Global Environment Facility

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Agenda Item 8

WORK PROGRAM
SUBMITTED FOR COUNCIL APPROVAL

Recommended Council Decision

The Council reviewed the proposed Work Program submitted to Council in document GEF/C.17/7 and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by May 25, 2001.

The Council finds that [, with the exception of ,]each project presented to it as part of the Work Program (i) is or would be consistent with the Instrument and GEF policies and procedures and (ii) may be endorsed by the CEO for final approval by the Implementing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents fully incorporating the Council's comments on the work program accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

[With respect to ,the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing Agency. Such projects may be reviewed at a further Council meeting at the request of at least four Council Members.]

The Council, having reviewed the re-submitted project, *Regional (Albania, FYR Macedonia): Balkan Energy Efficiency Program*, approves it and requests the Secretariat to arrange for Council Members to receive draft final project document and to transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing the project document for final approval by IFC. The project may be reviewed at a further Council meeting at the request of at least four Council Members.

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I. WORK PROGRAM

1. The Chief Executive Officer (CEO), after reviewing the conclusions and staff recommendations from the project review meetings with the Implementing Agencies, proposes to the Council for its consideration and approval (i) a Work Program consisting of 15 new project proposals and (ii) a re-submitted project:

Biodiversity	$18.740 million (3 projects)
Climate Change	$85.532 million (8 projects including one re-submitted project)
International Waters	$35.885 million (2 projects)
Multi-Focal Area	$10.395 million (3 projects)

Re-submitted Project

2. One project -- *Regional (Albania, FYR Macedonia): Balkan Energy Efficiency Program (BEEP)* -- is being re-submitted from the Intersessional Work Program. Approval for the project had been deferred at the request of a Council member on the grounds that the policy and market environment were not sufficiently described to assess the prospects for success, and because the criteria for IFC investment were also not adequately delineated.

Proposed Work Program

3. The Work Program, together with the project re-submitted for Council consideration and approval, has a proposed allocation of $150.552 million in GEF financing out of a total cost of $535.593 million (see Annex A for details).

4. In general, Work Program resource allocations depend on the level of country-driven demand for GEF-eligible support, the delivery capacity of the GEF system, and the availability of financial resources at the time of Work Program submission. This Work Program could have been significantly larger had it not been for the level of resources available for the year 2001. Its composition though is consistent with the note on priority-setting in circumstances of resource constraint that had been prepared by the Secretariat and posted on the web on December 5, 2000.

5. For some projects, the Implementing Agencies have requested funding in phases in order to match the demand with the available resources. Council approval is requested only for funding the identified phase of activities in the project design, and for an implementation fee that is phased in proportion to that allocation. The phasing of resources will match the sequencing of project activities, and the activities in each phase will result in specific monitorable outputs. Phasing of resource allocations is not expected to affect project implementation or impacts.

Cumulative Work Program

6. GEF finances full projects, Medium Sized Projects (MSPs), and Enabling Activities. If the Council approves this Work Program and the re-submitted project, the cumulative GEF financing for full projects would amount to $3.325 billion (see Annex B for details). With respect to MSPs approved by the CEO under expedited procedures, five biodiversity, three

climate change, one international waters and one multi-focal area were approved for a total allocation of $4.249 million, $2.475 million, $0.830 million, and $0.830 million respectively, during this reporting period of January through March 2001 (see Annex C). These approvals bring to 113 the total number of MSPs approved to date, with a total GEF allocation of $78.55 million.

7. From January 2001 through March 2001, the Project Preparation and Development Facility (PDF) supported 15 PDF-As amounting to $0.364 million approved by the Implementing Agencies for a cumulative total of $5.890 million. During this same period the CEO approved 20 PDF Block Bs for a total of $5.940 million and 2 PDF Block Cs for a total of $1.750 million for a cumulative total of $81.273 million (see Annexes B, D and E for details).

8. GEF support for enabling activities through to March 2001 covers 138 countries for biodiversity. As most eligible countries have received support for first national reports, only 12 new requests (including for Clearinghouse Mechanism add-on projects) were made during this reporting period January to March 2001), with total financing of $2.356 million (see Annex F for details). As of March 2001, 95 of the countries that were supported by the GEF had submitted their first national reports under the Convention on Biological Diversity.

9. GEF support for climate change enabling activities made during this reporting period January through March 2001 amounted to $2.148 million. Out of 48 non-Annex I countries that had submitted their first national communications under the UN Framework Convention on Climate Change, the GEF provided financial assistance to 46 countries.

10. As the Part II operational guidelines for expedited financing of Enabling Activities are now available for both biodiversity and climate change, it is expected that further Enabling Activity proposals will be submitted during coming reporting periods.

11. At its May 1999 meeting, the Council approved the introduction and use of a fee-based system in FY00 to cover and reimburse the project implementation costs incurred by an Implementing Agency in respect of GEF projects[1] and applicable to all projects approved from July 1, 1999. For projects submitted in the current Work Program, the GEF Secretariat negotiated fees with each of the Implementing Agencies in accordance with agreed reference fee levels and project cost variables. The fees applying to the Work Program are listed in Annex A. The MSPs and Enabling Activities approved under expedited procedures since October 1999 are identified in Annex C and Annex F, along with the applicable fees.

[1] *Proposal for a Fee-Based System for Funding GEF Project Implementation*, GEF/C.13/11

II. CONFORMITY WITH CORPORATE BUSINESS PLAN AND STRATEGIES

12. With the addition of the projects proposed in the current Work Program, total FY01 GEF allocations will total about $504 million. This is 13 per cent less than the most recent Corporate Business Plan projection, $580 million.

Programmatic Approaches

13. Several projects, particularly in the climate focal area, illustrate the trend towards more programmatic and strategic interventions discussed in the Corporate Business Plan (CBP). The *China: Renewable Energy Scale-Up Program (CRESP)* is a ten-year project in three phases, with a potential total investment in renewable energy in China of $10 billion and the involvement of numerous partners under a common framework. The fuel cell bus projects for India and China, the final two of a five-project program, prepared with the help of a technology assessment by UNEP following the recommendations of a Program Status Review. In the Eastern European region, a new strategy for energy efficiency interventions will be developed as the portfolio has a large number of projects with similar features, particularly district heating elements.

Expanded Opportunities for Executing Agencies

14. Expanding opportunities for executing agencies within the GEF is another important objective of the CBP. In the current reporting period, three PDF Bs were approved for concepts submitted by new partner agencies. One was for Asian Development Bank to help China prepare a project on land degradation and dryland ecosystems, one for UNIDO to prepare a global project demonstrating technologies for destroying POPs, and one was for the Inter American Development Bank to prepare a regional project to control marine pollution in the Gulf of Honduras.

Persistent Organic Pollutants

15. The CBP highlights GEF plans to address new issues on the global environmental agenda including persistent organic pollutants (POPs), the subject of the recent Stockholm Convention. The Work Program demonstrates GEF's prompt start on this with a new program to pilot the development of national plans for POPs management: *Regional: Development of National Implementation Plans for the Management of Persistent Organic Pollutants.*

Integrated Ecosystem Management

16. Another area of increased commitment in the CBP is the new operational program on Integrated Ecosystem Management (OP 12). The potential scope and benefits of this OP will be explored as a pilot for future projects in a regional project, *Integrated Silvo-Pastoral Approaches to Ecosystem Management*. This project focuses on the enhancement of the functioning of entire ecosystems and the resulting improvement in carbon sequestration, biodiversity protection and water quality.

Energy Efficiency

17. As a preparation for the next CBP, the Program Status Review of Operational Program No. 5 will need to include a review of GEF support for energy efficiency in Eastern Europe because this portfolio is now well developed. In this Work Program, there are two more such projects -- the *Croatia: Energy Efficiency* project and the *Lithuania: Vilnius District Heating* project. These will add to GEF's existing portfolio of seven energy efficiency projects in the region that focus at least partly on district heating (in Bulgaria, Croatia, Hungary, Poland, Romania (2), and Russia). As this group of projects will produce new institutional and financing models for both public and private investments in energy efficiency, future GEF projects could now be designed explicitly to transfer this experience throughout the region.

Fuel Cell Buses

18. The work program also includes second-phase support for two projects (India and China) of a program of five projects to demonstrate and commercialize fuel cell buses. The other fuel cell bus projects approved by Council are for Brazil, Egypt, and Mexico. All of these projects are consistent with the terms of the overall GEF strategic program for fuel cell buses as discussed and approved by the Council in a decision at the November 2000 meeting.

Ozone Depletion Portfolio

19. Consistent with CBP projections, there are no ODS phase-out projects in the current work program because all sixteen countries currently eligible for GEF support in the ozone focal area have already received assistance for their national ozone layer protection programs. As previously reported to the Council, the funding needed to achieve compliance with the initial control provisions of the Montreal Protocol and Copenhagen Amendments has been fully committed. CBP projected allocations (zero for FY02 on) will need to be amended if Council agrees on GEF support for controls on additional ozone depleting substances that are approved in subsequent amendments, such as controls on methyl bromide and HCFCs.

Land Degradation

20. The GEF Council Paper GEF/C.14/4, *Clarifying Linkages Between Land Degradation and the GEF Focal Areas: An Action Plan for Enhancing GEF Support*, requests the Implementing Agencies to adopt a integrated ecosystem approach to addressing issues related to land degradation, giving priority to operationalizing the linkages between land degradation and the focal areas through on-the-ground activities; strengthening public policy and enabling environment for addressing land degradation including promotion of integrated and cross sectoral approaches to natural resources management; and engaging key stakeholders and mobilizing resources to develop measures to prevent and control land degradation.

21. The proposed Work Program contains four projects that will address the issue of land degradation in accordance with the action program. (i) In the course of preparation of the *India: Conservation and Sustainable Management of Dryland Biodiversity* project, a number of land

degradation threats had been identified: encroachment, clearing, overgrazing, and over-harvesting of fuel wood, medicinal plants, wild-relatives of domestic crops and other non-timber biodiversity products. The project will look at how to minimize these threats through sustainable land management and alternative livelihoods. (ii) In the integrated ecosystem management project for Senegal, land degradation is due to overgrazing, logging, erosion, bush fires, and drought. (iii) The integrated silvo-pastoral project will help redress land degradation caused by the establishment of open rangeland for livestock production in three targeted regions in Nicaragua, Costa Rica, and Colombia. (iv) The Nigeria micro-watershed project stresses the engagement of stakeholders and the mobilization of resources to prevent and control land degradation.

Private Sector Involvement and Innovative Financing Modalities

22. Many projects in this work program involve the private sector as providers of technology, goods and services - typically awarded in competitive bidding processes where they respond to requests for proposals or where they co-finance specific components or project activities.

23. The *China: Renewable Energy Scale-Up Program (CRESP)* is expected to spur large-scale development of renewable energy generating facilities, with significant participation of the private sector. World Bank financing is expected to play a catalytic and demonstration role in the first two phases. The great majority of facilities developed as a result of introducing a mandated market and other policies would be financed through increasingly commercial (that is, non-utility) channels, including a growing proportion of private actors. This 'induced' investment is expected to be financed through both equity and debt from a wide range of public, parastatal, and private investors. Financial incentives, such as reductions in VAT and customs duties and removal of legal or policy impediments to renewable electricity, will be introduced in parallel with CRESP. The program will also help build the renewable energy industry by supporting improvements in equipment performance and by strengthening service providers so they can respond to the increased market demand.

24. A number of other projects also open up significant private sector opportunities. The Croatia project does so through innovative financing modalities; the fuel cell bus commercialization projects in India and China through extensive consultation with international and locally based developers of fuel cell technology; and the Ecuador project through concessions and co-management schemes for ecosystem goods and services.

III. CONFORMITY WITH PROJECT REVIEW CRITERIA

25. This Work Program has mobilized significant resources both from Implementing Agencies and for non Implementing Agency sources -- including government agencies, NGOs, and the private sector. In the projects submitted for approval, the GEF contribution of $150.552 million is associated with additional cofinance of about $388.156 million. Such inputs help to spread project risks across several actors, leverage clear commitments from beneficiaries, strengthen the basis of project ownership, and improve the prospects for replication.

Evidence of Country Ownership

26. Evidence of country ownership is demonstrated in a variety of ways. Most of the projects will be implemented in partnership with government departments and, in many projects, governments have already committed substantial resources to fund baseline activities. The biodiversity projects are specifically designed to respond to country priorities established through the national biodiversity action plans.

27. The *Danube/Black Sea Basin Strategic Partnership on Nutrient Reduction, Phase I* is an excellent example of country ownership. All 17 countries came together at a stocktaking meeting in June 2000 to discuss and adopt a strategic approach. Over $3.5 billion in baseline capital investments in water quality improvement are expected just for the implementation of the Danube Strategic Action Program (SAP). GEF complementary assistance will assist recipient countries meet their commitments for nutrient reduction under the SAP for the Danube Delta and Black Sea as well as assist their joint management under their two regional conventions.

28. The Royal Government of Cambodia has expressed a strong commitment to promoting the use of renewable energy resources to achieve economically and environmentally-sustainable rural energy development. The *Cambodia: Renewable Energy Promotion* project is its first major initiative in that regard. It is an integral part of the Cambodia Rural Electrification and Transmission project that the country is preparing. Cambodia is also preparing a comprehensive rural electrification strategy, and the use of renewable energy within that strategy will be assisted by this project.

29. The *Ecuador: National System of Protected Areas* project will be implemented in partnership with government agencies, a privately set trust fund, NGOs, and local and indigenous communities. Country ownership is evidenced by willingness to modify policy and regulatory frameworks, and by institutional modifications necessary to improve project effectiveness and long-term sustainability.

Replicability

30. Building replicability into the design of GEF projects responds to an important GEF principle. In this work program, there are several examples of innovative approaches and technologies with potential for replication.

31. The Danube/Black Sea Basin partnership contains provisions to replicate innovative nutrient reduction measures in the agricultural sector. Investments in wetland restoration will be implemented as demonstrations of innovative measures in order to encourage more widespread adoption throughout the basin.

32. Measures demonstrated in the *Croatia: Energy Efficiency* project will be replicated on a commercial basis after the GEF project implementation is complete. Funds from the contingent grant and partial risk guarantee facility will remain in Croatia after project completion. These remaining funds will become available to energy efficiency development activities led by energy

service companies and other emerging market players. If the market grows as anticipated, the financial intermediary involved may be able to establish an energy efficiency investment and guarantee fund that is replenished by energy efficiency companies and matched in some proportion by government contributions. This experience is replicable in other countries of the region, where domestic commercial financing for energy efficiency could be made responsive to the proposed non-grant modalities.

33. The *India: Conservation and Sustainable Management of Dryland Biodiversity* project has high replication value because interdependent local communities can share experience and indigenous knowledge on the ecologically sustainable management of dryland resources.

Sustainability of Projects

34. The national policy, legal, and institutional reforms of the Danube/Black Sea Basin partnership will help to improve water quality and reduce nutrient inflow. The Convention Secretariats provide a transparent basis for countries to report progress in meeting GEF international waters M&E indicators even after the GEF interventions are complete.

35. The *Lithuania: Vilnius District Heating* project aims to create sustainable models for investments in energy efficiency in district heating systems throughout the region. A GEF-supported Energy Conservation Fund will provide consumer financing to homeowner associations on commercial lending or leasing terms for energy efficiency investments in substations and demand-side management measures. The Fund will be sustained through repayments over the long-term, and is expected to attract further cofinancing as well. The Fund also provides limited equipment subsidies, in part to demonstrate a model for reducing energy consumption among low-income-households through investment subsidies that reduce the need for heat-payment subsidies for such households. These low-income subsidies are expected to be sustained by the government as a more cost-effective and energy-efficient approach to providing heat for low-income households.

36. The *Ecuador: National Protected Areas System* project establishes a long-term financing mechanism to sustain recurrent cost financing of six globally important sites. The prospects of social sustainability will be enhanced by the extensive participation that has taken place in project design and which will take place in implementation.

Public Involvement

37. The involvement of stakeholder groups in preparation and design of project activities has been a key feature of GEF-financed projects. All projects included in this Work Program engage a broad range of stakeholders through meetings and workshops, some of which, such as the regional projects in the Black Sea and Danube River Basin and integrated silvo-pastoral approaches, were done in two or more countries. In the climate change projects there was consultation not only with potential financial and business partners but also with non-governmental organizations and community groups.

38. In addition to consultations, some projects incorporate mechanisms for the continued participation of stakeholders. In the climate change projects in Cambodia, Croatia, and Namibia, multi-stakeholder project steering committees are established, and in the case of the project in Lithuania, these committees are supplemented at the local level by Home Owners' Associations. There are multi-sectoral implementation teams in the Nigeria and Ecuador biodiversity projects, and an inter-country steering committee will carry out biodiversity conservation and sustainable use activities for the regional silvo-pastoral project. The Black Danube/Sea Basin partnership is a good example of public consultation with NGOs, who are also represented in the project steering committees. Such active NGO involvement is a follow-up of the Danube Forum and Black Sea Forum, which established procedures for participation of civil society in project execution.

39. Community-based participatory approaches are used in the *India: Conservation and Sustainable Management of Dryland Biodiversity* project, including application of indigenous knowledge and grassroots solutions for developing alternative livelihood (e.g., sacred groves, knowledge forests, cultural property). In the *Nigeria: Micro Watershed and Environmental Management* biodiversity project, local "support zones" will be used in micro-watershed planning.

40. The design of public involvement activities incorporated social assessments and social surveys with a broad range of stakeholder groups. The assessments varied by project. For example, the India biodiversity project conducted surveys in 72 villages of 500 people using Participatory Patient Learning Interaction (PPLI). Social surveys were completed at all the sites covered by the regional silvo-pastoral project, reaching over a thousand households and six communities. Local groups and university specialists conducted social assessments in Ecuador and Nigeria. The climate change projects in Lithuania and Namibia contracted with NGOs to conduct socio-economic profiles of potential beneficiaries. The social survey in the Cambodia renewable energy project led to the inclusion of women's groups as key beneficiaries in off-grid and small businesses, and to the establishment of community electricity cooperatives for solar home systems.

41. Social concerns of vulnerable populations are addressed in some biodiversity projects. In Senegal, four indigenous communities are involved in the project's eco-regional planning. In Ecuador, the project preserves important cultural and historical sites in the Machalilla National Park, which contains the remains of the Machalilla, Mantena, and Chorerra cultures, and in the Cotacachi Cayapas site, which has artifacts from the pre-Colombian era of the La Tolita and is home to the highland Chachi and Quichua tribes. Women's participation is a key feature in the India, Nigeria, and regional silvo-pastoral biodiversity projects. Women's associations are also identified as important stakeholders in delivery and maintenance of renewable energy services in Cambodia and Namibia. In the Colombia and Nicaragua sites of the regional silvo-pastoral project, the activities include post-conflict reconstruction and rehabilitation through community-based support for sustainable livelihoods.

Monitoring and Evaluation

42. The identification of relevant indicators of impact, and the establishment of an appropriate monitoring and evaluation plan at the project level will help ensure that the global environmental benefits from GEF investments will be achieved. Projects in this work program have been scrutinized for conformity to the GEF monitoring and evaluation guidelines and for the inclusion of best practices from previous and ongoing GEF projects. All projects include defined M&E plans, and logical frameworks with indicators that are measurable and verifiable.

43. In keeping with a long-term approach to promoting renewable energy in China, the *China: Renewable Energy Scale-Up Program* has an exemplary set of market development indicators for wind, small hydropower, and solar technologies. These indicators include cost benchmarks, establishment of laws and regulations, existence of compliance mechanisms, number and value of investments by private-sector power developers, numbers of enterprises making investments (particular those from outside the power sector), numbers of banks and equipment suppliers that participate in projects or make parallel investments, proportion of energy generation from renewable energy technologies, and other indicators of capabilities, information, and technological innovation that underlie markets.

44. The Cambodia project also features a set of market development indicators for both on-grid and off-grid renewable energy applications. These indicators include power purchase agreements signed, adoption of standard "small power purchase agreements," capacity of grid-connected renewable energy installed, numbers of solar home systems installed, number of rural energy enterprises established, numbers of trained employees, and increased awareness and understanding of renewable energy technology applications by end-users, businesses, and financiers.

45. The Ecuador project builds on lessons from a Pilot Phase project. It highlights the accomplishments and weaknesses of the earlier project and builds upon these achievements. The project will design and implement a biodiversity monitoring program that will assist in assessing project impact in conserving biodiversity and improving the effectiveness of protected area management. Indicators of achievements and impacts have been clearly identified. Considering some of the limitations of the Pilot Phase project, the project will be closely supervised during implementation.

IV. STRATEGIC PARTNERSHIPS AND PROGRAMMATIC APPROACHES

46. GEF has developed two new programs in keeping with the principles of "Programmatic Approaches" and Partnerships, one in climate change and one in international waters. The programmatic approach goes beyond simple stand-alone projects and has a broader, more significant impact over the long term. This is achieved by building in project components for replication; monitoring and evaluation; and stakeholder involvement in partnership with national government, private sector and other actors. The climate change programmatic approach and the international waters strategic partnership are as follows:

China: Renewable Energy Scale-Up Program (CRESP)

47. The GEF-World Bank Strategic Partnership for Renewable Energy, initially approved by Council in May 1999, is promoting longer term, more programmatic project modalities to maximize the effectiveness of GEF assistance and to mainstream renewable energy and climate considerations into Bank investment operations. The first full project under the Partnership, *Uganda: Energy for Rural Transformation*, was based on a ten-year Adaptable Program Loan (APL) utilizing $30 million in GEF grant and over $375 million in Bank and other associated financing. It was designed to address a wide range of grid-connected and village-power renewable energy technologies, and is expected to be submitted to the World Bank's Board this summer. The second full project under the Partnership is the one submitted in this Work Program, the *China: Renewable Energy Scale-Up Program (CRESP)*, and described in more detail below. This will help implement a significant renewable energy portfolio standard. Other projects currently being developed under the Partnership include one for the Philippines, where a large rural electrification project will include significant renewable energy components. Discussions are underway with India and Mexico to explore their desires for long-term programmatic efforts, and a project currently being developed for Mozambique is expected to benefit from some of the experiences from the Uganda project, albeit on a smaller scale.

48. The *China: Renewable Energy Scale-up Program (CRESP)* submitted in this Work Program is a ten-year program of support for the implementation of a national policy framework to develop large-scale commercial markets in renewable energy. The program will set ambitious targets for investment and for government commitment to a supportive policy environment. The policy framework would require a share of electricity supply to be met from renewable resources as part of a "mandated market." Through this framework, the costs of renewable energy are expected to decline and the economic and environmental benefits (both local and global) are expected to accelerate. The program will also support improvements in the quality and performance of equipment and strengthen the capability of the service industries in China so that they are able to respond to increased market demand.

49. Only a program of this scale ($140 million envisioned in GEF grants and $100 million in World Bank loans) is capable of facilitating associated investments of up to $10 billion in renewable energy in China over the next ten years. Electricity from renewable energy sources is expected to increase by about 60 terawatt-hours (TWh) by 2010 relative to 22 TWh in a business-as-usual approach.

Danube/Black Sea Basin Strategic Partnership on Nutrient Reduction

50. Since 1993, the European Union and the GEF have supported countries of the Danube Basin and those around the Black Sea to understand priority water-related problems they face and to build their capacity under the Danube Convention and the Black Sea Convention to jointly address the top priority transboundary issues. Through two pilot phase GEF international waters projects and two small subsequent projects ($3.9 million Danube and $1.8 million Black Sea), the 17 countries of the Danube Basin and Black Sea have completed Strategic Action Programs (SAPs) that are now ready for implementation.

51. Such a partnership will achieve greater leverage of resources and facilitate more streamlined implementation of specific measures than could be achieved otherwise. The program of GEF activities consists of coordinated UNDP-led and World Bank-led elements. The UNDP elements for the Danube Basin and Black Sea relate to capacity building and technical assistance through the countries' two commissions to adopt national policy, legal, and institutional reforms that address transboundary nutrient over enrichment and toxic hotspots in the basins. The World Bank-led element tests a new modality of a lending institution mobilizing large amounts of finance in ratios of at least 3:1 (non-GEF:GEF) to assist countries with investments that address transboundary priority issues identified in their SAPs. The Partnership Investment Facility for Nutrient Reduction would be funded by GEF for a total of $70 million over multiple tranches. Over a six-year period, it is designed to mobilize at least $210 million in non-GEF funding for nutrient reduction investments. This leverage and the level of effort for implementing the measures included in the agreed SAP prepared by the countries are unprecedented in the international waters focal area.

V. PROJECT SUMMARIES

Biological Diversity

Ecuador: National Protected Areas System (World Bank); GEF: $8.35 million; Total Project Cost: $14.75 million

This project will strengthen the Ecuadorian system of protected areas and ensure its financial sustainability. It will do so through activities related to institutional strengthening, consolidation and development of the system of protected areas, the establishment of a protected areas conservation fund, and project management and monitoring and evaluation capacity. This project builds on achievements and lessons learnt from the Pilot Phase project. The project will strengthen institutional and legal frameworks supportive of the Protected Area (PA) System, strengthen and capitalize innovative financial mechanisms (including a Protected Area Trust Fund) to support six globally important protected areas, and establish and implement new participatory management models in selected protected areas

Expected Project Outputs: (a) draft biodiversity law fully discussed, submitted for approval and approved; (b) three key regulations related to protected areas on concessions, re-investment in PAs, and co-management arrangements passed; (c) Advisory Parks Commission established; (d) small, highly trained central unit established and functioning under the Commission; (e) legislation for co-management agreements of PAs prepared using the three pilot experiences; (f) trust fund capitalized at $ 9.0 m and supporting recurrent costs of six globally significant sites; (g) revenues generated in three pilot areas (20 percent) and reinvested in key PAs; (h) new participatory management models tested in three PAs and ready for dissemination to the rest of the PA system; (i) local management committees in place for three pilot areas; (j) three PAs increased effectiveness and major threats addressed by at least 50 percent as measured by proposed scorecards; and (k) application of biological monitoring systems in three areas.

India: Conservation and Sustainable Management of Dryland Biodiversity Phase I (UNDP); GEF $2.04 million; Total Project Cost: $4.505 million.

The Jessore Sloth Bear and Balaram-Ambaji Wildlife sanctuaries of north Gujarat, India harbor unique assemblages of endemic and endangered fauna and flora, wild native crop varieties and endemic medicinal plants. However, these sanctuaries face threats from several anthropogenic factors particularly the sanctuaries' inhabitants that depend on the biodiversity resources of the area, especially for non-timber biodiversity products (NTBPs), grazing and fuelwood needs. This project aims to promote the conservation of vulnerable, endangered and endemic wild animals, medicinal plants and wild varieties of important crops in the two sanctuaries. It will strengthen the sustainable use and management of silvi-horticulture systems, agrobiodiversity and medicinal plants, *inter alia* to promote alternative livelihood patterns and reduce resource pressures on the sanctuaries. The project strategy is built on four objectives. The first is to ~~identify and~~ conserve and augment critically endangered flora and fauna in the sanctuaries. The second is to reduce resource pressures on the sanctuaries by developing sustainable alternative livelihood activities. The third is to improve the institutional and technical capacities of the

sanctuary managers (the Forest Department) for biodiversity conservation and the fourth is to identify and initiate processes of change in order to overcome policy and institutional barriers hindering the sustainable management and conservation of the sanctuaries.

Expected Project Outputs: (a) Conservation of critically-endangered globally-significant biodiversity (endemic and endangered wildlife and plants) within core protected areas strengthened; (b) Sustainable alternative livelihood activities that build upon indigenous knowledge systems and practices as a means of reducing pressure on globally-significant biodiversity well developed; (c) Institutional and technical capacities of the Forest Department for conservation of globally-significant biodiversity significantly improved; and (d) Policy and institutional barriers that hinder the conservation and sustainable management of globally-significant biodiversity in the sanctuaries, identified and significantly improved.

Nigeria: Micro-watershed and Environmental Management Program (World Bank); GEF: $8.35 million; Total Project Cost: $115.35 million

The proposed project aims to identify and support mechanisms for the protection of globally significant biodiversity and generic resources including important horticultural crops, medicinal plants, forest trees, pasture grasses, legumes and wildlife occurring within macro-watersheds. The GEF supported activities will contribute to the broader objective of establishing an enabling environment for the integrated use, regulation and treatment of water and land resources in the watersheds. Focusing primarily on biodiversity conservation and management, the GEF supported activities will seek to promote community involvement in the management of biodiversity and wildlife and also identify potential initiatives for subsequent phases of the project.

Expected Project Outputs: Support for establishing an enabling policy and institutional framework for biodiversity conservation. 2. technical assistance, equipment and facilities for improving the management of areas of high biodiversity value, including the Yankari and Kainji National park and their associated support zones 3. identification and support pilot interventions for establishing in-situ conservation areas 4. initiation of a pilot programs for promoting genetic diversity among plant species such as horticultural crops, leumes and medicinal plants within the targeted areas.

Climate Change

Cambodia: Promotion of Renewable Energy (Phase I) (World Bank); GEF: $6.08 million; Total Project Cost: $16.58 million

The overall project objectives are to eliminate the policy, institutional, financing and information barriers that impede the market development for renewable energy in Cambodia so that rural people can have increased access to electricity services; and to accelerate rural transformation by expanding electricity access by offering: (i) technical assistance and capacity building for key stakeholders, and (ii) investments in renewable energy systems for isolated mini-grids using hydro sources and in off-grid solar and village hydro.

The project will have two main components: technical assistance and investments. The technical assistance component will support: (i) barrier removal, including the policy and legal framework; access to financing; market information; institutional capacity; awareness raising; and up-front investment cost; (ii) capacity building of various stakeholders including: MIME- staff, private sector technicians and managers, consumers, loan-officers, etc. The investment component would have two parts: (i) investments in grid connected small renewable power stations (hydro), and (ii) investment in off-grid systems (solar and village hydro).

Expected Phase I Outputs: (a) 5% of generation capacity by renewable energy systems (6MW); (b) three strong renewable energy businesses; (c) three mini hydro projects supplying to grids on a commercial basis; (d) 5,000 to 10,000 solar home systems installed; (e) 50 to 100 educated renewable energy employees.

China: Renewable Energy Scale-Up Program Phase I (World Bank); GEF: $41.57 million.; Total Project Cost: $171.15 million

The China Renewable Energy Scale-up Program (CRESP) is a ten-year program that will support the implementation of a national policy framework for renewable energy and remove market barriers hindering large-scale commercial renewable energy markets. The policy framework would require a share of electricity supply to be met from renewable resources as part of a "mandated market." Through this framework, the costs of renewable energy are expected to decline and the economic and environmental benefits (both local and global) are expected to accelerate. The program will also support improvements to the quality and performance of equipment and strengthen the capability of the service industries in China so that they are able to respond to increased market demand.

The total China program is expected to facilitate associated investments of up to $10 billion over the next 10 years, through $140 million in GEF grants and $100 million in World Bank loans. The program would occur in three phases, each new phase building upon and learning from the prior phase.

Expected Project Outputs: (a) Legal basis established nationally for a mandated market for renewable electricity, including identification of responsible authority and specification of penalties for non-compliance (e.g. through law or State Council Regulation); (b) systems for determining compliance with mandated market demonstrated nationally and in pilot provinces; if trading forms part of the MMS, the system to include issuing, receiving credit for and trading green certificates; (c) pilot projects in three or more pilot provinces that meet mandated market requirements under construction or operating and prices benchmarked; (d) resource assessments and plans to meet MMS requirements completed in at least pilot provinces.

China: Demonstration for Fuel-Cell Bus Commercialization in China (Phase II - Part I) (UNDP); GEF: $5.815 million; Total Project Cost: $15.930 million

This project will help catalyze the cost-reduction of fuel-cell buses (FCBs) for public transit applications in Chinese cities by supporting significant parallel demonstrations of FCBs and their

fueling infrastructures in Beijing and Shanghai. In collaboration with the Chinese national government, the municipal governments of Beijing and Shanghai, and the private sector, the GEF and UNDP will assist the public transit companies of Beijing and Shanghai to obtain 6 FCBs each and to operate these over a combined total of 1.6 million km. The knowledge and experience gained through this project will enable the technology suppliers to identify cost reduction opportunities and the host public transit operators to gain valuable experience needed to adopt larger fleets of FCBs in the future. Additionally, some activities will help build capacity relating to FCBs, including strengthening policy and planning capabilities of the public transit companies; enhancing scientific, technical, and industrial capacity for commercializing FCBs; and increasing the understanding of FCBs among government, investment, media, and other key actors. Finally, a series of activities will also focus on defining a detailed strategy for large-scale FCB implementation in China, which is planned as a follow-on to this initial project.

The project constitutes Phase II of a four-phase program that will culminate in the market-based commercial production and use of FCBs in China. Phase I involved research and data collection and analysis by Chinese experts to provide a basis for the design of the overall program. Phase II of the program is divided into two parts, the first part of one-year duration and the second part of four-years duration, to allow for lessons learned from earlier projects to inform later projects. Phase III will involve an order-of-magnitude larger demonstration effort. The objectives envisioned at this stage for Phase III include setting up a commercial FCB manufacturing facility to maximize Chinese content in the buses, to achieve major cost reductions by volume production of improved-design FCBs, and to convert and operate an entire garage fleet of FCBs to provide a basis for subsequent replication to other bus garages in China. Phase IV entails mass production in China of cost-competitive FCBs that can be widely introduced on commercial terms in Chinese cities in the 2010-2015 time frame.

Expected Project Outputs, Part I: (a) a commercially-relevant demonstration of the technical feasibility of FCBs and their refueling infrastructure in Beijing and in Shanghai; (b) the accumulation of a substantial body of knowledge about reliability and failure modes, opportunities for improving the design and reducing the cost of FCBs in China, and Chinese public ridership responses to FCBs; (c) increased capacity among public-transport policy makers and planners at the national and municipal levels and at bus companies in Beijing and Shanghai for policy and planning to optimize public-transport management, technologies (including FCBs), infrastructure, and operations.

Expected Project Outputs, Part II (in addition to completing outputs from Part I): (a) a cadre of bus-company staffs trained in the operation, maintenance and management of FCBs; (b) enhanced scientific, technical, and industrial capacity in China relating to commercial utilization of FCBs; (c) increased awareness and acceptance of FCBs in China among key actors (government policy makers, news media, investors), as well as the general public; (d) a plan for pursuing Phase III of the overall program.

Croatia: Energy Efficiency Project (World Bank); GEF: $7.084 million; Total Project Cost: $30.484 million

This project is expected to demonstrate that early commercialization of energy efficiency technologies and services while the economy is in the early stages of transitions will promote long-term market penetration and reduce greenhouse gas emissions. This experience is also expected to demonstrate the short-term economic returns of energy efficiency investments; the benefits of a 'win-win' relationship between service companies, lenders, and customers, involving financing and risk sharing arrangements under energy performance contracts; the development, training needs, and role of key emerging project partners; and the benefits of public access to high-quality data about technologies, services, and project design and performance.

The project will establish a utility-based energy service company (ESCO) to guide the development of the market. ESCO will promote, develop and finance energy efficiency projects. It will also contract turnkey installation and other project functions to local businesses. End-users will benefit immediately from facility improvements resulting from energy efficiency investments. End-users will be able to repay for the investments from the energy cost savings that ESCO guarantees. ESCO will rely on domestic partners—including service providers, banks, and equipment manufacturers—to exploit project opportunities. By creating such an energy efficiency market, the project will also reduce greenhouse gas emissions in Croatia. The project will focus on reducing two barriers to commercially sustainable energy efficiency projects and services: a lack of development and project financing, due to perceived risks among lenders and investors, and a lack of capacity and know-how among key stakeholders. The project will address these barriers through a World Bank Learning and Innovation Loan and a blend of grant and nongrant financing from GEF. Technical assistance will support capacity building among stakeholders via training, monitoring and evaluation, and information and dissemination related to overall market development.

Expected Project Outputs: (a) ESCO established; (b) energy efficiency investments by the ESCO; (c) increased demand for energy efficiency services and equipment from project participants; (d) demonstration of the viability of performance-based contracting and investments paid for out of energy savings; (e) growing market for energy efficiency projects and services.

India: Fuel-Cell Bus Development in India (Stage II - Part I) (UNDP); GEF: $6.280 million; Total Project Cost: $12.121 million.

This project proposes a five-year demonstration program of operating and testing eight fuel-cell buses (FCBs) for public transport in Delhi. The major objective is to introduce this zero emission and highly efficient bus technology in India for reducing local air pollution and global GHG emissions. It will assist the Indian transport sector to gain capability of manufacturing, operating, and servicing FCBs under local conditions. It will also help create an initial volume demand and provide useful feedback of operating experience for the FCB developers/manufacturers to further improve the bus design and reduce the bus cost.

The overall program consists of four stages. Stage I, which is the PDF study leading to the proposed demonstration project, has been successfully completed. Stage II is the proposed demonstration project which, to allow for lessons learned, has been further broken down into two implementation segments of 1 year (Part I) and 4 years (Part II) duration. In Stage III, the Commercialization Stage, the demonstration project will be extended. It will be pursued only if the Stage II demonstration provides positive results. As an example, 20 more FCBs could be purchased at the end of the demonstration project to increase the fleet size from 8 to 28 buses. The cost of the FCBs to be purchased in Stage II is more than 10 times of that of diesel buses. By the time the additional 20 buses are purchased (2007), the FCB cost is expected to drop to be 2-3 times of the diesel bus cost. As the cost difference is still too large for the project to proceed on commercial basis, the India Government will seek finance from various sources to fund the incremental cost. This expanded demonstration will operate for 2-3 years. Stage IV will begin by 2009-10 and involves the initial commercialization of the FCB's. By this time, the FCB's are expected to cost between 10 and 30 percent more than the diesel buses. At that time, a tax credit or soft loan provided by the government should be able to entice the local bus manufactures to launch commercial production. It would also allow city bus authorities to convert diesel buses or CNG buses on a depot-by-depot basis (on the average 70-100 buses per depot) without government's financial aid.

Expected Project Outputs, Part I: (a) 8 fuel cell buses, as well as a packaged electrolyzer unit, including high pressure hydrogen gas storage cylinders, hydrogen compressors, and dispensers installed at the host bus depot; (b) verification of the performance, operability, reliability, and safety of FCBs and hydrogen facility (production, compression, storage, and dispensing); (c) local operation/maintenance capability of FCBs and hydrogen facility.

Expected Project Outputs, Part II: (a) FCB manufacturing capability by local bus suppliers; (b) increased public acceptance of the use of FCBs; (c) a master plan and schedule for the follow-on activities or projects beyond the demonstration project that lead to a full-scale commercial deployment in India; (d) an incentive program for the FCB manufactures and hydrogen facility suppliers to venture into commercial production and marketing in India; (e) codes and standards for a safe use of hydrogen developed by technical/scientific societies and regulatory agencies in India; (f) research on fuel-cell vehicle development so as to generate a talent pool to support commercial deployment.

Lithuania: Vilnius District Heating Project (World Bank); GEF: $10 million; Total Project Cost: $65.3 million

This project enables the Vilnius District Heating Company (VDHC) and homeowner associations to improve the energy efficiency of district-heat supply and consumption systems within the Vilnius District Heating System. The project removes the existing barriers to energy efficiency investments by end-users (through their homeowner associations). This would be achieved by means of expanding the market penetration of more efficient building-level-substation technology (in building basements) and demand-side efficiency measures (within apartments) to a larger number of households while ensuring the full degree of ownership and operation of the substations by the homeowners. Demand-side management measures include better insulation,

thermostatically-controlled valves and window replacement. A GEF-supported Energy Conservation Fund provides consumer financing to homeowner associations on commercial lending or leasing terms for energy efficiency investments. The Fund also provides limited equipment subsidies to achieve two goals: (i) to initially spur market demand for these technologies until familiarity and confidence are established; (ii) to demonstrate a model for reducing energy consumption among low-income-households through investment subsidies that reduce the need for heat-payment subsidies for such households. If demonstrated successfully, both aspects of the Fund are expected to be sustainable and replicated elsewhere.

Expected Project Outputs: (a) replacement of block sub-stations with some 1,800 building-level substations in residential buildings; (b) a sustainable Energy Conservation Fund to support upgrading the existing building-level substations to modern consumer-controlled technology and investments in apartment-level DSM measures; (c) rehabilitation of combined heat and power plant (CHP) # 3; upgrading of 4 of the 5 heat-only boilers (HOBs); (d) technical assistance on project implementation, MIS, privatization, twinning arrangements with Helsinki Energy, and market analysis and outreach.

Namibia: Renewable Energy (UNDP); GEF $2.703 million; Total Project Cost: $7.433 million.

This project will reduce the barriers for the development solar PV technologies by addressing institutional, information, human capacity, financial, technical, awareness and other market barriers to increased use of solar energy services by urban and rural households, government institutions (schools, clinics, and police stations), NGO facilities, beverage retailers, communal and commercial farmers. The project, implemented in two phases, will specifically assist local stakeholders in building local capacities to promote, finance, install and maintain solar applications, help to develop and implement favorable regulatory frameworks, and facilitate the establishment of viable financial mechanisms (micro lending and mortgage additions). The latter will address up-front investment cost barriers and related risk perceptions. The project will help to demonstrate viability of investments in solar energy and encourage widespread replication. The first phase will concentrate upon the technical assistance required to remove/reduce barriers while the second phase will accelerate the implementation of demonstration solar units.

Expected Project Outputs: (a) an increase of solar technologies (SHS, PVPs, SWH, PV refrigeration and PV institutional lighting) installations from about 7450 systems in 2000 to 41,950 systems by the year 2016; (b) tested business and institutional models for public, commercial, utility, and community organization delivery modes; (c) increased awareness, understanding, and acceptance of technologies by end-users, government officials, utilities, and financiers.

International Waters

Regional: Development of National Implementation Plans for the Management of Persistent Organic Pollutants (UNEP); GEF: $6.185 million; Total Project Cost: $8.625 million.

The objective of the project is to strengthen national capacity to manage persistent organic pollutants (POPs) and to assist countries in meeting their obligations under the Stockholm POPs

Convention. The project will assist 12 pilot countries in developing a National Implementation Plan (NIP) for POPs management, thus enabling them to reduce and eventually eliminate their POPs emissions. Generic and technical guidelines for the development of NIPs and the adoption of POPs management options will be developed based on the experience gained and the lessons learned in the pilot countries. These widely applicable guidelines and the experience gained will greatly facilitate the further development of NIPs in other countries. A large number of countries will participate in sub-regional consultations organized around the pilot countries, such that experience will be shared and other countries will be encouraged to sign and ratify the Convention and prepare their NIP.

Regional: Danube/Black Sea Basin Strategic Partnership on Nutrient Reduction (UNDP, UNEP and World Bank); Phase I; GEF: $29.700 million; Total Project Cost: $41.295 million.

The Strategic Partnership consists of three elements: (i) Black Sea Regional capacity building and technical assistance element by UNDP; (ii) Danube River basin regional capacity building and technical assistance element by UNDP; and (iii) Investment Facility for Nutrient Reduction focused on single country nutrient reduction investments by World Bank.

The partnership will accelerate implementation of each group of countries adopted action programs that focus on regional and national policy, legal, and institutional reforms. The first two years of these activities are presented to Council for approval in this first tranche. The Partnership Investment Facility for Nutrient Reduction element would mobilize at least $210 million non-GEF funding for on the ground, pilot nutrient reduction investments over 6 years. This leverage and the level of effort for implementing on-the-ground measures included in the agreed SAP prepared by the countries are unprecedented in the IW focal area. The World Bank would commit to (a) incorporating in its country dialogue with each of the 15 GEF-recipient countries policies that address nutrient reduction in the agriculture, municipal, and industrial sectors, (b) promoting inclusion of Danube/Black Sea restoration issues in the on-going Country Assistance Strategy (CAS) development processes, and (3) using the Bank's convening powers and comparative advantage to mobilize funding and engage other donors/partners to achieve an overall contribution of $3 from other sources for every $1 from GEF for pilot subprojects aimed at implementing nutrient reduction measures.

Expected Project Outputs: Black Sea element (UNDP and UNEP): (a) reduction of nitrogen and phosphorus loading; (b) restoration of wetland function; improved management of fisheries; functional management regime for coordinating regional actions; (c) a permanent mechanism for cooperation with Danube countries; (d) publicly accessible materials in all Black Sea languages; (e) adopted Protocol to convention on land-based activities; (f) feasibility study for Marine Electronic Highway; nutrient control objectives adopted by commission; (g) amended laws and policies on national level; (h) national nutrient reduction strategies; (i) first Black Sea Stock Assessment; (j) fishery-free zones declared in nursery areas by countries and signed fisheries convention with provisions for limiting fishing effort and enforcement; (k) M & E indicator system for country reporting on progress consistent with GEF IW M & E Indicators.

Danube Basin element (UNDP): toward the 5 year output of 33 % phosphorus loading reduction and 22% nitrogen loading reduction and toward all Danube countries adopting policy/legal/institutional reforms contained in their SAP: (provided by UNDP)

Basin Nutrient Reduction Investment element (WB): (a) country dialogue with each of the 15 GEF-recipient countries result in policies that address nutrient reduction in the agriculture, municipal, and industrial sectors; (b) inclusion of Danube/Black Sea restoration issues in the on-going Country Assistance Strategy (CAS) development processes; and (c) using the Bank's convening powers and comparative advantage to mobilize funding and engage other donors/partners, pilot subprojects in nutrient reduction that achieve an overall contribution of $3 from other sources for every $1 from GEF by end of Partnership.

Multiple Focal Areas

Global: Technology Transfer Networks (Phase I) (UNEP); GEF: $1.275 million; Total Project Cost: $5.665 million

This project responds to technology transfer needs identified by the different Multilateral Environmental Agreements (MEA) and aims to connect key public and private sector stakeholder groups who influence technology transfer with a view to foster increased market uptake of sustainable alternatives that help to protect the global environment. The project aims to facilitate identification of environmental synergy and implementation of integrated "win/win" solutions by encouraging thorough assessment of all available options. Project activities and outputs will enable fully informed investment, management, and policy decisions.

Expected Project Outputs: (a) Sustainable Alternatives Network (SANET), an information management, communication and transaction system to allow structured learning, interactive comparison as well as exchange of technologies, services, best practice, lessons learned, etc. by multiple stakeholders; (b) Decision Support Facility (DSF) to complement SANET, offering hands-on short term counsel, coaching, and incentives for advanced market assessments and feasibility studies to encourage in-depth exploration of sustainable alternatives prior to critical decision making; (c) strategic dialogues and alliances among key stakeholder groups across traditional sector and administrative boundaries to enable identification of common goals and facilitate technology market development coalitions.

Regional: (Colombia, Costa Rica, Nicaragua): Integrated Silvo-Pastoral Approaches to Ecosystem Management (World Bank); GEF: $4.770 million; Total Project Cost: $8.670 million

The development objective of this highly innovative pilot project is to improve eco-systems functioning of degraded pasture lands in Colombia, Costa Rica and Nicaragua, through the development of more intensive silvo-pastoral systems that provide global environmental services and local socio economic benefits. As such, the project aims to demonstrate and measure, at farm and community level, the benefits of an integrated ecosystems approach to the improvement of degraded pasture lands in terms of: (a) local environmental benefits through reduction in erosion and improvement in soil and water quality with increased production, income and employment in

rural areas; (b) global environmental benefits, through improved biodiversity and carbon sequestration services: (c) initial experiences in the management of incentives required to produce global environmental benefits; and (d) the development of comprehensive guidelines for sector and environmental policies in terms of land use, environmental services and socio-economic development provided by the introduction of silvo-pastoral systems to rehabilitate degraded pastures.

The main purpose of the project is to assist local institutions in Colombia, Costa Rica and Nicaragua to upscale, promote, demonstrate and assess the environmental and socio-economic benefits of integrated ecosystems management technologies through the introduction of silvo-pastoral systems. The benefits of the project would be multiple: conservation and sustainable use of biological diversity, reduction of the risk of climate change by a holistic management approach, equitable participation of local community members in the economic benefits derived from the environmental services and the identification of the foundations for a comprehensive policy dialogue that leads to natural resource management for lasting regional and global benefits.

Expected project outputs: (a) Significant areas with improved eco-systems functioning through the introduction of silvo-pastoral systems, as confirmed by soil, water and biodiversity characteristics; (b) Trained stakeholders and strengthened local organisations, which are better informed on integrated ecosystem management and the implementation of sustainable livestock production systems; (c) key scientific information and understanding of the potential of intensified silvo-pastoral systems in providing global ecological services and local socio economic benefits; (d) initial information on the response at community and beneficiaries level to incentive systems to produce global environmental benefits through biodiversity conservation and global climate change; and (e) policy guidelines to promote sustainable intensification of livestock production and specific recommendations for sector and environmental policies in terms of land use, environmental services and socio-economic development.

Senegal: Integrated Ecosystem Management in Four Representative Landscapes of Senegal, Phase I (World Bank) GEF: $4.350 million; Total Project Cost: $14.850 million

The project will promote community-based integrated ecosystem management (IEM) of globally significant biodiversity, sequestering of C and avoidance C emissions, and prevent degradation of 4 landscapes selected to represent the four major ecosystems in the country : (1) the Wildlife and Sylvo-pastoral Reserves in the Ferlo Steppe; (2) the Niokolo-Koba National Park and its associated Classified Forests in the South-East Sudanin-Guinean zone; (3) the Niayes coastal dunes and classified reserves along the northern sea front; and (4) the Saloum Delta National Park and associated classified forests and mangrove/marine systems in the south-eastern coastal area. The alternative GEF scenario will build on the baseline by testing and applying an ICD model at each site, promoting integrated eco-regional planning, and removing the legal, policy, and technical barriers to IEM. The landscapes consist of three inter-linked spatial units : PAs, newly established CNRs (Community Nature Reserves), and VTs (Village Territories). The project will build institutional and technical capacities, will demonstrate innovative incentives

for conservation, and will monitor impacts on biodiversity and carbon balances over the ten year period.

The project will be phased. In the First Phase, the it will remove barriers and create the enabling environment for IEM, ICD, CNRs, and Eco-regional Planning. In the Second Phase, it will test these models in sample sites and catalogue lessons learnt. In the Third Phase, replication of project results will be done by the populations themselves, as well as State services, ongoing projects and NGOs, in order to generate global benefits as well as sustainable socio-economic and environmental benefits at the national level well beyond project life.

Expected Project Outputs: In the VTs, production systems will be intensified, land use will be rationalized and food and energy self-sufficiency will be promoted in order to enhance natural resource management and reduce pressure on protected areas. In the CNRs, participatory, integrated, management plans for sustainable use and conflict resolution will be promoted in order to create buffer zones, and alternative techniques for income diversification through sustainable harvesting of biological resources will be demonstrated. In the PAs, a co-management model will be tested for the first time in the Sahel including mechanisms for the equitable sharing of benefits accruing from conservation.

Re-submitted Project

Regional (Albania, Macedonia): Balkans Energy Efficiency Program (BEEP); World Bank GEF: $6.00 million; Total Project Cost: $6.00 million

The Balkan Energy Efficiency Program will work in close coordination with the IFC Balkan Enterprise Facility (BEF) to support small and medium scale enterprises (SMEs) in overcoming the barriers to energy efficiency. Specific interventions will include: (i) training and awareness campaigns targeted at the SME sector; (ii) project development assistance; (iii) capacity building for local firms and financial intermediaries; and (iv) the establishment of financing facilities for energy efficiency through local financial intermediaries.

Expected Project Outputs: These include about 40-50 direct energy efficiency project investments in SMEs, along with an additional 150 energy efficiency investment projects carried out through energy-service companies. New sustainable financing mechanisms are also expected.