and global priority needs, and should therefore be endorsed.

20. Thailand : Sustainable Management of Biodiversity in Thailand's Production Landscape (UNDP) (GEF Project Grant : \$1,940,000)

COMMENTS FROM THE UNITED STATES

The United States believes that the focus on wild shrimp, bamboo, and non-timber forest products is good because these products are important for rural livelihoods and biodiversity conservation in Thailand.

We suggest that the Thailand Environment Institute (TEI) share results of this project with neighbors, such as Cambodia and Laos that face similar issues.

Climate Change

- 21. Regional (Antigua And Barbuda, Belize, Grenada, St. Lucia, Trinidad and Tobago) : Energy for Sustainable Development in the Caribbean (ESD-Caraibes) (UNEP) (GEF Project Grant : \$4,859,000)**

COMMENTS FROM GERMANY

It remains unclear what the role of Jamaica will be within the project proposal. Jamaica is not mentioned but in the table on GHG emissions. Clarification would be helpful as the share of Jamaican GHG emissions reductions would make up more than one third of total project mitigation effects.

The characteristics of the rating system and especially the label remain unclear (performance based?). As the introduction of building labels can be a highly complex procedure, more information on the planned activities would be helpful.

22. Regional (Ethiopia, Kenya, Uganda) : Promoting Sustainable Transport Solutions for East Africa (UNEP) (GEF Project Grant : \$2,850,000)

COMMENTS FROM GERMANY

The PIF lacks information on how the planned interrelation between the sustainable transport projects in the three capital cities will be achieved. This could be further clarified.

The project focuses on creating basic conditions for planning and implementing sustainable transport solutions, though the funds required for the construction of physical infrastructure are not part of the project's financial framework and shall be leveraged externally by the three city governments, e.g. through loans from MDBs. While this is not problematic per se and there is willingness of governments to provide funding, the costs for these measures are high and considerably uncertain, estimated between \$50-100 million per city. How is it ensured that these substantial investment needs do not exceed governments' ability to pay implementation?

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**23. Armenia : Armenia Energy Efficiency Project (World Bank) (GEF Project
Grant : \$1,820,000)**

NO COMMENTS RECEIVED.

24. Brazil : Pilot Project for Methane Mitigation and Recovery from Hydroelectric Power Reservoirs (IADB) (GEF Project Grant : \$2,651,940)

COMMENTS FROM GERMANY

Due to the untested nature of the technology we would support the STAP recommendation of reclassifying the project as Targeted Research. It seems premature to promote the adoption of the proposed technology before its technical feasibility and environmental effectiveness have been demonstrated.

COMMENTS FROM SWITZERLAND

Overall Commentaries

The anaerobic digestion of dead biomass available in lakes formed by hydroelectric dams leads to the production and emission of methane (CH₄). The methane production can become relevant if large amounts of dead biomass are available and enhanced by high water temperatures, as is the case if tropical forests are flooded.

Although methane is only marginally soluble in water at ambient pressure, it can be dissolved in moderate concentrations at elevated pressures as available in deep water. Hence methane is partly emitted directly by degassing to the ambience, while the rest is temporarily stored in deep water thus leading to methane emissions during the release of deep water to the turbine or the spillway.

Since methane exhibits 21 times (as calculated in the project) or 25 times (as used by the IPCC today) the greenhouse gas (GHG) equivalent of CO₂, methane emissions from hydroelectric power reservoirs can significantly contribute to global warming. Consequently, there is a relevant potential to reduce GHG emissions by avoiding or reducing methane emissions from such sources. In addition, the biomass in these lakes or the methane formed from this biomass is a potential source of renewable energy or renewable products, thus enabling an additional substitution of fossil resources. On this basis, the present project aims at investigating the methane production of hydroelectric power reservoirs, the methane distribution and behaviour in the lakes, and to develop and test technologies for methane mitigation and utilization as an energy source.

Due to figures given by the applicants, the potential for GHG reduction seems to be promisingly high for Brazil and the implementation of the technology could be economically highly interesting thanks to the additional energy production.

Questions, Concerns and Challenges for the further Project Preparation

Based on the figures assumed by the applicants, the presented technology sounds very promising with respect to both GHG savings and economy. However, the following aspects need to be critically considered:

- The overall potential of the proposed application remains unclear in the project proposal. A direct comparison with the total GHG sources in Brazil and globally should be made to enable a final assessment of the project.
- Although a relevant GHG reduction from existing sources can be expected by the described concept, it is not clearly shown which overall efficiency of methane reduction is expected, i.e., whether the total methane emissions from these lakes are expected to be reduced by close to 100% or only a minor fraction such as in the order of 50% or less. Although a detailed assessment is not possible with the given information, a reduction potential significantly below 100% seems more likely for the proposed technologies due to the fact that the methane containing water will not be captured completely and in addition, also methane separation will be incomplete. Although an incomplete reduction of the GHG from hydroelectric power reservoirs is promising enough, alternatives need to be assessed and the efficiency of GHG reduction should be compared (see next point).
- Although the potential should be further clarified, the project target of GHG reduction from hydroelectric power reservoirs seems promising. However, with respect to both GHG reduction and cost-effectiveness, alternatives to the proposed concept of methane mitigation should be evaluated. For existing underwater reservoirs of tropical forests resulting from previous flooding, underwater logging should be assessed as an economically feasible technology, which is applied for other purposes elsewhere and which can be most cost-effective in case of potential timber production. Timber production can potentially achieve higher added-value than methane and it can be combined with energy production e.g. by power generation from waste material. In the case of new hydro power stations, conventional deforestation or underwater logging – depending on cost-effectiveness – need to be assessed and the efficiency of future methane mitigation needs to be compared to these reference technologies. Methane production may also occur from biomass fed into the lake during the lifetime of the hydropower plant or from biomass available in the soil. However, the contribution of these sources remains unclear and need to be quantified. In addition, measures to prevent biomass feed stream / influx in the lake might also be considered.
- Various technical approaches are presented for all relevant project steps. The concepts are partly based on existing technology as developed for other applications (e.g. the technologies for gas/liquid separation), a part of them are based on earlier developments and investigations of the applicants (such as methane monitoring in lakes), while part of the proposed technology is in an early conceptual phase and not commercially proven state-of-the-art. Taking this into account, the cost-effectiveness as well as the methane reduction potential seem highly uncertain. Consequently, the proposed project may contribute to improving the data basis and the basis for future

decisions. However, an overall view with respect to the relative GHG reduction potential and including a comparison with alternatives is crucial and needs to be considered.

- With respect to the budget, the co-financing needs to be considered. The project components which are covered by co-financing seem out of scale and it is unclear if the co-financing describes past or future investigations.

Conclusions and Recommendations

The general approach to reduce GHG from hydroelectric power reservoirs is promising. However, the relative potential remains unclear and an evaluation of alternative concepts, especially by avoiding methane production instead of mitigation, is missing. Consequently, the project should not be funded in the presented form. As an alternative, the funding of an initial project step with a very limited budget to clarify the open questions might be reasonable.

Therefore, Switzerland supports continuation of further planning, however expects that the concerns mentioned are resolved in a satisfactory manner.

25. Burkina Faso : SPWA-CC Promotion of Jatropha Curcas as a resource of Bioenergy in Burkina-Faso (UNDP) (GEF Project Grant : \$1,313,636)

COMMENTS FROM GERMANY

During the project preparation alternative biofuel resources should be assessed to focus not only on Jatropha Curcas production but decentralize energy supply. Thus, the high initial investments and continuous need of production inputs could be mitigated. It is not clear if the potential yield of Jatropha Curcas is maintained particularly on degraded soils, without irrigation and use of pesticides and fertilizer.

Land use conflicts might arise, owing to the expansion of Jatropha Curcas production into non-degraded land. This might release more GHG than would be captured on degraded land. It is not clear if the project will constitute an alternative to the lack of land use options.

The success of the project depends on its promotion as erosion control and soil conservation measure through an extensive production system.

COMMENTS FROM THE UNITED STATES

The United States believes that this is a good project idea and we agree with the STAP review.

We are concerned that the proposal is not based on the results of a detailed country specific study that would help address the uncertainties associated with jatropha cultivation (e.g., productivity on poor lands, viability of large-scale projects) before deciding on a national policy. Therefore, we would like the project proposal amended to include a reversal of task 1 and 2 in the proposed project framework, which would move develop national policy (currently task 1) to after completing a comprehensive study. We strongly recommend restructuring the proposal as follows:

- The project should begin with a focus on evaluating the feasibility of jatropha production in Burkina-Faso.
- The comprehensive study should include the detailed suitability analysis, crop performance evaluation, techno-economic analysis, life-cycle assessment, job development opportunities, etc. tailored to the country's specific conditions and priorities.
- If jatropha is a promising option, then work on developing a legal framework and national policy.

We suggest that the project add the following activities:

- Examine the temporal trends in land availability: even if marginal lands are targeted for jatropha production, some of them may improve with time due to climate change dynamics, therefore competing with the food/feed production o
Examine the implication of extensive jatropha cultivation on the livelihood of indigenous people. Often, lands that appear to be “marginal” are vital to the survival of these communities
- Evaluate jatropha production experiences around the world, particularly in India (a leader in jatropha research), but also in other African countries with similar conditions to Burkina-Faso.
- Develop partnerships or other forms of collaboration with relevant institutions/agencies (particularly from India, but also from other African countries) to share knowledge and experiences.

26. Burundi : SPWA-CC Energy Efficiency Project (World Bank) (GEF Project Grant : \$1,818,180)

COMMENTS FROM THE UNITED STATES

The United States agrees with the STAP review's concerns about how and to whom the technology would be distributed.

We question the word "West" when this project is listed as being in "GEF's West Africa Energy Program." Burundi is in East Africa.

We also fully agree with the STAP review concerns that it is probably unsustainable to distribute energy efficient bulbs for free. We suggest the following:

- Charge a small fee when distributing CFLs or else recipients are likely not to value them and throw them away
- Funding (\$1.67 m) might be more effectively utilized by targeting a central laboratory or facility with sustainable training in building codes and standards that creates a value-chain of linkages. Private sector investment will allow movement into a market that can differentiate quality products. Providing \$500 K for consumer education as suggested would be better leveraged by training and developing a technical class of workers (possibly within a government agency) who can educate the consumer in the deployment process.
- Promoting Energy Efficient (EE) investments by large consumers (\$800 K) through advisory services might be better served through tax incentives and rebates to companies who deploy EE technologies.

We are concerned that this project is heavily weighted towards training "capacity building" and public awareness campaigns. In the full proposal, we would like to see specific metrics for assessing how attitudes have changed after these efforts.

**27. Cape Verde : SPWA-CC Promoting market based development of small to medium scale renewable energy systems in Cape Verde. (UNIDO)
(GEF Project Grant : \$1,718,182)**

COMMENTS FROM GERMANY

The PIF argues that business as usual growth of RE in Cape Verde would be insufficient to satisfy growing power demand and to prevent a further increase in oil-based power generation capacity. Against this background, the project aims at removing barriers for an accelerated development of RE. However, the description of the business as usual scenario versus the project scenario is sketchy, rather qualitative and needs to be substantiated with further data and analysis so as to enhance the demonstration of the project's incremental costs.

RE is commercially as well as technically viable in Cape Verde, though this fact is being little appreciated by the private sector. This is why the project includes seed funding for two pilot projects designed to demonstrate the viability of RE. However, some RE projects are already underway in Cape Verde according to the PIF. Why are those not sufficient to demonstrate commercial and technical viability? Couldn't awareness raising efforts use these as examples? The necessity of the pilot projects should be further elaborated, while it may be necessary to allocate more resources to outreach activities.

28. Chile : Encouraging the Setting Up and Consolidation of an Energy Service Market in Chile (IADB) (GEF Project Grant : \$2,364,000)

COMMENTS FROM THE UNITED STATES

The United States suggests that PPEE and CORFO research the prior successes and failures made by many other countries (particularly in Eastern Europe) that have tried to also develop this market. There are also valuable tools that could assist the implementers to avoid repeating mistakes and reproducing the groundwork of others.

- ▶ Consult the book, “ESCOS Around the World” by Shirley Hansen 2009.
- ▶ Look into valuable tools, such as the International Energy Efficiency Financing Protocol from the Efficiency Valuation Organization (EVO).

**29. China : China Energy Efficiency Promotion in Industry (World Bank)
(GEF Project Grant : \$4,000,000)**

COMMENTS FROM GERMANY

WB should elaborate more on the dissemination of information on the lessons learned from pilot projects; in view of the large investment planned within the pilot projects, more emphasis should be given to the information dissemination strategy

COMMENTS FROM SWITZERLAND

Overall Commentaries

The project is designed to promote energy efficiency in the industrial sector in China through policy support, capacity building, demonstration project implementation and information dissemination, and by removing barriers to large-scale dissemination. The scope of the project covers Chinese key industries ranging from small and medium enterprises (SME) to large and medium enterprises (LME).

Although the project objectives are highly relevant to achieving the energy efficiency goals set by the 11th and 12th 5-year plan and hence the basic concept has key merits, the current project design leaves open key questions, particularly how the interfaces between training, pilot project implementation/demonstration and replicability are shaped. Hence it incorporates considerable risks, in particular concerning later large-scale dissemination. The STAP-review confirms that there are a number of question marks and foreseeable barriers to be further addressed. The main questions and concerns are:

Questions, Concerns and Challenges for the further Project Preparation

The PIF claims that many projects, including GEF supported projects that aimed at improving energy efficiency in the industrial sector, have been implemented in China in recent years. From the PIF it is however not visible how much of the know-how and experience gained in these projects are incorporated under this project. Moreover, the PIF does not outline clearly the unique selling proposition of this project, comparing it with the earlier or other ongoing projects. During the further preparation of the project the following issues should therefore be addressed at greater depth:

- Analysis of lessons learnt: experience in earlier EE projects in China should be carefully analysed. The Prodoc should clearly specify how the lessons learnt are incorporated into the project design. Some of the areas that need particular attention are specifically addressed below.
- Strategy on how to remove identified barriers to training and pilot demonstration: the project seeks to identify and remove the barriers to the adoption of best practises of EE

in Chinese industries but is not explicit on strategy of how to do so. Based on the experience available from earlier projects, this project should a) have a strategy for the systematic identification and removal of barriers, and b) draw from the experience already available in China by assessing and ranking the main barriers in earlier projects.

- Criteria for the selection of industries: the scope of the project is very wide, ranging from SMEs to LMEs. As there are millions of industrial enterprises in China there is a need to develop a strategy and criteria for the selection of participating industries. This strategy needs further specification during Prodoc preparation.
- Target audience for capacity building: as per the PIF the training programme and the certification scheme both seem to specifically target energy managers. In industries however, energy managers seldom have true decision power but decisions are mostly taken by line managers. It is therefore these persons that have to understand and be convinced that e.g. investments into EE measures will be profitable. The target group for the capacity building should therefore be widened and possibly also involve decision makers.
- Demonstration project implementation: the PIF suggests a two-step approach. While the focus of the first step is on analysis of the current situation in the participating firms, training of staff and the setting up of an energy management programme, the second step is designed to implement such energy management programmes in selected industries. Experience in China and other countries shows that as soon as substantial investments in system change are at stake, industries hesitate to invest in such energy-efficiency projects if pay-back periods are longer than 3 years. Risks are therefore substantial that, after basic training in the demonstration project, implementation and dissemination to other industries is at risk. The project document should make sure that industries are motivated to participate in step 2 and implement a strategy to successfully increase their EE.
- Scaling up from demonstration projects and dissemination: the earlier EE projects in China have apparently struggled to spread the know-how and experience gained throughout the country. The project document should therefore address a) a systematic assessment of the earlier industrial EE projects in China, and include b) based on the results of a) the development of a sound strategy on how to scale up and spread EE-experience gained in this project.

Conclusions and Recommendations

On the basis of the above considerations, we strongly recommend going ahead with further developing the project document, taking adequately into account the concerns outlined above prior to submitting the final document for CEO endorsement.

COMMENTS FROM THE UNITED STATES

The United States believes this project is likely to have an excellent cost-benefit ratio. This type of activity, which addresses energy savings and best practices, often offers the best potential to reduce greenhouse gases per dollar invested of any project. The project appears to provide a good option for instituting this kind of energy and carbon savings program. We would like to see the full proposal clarify the following:

- Clarify purpose of policy support. The proposal talks about implementing energy conservation laws, regulations and standards. The proposal also identifies that progress on energy intensity has not been sufficient to meet targets. It is not clear if the desire is to show how existing laws could be changed or whether the problem is in how laws might be better implemented. Often energy management in competitive companies goes far beyond existing laws, so that focusing on implementing laws may not get maximum benefits for reducing energy and carbon use.
- Clarify capacity building. It appears that the ultimate “trainees” are plant level energy managers. There needs to be qualified “trainers” to be able to be effective in providing useful information to energy managers. This is not always easy as it could involve a variety of steam, process heating, pumps, fans, motor systems, etc., as well as process specific unit operations depending on the industry. There may also be specialized “experts” who may need to work with energy managers to conduct plant audits and engineering best practices and designs to implement identified savings options. In many countries, the critical shortage is in the number of specialized energy experts and trainers. Component 2c builds capacity of training institutions but it appears to be developing energy manager programs, and does not talk about training the trainers. Thus, the capacity which also needs to be clearly addressed is the trainers and the “experts” as well as energy managers in the plants.
- Time phasing of project. Component 3 involves selecting industries, setting up energy management programs and identifying and implementing projects. Presumably this would need the energy experts and energy managers which would be the result of capacity building. It might be possible to do this kind of task in parallel to capacity building, but it should be clarified how these 2 components might fit together.
- Replication of results from demonstrations. The information dissemination work talks about case studies and providing results of projects. However, to really replicate projects additional initiatives may be needed.
- Project Preparation Grant. The project preparation grant seems to have a lot of work done on identifying laws and policies. Assessing “capacity” and how it can be built is not described very well. This is really the core of the proposed project and could have a more detailed description. The information dissemination component also could be addressed in more detail in the project preparation stage.

30. China : Eco-Transport in City Clusters: Model Development & Pilots (World Bank) (GEF Project Grant : \$4,800,000)

COMMENTS FROM GERMANY

Component 4 “Monitoring and evaluation” should go beyond the mere support of the project management and include the integration of project results into the international dialogue, in order to apply them as lessons learnt to future projects.

COMMENTS FROM SWITZERLAND

Overall Commentaries

This is a challenging project: it aims to develop and implement a strategy for sustainable urban transport systems (SUTS) for cities within a city cluster, with a pilot demonstration project in central China. The comprehensive approach offers considerable opportunities. The success though may be linked to a request for new decision-making processes at local or national level. Hence institutional barriers may have to be overcome for a fully successful project.

Questions, Concerns and Challenges for the further Project Preparation

The outline of the project has almost textbook character, addressing with good reasons a broad set of instruments and levels of action, i.e.

- planning instruments
- management and coordination instruments
- policy and regulatory instruments
- fiscal and economic instruments
- information instruments

Each intervention level in itself calls for innovative concepts and activities. Some additional aspects may give cause to further considerations during the next steps of project preparation:

- Structurally the project addresses activities and interventions on a “trans-local” level. The project outline could be more explicit in showing how these interventions will be embedded institutionally and how the decision processes will have to be adjusted in order to address and improve city-cluster based issues. This refers to basically all of the 5 dimensions indicated above, in particular for policy / regulatory as well as fiscal / economic instruments.

- The project focuses particularly on transport. Since urbanization patterns determine in the mid and long-term the transport patterns to a large extent it may be worthwhile to put emphasis also on land-use planning approaches enabling transport patterns with lower GHG emissions (such as rail, NMT).
- The project intends to provide clear answers on how to quantify the CO₂ emission reduction potentials by the different instruments and how to monitor and evaluate the implementation. Since this seems a non-trivial task it would be of great value if the approaches intended for applying this (e.g. definition of baseline, type of instruments etc.) could be specified in more detail.
- The project mentions inland waterways as being a unique opportunity for the specific city cluster (CZX) in Hunan Province. Does this aspect scale down the replication potential in any significant way?

Conclusions and Recommendations

The project deserves support because it proposes a comprehensive approach for developing and implementing a strategy for sustainable urban transport systems (SUTS) in a particular setting of cities within a city cluster. This comprehensive approach is promising. However, the project could benefit from more explicit descriptions of the institutional settings and how decision processes will be embedded. In addition, extending the focus to land-use planning approaches could substantiate the GHG emission reductions in the long run.

**31. China : Technology Need Assessment on Climate Change (World Bank)
(GEF Project Grant : \$5,000,000)**

COMMENTS FROM SWITZERLAND

Overall Commentaries

This project is designed to help China to assess its technology needs in the context of the second national communication under UNFCCC. In addition, the project develops concrete pathways to speed up the adoption, development and transfer of key technologies that will be strategically critical in pursuing its national development needs in the face of climate change. The project is designed to develop a technology needs assessment indicator system and establishes operational procedures/measures adapted to the Chinese context but also contains internationally relevant technology information and should hence become replicable within the framework of the Convention. The project thus pursues a highly relevant goal. The relevant risks have been addressed considering the complexity of the task.

Questions, Concerns and Challenges for the further Project Preparation

- ▶ Though the project's size seems large for an enabling activity (compared to TNA assessments done in context of initial national communications under UNFCCC), the resources still will not allow all sectors in need of low carbon, climate resilient technologies (including agriculture) to be covered in greater depth. It is understood that the project, in recognition of this challenge, will investigate and demonstrate/test a technology transfer model for pilot cases of relevant mitigation and adaptation technologies. *The potential for replication in at least other major non-Annex I economies is an important indicator for selecting such cases for technology transfer demonstration and action learning.*
- ▶ The technology information database set up is one of the important expected outcomes of this project. *It is recommended assessing whether this activity can be made interactive and accessible to stakeholders and users from other Parties as well as to international organizations in order to enhance its global environmental benefits.*
- ▶ China has in many fields demonstrated the capability to acquire technologies it considers strategic for its economic development (examples in different fields of transport sector technologies, renewable energy etc.). The “lock in” problem of technologies falling significantly short of being “low carbon” prevails in some large and small scale industry sectors, transport, power generation (rate of technology change does not keep pace with growth), public sector infrastructure and particularly

buildings. The key challenge in these sectors may rather be technology dissemination and “energy efficiency governance enforcement” of the technology transfer. *The study is encouraged to analyse carefully related barriers in a differentiated manner and report on findings. The findings could be highly relevant for EGTT, other Parties as well as for Convention processes.*

Conclusions and Recommendations

The project is recommended for approval. It is recommended to address and integrate the proposals as outlined above under “main questions and concerns” in the process up to CEO endorsement.

COMMENTS FROM THE UNITED STATES

The United States suggests that this project would be improved if it was part of the overall second phase of TNA support that UNEP is leading with UNDP. UNEP and UNDP have developed a rigorous, action oriented, and sustainable approach that could be applied to this effort with China.

We suggest that the project use a rigorous analytic process for evaluating the potential development benefits and market potential for alternative mitigation and adaptation technologies that will build on and complement existing Chinese government and donor programs in China and opportunities to enhance private sector investment.

We encourage the GEF to pursue priority technologies and identification of barriers to development and implementation of comprehensive technology action plans for each technology (as with the revised UNEP and UNDP methodology) to address policy, market, and capacity barriers to sustained investment and deployment of the priority technologies.

We would like to see the full proposal describe how key implementing agencies in China (e.g. NDRC) will be engaged to lead development of programs for each sector that build on and will reinforce current government supported technology development and deployment programs.

The project should describe how it will engage the private sector in all phases of the work to ensure that the project will catalyze sustained private sector investment.

The project should endeavor to engage all major multilateral and bilateral climate programs active in China in the consultation process to tap into these activities to support design of new technology initiatives and build on these existing activities in enhanced technology development and diffusion and transfer efforts.

The proposed framework for ongoing technology needs assessment would be strengthened if it included development of clear performance metrics, an annual review

process, a mechanism to engage all major donors and help coordinate work across donors, and describe how key government agencies and the private sector will be engaged in ongoing review. This framework could be of great value as the coordinating mechanism across donors, government agencies, and the private sector in advancing climate tech development, diffusion, and transfer in China.

**32. Colombia : Catalytic Investments for Geothermal Power (IADB)
(GEF Project Grant : \$2,727,000)**

COMMENTS FROM GERMANY

Which steps will be taken if the cost-effectiveness analysis finds that geothermal power generation in Colombia scores very poorly in terms of cost-effectiveness compared to non-renewable alternatives? Would the project be abandoned?

The PIF states that “The Colombian Government has indicated its intention to reduce its dependency on hydraulic power by expanding the thermal power option (gas and coal) as well as other renewable sources of energy such as wind and geothermal”. Further explanation should be provided as to why investments in geothermal power would not occur under a business as usual scenario.

COMMENTS FROM THE UNITED STATES

The United States believes that this is a promising project that seeks to address the main challenges to developing the first geothermal power project in Colombia.

Geothermal power production is economically feasible and commercial in many countries and this project should help to spur development in Colombia.

However, we agree with the STAP review’s second comment that a preliminary cost effectiveness study during project preparation should be recommended to provide a guide to potential feasibility in later stages.

A critical stage of the project will be Component III (Exploration Drilling). Without drilling, no geothermal resources will be confirmed.

No GEF cost share is requested for this part of the project. How does the project plan to finance exploration drilling, since it is usually financed with equity funding?

**33. Colombia : Mechanism for Voluntary Mitigation of Greenhouse Gas Emissions
in Colombia (IADB) (GEF Project Grant : \$2,700,000)**

COMMENTS FROM GERMANY

The PIF's language on quality requirements for the environmental integrity of VER projects is rather weak. A credible demonstration of additionality is vital for achieving real emission reductions through baseline & credit schemes. But the PIF does not explicitly mention additionality or the prevention of leakage as a requirement. Rigorous criteria for environmental integrity need to be a key determinant for the selection of the VER standard to be adopted. Otherwise there is a risk of compromising the credibility and reputation of the scheme.

While the PIF contains information on the volume of emissions reductions to be achieved in a first phase through the initial portfolio of projects (i.e. 204.000 tCO₂), it does not provide a medium- and long-term vision for the expected size and further development of the scheme. The steps to be taken after the initial project portfolio has been realized are not clear. How will domestic VER demand be sustained over time?

**34. India : Market Development and Promotion of Solar Concentrators based
Process Heat Applications in India (UNDP) (GEF Project Grant : \$4,400,000)**

COMMENTS FROM SWITZERLAND

Overall Commentaries

The proposal is good and complete. The main barriers are identified and strategies to overcome them are already being developed. The potential for developing CSP technology in India is tremendous though it remains difficult to assess whether the technology will be able to penetrate the market until and unless oil prices reach their peak or a technological break-through is observed.

Questions, Concerns and Challenges for further Project Preparation

- ▶ The main question relates to the Indian authorities' readiness to set up the necessary structural measures that will guarantee a successful market penetration of the CSP technology. For this infant industry to become a long-lasting commercial success, financial incentives, such as tax reductions, etc., are required at the initial stage.
- ▶ With the exception of the list of the policy decisions taken at the National level, there is no mention of the role, involvement and responsibility of the local/state authorities. The responsibility of implementing, adjusting and, in certain cases, encouraging additional measures lie in the local authorities' hands. Their role is of the utmost importance.
- ▶ According to the project document, a study seeking to address the first matter of concern will be undertaken in the course of the project progress. One would recommend the study to take stock of the role, involvement and responsibility of the local/state authorities. If this study had been conducted prior to the beginning of the project, the conclusions of the study would have given valuable indications on the prospect of CSP technology in India.
- ▶ The concerns raised by the STAP as regards energy shortage and requirement of energy backup is well understood and shared. This question is not discussed in the document. For the CSP technology process to function all year-round (dairy industry), additional back-up energy devices may be put in place.
- ▶ In addition, the absence of a baseline scenario is surprising and the STAP's requirement for a baseline analysis is thus supported.
- ▶ On the technology front, the CSP technology - though well known by few - is still at its development stage. One would recommend an intensive collaboration with

outsiders (experts from India and abroad) whose expertise would help to optimise the technology. There is no list of enterprises or national institutes with which collaboration is foreseen. In addition, the fact that the CSP technology is largely in the hands of the private sector may complicate the information sharing and constitute a barrier as such.

Conclusions and Recommendations

In spite of the above remarks, the project is strongly recommended for approval.

COMMENTS FROM THE UNITED STATES

The United States believes that the proposal would have been strengthened by a more thorough implementation plan including a discussion of the strengths and capabilities of the implementers regarding their ability to achieve the goals of the proposal. However, the significant cost share from industry (\$6m) and the financial community (\$6m) indicates that they will be sufficiently involved to ensure success of the project.

We recommend that coordination with ongoing bilateral efforts, including the Clean Energy Research and Deployment Initiative established between the Government of India and the U.S. Government, would complement the goals of this project.

35. Indonesia : Chiller Energy Efficiency Project (World Bank) (GEF Project Grant : \$3,661,575)

COMMENTS FROM GERMANY(March 4, 2010)

Germany has objections to this PIF. We are seeking clarification on this concern before we can approve this PIF.

The proposed project aims at replacing older chillers by non-ozone depleting substance (ODS) ones which are more energy efficient. However, the non-ODS chillers that shall be deployed through this project cannot be considered climate-friendly. The chillers would be equipped with a HFC-134a refrigerant, which is an extremely potent greenhouse gas covered by the Kyoto Protocol. The additional HFC-emissions caused by the chiller replacement would more than undo the climate benefit of the energy savings achieved. The project proposal does not fulfill GEF's strategic objective of reducing greenhouse gas emissions, unless climate-friendly, HFC-free chiller technology will be deployed.

COMMENTS FROM GERMANY(March 17, 2010)

In addition to our comments from 4 March 2010 we would like to add the following comments:

Germany agrees to approve the whole Intersessional Work Program March 2010, including the above mentioned projects number 35. and 40. with the following comments:

It is the common understanding of Germany and the Worldbank as the Implementing Agency of the above mentioned projects that the project formulation, which would start upon PIF approval, will determine the most appropriate technologies and cooling agents / refrigerants to be employed in the projects on the basis of technical viability, environmental-soundness, cost-effectiveness, energy efficiency etc., in view of the country context. HFC-134a has been used in the PIFs to calculate a most conservative estimate of net CO2 emission reductions from the projects.

Germany views HFC-134a due to its high global warming potential of 1,300 not as the optimal refrigerant.

With regard to project **35. Chiller Energy Efficiency (Indonesia)** Germany suggests to employ R 717 (ammonia) (in some cases R 718 (water) may also be feasible) as cooling agent for new chillers, in order to tap the full climate mitigation potential of the project. Ammonia has a GWP of zero. Ammonia is commonly available at reasonable costs for new chillers on the international market and is already in use in some developing countries. In the case of roof-top chillers hydrocarbons (R 290) are also a viable alternative for HFC-134a.

The World Bank has confirmed that the choice of refrigerant technology for the entire sector has not been made for these two projects and has committed to fully explore the use of natural refrigerants in these projects.

**36. Indonesia : Wind Hybrid Power Generation (WHyPGen) Marketing
Development Initiatives (UNDP) (GEF Project Grant : \$2,156,200)**

COMMENTS FROM GERMANY

The Role of demonstration projects (comp. 2) should be included in the promotion strategy (comp. 5) for WHyPGen. Demonstration projects and information dissemination should not be treated separately. Questions regarding cost efficiency should be addressed: Will local banks/financing institutions be interested in providing loans to WHyPGen projects? How long is the expected payback period? Capacity building and TA activities should comprise such information.

**37. Iran : Industrial Energy Efficiency in Key Sectors (UNIDO) (GEF Project
Grant : \$5,450,000)**

COMMENTS FROM GERMANY

The reputational and financial incentives planned to be provided for industrial companies that are willing to commit to voluntary energy agreements are possibly not strong enough, given the high level of energy subsidies in Iran which already lead to the failure of the “Note 11” financing initiative. Therefore, there is a real risk that the emission reductions which shall be achieved through the energy agreements do not materialize as expected. It should be clarified how these risks are mitigated before further development of the project proposal.

Further details should be provided on how the legal and regulatory changes are supposed to be driven. Concrete avenues for collaboration with policymakers should be established to support this goal.

COMMENTS FROM USA

The US abstains on this project due to legislative mandate. The US Treasury will record this project as abstention in its loan review database.

**38. Kazakhstan : Sustainable Transport in the City Of Almaty (UNDP)
(GEF Project Grant : \$4,995,000)**

COMMENTS FROM GERMANY

There are partial overlaps between the outputs of project component 1 and 4 (e.g. “Increase fleet of public vehicles” as component 1 and “Demonstration bus/trolleybus rapid transit systems on priority lanes” as component 4). Better integration of outputs seems advisable.

The project proposal does not include a monitoring and evaluation concept in order to measure project progress and output. This should be added and implemented. Project results should be used in the international dialogue, in order to apply them as lessons learned to future projects.

COMMENTS FROM SWITZERLAND

Overall Commentaries

The project aims (1) at improving the efficiency and quality of services of public transport, (2) integrated traffic management practices, (3) fuel standards and (4) shift to efficient and alternative sustainable transport modes in the city of Almaty, Kazakhstan. The project follows a comprehensive approach and in principle merits support.

Questions, Concerns and Challenges for the further Project Preparation

However, some aspects are worth being considered in the next project preparation steps.

- ▶ Improved efficiency and better quality of services of public transport as well as integration and improvement of traffic management are relevant and legitimate objectives of the project. However, many of the proposed measures are basic elements of a transport policy devoted to efficient use of resources and it is not very obvious what the *global benefits* for the environment are due to the *additional* GEF investments.
- ▶ Outcome 3 (low carbon fuel standards) may have a more direct link to global benefits. Hence it would be valuable if the proposed “road map” for the design of standards and the expected impacts and benefits could be made more explicit.
- ▶ In addition, the STAP comments with regard to potential resistance from private bus operators are supported. Hence including targeted incentives should be considered.

Conclusions and Recommendations

The project deserves support but it seems necessary to indicate more clearly the *global environmental benefits* of the project justifying additional GEF resources to be spent.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**39. Lao PDR : Rural Electrification Phase II (World Bank) (GEF Project
Grant : \$1,818,000)**

NO COMMENTS RECEIVED.

**40. Mexico : Lighting and Appliances Efficiency Project (World Bank)
(GEF Project Grant : \$7,118,600)**

COMMENTS FROM GERMANY (March 4, 2010)

Germany has objections to this PIF. We are seeking clarification on this concern before we can approve this PIF.

The proposed project aims at replacing old refrigerators and ACs equipped with CFC-12 by ones which are more energy efficient and are equipped with HFC-134a. The appliances that shall be deployed through this project cannot be considered climate-friendly. The appliances shall be equipped with a HFC-134a refrigerant, which is an extremely potent greenhouse gas covered by the Kyoto Protocol even though it is less climate potent than CFC-12. The project proposal does not fulfill GEF's strategic objective of reducing greenhouse gas emissions, unless climate-friendly, HFC-free technology is deployed.

ADDITIONAL COMMENTS FROM GERMANY (March 17, 2010)

In addition to our comments from 4 March 2010 we would like to add the following comments:

Germany agrees to approve the whole Intersessional Work Program March 2010, including the above mentioned projects number 35. and 40. with the following comments:

It is the common understanding of Germany and the Worldbank as the Implementing Agency of the above mentioned projects that the project formulation, which would start upon PIF approval, will determine the most appropriate technologies and cooling agents / refrigerants to be employed in the projects on the basis of technical viability, environmental-soundness, cost-effectiveness, energy efficiency etc., in view of the country context. HFC-134a has been used in the PIFs to calculate a most conservative estimate of net CO2 emission reductions from the projects.

Germany views HFC-134a due to its high global warming potential of 1,300 not as the optimal refrigerant.

With regard to project **40. Lighting and Appliances Efficiency (Mexico)** Germany suggests to employ hydro-carbons (R-600a) as refrigerant for the new refrigerators. R-600a has a GWP of 1 and refrigerators with hydro-carbons are generally more energy efficient. Refrigerators with hydro-carbons are currently being introduced in the market in both developed and developing countries.

The World Bank has confirmed that the choice of refrigerant technology for the entire sector has not been made for these two projects and has committed to fully explore the use of natural refrigerants in these projects.

41. Mexico : Mitigating Climate Change through Sustainable Forest Management and Capacity Building in the Southern States of Mexico (States of Campeche, Chiapas and Oaxaca) (IFAD) (GEF Project Grant : \$5,000,000)

COMMENTS FROM GERMANY

Mexico is in the final stage of preparing its REDD- readiness proposal for the Forest Carbon Partnership Facility. As that proposal will determine important aspects of REDD readiness the GEF project should be revised accordingly and should include more detailed data.

42. Morocco : Energy Efficiency in the Industrial Sector (AfDB) (GEF Project Grant : \$2,730,000)

COMMENTS FROM GERMANY

Possible synergies with the Morocco/German project “Promotion of renewable energies and energy efficiency” (working together with ADEREE and MEMEE) should be determined.

In component 4 adequate financing mechanisms for EE in SMEs shall be analyzed and the industrial sector shall be informed on the results. Given the relatively low amount allocated to this component (US\$ 40,000 in total), the target “industry wide knowledge of viable financial models to undertake EE projects” seems to be unrealistic.

COMMENTS FROM THE UNITED STATES

The United States is supportive of audit programs that identify energy/carbon savings and then provide a financing/implementation mechanism because they have good chances of success and have excellent potential to reduce greenhouse gases per dollar invested. We believe that this project appears to provide a good option for instituting this kind of energy and carbon savings program.

However, we suggest changes which would improve the chances of success for the 150 SMEs in this program and could improve replication of results:

- Broaden the work with SMEs by taking an energy management approach. While an audit is a key component in energy management, creating a framework of management responsibility and decision making, identifying energy policies and plans, involving plant people in the process, baselining energy use, measuring results, etc., can improve the chances for implementation and also create an environment which fosters continuous improvement. The cost of individual audits is quite high. So a more robust set of activities and training on energy management is certainly feasible within the current scope.
- Explicitly add baselining and training to the audit process. Without a clear idea of the baseline energy use, it is hard to measure results. Training of plant personnel is critical both in implementing audit results as well as maintaining efficient operation over time.
- Clarify capacity building. In many countries the shortage in trained personnel is the people who conduct the audits and trainers of plant people on energy saving and energy management techniques. In this project, it is not clear where the auditors would come from. Building this capacity in-country is critical. While the 150 SME trainees are useful to their own facility, there is no leveraging of other users in the industrial sector. Thus, the capacity building which needs to be

clearly addressed is the trainers and the “experts” as well as energy managers in the plants.

- Communication and dissemination of results. There does not seem to be much effort on documenting results, developing case studies, and disseminating information to a wider audience. While reducing energy use in 150 SMEs is good, replicating results over a wider population of plants could substantially increase the value of the investment to Morocco.

**43. Nepal : Kathmandu Sustainable Urban Transport (SUT) Project (ADB)
(GEF Project Grant : \$2,818,182)**

COMMENTS FROM GERMANY

The PIF points out that ADB would like to utilize the experiences made with this project for further development of its project pipeline. We suggest that the results should be made available for use and distribution to other institutions as well (i.e. development banks, donors and implementation agencies).

44. Pakistan : Promoting Sustainable Energy Production and Use from Biomass in Pakistan (UNIDO) (GEF Project Grant : \$1,820,000)

COMMENTS FROM GERMANY

There is a high risk that the policy and regulatory assistance as planned in the proposal will duplicate the ongoing coordinated TA for RE policy and may lead to overlapping activities or confusion. UNIDO is presently not very active in Pakistan's power and energy sector and is not participating in the donor working group for coordination of support to AEDB for RE policy development. Pakistan's RE Policy is presently under review with support of Asian Developing Bank (ADB), USAID and GTZ-REEE programme and is expected to be presented to the cabinet before June 2010 for approval. It should be ensured that the project is coordinated with the efforts of other donors, incl. GTZ-REEE. We kindly ask for a report on the results of these co-ordination efforts within three months.

COMMENTS FROM THE UNITED STATES

The United States agrees with the STAP review that there are technical weaknesses in the proposal.

- The gasification technology to be used is not well defined. Therefore, we suggest the full proposal provides more details on this technology.
- We would like to see sustainability addressed more fully with respect to the technology and feedstock used and in terms of the conversion technology emissions (gas, liquid, solids) on a lifecycle basis.

We believe the project has merit and that it could address multiple objectives simultaneously. There are opportunities for the following:

- Integrate the biomass heat/power pilot project selection sites in which small and medium enterprises exist with the current ongoing economic activities, characterize their heat and power loads, as well as other loads in schools, community activities, living areas, their social acceptance of these activities (and ability to build on them for future economic development), infrastructure, and environmental characteristics for all phases of the proposed activity. Project site selection based on information collection and analyses is very important.
- For residues -- feedstock collection, transport and storage, water availability and use; gasification (in terms of water use, air emissions, tars, solid and liquid effluents and their disposal), closely coupled use of the heat load (most efficient conversion), electricity generation and distribution. Improvements in the regular agriculture would increase food and residue production.
- For short rotation woody crop – sustainability of the added feedstock to the area as well as the topics above. It will take time to establish these feedstocks, but they will be good for expanding the heat/power generation later. It is important to transfer the feedstock to the conversion and use facilities. Geographic mapping

(of these various sites/region in overlapping layers) may help define current and future activities. Potential for multiple uses of these crops (fiber, solid wood, coupled with energy) could also help selection.

- There is potential for developing capacity building for absorption and training on new technologies or training the future users as the pilots expand.
- Tailor technology selection to the needs (current) and possibilities of expansion of economic activities.
- Develop an in-depth knowledge of the potential of multiple economic activities to improve sustainable development of the region.

Site selection should be guided by the following: The project may need to evaluate a broader number of sites to reach the three that would benefit immediately (and have the best capability to embrace, use, and further develop) these biomass systems and technologies and be able to build on the planning for future development.

We recommend that the project use consultants that are experts in integrated systems planning including, biomass systems.

We recommend that the proposal consider the significant experience in India (about 35 MW installed in heat and power for drying applications, such as brick making prior to firing, textiles, and others) as well as some in the Philippines, Indonesia, Sri-Lanka, and Thailand.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**45. Romania : Financing Public Building Efficiency (EBRD) (GEF Project
Grant : \$4,570,000)**

NO COMMENTS RECEIVED.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**46. Romania : LGGE Improving Energy Efficiency in Low-Income Households
and Regions of Romania (UNDP) (GEF Project Grant : \$2,974,848)**

NO COMMENTS RECEIVED.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF/ IS/22)
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**47. Sudan : Integrated Carbon Sequestration Project in Sudan (IFAD)
(GEF Project Grant : \$3,650,000)**

COMMENTS FROM THE UNITED STATES

The United States believes that the project's goal, to develop market linkages to increase services is positive.

We also believe that the pilot project, to determine feasibility (small scale digesters), is positive.

The US abstains on this project due to legislative mandate. The US Treasury will record this project as abstention in its loan review database.

48. Tanzania : Mini-Grids Based on Small Hydropower Sources to Augment Rural Electrification (UNIDO) (GEF Project Grant : \$3,350,000)

COMMENTS FROM THE UNITED STATES

The United States supports addressing a need by deploying appropriate technology for regional resources.

We strongly support partnering with educational institutions, such as Dar es Salam University, to increase technical expertise and enhance human capacity and entrepreneurs, as advocated in project component #2. As technical expertise increases, maintenance of micro facilities will be more affordable, which will encourage financial investment.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**49. Thailand : LGGE Promoting Energy Efficiency in Commercial Buildings in
Thailand (PEECB) (UNDP) (GEF Project Grant : \$3,637,273)**

NO COMMENTS RECEIVED.

50. Tunisia : Energy Efficiency and Cogeneration Investment Scale-Up and Biomass Pilot (World Bank) (GEF Project Grant : \$2,410,000)

COMMENTS FROM GERMANY

The core piece of the proposed project is a WB line of credit (hard loan) of US\$ 55 Mio. The loan was requested by the Government of Tunisia and would have been provided also without the associated GEF project. While for the line of credit there is 100% co-financing through WB, the TA measures will be financed by GEF 100% and 75%, respectively. It should be clarified if co-financed fraction for TA measures of as little as 6% (\$ 100,000 of \$ 1,710,000) can be justifiable.

51. Turkmenistan : LGGE Improving Energy Efficiency in the Residential Buildings Sector (UNDP) (GEF Project Grant : \$2,516,280)

COMMENTS FROM SWITZERLAND

Overall Commentaries

This is a challenging project, apparently implemented at a crucial crossroads of building sector reform in Turkmenistan: it aims to develop and implement a strategy for gradually transforming markets towards EE buildings, improving energy efficiency and reducing energy consumption in the residential building sector in Turkmenistan. The project has a set of components: energy efficient building codes, DSM and a pilot demonstration in multi-unit residential buildings. The comprehensive approach offers considerable opportunities. The success though may be linked to a request for new decision-making processes in building construction, finance, owners and users as well at energy sector and national level. Hence significant institutional barriers may have to be overcome for the project to be fully successful.

Questions, Concerns and Challenges for the further Project Preparation

The outline of the project has been reviewed and commented on by STAP. The related recommendations with relation to coherent assessment of barriers, building code enforcement through legally binding standards and also addressing EE in retrofitting, are strongly endorsed, yet the project approach seems to be short of key incentives to induce successful replication leading to market transformation. Hence the following suggestions should be further investigated in the process of finalizing the project design:

- Having the chance of associating with Turkmengas in the DSM component 2, the project could encourage Turkmengas acting as single supplier of gas to offer a reduced tariff to owners of buildings meeting the EE building code or to owners implementing minimal standard EE retrofits for a period of e.g. 5-7 years. Such an incentive would reduce pay-back periods for investments in a market where energy prices still seem to be comparatively low also after gas sector reform.
- The improved, energy efficient building code should become legally binding after a grace period (3-5 years) bridged by market-based incentives ensuring dissemination and up-scaling of best practices. Capacity building under component 4 should address enforcement of the standard.

Conclusions and Recommendations

The project deserves support because it proposes a coordinated approach at a crucial point in time in a market where EE is a low priority issue. However, the project could

benefit from more explicit descriptions of the replication strategy which seems unlikely to be successful in the absence of significant market-based incentives. The project is recommended for approval. However it is recommended to address and integrate the proposals as outlined above in the process up to CEO endorsement.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL
MEMBERS (REFERENCE TO GEF/ IS/22)

**52. Venezuela : Promotion of Sustainable and Climate-Compatible Rural
Development in Lara and Falcon States PROSALAFI-GEF: (IFAD)
(GEF Project Grant : \$3,635,000)**

NO COMMENTS RECEIVED.

International Waters

53. Morocco : MED Integrated Coastal Zone Management-Mediterranean Coast (World Bank) (GEF Project Grant : \$5,181,818)

COMMENTS FROM SWITZERLAND

Overall Commentaries

The objective of the proposed project is to support Integrated Coastal Zone Management (ICZM) in selected areas of Morocco's Mediterranean coast to reduce pollution and loss of biodiversity and to enhance communities' resilience to climatic risk. The project is part of the Sustainable MED program and is expected to contribute to the regional effort in addressing the issues raised in the Transboundary Action Plan and priorities defined in the Strategic Action Programs.

The PIF indicates a remarkable co-financing from the French Development Agency (Agence française de développement, USD 12 million) and the World Bank (USD 6 million). It also shows that the project will have its financing focus (USD 19.6 million) on component 4, namely as support to critical pilot investments in ICZM including coastal resources conservation and rehabilitation, eco-tourism, and sustainable fishery.

We confer with the STAP's advisory response that the project focuses on a valuable wetland system, including a Ramsar site, under real pressure from diverse human activities. The project thus has the potential to demonstrate the value of ICZM.

Questions, Concerns and Challenges for the further Project Preparation

The PIF makes little reference to prior initiatives and existing institutions with an integrated approach in the region, including the existing River Basin Organisation (*Agence du bassin hydraulique de la Moulouya – Oujda*), its twinning project with the Spanish Ebro Basin Organisation created in 2005, or the EU funded SMAP III ICZM Project (2005 – 2009) in the Nador area with a Coastal Action Plan for Nador. We recommend that the project explicitly evaluates experiences made under these initiatives and institutions to support the detailed project design.

The STAP advisory response rightly points out the project's nexus with the Moroccan ICZM law which has been under preparation for several years. We confer with the STAP's experience that an institutional ownership of a future ICZM law will be needed for effectiveness, i.e. the clear designation of a competent body with monitoring and enforcement powers on the ICZM law. As a prerequisite to such an institutional

clarification, substantial work on defining evaluation methods and processes for human activities in the littoral zone will be needed. We see that component 1 addresses such issues, however with limited financing. We feel that a certain financial rebalancing from component 2 might be beneficial, since methodological know-how developed under component 1 will be most interesting for regional know-how transfer.

We understand the risks indicated by the STAP's advisory response in not achieving the desired fisheries sustainability, bearing in mind that the Nador lagoon and the Moulouya river mouth are rated as primary sites in terms of high aquaculture potential (e.g. shrimp cultures). We believe that as an added priority action, marketing support for fisheries and aquaculture products achieved in a sustainable manner could help to reduce the implementation risk under component 3.

Conclusions and Recommendations

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

We recommend continuing with project preparation while taking into account the issues mentioned above.

COMMENTS FROM THE UNITED STATES

The United States supports efforts that address environmental threats in the Nador and eastern Moroccan Mediterranean coastal area and that address economic needs to preserve fisheries and preserve environmental quality and biodiversity.

We recommend that the project consider developing an action plan in coordination with government officials, public institutions, civil society, and professional associations.

We recommend that the GEF consider consultations with the MCC and other donors that are work with artisanal fisheries on coastal areas to complement efforts and resources.

We are concerned that the overall budget to fund all the proposed components of this project is underestimated.

We recommend that the project provide support towards increasing legal and technical expertise in coastal management for public institutions with jurisdiction over coastal zones, for the private sector, and for local communities.

Multi Focal Area

- 54. Nicaragua : Integrated Management in Lakes Apanas and Asturias
Watershed (IADB) (GEF Project Grant : \$4,041,000)**

NO COMMENTS RECEIVED.

55. Thailand : SFM: Integrated Community-based Forest and Catchment Management through an Ecosystem Service Approach (CBFCM) (UNDP) (GEF Project Grant : \$1,758,182)

COMMENTS FROM SWITZERLAND

Overall Commentaries:

The Project proposal describes an acute situation of natural resource degradation in Thailand. It reasons that a number of aspects contribute to that degradation: low awareness on ecosystems functions, low participation of local communities and inadequate institutional and legal frameworks that lead to a lack of integration of community-based forest management into operational and policy planning.

The proposal describes the efforts of the country to enter into a low carbon or zero carbon development path and in this way join international efforts for climate change mitigation. The proposal also reasons that its innovative approach fits well the decentralisation process currently taking place in Thailand. This situation analysis is valid and is similar to numerous proposals in this thematic area.

The proposal places a focus on the establishment CBFCM pilot areas and on capacity building to stakeholders. This is a valid project approach and is confirmed by international efforts in this area.

Besides the two foci of the proposed project (CBFCM and capacity building), the innovative element of approach is the introduction of a payment scheme for environmental services, PES. This is to be achieved by linking existing community-managed forest areas to predefined PES and carbon financing schemes.

Against this background, the project proposal is valid and justified.

Questions, Concerns and Challenges for further Project Preparation

The proposal suggests, in cooperation with existing forest managing communities, piloting PES and carbon financing schemes. It expects that, as a result, both total C and livelihood quality increases. Important operations involved are: the identification of the ecosystem service, the identification of sellers and buyer, and stakeholder consultation on the optimal land-use option.

Concerns and open questions:

- (1) The stakeholder consultation however is, by nature, open-ended in the sense that stakeholders may also decide to apply a land-use that is different from using the forest for C payment schemes. This is in contrast to another output which is that 'payment schemes are operationalised'. Therefore there appears to be a contradiction as the proposal creates a picture as if the land-use has already been planned, independently of the result of the stakeholder consultations.

- (2) Project component 2 is not clear in the sense that it is questionable whether, after 4 years of payment schemes, the total carbon stocks can be increased by 10%. The carbon stocks in a natural forest are in flow equilibrium and can only be increased in the short term (4 years) by massive afforestation. This however is apparently not foreseen.
- (3) One clear output is the establishment of payment schemes linked to the pilot areas. Another output is the fact that land users are trained in land-use options that enhance ecosystem service. ‘Training in land use options sounds odd’: it can either be ‘training to identify land-use options’ or ‘training to develop....’ However, another outcome here is on ecosystem services. This is different from C payment schemes and one wonders what the proposal intends: establishment of C payment schemes or enhancing ecosystems services for livelihoods.
- (4) Another outcome aims, via capacity building, at harnessing innovative financing for improved livelihoods. It remains open what the proposal means by improved livelihoods. In the same sense is also the second outcome: 5% livelihood quality increase from ecosystems services is rather unclear.

Conclusions and Recommendations

While the reasoning of the proposal, given the background, is clear and appears justified, the logic of outputs and outcomes of component 2 appears to be less well thought out.

It appears to the reviewer that the negotiation process between sellers and buyers, the identification of ecosystem services, stakeholder consultations etc. may well be very tedious, contradictory and may well take more than the proposed project period. Efforts required for these elements appear to be grossly underestimated.

However, it may also be that the output – outcome complex of component 2 is simply not well documented and explained.

Therefore, Switzerland supports the continuation of project planning and preparation of the final project documents, but it expects that the above-mentioned concerns are resolved in a satisfactory manner.

POPs

- 56. Regional (Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Niue, Papua New Guinea, Palau, Tonga, Tuvalu, Vanuatu, Samoa) : PAS Pacific POPs Release Reduction Through Improved Management of Solid and Hazardous Wastes (UNEP/FAO) (GEF Project Grant : \$3,275,000)**

COMMENTS FROM GERMANY

We welcome the integrative approach in addressing release reduction of POPs, and observe that the proposed GEF co-financing is expected to cover POPs and non-POPs related measures. We observe that several of the proposed participating countries do not yet have advanced or completed NIPs drafts. In this connection, further clarification may be required on the NIP status of FSM.

COMMENTS FROM SWITZERLAND

Unintentionally produced POPs such as Dioxins and Furans generated by burning of waste, PCBs and POPs pesticides are both a local and a global issue. A stronger consideration of activities of the Rotterdam Convention and the Green Customs Initiative in the areas of import/export and the involvement of customs authorities should be considered.

COMMENTS FROM THE UNITED STATES

The United States supports waste management projects undertaken in the Pacific Islands.

We note that all of the regional Pacific Island economies depend to some degree on fishing, in addition to forestry and tourism. Each of these three sources of revenue is threatened by air and water pollution created by waste.

We agree with the recommendations in the STAP review regarding reducing municipal solid wastes at the source and in developing a regional strategy for municipal solid waste disposal based on a cost-benefit analysis of alternatives. Solid waste disposal is especially important in light of STAP comment on poorly designed landfills and because the smaller island states have little or no landfill possibilities.

INTERSESSIONAL WORK PROGRAM: COMMENTS FROM COUNCIL MEMBERS (REFERENCE TO GEF/ IS/22)
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57. Regional (Mali, Tunisia) : Africa Stockpiles Program (ASP) - Project 1- Supplemental Funds for Disposal and Prevention (World Bank) (GEF Project Grant : \$3,960,000)

COMMENTS FROM GERMANY

We support this proposal for supplemental funds for the disposal and prevention in Mali and Tunisia in the context of the Africa Stockpile Programme and agree with comments by STAP.

Referring to the proposed treatment of obsolete pesticides and associated waste, in national facilities, further clarification may be helpful with regard to the project's scope on what type of treatment is envisaged in the national facilities to be tested and implemented in both countries as well as which national facilities will be involved.

58. Botswana : Demonstration Project for Decontamination of POPs Contaminated Soils Using Non-thermal Treatment Methods (FAO) (GEF Project Grant : \$1,363,000)

COMMENTS FROM GERMANY

With regard to component 4, further information may need to be provided in the proposal with regard to the envisaged pilot measures, given the current status of in-country disposal facilities. Referring to component 5, the establishment of a treatment plant appears to be ambitious in relation to the proposed funding.

COMMENTS FROM SWITZERLAND

Overall Commentaries

We support the application of the project, as the access to additional financial resources will enable the country to significantly reduce the risks and fulfil its Convention obligations, even more if those responsible manage to fully adopt, as foreseen in the project, the best available techniques under the circumstances specified in the Convention.

Concerns

The most important component of the project is the decontamination of some 18'00 tonnes of contaminated soil with methods respecting internationally recognised BAT/BET-guidelines as well as national regulations regarding environmental protection and authorization processes. Consequently, approx. 60 % of the total budget is reserved for this component (5). Several components are described to revise legislation (comp. 1) and to execute the necessary studies and evaluations (comp. 2, 3, 4 and parts of 6) in order to allow an appropriate choice of treatment options. Unfortunately, the proposal does not clearly define the roles of the different participants in carrying out the listed components and the authorization procedures to follow.

Based on the results of the studies, the assessments and the selection process that present the "suite of treatment options", a final project document for execution will be necessary. We consider this document a prerequisite that will form the basis for any permit the competent authorities have to deliver. Therefore, it has to contain all the necessary details to take into account during the execution of the organizational and technical measures, according to volumes and contamination levels of the different materials (different classes of materials to treat), the given local circumstances and the revised legislative framework.

As the assessment of the suitability of treatment options should encompass non-thermal and thermal options, and the proposed risk-based system aims at reducing the quantities of materials by highly sophisticated and costly methods to a minimum (as stated in Component 3a and 2c), the identification of the different materials needing treatment and their separation from less contaminated materials are of highest importance and therefore need consideration at the beginning of the field studies.

The project is a good combination of adaptation and strengthening of legislation and regulatory mechanisms and technical measures in order to decontaminate soil.

During further project development, the project should be embedded more clearly into the strategies of the POPs Convention. Thus, together with the know-how gained, it will enable Botswana to finalize its NIP and to submit to the secretariat of the POPs Convention.

Suggestions for further project preparation

Basically we support going ahead with further planning, however we consider our suggestion of presenting an operational plan before proceeding to the treatment stage fully in line with the position of the STAP reviewers who expect a full justification for the chosen thermal and non-thermal options.

**59. Kazakhstan : Elimination of POPs Wastes (World Bank) (GEF Project
Grant : \$10,350,000)**

COMMENTS FROM GERMANY

We agree with this proposal for the elimination of POPs waste in Kazakhstan and support the comments of STAP. The envisaged outcomes, results and quantities to be disposed under this project appear to be ambitious in relation to the proposed funding.

COMMENTS FROM SWITZERLAND

Overall Commentaries

We fully acknowledge the general objectives of the project, which will be a valuable complement to the initiatives already undertaken by the Government of Kazakhstan, the EU, the World Bank and UNDP. We therefore support its approval.

To achieve the whole series of the expected outcomes, a long list of project outputs is given. However, there are some issues that might need further attention during the detailed elaboration of the project.

Concerns

Because of all the legislative, organizational, technical, financial and social aspects to be taken into account, the project will be rather complex. In the long course of its execution, it will need a series of delicate decisions to be taken by a variety of different institutions. We think, therefore, that a clear definition of a (chronological) order of all the activities and the responsibilities of the institutions involved will better guarantee its success.

To cut off completely or to reduce considerably and rapidly the ongoing contamination by PCB containing equipment, PCB-contaminated sites, obsolete stock-piles of POPs-pesticides and soils contaminated by PCB or POPs, thus reducing serious threats to humans and the environment, a series of measures have to be taken. Besides the technical measures mentioned in the proposal, such as identification/classification, repacking, collection, transportation, intermediate safe storage of wastes, etc., a series of “soft” measures will be necessary too, among others: a comprehensive set of laws, technical and administrative regulations; well-equipped and established institutions, technical personnel and governmental budgets for authorization processes, the implementation of the regulations as well as for controls, monitoring, supervision and evaluation of the impacts achieved.

The assessment of the suitability of treatment options for the different types of wastes and contaminated soils shall have to encompass non-thermal and thermal treatment options. It should be further discussed if biological remediation is really the most suitable method for remediation. The destruction of POPs waste in the country in newly built incinerators vs. shipment to existing and BAT/BEP compatible incinerators in other countries should

be examined more closely prior to considerations to build up similar capacities in other Central Asian countries.

Suggestions for further project preparation

We support this project, however - taking into account our concerns formulated above - we propose a two-phase approach by arranging all the necessary components according to the order of the necessary authorization steps and budget approvals. At the same time, the two phases would reflect the chronological order of realization of the components:

Phase 1, containing all components:

- to stop the sources of contamination and reduce the potential hazards of wastes and contaminated soil;
- to identify and plan the appropriate technical and organizational/communicational measures for the handling and treatment of the wastes, contaminated equipment and soils;
- to design and organize the project management, and
- to propose a suitable programme for the monitoring and for the evaluation of the achievements.

Phase 2, after reviewing the results achieved in phase 1, the plans elaborated and the authorizations given, implementation of the treatment options described in a final document for the execution of the disposal and remediation measures.

In line with the recommendation of the STAP, we also suggest presenting this second part of the project separately, after the execution of the first part.

60. Nigeria : PCB Management and Disposal Project (World Bank) (GEF Project Grant : \$6,300,000)

COMMENTS FROM GERMANY

We support the comments of STAP. In continuation of the comments by STAP, with reference to component 2, we suggest to further quantify the results envisaged with regard to inventory and disposal of PCB equipment as well as to include indications where and how these are to be disposed off.

COMMENTS FROM GERMANY

Nigeria is definitely faced with a huge problem concerning PCBs in capacitors and transformers in many sectors of its industries. Building of laboratory know-how and capacity to analyse PCB in Nigeria is to be commended.