

# TELEFAX

Sender:

**Frank Fass-Metz**  
**BMZ (Federal Ministry for Economic Cooperation and Development)**  
**Postfach 12 03 22**  
**53045 Bonn, Germany**

Telefax No.: +49-228-535 3980 (or ...3500)  
Email: [Frank.Fass-Metz@bmz.bund.de](mailto:Frank.Fass-Metz@bmz.bund.de)  
Desk officer: Maria Backhouse  
Email: [Maria.Backhouse@bmz.bund.de](mailto:Maria.Backhouse@bmz.bund.de)

---

Ref.No.: 312-K8185-40/94

Date: 11.05.2008

No of pages incl. this page:

18

To: Monique Barbut  
Chief Executive Officer and Chairperson  
Global Environment Facility  
Telefax No.: 001-202-522-3240 (-3245)  
(Advanced copy also sent by Email to: [gcoordination@thegef.org](mailto:gcoordination@thegef.org))

Subject: Comments by Germany on the Work Program

Dear Ms. Barbut,

As a follow-up to the discussions in the Council Meeting we would like to comment on the following PIFs of the Work Program.

## **Freestanding PIFs**

### ***Biodiversity***

**No 1** Regional (Antigua And Barbuda, Barbados, Dominica, St. Kitts And Nevis, ST. Lucia, St. Vincent and Grenadines, Trinidad and Tobago): BS Regional Project for Implementing **National Biosafety Frameworks** in the Caribbean Sub-region – under the GEF Biosafety Program (GEF Grant \$ 3.34 m) (UNEP)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

The project seemed to be based upon the outcome of regional processes and project undertaken by organisation as the Inter-American Institute for Cooperation in Agriculture (IICA) and the Caribbean Agricultural Research and Development Institute (CARDI). Both of them were mandated by the CARICOM Heads of Governments to develop regional policies on modern biotechnology and biosafety in the context of a Caribbean free market agreement.

Germany would like to stress that the objective of the Cartagena Protocol refers to the protection of biodiversity and human health. There had been considerable concerns and debates concerning the relationship between trade and the protection of the environment and health during and after the development of the Cartagena Protocol. To reflect the outcome of these discussions and to ensure that the Cartagena Protocol is fully implemented in the Caribbean sub-region, Germany would like to make following recommendations:

- The project must be developed and executed in close cooperation between the Ministries for Agriculture and for Environment because both harbour biosafety responsibilities and competence in the Caribbean countries.
- During the development of the project, it has to be made clear how the regional biosafety approach is linked to the regional processes and policies dealing with biodiversity and environmental issues. It should also be clarified, how and to what extent regional governmental bodies and institutions in the field of biodiversity and environment - if they exist - will participate in biosafety decision making.
- If a regional biosafety framework in the context of the free-market policy of the Caribbean Single Market and Economy of the CARICOM is going to be funded by the GEF, it has to be ensure that both the interests that foster a common market and that promote the protection of the environment, biodiversity and human health are equally represented in the project development and execution.
- One means to ensure the balance of interests is to engage a broad range of stakeholders in the field of consumer protection and environmental protection in the development and execution of the project.
- Although the CARICOM consists of 15 member states, the project currently addresses only 7 member states, because not all of them have yet ratified the protocol or endorsed the PIF. It is not clear how you are going to develop a regional biosafety process with binding implications without the other member states that will not participate in the regional project.

**No 2 Regional** (Micronesia, Palau, Marshall Islands): The Micronesia Challenge: Sustainable Finance Systems for Island Protected Area Management (GEF Grant \$ 5.45 m) (UNEP)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

The GEF funds applied for (approx. US\$ 5.5 m) are planned to be used by 100% to capitalize the Micronesia Challenge Trust Fund. With the sparse information given in the PIF, many questions remain unanswered:

- GEF appears as donor for capitalizing the fund, without having a function in the design and management of the fund. Information is required on how it will be ensured that the Trust Fund works in line with GEF's policies and aims.
- The PIF does not give information on the foreseen management structure of the fund. Is it independent from the government? What is the role of governmental agencies, what the role of non-governmental organisations? Who are the foreseen beneficiaries (cash transfers to PA management authorities?).
- What is the value-added of a tri-national trust fund against three national trust funds? Wouldn't this approach rise the need for coordination and thus management costs?
- One outcome reads as "Sustainable financial resources sufficient for management needs in target PA's of the Micronesia Challenge Network in (and between) the five MC Jurisdictions (to include Guam and CNMI's)." – What is the fundament of this statement? A trust fund capitalized with US\$11.4m gives an annual yield of roughly half a million US\$. Is this enough for ensuring the financial sustainability of PAs in five jurisdictions?

With substantial co-financing by NGOs in the amount of US \$ 6.0 m and bilateral aid agencies in the amount of US\$ 4.5 m, it would be helpful to learn the names of these organisations, in particular as the amount committed exceeds the usual range of funds which can be provided by non-governmental organisations.

The PIF does not show a clear concept for establishment, management and tasks of the *Micronesia Challenge Trust Fund*. With the information available, the risks seem to be high, and the instruments for taking influence on the design of the Trust Fund are hardly available. It is therefore recommended to re-submit a PIF containing more conceptual information.

**No 3** Cameroon: BS Development and institution of a national monitoring and control system (framework) for Living Modified Organisms (LMOs) and Invasive Alien Species (IAS). (GEF Grant \$ 2.40 m) (UNDP).

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

- Since more than 10 years Cameroon has conducted resp. participated in biosafety capacity building projects and activities, amongst them the UNEP-GEF Pilot Biosafety Enabling Activity Project (1997-99) and the UNEP-GEF MSPs on Implementation of National Biosafety Frameworks (2002-05). During these two projects, Cameroon received GEF support to develop and to implement its National Biosafety Framework. The FSP proposal states that the former biosafety capacity building projects did not lead to the establishment of a functioning biosafety system due to inadequate national capacities. Germany is of the opinion that the chosen approach to overcome this lack of capacities by combining biosafety issues with invasive species issues in which Cameroon's national capacities seems to be even less developed bears some risks and needs in depth consideration. It has to be shown clearly that the chosen approach to combine the two issues in one capacity project will lead to a substantial and long-term improvement of the legal and administrative situation with regard to the oversight of genetically modified organisms and invasive alien species in Cameroon.
- Possible duplication of activities and funding:
 

A brief overview about selected indicators of the finalized MSP and the expected outputs of the planned FSP leads to the conclusion that several activities conducted during the MSP might be again conducted in a very similar fashion during the FSP.

  - Cameroon has developed and adopted a National Biosafety Framework, a Biosafety Law and Decree, and other documents including a Manual on Biosafety Risk Assessment and Risk Management for Cameroon in the context of the implementation of the Cartagena Protocol on Biosafety. Under the FSP, a new set of such documents should be developed in the context of a Biosecurity Policy, an approach promoted at the international level by the FAO.
  - Cameroon has developed a Biosafety Clearing-House (<http://www.minep.gov.cm/BCH/>) under the MSP. Under the FSP the BCH should be merged with other websites into a biodiversity information system (<http://www.biocam.net>).

- Cameroon has equipped laboratories under the MSP to enable them to function as inspection and detection facilities. Under the FSP activities to identify such laboratories are to be conducted.

Germany regards it as crucial that the development of the FSP must be based on the following points:

- a) The development of a biosecurity system in Cameroon through a GEF FSP must be based on an assessment and the lessons learnt of the finalized capacity building projects and developed frameworks in the fields of biosafety and IAS.
- b) The development of a biosecurity policy and legislative system should build upon the existing biosafety legislative system unless it has been shown that this system is inadequate.
- c) Cameroon must ensure sustainability of the proposed FSP activities, especially in terms of providing adequate human and technical resources to integrate the built-up administrative system into its governmental structures after the project.
- d) The maintainance of the BCH - developed under the MSP - is a binding requirement for the Parties to the Cartagena Protocol. The means to keep the BCH updated and functional should not be provided through project funds but should be secured through the national budget. It has to be guaranteed that the information given through the BCH has the status of official governmental information.
- e) The further upgrading of detection laboratories should make use of the human and technical resources provided by the MSP.

<b><u>selected expected outputs</u></b>	<b><u>selected indicators</u></b>
<b>FSP UNEP/GEF: Development and institution of a national monitoring and control system (framework) for Living Modified Organisms (LMOs) and Invasive Alien Species (IAS)</b>	<b>MSP UNEP/GEF: Support to the Implementation of the National Biosafety Framework for Cameroon (2002-2005)</b>
<ul style="list-style-type: none"> <li>• Policy on Biosecurity and legislative instruments on LMOs and IAS developed</li> <li>• Regulatory instruments (including laws, implementing decrees, guidelines), Codes of Practice and Operational Manuals (in-</li> </ul>	<ul style="list-style-type: none"> <li>• Adopted national legislation</li> <li>• Devised and published guidelines and regulations to implement the national legislation</li> <li>• Publication of guidelines and regulations</li> </ul>

cluding Consensus documents on Risk Assessment and Management/monitoring and enforcement, standards for containment, field trials, detection of LMO/IAS developed), Policies, Brochures, Newsletters on handling, monitoring control and enforcement translated and published	
• Administrative system for handling LMOs and IAS established	• Functional institutions National Biosafety Committee (NABIC) + Institutional Biosafety Committees
• Operational manuals for handling including detection, risk assessment and management for LMOs and IAS developed	• <i>The MSP project has published a "Manual on Biosafety Risk Assessment and Risk Management for Cameroon"</i>
• Consolidation of existing databases or new databases on biodiversity conservation including the nBCH into a national biodiversity information system with nodes for GMO and LMO management	<ul style="list-style-type: none"> <li>• Biosafety National Clearing House Portal established and functional</li> <li>• Biosafety database system and biosafety portal active</li> <li>• The National Biosafety Clearing House and the Website established and linked to regional information sharing mechanisms and to the global BCH</li> </ul>
• Identified laboratories to handle LMO and IAS detection upgraded	<ul style="list-style-type: none"> <li>• Biotechnology/biosafety Centre in Yaounde equipped</li> <li>• Facilities needed to enable the centre to perform inspections on LMOs and related products purchased</li> </ul>

**No 4** Colombia: Mainstreaming biodiversity in the coffee sector in Colombia (GEF Grant \$ 2.00 m) (UNDP)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

- Project Framework: Project components 2 and 4 are outcomes rather than part of the actual project and should be revised. By which means can these outcomes be achieved?
- The replication of the project's outcomes (component 4) is out of the actual project reach and should therefore not be included as a project component.
- Apart from Rainforest Alliance (RA)-certification it remains uncertain whether a shade-certification or a certification according to bird-friendly-requirements of the Smithsonian Institute is desired. RA is not a shade-label, but a label for sustainable agriculture. If shade coffee cultivation is the objective, other standards have a higher reputation on markets in the USA.
- The planned financing and incentive mechanisms sound nice; however CDM in the coffee sector is quite far off from reality. Only a voluntary market seems realistic. Moreover the implementation of these services is only roughly described and the focus shifts towards certification and its preparation. It should be carefully considered if a support to producers to fulfill certain standards is an adequate strategy as there should be economic incentives for producers to adopt these standards. This can be implemented by the Colombian Coffee Federation (FNC) itself without financial assistance by donors. Assistance is only useful when developing innovative services, thus the focus should shift in that direction.
- The cited facts are outdated. For example, the coffee price has increased substantially in the past two years. Therefore Colombia was able to expand its competitive situation. Coffee production is very profitable and the threat from livestock production is not as big as stated.
- Diversification remains a crucial safeguard strategy against volatility of the coffee market, especially in Colombia. It should be considered to further develop this aspect.
- **GTZ had a very successful PPP project with FNC in which coffee farmers were able to implement the 4C standard and then prepared themselves for RA certification within two years.** The same could also be applied here. Farmers would have better marketing options and could get better market access even during implementation.

**No 5** Colombia: Mainstreaming traditional knowledge associated with Agrobiodiversity in Colombian Agroecosystems. (GEF Grant \$ 2.5 m) (UNDP)

**Recommendation:**

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

- It did not become clear which the actual target group of the project is, i.e. small-scale farmers using traditional or modern and commercialized methods of production. Each of these groups requires distinct ways of intervention.
- The statements given about the Ministry of Agriculture (MoA continue to devote significant resources to the promotion of intensive agriculture use and management of agrobiodiversity has been ignored) give reason to believe that the necessary institutional support might be lacking with regards to this very important stakeholder. How can the attention of the Ministry be directed towards the benefits of agrobiodiversity?
- There is a big question mark behind the issue of marketing channels of the farmers. Where is the evidence that the pilot projects can be scaled up? Is there a market/a demand for such products nationally/internationally? If not, how can a demand be created?
- Components 2 and 3 should be reversed in order. Before starting pilot projects, it seems desirable that the relevant communities and local government authorities have been exposed to the topic. After that, the demonstration projects should be established to develop markets for agrobiodiversity resources.
- Moreover, component 4, awareness-raising, should be refined and implemented at the same time or before component 2, as a market must be in place before the product are grown in the first place. Otherwise the demonstration products are produced without a sufficient demand.

**No 7** Ecuador: Marine and Coastal Biodiversity (GEF Grant \$ 4.00) (IADB)

**Comment:** Germany agrees to the project proposal. However, we would like to know what the specific economic and social benefits of MPAs at household level are, as envisaged by the project.

**No 8** Honduras: UNDP Conservation of Biodiversity in the Indigenous Productive Landscapes of the Moskitia (GEF Grant \$ 2.02 m)



**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:**

1. The successful implementation requires cooperation of different government institutions which have had problems in the past. The project document must clearly specify the lead institution and the mechanisms of cooperation.
2. Please clarify the conditions of the soft loan by IDB as the major co-financing to the project. The IDB Pronegocios Project appears as another source of co-financing. Within this project possible financing of business ventures include african palm oil, milk and paraffin-coated cassava. On the other land conversion to palm oil has been identified as threat to biodiversity. Although environmental impact assessments are foreseen for all sub-projects, a strategic environmental assessment might be an alternative to avoid conflicting project outcomes.
3. KfW and GTZ are co-financing with in-kind contribution. However, the Rio Platano Biosphere Project by KfW/GTZ operating since 1997 in the vicinity of the proposed project is not mentioned under "D. Coordination with other related initiatives", although many of the activities are identical.

## **Climate Change**

**No 14** Malaysia Buildings Sector Energy Efficiency Project. (GEF Grant \$ 5 m) (UNDP)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:** Regulatory framework, incentives and financial support are geared towards demonstrating that large scale energy savings are possible in Buildings in Malaysia. Not enough explanation has been given how this will be upscaled without GEF support after the "demonstration phase".

**No 15** Mexico Rural Development (GEF Grant \$ 10.5 m)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:** As the use of renewable energy in rural areas is of critical importance and experience not widespread it is considered critical to foresee a component that analyzes the lessons learned in this context very closely and draws conclusions for application both in the national Mexican context but also for rural areas in comparable settings. Knowledge management is not addressed prominently enough in the proposal.

**No 16** RUS Improving Efficiency in Public Buildings in the Russian Federation - under the Energy Efficiency Umbrella Program (GEF Grant : \$ 9.21 m) (EBRD)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:** While the need to address energy efficiency in buildings in Russia appears evident, it remains unclear to what extent the policy and regulatory framework is conducive to help upscaling investments in energy efficiency beyond the proposed project.

**No 17** RUS Improving Urban Housing Efficiency in the Russian Federation – under the Energy Efficiency Umbrella Program (GEF Grant : \$ 9.67 m)

**See above.**

**No 20** Uzbekistan: Promoting Energy Efficiency in Public Buildings (GEF Grant: \$ 3.25 m) (UNDP)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:** While the need to address energy efficiency in buildings is evident, it remains unclear to what extent the policy and regulatory framework is conducive to help upscaling investments in energy efficiency beyond the proposed project.

### **International Waters**

**No 24** Regional (Botswana, Lesotho; Namibia, South Africa): Development and Adoption of a Strategic Action Program for Balancing Water Uses and Sustainable Natural Resource Man-

agement in the Orange-Senqu River Transboundary Basin (RESUBMISSION) (UNDP) (GEF Grant: \$ 6.30 m)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:**

- Germany (GTZ in the implementing agency) is co-financing the project, it is part of the SDAC Transboundary Water Management Program. InWent is also co-financing the program in its River Basin Dialogue project. The German contribution in total is 2,240,000 Mio \$ (GTZ 1,960,000\$; InWent 280,000\$).
- The STEAP requires minor revisions; it has no objections but requests follow-up actions concerning the global environmental benefits which need to be explained further. The main concern is in Component 2 since it is not clearly expressed in the project document who has started the Transboundary Diagnostic Analysis. This needs do be clarified and documented.

**No 25** Regional (Belarus, Ukraine): Implementation of The Dnipro Basin Strategic Action Program for the Reduction of Persistent Toxics Pollution. (UNDP) (GEF Grant: \$ 2.04 m)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

- We concur with the comments of the STAP on the PIF. The PIF lacks sufficient information on important aspects, such as characteristics and sources of the pollutants and opportunities for launching pilot projects in specific industries (which ones?). As this project is a follow-up to an earlier project of the same agency, results and outcomes of the earlier project should be presented, such as pollution inventory data and results of the introduction of cleaner technologies.
- Coordination with other ongoing projects on similar and related issues in the thematic area deserves particular attention to avoid overlap and duplication.

**Multi Focal Areas**

**No 37** Colombia: Mainstreaming biodiversity in sustainable cattle ranching. (GEF Grant \$ 7.00) (WB)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

The project covers a relatively small area (615 km<sup>2</sup>) and is heavy in expenditure (total 41 million \$, of which 7.9 millions are to be paid by GEF). In view of the small size of the project, mainstreaming may be the wrong word, it is rather an advanced larger scale pilot.

The ratio of GEF funding and co-financing is 1:4.2 and below average for the calls.

A number of issues remain unclear:

- The project proposal mentions that 80% of cattle producers are small scale in Columbia as a whole. It does not however indicate which proportion of cattle are kept by and which proportion of land is managed by these small scale producers (10 %, 20 % or 50 %?). Data from the project areas are also required. Are 50 or 5000 households potential beneficiaries?
- The project is innovative since it includes an attempt to have the beneficiaries of environmental services pay for these services (water users). It would be good to know if this practice is totally new, or if there is within country experience with this practice. It appears doubtful, whether the water users will accept this without considerable resistance.
- For marketing of certified products from cattle products it is unclear, where the products should be marketed – within Columbia or overseas? – The development of 10 small to medium producer organisations and 5 large agribusinesses sound an excessive number of institutions to be involved in marketing, potentially increasing transaction costs of marketing and thus reducing the benefits for farmers – or are such institutions already active in the project areas?
- With respect to agrotourism, it is unclear how many household/enterprises will be involved, because the number of farms in the project areas is not given. It is also unclear where the tourists are supposed to come from – domestic or international? The internal market for eco-tourism is very competitive, and hopes for a share in this market should not be put too high.
- Much of the co-financing is expected in kind. Is this realistic?

Furthermore the additional effects of SPS as carbon sinks may be overestimated, as pastures are already good carbon sinks. Recent research suggests that they can be as efficient as forests as carbon sinks.

Thus far the project proposal looks very top down. Farmers are trained and are recipients of payment for environmental services, but they do not appear to be actively involved in nature conservation. Are land care groups something which is totally alien to Columbians?

**No 43** Vietnam: SFM Sustainable Forest Land Management – under the Country Program Framework for Sustainable Forest Land Management (WB) (GEF Grant \$ 4.20 m)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:**

Based on the risk analysis as outlined in the PIF, related milestones should be defined and clear indicators formulated in the start-up period of the project, including instruments and means how to address and overcome the defined risks.

### **Persistent Organic Pollutants (POPs)**

**No 44** Regional (Georgia, Tajikistan, Kyrgystan): Demonstrating and Scaling Up Sustainable Alternatives to DDT for the Control of Vector Borne Diseases in Southern Caucasus and Central Asia. (GEF Grant \$5.415 million)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comment:** In the list of freestanding PIFs for the April work program (document link via internet), the project is listed as being implemented in four countries. However, Azerbaijan does not show up in the PIF itself.

**No 47** China: Environmentally Sound Management and Disposal of Obsolete POPs Pesticides and other POPs Wastes in China (GEF Grant: \$9.959 m)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

The project aims at environmentally sound management and disposal of obsolete pesticides and other POPs related wastes in the country.

Germany supports this objective and agrees with the scope of the project in principle.

However, in our view the project lacks certain critical elements for successful implementation. Among them are the following:

- The first step towards the successful implementation of the NIP is a detailed nationwide inventory. This step is not yet included in the PIF.
- Technology choice and – linked to this – cost-effectiveness are important issues that need further careful consideration.
- The PIF puts exclusive focus on non-combustion technologies for disposal. This seems to be premature, as the suitability of these technologies will only be known once the PPG phase is completed (see page 6, 3<sup>rd</sup> bullet).
- The detailed analysis of the cost-effectiveness under section G of the PIF should be considered as preliminary data, as there is at present too little experience with the costs of the suggested non-combustion technologies in China. Costs may not yet fully be known as the technologies need to be tested first (for example, the unit cost of disposal of € 128 for the technology suggested in the PIF). Thus, conclusions with regard to technology choice should be postponed. This type of analysis should be based on a more thorough comparison of the full range of technology options (including combustion and non-combustion technologies and temporary engineering containment) and thus come at a later stage.
- The links to increasing the foundational chemical management should be strengthened. Although the project objective stated in the PIF does not explicitly exclude obsolete stocks of non-POPs chemicals, these stocks are not mentioned later on. Available evidence, e.g. from the bilateral Chinese-German disposal project suggests that POPs and non-POPs pesticides often can not easily be separated. It would make sense to develop ESM and disposal strategies for both categories in a synchronised manner.
- The PIF is silent about the PCB issue.
- The PIF is too ambitious with regard to targets for disposal and cost-effectiveness. Based on the information in the PIF, the predisposal and disposal of 10,000 tons of obsolete pesticides would cost at least € 21.28 million (which is US \$ 33.7 million at the current exchange rate). This adds up to more than 80 % of the available budget. However, most likely the disposal of 11,000 tons of POPs-contaminated fly ash will cost a comparable amount of financial resources, thus exceeding the available budget.
- The table of indicative financing shows that about 62.6 % of the co-financing are in-kind contributions of the private sector. The document lacks information how these contributions will be mobilised. There is a high risks that these contributions will not materialise, as the PIF document mentions that the chain of custody has been lost and there are diffi-

culties in applying legal and market mechanisms to enforce the contribution of waste holders and waste generators (section F, para 15). Thus, there seems to be little incentive for the private sector to contribute to the project. If private sector contributions fail to materialise, the project will have to be reshaped.

**No 48** Mongolia: Capacity Building for Environmentally Sound PCBs Management and Disposal (GEF Grant: \$2.650 m)

**Recommendation:** Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation.

**Comments:**

The project aims at creating capacity for Environmentally Sound Management of PCBs, eliminating PCB releases from the electrical equipment, avoiding contamination of electrical equipment, and disposing of 1,000 tons of PCB wastes.

The project concept is sound. Two issues should be addressed during further planning steps as follows:

- The statement in Section E, Para. 20 is misleading. According to information from KfW's project partner, there is no evidence that circuit breakers contain PCB. We suggest to delete para 20 for the time being as there is no concrete evidence, that circuit breakers contain PCB and the respective statement in the PIF is only an assumption. Cooperation of the suggested project with other ongoing projects, such as the KfW-supported project, on PCB management issues is already mentioned in para 21.
- Some budget lines seem to duplicate activities. For example, components 1.6 (data management) and 2.1 (inventory) should be combined.

## **Programmatic Approaches**

### ***Biodiversity***

#### **No 1 Biosafety Program**

**Recommendation:** Germany agrees to the Biosafety Program. Nevertheless, **we would like to change the wording** in certain paragraphs to strengthen the spirit of both the Cartagena Protocol on Biosafety and the GEF Strategy for Financing Biosafety. We should ensure that there are no doubts regarding the protection of biodiversity and human health objective.

#### **Comments:**

While we support the development of an operational framework for GEF Agencies and countries to achieve the objective of the GEF Strategy for Financing Biosafety, we are of the opinion the current version of the Program Document needs some improvement to fully reflect the wording and spirit of both the Cartagena Protocol on Biosafety and the GEF Strategy for Financing Biosafety. While the document rightfully mentions the controversial debates that took place in the GEF Council when dealing with biosafety issues, it contains several paragraphs that do not reflect the current state of this debate. **We would like to propose following changes in the Project Document:**

**A)** We would like to delete **paragraphs 1. - 4. and replace** them with the paragraphs 1. - 3. of the GEF Strategy for Financing Biosafety.

In the context of supporting the implementation of the Cartagena Protocol through GEF, Art. 8g of the CBD is of no relevance. Art. 8g refers to national regulatory issues concerning organisms that were modified by the application of biotechnologies as defined in the CBD. In practice those legislative frameworks would comprise any organisms that have been modified by any breeding technique. The Cartagena Protocol and consequently the GEF Biosafety Strategy refer to organisms that were modified through the application of modern biotechnologies as defined in the Protocol. In practise, the respective legal frameworks only cover those organisms that were modified by the application of genetic engineering.

**The overarching topic of the GEF Council debates** dealing with the strategies and projects to implement the Cartagena Protocol **is not the "safe use of modern biotechnology"** - a terminology that is not contained in the Protocol - but **"ensuring an adequate level of protection in the field of the safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may have adverse effects on the con-**



**ervation and sustainable use of biological diversity, taking also into account risks to human health, and specifically focusing on transboundary movements".** The Protocol is an international environmental treaty and not an agreement promoting a specific technology.

**B)** We would like to change the wording under **paragraph 14**.

The **expected impact** of the Program should read as follows: "Countries will have the tools to effectively assess the risks from the transfer, handling and use of LMOs, allowing them to make informed decisions to avoid or minimize the risks through appropriate management strategies."

This wording would **include the two essential governmental tasks** under the Protocol - risk assessment and decision making - under those issues on which GEF-funded biosafety projects should have an impact. Furthermore, the Protocol in Art. 10 and 11 on decision-making explicitly states that Parties can take decisions to "avoid or minimize" adverse effects.

The second part of the sentence starting with "and access the benefits" can be deleted because there is no direct relation between biosafety decisions and the implementation of the third objective of the CBD.

The expected outcome of the Program should read as follows: "Sustainable operational national biosafety decision-making systems that contribute to the conservation and sustainable use of biological diversity, taking also into account risks to human health in conformity with the provisions and decisions of the Cartagena Protocol on Biosafety".

This wording would reflect the objectives of the Cartagena Protocol on Biosafety.

**C)** We would like to change the wording under **paragraph 17**.

With regard to the above comments the the phrase "expertise in the safe use of modern biotechnology" in the second sentence should be changed into "expertise in biosafety".

**D)** We would like to change the wording under **paragraph 36**.

The last sentence starting with "Addressing the risks and benefits..." should be deleted.

During the development of the GEF Biosafety Strategy, extensive discussion took place to clarify whether the Cartagena Protocol justifies financial support of the GEF to capacity building in risk-benefit analysis of LMOs. The negotiators of the Protocol decided that this topic should not be part of the treaty. The consensus decision was that the Protocol covers science-based risk assessments solely. Benefit analyses - as one element of socio-economic considerations - are not covered by the operational provisions of the Protocol. Consequently, the GEF Biosafety Strategy does not cover the issue of risk-benefit analyses. On request of

the Parties, socio-economic considerations will be a focus of the forthcoming MOP. The 4th Meeting of the Coordination Mechanisms for Capacity Building has drafted respective recommendations for MOP-4. **The GEF should not make any decisions on this issue before MOP-4 has adopted the respective guidance.**

Furthermore, it should not read "linking biotechnology" but "linking modern biotechnology" in the third sentence of paragraphs 36.

### **Tables 2 & 3**

In the light of these remarks, some of the project titles listed in the Tables 2 and 3 give raise for concerns. FSP no 1 and 2 obviously request support for capacity building in biotechnology which would not be covered by the GEF Biosafety Strategy. The wording of MSP no 5 gives raise to the assumption that the project rather deals with promotion of technology than with protection of biodiversity and human health.

Best regards

Frank Fass-Metz