



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

GEF ID:	4779		
Country/Region:	Bosnia-Herzegovina		
Project Title:	Sustainable Forest and Abandoned Land Management		
GEF Agency:	World Bank	GEF Agency Project ID:	129961 (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-3; LD-3; LD-3; SFM/REDD+-1; SFM/REDD+-1; SFM/REDD+-2; SFM/REDD+-2; Project Mana;		
Anticipated Financing PPG:	\$0	Project Grant:	\$5,575,758
Co-financing:	\$18,400,000	Total Project Cost:	\$23,975,758
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?	Dec 13 2011/LH: Yes, UNFCCC ratified in the year 2000.	
	2. Has the operational focal point endorsed the project?	Dec 13 2011/UA: Yes. Letter dated 18 NOV 2011, signed by Senad Oprasic.  2 Apr 2011 LH: Yes, new letter dated 16 March 2012, signed by Mr. Senad Oprasic.	
Agency's Comparative Advantage	3. Is the Agency's comparative advantage for this project clearly described and supported?	Dec 13 2011/UA: Yes. The World Bank has long standing experience in supporting the forest sector in Eastern Europe.	
	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?	Dec 13 2011/UA: Yes.	

Resource Availability	Agency fee) within the resources available from (mark all that apply):		
	• the STAR allocation?	Dec 13 2011/UA: Yes.	
	• the focal area allocation?	Dec 13 2011/UA: Yes. It is noted that BiH falls under the threshold of \$7 million, which allows for flexibility in using the 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?	Dec 13 2011/UA: Yes, the maximum incentive ratio of 1:3 is applied for SFM/REDD+ funding.	
Project Consistency	7. Is the project aligned with the focal /multifocal areas/ LDCF/SCCF/NPIF results framework?	Dec 13 2011/UA: Not fully. a) It has to be discussed whether the project fits with BD-2 b) The LD investments into the forest sector would be better aligned with LD-2 c) The linkage to the SFM/REDD+ program is not clear  Mar 27, 2012 UA: Yes. a) BD allocation has been shifted to LD and CC, under the flexibility rule. b) Has been discussed and LD-3 considered more appropriate. c) Addressed.  Cleared	

	8. Are the relevant GEF 5 focal/multifocal areas/LDCF/SCCF/NPIF objectives identified?	Dec 13 2011/UA: Currently: BD-2, CCM-5, LD-3, SFM/REDD-1, SFM/REDD-2  Mar 27, 2012 UA: CCM-5, LD-3, SFM/REDD-1, SFM/REDD-2	
	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?	Dec 13 2011/LH & UA: Please check for consistency with their National Communication to the UNFCCC, 2009. And for consistency with UNCCD related programs.  Mar 27, 2012 UA: Please check for consistency with UNCCD related programs. The section on CBD related programs could be shortened as the project does not apply for BD funding anymore. 2 Apr 2012 LH: Although it may be more covered in section B.1., the project's consistency with the UNFCCC National Communication is addressed.  Cleared	
	10. Does the proposal clearly articulate how the capacities developed, if any, will contribute to the sustainability of project outcomes?	Dec 13 2011/UA: n/a - capacity building is not a major component of this project.	
	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?	Dec 13 2011/LH & UA: a) There are some possible major issues listed in the National Communication to the UNFCCC which are not mentioned as underlying problems or in the risk table. For instance, the National Communication mentions that about 10% of the forested area has land mines, and some disputed ownership issues are mentioned. Please be clear what specific barriers the project is	

Project Design		<p>b) Knowing the general area of the country that field activities would be conducted is useful in helping show the synergies expected in a multi-focal area project.</p> <p>c) The description of the baseline project and the problems it seeks to address do not justify a GEF multi-focal area investment. From a GEF perspective, there are no problems described that the GEF-objectives would address.</p> <p>Mar 27, 2012 UA: Has been adequately addressed.</p> <p>Cleared</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>Dec 13 2011/UA: No. The PIF does not make the case for an incremental value of GEF funding over the baseline as described.</p> <p>Mar 27, 2012 UA: Yes. Incremental reasoning has been applied.</p> <p>Cleared</p>	
	14. Is the project framework sound and sufficiently clear?	<p>Dec 13 2011/LH &amp; UA: a) The CCM-5 objectives are focused on reducing carbon in the atmosphere or on measurement or monitoring systems. It is difficult to show carbon benefits to</p>	

	<p>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 objectives, please focus on and discuss the activities that have carbon benefits. The fact that soil erosion is reduced is a welcome side benefit.</p> <p>b) It is not clear what the term sustainability means here. The project objective should specifically mention that multiple global environmental benefits including carbon benefits will be produced.</p> <p>c) We expect to see some initial estimates of carbon benefit estimates for forest operations especially reforestation and afforestation, and number of hectares to be treated, and the general area of work.</p> <p>d) Please briefly describe how the proposed design and implementation of carbon monitoring systems relates (if it does) to the existing national forest inventory. What is their scope, scale (for example landscape, project etc) and purpose?</p> <p>e) In terms of engaging in the carbon market, GEF funds should not be used for CDM projects because those are offsets under the Convention and would lead to double counting of carbon benefits. Please be clear that CERs will not be produced with GEF funds. (VERs are acceptable.)</p> <p>f) In Table B, please also list funding</p>	
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	<p>component.</p> <p>g) The scope of the project is unclear in several aspects, i.e. what forest ownership type is targeted and which beneficiaries.</p> <p>h) 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>i) In line with comments to #13, the major question is whether the entire project framework adequately addresses GEF-5 objectives. It is particularly questionable whether the project is suitable to apply for SFM/REDD+ incentive funding. The major problem here is that the considerable investments into forest road infrastructure could be seen as subsidizing activities that ultimately support industrial logging.</p> <p>Mar 27, 2012 UA: Re comment (i): The PIF has been revised in a way that the concern regarding the forest road investment has been addressed.</p> <p>New comment (ii): The quantification of outputs in Table A (this should also appear in table B) of in total 5,000 ha of forest area covered by the project appears to be a very small area for the scale of the investment (\$6.5 million for output CCM 5.2 and \$3.8 million for output SFM/REDD 1.2). Moreover, the share of 80% government forest and 20% community forest might be in line with SFI but a stronger focus on community forests might be warranted</p>	
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		<p>benefits.</p> <p>2 Apr 2012 LH: Items a, b, e, g, and h have been addressed. Item c has been partially addressed, but please see response to question 15. Please address item f). Just type in the funding amount and focal name by component for GEF funding. Item d) has been better addressed in the text, but the funding estimates in Table A for a carbon monitoring system (from both CCM and SFM) are quite different than the amount listed in Table B. Much of component 2.1 should probably be listed as funding for an inventory system. Perhaps addressing item f) may help determine what focal area is funding the inventory or information system, and that may clarify the funding.</p> <p>April 11, 2012 UA: Items c), d), and f) have been addressed. Adequate explanation has been provided for the additional clarification request concerning the area coverage.</p> <p>Cleared</p>	
	<p>15. Are the applied methodology and assumptions for the description of the incremental/additional benefits sound and appropriate?</p>	<p>Dec 13 2011/LH &amp; UA: Not really. At the PIF stage, please provide planned CO2 benefits for the activities in the field, such as for reforestation/afforestation. These can be rudimentary estimates such as multiplying planned areas times increased sequestration factors or reduced emission factors. These factors can be based on IPCC Tier 1 or using FAO EX-ACT tool or by using factors from the scientific literature.</p>	

		<p>Be sure to calculate the CO2 benefits of the project in comparison to CO2 benefits of the baseline scenario of natural regeneration processes on abandoned lands. That is, lands that are not tended are accruing CO2 benefits already without the project, so the project benefits should be additional to these.</p> <p>2 Apr 2012 LH: Thank you for the CO2 benefits estimates in B.2. 1.e. Please include a bit more information including the citation for the source of the emissions or sequestration factors. For example, the calculation for reduction in area burned by wildfire (1000 ha) is a reduction in emission rather than sequestration. As stated previously, these factors can be based on IPCC Tier 1 or by using factors from the scientific literature but please note the source.</p> <p>10 April 2012: Estimates are adequate at PIF, thank you. By CEO endorsement, estimates should be further examined.</p> <p>Cleared.</p>	
	<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>	<p>Dec 13 2011/UA: No. Please refer to other comments above.</p> <p>Mar 27, 2012 UA: Yes. Sufficient at PIF stage. More details would be required at CEO endorsement stage.</p> <p>Cleared</p>	



	<p>17. Is public participation, including CSOs and indigeneous people, taken into consideration, their role identified and addressed properly?</p>	<p>Dec 13 2011/UA: No. This is not sufficiently addressed, in particular CSO and NGO involvement is not addressed.</p> <p>Mar 27, 2012 UA: Yes. sufficient at PIF stage. More details would be required at CEO endorsement stage.</p> <p>Cleared</p>	
	<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>	<p>Dec 13 2011/LH: Forest fires are listed as a concern in the National Communication. Please consider climate risks and possible mitigation activities.</p> <p>2 Apr 2012 LH: Thank you for the modification. Addressed.</p> <p>Cleared</p>	
	<p>19. Is the project consistent and properly coordinated with other related initiatives in the country or in the region?</p>	<p>Dec 13 2011/UA: No. it is not clear how this project links to the listed activities.</p> <p>Mar 27, 2012 UA: Yes. Further details have been provided.</p> <p>Cleared</p>	
	<p>20. Is the project implementation/ execution arrangement adequate?</p>	<p>Dec 13 2011/UA: The responsible Ministries have been listed but no arrangements are being described.</p> <p>Mar 27, 2012 UA: Yes. Additional information has been provided.</p> <p>Cleared</p>	

	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>Dec 13 2011/UA: Yes, indicative at 5%.</p> <p>Mar 27, 2012 UA: No. Justification for more than 5% is not considered appropriate. The increased costs in BiH due to separate PIUs will have to be covered out of co-financing. Please adjust.</p> <p>April 11, 2012 UA: Adjusted to 5%.</p> <p>Cleared</p>	
	24. Is the funding and co-financing per objective appropriate and adequate to achieve the expected outcomes and outputs?	<p>Dec 13 2011/LH: It is not totally clear. Multi-focal area projects are thought to take advantage of synergies. Please briefly describe what synergies in general were sought in the design of this PIF.</p> <p>2 Apr 2012 LH: Sufficient at PIF stage. More details about synergies should be made clear at CEO endorsement.</p> <p>Cleared</p>	
	25. At PIF: comment on the indicated cofinancing; At CEO endorsement: indicate if confirmed co-financing is provided.	<p>Dec 13 2011/UA: Co-financing is basically provided through a \$25 million IBRD loan. However, this loan is also used to fund the baseline project. It is not fully clear what is baseline funding vs. co-</p>	

		<p>Mar 27, 2012 UA: The co-financing has been revised to \$18.4 million, of which 13.8 million is in kind. This is not a very attractive ratio of co-financing, in particular in view of the application for \$1.53 million of additional funds from the SFM/REDD+ account.</p> <p>2 Apr 2012 LH: Please note at the time of CEO endorsement, letters will be needed for all cofinanciers including the individual Cantonal and entity forest enterprises.</p>	
	26. Is the co-financing amount that the Agency is bringing to the project in line with its role?	<p>Dec 13 2011/UA: Please refer to #25.</p> <p>Cleared</p>	
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>	<p>Dec 13 2011/UA &amp; LH: No. The proposed project does not adequately address GEF-5 objectives. It is particularly questionable whether the project is suitable to apply for</p>	

		<p>major problem here is that the considerable investments into forest road infrastructure could be seen as subsidizing activities that ultimately support industrial logging. Before further developing the project proposal, a consultation with GEFSEC is recommended.</p> <p>Mar 27, 2012 UA &amp; LH: No. Please respond to comments and clarification request. Please provide the answers to GEF comments also in a table format for easy reference and comparison with changes in the different PIF versions.</p> <p>April 11, 2012 UA &amp; LH: Yes. PMs recommended the PIF for CEO clearance.</p>	
	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?		
	<b>33. Is CEO endorsement/approval being recommended?</b>		
Review Date (s)	First review*	December 13, 2011	
	Additional review (as necessary)	April 02, 2012	
	Additional review (as necessary)	April 11, 2012	
	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.

### 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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