



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

GEF ID:	5538		
Country/Region:	Regional (China, Indonesia, Cambodia, Philippines, Vietnam)		
Project Title:	Implementing the Strategic Action Programme for the South China Sea		
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-2; Project Mana;		
Anticipated Financing PPG:	\$300,000	Project Grant:	\$15,000,000
Co-financing:	\$56,060,000	Total Project Cost:	\$71,360,000
PIF Approval:	April 01, 2014	Council Approval/Expected:	May 01, 2014
CEO Endorsement/Approval		Expected Project Start Date:	
Program Manager:	Leah Karrer	Agency Contact Person:	Isabelle Van der Beck

Review Criteria	Questions	Secretariat Comment at PIF (PFD)/Work Program Inclusion <sup>1</sup>	Secretariat Comment At CEO Endorsement(FSP)/Approval (MSP)
Eligibility	1. Is the participating <b>country eligible</b> ?	19th of August 2013 (cseverin): Yes the participating countries are eligible	
	2. Has the <b>operational focal point</b> endorsed the project?	19th of August 2013 (cseverin): Four of the five participating countries have been endorsing the project. Please do provide the endorsement letter for China. China's participation is understood to be essential for the long term sustainability of the SAP implementation.  March 26, 2014 (IW): Yes. the China OFP letter has been received.	
Resource Availability	3. Is the proposed Grant (including the Agency fee) within the <b>resources available</b> from (mark all that apply):		

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	<ul style="list-style-type: none"> <li>• the STAR allocation?</li> </ul>		
	<ul style="list-style-type: none"> <li>• the focal area allocation?</li> </ul>	<p>19th of August 2013 (cseverin):NO, the amount of funds asked for for the implementation of this proposed project is too high, especially considering that the region received funds targetting Fish Refugias (which is part of the SAP priorities). Please do lower the amount considerably.</p> <p>March 21, 2014 (IW): In considering the funds, the allocation is currently: 1) \$7.65M for habitat degradation actions; 2) \$2M for knowledge strengthening for habitat &amp; LBS &amp; action for LBS; and, 3) \$4.63 for regional cooperation. Component 3 is focused on meetings, which is difficult to justify at such a high level; meanwhile, Component 2 has a series of policies and studies, which would seem to need far greater funding than meetings. It is hard to justify so much funding for Component 3 meetings. In addition, Component 1 is currently almost four times higher than Component 2. Please consider shifting funds into Component 2 from 3 and 1.</p> <p>March 26, 2014 (IW): To further clarify this previous point, while regional cooperation is recognized as very important, in considering the costs of the</p>	

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

<sup>1</sup> 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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		<p>Component 3 various activities (which are primarily meetings), these would seem to be lower than Component 2 (which is studies, modeling, monitoring, etc). Consequently, the Component 2 budget needs to be as high if not higher than the Component 3 budget. Please adjust so that Component 2 budget is as high or higher than Component 3.</p> <p>April 2, 2014: Yes. Funds have been reallocated so that Components 2 and 3 are equal. While this request has been addressed, the PPG phase will be an important time to reconsider allocating more funds to Component 2 (which is allocated half the funds of Component 1) given the importance of the activities in this component.</p>	
	<ul style="list-style-type: none"> <li>• the LDCF under the principle of equitable access</li> </ul>		
	<ul style="list-style-type: none"> <li>• the SCCF (Adaptation or Technology Transfer)?</li> </ul>		
	<ul style="list-style-type: none"> <li>• the Nagoya Protocol Investment Fund</li> </ul>		
<p><b>Strategic Alignment</b></p>	<p>4. Is the project aligned with the focal area/multifocal areas/ LDCF/SCCF/NPIF <b>results framework and strategic objectives</b>?  <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>19th of August 2013 (cseverin):Yes the project is aligned with the IW focal area Results Framework and the Strategic Objectives. Please do at time of CEO Endorsement articulate which Aichi targets that the project will be working towards supporting, as it appears that this specific proposed investment will potentially be having a quantifiable impact towards achieving one of more of these targets.</p>	

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	<p>5. Is the project consistent with the recipient <b>country's national strategies and plans</b> or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, NBSAP or NAP?</p>	<p>19th of August 2013 (cseverin): According to PIF, the proposed project is in accordance with the national strategies. However, it is troublesome to note that the Regional SAP agreed in 2008, and associated NAPs is being implemented primarily in Indonesia, Cambodia, Philippines and Vietnam. On this particular issue, the PIF does not offer any information as to what degree China have started implementing the NAPs. Having all five countries equally engaged will be essential towards achieving the objective of the project.</p> <p>January 28, 2014 (LKarrer): In order to support implementation of the 2008 SAP, we need documentation that the five nations have approved the SAP at the ministerial level. This high level approval is critical to demonstrating government commitment for implementation. Can you please provide documentation of this approval?</p> <p>If the SAP has not been approved at the minister level, then we need to reconsider the focus of the project. We recognize that it may not be possible to request SAP signatures at this point as SAP was completed in 2008. Instead, it may be necessary “ as noted in the last section of the PIF “ to first update the SAP and TDA. Such an update in the proposed project would adjust priority actions to new circumstances on the ground before implementation can begin in a future project. Once updated, the SAP would</p>	

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		<p>then require signature. Meanwhile a few demonstration projects from the 2008 SAP could be included to ensure continuity.</p> <p>In short, we suggest that the PIF be reformulated to focus on (i) updating the TDA and SAP to take account of new developments and to reflect any changes in priority actions; (ii) achieving signatures at the ministerial level; and, (iii) conducting a few demonstration efforts drawn from the 2008 SAP. Due to the shift from SAP implementation to more of a foundational project, the project funding needs to be reconsidered to be in line with these activities. Once the updated SAP has ministerial level signatures, a future project for implementation can be considered based on the agreed, revised SAP.</p> <p>March 21, 2014 (IW): Through further discussions we agreed that the MOU for the ministerial support for the SAP implementation will be signed during the PPG phase. While edits somewhat reflect these points, please make 2 changes to ensure clarity: 1) add a statement in A.1.2. Baseline where the 2008 SAP is noted, specifically to the effect, "...approved in 2008. The MOU for ministerial support for SAP implementation will be signed during the PPG phase. Management interventions..."; 2) in Component 3, please delete "expected" so reads instead, "One outcome of the PPG will be the</p>	

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		<p>minister signed MOU for the SAP implementation..." to ensure it is clear this will occur (not expected to occur) as a prerequisite for CEO endorsement.</p> <p>March 26, 2014 (IW): Points addressed. Thank you.</p>	
Project Design	6. Is (are) the <b>baseline project(s)</b> , including problem(s) that the baseline project(s) seek/s to address, sufficiently described and based on sound data and assumptions?	20th of August 2013 (cseverin): Yes, the baseline is sufficiently described and includes among others reference to the data that has been the background for the NAPs and the Regional SAP approved in 2008.	
	7. Are the components, outcomes and outputs in the <b>project framework</b> (Table B) clear, sound and appropriately detailed?	<p>20th of August 2013 (cseverin): Yes, and it is noted that they already at this early stage in project development includes some quantifiable indicators. However, please do further develop these.</p> <p>March 21, 2014 (IW): In consideration of the revised components, which include more quantified outputs (thank you), there are several final points:</p> <p>1) In addressing our concern that there be clear plans to implement national policies related to habitat degradation and LBS pollution (which are identified in the 2008 SAP), Component 1 now has stronger narrative regarding national strategies (thank you). In contrast, Component 2 has two new outputs (2.2.4 and 2.2.5) that mention national actions, but in vague terms. Output 2.2.4 does not state policies will be put in place, but that there will be a "prioritization of national and regional priority actions". Output 2.2.5 refers to the "review of legislative</p>	

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		<p>and institutional frameworks" and the "uptake of recommendations for amendments of national/provincial/policy/legislation/regulations in support of SAP implementation." The text is vague - it needs to be clear that national policies will be developed and implemented and more specifically what would be useful, but at least clear on this point. Please edit to address this concern both in Table B and in the A.1.3 narrative, which has similarly vague text.</p> <p>2) Whereas Component 1 is focused on habitat degradation policies; Component 2 is a mix of LBS policies and studies as well as habitat degradation studies and then the overall TDA/SAP. While it is late to be moving sections, at a minimum the LBS outcomes need to be much stronger. Currently this PIF is very heavy on habitat degradation in both Component 1 and 2 and quite light on LBS in Component 2. In fact in Component 2, there are 3 Outcomes related to habitat degradation (which again is already in Component 1) and only 1 Outcome on LBS. Please reconsider this distribution within Component 2 and any shifts to Component 1 (for example, 2.4 would seem more appropriate in Component 1).</p> <p>3) Output 2.5.3 notes "develop updated SAP". This needs to include, "adopted at the ministerial level."</p>	

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		<p>4) 3.1.4 is not explained in the narrative in A.1.3</p> <p>5) It needs to be clear that during PPG Phase, consideration will be given to the South China Sea Evaluation conducted by the GEF Evaluation Office in November, 2012.</p> <p>6. The Outputs for Component 3 is almost entirely meetings, which is hard to justify. Please reconsider outputs as the products and achievements of the meetings. For example "3.2.1 Cooperation with GEF SGP in the commissioning..." The Output would seem to more appropriately be the identification and implementation of community-based projects based on discussions with SGP. In the case of the Annual Mayors' Round Table - the reason those are being conducted would seem to be the Output.</p> <p>6. For PPG Phase - While we appreciate the revisions to better incorporate national policies, particularly in Component 1, the narrative still heavily emphasizes regional activities. There has clearly been much more thought regarding regional-level activities. This imbalance needs to be addressed during PPG phase at which time plans for implementation need to ensure national policies are adequately addressed and strengthened to the level of the regional activities.</p>	

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		<p>March 26, 2014 (IW): Thank you for revisions to address the concerns; however, there remain a few key points:</p> <ol style="list-style-type: none"> <li>1) Component 3 outputs read as a series of meetings. Please edit to reflect the impacts.</li> <li>2) Please ensure Component 3, particularly 3.5 narrative (A.1.3) reflects Table B to as this is particularly important.</li> <li>3) It needs to be clear that the project planning has considered the recommendations identified in the South China Sea Evaluation conducted by the GEF Evaluation Office in November, 2012.</li> </ol> <p>For PPG phase, please: a) address the imbalance in Component 2, which is heavily focused on research, monitoring, assessments and modeling with only 2 of the 25 outputs addressing action - more consideration needs to be given to national policies (e.g. regulations, incentives); b) ensure quantitative targets in the outputs; and, c) ensure the Global Program of Action for LBS is incorporated.</p> <p>April 2, 2014: The points above have been sufficiently addressed with the following considerations during PPG:</p> <p>With regard to Component 3, Outcome 3.5 - It is GEF understanding that the</p>	

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		<p>"formal arrangements for regional cooperation" described in section A.1.3 will be developed within COBSEA. It will be important to explore these arrangements within COBSEA during the PPG phase and articulate them in the Project Document for CEO Endorsement. In addition to the points noted for Outcome 3.5 in the PIF, consideration will need to be given to the financial sustainability and exit strategy for this GEF investment. Working through COBSEA is in line with the recommendations from the 2012 GEF Evaluation Office Impact Evaluation of GEF Support to the South China Sea and Adjacent Waters report.</p> <p>While the request to redefine Component 3 to focus on achievements, not meetings, Output 3.5.1 is still defined as meetings . The Outputs need to focus on what will be achieved as a result of the meetings. Please redefine during PPG.</p> <p>Also, during PPG phase, please address the imbalance in Component 2, which is heavily focused on research, monitoring, assessments and modeling with only 2 of the 25 outputs addressing policies and plans. While Component 1 addresses policies for habitat destruction, it does not address the other major threat - pollution. Component 2 includes includes outputs related to pollution, but only 2 of those outputs related to pollution policies (2.3.4 and 2.3.5). The rest relate to studies. More consideration</p>	

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		<p>needs to be given to national policies to address pollution during PPG (e.g. plans, regulations, incentives).</p> <p>Finally, during PPG please define quantitative targets in the outputs and ensure the Global Program of Action for Land-Based Sources of Pollution is incorporated.</p>	
	8. (a) Are global environmental/adaptation benefits identified? (b) Is the description of the incremental/additional reasoning sound and appropriate?	20th of August 2013 (cseverin):Yes, the GEBs for this regional project have been identified among others through the 2008 approved SAP, which this wil project will be basing its activities on.	
	9. Is there a clear description of: a) the <b>socio-economic benefits</b> , 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?	20th of August 2013 (cseverin): Yes the roles of the different stakeholder groups have been loosely described, but will need to be described in much more detail at the time of CEO endorsement.	
	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)	20th of August 2013 (cseverin):Yes, the PIF includes a risk matrix including mitigation measures.	
	12. Is the <b>project consistent and properly coordinated</b> with other related initiatives in the country or in the region?	20th of August 2013 (cseverin):Yes, the PIF identifies a number of regional actors that will be coordinated with, among others COBSEA, PEMSEA, CTI etc.	

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		Coordination with these initiatives will be essential towards successful implementation.	
	<p>13. Comment on the project's <b>innovative aspects, sustainability, and potential for scaling up.</b></p> <ul style="list-style-type: none"> <li>• Assess whether the project is innovative and if so, how, and if not, why not.</li> <li>• Assess the project's strategy for sustainability, and the likelihood of achieving this based on GEF and Agency experience.</li> <li>• Assess the potential for scaling up the project's intervention.</li> </ul>	<p>20th of August 2013 (cseverin): Implementing the SAP of the SCS will enable the participating countries to focus attention on the marine and coastal environment. This in turn could potentially lead to increases in healthy coastal wetlands and habitats which will positively affect the livelihoods of millions of people in near shore communities and boost local economies.</p> <p>Investing in sustaining coastal ecosystem types is a sensible solution towards a regional anchored approach will offer plenty of opportunities for upscaling and replication, both nationally as well as regionally.</p>	
	14. Is the project structure/design sufficiently close to what was presented at PIF, with clear justifications for changes?		
	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?		
Project Financing	16. Is the GEF funding and co-financing as indicated in Table B appropriate and adequate to achieve the expected outcomes and outputs?	<p>20th of August 2013 (cseverin): Please reduce overall GEF grant and then redistribute.</p> <p>March 26, 2014 (IW): Yes, GEF funding and co-financing are appropriate and adequate.</p>	

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	<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-financing been confirmed?</p>	<p>20th of August 2013 (cseverin):The indicated level of cofinancing may be adequate, especially if the grant amount indicated from governments will actually go towards implementing the suggested activities.</p> <p>The co-financing brought from the agency towards this project is inline with its role.</p>	
	<p>18. Is the funding level for <b>project management cost</b> appropriate?</p>	<p>20th of August 2013 (cseverin): this will be assessed after resubmission with lower overall GEF grant.</p> <p>March 26, 2014 (IW): Yes, funding level is appropriate.</p>	
	<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 with project design needs? <u>At CEO endorsement/ approval</u>, if PPG is completed, did Agency report on the activities using the PPG fund?</p>	<p>20th of August 2013 (cseverin):Yes PPG is requested. However please lower the PPG accordingly when resubmitting so that it fits with the new GEF grant applied for.</p> <p>March 26, 2014 (IW): PPG level is fine.</p>	
	<p>20. If there is a <b>non-grant instrument</b> in the project, is there a reasonable calendar of reflows included?</p>	<p>20th of August 2013 (cseverin):NA</p>	
<p>Project Monitoring and Evaluation</p>	<p>21. Have the appropriate <b>Tracking Tools</b> been included with information for all relevant indicators, as applicable?</p>		
	<p>22. Does the proposal include a <b>budgeted M&amp;E Plan</b> that monitors and measures results with indicators and targets?</p>		

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Agency Responses	23. Has the Agency adequately responded to comments from:		
	<ul style="list-style-type: none"> <li>• STAP?</li> </ul>		
	<ul style="list-style-type: none"> <li>• Convention Secretariat?</li> </ul>		
	<ul style="list-style-type: none"> <li>• The Council?</li> <li>• Other GEF Agencies?</li> </ul>		
Secretariat Recommendation			
Recommendation at PIF Stage	<p><b>24. Is PIF clearance/approval being recommended?</b></p>	<p>20th of August 2013 (cseverin):No, please do address above comments and resubmit.</p> <p>January 28, 2014 (LKarrer). No, it is not recommended for approval due to the point noted above in #5:</p> <p>In order to support implementation of the 2008 SAP, we need documentation that the five nations have approved the SAP at the ministerial level. This high level approval is critical to demonstrating government commitment for implementation. Can you please provide documentation of this approval?</p> <p>If the SAP has not been approved at the minister level, then we need to reconsider the focus of the project. We recognize that it may not be possible to request SAP signatures at this point as SAP was completed in 2008. Instead, it may be necessary “ as noted in the last section of the PIF “ to first update the SAP and TDA. Such an update in the proposed project would adjust priority actions to new circumstances on the ground before implementation can begin in a future project. Once updated, the SAP would</p>	

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		<p>then require signature. Meanwhile a few demonstration projects from the 2008 SAP could be included to ensure continuity.</p> <p>In short, we suggest that the PIF be reformulated to focus on (i) updating the TDA and SAP to take account of new developments and to reflect any changes in priority actions; (ii) achieving signatures at the ministerial level; and, (iii) conducting a few demonstration efforts drawn from the 2008 SAP. Due to the shift from SAP implementation to more of a foundational project, the project funding needs to be reconsidered to be in line with these activities. Once the updated SAP has ministerial level signatures, a future project for implementation can be considered based on the agreed, revised SAP.</p> <p>March 21, 2014 (IW): No, PIF is not approved. Please revise to address the concerns noted under March 21 date by COB March 24. Thank you.</p> <p>March 26, 2014 (IW): No. PIF requires the final items to be addressed regarding submitting OFP letter from China (#2), balance of budget (#3) and narrative for Component 3 (#7).</p> <p>April 1, 2014: Yes. The PIF is recommended for approval.</p>	
	25. Items to consider at CEO endorsement/approval.	April 1, 2014: Please see points in #3 and #7.	

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Recommendation at CEO Endorsement/ Approval	<b>26. Is CEO endorsement/approval being recommended?</b>		
	First review*		
Review Date (s)	Additional review (as necessary)	January 28, 2014	
	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.**