

Review of the Council Work Program of GEF/C.36 – November 2009

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Cover Note

Out of the projects reviewed by Switzerland, only one seems to be rather critical and requires attention in the discussion of the work program:

- **N°34: POPs Regional:**

The PIF provides only a very vaguely understanding of concept, institutional arrangements and costs. Overall the activities seem much dispersed, and a further concentration of key targets and activities should be a must. Considering that project costs amount to 16.4 million USD and GEF contribution 8 million USD, one could expect more information and a sounder concept at the PIF stage.

Biological Diversity

N°05: BD-2881: Costa Rica: Integrated Management of Marine and Coastal Resources in Puntarenas, (IADB); GEF cost: 3,3 million USD; total project cost: 12,3 million USD

Overall Commentaries

The project is presented under GEF's focal area Biodiversity and addresses the Strategic Programmes BD-SP4-Policy and BD-SP5-Markets, with the project complying with both of them.

The objective is to improve integrated planning and management of two Multiple-Use Marine Areas (MUMAs) in Costa Rica by i) strengthening the regulatory framework and local capacities, ii) rendering productive activities (especially tourism and artisanal fishing) more sustainable and iii) by improving and systematising the information provided for decision making.

Switzerland recognises a significant potential of the project to generate benefits for local and global biodiversity as well as for the livelihood of the local population by introducing two pilot schemes on payment for ecosystem services, by assisting the certification of tourism activities and operators and increasing the area of production seascapes managed sustainably.

Conclusions and Recommendations

Switzerland recommends endorsement of this project.

N°09: BD-3933; Peru: Sustainable Management of Protected Areas and Forests of the Northern Highlands of Peru; (IFAD); GEF cost: 1.72 million USD; total project cost: 15.2 million USD

Overall Commentaries

The project objective is to promote the sustainable and participatory management of protected areas and communal forested lands in the Northern Andean Highlands of Peru, addressing existing barriers and threats. The project will comprise 2 components:

- (1) support to the regional system of protected areas: establishing a coordination platform, strengthening participatory management mechanisms in three protected areas, and coordinating and facilitating the establishment of a bi-regional conservation endowment fund for the management of the three protected areas,
- (2) sustainable forest management in buffer zones: covering forest certification, sustainable forest management and support to market-based mechanisms for biodiversity conservation and sustainable use of natural resources. The latter includes a PES analysis.

Overall the project is consistent with GEF strategies and with its strategic programs, seems soundly embedded in the national priorities for conservation and its components seem soundly conceived and combined.

Recognising the early stage of preparation, it is obvious that the information given is still at a rather general level and therefore still leaves a series of questions open.

Questions, Concerns and Challenges for further Project Preparation

▶ **Establishment of a bi-regional conservation endowment fund:**

So far very little information is given on the institutional arrangement and the project's role and financial contribution to the establishment of this fund.

Furthermore, with view to Peru's national system of protected areas and its rather rich biodiversity GEF country portfolio, among others with one specific project with a national trust fund for protected areas, the question must be raised whether it is cost-effective and strategically sound to foresee the establishment of a new endowment fund only for the three concerned protected areas, and this somehow in parallel with the existing national trust fund. Instead of seeking forward sustainability through the establishment of local endowment funds at project level, would it not be more reasonable to further strengthen the already existing national trust fund, thus assuring a good coverage to the three protected areas in the given project region?

▶ **Payment for Environmental Services (PES):**

The scope of the project regarding PES seems rather limited. Only the target to realise a PES analysis is clear, but it is unclear how the project will step further towards implementation. If the strategy regarding PES remains too vague, the project risks failing with the establishment of a PES mechanism.

▶ **Global and local environmental benefits**

The PIF does not provide any indicators regarding the expected global and local environmental benefits. Thus, at this stage no appraisal in this respect can be done.

Conclusions and Recommendations

Basically we support the current project. However, we underline that many questions have to be resolved in further planning and that particularly the information regarding PES, as well as the targets and indicators regarding the global local environmental benefits, need to be well specified.

The project proponents claim to address existing barriers and threats. Also in this respect we expect that further planning provides detailed information and shows a consequent orientation of its targets in that respect.

Climate Change

N°11: CC-4357; Global*, National Communications to UNFCCC: UNDP and UNEP; GEF cost: 25 million USD; total project cost: 29.20 million USD

Overall Commentaries

This enabling activity aims at ensuring continuity in the preparation of national communications by Non-Annex I countries. As the preparation and submission of national communications is the single and most important commitment of all Non-Annex I Parties (NAI) a GEF council decision in November 2009 sends a strong signal to Copenhagen underscoring GEF's commitment to support this statutory task with the needed resources to allow timely start of, where appropriate, third or fourth national communications within the year 2010. The implementing agencies UNDP and UNEP estimate that 80 countries would submit their second national communication by end of 2010. It is estimated that 50 countries plan to request funding for their next national communication project before July 2010. Ensuring continuity in the NatCom preparation process is important for keeping the teams mandated with this task together and continuously building their skills. Keeping touch with 50 (or in total around 140 NAI Party) Nat Com teams is a time-consuming task where essential skills have been built up within the UNDP and UNEP regional teams. Maintaining continuity with regard to these management skills is equally important for ensuring a smooth and timely implementation process. The project does not contain a continuation of the earlier "National Communication Support Programme", most likely assuming that for the design of such a scheme post-2012 Copenhagen Arrangement (role of MRV) will have to be known in order to respond optimally to the additional capacity development needs of NAI Parties under an emerging post-Kyoto regime, which can be expected to call for synergies with the NATCOM process. The PIF makes clear that the implementation of this project ensures the capacity development required for continuous improvement of the quality of the information provided in NAI national communications.

Questions and Challenges for further Project Preparation and Implementation

STAP supports the implementation of this project but has asked a number of questions which must be further clarified. Some of these questions can be attributed to the fact that the short PIF note without a graph displaying the current status of preparation of first, second and third national communication does not properly convey the rather complex current status of NAT COM preparation. Nevertheless the PIF note is unclear in 2 crucial points:

- The PIF document provides the information that for the first phase of the NATCOM process, the national stocktaking and stakeholder consultation USD 20'000 will be available per country leading to a detailed project document for NATCOM preparation. For the preparation of the NATCOM itself up to 480'000 USD will be made available under the expedited procedure. Appropriate resources for national capacity development for appropriate forms of regional cooperation and experience exchange seem to be included in this amount of 480'000 USD without stating this explicitly. Also the STAP question as to whether those countries who have already submitted their TNC proposal need to go through the stocktaking exercise is not clearly answered in the PIF.
- The allocation of resources will follow the "first-come-first-served" principle. The project document is silent on how process continuity and consistency of information provided is assured between this set of 50 countries and the remaining approximately 90 NAI countries which need to be funded from the 5th replenishment of GEF, which will be decided only after the Copenhagen Conference. The project preparation process should foresee adapting the preparation of NATCOM guidance optimally to the emerging guidance by COP/MOP e.g. with regard to base-year of the TNC (2010?) of projects stated by 2010 end and the type of IPCC guidelines to be used.

Conclusions and Recommendations

On the basis of the above considerations we strongly recommend to go ahead with further developing the project taking into account the points raised in this project review. The issues raised should be adequately addressed in the final document which will be submitted for CEO endorsement.

**N°12: CC-4039: Global*: Solar Chill: Commercialization and Transfer (World Bank);
GEF cost: 2.583 million USD; total project cost: 7.633 million USD**

* Global: Colombia, Kenya

Overall Commentaries

The project is well conceptualised and very promising. In order to efficiently cure the patients, the vaccine cold chain must not be challenged. Thus, access to affordable, efficient and no fuel-dependant refrigerators are crucial.

Questions, Concerns and Challenges for the further Project Preparation

Although the Solar Chill A technology does reduce the GHGs emissions, diminutions “are anticipated to be relatively small” (PIF, p.5). Nevertheless, the project is very relevant since it brings affordable and accessible refrigerators to remote hospitals, clinics, etc.

The last step of the vaccine cold chain being vital, having well-trained professionals is crucial. The project description states, “existing kerosene or LPG vaccine refrigerators have been built with adjustable thermostats that can be set to a freezing temperature [... *resulting*] in the destruction of large quantities of live-virus vaccines”. Developing new products may not be the best solution. Special provisions should be taken to ensure that the Solar Chill A are adequately handled.

Neither results nor conclusions on the first two generations of the prototypes could be found on the Internet, which makes it impossible to provide a stringent assessment of the technology and its promises.

It seems that no market assessment has been conducted yet. This leads to a misunderstanding on the part of the real end-users. No assessment of potential overlapping or conflicts with existing manufacturers in both countries has been made.

Conclusions and Recommendations

It is central that UNEP and Solar Chill international and local partners ensure the scientific credibility of the data. It is promising that WHO certification is sought. For the product to be well accepted by the end-users a strong confidence in the product must be built up and an appropriate monitoring methodology should be developed. Thus, the project partners could guarantee that the announced figures in terms of energy consumption, CO2 emissions and fabrication costs actually match with the figures measured after fabrication.

A market assessment should be conducted in order to identify the existing demand and to ensure the market maturity.

N°13: CC-4032; Global; Realizing Hydrogen Energy Installations on Small Islands through Technology Cooperation; (UNIDO); GEF cost: 2.7 million USD; total project cost: 6.2 million USD

* Global: Republic of Turkey, Cook Islands

Overall Commentaries

The production and storage of hydrogen using renewable energy sources is an approach to cope with major challenges of renewable energies (RE), particular in remote areas: the intermittent and stochastic, hardly transmittable nature of the supply of RE-sources such as wind and solar energy and the need for a supply matching demand around the clock ensured through low carbon technologies.

Although the basic project concept has certain merits (in particular environmental benefits) and is understood, there are too many question marks and foreseeable barriers so that the project at the current stage raises fundamental questions of GEFs low carbon (or beyond horizon) technology promotion strategy. The main questions and concerns are outlined in the following paragraph.

Questions, Concerns and Challenges for further Project Preparation

The PIF claims that “small islands such as the Cook islands, due to their small size and remote locations, are ideal demonstration sites for RE-to-Hydrogen energy systems”. Moreover, such islands “can offer great opportunities since their energy infrastructures are not yet fully developed”. Evidence from the commercialisation of such technologies in the industrial world contradicts this optimistic assessment. The main counter-arguments are:

- Even in industrialised countries this technology is not at all proven and has not arrived at a commercial state yet – not even in industrialised countries.. This applies to technical/performance aspects, reliability, logistics and financial aspects.
- This technology implies a number of risks which first have to be studied and explored more in detail in order to be able to better assess the risks bound to establishing the planned hydrogen pilot installations.
- It has to be assumed that a remote island can very unlikely offer the required expertise in terms of qualified and experienced scientists and engineers to build-up such plants nor the staff and experience needed to operate and maintain highly sophisticated hydrogen pilot schemes.
- As in all these places diesel generator sets are providing backup power, the PIF does not explain how the cost barrier to diesel also at maintenance level would be overcome
- The proposed project sets on rather small-scale installations in the range of a few dozen kW. Efficient hydrogen energy systems will however definitely be large-scale installations. It is highly doubtful whether such tiny pilot plants – apart from enabling the operator to run basic processes testing certain functions – can help to produce notable “full size results” and gain the experience which is required to advance the process of making hydrogen energy systems a standard and commercially operable technology suitable for remote areas.
- A remote island is certainly not considered to be an ideal demonstration site, it offers neither high visibility nor does the lack of established energy infrastructure (and hence experience with such infrastructure) imply any advantage for the establishment of a completely new energy technology.

Apart from the above reasons that speak against the proposed project design, there are a number of additional question marks that adhere to a future hydrogen economy. Developing a hydrogen economy and trial applications are complicated and demanding enough even in an easily accessible area – without taking into account the additional challenges of building the capacity for establishing and testing the proposed installations on remote islands. As a number of studies have shown, the main barriers the development and introduction of hydrogen energy systems must struggle with are: 1) high complexity and energy losses of hydrogen systems, 2) challenging handling/logistics, 3) high costs, difficult market penetration.

Conclusions and Recommendations

On basis of above considerations we recommend to reconsider the technology strategy in close consultation with STAP and subsequently improving the project design taking into account the various points raised in this project review. The issues raised should be adequately addressed in the final document which will be submitted for CEO endorsement.

N°16: CC-4000; Nauru, Niue and Tuvalu; Low Carbon-Energy Islands: Accelerating the Use of Energy Efficient and Renewable Energy Technologies; (UNEP); GEF cost: 1.3 million USD; total project cost: 3.4 million USD

Overall Commentaries

Given the small budget of USD 1.5 million and the fact that very different activities are designed to be spread over three islands which are far from each other, the proposed project is overloaded and lacks a clear focus. Moreover, there are already a number of donors and RE promotion programmes in the pacific area so that the value that can be added by another “wide energy field” GEF-supported project can hardly be demarcated and outcomes and cost effectiveness hence will most likely remain cloudy. Nevertheless, the principal objective and strategy of the project to promote the acceleration of the use of RE and EE technologies on the three pacific islands makes sense. The following comments help to streamline the project proposal and to set a strong focus both in terms of the area and activities to be incorporated in the project.

Questions and Challenges for further Project Preparation

Energy needs, suitable technologies? The proposed project attempts to both promote RE and EE technologies without giving any indication on the forms and application of how energy (electricity, cold, process head, mobility?) could best be used. While in the area of RE a rather narrow focus seems to be set on wind and solar PV, the EE-area is rather vaguely described. At this early stage, both the STAP and the Reviewer recommend not to focus on any technology (why not biomass or even solar thermal technology and applications?) but rather to plan and conduct a comprehensive assessment of energy needs first. This could serve as a basis for both the design and development of an enabling framework and of energy strategies for the three countries as well as for the selection of the most appropriate technologies to be promoted.

Single wind demonstration plant? The project design obviously shows that the project should not only produce results on paper but also would like to generate an output with a certain visibility. The favoured concrete output envisaged is the implementation of a single wind power demonstration plant which might use up to 50% of the total project budget. This does not seem to make a lot of sense, in particular given the fact that a number of pilot wind plants have already been set up with the help of international donors/programmes in the region and given the high risks for wind plants due to regular cyclones on these islands (in fact a number of wind plants have already been destroyed during the last five years)!

Private sector engagement? The PIF mentions that most of the RE promotion programmes have so far been driven by donors and subsidies. It also expresses the hope that “purely private companies will come in and play a strong role in building up RE-based systems. This is highly questioned. Due to the presence of a number of international programmes and experts and the highly subsidised tariff schemes it is very unlikely that a private investor or service company will take the risk to step in on a commercial basis. Rather, the project should make an endeavour to rework existing tariff schemes and to develop innovative financing schemes with a view to reducing reliance on subsidies and to decline market distortions so as to prepare for a less artificial market penetration of EE and RE technologies.

Smart Mini-Grids? The reviewer was at a first glance puzzled by the idea to promote the establishment of smart mini grids making use of highly sophisticated control devices and systems. However, this would be a truly innovative approach and – in combination with the bulk load in private households in Tuvalu which is apparently refrigeration – highly enabling conditions are already there to design and implement a complete demonstration smart mini grid with high efficiency refrigerators and probably some clusters of batteries (in UPS systems or electric vehicles of governments and international agencies) as core elements? Provided that the assessment of energy needs would confirm that cooling energy for refrigeration and other purposes is one of the high pri-

ority needs of one or even all of the islands, the reviewer, at a second glance, could even imagine that a truly narrow and innovative focus could be set if the project was designed as a pure energy efficiency project. This would increase visibility and make the GEF project of clear added value, leaving the well-perceived RE field to the other programmes and donors.

Conclusions and Recommendations

On basis of the above considerations we recommend going ahead with the development of this project but strongly advise to set a clear focus. The issues raised above should be taken into account and be adequately addressed in the final document which will be submitted for CEO endorsement.

N°21: CC-4129: Green Truck Demonstration Project, (The World Bank); GEF cost: 4.2 million USD; total project cost: 21.6 million USD

Overall Commentaries

The project focuses on “green truck technologies” and intends to retrofit (more than) 150 old and to purchase (more than) 150 new trucks, to invest in driver training programs, to organize licence transfers and to engage in capacity building. The project puts the focus on an area with substantial and realistically attainable potentials of fuel savings resp. CO₂-emission reductions.

Questions, Concerns and Challenges for further Project Preparation

- ▶ In the preparation steps, the project could and should be made more transparent in how the resources will be allocated. Since the project distinguishes clearly separable tasks, it should be shown which sums are allocated to which task.
- ▶ More transparency would also be beneficial with respect to the “innovative financing mechanisms” as well as the economic benefits generated by the project which are likely to be significant (12% lower operating costs). Is there a clear and transparent strategy about the ownership of these savings?
- ▶ The project focuses on “green truck technologies” and mentions as examples improved aerodynamics systems and improved tire systems. Since the particles emitted by diesel engines are one of the most important negative effects the project would benefit by integrating also diesel particle filters (DPF). DPF as such do not reduce energy consumption but they reduce PM emissions most effectively (>90%). Beyond the immediate local benefit for improved air quality this may also have an important impact on global warming. The demonstration project would be an ideal place for integrating DPF as a cutting-edge technology.
- ▶ The proposal also mentions in vague terms “improved logistics management”. It would help the project if the underlying ideas were made more explicit. This also would enable realistic assessments of the fuel saving potential. In addition, it would allow a better link of the project to the strategic transport development plans, particularly if these include intermodal traffic (e.g. road/rail).

Conclusions and Recommendations

The project in principle deserves the support because it has a significant potential for fuel savings and CO₂-emission reductions. In addition the replication potential is likely to be huge. However, the project would benefit from increased transparency (technologies, financial allocations, ideas about financial mechanisms, logistics management). In addition the project would benefit from integrating DPF as one of the important “green truck technologies” (if these are not yet part of the project proposal).

N°22: CC-4071: Côte d'Ivoire; Construction of a 1,000 T per Day Municipal Solid Waste Industrial Composting Unit in Akouédo – Abidjan (AfDB); GEF cost: 2.725 million USD; total project cost: 39.524 million USD

Overall Commentaries

The actual situation of municipal solid waste (MSW) disposal in Abidjan, as reported in the PIF, may lead to grave problems concerning health, safety and environment issues. Clearly, a solution for this situation is needed.

The project covers important priorities of an integrated waste management system:

- (1) It will establish a reliable and appropriate collection system;
- (2) It will reduce the quantity of waste to be land-filled;
- (3) It will reduce the land-filling of organochemical, biodegradable or water-soluble waste and thereby reduce the emissions of greenhouse gases and problematic water effluents;
- (4) It will compost bioorganic waste in order to make use of it as a resource for agricultural production.

The combination of waste-sorting, separate collection of certain waste-streams destined for recycling and finally the manual, mechanical and electromagnetic separation of the remaining mixed municipal solid waste at the treatment-plant will improve the quality of the bioorganic fraction that will be composted.

The chosen technology is however not capable by itself to deal in the long term with hazardous substances that contaminate the MSW, e.g. heavy metals from paints or from galvanic workshops, or ecotoxic or toxic organochemicals from households, workshops, hospitals or agriculture (pesticides, unused pharmaceuticals, Polycyclic Aromatic Hydrocarbons PAH etc.). All these substances will impair the quality of the compost and may in the long term endanger the quality and fertility of the soil. Future developments of the system should also cover these issues.

Questions, Concerns and Challenges for further Project Preparation

- (1) The composition of the MSW may vary over time; so that its once assessed suitability for compost production could change. Therefore, an adequate and regular monitoring of the compost quality, especially its eventual contamination with persistent hazardous substances (e.g. heavy metals, Polycyclic Aromatic Hydrocarbons PAH, PCB etc.) that will impair soil-quality and -fertility, must be assured. No mention is made of this in the PIF.
- (2) In paragraph J.b. of the PIF (page 11), methane production in the composting unit is mentioned, and there is a reference to its capture and flaring in a component outside of the GEF-project. This seems a waste of energy. The system could be optimized in the future if the biogas is used for energy production. This point is also addressed by STAP.
- (3) No up-stream separation of industrial waste like paints, lubricants, household- and workshop chemicals, waste pharmaceuticals etc. is mentioned in the project. In the long term, with the separate collection and treatment of hazardous waste (as covered by the Basle Convention) the MSW may be depleted of hazardous substances, and the quality of the compost will be improved.
- (4) The manual, mechanical and electromagnetic separation of MSW will not eliminate or destroy hazardous inorganic and organic substances contained in the waste. It merely distributes these substances into different fractions. Future developments of the system should open the possibility for a thermal treatment of problematic waste-fractions, e.g. in the high-temperature kilns of nearby cement-plants, where organochemicals are destroyed and metallic compounds are firmly bound into the product.

Conclusions and Recommendations

- (1) The project is an amelioration of the actual situation and should be supported.
- (2) The points raised by STAP for further guidance should be considered in further planning and during project implementation.
- (3) A monitoring concept for the compost quality (parameters to analyse, accepted limits, frequency of the analyses, costs and financing) should be established at the start of the project.
- (4) Concepts for the energy-use of the biogas, the up-stream separation of hazardous waste and the possibilities for a thermal treatment of problematic waste fractions should be elaborated parallel to the realisation of the project.

N°24: CC-3796, SPWA-CC: Integration of Greenhouse Gas Emission Reductions in Niger's Rural Energy Service Access Program (UNDP); GEF cost: 1.768.182 million USD; total project cost: 3.768.182 million USD

Overall Commentaries

The project relating mainly to capacity building and technical assistance meets an existing demand in Niger for more modern and adapted energy services.

Though promising, the project as described in the PIF is too broad and too vague. The complexity and the amount of sectors of services to be tackled may put the project under threat.

Questions, Concerns and Challenges for further Project Preparation

On the conceptual side:

- Overall, the PIF is a good answer to existing needs and demands relating to energy services. The transversal approach seems well conceptualised and will ensure an inclusive participation in the PRASE.
- Nevertheless, the project as it stands today seems too ambitious and the variety of sectors to be tackled will be very difficult to handle. The project should be focusing on fewer services/initiatives and provide better targets. A monitoring tool should be developed.
- Monitoring: There is no information on the monitoring of the phase and the ESO. A monitoring concept should be developed to ensure the smooth and efficient development of the project.

On the technical side:

- PV pumping is an efficient and affordable technology for drinking water but it is certainly too expensive and hardly feasible and adapted for large-scale irrigation.
- Irrigation of 3900 ha with PV technology seems a very ambitious target and will surely not be feasible with the budget provided in the PIF.
- In the case that the 128 multifunctional platforms are to be run with bio fuels (not clear in the PIF), special care must be taken to ensure that the sustainability of this energy resource is guaranteed and that it does not conflict with food crops.
- The biogas technology is a very complex energy to handle. So far, there is no convincing project of biogas technology in Africa.

Conclusions and Recommendations

It is felt that the scope of the project could be reduced to fewer action lines (1 to 3 actions) or the financial means be increased correspondingly.

This first-cum-pilot phase must be stringently monitored. A monitoring tool should be set up. It would help in the selection of the services to be developed as well as in the identification of achievable targets and goals. The following phases would surely benefit from such a methodology.

International Waters

N°29: IW-3990; Regional*: Integration of climatic variability and change into national strategies to implement the ICZM Protocol in the Mediterranean; (UNEP); GEF cost: 2.30 million USD; total project cost: 9.30 million USD

* Albania, Algeria, Croatia, Egypt, Libya, Morocco, Montenegro, Tunisia, West Bank and Gaza

Overall Commentaries

This project will assist participating countries to implement the Protocol on Integrated Coastal Zone Management (ICZM), signed in January 2008 under the Barcelona Convention, by facilitating region-wide coordination mechanisms, national actions and the development of tools to address climate variability in the Mediterranean.

The PIF rightly points out that recent research forecasts major climate change effects for the Mediterranean region, in particular significant temperature rise, sea level increase and decrease in mean precipitation. The PIF also states that a common Mediterranean voice on climatic issues has, until now, been very discreet in the international arena.

We concur with the STAP's advisory response that this PIF describes a well-founded project backed by good knowledge of the biophysical and sociopolitical circumstances facing the Mediterranean, and supported by a new international agreement (the ICZM Protocol), the implementation of which the project will support.

Questions, Concerns and Challenges for the further Project Preparation

The expected project outcome to build a regional consensus on the development, program framework and implementation of a long-term program to monitor climate variability in the marine and coastal zone of the Mediterranean is ambitious. Having participating countries with a considerable variety in types of coastal zones (e.g. Montenegro compared to Egypt), the challenge will lie in jointly developing a regional monitoring program while allowing appropriate variety in targets and impact indicators for coast type specific analysis. In this view, it might be helpful to increase the minimum number of model applications to coastal areas and of impact analysis / action planning in critical areas. Presently, a minimum of 2 and 2-5, respectively, are foreseen under component 2.

We understand that the strength of the proposed project lies in its scientifically well-founded approach to technical tasks ensuing from the ICZM Protocol. In this view, we feel that the focus of project GEF-financing under component 3 should be laid on the identification and exchange of the most efficient and cost-effective tools, rather than on more general institutional strengthening inputs, such as establishing Interministerial Coordination Committees, adapting national planning processes, etc. We believe that these latter tasks could beneficially be included in other components of the Mediterranean Environmental Sustainable Development Program or be financed by the countries.

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 to continue with project preparation while taking into account the issues raised above.

Multi-Focal Area

N°31: MFA-3541; Russian Federation; Phase Out HCFCs and Promotion of HFC-free Energy Efficient Refrigeration and Air-conditioning systems in the Russian Federation through technology transfer; (UNIDO); GEF cost: 18 million USD; total project cost: 58 million USD

Overall Commentaries

The project as a primary objective addresses HCFC phase-out in the foam and refrigeration manufacturing sectors and as a secondary objective promotes introduction of energy efficient designs of refrigeration appliances. The overall project design is well designed and linkage between Montreal Protocol and Kyoto protocol activities is targeted. Some elements and barriers however are not adequately addressed in the PIF and need to be elaborated for the full project brief as outlined below.

Questions, Concerns and Challenges for the further Project Preparation

With respect to component 4 (Development of ODS destruction facility and collection network) it is a known fact that the main challenge for recovery and recycling/destruction schemes will be an economically viable and effective recovery and logistics system. The PIF touches on this aspect only marginally. Furthermore the potential and role of market mechanisms such as CDM or voluntary carbon market for promoting refrigerant recovery and destruction should be elaborated more extensively. Both aspects should be carefully addressed in the project design and implementation otherwise a risk is prevalent that this component cannot deliver the targeted impact.

In evaluating the optimum technology options for HCFC phase-out the latest policy developments which potentially lead to HFC phase-out under the Montreal Protocol activities need to be considered adequately to avoid stranded investments and multiple conversions.

Activities under component 5, market stimulation of energy efficient appliances, needs to be closely coordinated with ongoing programme on standards and labelling for promoting energy efficiency in Russian Federation. Though the PIF briefly touches on this, proper consideration has to be given in project preparation and implementation. Also, the issue of incremental cost for the buyers of efficient RAC units is not yet adequately addressed (willingness to pay). How can this barrier be effectively worked on?

Under component 6 (Technology Transfer) no reference is made in the PIF to support/establish a sustainable domestic development and research infrastructure. How can continuous compressor efficiency and technology improvement be sustained after the project end?

Conclusions and Recommendations

On basis of above considerations we recommend going ahead with further developing the project and taking into account the various points raised in this project review. The issues raised should be adequately addressed in the final document which will be submitted for CEO endorsement.

N°32: MFA-4313; Senegal: SPWA - Participatory Conservation of Biodiversity and Low Carbon Development of Pilot Ecovillages at the Vicinity of Protected Areas in Senegal, (UNDP); GEF: 1.5 million USD; total: 12.7 million USD

Overall Commentaries

The Project's objective appears to respond well to the felt need of a large portion of the population in Senegal which has embarked on unsustainable methods of natural resource use. The situation of unsustainable use of natural resources that is giving rise to this proposal is well described in the proposal. The objective seems therefore justified.

However, while the objective proposes to 'remove barriers' to the effective application and so on, the sequence of expected outputs and outcomes rather suggests that the establishment of pilot eco-villages may only demonstrate the effectiveness of measures proposed. An effective 'removal of barriers' may, therefore only be possible if the experiences, learning, results etc., of the pilot activities are subsequently mainstreamed, an activity that is not part of this proposal.

Leaving the climate change aspect aside, similar projects have been realised in the past in many countries. A central learning from those projects is that the land ownership system, resp. the question of secured usership is central to the survival of large land restoration projects. This proposal is not explicit on how the Project intends to address this question.

The Project is ambitious in that it intends to transform domestic cooking practices within a period of 60 months, a target that similar projects (India) have not achieved in decades.

Questions, Concerns and Challenges for the further Project Preparation

- (1) The issues mentioned above need to be clarified in the course of further Project preparation.
- (2) The proposal to embark on locally based energy production from *Jatropha* oil is interesting. However, the proposal needs to be more explicit on how to realise this and especially how the recurring investments of such system should be generated.
- (3) In outcome 3 the important element of 'adaptation to climate change' should be highlighted more clearly. The transformation of domestic cooking practices does indeed reduce GHG through reducing the consumption pressure on woody species so that their sequestration potential and the sequestration potential of soils are maintained. In addition the environmental recovering contributes considerably to strengthening the adaptive capacity of people in the area. This effect is only insufficiently mentioned in the proposal and should be strengthened.
- (4) Outcome 4 appears rather vague. It proposes to develop and test PES schemes and suggests that these PES schemes should include the development of plant nurseries, the regeneration of mangroves and the systematic collection and composition of waste. All these activities are rather far from PES schemes. The heart of PES schemes is to identify and develop perceptions on the value of environmental services. Perceptions so developed will then contribute to enacting legal and institutional frame conditions which may reduce the danger of degradation. Only at a later stage (beyond 60 months) may actual payment for environmental services then be realistic.

Conclusions and Recommendations

As the project addresses important issues for the development future of Senegal, it is recommended to support the Project. However, clarification of the points mentioned above is requested and a more realistic level of outputs and outcomes within the Project period should be developed.

Persistent Organic Pollutants (POPs)

N°34: POPs-3969: Regional*, Capacity Strengthening and Technical Assistance for the Implementation of Stockholm Convention National Implementation Plans (NIPs) in African Least Developed Countries (LDCs) of the ECOWAS1 Subregion; (UNEP, UNIDO); GEF cost: 8 million USD; total project cost: 16.4 million USD

* Regional: Burkina Faso, Benin, Central African Republic, Cape Verde, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Sierra Leone, Senegal, Sao Tome and Principe, Chad, Togo

Overall Commentaries

The project aims at Capacity Strengthening and Technical Assistance for the Implementation of National Implementation Plans (NIPs) for the Stockholm Convention on POPs in Least Developed Countries (LDCs) in Africa.

It covers a wide range of measures contributing to POPs-management at national level in different countries, mainly in the field of capacity building. Somehow the envisaged problems are very heterogeneous, ranging from production processes and waste disposal to contaminated sites. This lack of focusing could make it difficult to reach practical results. Included are mainly activities at framework-, capacity building-, information-and identification-level. From the project framework it is not clear what the appropriate measures at technical level would be.

The information on costs and financing is very rough. Since GEF-agencies (UNIDO and UNEP) are also represented at project implementation level (NCPCs, regional training centres of Basel Convention) it will be crucial to guarantee a very transparent financial management.

Questions, Concerns and Challenges for further Project Preparation

- The cost estimation should be given in more detail. Its not clear what exactly the money is planned to be used for.
- The project goals should be defined more clearly. What will be the expected result in the different project areas? How could the output be measured / monitored? What is the estimated percentage or absolute amount of POPs removed by the different measures? What is the cost/benefit-ratio in the respective cases (e.g. how much dioxins are removed / prevented per which amount of money used?)?
- Who is exactly doing what in this project? How is the responsibility shared between the different national and international partners? What is the role of UNEP/UNIDO at operational level (since they are present in the countries through their CP- and Basel Convention-Centres)?
- Which are the technical measures planned? Do they have to be elaborated during the project? How can it be made sure that the identified BAT&BEP-measures are implemented at company level, especially if this needs further financial investments?

Conclusions and Recommendations

The project addresses relevant problems in the field of POPs-Problems and seems to be consistent with GEF-Strategies. However, the approach is very generic and the project document leaves some important questions open. Despite the early stage of preparation, we would expect a sounder and more detailed description, and therefore request that the problems mentioned here are well resolved in further planning.