



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

GEF ID:	4579		
Country/Region:	Bhutan		
Project Title:	SFM - Sustainable Financing for Biodiversity Conservation and Natural Resources Management		
GEF Agency:	World Bank	GEF Agency Project ID:	
Type of Trust Fund:	GEF Trust Fund	GEF Focal Area (s):	Multi Focal Area
GEF-5 Focal Area/ LDCF/SCCF Objective (s):	BD-1; BD-1; LD-1; LD-1; LD-3; SFM/REDD+-1;		
Anticipated Financing PPG:	\$0	Project Grant:	\$4,080,000
Co-financing:	\$12,328,000	Total Project Cost:	\$16,408,000
PIF Approval:		Council Approval/Expected:	
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Ulrich Apel	Agency Contact Person:	Akiko Nakagawa

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?	YW: Yes, Bhutan has ratified the CBD and UNCCD and eligible for GEF financing for the focal areas.	
	2. Has the operational focal point endorsed the project?	YW: Yes, a letter dated June 24 2011 is attached, which confirms use of total STAR of \$3,699,300 and access SFM incentive fund of \$931,700. The amount noted in the PIF is smaller than these amount noted by the OFP. Please clarify and revise as necessary.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	YW: Yes, the experience of the WB team and also linkage with the recently approved regional wildlife project involving tiger conservation.	
	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	YW: The linkage with the CAS is briefly noted. What is the WB capacity	

		addition to the regional team. Pls clarify. 08-22-2011 UA: Has been clarified.	
Resource Availability	6. Is the proposed Grant (including the Agency fee) within the resources available from (mark all that apply):		
	<ul style="list-style-type: none"> the STAR allocation? 	<p>YW: Yes, the total STAR allocation for Bhutan is \$4.5m and this project is designed to utilize total \$3.58million, consisted of BD \$3m and LD \$0.57m (this is based on the PIF and please note regarding the inconsistency with the OFP's letter). Additional SFM finance is sought in an amount of \$902,000, less than the maximum 1 to 3 ratio. Please provide a brief explanation of the reason why a smaller amount is requested.</p> <p>The STAR allocation to Bhutan is: BD \$2m, CC \$2m, LD \$0.5m, total \$4.5 million. It is categorized as a flexible country, thus allowed to shift the allocation among focal areas.</p> <p>Please also clarify how the remaining funding of approx \$800000 is planned to be used to recognize the overall GEF-5 resource plan.</p> <p>08-22-2011 UA: Has been clarified.</p>	
	<ul style="list-style-type: none"> the focal area allocation? 	<p>YW: Please refer above and it is fine.</p> <p>08-22-2011 UA: Has been clarified</p>	

	<ul style="list-style-type: none"> • the LDCF under the principle of equitable access 	n/a	
	<ul style="list-style-type: none"> • the SCCF (Adaptation or Technology Transfer)? 	n/a	
	<ul style="list-style-type: none"> • focal area set-aside? 	n/a	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF results framework?	<p>YW: The project's link to BD1, LD 1 and 3, and SFM 1 are confirmed.</p> <p>On the BD1.1 outcomes and outputs, it was clarified that only NEW PA would be accounted under the results based management framework and not the existing PAs. Please kindly revise it accordingly.</p> <p>08-22-2011 UA: Has been revised.</p>	
	8. Are the relevant GEF 5 focal/ multifocal areas/LDCF/SCCF objectives identified?	<p>IG and YW: To access the SFM incentive the project must include creation of some carbon benefits. The text notes that the project will lead to about 150,000 tons of reduced carbon through carbon sequestration. Based on this, please consider including Outcome 1.2.(b) 'Enhanced carbon sinks from reduced forest degradation' in Tables A and B to use it as an indicator to quantify the tonnes C this will result in. (In this context, please explain briefly in the PIF on how the estimated 150,000 tons of carbon have been calculated.)</p> <p>In table B, please replace "sustainable exploitation" with "sustainable management".</p> <p>08-22-2011 UA: Has been addressed.</p>	
	9. Is the project consistent with the	YW: Please provide further information	

	strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP?	and NAP under the relevant section (section A.2.). 08-22-2011 UA: Information has been provided.	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	IG: Component 2 includes support for improved practice at community and farm level which will develop capacities, however the mechanism for or the target audience for Component 3 is not clear - please provide more information. 08-22-2011 UA: Has been addressed.	
Project Design	11. Is the description of the baseline project/ scenario – what is happening in the project area without GEF project – reliable?	IG: Section B1 provides some information on existing BTFEC grant making as well as WWF, RGoB and BTFEC financial support for the 3 PAs - please provide further detail on these baseline activities. Component 2 includes activities outside of the PAs in the HANAS, however there is very limited information on baseline activities in these areas - please provide further information. YW: The linkage between the component 1 and component 2/3 are rather unclear. Please provide further explanation upfront regarding the link, i.e. component 2/3 as a key pilot/initiative under the strengthened BTFEC and it would be funded through the BTFEC sinking fund. Is the sinking fund established under the BTFEC? How would it be managed? Please clarify. The linkage between this project and the	

		<p>is not very clear. Please provide further information on how the two initiatives are linked and will be coordinated.</p> <p>08-22-2011 UA: Has been explained.</p>	
	12. If GEF does not provide funding, is the rest of the project funded by other partners viable?	<p>YW: The scenario with and without GEF financing is not very clear. Please provide further information on the scenario without GEF alternative to further clarify the incrementality of the GEF investment.</p> <p>08-22-2011 UA: Has been addressed in the resubmission.</p>	
	13. Are the activities that will be financed using GEF/LDCF/SCCF funding based on incremental/additional reasoning?	<p>IG: Please see Question 11 on the need for clarity on the baseline scenario.</p> <p>08-22-2011 UA: Has been explained.</p>	
	14. Is the project framework sound and sufficiently clear?	<p>IG/YW: Please provide additional information in the text of Component 2 - there are a number of Expected Outputs in Tables A and B which are not reflected in Section B2. Additionally, please make clear the intended project area, in particular the non-PA HANAS is not clearly defined.</p> <p>08-22-2011 UA: Has been addressed.</p>	
	15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?	<p>IG: Please explain the project's ability to influence management in outside the 3 PAs and HANAS, as described in Component 3. While the project could prepare guidelines and help build capacity, it is not clear how the project can effect change in management practice in these areas.</p>	

		Has been addressed.	
	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>IG/YW: B2, Component 2 notes the project will support activities at farm and community level - however there is little information on the socio-economic benefits except for general livelihood improvement as described in B3. Please provide further information on the expected socio-economic benefits. Moreover, on the gender issue, it is not clear how the project will reach out to the women and vulnerable groups. Please provide a little more information on the methods and approach that the project will be using.</p> <p>08-22-2011 UA: Has been adequately addressed.</p>	
	17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly?	<p>IG: B5 provides description of the local and central levels - but does not provide much information on how communities will be involved. Please provide additional information.</p> <p>08-22-2011 UA: Has been adequately addressed.</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)	YW: Yes, adequate at this stage but further detail analysis is required by the time of CEO endorsement.	
	19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?	IG: The project makes limited reference to community-based forest management despite CBFM despite many years of practice in Bhutan. Please explain how the project links to existing CBFM initiatives.	

		<p>YW: Please also explain how the project will build on the specific lessons from the former GEF LINKPA project, which is closely related.</p> <p>On a minor point, the project title noted under section B6 is not consistent with the current project title.</p> <p>08-22-2011 UA: These points have been addressed.</p>	
	20. Is the project implementation/ execution arrangement adequate?	YW: Considered adequate at this stage. Further details on the roles of each organization and mechanism should be clarified during project preparation.	
	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?	<p>iG/YW: Pls clarify whether there are no Project Management Costs (GEF and co-financing) involved for this project. If that is the case, please clarify how the project management cost, including personnel, travel, etc would be covered under this project.</p> <p>08-22-2011 UA: Has been explained. PMC are not requested as the BTF is an existing organization totally funded in terms of administrative costs.</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>Yes, but refer below.</p> <p>08-22-2011 UA: Has been adequately addressed in #25.</p>	

	<p>cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.</p>	<p>million, a ratio of 1:2.24 on GEF funds, 72% is cash co-finance.</p> <p>YW: Considering the project's potential linkage with ongoing and planned agriculture and forest initiatives, cofinancing opportunities should be further explored. GEF would like to discuss co-financing opportunities in more detail in the review process.</p> <p>08-22-2011 UA: Co-financing has been increased.</p>	
	<p>26. Is the co-financing amount that the Agency is bringing to the project in line with its role?</p>	<p>The WB is cofinancing \$2.028 million with its regional IDA project on wildlife trade (total regional allocation of \$41.25 million). Considering the role of the World Bank, the GEF would like to discuss additional co-financing opportunities.</p> <p>08-22-2011 UA: Has been discussed and addressed.</p>	
Project Monitoring and Evaluation	<p>27. Have the appropriate Tracking Tools been included with information for all relevant indicators, as applicable?</p>		
	<p>28. Does the proposal include a budgeted M&E Plan that monitors and measures results with indicators and targets?</p>		
Agency Responses	<p>29. Has the Agency responded adequately to comments from:</p>		
	<ul style="list-style-type: none"> • STAP? 	<p>Please provide adequate response when comments are provided.</p>	
	<ul style="list-style-type: none"> • Convention Secretariat? 	<p>Please provide adequate response when comments are provided.</p>	
	<ul style="list-style-type: none"> • Council comments? 		
	<ul style="list-style-type: none"> • Other GEF Agencies? 	<p>Please provide adequate response when comments are provided.</p>	

Recommendation at PIF Stage	30. Is PIF clearance/approval being recommended?	No, please refer to the comments provided above and provide additional information and revise the document accordingly. Upon receipt of a revised document that adequately respond to the comments, the PMs will recommend the PIF for work program inclusion. 08-22-2011 UA: Yes. All comments and clarification requests have been adequately addressed.	
	31. Items to consider at CEO endorsement/approval.		
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?		
	33. Is CEO endorsement/approval being recommended?		
Review Date (s)	First review*	July 25, 2011	
	Additional review (as necessary)	August 22, 2011	
	Additional review (as necessary)		
	Additional review (as necessary)		
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* **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?	Activity 1 regarding developing TORs and oversight seems to be an activity that needs to be covered by the Agency fee rather than PPG. Please clarify and revise as necessary. Activity 2 seems rather costly for an assessment of an existing trust fund. Please

		<p>For all activities, it would be helpful to know what type of costs are involved, such as consultant, workshop, travel, etc.</p> <p>08-22-2011 UA: Has been adequately revised.</p>
	2. Is itemized budget justified?	<p>it is rather unclear why the person weeks are only for GEF grant. it seems more logical and appropriate to determine the person weeks and cost for both GEF and cofinance. Please clarify.</p> <p>The rate for the international consultant is rather high at \$3400 a week, \$680 a day. Please revise as necessary. The person weeks of 20 (5 months) also seems rather excessive for the identified tasks. Please clarify and revise as necessary.</p> <p>08-22-2011 UA: Has been adequately revised.</p>
Secretariat Recommendation	3. Is PPG approval being recommended?	<p>No, please refer to the comments above and provide necessary information. Upon receipt of a revised PPG that adequately respond to the comments made, the PM will recommend for PPG approval once the PIF is also technical cleared.</p> <p>08-22-2011 UA: Yes.</p>
	4. Other comments	
Review Date (s)	First review*	July 25, 2011
	Additional review (as necessary)	August 22, 2011

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