



GEF SECRETARIAT REVIEW FOR FULL/MEDIUM-SIZED PROJECTS* THE GEF/LDCF/SCCF/NPIF TRUST FUNDS

GEF ID:	5400		
Country/Region:	Global		
Project Title:	Targeted Research for Improving Understanding of the Global Nitrogen Cycle towards the Establishment of an International Nutrient Management System INMS		
GEF Agency:	UNEP	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	International Waters
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	IW-3;		
Anticipated Financing PPG:	\$150,000	Project Grant:	\$6,000,000
Co-financing:	\$47,622,900	Total Project Cost:	\$53,772,900
PIF Approval:		Council Approval/Expected:	March 03, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Steffen Hansen	Agency Contact Person:	Edward Felix Dwumfour

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion ¹	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible ?	The project is a global project.	
	2. Has the operational focal point endorsed the project?	The project is global.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?		
	• the focal area allocation?	SHansen (10.04): Yes	
	• the LDCF under the principle of equitable access		
	• the SCCF (Adaptation or Technology Transfer)?		

*Some questions here are to be answered only at PIF or CEO endorsement. No need to provide response in gray cells.

¹ Work Program Inclusion (WPI) applies to FSPs only. Submission of FSP PIFs will simultaneously be considered for WPI.
FSP/MSP review template: updated January 2013

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	<ul style="list-style-type: none"> the Nagoya Protocol Investment Fund focal area set-aside? 		
Strategic Alignment	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF results framework and strategic objectives?</p> <p><i>For BD projects: Has the project explicitly articulated which Aichi Target(s) the project will help achieve and are SMART indicators identified, that will be used to track progress toward achieving the Aichi target(s).</i></p>	<p>(April 26)</p> <p>Please note that the project is a targeted research project and should therefore follow a targeted research project approach. Also, since it is targeted research, the project will undergo a STAP/panel review prior to CEO clearance into the WP.</p> <p>SHansen (10.04)</p> <p>Final STAP report has been reviewed and the TR project concept has been commented by STAP.</p> <p>(April 26)</p> <p>The project is well-aligned with IW strategy with suggested activities under OBJ 3. Also, the project is in line with future activities under GEF 6 (with an emerging emphasis on multi focal area approaches), while at the same time addressing the recommendations regarding reactive nitrogen identified in the STAP report : "Hypoxia and nutrient reduction in the costal zone".</p>	
	<p>5. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>N/A Project is global.</p>	

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<p>Project Design</p>	<p>6. Is (are) the baseline project(s), including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?</p>	<p>(April 26)</p> <p>1. Please explain how to avoid overlap between the GEF funded UNEP project (GEF ID # 4212) and the proposed International Nutrient Management System project?</p> <p>SHansen (10.04): This point has been addressed sufficiently at PIF stage. However, prior to CEO endorsement please do deliver a more detailed explanation describing how overlap is kept at an absolut minimum, while synergies between the two projects are maximized.</p> <p>12.27 (SHansen): Changes to PIF are noted. Also, GEF notes the formation of a Scientific and Policy Advisory Group and strongly recommend that this group exist (and expand as needed) through out the entire project duration. Further, GEF would welcome a strong representation of private sector stakeholders both during PPG and implementation stage (e.g. leading biorefinery entrepreneurs/scientists, and selected agricultural organization representatives from sectors which has achieved high N/P use efficiency in combination with upholding a competetive export of agri. goods).</p> <p>(April 26)</p> <p>2. Please provide status of implementation of the GEF funded</p>	

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		<p>UNEP project (GEF ID # 4212) "Global Foundations for reducing nutrient enrichment", perhaps in an annex to this PIF;</p> <p>SHansen (10.04): Addressed (April 26)</p> <p>-A large cohort of collaborating scientific institutions is envisaged to co-finance this project. It would be extremely useful to provide a brief description of each of their activities/projects, proposed to provide input to this targeted research project. Assuming that these research activities are part of the baseline project a short summary of those research activities should be inserted in the PIF (e.g. as an annex).</p> <p>SHansen (10.04): Addressed (April 26)</p> <p>-Please further explain the synergies/links between 1) "the Global program of Action for the protection of the Marine Environment from Land-based activities" 2) "the Global Partnership on Nutrient Management (GPNM)" and 3) the proposed "International Nitrogen Management Initiative"?</p> <p>SHansen (10.04): Addressed (April 26)</p>	

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		<p>- More precisely, what is it that we on a global level (realistically) hope to achieve?</p> <p>SHansen (10.04): Prior to CEO endorsement please do provide a more detailed description of the policy options for track 1. This includes the criteria for an appropriate science based policy and advisory system.</p> <p>Further, and as pointed out in the STAP comments, the GPA has been assumed as the de facto arrangement. This should be analysed further in the project preparation phase, with a view to either identifying additional options, and/or providing greater focus on what is needed in the policy institution(s).</p> <p>GEF IW is pleased to see that barriers to effective implementation of new policy frameworks are addressed, hereunder developing a tool box with a strong focus on cost competitive solutions. However, achieving both environmental benefits and food and energy security, while not significantly reducing industry competitiveness is not an easy message to deliver. Hence, great care must be taken to frame this message, building on demonstraiton results, as this will reduce industry and political barriers towards successful intergovernmental cooperation within this important issue. GEF IW strongly welcomes national co-financing activities which are expected to allow inclusion of case studies from developed</p>	

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		<p>countries (as an example the Danish case clearly proves how a comprehensive policy framework have spurred innovation and substantial improvements in N and P use efficiency, within a competitive market context).</p> <p>SHansen (12.27): Addressed sufficiently at PIF stage.</p>	
	<p>7. Are the components, outcomes and outputs in the project framework (Table B) clear, sound and appropriately detailed?</p>	<p>(April 26)</p> <p>-Please provide a clear picture in terms of what is the recent scientific knowledge on N cycle, what are the main drivers of its disruption and where the scientific knowledge gap should be filled to help future GEF nutrient reduction projects to address those drivers and to reduce the pressures causing disruption of the GNC.</p> <p>SHansen (10.04): A more detailed picture has been provided. Also, project component 2 will produce a compendium summarizing the state of knowledge, experience and measures adopted by GEF (and others) gained from addressing the issues of excess and insufficient reactive N. This will help secure that limited GEF funds are optimized specifically towards filling out knowledge gaps, thereby achieving significant impact.</p> <p>(April 26)</p> <p>-Given the large volume of existing scientific work within the scientific field please add as part of the expected project output: A compendium describing the</p>	

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		<p>comprehensive amount of knowledge/experiences and measures (policy, technical) that GEF and other relevant sources has financed within the areas too little/too much N. The STAP document "Hypoxia and Nutrient Reduction in the Coastal Zone" describes only a limited part of GEF knowledge, since it mainly deals with case studies. The compendium should include a description of our current knowledge regarding drivers and challenges (including factors for success and failures and bottlenecks for up-scaling), and could act as the fundament on which the different project components build upon.</p> <p>SHansen (10.04): Addressed</p> <p>(April 26)</p> <p>-A more detailed preliminary indication of demonstration activities is necessary to evaluate appropriateness of the relatively large amount of GEF funding going into project component 3. Therefore, please do elaborate on project component three (3):</p> <p>1) What type of demonstrations should be implemented, how should the demonstrations be implemented, where should they be implemented and why should they be implemented? (hereunder how the three demonstration activities will contribute with new valuable knowledge within the field)</p>	

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		<p>SHansen (10.04): A more detailed description of location and nature of activities have been added. However, prior to technical clearance of the project the pilots require additional clarification (as discussed in phone conference): It should be further clarified how each individual pilot acts to calibrate the models/developed tool. Within this context please do be aware that the pilots should not merely pilot new management measures, which is rarely sustainable or feasible in a research effort. Hence, further clarification on aim of these pilots will be looked at also in conjunction of justifying overall project envelope. (One or two para's per planned demonstration should be sufficient at this stage).</p> <p>SHansen (12.27): The PIF PPG section states that a detailed review of potential demonstration activities and locations - building on existing or planned interventions (both GEF and non-GEF funded) - is to be undertaken during project preparation. However, prior to technical clearance please look at project component 3 and revise text to better reflect this important point. More specifically, component 3 heading should be rephrased so that it explicitly shows that this component builds on EXISTING and/or PLANNED demonstrations. Further, this logic must appear more clearly throughout several of the bullets that define the strategy for the project design for demonstration and verification. Following these changes other sections of</p>	

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		<p>the PIF (e.g. table B) should be revised as needed.</p> <p>SHansen (1.15.2014): By CEO endorsement please revise the heading belonging to component 3 along the lines of: "Demonstration and verification of management tools at the local / national levels (building on existing or planned interventions)"</p> <p>Shansen (10/04): Prior to CEO endorsement please do carefully consider the following three points:</p> <p>1) When further developing the demonstrations please be aware that GEF can only fund demonstrations that works with ongoing or planned nitrogen management programmes. This approach will ensure that the vast amount of existing data is incorporated, and increase the likelihood of both obtaining and analyzing data within project duration.</p> <p>SHansen (12.27): See above comments</p> <p>2) We are concerned that the large number of demonstrations will spread IW funds (component 3: \$1.5 million) too thinly (also taking into consideration expected travel costs), ultimately limiting impact, which would not be acceptable. Hence, when further developing the demonstrations please either limit the number of demonstration or 2) deliver a convincing argument as to how to overcome this issue. For example, will</p>	

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		<p>the substantial amount of co-finance listed under project componet 3 act to address these concerns?</p> <p>SHansen (12.27): Addressed. GEF notes that the current list of demonstrations represents only candidate demonstration areas and that, pending agreement with GEF and stakeholders during the PPG phase, it is anticipated that a smaller group will be finalized.</p> <p>3) Finally, and to the extent possible, GEF IW would like to see that demonstrations not only involves researchers and policy makers, but also private sector.</p> <p>SHansen (12.27): Prior to technical clearance of the project please in table B component 1 and 4 include outputs which specifically targets the private sector.</p> <p>SHansen (1.15.2014): Addressed</p> <p>(April 26)</p> <p>Please describe the involvement of different stakeholders in demonstrations? As an example, involvement of private sector stakeholders is often vital to understand possible barriers for up-scaling of activities.</p> <p>SHansen (10.04): Addressed (please also see box 17).</p>	

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		<p>SHansen (10.04): Please do correct the error in the PIF project title: It should refer to the "International Nitrogen Management System (INMS) " and not Nutrient System (all other references in the doc are correct).</p> <p>SHansen (12.27): Even though the opposite is argued in the comments responds sheet the title is still wrong. Please do correct project title.</p> <p>SHansen (1.15.2014): Addressed</p>	
	<p>8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?</p>	<p>(April 26)</p> <p>A) Yes, there is indeed a rising need to increase international awareness/understanding of the disruption of the nitrogen cycle and future challenges, as stated by the STAP. Development of a set of agreed quantification and assesment methods could potentially act as a common basis for regional/global scenarios to guide management actions. However, in order to evaluate the potential effect of new management tools please do address the different questions as stated under "components, outcomes and outputs in the project framework".</p> <p>SHansen (10.04): Addressed</p> <p>(April 26)</p> <p>B) Yes, the project potentially constitutes a significant leap forward creating</p>	

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		valuable information to feed into an intergovernmental policy process. The effectiveness of an enforced intergovernmental process to create improved socio economic benefits will depend on efficient management tools specific for different regions/locations.	
	9. Is there a clear description of: a) the socio-economic benefits , including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/ additional benefits?		
	10. Is the role of public participation, including CSOs, and indigenous peoples where relevant, identified and explicit means for their engagement explained?	(April 26) Prior to CEO endorsement please provide a description of how public participation, CSOs and indigenous peoples will be involved in the demonstration activities.	
	11. Does the project take into account potential major risks, including the consequences of climate change, and describes sufficient risk mitigation measures? (e.g., measures to enhance climate resilience)	(April 26) -Taking into consideration that the project is global relevant risks has been pointed out (mainly relating to proper scientific collaboration and not least a fruitful transference of assessments to the relevant political level). These risks should be further elaborated prior to CEO endorsement. SHansen (10.04): The overall budget for component 3 has been reduced (1.8 to 1.5 mio USD from GEF resources with 160 K USD moved to component 2 to dev. the compendium and 140 K USD to component 4 to strengthen the	

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		<p>engagement of stakeholders at all levels (in response to STAP comments)). However, insufficient outreach is still considered a major risk. Therefore, and as pointed out in previous comments, by CEO endorsement please do provide a more detailed description as to how this complex message will be communicated to key stakeholders.</p> <p>(April 26)</p> <p>-Prior to CEO endorsement please elaborate on the mitigation strategy regarding country-buy-in: how will the project ensure a representative buy in from e.g. farmer's organizations?</p>	
	<p>12. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>(April 26)</p> <p>Please do address previously stated in the baseline (box 6).</p> <p>SHansen (10.04):</p> <p>Addressed.</p>	
	<p>13. Comment on the project's innovative aspects, sustainability, and potential for scaling up.</p> <ul style="list-style-type: none"> • Assess whether the project is innovative and if so, how, and if not, why not. • Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience. 	<p>(April 26)</p> <p>The project is innovative in a number of ways. A key and necessary innovative part of the project is including cost benefit estimates of multiple externalities related to the disrupted nitrogen cycle. The sustainability and potential for scaling up and achieving impact is largely dependent on the projects ability to include policy makers (as pointed out in the risk assessment) and develop management tools that attracts private</p>	

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	<ul style="list-style-type: none"> Assess the potential for scaling up the project's intervention. 	<p>sector investment.</p> <p>SHansen (10.04):</p> <p>Prior to CEO endorsement please better explain the global trade of fertilizers, food crops, animal feed, energy and live-stock products and the way in which these flows may constrain the adaption of best management N practices. Also, if this targeted research proposal plans to take into account the production of animal feed and effects on the N cycle please do consider the latest scientific evidence and incorporate into the analysis the volume and feed value of protein feed products (DDGS and similar products) from current biofuels production. Such an approach would be highly innovative and potentially highlight specific industry players with capacity (volume of processed biomass and financial resources) to act as champions towards increasing N use efficiency within the production of animal products. Also, data arising from this analysis could be considered in the inventory of options for action (incl. costs) and as part of the agreed indicators used for measuring progress within nitrogen efficiency in complex energy/food production systems.</p> <p>SHansen (12.27): Addressed sufficiently at PIF stage. GEF notes that global trade involving reactive nitrogen from biorefinery co-products will be considered during PPG stage and that the possibility of co-finance from this sector</p>	

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		<p>further investigated. As a starting point a dialogue with the European based ethanol industry organization Epure is encouraged.</p> <p>SHansen (10.04): Prior to CEO endorsement please do provide a convincing description of the future sustainability of the INMS, e.g. who will fund the INMS beyond the current project period (network of scientific institutions etc.).</p>	
	<p>14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?</p>		
	<p>15. Has the cost-effectiveness of the project been sufficiently demonstrated, including the cost-effectiveness of the project design as compared to alternative approaches to achieve similar benefits?</p>		
Project Financing	<p>16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?</p>	<p>(April 26)</p> <p>By CEO endorsement please do address the points in the baseline (box 6) and components, outcomes and outputs (box 7) in order to evaluate the appropriateness of GEF funding.</p>	
	<p>17. <u>At PIF</u>: Is the indicated amount and composition of co-financing as indicated in Table C adequate? Is the amount that the Agency bringing to the project in line with its role? <u>At CEO endorsement</u>: Has co-</p>	<p>(April 26)</p> <p>-Please do elaborate on the possibility of linking to the regional activities of the EU framework programs and acquire co-finance from this source?</p>	

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	financing been confirmed?	<p>SHansen (10.04): Addressed (April 26)</p> <p>-Please do explain the overweight of scientific co-finance compared to private sector co-finance and elaborate on the possibility of including a broader segment of key private sector stakeholders? While aware of the necessity to involve a large scientific capacity within the listed project components, a larger share of private sector co-financing is needed to secure private sector ownership and identification of barriers for up-scaling of management practices.</p> <p>SHansen (10.04): This issue has been addressed sufficiently in the revised PIF. However, GEF notes that section A. 1.6 states that "the developing business network continues to be built through interventions at key international conferences (e.g. European Green Week, Brussels; G8 Summit Northern Ireland, 2013), and will substantially increase in gravity through the PPG stage and during the project itself".</p>	
	18. Is the funding level for project management cost appropriate?	<p>(April 26)</p> <p>Yes, the PMC is acceptable with PMC constituting app 4.3 %</p>	
	19. <u>At PIF</u> , is PPG requested? If the requested amount deviates from the norm, has the Agency provided adequate justification that the level requested is in line	<p>Yes, a request of 150k is requested is acceptable.</p>	

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	with project design needs? <u>At CEO endorsement/ approval,</u> if PPG is completed, did Agency report on the activities using the PPG fund?		
	20. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?	(April 26) No non grant	
Project Monitoring and Evaluation	21. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	22. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	23. Has the Agency adequately responded to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• The Council? • Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	24. Is PIF clearance/approval being recommended?	Not yet. The agency is asked to elaborate on and clarify issues raised in boxes above, including to follow GEF policy and procedures for targeted research projects. SHansen (10.4): No. Please address the remaining point under box 7 regardig clarification of pilots. As explained during the meeting Oct. 2 Clarification on aim of these pilots will be looked at in conjunction of	

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		<p>justifying overall project envelope. Further, please do note that an extensive set of comments needs to be addressed by CEO endorsement.</p> <p>Please be aware that a review of the draft final targeted research prodoc by a STAP Advisory Science Committee prior to CEO endorsement stage is both desirable and likely. UNEP will be kindly asked to plan accordingly and allow appropriate time before endorsement (at least a month before endorsement plus give an early "heads-up" to STAP to allow for timely constitution of the advisory science committee).</p> <p>Finally, please do note that a strong mid term evaluation should be delivered, allowing for uptake of project results from component 1 and 2 within the larger GEF IW portfolio.</p> <p>SHansen (12.27):</p> <p>No. Please address the remaining points in box 7. Points are also listed below:</p> <ul style="list-style-type: none"> - The PIF PPG section states that a detailed review of potential demonstration activities and locations - building on existing or planned interventions - is to be undertaken during project preparation. However, prior to technical clearance please look at project component 3 and revise text to better reflect this important point. More specifically, component 3 heading should 	

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		<p>be refrased so that it explicitly shows that this component builds on EXISTING and/or PLANNED demonstrations. Further, this logic must appear more clearly throughout several of the bullets that outline the strategy for project design for demonstration and verification (p 27-29). Following these changes other sections of the PIF (e.g. table B) should be revised as needed.</p> <p>- Prior to technical clearance of the project please in table B (component 1 and 4) include outputs which specifically targets the private sector.</p> <p>- Even though the opposite is argued in the comments responds sheet the title is still wrong. Please do correct project title.</p> <p>SHansen (1.15.2014): Yes, the project is technically cleared.</p>	
	25. Items to consider at CEO endorsement/approval.		
Recommendation at CEO Endorsement/ Approval	26. Is CEO endorsement/approval being recommended?		
	First review*		
Review Date (s)	Additional review (as necessary)		
	Additional review (as necessary)		

*** This is the first time the Program Manager provides full comments for the project. Subsequent follow-up reviews should be recorded. For specific comments for each section, please insert a date after comments. Greyed areas in each section do not need comments.**