



## REQUEST FOR CEO ENDORSEMENT UNDER THE GEF TRUST FUND

FINANCING PLAN (\$)			
		PDF	Project*
GEF	A	n/a	3,500,000
	B	500,000	
	C	n/a	
GEF Total		500,000	3,500,000
Co-financing		(provide details in Section b: Co-financing)	
GEF IA/ExA		400,000	13,436,000
Government		60,000	970,000
Others		n/a	n/a
Co-financing Total		460,000	14,406,000
Total		960,000	17,906,000
Financing for Associated Activities - if any:			
The Nature Conservancy		420,000	
Conservation International		360,000	

**GEFSEC PROJECT ID:** 2517

**IA/ExA'S PROJECT ID:** RS-X1017

**COUNTRY/IES:** Costa Rica and Panama

**PROJECT TITLE:** Integrated Ecosystem Management in the Binational Sixaola River Basin

**GEF IA/ExA:** Inter-American Development Bank (IDB)

**OTHER PROJECT EXECUTING AGENCY/IES:** N/A

**DURATION:** 4 years

**GEF FOCAL AREA:** Multi-focal Area/OP12

**GEF STRATEGIC OBJECTIVES:** BD-1, BD-2, EM-1, IW-1, SLM-2

**GEF OPERATIONAL PROGRAM:** OP12 Multifocal Area (Integrated Ecosystem Management)

**COUNCIL APPROVAL DATE:** August 2006

**COUNCIL APPROVED AMOUNT\*:**

US\$4,000,000 (Including PDF-B)

**CEO ENDORSEMENT AMOUNT:**

US\$4,000,000 (Including PDF-B)

**EXPECTED AGENCY APPROVAL DATE:** September 2007

**EXPECTED SUBMISSION DATE OF MID-TERM REPORT:** January 2010

**EXPECTED GRANT CLOSING DATE:** June 2012

**EXPECTED SUBMISSION DATE OF TERMINAL**

**EVALUATION/PROJECT COMPLETION REPORT:** July 2012

\* For multi-focal area projects, indicate agreed split between focal area allocations: Biodiversity (US\$800,000), International Waters (US\$1,900,000), Land Degradation (US\$800,000)

Approved on behalf of the IADB. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for CEO endorsement.

IA/ExA Coordinator  
Janine Ferretti



Date: ~~July 16, 2007~~

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## 1. FINANCING

### A) PROJECT COST

Project Components/Outcomes	Co-financing (US\$)	GEF (US\$)	Total (US\$)
Strengthening of institutional frameworks and technical and operational capacities required for integrated management	2,940,000	925,000	3,865,000
Promotion of productive practices compatible with conservation and sustainable use of water and soil resources	8,468,000	1,290,000	9,758,000
Conservation and sustainable use of biodiversity	1,583,000	600,000	2,183,000
Project management budget/cost	1,415,000	685,000	2,100,000
Total uses of funds/project costs	14,406,000	3,500,000	17,906,000

### b) PROJECT MANAGEMENT BUDGET/COST<sup>1</sup>

Component	Estimated person weeks	GEF (US\$)	Other sources (US\$)	Project Total (US\$)
Locally recruited personnel	416		194,000 <sup>2</sup>	194,000
Local /international consultants <sup>3</sup>	672 <sup>4</sup>	350,400 <sup>5</sup>	656,000 <sup>6</sup>	1,006,400
Office facilities, equipment, vehicles and communications		119,600	565,000 <sup>7</sup>	684,600
Travel		20,000	0	20,000
Administration of Project funds <sup>8</sup>		105,000	0	105,000
Financial audits		50,000	0	50,000
Miscellaneous (contingencies)		40,000	0	40,000
Total	1,088	685,000	1,415,000	2,100,000

- For **cost-effectiveness** reasons, a larger proportion of the management budget is charged to the IDB financed loans. The total management costs represent approximately 12% (4% GEF, 8% IDB loans) of total project costs (US\$17.9 million), which is within IDB guidelines for such costs. This does not include the costs for the Mid-term and Final evaluations (covered by GEF fee to the IDB).
- Technical staff on detail from MINAE and ANAM for the Project Executing Unit (208 person weeks respectively, financed by MINAE and ANAM respectively) with technical responsibilities under the three Project components. Their direct involvement in project execution will enhance **institutional capacity building** and **sustainability**.
- Although participation of national consultants will be promoted, IDB procurement policies does not provide for ex-ante restrictions with regards to national vs international consultants.

- 4 These staff weeks refer to the GEF funds only.
- 5 The GEF will finance the GEF Project Coordinator (224 person weeks at US\$792.86/week) responsible for overall Project execution; Financial administration/procurement expert (224 person weeks at US\$385.71/week) to support GEF Project administration; and a Natural Resources Expert (224 person weeks at US\$385.71/week).
- 6 Project management personnel of the 1439/OC-PN and 1556/OC-CR Programs.
- 7 Facilities provided by the IDB-financed programs (1439/OC-PN and 1556/OC-CR).
- 8 Estimated overhead costs to be charged by the financial administration entity to be hired to administer GEF funds.

**c) CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS**

Component	Estimated Staff weeks	GEF (US\$)	Other sources (US\$)	Project Total (US\$)
Personnel <sup>1</sup>	390	0	195,000	195,000
Local and international consultants <sup>2</sup>	1,450 <sup>3</sup>	1,450,000 <sup>4</sup>	3,000,000	4,450,000
<b>Total</b>	<b>1,840</b>	<b>1,450,000</b>	<b>3,195,000</b>	<b>4,645,000</b>

- 1 In the case of personnel it refers to the staff time of MINAE and ANAM and other participating institutions to providing and/or accompanying the technical assistance.
- 2 These are estimated costs for the local/international consultants required to provide participatory technical assistance under the three Project components as described in the Project Document and referred to as Technical assistance-consultancies in the Appendix J: Summary Budget; including, among others, institutional strengthening, environmental monitoring, promotion of sustainable production and land-use, harmonization of protected area management plans and development of sustainable biodiversity use. The consultants will be a combination of individual consultants, firms and/or specialized institutions that will be hired during Project execution. Although participation of national consultants will be promoted, IDB procurement policies do not provide for ex-ante restrictions with regards to national vs international consultants, but rather distinguishes between publication at the national and international levels, depending on the amounts of the service contracts (see Table IV-1 in the Project Document). The specific roles and functions of each consultants will be specified in the respective detailed terms of reference and the Project's annual operational plans to be prepared during Project execution.
- 3 These consultant weeks refer to the GEF funds only.
- 4 Estimated average consultant fee is US\$1,000/week.

**d) CO-FINANCING**

Name of Co-financier (source)	Classification	Type	Amount	
			Confirmed (US\$)	Unconfirmed (\$)
Inter-American Development Bank (IDB)	Exec. Agency	in cash/in kind	13,436,000 <sup>1</sup>	0
Ministry of Environment and Energy (MINAE), Costa Rica	National Government	in kind	485,000	0
National Environment Authority (ANAM), Panama	National Government	in kind	485,000	0
<b>Total Co-financing</b>			<b>14,406,000</b>	<b>0</b>

1 There is a 10% reduction in co-financing from the Inter-American Development Bank (from an estimated level of US\$14,905,000 to the confirmed level of US\$13,436,000), due to an adjustment in the resources committed from the 1556/OC-CR loan in Costa Rica.

## **2. RESPONSE TO REVIEWS**

### **a) COUNCIL**

There were no comments provided by the Council.

### **b) GEF SECRETARIAT<sup>1</sup>**

**Comment 1:** Despite the regional nature of the project, the section on country drivenness should contain information on how this project also fits national planning and action frameworks related to the targeted production systems and environmental protection (i.e. CCD NAP, BAP, Rural development programs, agricultural sector plans etc).

**Response 1:** Two additional paragraphs have been included in the Country Drivenness Section in the GEF Executive Summary (presented at Work Program Inclusion) to describe how the proposed Project fits national planning and action frameworks in Costa Rica and Panama related to the targeted production systems and environmental protection.

**Comment 2:** Please provide a budget estimate for monitoring and evaluation (M&E) activities. These costs are probably hidden in each component.

**Response 2:** As indicated in Table 1 in Appendix F, the total estimated costs for M&E are: US\$285,000 (including US\$50,000 for the mid-term review and final evaluation to be covered by the GEF fee). Clarifying text has been included in both the GEF Executive Summary presented at Work Program Inclusion (Section III: Monitoring and Evaluation) and the Project Document (paragraph 4.13).

### **c) REVIEW BY EXPERT FROM STAP**

**Comment 1:** The project builds on the findings and achievements of the project development activities, having clearly defined (quantitative) and achievable goals—the only possible exception to this being the water quality goal which suggests that the Index of Biotic Integrity (IBI) score for the system could be improved from a “good” rating of 3 to a “very good” rating of 4. In this reviewer’s experience, such scores are very difficult to shift, especially if the basis for the current score is heavily influenced by the natural state of the stream system (and only

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<sup>1</sup> The comments from the GEF Secretariat and the Responses are the same as the ones submitted at the time of Work Program inclusion.

influenced in a relatively minor way by the anthropogenic impacts). Maintaining an IBI rating of “good” should not be viewed as a failure on the part of the project, while improving the IBI rating to “very good” would clearly be an indication of exceptional performance. In any event, reducing or containing the inappropriate land usage within the upper and middle subbasins, and a reduction in the use of synthetic organic chemicals in the lower subbasin, should maintain or improve the IBI score in a measurable way, especially in the longer term.

**Response 1:** Albeit its limitations (as indicated above), the IBI has been selected because it is one of the few indicators on water quality that is actually being monitored in the Basin. We would therefore propose to keep this indicator, although with the adjustment to maintain level 3 rather than increasing to level 4. This indicator, however, will be complemented by the indicators measured during the water quality baseline study financed by the PDF-B.

**Comment 2:** While the nearshore marine linkage is not well developed, the benefits of the implementation of sound river basin management practices are identified. Consequently, the water quality benefits proposed to be achieved within the Binational Basin will be transferred to the coastal zone and associated Large Marine Ecosystem (LME).

**Response 2:** In Component 3 (*harmonize and implement the management plans for the transboundary protected areas*), activities will be added to improve the binational management of the marine areas associated with the coastal transboundary protected areas of Gandoca Manzanillo (Costa Rica) and San San-Pond Sak (Panama), including development of a harmonized zoning scheme, management criteria and water quality and biodiversity monitoring.

**Comment 3:** Clear linkages between this project and ongoing and related GEF and other initiatives in Central America and the Caribbean are identified, and mechanisms identified to promote replication (through liaison with, *inter alia*, the GEF-supported IW: LEARN project—in this regard, further linkage and information dissemination through the regional Inter-American Water Resources Network {IWRN} operated with the technical support of the Organisation of American States {OAS} is recommended).

**Response 3:** In Component 1 (*raise awareness and capitalize knowledge related to the sustainable use and conservation of biodiversity, water and soil*) further linkages and information dissemination will be ensured through the regional IWRN operated with the technical support of the OAS.

**Comment 4:** Linkages with the GEF-supported San Juan River Basin project, conducted in the binational basin shared by Costa Rica and Nicaragua, should also be pursued as the lessons learned may enhance the potential for success of the Sixaola River Basin Program.

**Response 4:** In Component 1 (*raise awareness and capitalize knowledge related to the sustainable use and conservation of biodiversity, water and soil*) linkages with the GEF-supported San Juan River Basin project will also be promoted, including exchanges amongst the involved stakeholders.

**Comment 5:** Development of appropriate management practices for the integrated management of river basin within the context of its watershed is a continuing process in much of the world. In particular, the issue of headwater protection, identified in the project document, is an area where this project could demonstrate innovation that would potentially result in not only new approaches but also to eminently transferable approaches to addressing this concern.

**Response 5:** In Component 1 (*raise awareness and capitalize knowledge related to the sustainable use and conservation of biodiversity, water and soil*) lessons learned in headwater protection, among others, will be shared with other projects and initiatives.

### **3. JUSTIFICATION FOR MAJOR CHANGES IN THE PROJECT, IF ANY**

There are no major changes in the Project.

### **4. ATTACHMENTS<sup>2</sup>**

- a) Project Document (Project Appraisal Document)
- b) Report on the Use of the Project Preparation Grant (PDF-B)
- c) Confirmed letters of commitment from co-financiers (with English translations)
- d) Summary Budget (2 sheets in Excel)

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<sup>2</sup> The Agency Notification Template on Major Project Amendment is not attached, as there are no major changes to the Project since Work Program inclusion.