



**GLOBAL ENVIRONMENT FACILITY**  
INVESTING IN OUR PLANET

COMPILATION OF COMMENTS  
SUBMITTED BY COUNCIL MEMBERS  
ON THE GEF  
DECEMBER 2021  
WORK PROGRAM

**NOTE: This document is a compilation of comments submitted to the Secretariat by Council members concerning the project proposals presented in the GEF December 2021 Work Program**

## TABLE OF CONTENTS

<b>PROGRAMS .....</b>	<b>1</b>
1. Global (India, Viet Nam, Ecuador, Kenya, Lao PDR, Philippines, Uruguay). Financing Agrochemical Reduction and Management (FARM) (GEF ID 10872). Agency: UNEP, ADB, UNDP, UNIDO; GEF Project Financing: \$37,441,500; Co-financing: \$341,789,200.....	1
<b>NON-GRANT INSTRUMENT PROJECTS .....</b>	<b>2</b>
2. NGI - Global. Green Finance & Sustainable Agriculture in the Dry Forest Ecoregion of Ecuador and Peru (GEF ID 10852). Agency: CAF; GEF Project Financing: \$6,000,000; Co-financing: \$68,200,000.....	2
<b>STAND-ALONE FULL-SIZED PROJECTS.....</b>	<b>4</b>
<b>Biodiversity.....</b>	<b>4</b>
3. Tonga. Implementation of the Fanga’uta Lagoon Stewardship Plan and Replication of Lessons Learned to Priority Areas in Vava’u (Tonga R2R Phase 2) (GEFID 10518). Agency: UNDP; GEF Project Financing: \$3,864,685; Co-financing: \$11,960,000. ....	4
4. India. Strengthening Institutional Capacities for Securing Biodiversity Conservation Commitments (GEF ID 10776). Agency: UNDP; GEF Project Financing: \$4,880,000; Co- financing: \$29,280,000.....	5
5. Cabo Verde. Strengthening Biodiversity Governance Systems for the Sustainable Management of Living Natural Resources in Cabo Verde (GEFID 10871). Agency: UNDP; GEF Project Financing: \$3,484,703; Co-financing: \$ 18,763,038. ....	6
<b>Climate Change Mitigation .....</b>	<b>7</b>
6. St. Kitts and Nevis. Achieving a Rapid Decarbonization of the Energy Sector in Saint Kitts and Nevis (GEFID 10856). Agency: UNEP; GEF Project Financing: \$3,318,995; Co-financing: \$11,410,000.....	7
7. Marshall Islands. Marshall Islands Building Energy Efficiency (GEFID 10859). Agency: IUCN; GEF Project Financing: \$2,193,578; Co-financing: \$2,600,000. ....	8
8. India. Improving Thermal Energy Efficiency in the Design, Manufacturing, and Operation of Industrial Boilers for Low Carbon MSMEs in India (GEF ID 10878). Agency: UNIDO; GEF Project Financing: \$2,664,690; Co-financing: \$17,797,500.....	10

<b>Land Degradation.....</b>	<b>12</b>
9. Cabo Verde. Towards Land Degradation Neutrality for Improved Equity, Sustainability, and Resilience (GEFID 10863). Agency: FAO; GEF Project Financing: \$2,183,105; Co-financing: \$7,528,482.....	12
10. India. Sustainable Management and Restoration of Degraded Landscapes for Achieving Land Degradation Neutrality (LDN) in India (GEF ID: 10876). Agency: UNDP; GEF Project Financing: \$6,600,000; Co-financing: \$46,200,000.....	13
<b>Chemicals and Waste.....</b>	<b>15</b>
11. China. Sustainable Mercury Management in Non-ferrous Metal Industry (GEFID 10864). Agency: World Bank; GEF Project Financing: \$20,300,000; Co-financing: \$140,000,000.....	15
12. Sri Lanka. Integrated Management and Environmentally Sound Disposal of POPs Pesticides and Mercury in Healthcare and Agricultural Sectors in Sri Lanka (GEFID 10868). Agency: UNDP; GEF financing: \$5,040,000; Co-financing: \$40,860,000.....	17
13. Egypt. Improved Management of E-waste and Healthcare Waste to Reduce Emissions of Unintentionally Produced POPs (UPOPs) (GEFID 10879). Agency: World Bank; GEF financing: \$9,132,421; Co-financing: \$142,000,000.....	17
<b>International waters.....</b>	<b>18</b>
14. Regional, Gambia, Guinea Bissau, Mauritania, Senegal. Enhancing the Sustainable Management of Senegalo-Mauritanian Aquifer System to Ensure Access to Water for Populations Facing Climate Change (SMAS) (GEF ID 10784). Agency: UNEP; GEF Project Financing: \$3,150,000; Co-financing: \$57,330,000.....	18
15. Regional, Thailand and Malaysia. Enhancing Environmental Security and Transboundary Cooperation in the Golok/Kolok River Basin (GEF ID 10794). Agency: FAO; GEF Project Financing: \$4,000,000; Co-financing: \$28,036,000.....	19
16. Regional, Barbados, Guyana, Suriname, Trinidad and Tobago. Strategies, Technologies, and Social Solutions to Manage Bycatch in Tropical Large Marine Ecosystem Fisheries (REBYC-III CLME+) (GEF ID 10857). Agency: FAO. GEF Project Financing: \$5,329,452; Co-financing: \$24,565,884.....	19
17. Regional, Indonesia, Timor Leste. Towards Sustainable and Conversion-Free Aquaculture in Indonesian Seas Large Marine Ecosystem (ISLME) (GEF ID 10867). Agency: ADB; GEF Project Financing: \$4,449,542; Co-financing: \$124,500,000.....	20
18. Regional, Cote d'Ivoire, Togo, Ghana. Using Marine Spatial Planning in the Gulf of Guinea for the implementation of Payment for Ecosystem Services and Coastal Nature-based Solutions (GEF ID 10875). Agency: IUCN; GEF Project Financing: \$3,000,000; Co-financing: \$9,000,000.....	22

19. Regional, Albania, Kosovo, Montenegro, North Macedonia . Implementing the Strategic Action Programme of the Drin Basin to Strengthen Transboundary Cooperation and Enable Integrated Natural Resources Management (GEF ID 10881). Agency: UNDP; GEF Project Financing: \$7,105,936; Co-financing: \$51,360,000. ....	23
<b>MULTI-FOCAL AREA PROJECTS.....</b>	<b>23</b>
20. Armenia. Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits (GEF ID: 10854). Agency: UNDP; GEF Project Financing: \$3,598,631; Co-financing: 26,475,000. ....	23
21. Micronesia. Securing Climate-Resilient Sustainable Land Management and Progress Towards Land Degradation Neutrality in the Federated States of Micronesia (GEFID 10858). Agency: UNDP; GEF resources \$5,155,255; Co-financing \$33,143,251. ....	25
22. Marshall Islands. Sustainable Food Systems and Integrated Land/Seascape Management in the Marshall Islands (GEF ID 10862). Agency: FAO; GEF Project Financing: \$2,100,913; Co-financing; \$6,030,000. ....	26
23. Regional, Cabo Verde, Comoros, Guinea-Bissau, Maldives, Mauritius, Sao Tome and Principe, Seychelles. Supporting Sustainable Inclusive Blue Economy Transformation in AIO SIDS (GEF ID 10865). Agency: UNDP. GEF Project Financing: \$9,003,847; Co-financing: \$63,275,044.00. ....	28
24. Mexico. Promoting Sustainability in the Agave-Mezcal Value Chain Through Restoration and Integrated Management of Biocultural Landscapes in Oaxaca (GEF ID 10869). Agency: UNEP; GEF Project Financing: \$4,507,534; Co-financing: \$43,720,000. ....	28
25. South Sudan. Promoting Sustainable Approaches to Ecosystem Conservation in the Imatong Landscape of South Sudan (GEF ID 10870). Agency: UNEP; GEF Project Financing: \$3,502,968; Co-Financing: \$15,000,000.....	29
26. Regional, Philippines, Thailand, Indonesia. Effectively Managing Networks of Marine Protected Areas in Large Marine Ecosystems in the ASEAN Region (ASEAN ENMAPS) (GEFID 10873). GEF Agency: UNDP; GEF Project Financing: \$12,548,861; Co-financing \$65,047,291. ....	30

**DECEMBER 2021 GEF WORK PROGRAM: COMMENTS FROM  
COUNCIL MEMBERS (REFERENCE: GEF/C.61/06)**

**PROGRAMS**

- 1. Global (India, Viet Nam, Ecuador, Kenya, Lao PDR, Philippines, Uruguay). Financing Agrochemical Reduction and Management (FARM) (GEF ID 10872). Agency: UNEP, ADB, UNDP, UNIDO; GEF Project Financing: \$37,441,500; Co-financing: \$341,789,200.**

✓ *Canada Comments*

- Canada supports this project, which would help to address the issue of persistent organic pollutants (POPs) pesticides in these countries, including the Philippines, where previous studies note that the increase in pesticide use has translated to poor rice yield, leading to increase in pesticide imports that contributes to the poverty of Filipino farmers.
- We appreciate that the relevant Philippine government agencies have been consulted and are now part of the forward planning for the GEF project addressing POPs pesticide issues in the Philippines. For example, we are aware that the Department of the Environment and Natural Resources (DENR), specifically the Environment Management Bureau, is working with the UNDP to address this issue, including under this proposed GEF project.

✓ *Norway and Denmark Comments*

- The limited presence and capacity at country of lead agency, e.g. UNEP, in the child project in Vietnam should be well taken into account. There may be limitations and challenges linked to regional back-up from UNEP.
- ADB's role as implementing agency of this child project seems a bit challenging as they normally work as investor/donor of the project. FAO seems more relevant and experienced in this area in Vietnam.
- Synergy/leverage across related projects in Vietnam as well as across child projects is important. Earlier recommendations made by a number of projects on pesticides supported by FAO, AusAid and others in Vietnam need to be followed up accordingly.
- Sustainability needs to be more clearly spelled out in the document with stronger ownership of the government, local authority that goes beyond the project's life.
- Private sector's role and investment mobilization in green agricultural production should be further improved.
- Implementation capacity, cross-agency cooperation gaps should be assessed and addressed properly. The complex global project structure with many middle agencies will make the project costly and challenging in implementation process.
- We note the STAP Review comment on the potential inclusion of fertilizers. As a starting point we see a benefit in an integrated approach to all pollution within a sector where there are synergies to be made. From our perspective it is however difficult to assess

whether this would be the case for this project. We would appreciate the Secretariat's comment to this. We do support the inclusion of plastics used in agriculture in the project.

✓ **United Kingdom Comments**

- The proposal is in line with current thinking on food, environment and health. Our only concern is linked to balance. A transition to a low (targeted and efficient use) chemical agriculture makes sense. The proposal promotes this through Integrated Pest Management. However, unless the areas targeted are biodiversity hot spots, a transition to a “no-chemical” agriculture does not make sense. For example, Sri Lanka has just abandoned its no-chemical approach to agriculture due to reduced farm-level production, reduced supplies of staple foods and increased food prices.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

## **NON-GRANT INSTRUMENT PROJECTS**

### **2. NGI - Global. Green Finance & Sustainable Agriculture in the Dry Forest Ecoregion of Ecuador and Peru (GEF ID 10852). Agency: CAF; GEF Project Financing: \$6,000,000; Co-financing: \$68,200,000.**

✓ **Canada Comments**

- Canada supports this project, as we concur it would be a good pilot model for the development and use of financial instruments that support green growth and promote biodiversity conservation while involving local communities.
- We would like to make the following suggestions, for improved project design and implementation:
  - The intervention zone (dry forest) must be well defined, as well as the characteristics of the demographic pressures in the surrounding areas, one of the main causes of deforestation in that zone. Besides land conversion for agricultural purposes, an important issue is the use of firewood as a source of fuel by the poorest and marginalized communities.
  - The premise of reducing agrochemicals should be further investigated as the project takes place in tropical areas where endemic pests may be present. In

addition, some types of soil may require adding minerals to optimise quality and productivity.

- Have we considered the impact of COVID-19 on the ability to conduct field studies and collect data?
- To what extent have the daily work of farmers been factored into meeting and workshops hours, particularly given limited internet access in these areas?
- Recommend strengthening the theory of change needs through the use of field studies and assessment of the socio-economic context, as well as through the review of past and ongoing experiences.

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

**Suggestions for improvements to be made during the drafting of the final project proposal:**

- While the intention to support biodiversity conservation through the promotion of sustainable agriculture, the formulation of outcomes does not fully address this impact area, in the sense of clear cross cut biodiversity targets, or set biodiversity thresholds to be kept or even crossed in expectation of improvements.
- While natural resource management and land use planning are visible in the system outcomes and outputs as well as agricultural practices, there appears to be a lack of socio-economic parameters against which the success of the intervention might be measured. These could be included under component 2 as a way of better capture sustainability with regard to social, environmental and economic aspects.

✓ **Norway and Denmark Comments**

- The proposed project is highly relevant, especially in Peru and Ecuador, where deforestation is mainly driven by small-scale agriculture. In addition, it is important that the project focuses on the dry coastal forest of these two countries. Historically, most of assistance has been concentrated in tropical rainforests, with particular attention in the Amazon Region, and much less investments have been channelled to dry forest.
- We welcome that the project addresses the financing and technical capacity barriers that prevent small holder farmers' adoption of sustainable agricultural practices.
- The project will have an impact on indigenous peoples and local communities (IPLC). Nevertheless, we don't find IPLC in the list of stakeholders consulted on pages 71-72 of the funding proposal, could you please explain the reason for that?
- GGGI Peru office has a project with similar objectives in the Amazon region of Peru. We encourage partners to exchange experiences and best practices with them. The name of the project is "AgroFor".
- The project document shows the involvement of all the main ministries and departments on agriculture and biodiversity in Peru and Ecuador. This sectoral coordination shows ownership of the project by the government. However, the project partners could be

challenged to further define the main roles of the different members of the project steering committee.

- Project partners could be encouraged to explain how the project will complement other recently approved projects for GEF funding, for example: i) Food Systems, Land Use and Restoration (FOLUR) Impact Program; ii) The Amazon Sustainable Landscapes Program (ASL); iii) IDB-GEF Climate-Smart Agriculture Fund for Latin America and the Caribbean iv) LDN Target Setting and Restoration of Degraded Landscapes in Western Andes and Coastal areas and v) Sustainable management and restoration of the Dry Forest of the Northern Coast of Peru .
- The political instability in Peru and Ecuador should be included in the list of risks to achieving project objectives.

## STAND-ALONE FULL-SIZED PROJECTS

### BIODIVERSITY

3. **Tonga. Implementation of the Fanga’uta Lagoon Stewardship Plan and Replication of Lessons Learned to Priority Areas in Vava’u (Tonga R2R Phase 2) (GEFID 10518). Agency: UNDP; GEF Project Financing: \$3,864,685; Co-financing: \$11,960,000.**

✓ *Germany Comments*

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvements to be made during the drafting of the final project proposal:

- In implementing the project special attention needs to be paid to the establishment of eco-tourism sites and activities. While eco-tourism can contribute to livelihoods of local population, it can at the same time generate additional pressure on biodiversity and ecosystem services. The project should thus include environmental safeguards to ensure that improvements in biodiversity and ecosystem services are not offset by eco-tourism activities.
- Furthermore, the creation of alternative livelihoods based on the usage of local plant species or establishment of additional agroforestry activities may also negatively impact biodiversity and ecosystem services. The project should thus consider a careful assessment of the positive and negative impacts expected from such activities.
- The project also aims at reviewing and streamlining the legislative framework pertaining to the management of the lagoon. While this kind of enabling framework is essential in achieving the desired project outcomes, special attention needs to be paid to the effective implementation of legislative framework. We therefore suggest that the project describes how implementation and adoption of policies is going to be achieved long-term and which stakeholder will be responsible for implementation.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

**4. India. Strengthening Institutional Capacities for Securing Biodiversity Conservation Commitments (GEF ID 10776). Agency: UNDP; GEF Project Financing: \$4,880,000; Co-financing: \$29,280,000.**

✓ **Norway and Denmark Comments**

- Well-designed project that builds on previous knowledge from for example BIOFIN.
- The project is important to secure local ownership and long-lasting policy change. Loss and degradation of forests and forest resources and over-exploitation of forests and forest resources are listed among the primary threats to biodiversity. This is also relevant to the development of sustainable food systems and supply-chains, and it could therefore be useful if the project connects with the Food and Land Use Coalition in India (FOLU India) on this issue.
- Important that the project has a flexibility that can respond to any changes in national/local plans. Could potential links to India's climate efforts (for example NDCs) be made as well?
- The selection of two diverse geographical areas, Tamil Nadu state from the South and Meghalaya state from the North East, is considered as a balanced approach. The diverse learning from this project would enable the executing partners, to plan national programs on institutional capacity building, more effectively.
- Peoples Biological Diversity Register (PBDR): The project has targeted that it would integrate biodiversity conservation outcomes into 400 PBDR. Considering the existing capacity of the forest department in these two states and the size of the project, the target is considered to be too low. It is not clear why the target is not higher.
- Small scale village level enterprises based on forest resources: The project should seek the services of qualified personnel, particularly in the field of marketing and quality standards, so that the enterprises are competitive, sustainable and financial viable. If adequate planning, market analysis and capacity building, is not done from the beginning, the enterprises would find it difficult to sustain, after the project period.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

**5. Cabo Verde. Strengthening Biodiversity Governance Systems for the Sustainable Management of Living Natural Resources in Cabo Verde (GEFID 10871). Agency: UNDP; GEF Project Financing: \$3,484,703; Co-financing: \$ 18,763,038.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but requests that the following comments are taken into account:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- The overall project design is very complex, particularly the outputs described under component 1. The project aims to establish an appropriate legal and policy framework in the country. While this kind of enabling environment is essential in achieving the desired project outcomes, actual implementation of the legislative framework is crucial. We therefore suggest that the project describes how adoption and implementation of policies is going to be achieved long-term and which stakeholders will be specifically responsible for that. Building institutional capacity and know-how for the implementation of policies and regulations requires a mechanism for the long-term retaining of such capacities and know-how. We therefore request that the project establishes such mechanisms to avoid legislation from not being implemented due to lack of capacity and know-how of staff in relevant institutions.
- Furthermore, the project aims to achieve an overall mainstreaming of conservation into economic development planning and governmental entities in addition to establishing an institutional framework for sustainable financing. Again, this task seems rather complex and ambitious and it is uncertain whether the project can achieve the desired outcomes with the available resources. We therefore request that the project outlines strategies for achieving overall mainstreaming (who is targeted, what behavior, activities and policies need to change and in which way). Overall, we request that the project description is streamlined and where possible reduced in terms of scope in order to increase its feasibility.
- The project lacks information regarding the Debt for Nature Swap to be implemented in collaboration with the Department of Finance. Generally, this kind of transaction requires lengthy and detailed negotiations between the contracting parties. We would like to

request that the project proposal outlines the strategy for the agreement and implementation of the Debt for Nature Swap. Questions to be answered include: How does the project support the Department of Finance in developing a potential transaction? What additional input will the project provide that is not already covered by the governmental entity? Are negotiations already underway? If not, which creditors would be available and feasible? What kind of national investments would Cabo Verde agree to? In addition, given the uncertainty connected to the agreement of a Debt for Nature Swap, we would like to request that the project proposal provides for an alternative means of financing.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

## CLIMATE CHANGE MITIGATION

**6. St. Kitts and Nevis. Achieving a Rapid Decarbonization of the Energy Sector in Saint Kitts and Nevis (GEFID 10856). Agency: UNEP; GEF Project Financing: \$3,318,995; Co-financing: \$11,410,000.**

✓ **Canada Comments**

- Canada supports this project, which complements Canada’s energy transition objectives in the region (e.g. energy policy reform to accelerate the low-carbon transition). We believe that this project is a welcome addition to December 2021 work program due to its focus on renewable energy deployment, energy efficiency and grid integration of renewable power in SIDS.

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvements to be made during the drafting of the project proposal:

- The project proposal shall take into account the outputs of the Cli-RES program (“Climate resilient and sustainable energy supply in the Caribbean”) implemented by GIZ in 2021, including a Study to determine Tariffs and Tariff Regime for implementation by Saint Kitts Electricity Company (SKELEC) as well as the preparation of the Integrated Resource and Resilience Plans (IRRPs) for the electricity sector in SKN, which is based

on long-term energy planning and grid modelling, climate vulnerability assessments and identification of resilience measures for the power system. Furthermore, the generated pipeline of investment projects as outcome of the IRRP should be used by the GEF project.

- More specific information on the size/capacity and investment cost of the proposed “small-scale pilot projects” shall be provided by UNDP.
- The expertise of established entities with a track record of success in capacity building and awareness raising such as GET.invest (part of the Global Energy Transformation Programme, GET.pro) or the Project Finance Advisory Network (PFAN) should be utilized to develop bankable projects gap and design appropriate financing mechanisms. In addition, we recommend to include relevant financial institutions and potential investors at an early stage in order to increase the chances of developing and realizing joint investment projects.
- In general, the possibilities to collaborate with the CCREEE should be assessed, as CCREEE is currently executing the preparation of the IRRP in SKN and further involvements in all components seems to be possible. This could include bankable project preparation support through CCREEE’s Project Preparation Facility (PPF) or Capacity Building.
- The project proposal should demonstrate clearly what methodology is used to determine the projected emission mitigation levels in the Indicators 6 (Greenhouse Gas Emissions Mitigated) and 6.2 (Emissions Avoided Outside AFOLU Sector).
- In addition, we invite the proposal to elaborate more extensively on the diverse socio-economic benefits that can arise from the described activities (see p. 59f.).
- We support the conclusion of the Scientific and Technical Advisory Panel, that “we feel the project has not given adequate attention is the significant opportunities of harnessing geothermal energy” Particularly in respect to the baseload potential of geothermal, harnessing geothermal energy would safe significant investments normally necessary for energy storage.
- The formulation in Output 1.1 and Output 1.2 “Decision on the electrification of key sectors, e.g. regarding the electrification of the transport sector” seems rather vague. Considering the need to decarbonize the island in the long run, sector coupling particularly the transport sector should be considered in the electricity demand projections.

**7. Marshall Islands. Marshall Islands Building Energy Efficiency (GEFID 10859). Agency: IUCN; GEF Project Financing: \$2,193,578; Co-financing: \$2,600,000.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvements to be made during the drafting of the project proposal:

- Germany welcomes the project objective to enable activities and policy for energy efficient buildings in the Republic of the Marshall Islands (RMI) by including both the governmental and the private sector.
- Germany welcomes that the project is in alignment with RMI's NDC and aims to contribute to fossil fuel phase out until 2050.
- Germany suggests that when designing incentive schemes to be established under Output 1.1.2, to explore options that enable government offices outperforming to reinvest savings into further energy saving measures.
- Germany also suggests to ensure stakeholder participation for the elaboration of the building codes prescriptions. This will concur to making the prescriptions well adapted to local practices as well as increase stakeholder appropriation of the prescriptions.
- When selecting government/public buildings for retrofit and other individual energy efficiency measures, consider the selection of schools, hospital and kindergartens as potential show cases due to broader reach out.
- The project proposal does not specify target groups for the envisaged awareness campaign. If yet not anyhow intended, consider including the Department of Education as a potential stakeholder in the project to ensure broader reach out to school children and adolescents.
- While selecting private sector entities for cooperation under Output 2.5.1., ensure a clear and transparent selection process along criteria such as their energy efficiency and GHG mitigation potential as well as scalability of the energy efficiency measures to other private entities, visibility of the site, etc.
- The project's steering committee should include stakeholders from the Republic of Marshall Island (RMI) Mitigation Working Group that reflects all relevant energy entities.
- Ensure that newly installed AC units of twin type in government buildings are maintained in alignment with a regular maintenance scheme.
- The project has a focus on energy efficiency but largely leaves out rooftop PV and solar-thermal installations. Since air conditioning and refrigeration are major sources of energy consumption, PV rooftop systems are an ideal fit. PV and solar-thermal integration are a significant option to reducing CO<sub>2</sub>-emissions of buildings and reducing pressure on the electricity grid. Both energy efficiency and generation should be considered together and tend to form better business models.
- Whilst solar-powered air-conditioning units are mentioned in Component 2.2.1, the energy generation aspect is missing particularly from Component 1, e.g. under the aspect of revised building codes. The inclusion of nature-based solutions in Outcome 2.3 such as wall shading with plants is innovative. Overall the shading effect of PV should be considered and in respect to Outcome 2.3. the mutually beneficial combination of green roofs and PV-electricity production.
- The project would benefit from addressing energy production on buildings in individual components such as Outcome 1.1., 2.1., and 2.4.

**8. India. Improving Thermal Energy Efficiency in the Design, Manufacturing, and Operation of Industrial Boilers for Low Carbon MSMEs in India (GEF ID 10878). Agency: UNIDO; GEF Project Financing: \$2,664,690; Co-financing: \$17,797,500.**

✓ **Austria Comments**

*The below comments from Austria were received prior to the Council meeting. A response from GEFSEC was provided and can be found in the list of documents specific to the project in the GEF Portal.*

- For the project in India (Improving thermal energy efficiency in the design, manufacturing and operation of industrial boilers for low carbon MSMEs in India), what falls under thermal energy and what kind of energy source will be used (for example fossil fuels or nuclear energy)?

✓ **Germany Comments**

Germany requests for the following project that the Secretariat sends draft final project documents for Council review four weeks prior to CEO endorsement:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- The project proposal focuses on the scale up and mainstreaming of thermal energy optimization through improved design, manufacture and operation of industrial boilers based on coal, oil and natural gas. [1]
- The use of energy efficiency in fossil fuels application is not in line with the objectives of the Paris Agreement to limit global temperature increase to 1.5°C and to reach climate neutrality at the latest in 2050. In this regard, Germany has committed to end direct public support for coal [2] and the international unabated fossil fuel energy sector more generally.[3]
- The project proposal includes in Output 3 “Supply creation” retrofitting and financing energy-efficient new boilers. The technical/ operational lifetime of the new efficient boilers is assumed to be 15 years. This bears significant risk of a carbon lock-in and of the boilers becoming a stranded asset if a more ambitious climate policy is pursued. Consequently, these risks shall be tackled with corresponding risk mitigation measures.
- No support in improving coal-fired boilers should be conducted by the project, but rather support for renewable alternatives and combinations should be prioritized.
- The project’s promotion of the manufacturing and marketing of fossil fuel based boilers has potential negative consequences for the price competitiveness of renewable alternatives such as Solar Heat for Industrial Processes (SHIP). The project proposal has to display a clear decarbonising pathway and include a plausible assessment regarding the technological project orientation and its clean energy alternatives such as solar heat, biomass and electrification based on renewables. The mono-dimensional focus on energy efficiency is furtheron not in line with holistic decarbonisation approaches, e.g. the project should address the option of a combination of renewable heat / electrification and fossil fuel co-firing. Particularly particularly when co-firing is load-following

fluctuating renewable heat/ electricity production, the process can be less energy efficient but lead to overall higher decarbonisation rates.

- In particular, an evaluation on the possibility of introducing, combining and upscaling renewable energies has to be conducted. This is especially relevant in regard to India's announcements made at COP26 to significantly increase its renewable energy generation. [4]
- National targets / NDC are mentioned, but the project should elaborate further on the possibilities to reach these targets with renewable energies and ending fossil fuel combustion. Additionally, Germany recommends developing in output 1 an economic tool including a comprehensible business model for both boiler manufacturers and the target group consisting of micro, small & medium enterprises (MSMEs) using new industrial boiler technologies based on renewable energies.

#### References:

[1] Thermal energy use for industrial heat is reported to be sourced by 90% from fossil fuels, including 45% from coal, 30% from natural gas and 15% of oil.

[2] Carbis Bay G7 Summit Communiqué. <https://www.g7uk.org/wp-content/uploads/2021/06/Carbis-Bay-G7-Summit-Communique-PDF-430KB-25-pages-1-2.pdf>

[3] Statement on International Public Support for the Clean Energy Transition. <https://ukcop26.org/statement-on-international-public-support-for-the-clean-energy-transition/>

[4] COP26: Unpacking India's Major New Climate Targets | WRI INDIA (wri-india.org) <https://wri-india.org/blog/cop26-unpacking-india%E2%80%99s-major-new-climate-targets>

#### ✓ *Norway and Denmark Comments*

- The proposed project is in line with the mandate and priorities of the implementing agency UNIDO. However, the results of the last MOPAN assessment of UNIDO should be taken into consideration when following up the progress of the project.
- The primary responsibility of promotion and development of MSMEs is of the State Governments. However, the Government of India, supplements efforts of the State Governments through various initiatives. UNIDO will be working with the ministry. The Ministry of MSME and its organizations assists the states in their efforts to encourage entrepreneurship and enhance the competitiveness of MSMEs in the changed economic scenario. The project appears relevant for these issues facing the MSME sector. Bilateral, multilateral agencies and Indian financial institutions also assist MSMEs to finance both implementation and operation of emission reduction related technologies. There may be coordination issues with so many actors.
- As STAP mentions in their review, the project identifies an important area for climate mitigation in a range of large industries in India. The instalment of efficient boilers will achieve full combustion of fuel which minimizes emissions on soot, CO, NO<sub>x</sub>, SO<sub>x</sub> etc. This contributes to reduced air pollution and important health co-benefits. It would

therefore be useful if the results framework can capture the reduced emissions of these pollutants from new boilers, in addition to CO<sub>2</sub>-emissions.

- There are several risk assessments related to project financing. The project's budget seems to rely on significant funds being raised by the private sector, which would be a very important outcome. It should however be ensured that strong risk mitigation measures are in place in case the project fails to mobilize this finance. Can the project still be successful if it has to rely on project funding from GEF and national ministries only?

✓ *United Kingdom Comments*

- It is important to ask UNIDO whether the boilers use coal/biomass/gas? Energy efficiency is the immediate solution before the country's power system makes a full shift to RE or alternative technologies.
- We understand the project is more to improve the efficiencies of the existing boilers and if the plan is to use biomass pellets instead of coal/NG then this cannot be deemed fossil fuel based. These specifics need to be checked with UNIDO.

✓ *United States Comments*

- We appreciate the goals of this project but have a few remaining concerns.
- We would appreciate additional risk assessments to address the potential of stranded assets from this project and impacts of local and regional policies on the scalability of this work.
- We would also encourage the project developers to consider opportunities to increase the gender ratio.

## LAND DEGRADATION

### 9. Cabo Verde. Towards Land Degradation Neutrality for Improved Equity, Sustainability, and Resilience (GEFID 10863). Agency: FAO; GEF Project Financing: \$2,183,105; Co-financing: \$7,528,482.

✓ *Germany Comments*

Germany approves the following PIF in the work program but requests that the following comments are taken into account:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- On data for LDN, WOCAT and LADA are mentioned as international networks. With special regard to achieving LDN, Germany suggests to integrate the specialized LDN Initiative of the Group on Earth Observations (GEO-LDN) into the design of the project, especially of Components 1 and 3. The GEO-LDN Initiative is mandated by UNCCD parties and supports all parties in achieving or exceeding LDN by supporting the reporting, monitoring and decision making for LDN.

- With view to establishing mechanisms for neutrality and the project’s intention to develop participatory integrated land-use plans, Germany suggests considering the newly developed software tool “LUP4LDN” that tackles the challenge of aligning land use and management decisions with LDN goals (Competition's winning Team — GEO-LDN Initiative - <https://www.geo-ldn.org/winner> )
- Synergies with CBD and UNFCCC targets and activities could be emphasized more clearly throughout the project, e.g. data, land use planning, soil mapping can contribute to the countries NDCs and should be described.
- It is important to ensure local ownership through economic prospects, income and employment of the local population as crucial elements of sustainability of SLM activities, integration and support to existing civil society initiatives, full and equal participation of all ethnic groups, young people and woman.

✓ **United States Comments**

- We have strongly opposed the use of non-voluntary land degradation neutrality (LDN) targets because Land Degradation Neutrality is only one approach of many to combat the impacts of drought and desertification. We support in a general sense the aim or aspiration of land degradation neutrality, but we want to ensure that LDN is not promoted to the exclusion of other approaches or being codified with mandatory targets.

**10. India. Sustainable Management and Restoration of Degraded Landscapes for Achieving Land Degradation Neutrality (LDN) in India (GEF ID: 10876). Agency: UNDP; GEF Project Financing: \$6,600,000; Co-financing: \$46,200,000.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvements to be made during the drafting of the project proposal:

- It is recommended to more concretely construct and scale the targeted landscapes (watershed, river basin etc.) in order to facilitate planning, implementation and monitoring of ecological resources. The proposal should provide a better overview on how landscape level plans align with administrative constructs and hence resource convergence. One useful example that has demonstrated this is the Composite Water Resource Management plans, developed by GIZ using digital tools.
- Building institutional capacities in the right manner, from communities to public institutions, is critical. Hence, the proposal should provide a good understanding of such institutions across various sectoral domains, i.e. water, forests, agriculture, land etc. and of how these capacities will be built (at various levels) for integrated planning at ecosystem levels, extension, application of SLM on farm and common areas etc.
- It should be further explored how strategic focus is brought on LDN, as SAPCC and NDCs are primarily focussed on climate action, with LDN not really being reflected in these plans and commitments.

- Considering that LDN can be achieved with contextual planning and policies at state levels (agriculture being a state subject), it might be worth including considerations on how to work on state level policies and institutions to support and accelerate LDN.
- It is recommended to establish linkages between LDN and the Government's goal of doubling farming incomes and establishing 10,000 new Farmer Producer Organizations by emphasizing sustainable and viable incentive models. In this context, it is recommended to explore the role of institutions like NABARD and the governmental think-tank NITI Aayog (National Institute for Transforming India), who is a pioneer in sustainability debates of the Indian government.
- Due to India's goal of bringing two million hectares of land under organic or natural farming by 2025 it is recommended to consider agroecological approaches. Germany is preparing the establishment of an Indo-German Global Centre for Agro-ecological Research and Learning in the state of Andhra Pradesh, to enhance the scientific orientation and evidence in support of agroecology in India.
- Germany highlights potential for exchange with ongoing projects of German development cooperation such as "Soil Protection and Rehabilitation of Degraded Soil for Food Security (ProSoil)" (2014.0156.1-005/105) and Climate Adaptation and Finance in Rural India (CAFRI) (2018.2255.0), Supporting Agroecological Transformation Processes" (SuATI), all implemented by GIZ.

✓ **Norway and Denmark Comments**

- The project is within the UNDP-strategy and within the areas of engagement of UNDP in India. The UNDP India program is large for UNDP, but small for India. Strategic focus in the engagement is therefore important. The target area is within UNDP's signature solutions. The 2012 ADR gave a positive overall assessment of UNDP country program and work, with several recommendations for improvement. One was to engage more in policy work, as this proposal does. Another was to strengthen the work on South-south cooperation, as is also mentioned in the proposal. UNDP has also strengthened its subnational presence, necessary to work in India.
- The project document should refer more to issues of land, forest or other natural resources ownership. More attention to the socioeconomic context of the project sites is important.

✓ **United Kingdom Comments**

- The project offers benefits in terms of arresting land degradation and improving natural resource management. This would offer benefits to farmers and local communities that are still dependent on natural resources for livelihoods and should therefore be seen positively.
- There is no explicit link to the farm laws on which farmers have recently been protesting. The project makes reference to the importance of understanding social dynamics and consulting local stakeholders about issues that may affect them. This will be important to ensure that the project is properly understood and is implemented smoothly.

✓ **United States Comments**

- We have strongly opposed the use of non-voluntary land degradation neutrality (LDN) targets because Land Degradation Neutrality is only one approach of many to combat the impacts of drought and desertification. We support in a general sense the aim or aspiration of land degradation neutrality, but we want to ensure that LDN is not promoted to the exclusion of other approaches or being codified with mandatory targets. In this proposal, section 2 lays out specific targets for land degradation reversal with other targets and indicators "to be developed." We encourage the project developers to create robust other targets and indicators to complement their land degradation work.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

## CHEMICALS AND WASTE

### **11. China. Sustainable Mercury Management in Non-ferrous Metal Industry (GEFID 10864). Agency: World Bank; GEF Project Financing: \$20,300,000; Co-financing: \$140,000,000.**

✓ **Austria Comments**

*The below comments from Austria were received prior to the Council meeting. A response from GEFSEC was provided and can be found in the list of documents specific to the project in the GEF Portal.*

- On the project in China (Sustainable Mercury Management in Non-ferrous Metal Industry), how will GEF ensure that ILO standards are adhered to given the remote working set up of the project? How will the Council be informed about the further assessments that are mentioned in this context?

✓ **Canada Comments**

- Canada supports this project as it supports the objectives of the Minamata Convention, and will assist the country with treaty implementation.
- We note that this project is expected to contribute towards reducing emissions of mercury from the non-ferrous metal sector in China, which is estimated to emit approximately 90 tons of mercury annually.

- We agree that there is the potential for increased GHG emissions with some BAT/BEP, however, and China should be encouraged to consider this aspect as part of the pilot project analysis.
- We note with approval that the project is designed to address barriers to adoption of BAT/BEP in the non-ferrous metal industry. We would recommend further detail to ensure a better understanding of the mercury flow during the smelting processes, and in solid wastes and waste acid, which remains poorly understood and can lead to low recovery of mercury from various waste streams.
- We recommend an increased focus on monitoring capacity to ensure that the enterprises can meet the emission and release standards in a consistent and stable manner, even when the raw materials have higher mercury content.
- On the subject of financial additionality, we appreciate that the project is expected to directly mobilize significant industry investments in BAT/BEP for mercury reduction through co-financing from the participating enterprises under Component 2. It will also leverage national and local government in-kind support. This will be complemented by future industrywide investments to achieve BAT/BEP emission standards, together with mercury reduction measures identified and promoted by the project. We agree that the public support will ensure that the experience from the demonstration projects can be fully documented and shared and will therefore accelerate sector-wide transformation.
- We appreciate that the World Bank has a long history of successful cooperation with China on issues related to mercury and chemical pollution. We note that the proposed project builds on a series of World Bank-assisted projects to support China on implementation of multilateral environmental agreements, including through implementation of GEF-funded Capacity Strengthening for Implementation of Minamata Convention on Mercury Project (P151281), and a number of projects in support of the Stockholm Convention and Montreal Protocol since 2002.

✓ *Japan Comments*

- According to the document, the target facilities and the technologies to be applied are not specified. Although the requirement under the Minamata Convention is expected to apply in the near future, there is little information on progress in this area in terms of policy measures and project preparation. Timeline of the project preparation and implementation, including the selection of target facilities, which can be co-financing sources, should be clarified.

✓ *Norway and Denmark Comments*

- While we appreciate the focus on mercury emissions in an important area, we also note the STAP review comment on seeking synergies with UPOP and carbon emissions and would like the Secretariat's view on this.

✓ *United States Comments*

- We are supportive of the efforts to reduce mercury emissions from non-ferrous mining sources. However, we have a series of concerns we would like to see addressed.

- For this project, the technologies chosen will be Best Available Technologies, but we are concerned that some of these technologies mentioned in the proposal may not be developed enough to be considered BAT. The GEF does not fund R&D; so it is important that any technology selected has gone through enough evaluation that it qualifies as BAT. We would appreciate further information on the technology that will be used, and a clear process for identifying whether the mercury reducing technology is appropriate for this task.
- We would like to better understand the target industries and pilot locations.
- Finally, the goal of reducing 90 tons of mercury being released is admirable. We would appreciate further clarity on where and how this mercury will be stored and how it will be used? Also, how will the project developers ensure the mercury is used in accordance with the Minamata Convention on Mercury?

**12. Sri Lanka. Integrated Management and Environmentally Sound Disposal of POPs Pesticides and Mercury in Healthcare and Agricultural Sectors in Sri Lanka (GEFID 10868). Agency: UNDP; GEF financing: \$5,040,000; Co-financing: \$40,860,000.**

✓ **Canada Comments**

- Canada supports this project, which is consistent with the objectives of the Minamata and Stockholm Conventions, and will assist Sri Lanka with treaty implementation, including in reducing releases of mercury and POPs from stockpiles and wastes of mercury and POPs, and releases of unintentionally produced POPs.

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement to be made during the drafting of the final project proposal:

- The PIF is well reasoned and designed. As the projects aims to support the transformation of Healthcare Waste Management Systems.
- Please refer explicitly to how this project's design or steering ensures that the measures are sustainably aligned with the Strategic Approach to International Chemicals Management (SAICM) and its priorities.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

**13. Egypt. Improved Management of E-waste and Healthcare Waste to Reduce Emissions of Unintentionally Produced POPs (UPOPs) (GEFID 10879). Agency: World Bank; GEF financing: \$9,132,421; Co-financing: \$142,000,000.**

✓ **Canada Comments**

- Canada supports this project and appreciates its focus on helping Egypt towards reducing emissions of unintentionally produced POPs from e-waste and healthcare waste, in support of Stockholm Convention implementation.

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement to be made during the drafting of the final project proposal:

- The project objectives are well reasoned and welcomed, however the project title is misleading. It does not suggest that vehicle emissions reductions from the public transport fleet will be considered in the project. We would recommend renaming the title to capture all the project's components.
- Please specify in more detail how this project and in particular component 3 "vehicle emissions reduction", contributes to the focal area Chemicals and Waste in general and to the international chemicals' agenda, i.e. the implementation of SAICM and the Stockholm Convention, in particular.

✓ **Japan Comments**

- E-waste such as batteries and displays may also contain mercury, whose emissions may be further prevented, if collected and disposed of in an environmentally sound manner. The current proposal does not seem to take this sufficiently into account. The volume of potential emission reduction also is not clear, on lack of information in the document. More clarity on the amount of POPs reduction, co-financing sources (p6 in the PIF), and relationship with its parent project (Air Pollution Management and Climate Change Project) is desired to enable better understanding of this project.

## **INTERNATIONAL WATERS**

**14. Regional, Gambia, Guinea Bissau, Mauritania, Senegal. Enhancing the Sustainable Management of Senegalo-Mauritanian Aquifer System to Ensure Access to Water for Populations Facing Climate Change (SMAS) (GEF ID 10784). Agency: UNEP; GEF Project Financing: \$3,150,000; Co-financing: \$57,330,000.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement to be made during the drafting of the final project proposal:

- The approach in the project appears to be unique for a transboundary aquifer for which no transboundary organisation has yet been mandated and could serve as a role model. Therefore, we recommend a connection to the Pan-African Groundwater Programme of the African Council of Water Ministers (APAGroP) as well as to the regional organisation ECOWAS and to gain experience and make it available for similar contexts.
- In the long term, consideration should already be given to how the aquifer can be managed across borders. An extension of the mandate and capacities of the river basin organisations OMVS and OMVG would be conceivable. With the OMVS, a training on the integration of groundwater into the management of OMVS was already carried out in 2019.
- In addition, it should be ensured that the OSS has the expertise to carry out such a project. Technical advice may need to be provided.
- Exploring an aquifer requires a high level of technical expertise. Therefore, we recommend the involvement of local and international research institutions.

**15. Regional, Thailand and Malaysia. Enhancing Environmental Security and Transboundary Cooperation in the Golok/Kolok River Basin (GEF ID 10794). Agency: FAO; GEF Project Financing: \$4,000,000; Co-financing: \$28,036,000.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement to be made during the drafting of the final project proposal:

- Data management is mentioned as a gap, but only little efforts are undertaken to improve the situation. “Developing detailed specifications for regional data management system to support freshwater management in the Basin” may not be sustainable. The project could consider initiating a joint database.
- Both countries will co-finance the project with already planned measures and activities (in-kind contribution). Instead of planning new NbS pilots, it could be more effective to make already planned measures “greener” and to adapt them towards a NbS approach. This could be done quite cost-effective, because SAP already requires an assessment of the existing and planned projects.

**16. Regional, Barbados, Guyana, Suriname, Trinidad and Tobago. Strategies, Technologies, and Social Solutions to Manage Bycatch in Tropical Large Marine Ecosystem Fisheries (REBYC-III CLME+) (GEF ID 10857). Agency: FAO. GEF Project Financing: \$5,329,452; Co-financing: \$24,565,884.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement to be made during the drafting of the final project proposal:

- Private sector engagement is rightfully described as a critical success factor for project implementation. Therefore, the involvement and co-financing by these entities is a positive aspect. By request of the GEF secretariat the company names providing co-financing were provided by the Agency and they reveal the involvement of some of the biggest players in international shrimp and fishing business. It is to be expected, that these companies have an economic self-interest in securing sustainable and responsible framework conditions for their fisheries, to be able to export products to Europe and the US. This is fair and can be a motivating force for overall project implementation. However, the financing from GEF sources should be prioritized to the Small-Scale Fishery Sector to avoid an overproportioned benefitting of the industrial fishing sector.
- The gender related sections of the proposal are poor, as also commented in the PIF review by the GEF secretariat. Considering that this proposal is a follow-up of GEF-funded projects on fisheries in the region for already 15 years, the situation of women in the fishery sector and related value chains should be well known. During the PPG lessons from the previous projects should be used as a baseline for a new gender analysis and therefore more ambitious targets towards gender equality may be reached than compared to project starting from scratch.

✓ United Kingdom Comments

- Which fishers will this work with? Domestic small-scale fishers as well as larger fishers or international fishers

**17. Regional, Indonesia, Timor Leste. Towards Sustainable and Conversion-Free Aquaculture in Indonesian Seas Large Marine Ecosystem (ISLME) (GEF ID 10867). Agency: ADB; GEF Project Financing: \$4,449,542; Co-financing: \$124,500,000.**

✓ Canada Comments

- Canada supports this project, which will help stop the expansion of unsustainable aquaculture industries through value chain intervention in Indonesia and improve sustainable seaweed practices in East Timor.
- We believe that this project will fit well with the existing projects from other partners, including the Asian Development Bank (ADB) initiative on shrimp feed traceability system and the World Wildlife Fund's (WWF) terrestrial and marine ingredient engagements. We agree that this integration is vital to ensure the global suitability of the proposed GEF project.
- We note that the implementation of the project in Indonesia will likely face challenges should it disrupt current efforts by the Government of Indonesia to improve the overall ease of doing business in support of economic growth, especially under national job creation legislation. We would urge that the project find an innovative way to work with the government on this issue.
- One of the issues with aquaculture practices in Indonesia is the low recognition of women's role in aquaculture as they are mostly treated as a helper only, despite them contributing to productive activities. Therefore, we would strongly suggest that project implementers make efforts to improve recognition of women's important role in the sector.

- We believe that it is essential to make a clear link between the project in Indonesia (shrimp) and Timor Leste (seaweed) to make it a regional project and avoid two stand-alone projects. We understand that Indonesia has a lot to offer in terms of lessons learned in seaweed production, and there needs to be creative knowledge sharing, mainly from Indonesia to Timor Leste.

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement to be made during the drafting of the final project proposal:

- A key assumption in the PIF is that the lack of accountability in the Indonesian shrimp feed sector leads to overfishing and continuation of IUU fisheries in the ISLME. This assumption is plausible. However, it is accompanied by the risk that chain-of-custody certification with more transparency and accountability in the Indonesian shrimp feed sector could rather induce key players in the feed sector to secure alternative sources for fish-meal and fish-oil (including imports) originating from sustainable fisheries than putting pressure on current unsustainable supply sources to stop harmful practices as they too could join alternative markets with less governance. Germany recommends dealing with risks, as well as associated risk mitigation measures, of supply substitution over sustainable supply transformation.
- Regarding the proposed “feed to shrimp tracking systems”, which will be modelled off the Seafood Task Force’s Feed Information Form, Germany suggests initiating an exchange of experience with Indonesian companies or ‘chains-of-custody’ that are ACS or BAP certified and thus have become local knowledge carriers for the operationalization of tracking systems. According to the proposal, there have not yet been any consultations with these actors or on this topic other than with STF (not yet operating in Indonesia).

✓ **Norway and Denmark Comments**

- It is good that the project takes into account different focuses based on the objectives of the country plans of both Indonesia and Timor-Leste. Indonesian aquaculture farming is more on the intensification and extensification of farming production, especially on two main species such as shrimp and seaweed because Indonesia is the second largest producer of these. Meanwhile, in Timor-Leste, the aquaculture is as part of a strategy for food security and combatting malnutrition.
- Therefore, the proposed project interventions are in line with the national plans and strategies.
- The project also connects with relevant stakeholders in the country such as relevant and strategic ministries, private sectors and civil society related to the sector, and all of them are strategic partners for the project to reach its objectives.

✓ United Kingdom Comments

- Will this project only work with existing shrimp and seaweed aquaculture initiatives or engage planned projects to focus on avoiding conversion? How will the project work with input producers, as the market is not close to sustainable supply?

**18. Regional, Cote d'Ivoire, Togo, Ghana. Using Marine Spatial Planning in the Gulf of Guinea for the implementation of Payment for Ecosystem Services and Coastal Nature-based Solutions (GEF ID 10875). Agency: IUCN; GEF Project Financing: \$3,000,000; Co-financing: \$9,000,000.**

✓ Canada Comments

- Canada supports this project. For effective project implementation, we encourage broad stakeholder consultations, including with local communities and territorial authorities (mutual development organizations, traditional chieftainships, foreign communities, etc.) in support of data for the relocation of villages disappearing due to rising sea levels (Grand Lahou, Jacquerville, Fresco, Sassandra, Grand Bereby, San Pedro, Tabou, Assinie, Grand Bassam, etc.).
- We would encourage the project to strengthen its gender approach and the involvement of women as economic, social and environmental actors.
- We note there is a great risk of land conflict that would result from the sudden displacement of populations from the coast to the hinterland. The project should demonstrate a plan to reduce such risk.
- Our understanding is that the management of maritime resources coupled with oil exploitation in certain coastal localities (Jacquerville) is likely to have a negative impact on certain village communities with recurrent conflicts and disputes. We would urge that the project look at this aspect and follow a framework for consultation with the authorities and the communities concerned, including the impact on women.

✓ Germany Comments

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement:

- While component 1 provides a good description of how an MSP approach should be developed, it lacks a conception of how the MSP results should be integrated into the overarching national planning system. It also remains open how the spatial planning results are to acquire a formal legal character. A clear analysis of the existing planning laws and systems would be desirable, on which basis then a concept can be worked out how MSP fits into the overall concept of the respective planning system.
- Another aspect is the question of how the results of the MSP can be integrated into existing regional development plans and through which line ministries budget can be allocated on national level for measures stipulated in the spatial plans. Therefore, it would be good to examine how local development plans are harmonised with national- and regional development plans and how the corresponding sectoral budget cycles are

designed. Based on that, a concept should be developed on how the MSP approaches can be integrated into these formal planning cycles.

✓ *Norway and Denmark Comments*

- This is very interesting and important project which we would like to follow closely.
- We support STAP's recommendation to include a more detailed risk analysis in the project document for the individual components of the project.
- The suggestion to increase the focus on gender is also something we support.

✓ *United Kingdom Comments*

- We would want to focus on the challenges and opportunities of taking a regional approach (including learning from the CdI and Ghana collaboration in the cocoa sector) and ensuring that the project implementer (IUCN) includes strong markets and livelihoods expertise in its implementation

**19. Regional, Albania, Kosovo, Montenegro, North Macedonia . Implementing the Strategic Action Programme of the Drin Basin to Strengthen Transboundary Cooperation and Enable Integrated Natural Resources Management (GEF ID 10881). Agency: UNDP; GEF Project Financing: \$7,105,936; Co-financing: \$51,360,000.**

✓ *Comment for all UNDP projects*

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

**MULTI-FOCAL AREA PROJECTS**

**20. Armenia. Conservation and Sustainable Management of Land Resources and High Value Ecosystems in Lake Sevan Basin for Multiple Benefits (GEF ID: 10854). Agency: UNDP; GEF Project Financing: \$3,598,631; Co-financing: 26,475,000.**

✓ *Canada Comments*

- Canada supports this project. We would stress focusing on restoring forest cover and commit to restoring native forests, for enhanced biodiversity outcomes.

✓ Germany Comments

Germany approves the following PIF in the work program but requests that the following comments are taken into account:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- Germany emphasizes that renewable energy needs to be included into this proposal, in order to halt forest and woodland degradation and thus reach a sustainable management of existing and newly planted forests and woodlands. Fuel wood collection is a major driver of forest and woodland degradation and would compromise afforestation/reforestation as planned in this project, because fuel wood is an important energy source, in particular for rural households. Those countries in neighboring Caucasus and Central Asia which controlled forest and woodland degradation, such as Kazakhstan, achieved this by providing easy access to gas and coal as alternative to fuel wood to their population. Now, in the light of the decision of the COP26 of the UNFCCC regarding coal, this project needs to at least pilot to introduce renewable energy sources as alternative to fuel wood.
- Germany further emphasizes that the proposal looks at the sources of eutrophication of Lake Sevan. Is erosion really the main source? Are there data available on sediment and nutrients flows by the rivers in the lake? Or, is pollution from settlements in the lake's basin due to insufficient wastewater treatment a major source for the pollution of the lake? This question needs to be addressed, in order to be able to develop the most efficient measures to protect the lake from pollution and thereby protect its biodiversity.
- UNDP Armenia is implementing the EU4Sevan project jointly with GIZ, which incorporates some of the activities as proposed in the GEF proposal. The EU4Sevan project is mentioned in the list of ongoing projects but falls short in outlining how a mechanism to use synergies will look like. It also only focuses on synergies in EU4Sevan Output 5 (Ecosystem Governance), but not in Output 2 (Sustainable Land-Use). Emphasizing these will be crucial to avoid overlaps. It is suggested to improve the analysis of these synergies, based on previous discussions with UNDP.
- The project is proposed in addition to a number of existing projects that all focus on the environmental management of Lake Sevan or its basin/landscape. There is a high risk that partners are not able to absorb the technical assistance provided by different partners and are generally overwhelmed with a high demand of coordination. The development of a coordination mechanism is indicated in the proposal, but it is important to detail how this works. It is suggested to enhance this part in the proposal, especially focusing on partner capacities to manage additional communication and coordination.
- Germany highly appreciates close coordination of UNDP with the German-funded regional project "Management of natural resources and safeguarding of ecosystem services for sustainable rural development in the South Caucasus (ECOserve)" (2018.2062.0) implemented by GIZ, to ensure that the identified synergies are planned in more detail and will be implemented in the proposed way. It is further recommended to open a field office within the Sevan National Park SNCO as one of the core project partners to ensure strong coordination of stakeholders in the field.

- Germany finally recommends that remote sensing approaches should be used to monitor carbon. Such carbon maps need to be produced to feed them into the LUP4LDN tool. The project shall consider to take up remote sensing approaches that have been recently developed for e.g. Europe or Africa and calibrate them for the Lake Sevan area so that those approaches can be used for other carbon monitoring exercises in the Caucasus afterwards. The GEO-LDN network can be considered as valuable partner for the piloting of and exchange on LUP4LDN.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

**21. Micronesia. Securing Climate-Resilient Sustainable Land Management and Progress Towards Land Degradation Neutrality in the Federated States of Micronesia (GEFID 10858). Agency: UNDP; GEF resources \$5,155,255; Co-financing \$33,143,251.**

✓ **Canada Comments**

- Canada is supportive of this project and would appreciate clarification regarding the following wording in the project summary: “The project will also *generate* more than 3,400 tCO<sub>2</sub>eq from the AFOLU sector”. We wonder whether this should read *mitigate* 3,400 tCO<sub>2</sub>eq.

✓ **Germany Comments**

Germany approves the following PIF in the work program but requests that the following comments are taken into account:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- Germany acknowledges the insufficient budgetary allocation to the natural resources management sectors; however, this entails questions on the provision of co-funding. While it is good that most of the co-funding is in-kind provision from FSM ministries stemming from existing bilateral projects, USD 12.2 million remain to be financed by the FSM’s public investment. We therefore request that the proposal provides a public investment plan that covers the remaining funds.
- Germany appreciates the efforts on enhanced data provision and coordination. In this regard we would appreciate if the proposals can provide information on how data collection will be coordinated and shared across all four island states and sustained in the long-term after project closure. Component 2 requires up-to-date high-resolution satellite

imagery to set the baseline and targets for LDN monitoring. In discussion with partners such as DECEM GIS Unit, FSM R&D, and GIS specialists from each state, it should be agreed on data that is affordable (e.g. open source) and available for the FSM at national and state scale beyond the project duration to create a sustainable monitoring system.

- Germany welcomes that the PIF outlines engaging more national experts and increasing capacity in existing structures. We note that restricted human resources due to a small overall population, a restricted number of experts due to less budget allocation to natural resources management sectors, and the continued COVID-implications on international travel need to be considered within these efforts. It is therefore advisable to include a plan on how the project foresees to handle this.
- The PIF states multiple monitoring systems of different plans, strategies, and policies, which Germany highly appreciates. To reduce pressure on the restricted human resources and government capacity, the PPG could explore possibilities to incorporate LDN indicators into existing monitoring systems (e.g. in the course of the mainstreaming into different policies, or to incorporate the LDN/SLM monitoring into existing tools unnecessary additionalities.
- Project personnel on the ground is needed to get things moving in the FSM. There is currently a shortage in required technical skills due to small pool of national technical experts. Projects led and implemented by local staff tend to have greater ownership, and while the PIF aims to work with local communities, Germany notes that it may be worth finding out which NGOs/CSOs operate in FSM that could become potential implementing partners. We therefore appreciate to cover this aspect in the proposal.
- While GIZ currently does not implement projects on site within the scope of work, the new Global Programme *Data for Development* (D4D), which is planned to start 01/22 with a duration of five years, is a potential partner to collaborate with. D4D will function in form of a Secretariat for the GEO-LDN Initiative (under Component 2, 2.1), and focuses on similar aspects regarding capacity development for reporting on LDN.

✓ **United States Comments**

- We have strongly opposed the use of non-voluntary land degradation neutrality (LDN) targets because Land Degradation Neutrality is only one approach of many to combat the impacts of drought and desertification. We support in a general sense the aim or aspiration of land degradation neutrality, but we want to ensure that LDN is not promoted to the exclusion of other approaches or being codified with mandatory targets.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the

endorsement review sheet that will be made available to Council during the 4-week review period.

**22. Marshall Islands. Sustainable Food Systems and Integrated Land/Seascape Management in the Marshall Islands (GEF ID 10862). Agency: FAO; GEF Project Financing: \$2,100,913; Co-financing; \$6,030,000.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but requests that the following comments are taken into account:

Germany requests that the following requirements are taken into account during the design of the final project proposal:

- Mix-up and no clear boundaries between agriculture, aquaculture and mariculture: management of resources from land and from sea are dealt with very similarly in the proposal however current policies and legal frameworks in RMI (and globally) are very different. Benefits as well as challenges need to be specified and separately explained.
- Point 30. highlights challenges for sustainable agriculture development in the country as identified in the Agriculture Sector Plan 2021-2031. The proposal misses out to explain that one major challenge is access to land. Land tenure and user rights are determined by traditional land inheritance patterns and systems of land use controls. Land tenure is composed of four levels of tenure systems, consisting of the paramount Chief (who owns land), lesser Chief (who acts as intermediary), the head of a communal set of lands, and the actual worker on the land. Conservation requires involvement of the three governance systems and four tenure systems. All these entities/individuals need to be included and come to an agreement when decision and access to land is decided on.
- Challenges of food imports needs to be highlighted further as the whole country heavily relies on imported goods for healthy nutrition. Although this project aims to provide better access to food for local population, the main challenge of access to fresh food is prices. Imported food (e.g. cheap ramen/Asian noodles and soda drinks are much cheaper than local fruits and vegetables)
- In order to ensure local ownership, the proposal should further elaborate on the access to food products to ensure sustainable livelihoods, e.g. food production in the outer islands need to serve local markets first to ensure survival in rural areas and minimize internal migration.
- The approach of LDN is not integrated in a stringent manner. The proposal should further elaborate on how LDN monitoring will function together with the other decision support tools mentioned in order to enable transparent, coherent and efficient land-use decisions. This also involves alignment of related planning processes and involved institutions.

**23. Regional, Cabo Verde, Comoros, Guinea-Bissau, Maldives, Mauritius, Sao Tome and Principe, Seychelles. Supporting Sustainable Inclusive Blue Economy Transformation in AIO SIDS (GEF ID 10865). Agency: UNDP. GEF Project Financing: \$9,003,847; Co-financing: \$63,275,044.00.**

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Suggestions for improvement:

- Component 1 with its focus on strengthening the enabling environment for the sustainable Blue Economy is lacking a focus on Sustainable Blue Economy. For instance, the assessments of output 1 such as an analysis of potential “new” areas for blue investment with a high likelihood of success needs to include a focus on the sustainability and environmental impacts of such investments – e.g. by applying the SBE Finance Principles. Also, the assessment of ecosystem services could be supplemented with a natural capital assessment for a more thorough stocktaking of impacts and dependencies of the blue economy sectors per country.
- Output 2 of component 1 needs to ensure coherence between national policies and actual needs and priorities “on the ground” or the local level. While the planning process is already intended to be consultative and participatory, this must include local voices.
- While it is welcome to adjust outputs per SIDS to current needs and local conditions, the current phrasing of component two with its focus on “demonstration projects” is unclear and vague. The component appears as an aggregation of very different measures. It should be considered that progress within each measure per country will be so different that a comparison or an overall learning cannot be achieved.
- Plans to strengthen resilience should not only contribute to green but also specifically blue recovery from the impacts of COVID-19. Particularly SIDS with their high dependence on tourism should tackle strategies to diversify their blue economy.

✓ **Comment for all UNDP projects**

The Council, having considered Document GEF/C.61/04, *UNDP Third Party Review of Compliance with GEF Minimum Fiduciary Standards*, takes note of the Independent Third-Party Review of UNDP and decides to:

- Require that all projects included in the Work Program implemented by UNDP be circulated by e-mail for Council review at least four weeks prior to CEO endorsement / approval. This shall take place until this requirement is reconsidered by the Council at its 65th meeting in December 2023. Project reviews will take into consideration the relevant findings of the UNDP audits and the management responses and note them in the endorsement review sheet that will be made available to Council during the 4-week review period.

**24. Mexico. Promoting Sustainability in the Agave-Mezcal Value Chain Through Restoration and Integrated Management of Biocultural Landscapes in Oaxaca (GEF ID 10869). Agency: UNEP; GEF Project Financing: \$4,507,534; Co-financing: \$43,720,000.**

✓ **Germany Comments**

- Germany sees potential for synergies with work in the state of Oaxaca supported by German development cooperation and recommends exploring collaboration with the newly started program “Vida y Campo” (2021.2130.9) implemented by GIZ.

**25. South Sudan. Promoting Sustainable Approaches to Ecosystem Conservation in the Imatong Landscape of South Sudan (GEF ID 10870). Agency: UNEP; GEF Project Financing: \$3,502,968; Co-Financing: \$15,000,000.**

✓ **Austria Comments**

*The below comments from Austria were received prior to the Council meeting. A response from GEFSEC was provided and can be found in the list of documents specific to the project in the GEF Portal.*

- In the South Sudan project (Promoting Sustainable Approaches to Ecosystem Conservation in the Imatong Landscape of South Sudan), how will the project implementation be affected given the low online and internet capacity and what can be done to mitigate the risks associated with low connectivity?

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

GER appreciates the integral approach of the Project, especially its focus on inclusivity (gender, Indigenous Peoples), and nature-positive and climate-resilient livelihoods in a conflict-battered area. GER explicitly supports the project from a strategic development perspective in favor of exploring the linkages of natural resources management with food security and climate resilient livelihoods in South Sudan.

Suggestions for improvements to be made during the drafting of the final project proposal:

- GER suggests a closer look at the social and environmental risks (which are not necessarily identical with the project objectives risks) and safeguards measures, as indigenous peoples are target groups and partners which need special attention, e.g. when it comes to participation and consultation needs.
- Digital tools for biodiversity data collection could make use of the traditional knowledge and embedment of (indigenous) communities in the PA and surroundings, and simultaneously empower and sensitize them for the values of nature.
- As returning refugees and IDPs as well as possible revival of commercial farming pose potential risks of conflicts as well as of forest and ecosystem degradation, GER recommends also to more actively involve the Land Commission in order to integrally resolve tenure issues and thus assure long-term stability and incentives for sustainable management of natural resources.

- The preparation of local project development capacities and the leverage of funding for such initiatives is also recommendable in an area and context that up to date depends on the GEF project alone for initiating any transition in the sector.

✓ *Norway and Denmark Comments*

- The project has a well-developed background analysis including barriers and there appears to be a clear need for the project.
- However, our concern is that the Project and more specifically Component 3 still has weak links to the achievement of Outcome 3 (“Pressures on forest resources from unsustainable practices reduced”). Component 3 addresses some of the drivers of deforestation and suggests interventions to promote sustainable agricultural practices, but it needs to be further developed. This is highlighted in the STAP Review, but we encourage even more attention to this part of the program. Hence, we support the coordination with the project 10178 Watershed approaches for climate resilience in agro-pastoral landscapes implemented by UNDP and UNIDO that works on climate change resilient agriculture and value chains.
- The risk highlighted by the STAP review is that most of the program builds on capacity building and increase awareness. We would like to highlight that this risk needs to be monitored closely and preferably look for more long-term interventions that can complement training of individuals.

**26. Regional, Philippines, Thailand, Indonesia. Effectively Managing Networks of Marine Protected Areas in Large Marine Ecosystems in the ASEAN Region (ASEAN ENMAPS) (GEFID 10873). GEF Agency: UNDP; GEF Project Financing: \$12,548,861; Co-financing \$65,047,291.**

✓ *Canada Comments*

- Canada supports this project, which is aligned with Association of Southeast Asian Nations (ASEAN) cooperation efforts on coastal and marine environment. We note that ASEAN leaders agreed to foster the conservation and sustainable management of coastal and marine ecosystems, and their commitment is reflected in the Blueprint of the ASEAN Socio-Cultural Community (ASCC Blueprint) 2025.
- When feasible and appropriate, we recommend coordination with a Green Climate Fund (GCF) funded project: *The Global Fund for Coral Reefs Investment Window*, that also includes the Philippines in its geographic scope. We also recommend coordination and engagement with the ASEAN Working Group on Coastal and Marine Environment.
- We note that the project will use the government-led certification in Indonesia, the IndoGAP, that adopts FAO standards for good aquaculture practices. The drawback is that the IndoGAP standard and certification still does not yet get broad international recognition. Support to upgrade the IndoGAP standard and certification at the international level will help the aquaculture sector in Indonesia.

✓ **Germany Comments**

Germany approves the following PIF in the work program but asks that the following comments are taken into account:

Germany welcomes this initiative in the ASEAN region to (1) strengthen and expand the existing marine protected area (MPA) network, (2) improve the management of individual MPAs and the network including marine transboundary corridors, and (3) improve the knowledge and core capacity in MPAs and MPA network management. The project aims to contribute to globally significant biodiversity and constitutes a regional effort towards the CBD post-2020 global biodiversity framework (GBF) targets. The proposed science-based approach of MPA expansion and network design is seen as particularly positive, as well as initiatives to strengthen integrated coastal management and sustainable financing.

**Suggestions for improvement:**

- Regarding project Component 1 (MPA expansion and network design), it is recommended that separate outputs are outlined for a first phase (collation of datasets) and a second phase (MPA network design). Indicative activities of phase 1 could include assembling/generating various datasets of biodiversity (species, habitats, ecosystems), usage (social, cultural, economic) and impacts (pollution, habitat loss). Indicative activities of phase 2 could include approaches of systematic conservation planning and stakeholder involvement.
- The MPA expansion and network design should incorporate different usage arrangements e.g. form of a zonation scheme. While representivity of ecosystem types should be a key consideration for each usage zone, it is crucially important for MPA effectiveness that significant areas are granted strict protection, i.e. in form of no-take status.
- Regarding project Component 2 (improved management), it is recommended that the equitable sharing of benefits between local, national and international stakeholders should be a key focus.
- The project links to relevant regional projects, as is outlined in detail. An active exchange with the GIZ project “Protection of biodiversity in the ASEAN member states” is additionally recommended. This initiative already supports the executing institution, the ASEAN Centre for Biodiversity (ACB), and forms the link between the ASEAN region and the German “Blue Solutions” project, which operates in the field of knowledge exchange and capacity development for marine and coastal biodiversity.

✓ **Norway and Denmark Comments**

- The project report’s situational analysis in Indonesia points to pressure from human activities on marine biodiversity. Indonesia has an ambition to reach 30% of territorial sea areas for marine conservation. The country has also developed a National Biodiversity Strategy and Action Plan. Therefore, the project is relevant to the country’s plan and priorities.
- Nevertheless, the project application still lacks analysis on the project sites (the 3 national parks selected) to understand relevant social and ecological aspect as well as to what extent the areas have developed their MPAs.

- The project hierarchy is clear and expected outcomes and outputs appear attainable. However, it is quite challenging to get good results on marine corridor management interventions because it will require agreed upon mechanisms amongst the countries involved in large sea areas. However, it will be interesting to see the lessons learned if it is achieved.
- The project will work closely with ASEAN. It will be useful to have the ASEAN Centre of Biodiversity as a hub for strategy and to leverage the results from the project, as well deal with the challenges ahead.
- Indonesian counterpart is Ministry of Environment and Forestry, which is relevant as the project will work in marine national parks. This is the Ministry of Environment and Forestry's mandate. However, the project also touches on territorial waters, especially with respect to fisheries. As a consequence, the project should involve the Ministry of Marine Affairs and Fishery because they have authority in these areas, and it has long and extensive experience on MPAs and fisheries management.

✓ **United States Comments**

- We would note that in Indonesia, UNODC plans to provide a few deliverables, including a country-specific value chain analysis of the fisheries sector, a corruption risk assessment, support for financial investigations, training for investigators and prosecutors on crimes in the fisheries sector, regional inter-agency workshops to enhance cooperation between relevant agencies, and develop a resource guide. We would encourage coordination with UNODC to further maximize project objectives.

✓ **Comment for all UNDP projects**

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