



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

GEF ID:	4778		
Country/Region:	Albania		
Project Title:	Environmental Services Project		
GEF Agency:	World Bank	GEF Agency Project ID:	128412 (World Bank)
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):		CCM-5; CCM-5; LD-1; LD-1; LD-1; LD-3; LD-3; SFM/REDD+-1; SFM/REDD+-2; Project Mana; SFM/REDD+-1; SFM/REDD+-2;	
Anticipated Financing PPG:	\$0	Project Grant:	\$2,884,848
Co-financing:	\$22,574,815	Total Project Cost:	\$25,459,663
PIF Approval:		Council Approval/Expected:	June 01, 2012
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ulrich Apel	Agency Contact Person:	Angela Armstrong

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating country eligible?	13 DEC 2011 UA: Yes.	
	2. Has the operational focal point endorsed the project?	13 DEC 2011 UA: Yes. Letter dated 12 Sept 2011, signed by Pellumb Abeshi.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	13 DEC 2011 UA: Yes. World Bank has also been the implementing agency for the NRDP, which forms the major part of the baseline project.	
	4. If there is a non-grant instrument in the project, is the GEF Agency capable of managing it?	n/a	
	5. Does the project fit into the Agency's program and staff capacity in the country?	13 DEC 2011 UA: Yes. In line with CAS. Support will be provided by Country Office.	
	6. Is the proposed Grant (including the Agency fee) within the resources		

Resource Availability			
	• the STAR allocation?	13 DEC 2011 UA: Yes.	
	• the focal area allocation?	13 DEC 2011 UA: Yes. It is noted that Albania falls under the flexibility threshold for using its STAR allocation.	
	• the LDCF under the principle of equitable access	n/a	
	• the SCCF (Adaptation or Technology Transfer)?	n/a	
	• Nagoya Protocol Investment Fund	n/a	
	• focal area set-aside?	13 DEC 2011 UA: Yes for SFM incentive funding.	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	<p>13 DEC 2011 UA: Yes, aligned. However, it is to be discussed whether the project aligns with the BD-2 objective.</p> <p>Moreover, the project proposals needs to better justify an additional SFM/REDD incentive (see also #14).</p> <p>PLEASE NOTE that in Table A it is required to provide an indicative financing amount for each FA Outcome, which is lacking for the SFM/REDD outcomes.</p> <p>4 Apr 2012: a) In Table A for the SFM/REDD+ focal areas, each outcome needs its own row and funding estimate. Please modify. b) The biodiversity focal area has been removed as discussed. A few biodiversity outcomes remain in Table B. Please remove these unless they are</p>	

		12 April 2012 UA:	
	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	<p>13 DEC 2011 UA: CCM-5, BD-2, LD-1, LD-3, SFM/REDD-1, SFM/REDD-2</p> <p>It should be discussed whether the objective BD-2 is addressed by the project. Please note that with the flexibility of Albania in using STAR (see #6) BD resources could be used to pursue either CCM-5 or LD objectives.</p> <p>Has been discussed. Cleared.</p>	
	9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	<p>13 DEC 2011 UA: Partly. Consistence with UNCCD needs to be elaborated on.</p> <p>14 Dec 2011 LH: Project is consistent with forest sector of Second National Communication for UNFCCC.</p>	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	<p>13 DEC 2011 UA: Not fully.</p> <p>12/13/11 FJ: The sustainability of the activities and their environment benefit is not clear yet.</p> <p>FJ “ Apr 4, 2012: Cleared. This will need to be detailed for CEO-endorsement.</p>	
	11. 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>13 DEC 2011 UA: Not fully. The description of the baseline project mixes the description of baseline activities with project activities. This is confusing, since the proposed GEF-project cannot be the baseline project at the same time. Please describe the baseline project(s)/activities in a more concise way. It is understood that the NRDP is the main baseline project</p>	

Project Design		<p>build. If that is the case, please briefly describe what are the lessons learned from this investment, whether there is (new) innovation compared to earlier approaches and why an additional GEF funding is required for scaling up and replicating the approach.</p> <p>12/13/11 FJ: A clear description of why the previous similar project, having almost the same objectives, did not succeed would be useful.</p> <p>FJ “ Apr 4, 2012: Cleared. This may need to be detailed for CEO-endorsement.</p>	
	12. Has the cost-effectiveness been sufficiently demonstrated, including the cost-effectiveness of the project design approach as compared to alternative approaches to achieve similar benefits?		
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>13 DEC 2011 UA: Not fully. Incremental reasoning has been applied. However, based on a more concise description of the baseline, the incremental part could be better elaborated on. Furthermore, please note that BD benefits are insufficiently described. Please either consider to adjust the project framework by taking out the BD objective or otherwise elaborate on the envisaged global BD benefits.</p> <p>Finally, the incremental value of the SFM/REDD+ incentive funding is not clearly described.</p> <p>FJ “ Apr 4, 2012: Cleared. This will</p>	

		endorsement.	
	14. Is the project framework sound and sufficiently clear?	<p>13 DEC 2011 UA: Not fully. The project does not clearly describe why an additional incentive funding through the SFM/REDD incentive mechanism is necessary to achieve its objectives. What would be the added value created by this additional investment that cannot be financed out of the STAR contributions?</p> <p>The project framework could greatly benefit from providing quantitative targets - even if only estimates. Currently, there are only vague indications of the project scope in terms of hectares, numbers, beneficiaries, etc.</p> <p>Please also provide more information on what kind of equipment and logistical support is proposed to be funded by GEF under component 3.2.</p> <p>Dec 14 11/LH: a) Under component 2, sequestered carbon under the GEF project cannot be paid for through CDM. Voluntary markets are recommended. CDM is an offset mechanism. There is no incremental value for the GEF to spur CDM transactions and create offsets to meet Annex I countries' targets. Emission reductions generated by the GEF project shouldn't be certified as CERs. This is to avoid double counting of emission reductions. If this project signs ERPA</p>	

		<p>voluntary carbon markets.</p> <p>b) In component 2, what is being monitored by the monitoring systems being designed and developed, and which objectives are envisioned to fund these? Please briefly describe.</p> <p>c) The CCM-5 objectives should be focused on reducing carbon in the atmosphere or on measurement or monitoring systems for carbon benefits. It is difficult to show carbon benefits to the atmosphere due to only focusing on reducing soil erosion, the translocation of soil from one place to another. However, CCM-5 activities of reforestation or afforestation or windbreaks have the effect of reducing soil erosion, and the carbon sequestration benefits in the biomass are counted. For the CCM-5 activities, please focus on and discuss the activities that have carbon benefits, including measurement systems to ensure real benefits. The fact that soil erosion is reduced is a welcome side benefit.</p> <p>d) Many of the silvicultural activities mentioned (such as thinning, cleaning, coppicing) do not show carbon benefits. Please be clear which activities are being proposed for carbon benefits.</p> <p>e) Please briefly describe proposed design of carbon monitoring systems mentioned in component 3.1. What is their scope, scale (for example landscape, project etc) and purpose?</p>	
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	<p>forest inventory, but this project will help complete a sample based forest inventory of the transferred lands. Please describe the ability of that inventory system to be adopted as part of a future national system. How well will the monitoring system proposed in component 2 be able to tie into or inform a national system, if and when it is developed? A more comprehensive national forest inventory (and carbon monitoring system), which typically also has plot locations on nonforest lands, and provides forest area estimates is important in understanding what is happening to forests on land areas not being directly tended. This is important information for baselines. For those activities being proposed designing any less than national system, please briefly explain what synergies are being considered so that the local systems may feed into a national system when developed.</p> <p>4 Apr 2012: Item a) was not addressed. Please state clearly in the text that either GEF funds will not be used for CDM projects, OR, if it is planned to use GEF funds for CDM projects specify briefly that reflows from CDM projects financed with GEF funding will be applied back to the project or local people</p> <p>Items c) and d) were addressed.</p> <p>Items b, e, and f) were partially addressed. At CEO endorsement, more</p>	
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		carbon inventory and monitoring systems, including synergies of local and subnational or national systems.	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>13 DEC 2011 UA: This will be answered in the next review, after more quantitative information has been provided.</p> <p>12/13/11 FJ&amp;LH: Because CCM-5 is listed as a FA objective, a preliminary estimation of GHG gains and brief documentation explaining the assumptions is needed for further analysis. The baseline should recognize forest carbon gains occurring on lands that are not being directly tended (that is, natural regeneration).</p> <p>FJ “ Apr 4, 2012: Cleared. More detailed information is expected at CEO endorsement.</p>	
	16. 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?	<p>13 DEC 2011 UA&amp;FJ: Yes. Has been described. A clear support to participation of women is identified.</p> <p>By CEO endorsement stage, further details are required, in particular on how to address the gender dimensions.</p>	
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	<p>13 DEC 2011 UA: Not fully. Please briefly elaborate on the role of CSOs and NGOs in the proposed project.</p>	
	18. Does the project take into account potential major risks, including the consequences of climate change and provides sufficient risk mitigation measures? (i.e., climate resilience)	<p>13 DEC 2011 UA: Not fully.</p> <p>12/13/11 FJ: The development of private property could interact negatively with the common rights that previous activities have managed to develop. Please address this as a risk.</p>	

		FJ â€“ Apr 4, 2012: The previous comment has not been addressed.  FJ â€“ Apr 12, 2012: Cleared.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	13 DEC 2011 UA: Not fully. This section requires elaboration and mentioning of the NRDP parts that are still ongoing and other activities e.g. funded by PROFOR.  FJ â€“ Apr 4, 2012: Cleared.	
	20. Is the project implementation/ execution arrangement adequate?	13 DEC 2011 UA: Yes.	
	21. Is the project structure sufficiently close to what was presented at PIF, with clear justifications for changes?		
	22. If there is a non-grant instrument in the project, is there a reasonable calendar of reflows included?		
Project Financing	23. Is funding level for project management cost appropriate?	13 DEC 2011 UA: Yes, indicative at 5%.	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	13 DEC 2011 UA: Yes.  12/13/11 FJ: Answer to #14 needed for proper assessment  FJ â€“ Apr 4, 2012: Cleared.	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	13 DEC 2011 UA&FJ: The indicative co-financing ratio is roughly 1:7, which is considered appropriate.	
	26. Is the co-financing amount that the	13 DEC 2011 UA:	

	line with its role?	be used to co-finance the project.	
Project Monitoring and Evaluation	27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?		
	28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?		
Agency Responses	29. Has the Agency responded adequately to comments from:		
	• STAP?		
	• Convention Secretariat?		
	• Council comments?		
	• Other GEF Agencies?		
Secretariat Recommendation			
Recommendation at PIF Stage	<b>30. Is PIF clearance/approval being recommended?</b>	13 DEC 2011 UA & 14 Dec 2011 CCM: No. Please address clarification requests and comments.  10 April 2012: No. Please address the outstanding clarification requests of this review (see #7, #18). Upon receipt of a revised version, PMs will recommend the project for CEO clearance.	
	31. Items to consider at CEO endorsement/approval.	14 Dec 2011 CCM: More precise estimates of carbon benefits are expected at CEO endorsement.	
Recommendation at CEO Endorsement/ Approval	32. At endorsement/approval, did Agency include the progress of PPG with clear information of commitment status of the PPG?		
	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	December 13, 2011	
	Additional review (as necessary)	April 10, 2012	
	Additional review (as necessary)	April 12, 2012	
	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.**

#### REQUEST FOR PPG APPROVAL

Review Criteria	Decision Points	Program Manager Comments
PPG Budget	1. Are the proposed activities for project preparation appropriate?	
	2. Is itemized budget justified?	
Secretariat Recommendation	<b>3. Is PPG approval being recommended?</b>	
	4. Other comments	
Review Date (s)	First review*	
	Additional review (as necessary)	

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