

Gulf of Fonseca Transboundary Management

Review CEO Endorsement and Make a recommendation

Basic project information

GEF ID

10778

Countries

Regional (El Salvador, Honduras, Nicaragua)

Project Name

Gulf of Fonseca Transboundary Management

Agencies

World Bank

Date received by PM

9/18/2022

Review completed by PM

10/29/2022

Program Manager

Taylor Henshaw

Focal Area

International Waters

Project Type

FSP

PIF

CEO Endorsement

Part I ? Project Information

Focal area elements

1. Does the project remain aligned with the relevant GEF focal area elements as presented in PIF (as indicated in table A)?

Secretariat Comment at CEO Endorsement Request

Note: GEF Secretariat IT to add Nicaragua as a project country in the portal.

22nd of October 2022 (thenshaw): Please secure and upload LOE for Nicaragua.

29th of October 2022 (thenshaw): Addressed.

Yes, the project is aligned with relevant GEF focal area elements. Please also address the following in the front matter of the CEO Endorsement WB Appraisal document:

(1) The project start and end date do not match the indicated date duration (36 months). Please revise accordingly. Please explain any deviation from PIF re: implementation period.

8th of May 2023 (thenshaw):

(1) GEF ITS to change end date to 07/28/2028 and duration to 60 months. ITS to add El Salvador, Honduras and Nicaragua to project countries in project information section. No further action required on Agency side.

*ITS has made these changes on the backend.

Agency Response

WB 10/24:

We have uploaded Nicaragua LOE, project budget and supporting ESS documents, including SEP. Co-financing letters to follow.

WB 4/18/23:

We regret that the implementation period of 36 months that was entered into the GEF portal at PIF stage was not correct, nor was this consistent with the envisaged five-year (60 month) implementation period that was included in the World Bank concept stage Project Identification Note (PIN) created in the World Bank portal. Five years is the standard World Bank project implementation period, and we believe that this full period is required to carry out the activities proposed under the project and achieve the PDO. We tried to edit the implementation period in the GEF portal, but this is not an editable field in the CEO ER.

Project description summary

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly. Please address the following:

(1) Please shorten project objective to : "To improve the capacity of participating countries to manage the transboundary natural resources of the Gulf of Fonseca, including for climate change adaptation".

(2) Monitoring and Evaluation are not included in Table B. M&E outcomes, outputs and associated costs should be reflected in this table. Please consider making M&E a separate component of the project and include specific M&E outputs accordingly.

(3) Include in Component 1 "Preparation of key documents for transboundary management of the Gulf of Fonseca"

(4) Under Component 1, include under Outcome "Key strategic documents for transboundary management of the Gulf of Fonseca prepared and endorsed (Transboundary Diagnostic Analysis; Strategic Action Program).

(5) Please quantify project outputs in Component 2.

(6) Please match numbering between Table B and the project paper Project Components section (i.e. include sub-component numbering in Table B).

(7) Table B GEF financing and the Budget Table totals are not congruent for each component and for PMC. Please revise accordingly.

(8) Please address Germany's comment: Section B is far too generic and should elaborate on the specific topics to be addressed by this project..."

6th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

(3) Addressed.

(4) Addressed.

(5) Addressed.

(6) Addressed.

(7) Addressed.

(8) Addressed (in Project Paper)

Agency Response

WB 4/18/23:

1) Project Objective has been updated as suggested.

2) Regarding the request to include a separate M&E component, the Bank and CCAD considers that Subcomponent 2.2 Environmental, Social, and Economic Monitoring captures the implementation of a robust M&E system that will enable the Regional Steering Committee report on the overall environmental health of the natural resources and improved livelihoods in the Gulf as the SAP is implemented. Component 3 will finance the necessary M&E activities to report implementation progress of the project. The detailed budget reflects the consulting and non-consulting services required to fulfill these two tasks. An M&E Strategy and Budget has been developed and included as Annex 5 and the budget is provided below:

	Budget
Categories of expenses	(\$) USD

Individual consultancies	110,000
Technical Assistance for M&E, Progress Reports, Mid-term Report, Final Report	110,000
Other expenses	40,000
Missions, workshops, events and meetings, field visits	40,000
Total	150,000

3) Component 1 has been updated has been adjusted to include the requested edit.

4) Table B and the project paper have been edited to include the outcome requested. Paragraph 26 now reads, "Component 1: Strengthen the strategic and regulatory framework for transboundary management of coastal resources of the Gulf of Fonseca (US\$2.0m, includes consultancy services, training, awareness raising campaigns, consultations). The first component will finance the preparation of the TDA and the SAP. These are the two key strategic documents for transboundary management of the Gulf of Fonseca that once endorsed by the riparian countries, will help build the foundation for effective transboundary management of natural resources in the Gulf of Fonseca."

5) Table B and the project budget have been updated; the budget includes detailed quantified outputs for component 2.

6) Table B & project paper are updated.

7) Project budget and Table B have been updated and now align.

8) The process of developing the TDA will include identifying, quantifying, and setting priorities for managing transboundary environmental challenges. As noted in the project paper, identified challenges include overfishing, mangrove degradation, pollution, and

sedimentation, all of which may be compounded by climate variability and change. Other environmental challenges may be identified and responses to them prioritized through the TDA process.

3. If this is a non-grant instrument, has a reflow calendar been presented in Annex D?

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Co-financing

4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following:

- (1) Please spell out acronyms in Table C
- (2) Please identify "local communities from riparian countries". Each co-financier must have its own line and classification in Table C
- (3) Please identify "local governments riparian countries". Each co-financier must have its own line and classification in Table C
- (4) All co-financing letters are missing in the portal. Please upload and ensure all co-financing letters include an English translation, if necessary.
- (5) Please add Government of Nicaragua as a co-financier and upload corresponding co-financing letter.
- (6) Please ensure all "investment mobilized" is described in the field below Table C. Please provide detail on what the PROBLUE MDTF is, including who the MDTF donors are.

6th of May 2023 (thenshaw):

- (1) Addressed.
- (2) Addressed.
- (3) Please change classification for Central American Bank for Economic Integration (CABEI) from "Recipient Country Government" to "Donor Agency".

(4) Partly Addressed. Please include an English translation of the JICA co-financing letter.

(5) Addressed.

(6) Addressed.

19th of May 2023 (thenshaw):

(3) Addressed.

(4) Addressed.

Agency Response

WB 4/18/23:

1 -4) The co-financing table has been updated to address these comments and co-financing letters and accompanying translations are uploaded into the portal.

5) A co-financing letter has not been obtained from the Government of Nicaragua.

6) Investment mobilized is described in the box. PROBLUE is a multi-donor trust fund administered by the World Bank that supports the sustainable and integrated development of marine and coastal resources in healthy oceans. PROBLUE is supported by Australia, Canada, Denmark, the European Commission, France, Germany, Iceland, Ireland, Norway, Sweden, the United Kingdom, and the United States.

WB 5/17/23:

3. This change has been made in the portal.

4. English translation of the JICA co-financing letter is now uploaded in the portal.

Please note that we have made further adjustments to the co-financing letter as we received a new co-financing letter from WFP in the amount of \$12,084,300. This replaces the co-financing letter from El Salvador and raises the total co-financing to \$108,134,300.

GEF Resource Availability

5. Is the financing presented in Table D adequate and does the project demonstrate a cost-effective approach to meet the project objectives?

Secretariat Comment at CEO Endorsement Request 29th of October 2022

(thenshaw): Yes

Agency Response
Project Preparation Grant

6. Is the status and utilization of the PPG reported in Annex C in the document?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): No, please address the following:

(1) It is noted that PPG funds are only now being utilized (October 2022). Regardless, please include a PPG status and utilization table with four columns: (i) project preparation activity; (ii) budgeted amount; (iii) amount spent to date; (iv) amount committed and complete to the extent possible.

6th of May 2023 (thenshaw):

(1) Please include an English translation of this table and upload to the CEO Endorsement entry itself. Please include a PPG status and utilization table with four columns: (i) project preparation activity; (ii) budgeted amount; (iii) amount spent to date; (iv) amount committed and mark \$0's in each row/column.

19th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

There has been no amount spent from the PPG as yet, as the PPG agreement has not been signed. There is a legal requirement for the SICA Council of Ministers to provide signatory authority to the SICA Secretary General for the PPG agreement, expected at the next meeting of the Council in April 2023. The proposed PPG financing table formulated by the executing agency is provided below:

Descripción (Por favor no exceder los 250 caracteres)	No de Referencia (Por favor no exceder los 40 caracteres)	Categoría de Adquisiciones	Método de Adquisiciones	Monto estimado (U\$)	% de Financiamiento por parte del Banco	Tipo de Revisión	Fecha planificada de inicio (El formato debe ser año/mes/día)
1. Actividades de coordinación y gestión				\$ 87,200.00			
1.1 Especialista Social		CS	INDV	\$ 27,000.00	100	Prior	2022-07-28
1.2 Especialista Ambiental		CS	INDV	\$ 36,000.00	100	Prior	2022-07-28
1.3 Especialista en facilitación y sistematización de procesos de consulta y talleres		CS	INDV	\$ 15,000.00	100	Prior	2022-07-28
1.4 Asistencia operativa y logística		CS	INDV	\$ 9,200.00	100	Prior	2022-07-28
2. Realización de talleres de consulta y participación comunitaria				\$ 8,000.00			
2.1 Talleres de consulta (comprende servicios de alimentación y hospedaje de participantes a talleres)		NC	DIR	\$ 8,000.00	100	Prior	2022-07-28
3. Comunicación y visibilidad de las acciones				\$ 7,000.00			
3.1 Traducción		NC	RFQ	\$ 5,000.00	100	Prior	2022-07-28
3.2 Uso de plataformas virtuales		NC	DIR	\$ 2,000.00	100	Prior	2022-07-28
4. Monitoreo y Seguimiento				\$ 2,500.00			
4.2 Auditoría externa		CS	FBS	\$ 2,500.00	100	Prior	2022-07-28
5. Levantamiento de Información cartográfica				\$ 6,000.00			
5.1 Equipamiento		NC	RFQ	\$ 3,000.00	100	Prior	2022-07-28
5.2 Compra de imágenes satelitales y mapas		NC	DIR	\$ 3,000.00	100	Prior	2022-07-28
5. Gastos operativos				\$ 26,286.00			
5.3 Boletos aéreos para misión de acompañamiento (para funcionarios de la SE-CCAD)		NIA	NIA	\$ 9,186.00	100	Prior	2022-07-28
5.4 Viáticos (per diem para funcionarios SE-CCAD)		NIA	NIA	\$ 9,400.00	100	Prior	2022-07-28
5.5 Transporte terrestre y combustible (arrendamiento de vehículos para movilización)		NIA	NIA	\$ 5,000.00	100	Prior	2022-07-28
5.6 Insumos de papelería y materiales didácticos		NIA	NIA	\$ 2,700.00	100	Prior	2022-07-28
Subtotal				\$ 136,986.00			
Total				\$ 136,986.00			

WB 5/17/23:

We have replaced the previous table with a PPG utilization table in English in Annex C of the portal.

Core indicators

7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please include the following:

(1) Please include in the explanation field the calculation and methodology used to determine the targets for Core Indicator 11 and explanation on other targets.

(2) Please explain here in the review sheet why other core indicators are not targeted in this investment. Will the pilot grants in Component 2 not contribute to core indicators?

6th of May 2023 (thenshaw):

(1) Addressed but please include this explanation in the field under the Core Indicators table in the portal.

(2) Addressed.

19th of May 2023 (thenshaw):

(1) Addressed.

Agency Response

WB 4/18/23:

1. The number of project beneficiaries is calculated as 30 sub-projects under sub-component 2.3 each with 100 beneficiaries. It is estimated that the number of people from civil society organizations and community groups that will participate in the small grants program sub-component of the project will conservatively be 3,000 individual direct beneficiaries (of which half are female).

2. The Small Grants Program (Subcomponent 2.4) will finance small sized (not more than \$30K each) innovative models for community management of shared resources under different biophysical and geographic conditions. These demonstration investments will include an initial set of no-regrets initiatives (for example mangrove restoration and the refurbishment of small-scale eco-tourism infrastructure) to stimulate job creation and revenue generation while the TDA and SAP are being finalized. The SGP will be designed during year 1 of project implementation while CCAD prepares the TDA. At the Bank's Decision Meeting, the team agreed not to attach specific indicator targets to the small grants given their intended flexibility and responsiveness to the needs of the. Based on the above, the team does not feel comfortable quantifying targets of activities that will be driven by the needs articulated by beneficiaries.

WB 5/17/23:

1. The explanations for core indicators 7 and 11 have been added to the portal.

Part II ? Project Justification

1. Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Yes, but please explain the following:

(1) The information in this section is not cited. Please explain where this information is derived (include main sources in the WB Appraisal document section). Does it come from the 2006 TDA?

6th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

The team has included sources in the Project paper that include studies/analyses published by FAO, SICA, IDB and CABEL.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Yes, but please upload the following to the portal for GEFSEC review:

(1) The Managua Declaration, signed in 2007 by the heads of state of El Salvador, Honduras and Nicaragua, recognizing the importance of transboundary cooperation for development in the Gulf of Fonseca.

(2) The 2019 Trinational Masterplan for Investment and Economic Development Projects

6th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

These documents have been uploaded to the portal.

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them?

Secretariat Comment at PIF/Work Program Inclusion

29th of October 2022 (thenshaw): Partly, please address the following:

- (1) The PACA project will develop a TDA-SAP for the LME that includes the Gulf of Fonseca. Please explain why a SAP "on a much finer scale" is needed and how will the two TDA-SAP processes work in tandem and co-exist.
- (2) Please be more specific regarding project activities. As one example, in Sub-component 2.3 Communication and awareness-raising, it is stated that the project will "enhance non-governmental regional capacity, providing training, limited equipment and support for networks, information centers, and clearing houses for the technical and scientific community.... and finance knowledge sharing publications and events." Please note how many publications, how many trainings etc... to the extent possible. This quantification should be reflected in Table B.
- (3) Please address Germany's comment on the specific topics to be addressed by this project.
- (4) Please address Germany's comment: Provide a more detailed conceptual elaboration, including more detailed information on the small grants program and envisaged no-regret infrastructure measures.
- (5) Please address Germany's comment on how the grant program and pilot measures will support the design and implementation of nature-based solutions and ecosystem-based adaptation approaches and how they complement/substitute grey infrastructure measures and support sustainable transboundary management.

6th of May 2023 (thenshaw):

- (1) Addressed.
- (2) Addressed.
- (3) Addressed.
- (4) Addressed.
- (5) Addressed.

Agency Response

WB 4/18/23:

1. The PACA will promote ecosystem-based management by strengthening regional governance over an area of coastal and marine habitats covering almost 2 million km², more than 600 times the area of the Gulf of Fonseca. While PACA will provide a regional approach for the large marine ecosystem stretching from Mexico to Ecuador, the Gulf of Fonseca project will develop a subregional approach with watershed-level specificity in Honduras, Nicaragua and El Salvador. SICA's Secretary General will be part of the PACA project board, allowing CCAD to ensure that the TDA and SAP for the Gulf of Fonseca take into account the analysis and recommendations developed under the PACA for the broader Pacific Central American Large Marine Ecosystem. This is addressed in para 17 of the Project paper.

2. The detailed number of reports, publications, trainings, etc. will be guided by decisions taken by the Task Force and the Regional Steering Committee during project implementation. To the extent possible, the activities to be carried out under component 2 are quantified in the table below and reflected in Table B:

Outcome 2.1: Institutional Strengthening				
?	Cost per unit	Total number	Explanation	Total cost

Technical assistance for the development of institutional capacities; national institutions capacity training	\$ 7,500	40	<i>Two trainings every year for each of the three countries + SICA for five years</i>	\$ 300,000
Technical assistance for the development of institutional capacities; inter-governmental capacity training	\$ 10,000	20	<i>One training every year for each of the three countries + SICA for five years</i>	\$ 200,000
Meetings & Workshops	\$ 5,000	40	<i>Two meetings/workshops every year for each of the three countries + SICA for five years</i>	\$ 200,000
Total Cost				\$ 700,000
Outcome 2.2: Environmental, Social and Economic Observatory				

?	Cost per unit	Total number	Explanation	Total cost
Equipment and tools for environmental, social, and economic monitoring	\$ 20,000	1	<i>Design of a trinational environment, social and economic monitoring observatory system for the Gulf of Fonseca</i>	\$ 200,000
International consultant firm(s)	\$ 50,000	1	<i>International consultant to prepare detailed methodology for environmental, social and economic monitoring</i>	\$ 50,000
Local Consultants	\$ 33,333	3	<i>Local consultants to design environment, social and economic monitoring system</i>	\$ 100,000
<i>Total Cost</i>				\$ 350,000

Outcome 2.3: Communication, KM, Awareness Raising

?	Cost per unit	Total number	Explanation	Total cost
<p align="center">Goods and publicity for dedicated education and awareness-raising initiatives</p>	<p align="center">\$ 245,000</p>	<p align="center">1</p>	<p align="center"><i>Publicity budget</i></p>	<p align="center">\$ 245,000</p>
<p align="center">Communication and awareness for the development of institutional capacities; national institutions capacity training</p>	<p align="center">\$ 2,125</p>	<p align="center">40</p>	<p align="center"><i>Two trainings every year for each of the three countries + SICA for five years</i></p>	<p align="center">\$ 85,000</p>

<p>Communication and awareness for the development of institutional capacities; inter-governmental capacity training</p>	<p>\$ 4,250</p>	<p>20</p>	<p><i>One training every year for each of the three countries + SICA for five years</i></p>	<p>\$ 85,000</p>
<p>Knowledge management and communications for the sustainable management of the resources of the Gulf; knowledge sharing publication and events</p>	<p>\$ 150,000</p>	<p>1</p>	<p><i>KM budget</i></p>	<p>\$ 150,000</p>
<p>Communication and awareness for IW Learn</p>	<p>\$ 100,000</p>	<p>1</p>	<p><i>Communication and awareness for IW: Learn platform and conferences</i></p>	<p>\$ 100,000</p>
<p><i>Total Cost</i></p>				<p>\$ 665,000</p>

Outcome 2.4: Pilot Sustainable Community Investments				
?	Cost per unit	Total number	Explanation	Total cost
Subgrants for local communities to pilot sustainable community investments	\$ 30,000	30	<i>Minimum 30 sub-grants supported to develop innovative models for community management of shared resources under different biophysical and geographic conditions, seeking and showcasing opportunities to incentivize the entrepreneurship and participation of women</i>	\$ 900,000
Total Cost				\$ 900,000

3. As explained above, the process of developing the TDA will include identifying, quantifying, and setting priorities for managing transboundary environmental challenges. As noted in the project paper, identified challenges include overfishing, mangrove degradation, pollution, and sedimentation, all of which may be compounded by climate variability and change. Other environmental challenges may be identified and responses to them prioritized through the TDA process.

4. [The small grants will pilot no-regrets initiatives \(for example mangrove restoration and the refurbishment of small-scale eco-tourism infrastructure\) to stimulate job creation and revenue](#)

generation. The principal categories of activities to be supported by the small grants program include: (i) reforestation through mangrove restoration, agroforestry and silvopastoral systems; (ii) integrated landscape management practices in Gulf of Fonseca watersheds targeting soil and water conservation; (iii) waste and pollution management in Gulf of Fonseca watersheds; (iv) sustainable fishing and aquaculture activities with a focus on strengthening value chains; and (v) community-scale investments in nature-based tourism. Awards under the small grants program will not exceed US\$ 30,000, with criteria for the grants based on: (i) impact of the investment on improved management of coastal resources; (ii) readiness of the grantee to receive and manage grants; (iii) potential of the grant to leverage co-financing for the proposed initiative, including from the private sector; (iv) environmental, social and economic sustainability of the proposed activity; (v) replicability and scalability of the investment; (vi) social impact on community enhancement, job creation, gender equality, and the inclusion of Indigenous People. Decisions on investment award selection will be made transparently with key stakeholders as indicated in the Stakeholder Engagement Plan (SEP) for the project. Further details on selection, eligibility entity criteria, procurement, financial management, environmental and social risk management will be detailed in the project's operational manual and in the Environmental and Social Management Framework (ESMF).

5. Refer to response directly above ? the principal categories of activities to be supported by the small grants program indicated above constitute nature-based solutions and ecosystem-based adaptation approaches that will complement and reduce the need for investment in grey infrastructure measures for adaptation to climate change.

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Yes

Agency Response Thank you

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following:

(1) Please include and complete in paragraph 19 of the project paper, which discusses GEF incremental cost reasoning, "without the GEF increment... [such will happen]..."

(2) In this section, please reference how GEF incremental costs are facilitating solid co-financing for this project.

6th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

Agency Response

WB 4/18/23:

1. Para 19 now includes an explanation that, Without the GEF funding increment, investments under the Trinational Masterplan for Investment and Economic Development Projects in the Gulf of Fonseca are less likely to take into consideration the provision of these global [environmental] benefits, particularly those that require transboundary agreement between the riparian countries on the threats to be addressed and the solutions required to deliver these benefits.

2. Co-financing reflected in the letters from El Salvador (Adaptation Fund) and CABEI (GCF) will finance investments under the Trinational Masterplan for Investment and Economic Development Projects in the Gulf of Fonseca.

6. Is there further and better elaboration on the project's expected contribution to global environmental benefits or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following:

(1) Please include the specific targets the project aims to achieve against the GEF core indicators to describe the global environmental benefits.

(2) Please elaborate on the current (too general) write up in paragraph 19 regarding the expected contribution to increased regional cooperation; enhancing protection of biodiversity of global importance; reduced transboundary pollution; and stable and more productive fishery resources. Please quantify these benefits to the extent possible.

6th of May 2023 (thenshaw):

(1) Addressed. The PDO-level results indicators in the Project Paper include Core Indicator 7 and 11.

(2) Addressed.

Agency Response

WB 4/18/23:

1. As explained above, the topic of whether the project could meaningfully establish targets against GEF core indicators related to land restoration and terrestrial and marine biodiversity conservation was discussed at the project's Decision Meeting and it was agreed among the team and management not to establish core indicator targets given both the small contributions to be made by the small grants (averaging \$30K/project) and the intended flexibility of the SGP to respond to the demands articulated by beneficiaries. We maintain that the primary objective of the project is to deliver the TDA and SAP and establish the institutional framework for SAP implementation going forward. While it is expected that the project will influence investment through the co-financing, the co-financed activities are not managed by and therefore can not be included in the results framework of the World Bank project.

2. The GEF investment will put in place the institutional framework to ensure that future investments in the Gulf of Fonseca under the Trinational Masterplan for Investment and Economic Development Projects will deliver global environmental benefits, including enhancing protection of biodiversity of global importance; reduced transboundary pollution; and stable and more productive fishery resources.

7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following:

(1) Please describe future plans for SAP implementation.

(2) Please expand on the potential for scaling up this project.

6th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

Agency Response

WB 4/18/23:

1. See Sub-component 1.2: Strategic Action Program. The SAP will establish priorities for action (e.g., policy, legal, institutional reforms, investments) to resolve the priority transboundary problems identified in the TDA. It will be prepared using a highly cooperative and collaborative process among the riparian countries to identify investments and management approaches, which may include inter alia (i) enhanced and/or expanded protection of key natural resources, (ii) measures to address coastal degradation and erosion; (iii) strengthened management of the Gulf's protected areas; (iv) planning to take into account

sea-level rise scenarios; (v) methodologies for the analysis of the cost of environmental degradation; (vi) watershed management of rivers that flow into the Gulf; (vii) incentives for private sector investment in the Gulf; (viii) incentives for Payment for Environmental Services (PES). The SAP will be prepared with the integrative approach, "from the basin to the sea," to guarantee the articulation of the terrestrial and coastal marine landscape where the blue economy of the Gulf of Fonseca will be developed. The SAP will also include an estimate of the financial resources required for its implementation (including for Monitoring and Evaluation), as well as an estimate of the climate co-benefits of the proposed investments. The SAP will be a negotiated policy document that will be submitted for endorsement at the ministerial level of the three riparian countries.

The SAP will reflect agreed long-term environmental goals are achieved in a series of pragmatic action-based steps, agreed achievement indicators, and measures for making substantive progress toward resolving the long-term problems identified in the TDA. The SAP will reflect the solutions agreed to concerning transboundary issues identified with actions at regional, national and sub-national levels. The SAP will distinguish between the payment of incremental costs for those actions of purely national interest (baseline actions), government commitments and secured partnerships with donors.

2. The small grants program will pilot blue economy-based job creation in coastal areas, providing lessons and experience for subsequent scaled-up investments for which development partners in the region are ready to mobilize additional resources in support to the Economic Development of the Gulf. Through the technical assistance financed by PROBLUE, the World Bank will further consolidate the dialogue with key government agencies on how the region will benefit from sustainable management of the Gulf's coastal resources.

Project Map and Coordinates

Is there an accurate and confirmed geo-referenced information where the project intervention will take place?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly.

(1) Please include project coordinates (ideally on the map)

6th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

Coordinates have been added to the annex including the map.

Child Project

If this is a child project, is there an adequate reflection of how it contributes to the overall program impact?

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following so a full review of Stakeholders can be conducted:

(1) Please upload the SEP in English and relabel the SEP in Spanish (current label is "Request of Extension Invoking Force Majeure")

6th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

1. The SEP was prepared by the client, CCAD, in Spanish. A summary of the SEP has been prepared by the World Bank and uploaded in English.

Gender Equality and Women's Empowerment

Has the gender analysis been completed? Did the gender analysis identify any gender differences, gaps or opportunities linked to project/program objectives and activities? If so, does the project/program include gender-responsive activities, gender-sensitive indicators and expected results?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly,

(1) The gender analysis is not sufficient. Please better identify any gender differences, gaps opportunities linked to project objectives and activities. Please better describe how the project will close gender gaps in access to and control over natural resources; improving women's participation and decision making; and generating socioeconomic benefits or services (all of which were checked "Yes"). It is good practice to prepare a gender action plan that details how gender equality considerations will be addressed in the project components and their activities.

8th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

A gender analysis and action plan has been prepared which specifies relevant gender gaps and the measures to address them. This is included as Annex 3 of the Project Paper and uploaded into separately the portal. A TOR has also been developed to facilitate the hiring of a gender specialist.

Private Sector Engagement

If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly,

(1) Please describe how the private sector could be involved in the small pilots under component 2.

(2) Please describe how the private sector will be involved in SAP preparation.

8th of May 2023 (thenshaw):

(1) Addressed

(2) Addressed

Agency Response

WB 4/18/23:

1. The criteria for selection of activities to be supported under the small grants program will include potential of the grant to leverage co-financing for the proposed initiative, including from the private sector.
2. See paragraph 31. The Regional Steering Committee (RSC) will include the GEF focal points assigned by the governments of the three riparian countries, and representatives of civil society, **the private sector** and academia. Then refer to paragraph 44. The project will complement PROBLUE technical assistance efforts to fully engage the private sector in the development of the SAP. Support for the development of artisanal fishing and aquaculture value chains will focus on opportunities to catalyze private sector investment, which will also form an important element of coastal tourism development. In developing a strategy for the expansion of employment in the region, the SAP will help build a picture of private sector involvement in the blue economy (businesses, investments, jobs) and identify public measures to ease future private engagement. The project will also finance dedicated education and awareness-raising initiatives identified in the SAP, with a view to fostering the public understanding of and adherence to the principles of sustainable management of the Gulf's natural resources. Private sector engagement is included in outcome indicators under Components 1 and 2.

Risks to Achieving Project Objectives

Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please include the following:

- (1) Please include a separate Covid-19 risk and opportunity analysis matrix.

8th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

This has been uploaded in the portal.

Coordination

Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly,

(1) Please explain the roles of the OSPESCA, Task Force and National Intersectoral Committees at country level (as displayed in Figure 1)

(2) In an Annex or the project paper, please better describe possible coordination with relevant GEF-financed projects and other initiatives in the project area.

8th of May 2023 (thenshaw):

(1) Addressed.

(2) Addressed.

Agency Response

WB 4/18/23:

1. OSPESCA technical experts will have an advisory role to the PIU within CCAD, ensuring alignment with the regional strategy for blue growth, which OSPESCA leads. The project will support the establishment of a Gulf of Fonseca Task Force with representation from relevant ministries of each of the riparian countries that co-manage the Gulf of Fonseca. This Task Force will oversee the preparation of the TDA and SAP, with support from CCAD. The project will engage existing national coordination mechanisms engaged in the management and use of the Gulf's natural resources, such as the Local Advisory Committee for the conservation area of the Gulf of Fonseca Golfo de Fonseca (COAL) in El Salvador, the Verification and Environmental Control Committee of the Gulf of Fonseca (CVC-GOLF) in Honduras, and the Collaborative Management Committees (COMACO) in Nicaragua.

2. [Relevant information has been included in paragraphs 17 and 30.](#)

Consistency with National Priorities

Has the project described the alignment of the project with identified national strategies and plans or reports and assessments under the relevant conventions?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Yes.

Agency Response

Knowledge Management

Is the proposed Knowledge Management Approach for the project adequately elaborated with a timeline and a set of deliverables?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following:

(1) Please include in the project paper or in an annex, a knowledge management timeline and set of deliverables table matrix.

(2) Please indicate that 1% of the project budget will be dedicated to [IW:LEARN](#) activities.

8th of May 2023 (thenshaw):

(1) Addressed. Budget included in a table under Annex E.

(2) Addressed.

Agency Response

WB 4/18/23:

1. The approach to developing a KM strategy is elaborated in Annex 6 of the project paper, and KM activities are adequately budgeted for. A set of associated deliverables and timeline will be developed during project implementation. The detailed number of reports, publications, trainings will depend on the discussions that the Task Force and the Regional Steering Committee will have during project implementation.

2. Yes, \$100,000 has been set aside for this purpose, and is a separate line item in the project budget.

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Yes

Agency Response

Monitoring and Evaluation

Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): Partly, please address the following:

(1) Please include a budgeted M&E Plan (table format preferred).

8th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

Included in Annex 5, and presented below:

Categories of expenses	Budget
	(\$ USD)
Individual consultancies	110,000
Technical Assistance for M&E, Progress Reports, Mid-term Report, Final Report	110,000
Other expenses	40,000

Missions, workshops, events and meetings, field visits	40,000
Total	150,000

Benefits

Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): No

(1) The WB appraisal notes that the benefits are still being calculated. Please include these calculations in the submission package.

8th of May 2023 (thenshaw): Not addressed. There are 30 small grants under this project seeking to incentivize the entrepreneurship and participation of women in NBS sustainable resources management. These should lead to socioeconomic benefits at the local level. Please describe. The Covid analysis for example note "these demonstration investments will include an initial set of no-regrets initiatives (for example mangrove restoration and the refurbishment of small-scale eco-tourism infrastructure) to stimulate job creation and revenue generation while the TDA and SAP are being finalized."

19th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

The Project interventions are designed to achieve the development objective of improving the capacity of the riparian countries to manage the transboundary natural resources of the Gulf of Fonseca. Project investments are focused on the preparation of the TDA and SAP, strengthening transboundary and regional institutions, and building stakeholder participation, including through a pilot program of small community grants intended to provide demonstration effects and build stakeholder ownership of the planning process. While these initiatives will provide a framework for subsequent investment in the sustainable development

of the Gulf, the economic benefits of the Project interventions have not been estimated given their highly upstream nature.

WB 5/17/23:

The following paragraph has been added as para 65 of the project paper: The project will support beneficiaries to develop innovative models for community management of shared resources under different biophysical and geographic conditions, seeking and showcasing opportunities to incentivize the entrepreneurship and participation of women. In the context of COVID-19 recovery, these demonstration investments will include an initial set of no-regrets initiatives (for example mangrove restoration and the refurbishment of small-scale eco-tourism infrastructure) to stimulate job creation and revenue generation while the TDA and SAP are being finalized. The activities to be supported by the small grants program will have local economic benefits including via reforestation through mangrove restoration, agroforestry and silvopastoral systems; improvement in integrated landscape management practices in Gulf of Fonseca watersheds targeting soil and water conservation; increased waste and pollution management in Gulf of Fonseca watersheds; increased sustainable fishing and aquaculture activities with a focus on strengthening value chains; and targeted community-scale investments in nature-based tourism. The criteria for the small grants is based on: (i) impact of the investment on improved management of coastal resources; (ii) readiness of the grantee to receive and manage grants; (iii) potential of the grant to leverage co-financing for the proposed initiative, including from the private sector; (iv) environmental, social and economic sustainability of the proposed activity; (v) replicability and scalability of the investment; (vi) social impact on community enhancement, job creation, gender equality, and the inclusion of Indigenous People.

Annexes

Are all the required annexes attached and adequately responded to?

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): No

- (1) Please upload the completed core indicators worksheet to the portal.
- (2) Regarding the Appendix A project budget, please address the following:
 - (a) Please include a Responsible Entity for each budget line
 - (b) Please briefly describe what Int'l consultant 1 and Int'l consultant 2 are / how they contribute to Component 1 outcomes.
 - (c) Please describe what "Other Operating Costs" are under PMC (\$20,000).

(d) Please describe the role of the "Technical Coordinator" in each country.

(e) Table B GEF financing and the Budget Table totals are not congruent for each component and for PMC. Please revise accordingly.

8th of May 2023 (thenshaw):

(1) Not addressed. Please include the Core Indicators worksheet in the portal with Core Indicators 7 and 11 populated.

(2)

(a) Addressed.

(b) Addressed.

(c) Addressed.

(d) Addressed.

(e) Addressed.

19th of May 2023 (thenshaw):

(1) Addressed.

Agency Response

WB 4/18/23:

1. Core indicators worksheet has not been included as the project has established a target only for core indicators 7 and 11.

2. Project Budget has been updated in the portal to incorporate responses to the comments received. These responses are also provided below

a) Responsible entity for all activities is CCAD.

b) International consultant firm(s) will prepare:

For component 1: (i) TDA thematic reports (e.g., on ecosystem status, stakeholder analysis, governance arrangements); (ii) estimates of the financial resources required for SAP implementation (including for Monitoring and Evaluation), and estimate of the climate co-benefits of the proposed investments

For component 2: detailed methodology for environmental, social and economic monitoring

c) Other operating costs include costs associated with project operation on a day-to-day basis and administrative management, such as bank charges and office costs (rents, utilities, communications, insurance).

d) Technical project coordinators will be hired in each country to support the TDA and Strategic Action Plan (Honduras, El Salvador, & Nicaragua) and support the riparian Task Force.

e) This has been revised.

WB 5/17/23:

The core indicator worksheet is uploaded.

Project Results Framework

Secretariat Comment at CEO Endorsement Request

:29th of October 2022 (thenshaw): Partly,

(1) The results framework does not include Component 2 outputs/outcomes, including [IW:LEARN](#) activities. Please revise accordingly, responding to Germany's comments.

(2) Annex A is missing from the portal. Please copy and paste Annex A from the project document into the Annex A portal section.

8th of May 2023 (thenshaw):

(1) Addressed.

(2) Annex A is outside the portal margins. Please reformat (consider screenshot and pasting the table into the portal).

Please include in the Results Framework that "1 Shared water ecosystem will be placed under new or improved cooperative management"

19th of May 2023 (thenshaw)

(2) Addressed.

Agency Response

WB 4/18/23:

Results framework has been included in the portal. The results framework includes an intermediate indicator to monitor updates to the project website compliant with the IW:LEARN toolkit.

WB 5/17/23:

Annex A has been reformatted. The project will report on GEF sub-indicators 7.1, 7.2, and 7.4 contributing to core indicator 7. The project has corresponding indicators in the results framework relating to (i) development and ministerial endorsement of TDA and SAP (Core Indicator 7.1); (ii) establishment of Gulf of Fonseca task force with ministerial representation from the three countries (C.I. 7.3) (iii) Trinational environment, social and economic monitoring system for the Gulf of Fonseca endorsed at ministerial level (C.I. 7.3) ; and (iv) Updates to project website compliant with IW:LEARN toolkit (C.I. 7.4). The project paper has been adjusted to reflect that the project will report on these GEF sub-indicators through a new footnote 17 (para 48 of the project paper) and adjustments to Annex 5 of the project paper.

GEF Secretariat comments

Secretariat Comment at CEO Endorsement Request None

Agency Response

Council comments

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): No, please address the following:

(1) Please respond directly to the comments in the response matrix, rather than "Please see Annex X...". Please provide detailed responses.

(2) These responses are not adequate. A number of responses state "Detailed information will be presented in the final project paper". The responses in the matrix should now include the detailed information requested. Please revise accordingly.

8th of May 2023 (thenshaw):

(1) Addressed.

(2) Council comments are responded to in the CEO Document Request. Additional detail is provided in the accompanying Project Paper.

Theory of Change is found in Annex 1 of the Project Paper.

Agency Response

WB 4/18/23:

The responses to Council comments have been revised and uploaded into the portal.

STAP comments

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): No, please address the following:

(1) Please respond directly to the comments in the response matrix, rather than "Please see Annex X...".

(2) These responses are not adequate. Please respond to each sub-question and please carry out final calculations/discussions and reflect final outcomes of calculations/discussions accordingly.

6th of May 2023 (thenshaw):

(1) Addressed.

(2) Partly Addressed. Please note that the "alternative scenario" is captured by the theory of change (the alternative scenario to the baseline). Please remove "There is no proposed alternative scenario at the moment" to avoid confusion.

19th of May 2023 (thenshaw):

(2) Addressed.

Agency Response

WB 4/18/23:

The responses to STAP comments have been revised and uploaded into the portal.

WB 5/17/23:

This sentence has been removed.

Convention Secretariat comments

Secretariat Comment at CEO Endorsement Request No comments

Agency Response

Other Agencies comments

Secretariat Comment at CEO Endorsement Request No comments

Agency Response

CSOs comments

Secretariat Comment at CEO Endorsement Request No comments

Agency Response

Status of PPG utilization

Secretariat Comment at CEO Endorsement Request

29th of October 2022 (thenshaw): No, please address the following:

(1) It is noted that PPG funds are only now being utilized (October 2022). Regardless, please include a PPG status and utilization table with four columns: (i) project preparation activity; (ii) budgeted amount; (iii) amount spent to date; (iv) amount committed and complete to the extent possible.

6th of May 2023 (thenshaw):

(1) Partly. Please include an English version of the table in the CEO Document entry. Please include a PPG status and utilization table with four columns: (i) project preparation activity; (ii) budgeted amount; (iii) amount spent to date; (iv) amount committed and mark \$0's in each row/column.

19th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

Please refer to response and table provided above regarding PPG utilization.

WB 5/17/23:

This Spanish version has been replaced with an English version uploaded to Annex C of the portal.

Project maps and coordinates

Secretariat Comment at CEO Endorsement Request
29th of October 2022 (thenshaw): No, please address the following:

(1) Please include project coordinates.

6th of May 2023 (thenshaw): Addressed.

Agency Response

WB 4/18/23:

This has been done.

Does the termsheet in Annex F provide finalized financial terms and conditions? Does the termsheet and financial structure address concerns raised at PIF stage and that were pending to be resolved ahead of CEO endorsement? (For NGI Only)

Secretariat Comment at CEO Endorsement Request

N/A

Agency Response

Do the Reflow Table Annex G and the Trustee Excel Sheet for reflows provide accurate reflow expectations of the project submitted? Assumptions for Reflows can be submitted to explain expected reflows. (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

Did the agency Annex H provided with information to assess the Agency Capacity to generate and manage reflows? (For NGI Only)

Secretariat Comment at CEO Endorsement Request N/A

Agency Response

GEFSEC DECISION

RECOMMENDATION

Is CEO endorsement recommended? (applies only to projects and child projects)

Secretariat Comment at CEO Endorsement Request

22 of October 2022 (thenshaw): No, please secure and upload Nicaragua LOE and resubmit. Thank you.

3rd of November 2022 (thenshaw): No, please address above comments and resubmit. Thank you.

8th of May 2023 (thenshaw): No, please address above comments and resubmit. Thank you.

26th of May 2023 (thenshaw): Yes

Review Dates

	Secretariat Comment at CEO Endorsement	Response to Secretariat comments
First Review	10/22/2022	10/24/2022
Additional Review (as necessary)	11/3/2022	4/24/2023
Additional Review (as necessary)	5/8/2023	5/19/2023
Additional Review (as necessary)	5/26/2023	
Additional Review (as necessary)		

CEO Recommendation

Brief reasoning for CEO Recommendations