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To: Monique Barbut
Chief Executive Officer and Chairperson
Global Environment Facility
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Subject: Comments by Germany on the June 2009 Work Program

Dear Ms. Barbut,

Please find below Germany's comments on the June 2009 Work Program.

Best regards

Vera Rosendahl
on behalf of
Frank Fass-Metz

The following project proposals and programmatic approaches can be supported without a need for further comments:

Biodiversity:

- 3. Sustainable Financing and Management of Eastern Caribbean Marine Ecosystems Regional (Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines)
- 6. Integrated Management of the Ilha Grande Bay Ecosystem Brazil
- 8. ZAR: CBSP Strengthened management of the national protected areas system through involvement of local communities
- 9. Consolidating Costa Rica's Marine Protected Areas (MPAs) Costa Rica
- 14. Indonesia: Promoting Sustainable Production Forest Management to Secure Globally Important Biodiversity
- 15. Integrating Trade offs between Supply of Ecosystem Services and Land use Options into Poverty Alleviation Efforts and Development Planning Mexico
- 19. PAS Forest and Coastal Conservation and Resource Management Papua New Guinea

Climate Change:

- 25. Third National Communication to the United Nations Framework Convention on Climate Change
- 26. LGGE Improving Energy Efficiency in Buildings
- 32. SPWA-CC Promoting of Appliance Energy Efficiency and Transformation of the Refrigerating Appliances Market in Ghana. (under West Africa Energy Program)
- 38. Energy Efficiency Standards and Labels in Peru

International Waters:

- 43. Global MED Sustainable MED Governance and Knowledge Generation
- 45. Egypt MED Enhanced Water Resources Management
- 46. Syria MED Coastal Rivers and Orontes Rivers Basin Water Resources Management Project
- 47. Tunisia MED Greater Tunis Treated Wastewater Discharge in the Mediterranean Sea

Programmatic Approach: Mediterranean Environmental Sustainable Development Program (MED)

Land Degradation

- 48. China PRC-GEF Partnership – Capacity and Management Support for Combating Land Degradation in Dryland Ecosystems
- 50. Algeria MENARID Conservation of Globally Significant Biodiversity and Sustainable Use of Ecosystem Services in Algeria's Cultural Parks

We have the following comments on the other project proposals:

Biodiversity:

1. Congo-Basin: CBSP Sustainable Financing of Protected Area Systems in the Congo Basin (UNDP)

Germany supports the project in principal but wishes to have more information.

The overall project concept makes sense in our view and but we follow the position pronounced by STAP, stating that a minor revision is required in view of the existing risks that additional revenues generated by PA systems (as in complementary outcome III) will lead to a crowding out of original government financing.

A recent consultative meeting on ministerial level in Libreville (May 8) has shown that the governments of the Congo Basin countries are still very reluctant in respecting their commitment to install an autonomous financing mechanism. The update of national policies aimed at committing governments to take action needs to be stressed as a priority over revenue generation. For the moment the budget allocated to enhanced revenue generation (indicative GEF financing) outplays the legal framework budget considerably. We further question whether COMIFAC as an executing partner will receive financing at the ministerial level, the Secretariat or through its mandated institution for protected area development, the Regional Protected Area Network (RAPAC). Since project implementation will mostly occur on the national level, COMIFAC would probably play a more coordinating role. This point is an extremely critical one.

With 86% co-financing, significant coordination among participating partners is needed for attaining the expected project outcome. The project proposal does not make any suggestions as to how to coordinate this co-financing strategy.

We also question the strategy to base the expected strengthening of the institutional framework first of all on a quantification of the economic values of PAs (see expected output 1 for project component 1). Generally spoken, the expected outcomes and outputs seem quite optimistic: an overly ambitious time frame (5 years: implementation 2011 completion 2016) cannot be compensated by financial means. Significant coordination efforts will be necessary, especially in the beginning of implementation. Further clarification and possibly reformulation/modification is needed during the project preparation phase.

Concerning Point 13 (*“the project will provide timely financial and strategic assistance to local communities, NGOs, other civil society groups and governments to ensure long-term protection and sustainable natural resource management of globally important priority PA systems across the Congo Basin forests”*) further clarification is needed regarding the definition of “assistance”: how and in which form it should be provided. We insist on clarifying the aspect of “timely” assistance: a degressive (exit) strategy needs to be included in the initial concept. Experiences from other GEF/UNDP projects have shown that financial contributions on local/community level tend to have negative impacts and are not sustainable in their expected positive outcome.

2. Supporting the Development and Implementation of Access and Benefit Sharing Policies in Africa Regional (Cameroon, Kenya, Madagascar, Mozambique, Senegal, South Africa)

GTZ is foreseen as executing agency for this project. The comments of the STAP review will be taken into consideration when developing the full project proposal.

4. Inter-jurisdictional System of Coastal-Marine Protected Areas (ISCMPA) Argentina

We support the development of the PIF into a full project proposal. The description of the problem and the corresponding strategy to solve it (proposal with its 3 components) are very appropriate. We suggest to increase the financial collaboration and strengthen an active participation of the oil industry for the realization of the project and afterwards, since this industry plays an important role in the region and should be made more responsible for the sustainable management of ecosystems.

5. Bolivia: Biodiversity Conservation through Sustainable Forest Management by Local Communities (UNDP)

Germany supports the project in principle but asks for further clarification.

While adequately addressing underlying causes and drivers of deforestation and forest degradation in the Amboro-Madidi corridor, which is highly relevant from the BD perspective, the project design may be over optimistic in seeking substantial increases of income at household and community levels as a result of community forest certification: To date no significant premium prices (except for few products in niche markets) for certified timber have developed; this is especially true for national markets. The challenge of reaching AND maintaining forest certification according to FSC principles and criteria will present a substantial challenge for the communities.

In addition, the current national Government has expressed in several situations a critical position towards forest certification. In the project preparation phase, this attitude should be monitored.

As an additional line of work, the project could help to strengthen the FSC National Initiative in order to maintain/ improve/ increase FSC involvement in community forestry.

7. Cameroon: CBSP Sustainable Community Based Management and Conservation of Mangrove Ecosystem in Cameroon (FAO)

Germany supports the project. However, for clarification it would be helpful to get more information about the role of IUCN and the capacity of CEFDHAC to play a meaningful role in civil society participation.

10. Enhancing the Prevention, Control and Management of Invasive Alien Species in Vulnerable Ecosystems Cuba

It is not clearly outlined how civil society will be incorporated into the project. Participation of a wide range of stakeholders, especially the local population, is often the essential strategy to achieve long term success.

It should be discussed if not more pilot areas would be necessary. Additionally it should be reconsidered how to incorporate more institutions and the civil society in the project implementation in the pilot areas. The sustainability of success would increase if there is more than one institution responsible for the implementation.

In relation to the other components, the costs for institutional capacity and strengthening seem to be very high.

The Project Identification Form exceeds with the amount of 10 pages the generally recommended 4 pages for Project Identification Forms considerably.

11. Mainstreaming Biodiversity Management into Fisheries and Tourism Activities carried out in Coastal /Marine Ecosystems El Salvador

Germany supports the project proposal but would like to see that the comments provided by the STAP are taken into account in the further development of the project proposal.

12. IND-BD Mainstreaming Coastal and Marine Biodiversity Conservation into Production Sectors in the Godavari River Estuary in Andhra Pradesh State India

In the document the challenge presented by climate change is considered a risk and not an integral part of the project concept. On the other hand the expected sea level rise among others will have considerable impacts on biodiversity and natural resource management and proposed measures should have the impacts of climate change in mind. From the point of view of mainstreaming, it might be even more successful to clearly focus on the positive contribution biodiversity conservation can have on climate change protection measures than to take climate change as a risk and that conservation measures generally will positively contribute to resilience.

13. Strengthening the Implementation of the Biological Diversity Act and Rules with Focus on its Access and Benefit Sharing Provision India

On Component 1: As stated in one of the excellent publications on the GIST website mentioned in the PIF it is difficult to assess the value of genetic resources for two basic reasons. One reason is mentioned in the STAP review – the methodological reason – what is the basis for calculation and which calculation method is applied, which value is being calculated. The second reason builds on the fact that in many cases genetic material has only negligible value (mostly and mainly derived from its contribution to the general ecosystem services) until it is discovered by a commercial enterprise which develops a successful product. The study summarizes the concern as follows:

“However, these studies are for genetic material, which has already been discovered and mostly undervalued due to market imperfections. If we want to know whether the conservation of a species is worthwhile, we need to know the value of **undiscovered genetic material**. Several approaches have been used for this.” (Gundimeda et al. 2006. *The value of biodiversity in India’s forests*. Monograph 4: Green Accounting for Indian States and Union Territories Project; TERI Press, New Dehli, India)

Against this background – the problems involved in assessing the economic value of biodiversity and the excellent work done in India – we wonder why the proposal still includes such a strong component even trying to break down biodiversity valuation to the local level (Biodiversity Management Committees). The proponents should be requested to clearly elaborate and justify the added value of Component 1 of the project or to remove the component from the proposal if no sound justification can be provided.

On Component 4: Much of what is listed here seem to be activities which either have been done or should be done by the Gol whether the project is approved or not – e.g. “Establishment of national network of research institutions working on conservation, sustainable use and IPRs”. We feel that the proposal requires here a clear focus on ABS related issues to avoid duplication of existing efforts of the Gol. Furthermore, inter-ministerial

coordination is a major challenge in any country. We wonder how the project intends to address this challenge.

Coordination with other related initiatives: The proposal rightly mentions the opportunities for collaboration with the other organizations, however, mechanisms for realizing these opportunities are not elaborated. We also recommend to directly involving ICIMOD in the implementation of the project in the Hindukush-Himalayas. Thus the project could directly draw on the extensive BMZ/GTZ supported work and experience of this regional institution with ABS capacity building activities in the North-Eastern States of India at the State and local level.

Overall, we fully agree with the generally positive assessment of the proposal by the STAP review and we share the concerns of the STAP review.

16. Morocco MENARID – A circular economy approach to Agro-Biodiversity Conservation in the Souss Massa Draa Region of Morocco

The project fits well with overall policy on climate change adaptation and resources management. In case the project is to work in the the Draâ valley, good cooperation should be established with the research programs IMPETUS and BIOTA as well as with the PRONALCD carried out with GTZ support.

The project is attached to the Ministry of Environment, but a strong relationship should as well be established with the High Commissioner on Forests and Desertification control.

17. Mountains and Markets: Biodiversity and Business in Northern Pakistan

Germany asks for further clarifications with regard to this proposal.

As far as we understand, the project is going to focus on three or four specific biodiversity products derived from mountain areas in Pakistan: *Lycium barbarum*, *Pinus gerardiana*, morel mushrooms and a group of non-specified MAPs. The proposal regards “insufficient market demand for products from Community Biodiversity Enterprises” as a risk which may threaten the project success and the project foresees to this end detailed feasibility studies and market analyses as well as the provision of extensive marketing support. While these market risks are known to exist, it is difficult to understand why the proponent has not carried out feasibility and market studies before submitting the proposal.

Lycium barbarum, for example, is a widespread species and is regarded in parts of its distribution area (e.g. in Central Europe) as invasive. It is particularly abundant in China. So it is hard to believe that it is a really high-value product which can sell well. *Pinus gerardiana*, on the other hand, is widespread but populations are almost everywhere small and in low density. Plantations have been established in Afghanistan. It is thus not clear whether the populations in the northern Pakistan target areas (which apparently cover an area of 10,000 km²), do provide a sufficient resource base for a relevant number of Community Biodiversity Enterprises (over 40 such enterprises are going to be founded under this project).

The project plans to stimulate the demand for “green products” and “organically produced superfoods”, and foresees to this end the introduction of a certification system. We doubt whether the non-existing certification of bioproducts from northern Pakistan is actually a bottleneck in marketing: *Pinus gerardiana* is, for example, regarded as a species growing under perfectly natural conditions, far from human influences, and any certification system will probably not lead to a comparative advantage in the marketing of its edible seeds.

The project will work with Community Biodiversity Enterprises, which are at present apparently not yet existent but still have to be established by the project. This may be a long process, and it should carefully be examined whether these enterprises will actually become fully functional in the life span of the project. Was the alternative to rely on private companies through public-private partnerships instead of establishing new enterprises not considered? This could under certain circumstances be a more cost-effective and probably more sustainable option.

18. Mainstreaming biodiversity conservation through low-impact ecotourism in the SINAP Panama

Germany supports the project proposal but would like to see that the comments provided by the STAP are taken into account in the further development of the project proposal.

20. CTI Partnerships for Biodiversity Conservation: Mainstreaming in Local Agricultural Landscapes Philippines

In general, projects on biodiversity conservation in the Philippines should be promoted due to the unique marine and terrestrial characteristics of the country. However, the proposed "Partnerships for Biodiversity Conservation: Mainstreaming in local agricultural landscapes project" can be seen as overambitious both from the side of institutional-set up and outputs to be achieved.

The institutional component does not pay tribute to the difficult tasks to coordinate and reach consensus in the proposed multi-stakeholder setting, e.g. coordination between the agriculture and natural resources management and trade related line agencies. Coordination becomes even more complex if Local Government Units (LGUs) are involved, as existing national laws provide conflicting mandates and responsibilities.

Next to coordination and legal issues, the expected outputs/achievements e.g. covering general conservation issues, biodiversity-friendly agriculture, trade and business promotion, land use planning, fiscal and investment reforms are over-ambitions and unrealistic. They also clearly exceed the mandates, capacity and capability of the executing partners and involve long lasting change processes plus political decisions/backup which is at present not entirely guaranteed.

The project should thus be scaled down to realistic targets, and, dependent on this, should have a responsible executing agency, e.g. DENR. An involvement and funding of NGOs and LGUs should be envisaged, however, based on a more precise location of the key ecosystems and landscapes to be targeted. The decision criteria should also include current and past donor support, political frame conditions and experience records.

We support the general objective of this PIF but **major revisions** as pointed out above are necessary for developing it into a full project proposal.

21. Strengthening the Protected Area Network in Southern Tanzania: Improving the Effectiveness of National Parks in Addressing Threats to Biodiversity Tanzania

The project depends heavily on wildlife tourism as major financial source of the national park system and other protected areas. It is questionable whether the Southern Tanzanian protected areas can render additional income or will rather reduce the tourism income in the Northern wildlife tourism area by setting up competing attractions.

The project proposal is of utmost importance and has a high potential to sustain Tanzania's biodiversity. The project objective and the planned activities are well formulated and clear. The risk analysis (Part G) and following recommendation should be taken into account during further elaboration of the project document. We fully support the development of the PIF into a full project proposal.

22. Strengthening the Marine and Coastal Protected Areas System Venezuela

The high inflation rate of the Venezuelan Bolívar can be a problem for the financial calculation. It is not clear how this was considered in the present calculation.

The complete financial dependency on PDVSA, as nearly the only co-financing institution, is very critical: On the one hand due to its dependency on the prices of the global oil market, on the other hand because PDVSA has an enormous financial background so that financial support of other organisations – as mentioned in the project outline – might be insignificant or not forthcoming.

During the development of the project document emphasis should be put on the co-management an agreement, taking into account that participation of local stakeholders, communities and civil society is an essential part to achieve sustainable solutions.

The national park institute INPARQUES, which up to the moment is not mentioned in the project outline should be incorporated into the project development and implementation.

It is highly recommended to involve institutions with the technical know-how in the area of marine and coastal conservation, e.g. the universities UCV-Caracas, UDO-Maturín, USB-Caracas and LUZ-Maracaibo, the IVIC-Caracas and Fundación La Salle in Caracas and Isla Margarita.

It needs clarification, if the project is really consistent with national priorities and plans, e.g. the actual government does not focus on “decentralized development of the territory”, as mentioned in the PIF document.

The Project Identification Form exceeds with the amount of 8 pages the generally recommended 4 pages for Project Identification Forms considerably.

Climate Change:

23. LGGE Promoting Energy Efficiency in Buildings in Eastern Africa

- Arguments in favor of EE in buildings are all compelling and relevant.
- Surprising that no baseline study was done prior to project proposal. How do we know what the scope of energy inefficiency is in the existing buildings in order to know the response needs? Would be good to know what the energy demands are in buildings in each of the 5 countries. If only 5% of Rwandans and 2% of Burundians have access to electricity, then what is the expected impact of EE measures?
- Development of environmentally sound human settlements is not a decision-maker priority, as stated in the proposal, and it is not clear how this hurdle will be overcome. How will the EE policies get past decision-makers who are concerned with quantity vs. quality?
- Success of project hangs on the formulation and enforcement of necessary policies and by-laws, and proposal is to lobby bureaucrats to achieve this goal. What sorts of assurances are there from the five countries that a favorable outcome can be achieved?

24. Integrated Approach for Zero Emission Project Development in the New Town of Boughzoul

Groundbreaking project with a very large mandate and scope as well as a demanding plan for coordinating seven different program components. UNEP should ensure that the necessary policy frameworks and incentives to promote renewable energy and efficiency measures are in place from the outset of the project.

27. Reducing Greenhouse Gas Emissions through Improved Energy Efficiency in the Industrial Sector

- According to the World Resources Institute, as of 2005 Cambodia had 0 GHG emissions from the industrial sector, however in the proposal as of 2007, 20% of the country's emissions are from industry. Would be useful to know the source of emissions data used for the proposal.
- UNIDO's experience in implementing this type of project should be more adequately explained

28. SPWA-CC Promoting renewable energy based mini-grids for rural electrification and productive uses

Major clarifications and revisions are needed when developing this PIF into full project document.

- One of the principal arguments for the project is poverty reduction, which goes beyond GEF's mandate. It has to be made sure that GEF resources will only finance activities that are in line with its mandate.
- (Component 3) Financial support, institutional capacity and legal framework: Proposal does not address the problem of political instability as potential barrier to promoting private-sector investment in renewable energy sector.
- Creating a market environment: What is meant by "strong private sector interest" and private-sector involvement in mini-grid financing? \$1.3 million in co-financing from the private sector is expected, but the type of financing is unknown. Can specific financiers be named? Local banks? Chadian private sector? Are local banks in a position to appraise and finance RE projects? This needs to be clarified and specified before Council approval of the final project document.

- While RE resources may be abundant and the need for energy access urgent, success will hang largely on the ability to mobilize investments from the private sector. What indications are there that a return on investment can be achieved? No mention of pre-feasibility studies in the proposal.
- UNIDO's experience with this type of project should be elaborated upon.

29. Energy Efficiency Standards and Labels in Colombia

In 2001, Colombian government launched a standards and labeling program and developed 30 EE and labeling procedures for variety of appliances, but manufacturers are not using labels due to voluntary nature of the program. What sorts of assurances exist that prior to project approval the Ministry of Mines and Energy (MME) will pass the ministerial regulation required to make standards and labels usage mandatory? At present it is only being considered by the ministry.

30. Improving the energy efficiency of lighting and building appliances

- Good use of innovative financing mechanism to overcome the higher cost of CFLs: poorer households can pay off the cost of CFLs in installments through their regular electricity bills.
- GTZ is working in Egypt to design the framework for an Energy Efficiency Agency with which project developers may collaborate.
- Project plan lacks a recycling or disposal plan for CFLs, which due to mercury content, are considered toxic.

31. SPWA-CC Promoting Renewable Energy Based Mini Grids for Productive Uses in Rural Areas in The Gambia

- Long-term viability of project depends on the energy provided being used for productive purposes (income generation). More info is needed on the links between grids and productive uses. Adding value in the agriculture sector is mentioned as one productive use for the new electricity grids. Are there actual development plans linked with agriculture production in the areas identified for grid installations? Are there specific agriculture products that are being targeted?
- Will non-productive uses of the electricity generated also be permitted? (for homes?)
- What assurances are there that private sector will invest in mini-grids? Since the concept of installing mini-grids for rural electrification is new to Gambia, shouldn't funding for Components 2 and 5 be contingent upon a successful outcome of Component 1 (demonstration projects)?
- UNIDO's experience with this type of project should be elaborated upon.

33. Energy Efficient Design and Construction in Residential Sector

Clarification is needed regarding the contribution of the project to improved construction materials. The Kazak government has set a priority of producing 70% of its building materials domestically, and glass, bricks and cement are named as three of the prioritized industries to support. Since these are also three of the most energy intensive industries in the world, shouldn't the project also include a component on efficiency measures specifically targeting these industries? Does the planned work with provincial governments to increase domestic production of high energy performance construction materials include these 3 energy-

intensive industries? Would labeling scheme for construction products include these industries?

34. SPWA-CC Installation of multi purpose mini-hydro infrastructure for energy & irrigation

- Project is promoted within GEF Strategic Area: Promoting Market approaches for Renewable Energy, however market approach is unclear. What sorts of productive uses are envisioned to raise the return on investment in mini-hydropower plants? Clarity on the long-term sustainability of project is required due to heavy dependence on donor financing.
- Climate risks high: will hydrological studies be conducted and climate information gathered and analyzed prior to project implementation to ensure project viability?
- UNIDO: clarification is required with regard to how this project has a “strong industrial” focus, thereby giving UNIDO a comparative advantage.

35. Industrial Energy Efficiency for Malaysian Manufacturing Sector (IEEMMS)

Comments:

- Need for EE measures is clear but scope of project is described in very broad terms. If SMEs in manufacturing sector are the focus of the project, and manufacturing SMEs comprise 96% of all manufacturing sector (37,866 SMEs), where is the starting point and what specific EE measures will be undertaken? Project plans to demonstrate “energy savings in industry through application of systems optimization”, however no details are provided.
- **Energy Unit Index:** this term needs to be explained. Numbers provided for cement and steel sectors are incorrect, resulting in a misleading presentation of gigajoules per ton of product produced. As this affects priority setting, the clarification needs to be made.
- Is UNIDO the appropriate agency to execute?

36. SPWA-CC Mini-grids based on Renewable Energy (small-hydro and biomass) Sources to Augment Rural Electrification

- Project proposal is similar to proposal for Gambia and comments are also similar: What assurances are there that the private sector will invest in mini-grids? What productive uses of the mini-grids are planned to incentivize private sector investment?
- Would it be possible to take a 2 phase approach to funding this project: first test the mini-grid approach with pilots, and second proceed with dissemination measures based on a successful pilot phase?
- UNIDO’s experience with this type of project should be elaborated upon.

37. SPWA-CC Promoting Energy Efficiency in Residential and Public Sector in Nigeria

Project plan lacks a recycling or disposal plan for CFLs, which due to mercury content, are considered toxic.

39. SPWA-CC Promoting Mini Grids Based on Small Hydropower for Productive Uses in Sierra Leone

- The project falls under GEF Strategic Area: Promoting Market Approaches for Renewable Energy. However, the project description tends more towards poverty reduction measures in rural areas. **It needs to be clearly specified before Council approval of the final project document which activities the GEF will pay for and these activities have the clear objective of generating global environmental benefits.**
- Stated barrier to success includes: doubts about the assured financial returns and security of the investments. What assurances are there that the private sector will invest in mini-grids? (Currently no private sector contribution is foreseen in project financing and project is reliant on bi- and multi-lateral financing.) What productive uses of the mini-grids are planned to incentivize private sector investment?
- Would it be possible to take a 2-phase approach to funding this project: first test the mini-grid approach with pilots, and second proceed with dissemination measures based on a successful pilot phase?
- What assurances are there that the government will enact the needed policies to promote renewable energies in rural areas, thereby facilitating a successful implementation of the project?
- What is the industrial focus of this project that gives UNIDO the comparative advantage?

40. Market Transformation through Energy Efficiency Standards and Labeling of Appliances in South Africa

Revision of the tax system is mentioned but should be elaborated upon to identify potential incentives and financing mechanisms. Could, for example, tax rebates be provided for investments in EE appliances? On the supply side: would it also be possible to levy taxes on the relatively cheap supply of energy (coal) to incentivize investment in efficient appliances?

41. Improving Energy Efficiency and Promoting Renewable Energy in the Agro-Food and other Small and Medium Enterprises (SMEs) in Ukraine

- Scaling up of EE measures and fuel-switching are provided as the approach for agro-food industry. Are there any specific technologies or RE sources beyond biomass gasification that can be named?
- Can more specific information be provided about the types of agro-industries that will be targeted?
- Buy-in from government and private sector in terms of co-financing is commendable.
- Government adoption of the necessary regulatory frameworks to support the project is categorized as "high risk". Would it be possible to gain greater assurance that the needed frameworks will be put in place prior to project implementation?

42. Clean Production and Energy Efficiency Project

- ***This project has a budget of over \$100 million, of which GEF financing is about 2%. Please explain where co-financing is supposed to come from.***
- Given the large scope of the project, there are not a lot of details provided with regard to how energy efficiency will be achieved. Each of the three components proposed is a project in and of itself. Which industries will be targeted? Which technologies will be required? What measures will be taken to create an energy efficiency investment market in

component 2? How will the market for energy efficient appliances be achieved? The answers to these questions should be clear to project developers prior to the approval of the final project document.

International Waters:

44. MED Regional Coordination on Natural Resources Management and Capacity Building

- Even in at this stage, we think it is important to specify the participating countries and we would like to see that all participating countries are mentioned in the document.
- In the final project design attention needs to be given to the formulation on appropriate performance based indicators to measure the impact of the interventions. Based on the outputs as they are formulated in the PIF we think it will be challenging to develop measurable indicators.

Multi-Focal Area:

49. Development Market Place 2009: Adaptation to Climate Change

This project is an adaptation project. There is no basis for financing it under the GEF Trust Fund as 1. it does not provide for global environmental benefits and 2. the Strategic Priority on Adaptation has finished. Projects on adaptation should only be financed under the SCCF and the LDCF. In spite of this, Germany doesn't want to stop this project as it we believe that it is a good activity that needs to be brought forward. However, we consider this as an exceptional case and we would like to make it clear that we won't approve adaptation projects under the GEF Trust Fund anymore in the future.

With regard to the PIF we have the following comments and questions:

To what extent is this approach an effective instrument for exchange about development approaches in the area of climate change? In what way does contribute to a community of practice? Lessons and experiences from the past rounds of "Development Market Place" (which started in 1998) should be evaluated to maximize learning and stimulate sustainable dialogue. This should also be reflected in the budget, giving greater attention to component four (possibly drawing on experiences not only of winning projects of this year, but also of past years).

51. Indonesia: SFM Sustainable Forest and Biodiversity Management in Borneo (ADB)

The project proposal is supported in general but further amendments concerning donor coordination is needed.

Germany already supports a programme in Indonesia "Forest and Climate change" . One of its components also aims to improve sustainable resource management, nature protection and the situation of local livelihoods in the Heart of Borneo-area. The project proposal under section "E" does not make any reference to other initiatives by bilateral donors to ensure coherence, to make use of synergies and to avoid duplication of activities.

52. CTI Integrated Natural Resources and Environmental Management Sector Philippines

The project concept requires revisions, in particular considering the mandate and capacity of the Department of Environment and Natural Resources (DENR) in the Philippines. So far, DENR has a mandate in protected areas declared under the NIPAS Act. The latter, however, is often disputed by Administration of Local Government Units and Provinces, which are mandated to implement Natural Resources and Environmental Management by law. A consensus and cooperation is thus essential to achieve sustainability.

The revisions should include proposals for an improved staff capacity of DENR plus a project steering structure which involves line agencies, NGOs and LGUs because the expected outcomes require a close collaboration of key stakeholders. However, in view of the limited implementation capacity of DENR, endowment of e.g. NGOs could be envisaged.

The revised proposal should also consider a concept for monitoring of environmental parameters, in particular water quality plus the impact of the project outcomes on marine and terrestrial biodiversity including livelihood aspects of the population concerned.

53. SFM Sustainable Woodland Management in the Miombo Areas of Western Tanzania (UNDP/WB)

Further revision is needed for this proposal.

The project proposal contains a bundle of valid information and proofs a knowledgeable background of the author. However, Germany shares the view of the STAP. Also we see a discrepancy between the problems described, the large project area and the expected outputs by the project on the one hand and the quite small budget of 2 million per year on the other hand. The project seems to be too ambitious the way it is designed.

POPs

54. Capacity Strengthening and Technical Assistance of the Implementation of Stockholm Convention National Implementation Plans (NIPs) in African Least Developed Countries (LDCs) of the COMESA Subregion

STAP recommendations should be implemented. With regard to STAP comments N°3 (strengthening regional analytical and monitoring capacities), the SC COP4 decision regarding technical assistance should be taken into account. This decision emphasises the establishment of SC regional centres. However, currently none of the nominated regional centres in Africa has yet met the requirements for nomination. Many of the proposed centres lack in-house analytical and monitoring capacities. In line with the strategy for technical assistance discussed during COP4, first priority should be given to strengthening of the proposed regional centres, before considering sub-regional centres. The project should support capacity building in those regional centres that have a fair chance to be nominated as SC centres. This is preferable to current plans which carry the risk of spreading efforts too thin at sub-regional or national level. Capacity building should be extended in a broader manner, targeting chemicals management in general, not only those chemicals regulated under the SC. As mentioned in COP4 guidance document to the GEF, sufficient financial support to sustain new monitoring activities should be provided at regional rather than sub-regional and national levels through this project.

55. Integrated and sustainable POPs Management Project, Egypt

STAP recommendations should be taken into account.

56. Preventing and Disposal of POPs and Obsolete Pesticides in Eritrea

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation. Before CEO endorsement Eritrea should follow the procedures for notification of DDT use stipulated in the Stockholm Convention.

Comments:

- The project has no comprehensive training and extension strategy to implement IPM at farm level in the various crops concerned. Experiences from IPM programmes all over the world have shown that it is generally not sufficient to train a few staff at national level without knowing and effectively addressing the constraints for IPM implementation at the farm level. FAO itself has a wealth of experience in training farmers and field extensionists; those experiences should be used to develop a meaningful IPM programme. Only with such kind of programme, significant changes in pesticide and pest management practices at farm level can be achieved.
- Project component n°1 expected outputs n° 2: Although Phase I of the project has been completed, it is still not clear which share of the 400 tons obsolete pesticide stocks belong to the POPs category. Please verify whether it is 1400 m2 or m3 of contaminated soil?
- Continued DDT use is mentioned in the project proposal. However, Eritrea has not yet notified the Secretariat of the Stockholm Convention of its intention to use DDT (see Provisional DDT Register Pursuant to Paragraph 1 of Part II of Annex B of the Stockholm Convention, accessed 1 June 2009). The project should not be endorsed by the CEO before the procedures stipulated in that Paragraph of the Convention are duly respected by the Government of Eritrea.

57. Strengthening National Management Capacities and Reducing Releases of POPs in Honduras

There is no co-funding from the private sector included. It is general practice in GEF-funded projects dealing with environmentally sound management and disposal of PCBs from transformers and capacitors to demand significant amount of co-funding contributions from the private sector. If funds from the private sector are mobilised, the risk for project implementation – currently rated by the GEF agency as “medium” - would probably decrease.

58. Disposal of POPs waste and obsolete pesticides, Mozambique

Germany agrees to the project proposal. Changes outlined below should be made during further planning steps and during project implementation. Before CEO endorsement Mozambique should follow the procedures for notification of DDT use stipulated in the Stockholm Convention.

Comments:

- Project component 1, expected outputs 4.3: There is no indication of the expected quantity of highly toxic pesticides to be removed as part of this component. Furthermore, there is no indication which quantity of the pesticides to be disposed belongs to the POPs category as listed under the Stockholm Convention.
- It should be explained in detail why the project includes activities in Botswana (see page 5, 3rd line from the top).
- The project proposal mentions improved management of imported DDT for malaria control. Mozambique has requested with the Stockholm Convention an exemption for public health use from “2005 up to 2008” (see Provisional DDT Register Pursuant to Paragraph 1 of Part II of Annex B of the Stockholm Convention, accessed 1 June 2009). The project should not be endorsed by the CEO before the procedures stipulated in that Paragraph of the Convention are duly followed by the Government of Mozambique, including a justification for the continued need for DDT use.

59. Less burnt for a clean Earth: Minimization of dioxin emission from open burning sources in Nigeria

We strongly advise the GEF agency to focus project activities on one particular sector only to enable sound project management and to maximize impact across the country. The project activities should target exclusively municipal waste management. Component 4 should be removed from the project at the present stage as the agricultural sector is targeted. The STAP comments clearly point at the complexity of issues surrounding current bush burning practices. The issue of bush burning should be addressed within a land degradation or forestry protection framework. Isolated action on UPOPs in this area will be not cost-effective.

60. POPs Pesticide Elimination, Mitigation and Site Management Project, Tajikistan

- Budgeted costs for pesticide disposal seem to be on the higher side. Final disposal of 800 tons of obsolete pesticides by means of incineration should not exceed USD 4,000 per ton.
- We have doubts that a co-financing contribution of USD 6.42 million will actually be made available for the component *Reducing farmer reliance on POPs pesticides*. According to accessible information, the World Bank Cotton Sector Project will only do Farmer

Extension in some districts of one province, thus involving a limited number of farmers. General training on farm management, book keeping etc. should not count as co-financing contribution for a project in the POPs focal area. Only the share of the project costs that is spent for genuine extensionist and farmer training on IPM technologies and strategies may qualify as co-financing. More detailed information should be provided on the co-financing contribution.

- The section on cost-effectiveness needs significant improvement. Cost-effectiveness of the IPM training programme can not yet be assessed. Information is lacking on the number of targeted farmers, their pesticide use patterns and the potential to reduce pesticide use in cotton production. Also, the assessment of the cost-effectiveness of the pesticide disposal options needs to be presented in a more transparent manner.

The comments outlined below should be taken into account for the final program documents:

New Programmatic Approaches: POPs

Capacity Strengthening and Technical Assistance of the Implementation of Stockholm Convention National Implementation Plans (NIPs) in African Least Developed Countries (LDCs) and Small Island Developing States (SIDS), Regional Africa

- Component 5 aims at identification of contaminated sites. The amount of resources foreseen for this component seems to be on a higher side, if only site identification and development of remediation plans is foreseen. For a total amount of USD 1.6 million, it should be possible to determine the type of chemicals by analytical surveys and to implement the most urgent provisional safeguarding measures in at least a fair number of sites to protect human health and the environment from leakages of chemicals.
- The program should provide opportunities for regular exchange of information and for sharing of best practices with GEF projects already approved in non-LDC and non-SIDS countries in Africa, e.g. the Nigeria UPOPs project of the June 2009 work program.
- The STAP recommendation to extend capacity building to other toxic chemicals should be implemented.