

STAP Review of UNEP/GEF project brief

“Global Technology Transfer Networks”

by

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General findings

1. The proposed UNEP/GEF strategic partnership in developing Global Technology Transfer Networks to facilitate increased market uptake of Sustainable Alternatives (SANET) will provide a new tool in disseminating information on and enhancing the implementation of sustainable technologies and methodologies in developing countries if the programme will be conducted and managed in an effective manner.
2. The Global Technology Transfer Networks programme addresses a real need: technology choices and management decision-making is getting more and more complicated due to accelerating innovations, changing opportunities and complexity of potential solutions. Access to all this information is already problematic. The Internet now offers attractive communication opportunities and together with the decision support and foreseen dialogues, the programme may provide an effective approach to guide decision-making towards sustainable alternatives.
3. The programme will certainly therefore contribute to fostering implementation of more sustainable alternatives and thus contribute to the overall GEF's objectives. The project offers the potential to achieve high leverage in implementing GEF's goals in a more effective manner.
4. Added value of the project mainly derives from the increase in efficiency and improved project development through the use of the different types of support provided: technology information and decision support realised by a broad dialogue network. The project itself builds on existing examples of international networks. Successful pilot projects of UNEP and its partners will be replicated within the programme in other working areas.
5. If successful, the project will establish cross cutting sustainable networks covering the objectives of all MEA's and directly related fields. Experience with existing international networks and recent technological developments (world wide web) provide a sound basis for successful programme initiatives. The programme will facilitate and stimulate the realisation of synergy implementing the goals of different international conventions.
6. By its nature, the project is based and depending on effective linkages to other programmes and organisations at all levels (national, regional, multi-national). Relevant stakeholders will be involved in different stages of project implementation. Capacity building is sufficiently addressed and complements country based institutional

strengthening efforts of UNDP. The project builds on innovative information technologies.

Project brief comments

7. The background and context of the programme are well explained and focus on the critical elements to be addressed by the programme. The structure of the project brief however is not very clear and could be improved significantly. In the Annex a draft content for the project brief is presented.
8. The project brief already identifies most of the already available organisations, programmes, websites, databases and other relevant centres of expertise that may contribute to programme implementation and that should be actively involved in further project development. This will require changes in attitudes and methodologies currently applied by these centres/organisations that may not always be easy to realise.
9. The project will benefit from experiences in other international and global networks that have been developed during recent years providing important knowledge and expertise in the development and maintenance of such networks e.g. the Global Water Partnership (GWP).
10. Given the complexity and potential reach of the proposed programme assessing and determining mid and long term budgetary needs for proposed network activities appears to be premature. Therefore no comments are being provided on the financing of the programme. The proposed initial budgetary shares for the GEF seem to be adequate to initiate and test the project approach. However, given the range of emerging markets for technologies that can help to protect the environment, one should take into account that the demand for offered decision support tools, especially the DSF is likely to grow exponentially, as it becomes better known by GEF clients. Taking into account that only a very small fraction of the incoming requests for decision support can be accommodated during the prototype phase, project management must develop a clear strategy for prioritisation in a way that added value, i.e. impact on decision making and the arising global environmental benefits, can be clearly verified towards the end of the prototype phase. Based on experiences in the pilot stage budgetary provisions should be detailed further.

Potential problems and constraints

11. The need for technology transfer in the field of sustainable alternatives is generally acknowledged. Sustainable development is hard to achieve especially as often economic factors guide towards less sustainable options. The SANET programme can be considered as the realisation of a boundary condition for enhanced sustainable development but is certainly not the primary driving force for sustainable development. A primary requisite for successful SANET implementation will be an increased attention among decision-makers (financing institutes, governments, companies) leading towards clear market developments based on sustainable technologies and methodologies. Current markets for sustainable alternatives are not sufficiently developed despite the number of Multilateral Environmental Agreements. Therefore facilitation of expeditious growth appears to be a

12. The wide range of existing organisations and systems (databases, web-sites etc) in the field of sustainable alternatives, especially in energy, provides an indication of the complex nature of this challenge. Strong and professional programme and prototype management is required to make these different elements work together leading to tangible added value avoiding duplication or even obstruction.
13. The project brief indicates a number of risks related to project's sustainability one of which is co-funding and revenue. Revenues from users will only be realised if users identify a clear advantage in using the network e.g. if SANET indeed delivers sustainable and economical alternatives, and helps to identify new business opportunities. In this respect the project should minimise risk by focusing on those users (e.g. financing institutes) that offer best chances of financial and economic advantages. Although the project brief mentions financing institutes as a primary network target, the leveraging potentials through other groups of decision makers that have instrumental influence on technology transfer (investors, regulators, manufacturers etc.) should be thoroughly examined. Creative ways to engage all of them in cross cutting networks will need to be explored in the prototype phase.

Programme management

14. The project brief needs to be complemented by a comprehensive operations plan, that clarifies the roles of the different operating partners and division of labour in overall network management and organisation. UNOPS should be made responsible for objective and professional administration of operational project funds according to clear terms that need to be spelled out explicitly in the proposed performance contract. . The different project elements/networks will require specific and dedicated project management and facilitation by partners who have a clear, comparative advantage in taking the lead in their respective networking areas

Recommendations

15. Make mainstream financing institutes with interest in emerging technology markets the main target group for the prototype phase of this programme. Through their financing means these financing organisations have strong and direct influence on public and private decision-makers.
16. Distribute limited decision support and networking capacities during the prototype phase among a small number of specific technology markets like solar energy, biomass to energy, sustainable forestry, sustainable agriculture etc. This will allow bringing together dedicated experts (technologies, financing, economics, and cultural aspects) with the involved decision makers. The appropriate mix of experts and involved decision makers is essential and should be facilitated by professional networkers responsible for driving the network, communication within the network and with the related decision-makers.
17. Link up with existing national technology transfer organisations like the Technology Transfer Society in the US and similar organisations in the EU and EU Member States.

UNEP Responses to the STAP review:

The feedback provided by the STAP reviewer supports the network design. Risks and challenges referred to in paragraphs 11 and 13 of the review are well recognized and reflected in the project brief. A phased and adaptable approach towards network implementation has been introduced in light of risk related STAP observations. This is to allow for testing and evaluation of proposed services before the network would be gradually expanded.

The following modifications have been introduced to the project brief in response to specific comments:

Paragraph 7: Project Brief Restructuring

The document has been restructured according to table content proposed by the STAP reviewer. This is to improve clarity and reader friendliness of the presentation.

Paragraph 12: Management Challenges Arising out of Complexity

A management partnership with UNOPS is proposed to address management challenges arising out of the complexity of the undertaking.

Paragraph 14: Need for Operations Plan

It has been clarified that in accordance with the GEF project cycle and related standard processing procedures a detailed network operations and business plan will be presented to the GEF prior to project endorsement.

Paragraph 15: Emphasis on Mainstream Financing Institutions

The proposed decision support facility (DSF) will be implemented in close collaboration with mainstream financing institutions. Risk sharing requests for alternative feasibility studies are to be endorsed by a mainstream financial institution before consideration by SANET.

Paragraphs 16 and 17: Limit Number of Focal Markets, Partner with Existing Technology Transfer Institutions

During phase one SANET operations will focus Integrated Natural Resource Management related markets. Partnerships are being explored with a wide range of technology transfer organizations in both developing and developed countries. Formal coalitions will be entered with a limited number of partner organizations that of most convincing baselines in terms of financing and service delivery.

PROJECT REVIEW SHEET
Work Program Inclusion - UNEP Multi Focal Area

Project Title: Global: Technology Transfer Networks

Date: April 18, 2001

	Work Program Inclusion per criteria established in Draft # 8 of the project review criteria	Reference Paragraphs and Explanatory Notes:
1. Country Ownership		
<ul style="list-style-type: none"> Country Eligibility 		<ul style="list-style-type: none"> Efforts will be directed to investments and technology transfer to and within countries that are eligible under paragraph 9b of the GEF Instrument – see cover page
<ul style="list-style-type: none"> Country Drivenness 	Clear description of Project's fit within: <ul style="list-style-type: none"> National reports/communications to Conventions National or sector development plans. Recommendations of appropriate regional intergovernmental meetings or agreements. 	<ul style="list-style-type: none"> Response to global demand identified by CBD, CCD and in corporate GEF assessments A comprehensive review of specific stakeholder needs in the different GEF recipient regions was conducted during Phase I of the UNEP/GEF partnership. The proposed networking approach is supported by the findings of "Critical Choices" – "The United Nations, Networks and the Future of Global Governance" the report of the "Visioning the UN Project" to the UN Secretary General, which was released in June 2000. Technology transfer is referred to in the conventions themselves para 3. FCCC related clearinghouse activities will be deferred until related convention guidance has been received. Suggested responses to convention decisions will be presented to GEF Council for approval prior to implementation.
<ul style="list-style-type: none"> Endorsement 	<ul style="list-style-type: none"> Endorsement by national operational focal points 	<ul style="list-style-type: none"> According to procedures established under UNDP's small grants program

	Work Program Inclusion per criteria established in Draft # 8 of the project review criteria	Reference Paragraphs and Explanatory Notes:
2. Program & Policy Conformity		
<ul style="list-style-type: none"> Program Designation & Conformity 	Describe how project objectives are consistent with Operational Program objectives or operational criteria	<ul style="list-style-type: none"> The network will facilitate removal of barriers to implementation of available and emerging “win/win” market solutions that are covered by GEF Operational programs 5, 6, 7, 10, 11 12, 13. Initial emphasis will be drawn on OP#12.
<ul style="list-style-type: none"> Project Design 	<p>Describe:</p> <ul style="list-style-type: none"> Sector issues, root causes, threats, barriers etc affecting global environment Project logical framework, including a consistent strategy, goals, objectives, outputs inputs/activities, measurable performance indicators, risks and assumptions Detailed description of goals, objectives, outputs and related assumptions, risks and performance indicators Brief description of project activities, including an explanation how the activities would result in project outputs. Global environmental benefits of the project. Incremental cost estimation based on the project logical framework <ul style="list-style-type: none"> Describe project outputs (and related activities & costs) that result in global environmental benefits Describe project outputs (and related activities & costs) that result in global and national environmental benefits Describe project outputs (and related activities & costs) that result in national environmental benefits Describe the process used to jointly estimate incremental cost with in-country project partner Present the incremental cost estimate. If presented as a range, then a brief explanation of the challenges and constraints and how these would be addressed by the time of CEO endorsement. 	<p>Information barriers are described in detail in para 6-8 and Box one describes results of the review of tech transfer needs</p> <p>A comprehensive Logical Framework is presented in Annex 2 page 35 including details for all parameters.</p> <p>Para 5 discusses digital access and developing country status</p> <p>Paras 44 to 64 describe the main activities of the project.</p> <p>All costs are laid out in the Project Financing para 87</p> <p>SANET will build strong baseline services and related operational budgets of identified partners. Partner budgets are expected to assure financing of recurrent costs. Temporary co-financing of incremental costs associated with the enhancement of available tools appears to be inevitable to enable their customization to GEF’s operational objectives, stakeholder needs, and the generation of related global benefits.</p>
<ul style="list-style-type: none"> Sustainability (including financial sustainability) 	Describe proposed approach to address factors influencing sustainability, within and/or outside the project to deal with these	Risks to Network Sustainability section para 83-87

	Work Program Inclusion per criteria established in Draft # 8 of the project review criteria	Reference Paragraphs and Explanatory Notes:
	factors	
<ul style="list-style-type: none"> • Replicability 	Describe the proposed approach to replication (for e.g. dissemination of lessons, training workshops, information exchange, national and regional forum etc.) (could be within project description)	The project is a means to replication itself. The business plan will be finalized and submitted prior to CEO endorsement.
<ul style="list-style-type: none"> • Stakeholder Involvement 	<ul style="list-style-type: none"> • Describe how stakeholders have been involved in project development • Describe the approach for stakeholder involvement in further project development and implementation 	The project seeks to link stakeholders together. A series of meetings and consultations have resulted in the formulation presented. The referenced material describes the network reviews in detail. Stakeholder consultation processes are discussed in section 5.1
<ul style="list-style-type: none"> • Monitoring & Evaluation 	<ul style="list-style-type: none"> • Describe how project design has incorporated lessons from similar projects in the past • Describe approach for project M&E system, based on the project logical framework, including the following elements: <ul style="list-style-type: none"> • Specifications of indicators for objectives and outputs, including alternate benchmarks, and means of measurement. • Outline organisational arrangement for implementing M&E • Indicative total cost of M&E (reflected in total project cost). 	The indicators are clearly defined in the Logical framework and benchmarks identified in the Monitoring Plan section. Costs for monitoring the project during execution are included in the management section. Section 5.4 discusses specific milestones for the initial phase and a mechanism to evolve the indicators for further phases.
3. Financing		
<ul style="list-style-type: none"> • Financing Plan 	<ul style="list-style-type: none"> • Estimate total project cost. • Estimate contribution by financing partners. • Propose type of financing instrument 	8.375 M\$ 4.390 M\$ GEF (Phase I 1.275, Phase II 2.710) Grant start up with introduction of partial fees to be tested. The network is expected to become self-sustaining over five to seven years.
Implementing Agency Fees	Propose IA fee	0.382 M\$ over phase I and II
<ul style="list-style-type: none"> • Cost-effectiveness 	<ul style="list-style-type: none"> • Estimate cost effectiveness, if feasible • Describe alternate project approaches considered and discarded 	Cost effectiveness resulting out of market leverage is expected to be very high. See paragraphs 31 to 35.
4. Institutional Coordination & Support		

	Work Program Inclusion per criteria established in Draft # 8 of the project review criteria	Reference Paragraphs and Explanatory Notes:
<u>IA Coordination and Support</u>	Describe how the proposed project is located within the IA's	Section 3.5 describes UNEP's Niche and Comparative Advantage. This Global project building on strengths identified in the Strategic Partnership. Para 15-30 describe current partner activities and baselines that support the project.
<ul style="list-style-type: none"> Core commitments & Linkages 	<ul style="list-style-type: none"> Country regional/global/sector programs GEF activities with potential influence on the proposed project (design & implementation) 	
<ul style="list-style-type: none"> Consultation, Coordination and Collaboration between IAs, and IAs and EAs, if appropriate. 	<ul style="list-style-type: none"> Describe how the proposed project relates to activities of other IAs and 4 RDBs in the country/region. Describe planned/agreed coordination, collaboration between IAs in project implementation. 	Para 14 to 17 and 22 to 30 describe collaborative prospects.
5. Response to Reviews		
Council	Respond to Council comments at pipeline entry	Circulated to Council for the Nov, 2000 Council meeting see para.1.
Convention Secretariat	Respond to comments from Convention Secretariat.	None received
GEF Secretariat	Respond to comments from GEFSec on draft project brief.	Extensive comments received resulting further revisions as now incorporated. Additional information to be provided prior to CEO endorsement are noted in the text at Par 87 91.
Other IAs and 4 RDBs	Respond to comments from other IAs, 4RDBs on draft project brief.	UNDP comments received and considered/incorporated. UNOPS has agreed to a performance contract and therefore we anticipate efficient management from them, Para 18 was added in reference to SEAF (a facility similar to IAF at DTIE). Procedural and editorial suggestions have been addressed. World Bank comments received and addressed.
STAP	Respond to comments by STAP at work program inclusion.	
Review by expert from STAP Roster	Respond to review by expert from STAP roster	The positive and helpful review has been utilized to significant benefit. Specifically the brief has been restructured and consolidated according to the outline provided by the STAP roster experts. Text clarifying issues that have been raised by the STAP reviewer has been added. Focussing the initial effort to a more defined scope is has been discussed in para 39.