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PROGRESS REPORT ON IMPLEMENTATION OF THE GEF OPERATIONAL PROGRAM ON SUSTAINABLE LAND MANAGEMENT

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I. BACKGROUND

1. The establishment of the GEF Land and Water team represented a major paradigm shift in the way the GEF had historically addressed issues related to land and water through its operational programs in its focal areas. The move was toward a more integrated approach across operational programs and focal areas recognizing the fact that land and water are integral parts of the landscape and resource users do not use one without the other. The terms of reference for the Land and Water Team included “operationalizing the principles of integrated ecosystem management approaches to natural resources management and demonstrating tangible results on the ground in ongoing efforts to address land and water issues.”

2. The adoption of the new GEF focal area on land degradation by the GEF Assembly in Beijing and subsequent council approval of the GEF Operational Program on Sustainable Land Management reaffirmed this new outlook. The objective of the Operational Program on Sustainable Land Management (OP#15) is “to mitigate the causes and negative impacts of land degradation on the structure and functional integrity of ecosystems through sustainable land management practices as a contribution to improving people’s livelihoods and economic well-being. GEF assistance would focus on funding the agreed incremental costs of accelerating country-driven actions on sustainable land management to preserve, conserve and restore the structure and functional integrity of ecosystems; reduce carbon dioxide emissions and improve carbon sequestration; or stabilize sediment storage and release in water bodies.” Since approval of the operational program on sustainable land management there has been a dynamic program activities being initiated to meet aspirations of our stakeholders.

3. This note responds to the wish of council during adoption of the operational program on sustainable land management in May 2003, to be informed on implementation of the program.

II. RESPONDING TO THE PROGRAM AND COUNTRY NEEDS IN THE SHORT TERM

4. Since adoption of the GEF focal area was partly the result of difficulties which countries faced in developing GEF activities in land degradation as it related to its focal areas, there was need to urgently help the countries to accelerate the development of activities which addressed their concerns in land degradation. There was also the need to assist countries in adopting integrated approaches at national level in systems which had hither to been largely sectoral and the transformation needed to make them holistic had not occurred. Many countries had not fulfilled their obligations under the Convention to Combat Desertification and they lacked the capacity to adopt sustainable land management approaches in their resource management. All this needed to take place in an enabling environment that encouraged cross sectoral dialogue among resource users. In order to alleviate these concerns, it was important to address the following priorities in the short term:

- (a) assist countries to address their delayed concerns in land degradation in a timely manner through accelerated project implementation and cross sectoral dialogue among land and water resource users;

- (b) assist countries in developing an enabling environment of policies, legislation and institutions for integrated approaches to sustainable land management at the national level;
- (c) assist countries in building the capacity needed to adopt sustainable land management and implement their obligations under the Convention to Combat Desertification;
- (d) assist countries in developing viable investment activities and in mobilizing resources to support those activities. The following activities have been undertaken in response to the above needs.

III. GUIDELINES FOR PREPARATION OF GEF ACTIVITIES IN SUSTAINABLE LAND MANAGEMENT

5. It was clear from previous difficulties experienced by countries in developing GEF activities in the area of land degradation that they would need focused assistance to develop eligible projects that addressed their concerns. Immediately following approval of the GEF Operational Program on Sustainable Land Management, the GEF Secretariat in collaboration with UNEP and other implementing agencies developed a Medium Sized Project that would organize eight workshops for GEF focal points in all the geographical regions on raising awareness of GEF eligible activities in Sustainable Land Management. In addition to the workshops, the project would develop guidelines for preparation of activities in sustainable land management for wide distribution to countries and collaborating partners.

6. Through interagency collaboration under the guidance of the GEF task force on land degradation, work on the training modules for the regional workshops has been completed. The workshops are now tentatively scheduled to take place beginning June 2004 for all the regions as follows:

- (a) 28-30 June 2004: Workshop for Western Asian countries in Qeshm Island, Iran (venue confirmed with support from UNEP/ROWA).
- (b) 5-7 July 2004: Workshop for Central Asian countries (venue not confirmed, possible GTZ support).
- (c) 12-14 July 2004: Workshop for Francophone African countries (Tunisia, venue confirmed with GTZ support).
- (d) 26-28 July 2004: Workshop for Anglophone African countries (Namibia –venue to be confirmed- with possible GTZ support).
- (e) 16-18 August 2004: Workshop for Latin American countries (venue not confirmed, possible GTZ support and with support from UNEP/ROLAC).

- (f) 23-25 August 2004: Workshop for Caribbean countries (venue not confirmed but expression of interest received from Jamaica, possible GTZ support and with support from UNEP/ROLAC).
- (g) 6-8 September 2004: Workshop for Asian countries (East, South and South Asia) (tentatively Bangkok, Thailand with support from UNEP/ROAP).
- (h) 13-15 September 2004: Workshop for Pacific Islands (tentatively Fiji, with support from UNEP/ROAP).
- (i) 22-24 September 2004: Workshop for Central and Eastern Europe (tentatively Geneva, Switzerland, with support from UNEP/ROE).

7. Building on the earlier work by IUCN which produced excellent guidelines for development of GEF funded activities, the IUCN was contracted to develop guidelines for preparation of GEF eligible activities in sustainable land management. This work, which is being done in close collaboration with the GEF Secretariat, is now at a very advanced stage and the first draft of the guidelines will be completed in May 2004.

IV. DEVELOPMENT OF INTEGRATED SUSTAINABLE LAND MANAGEMENT PROJECTS

8. Since approval of the operational program on sustainable land management in May 2003, GEF implementing agencies have accelerated their efforts to work with countries to develop activities that address their concerns in land degradation. Over the last ten months, 25 new Full Size projects in 28 countries with a total cost of US\$959.70 million and GEF contribution of US\$155.19 million have been admitted into the pipeline of projects to be implemented (Annex 1, tables 1,2 & 3). In addition, 2 Full Size projects that target the specific needs for capacity building for sustainable land management in SIDS and LDC have been admitted to the pipeline. The total cost of these two projects being implemented by UNDP and UNEP is US\$71.95 million with a GEF contribution of US\$35.00 million (Annex 1, table 2).

9. In the period under review there has been 9 medium sized projects (PDF-A) with an estimated total cost of US\$21million and a GEF contribution of US\$9 million in more than 25 countries.

V. THE CHALLENGE OF SUSTAINABLE FOREST MANAGEMENT IN OP # 15

10. Exponential population growth in many developing countries resulting in unprecedented demands on forest resources in the form of encroachment into forest lands for food production, fuel wood for cooking, timber for construction of shelter and increased harvesting of forest plants for medicinal purposes have made deforestation in the humid environments to be the most important cause of land degradation. Promoting sustainable land management in the humid zones was, therefore, a short term priority in this phase of the GEF. Since approval of OP#15, twelve projects out of a total of 25 with a total GEF contribution of US\$86.2 million and total co-financing of US\$535.31 million have a focus or components on sustainable forest management.

In addition, most of the countries to be covered by the LDC/SIDS project to be implemented by UNDP are in the humid zone and sustainable forest management will be an important part of the sustainable land management effort. The projects are evenly distributed among Asia, Africa and Latin American countries – Kazakhstan, Brazil, China, Venezuela, Nicaragua, Namibia, Indonesia, Dominican Republic, Central Asia Republics, Burundi, Ethiopia and Kenya. (Annex 1, table 4).

VI. GEF COUNTRY PILOT PARTNERSHIP FOR SUSTAINABLE LAND MANAGEMENT

a) Assumptions and Rationale

11. The adoption of the GEF operational program on sustainable land management opened up the best opportunity for the GEF to demonstrate integrated land and water management at the national level since sustainable land management can only be achieved through a holistic approach where different resource users come together to agree on a set of common objectives that maintain the ecological integrity of the resource base – land. There are several compelling reasons why country partnerships offer the best possibility to achieve sustainable land management. First, sustainable land management does require a coordinated approach with a longer time frame than most conventional projects which rely on three to five year implementation cycles. This goes beyond the capacity of individual organizations and institutions both at the national and international level. Second, the implementation of such a long term program would need to be supported by sizeable commitments of resources which would need to be made upfront in a predictable manner. Such a level of commitment would go beyond the capacity of any individual country or development partner. Third, since many GEF developing country partners are at different levels of development the availability of such a sizeable resource package in a predictable manner would allow each individual country to design and pursue a sustainable land management program suitable to its needs and capacity without being compelled to adjust to the time tables of others, which has contributed to project failure in the past.

b) Implementing the Country Pilot Partnerships (CPP)

12. Following approval of the OP # 15 by the GEF council in May 2004, the GEF Secretariat land degradation team presented to the CEO a concept note on the proposed country partnership (Annex 2). In order to facilitate its timely implementation, it was agreed that the CEO would use his pre-council consultations to get the view of council members on the feasibility of implementing such an approach. These consultations were completed in October when it was decided to implement this approach on a pilot basis using a few countries and decide on its further expansion to other countries following an evaluation of the pilot.

13. The GEF interagency task force on land degradation, including the UNCCD Secretariat and the Global Mechanism, were in October 2003 informed about this decision and requested to communicate to the GEF Secretariat their opinion on the countries where this initiative would be piloted. This was followed by a task force meeting in November in Washington during which the partnership was discussed and the agencies requested to also indicate which counties they

would be willing to collaborate with on the initiative. African countries were also informed about the initiative in the NEPAD partnerships meeting in Algiers in December 2003.

14. The feedback was received in December when a short list was compiled on the possible pilot countries preliminarily selected on the basis of country interest, financial and political commitment, identified donor partners willing to collaborate and support the country, availability of GEF Implementing Agency to work with the country and country endorsement of the IA. GEF management was briefed on the implementation of land degradation activities in January 2004 which included progress on the pilot partnerships. In February 2004 the Interagency Task Force on Land Degradation reviewed the status of the implementation of the pilot partnerships and agreed on further development of the three identified partnerships.

15. In accordance with the established time table for implementation of the pilot program, only three country partnerships have been able to start the process of implementation so far – Namibia, Central Asia and Cuba. It is hoped that the remaining partnerships will follow after the selection of countries and lead agency according to established criteria has been finalized.

(i) *Namibia — CPP (Total US\$91 million, GEF US\$9 million)*

16. At the request of the government of Namibia, UNDP has taken the lead and developed the concept note on the partnership for pipeline entry into the GEF portfolio on land degradation.

17. Namibia is classed as the driest country in sub-Saharan Africa, and is subject to frequent drought episodes owing to temporal and spatial perturbations in rainfall patterns. Land degradation and attendant desertification an increasing problem, manifest amongst other things in soil erosion, the impairment of hydrological functions, habitat conversion, e.g. through deforestation, overgrazing of rangelands, and changes in the vegetation structure in pastoral areas. As approximately 70% of the population is directly dependant on subsistence agriculture and livestock husbandry, land degradation poses an acute challenge to rural livelihoods, while also undermining ecosystem integrity, and threatening the forfeiture of global environmental benefit. The Government of Namibia has identified land degradation as a serious problem, demanding remedial intervention, and has recognized that integrated ecosystem management strategies are needed to effectively address the underlying causes. Nevertheless, development programs have tended to adopt a sectoral approach when addressing the problem. There is a need to institute integrated approaches, crossing the economic sectors and involving public, private and civil society institutions. However, moves to realize this are presently hampered by capacity constraints at the systemic, institutional and individual levels.

18. The proposed GEF Country Partnership for Integrated Sustainable Land Management will seek to address these constraints through the development and coordinated execution of a package of strategic interventions. Activities will be designed to address barriers in implementation, and progressively leverage investment finance from the Government of Namibia, donor community and local communities, to take promising management models to scale. At the request of the Government of Namibia, UNDP is taking the lead in managing preparatory activities on behalf of the GEF body corporate. Mechanisms will be instituted to

ensure the involvement of GEF Implementing Agencies and Executing Agencies during preparation.

(ii) Cuba — CPP (Total US\$90 million, GEF US\$10 million)

19. Cuba had an early start on the country partnership program which was discussed between Cuban authorities, UNDP and the GEF Secretariat during the UNCCD COP in September 2003. The concept note has been submitted for pipeline 16.

20. Fourteen percent of Cuba is affected by desertification, and land degradation processes leading to this phenomenon affect 76.8% of its productive land. This severe land degradation is affecting the livelihoods and the quality of life of a large number of Cubans and as well as causing deterioration in the structure and functional integrity of ecosystems throughout the landscape of this small island state. This is aggravated by periodic droughts that potentially affect the entire country and have doubled in frequency over the last sixty years. The Government of Cuba (GOC) is committed to addressing these phenomena and has developed a comprehensive National Action Program to Combat Desertification and Drought (NPCDD) and allocated resources from the national budget for its implementation. Given the enormous challenges to be faced, implementation of the NPCDD will not be at a level and scale sufficient to abate Cuba's land degradation processes enough to avoid continued deterioration of ecosystem integrity. Under this scenario, the opportunity to capture significant global benefits through the implementation of the NPCDD, alongside domestic ones, will be lost.

21. In view of this, the GOC is seeking to develop a GEF Country Program Partnership (GEF-CPP) to strengthen the implementation of the ten year NPCDD and ensure it fully achieves its long term goals. The result would be that by 2015, the global environmental benefits of reduced land degradation and promotion of ecosystem integrity would have been captured alongside the fulfillment of the NCDDP targets for sustainable development and increased food security – contributing to Cuba's attainment of Millennium Development Goals for poverty reduction and environmental sustainability. The NPCDD is a comprehensive document that would provide programmatic guidance for implementation of the Country Program Partnership. This Partnership in turn was conceived to directly implement this guidance and provide an overall framework for the implementation of projects assisted through various GEF agencies in a coordinated, synergistic and cost effective manner.

22. Within these broad objectives, the GEF-CPP would deliver the following broad outcomes amongst others: (i) SLM principles integrated into planning frameworks and Co-ordination mechanisms developed for SLM related plans and programs; (ii) strengthened capacities and technological inputs for monitoring and evaluation of land degradation processes; (iii) Human resources in key institutions strengthened for SLM and the prevention and combat of desertification and drought; (iv) enhanced control over land use and soil resources, and enforcement of respective legislation; (v) increased awareness in a broad range of stakeholders of the severity of land degradation and its effect on social, economic and environment conditions in the country (vi) sustainable and locally adapted solutions and land-use practices for preventing

land degradation in specific scenarios, halting the advance in others and restoring ecosystem integrity through land rehabilitation practices.

(iii) Central Asia — CPP (Total US\$200 million, GEF US\$20 million)

23. The Central Asia Pilot Partnership follows on a donor's conference convened by the Global Mechanism in Tashkent in June 2003, which endorsed a regional approach for cost effectiveness in capacity building. The Asian Development Bank, which developed the China partnership, is the lead GEF executing agency coordinating the program. A concept note was finalized at a workshop in February 2004 in Almaty, Kazakhstan, and has been submitted for the GEF pipeline 16.

24. Land degradation is a serious economic, social, and environmental problem in the transition economies of the Central Asian Countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan (CACs). It directly affects the livelihood of the rural population by reducing the productivity of land resources and adversely affecting the stability, functions, and services derived from natural systems. Agricultural yields are reported to have declined by 20-30% across the region since these countries achieved independence over a decade ago, causing annual losses of agricultural production as much as \$2 billion. The causes of land degradation are multiple, complex, and vary across these countries, but are largely attributable to the abuse and over-exploitation of the natural resource base, particularly through inappropriate and unsustainable agricultural practices, overgrazing, deforestation, forest degradation, and natural disasters.

25. The goal is to combat land degradation and improve rural livelihoods in the CACs. The objective is to establish the Central Asian Initiative for Land Management (CACILM), a multi-country and donor partnership to support the development and implementation of national level programmatic frameworks for more comprehensive and integrated approaches to sustainable land management in the region. CACILM will be guided by a National Programming Framework (NPF) for each country that will: (i) describe the necessary policy, legislative, and institutional conditions for sustainable land management; (ii) describe the approach to mainstreaming sustainable land management into national development planning and budgetary processes; (iii) ensure an effective mechanism(s) for broad stakeholder participation in the formulation, design and implementation of activities; (iv) identify the priority problems and constraints to sustainable land management; (v) identify the priority investment and technical assistance requirements and their sequencing; (vi) identify and match the ongoing and planned investment and technical assistance programs of external agencies to the individual national needs; and (vii) specify a monitoring and evaluation system that will identify objectives, milestones, and indicators to measure progress against benchmarks for sustainable land management and resource mobilization.

26. Through the NPFs, CACILM will support the implementation of a 10-year program of country-driven activities and resource mobilization (2005-2014) to: (i) strengthen policy, legislative, and institutional frameworks to create conditions conducive for sustainable land management; (ii) increase the capacity of key institutions responsible for planning and

implementing land management interventions, and of local communities directly affected by land degradation; and (iii) improve land management and natural systems through the combined impact of appropriate enabling conditions and targeted project investments. Thus, CACILM will encourage the adoption of a comprehensive and integrated approach to sustainable land management, build synergies between the environment and other sectors of the economy, and consolidate and coordinate external financing while reducing transaction costs through the streamlining of partners' project cycle procedures. Mechanisms will be instituted to ensure the involvement of GEF agencies during project preparation.

VI. ENHANCING CAPACITY OF LDCs AND SIDS TO IMPLEMENT SUSTAINABLE LAND MANAGEMENT AND COMMITMENTS UNDER UNCCD (TOTAL US \$60 MILLION, GEF US\$29 MILLION)

27. The GEF portfolio project to assist LDCs and SIDS to urgently build their capacity to implement sustainable land management activities and also meet their obligations under the UNCCD to have their NAPs completed by year 2005. The project follows the examples of the GEF umbrella project for Climate Change and capacity building for the POPs convention.

28. Land degradation – which at a local level affects the economic well being of people, and at a global level the integrity, stability, functions, and services of ecological systems – can be mitigated through the adoption of sustainable land management (SLM) practices. There are, however, some critical barriers to realizing SLM, which are particularly acute in the case of LDCs and SIDS. In general, these countries have limited capacity at the individual, institutional and systemic levels for SLM. Agricultural and rural development continues to be sectorally based, restricting the ability to identify innovative and inter-sectoral strategies. Land degradation issues are often not mainstreamed into national development decisions. As a result, government budgetary allocations are weak, and policy recommendations relating to economic growth often conflict with the goal of sustainably managing land. More specifically, there are important regional similarities and differences in capacity needs between countries, and at the same time thematic similarities between sets of countries.

29. The project would be available to assist 49 LDC and SIDS countries that have not yet completed their National Action Programs (NAP) to Combat Desertification, in order to develop individual, institutional and systemic capacity for sustainable land management. GEF's OP # 15-Strategic Priority (SP) 1 is available to these countries for targeted capacity building through individual MSPs. However, the portfolio approach is a cost effective way of delivering a large number of relatively small projects to these countries in a timely manner. Eligible countries will be able to access an expedited MSP under the Portfolio Approach. Already several countries have expressed their needs and interest. At the end of the project, each participating country will have begun a process of capacity development and mainstreaming, elaborated their NAP in a timely manner, and produced a Medium-Term National Investment Plan for SLM and its Coordinated Resource Mobilization Plan (with projects identified for investment by specific

interested Donors) as part of the NAP elaboration process¹. The projects will be designed and implemented in accordance with regional frameworks such as NEPAD in Africa, Barbados Plan of Action, SRAPs and RAPs.

VII. LESSONS LEARNED SO FAR

30. Responses to developing GEF activities in OP # 15, like that of OP # 12, has been overwhelming and the three pipelines of projects received so far have far exceeded our expectations. Out of US\$250 million, US\$225.08 million (US\$190.19 million for three pipelines and US\$34.89 million for projects shifted from OP #12 to OP #15) have so far been committed for quality projects. This development points to the need to review and redirect adequate resources to new initiatives within the GEF since they represent the contemporary way of doing business and responding to current realistic needs.

31. The GEF Country Pilot Partnership for Sustainable Land Management has been acknowledged as an innovative approach with much promise for resolving long standing issues that have led to land degradation. But there is still considerable misunderstanding among possible stakeholders which has slowed down progress in concluding partnership agreements. The process has, however, been rewarding and three partnerships are being firmly established. Steps will be taken to improve communication and dialogue so that the pilots can be successfully concluded.

32. Pipeline profile shows the geographical distribution of project activities is well balanced among the three regions of Asia, South America and Africa and the program will seek to maintain this balance and enhance better country participation.

33. The Country Partnership Program should seek as a priority to allay conflicting concerns of the past among land and water resource users and current efforts must take into account aspirations of the rural poor for a better way of life if sustainable land management efforts are to succeed.

34. The GEF implementing agencies have yet to mainstream the issue of sustainable land management within their programs, but the recent initiative by The World Bank for a sustainable land management program for Africa holds promise for the future if similar approaches were to be adopted by other agencies.

35. OP #12 “Integrated Ecosystem Management” was introduced in 1999 and has since presented one of the fastest growing portfolios in the GEF. In the third replenishment of the GEF, only US\$112 million was allocated for OP #12, quite below the anticipated request of US\$250 at the replenishment. OP # 12 was therefore oversubscribed with projects which exceeded the available resources. The GEF Secretariat engaged with the IAs in an exercise that finally resolved the financially tense situation in OP #12. Several projects were shifted to other focal areas,

¹ GEF Secretariat, May 2003. “Joint Summary of the Chairs” states that “The Council recognized that in the framework of capacity building projects to be funded under the operational program [15], the elaboration of national action plans, sub-regional action plans, regional action plans and national reports, are considered as components.”

strategic priorities and operational programs, based on a conceptual analysis of the eligibility of projects in the OP #12 pipeline. Four projects were shifted to the OP #15 portfolio, increasing the GEF commitment for OP #15 by US\$34.89 million to a total of US\$225.08 million. Since US\$15 million is earmarked for the remaining three pilot partnerships yet to be identified, the total commitment for OP#15 including MSPs in GEF 3 to date is US\$249.08. Commitments under OP#12 now stand at US\$100.73 million out of a total allocation of US\$112 for GEF 3.

VIII. FUTURE DIRECTIONS

36. Ten months of implementation of have established a dynamic program of activities and demonstrated the need for innovative approaches such as those that have been initiated in this period. The overwhelming interest in developing activities in this area requires serious re consideration of the level of resources allocated to this focal area if the program has to be effective in introducing sustainable land management. GEF activities in this replenishment period will continue to be closely linked to implementation of country driven priorities on land degradation which foresees one or more of the following three types major interventions.

- (a) Activities that emphasize the integration of global environmental concerns into local, national and regional activities which focus on achieving results on the ground. There will be an emphasis on cooperation and coordination of sectoral programs and policies in the following areas: regeneration of forests and grasslands, sustainable use of biomass for energy, soil conservation to improve carbon storage and integrated land use planning.
- (b) Strengthening public policy and the enabling environment for addressing land degradation, including promoting integrated and cross sectoral approaches to natural resources management. As a start the following key policy areas are identified as important for land degradation: policies that promote sustainable land management; policies that reduce land and resource tenure insecurities; and policies that encourage decentralization.
- (c) Engaging key stakeholders and facilitating the mobilization of resources to address land degradation. This will include engaging government and groups in civil society and providing parallel support for capacity strengthening to undertake activities that address land degradation, and institutional building.

Consolidating and upscaling the country pilot partnerships. Building on the CPP principles and experience, the World Bank is developing an operational framework and long term program commitment to invest in sustainable land management in sub-Saharan Africa. The World Bank initiative when fully developed could be the first generation of targeted, sizeable and sustained interventions in sustainable land management. The GEF, World Bank and other implementing agencies will be reflecting on this initiative over the coming months and will report back in November.

ANNEX 1: SUMMARY OF GEF OP # 15 PIPELINES

Table 1 - Pipeline 14

No	Agency	Status	Country	Project Title	GEF Funds (proposed)	Co-financing (in mio US\$)	Sustainable Forest Management Component
1	WB	Pipeline entry	Kazakhstan	Forest Protection and Reforestation Project	5	40	✓
2	WB	Pipeline entry and PDF B	Burundi	Agricultural Rehabilitation and Support Project (PRASAB) - Support for Sustainable Land Management	5	37	
3	WB	Pipeline entry and PDF B	Bhutan	Multi-Sectoral Mechanism and Incentives for Sustainable Land Management	7.5	9	
4	WB	Pipeline entry	Brazil	Ecosystem Restoration of Riparian Forests in Sao Paolo	7.7	21.4	✓
5	WB	Pipeline entry	Kenya	Agricultural Productivity and Sustainable Land Management	10	60	
6	IFAD	Pipeline entry and PDF B	Brazil	Sustainable Land Management in the Semi-Arid Sertao Project	6	50.55	✓
7	IFAD	Pipeline entry	China	Drylands Ecological Conservation and Rehabilitation	7.5	38.1	✓
8	UNEP	Pipeline Entry and PDF B	Regional (Tajikistan, Kyrgyz Republic)	Sustainable Management of Natural Resources in the High Pamir-Alai Mountains - an Integrated and Transboundary Initiative for Biodiversity Conservation and Sustainable Mountain Development in Central Asia	6.65	7	
9	UNDP	Pipeline Entry	Argentina	Sustainable Management of Arid and Semiarid Ecosystems to Combat Desertification in Patagonia	5	16.5	
10	UNDP	Pipeline Entry and PDF B	Niger	Sustainable co-management of the natural resources of the Air-Tenere complex	4	4	
					64.35	283.55	

Table 2 – Pipeline 15

No	Agency	Status	Country	Project Title	GEF Funds (proposed)	Co-financing (in mio US\$)	Sustainable Forest Management Component
1	UNDP/FAO	Pipeline entry	Cuba	Integrated Land and Soil Conservation	10.00	35.00	
2	UNDP	Pipeline entry	Venezuela	Combating Land Degradation in the Arid and Semi-Arid Zones of Falcon and Lara States	4.00	14.20	✓
3	UNDP	Pipeline entry and PDF B	Nicaragua	Sustainable Land Management in Drought-prone Degraded Areas	2.00	8.00	✓
4	UNDP	Pipeline entry	Namibia	Country Partnership Programme	9.00	46.06	✓
5	UNDP	Pipeline entry	Global	LDC-SIDS Targeted Umbrella Project for Sustainable Land Management	29.00	30.95	
6	UNEP	Pipeline entry	Regional (LAC)	Conserving Biodiversity and Preventing Land Degradation in Small Island Ecosystems in the Caribbean	6.00	6.00	✓
7	ADB	Pipeline entry	Indonesia	Community-based Land Rehabilitation and Management Project	10.00	90.00	✓
8	WB	Pipeline entry and PDF B	Mauritania	Community-based Watershed Management	6.00	57.50	
					76.00	287.71	

Table 3 - Pipeline 16

No	Agency	Status	Country	Project Title	GEF Funds (proposed)	Co-financing (in mio US\$)	Sustainable Forest Management Component
1	UNEP	Pipeline entry	Regional (Argentina, Bolivia, Paraguay)	Transboundary Land Management in the Transboundary Gran Chaco Ecosystem in South America	6.00	8.00	✓
2	UNDP	Pipeline entry	Dominican Republic	Land Degradation in Upper Sabana Yegua	3.00	13.00	✓
3	UNDP	Pipeline entry and PDF B	Pakistan	Sustainable Land Management to Combat Desertification	7.84	9.20	
4	UNDP	Pipeline entry and PDF B	Senegal	Groundnut Basin Soil Management and Regeneration	3.00	7.00	
5	ADB	Pipeline entry	Regional (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan)	Central Asian Countries Initiative for Land Management	20.00	200.00	✓
6	IFAD/FAO	Pipeline entry and PDF B	Ethiopia	Community-based Integrated Natural Resources Management: Improving Ecosystem Integrity and Rural Livelihoods	5.00	25.00	
7	UNEP	Pipeline entry	Regional (Botswana, Namibia, S-Africa)	Kalahari-Namib - Enhancing Decision-making through interactive Environmental Learning- an action in Molopo-Nossob River Basin	5.00	8.00	
					49.84	270.20	

Table 4 – FA Land Degradation (Desertification and Deforestation) - Summary

Pipeline	# of projects	Regional Distribution				GEF Funds in mio US\$	Co-financing in mio US\$
		Africa	Asia	LAC	Multi-Country		
14	10	3	4	3	0	64.35	283.55
15	8	2	1	4	1	76.00	287.71
16	7	3	2	2	0	49.84	270.20
Total after 3 pipelines	25	8	7	9	1	190.19	841.46
Shifted from OP #12	4	4	0	0	0	34.89	189.36
CPP* (reserved)	3					15	
TOTAL	32	12	7	9	1	240.08	1030.82

* CPP - Country Pilot Partnership – 3 partnership proposals to be developed (other 3 proposals part of pipeline 15 and 16)

ANNEX 2: GLOBAL ENVIRONMENT FACILITY DRAFT DISCUSSION NOTE ON THE PROPOSED COUNTRY PILOT PARTNERSHIP ON SUSTAINABLE LAND MANAGEMENT

INTRODUCTION

1. Since its establishment in 1991, the Global Environment Facility (GEF) has played a major role in strengthening the links between protection of the global environment and sustainable economic development. The GEF has provided over US\$4.5 billion in grants and raised an additional \$14.5 billion to support more than 1,300 projects in 160 developing countries and countries with economies in transition.
2. The GEF and its partners, especially donor and recipient countries, bilateral and multilateral agencies, and NGOs, continue to explore ways to improve “on-the-ground” effectiveness of financial and technical assistance. Based on lessons learned, the following principles are emerging as critical to aid effectiveness. They, therefore, require greater attention from the donor community and its partner countries in the development of policies and programs.
 - (a) Adopt country-based approach, with strong ownership and leadership from the recipient country.
 - (b) Mainstream environmental management into sustainable development programs (e.g. PRSPs).
 - (c) Strengthen the enabling environment (policies, regulations, incentive structure, etc.).
 - (d) Support targeted institutional capacity building.
 - (e) Shift from a project-by-project approach to programmatic approach.
 - (f) Harmonize donor project cycle processes to reduce the transaction costs on recipient countries.
3. This note outlines a proposal to pilot in 5-7 countries a country-based partnership to address land degradation prevention and control, based on the above principles, using existing GEF modalities and operational framework.

Country Pilot Partnership

4. The GEF has allocated a total of \$500 million to support land degradation prevention and control activities from FY2003-2006, \$250 million under the sustainable land management focal area and another \$250 million for activities within other focal areas — biodiversity conservation, climate change, international waters, and persistent organic pollutants.
5. The proposed country partnership on sustainable land management is aimed at assisting GEF-eligible countries to address land degradation issues in a comprehensive and integrated

manner based on priorities outlined in their National Action Programs (NAPs) on Desertification, Poverty Reduction Strategy Papers (PRSPs), etc. The partnership will comprise a package of interventions to address land degradation — policy, regulatory and institutional reforms, capacity building, and investments — financed, in a coordinated way, from a variety of sources, including national budgets, bilateral development cooperation agreements, country assistance programs of multilateral agencies, and private foundations. The GEF contribution from the financial envelope of the land degradation focal area to the partnership may not exceed \$10 million per country.

6. The partnership would specifically provide a framework to enable developing countries to:

- (a) Mainstream land management issues, including policy reforms, into their sustainable development priorities (e.g. PRSPs).
- (b) Adopt integrated and sustainable land management practices, including water use efficiency measures, as part of their development programs.
- (c) Promote synergies across the environment and other sectors of the economy.
- (d) Address the issue of co-financing upfront and at a programmatic level.
- (e) Reduce the transaction costs because the partners would use streamlined and harmonized project cycle procedures to develop and approve the partnership.
- (f) Strengthen the enabling environment for sustainable land management.
- (g) Scale up viable traditional land management practices as well as innovative and cost-effective practices.

7. Facilitate replication and sustainability of projects and programs.

Pilot countries

8. The partnership would be piloted in 5-7 countries affected by desertification or deforestation. The criteria for the selection of the pilot countries would include the following:

- (a) Country with clearly identified priority institutional building and/or investments to address land degradation in their NAP, PRSP or other priority setting-planning frameworks.
- (b) Evidence of strong political will and commitment to address land degradation.
- (c) Country commitment to provide funds from budgetary sources for the partnership.

- (d) Interest by a donor (s) to provide financial assistance to support land degradation prevention and control activities in the country under consideration.

Streamlined and harmonized procedures

9. To reduce the transaction costs, particularly on the recipient countries, the partners would use streamlined and harmonized approval and reporting procedures to process the partnership in their respective organizations. On the GEF's part, it will adopt the streamlined procedure used for processing the GEF/World Bank Danube/Black Sea Strategic Partnership on Nutrient Reduction, which was approved by the GEF Council in May 2001.

10. Under the Danube-Black Sea programmatic partnership, the GEF Council approved the framework for the partnership, including the GEF requested grant of \$70 million for activities to address transboundary water issues in 16 countries in the Danube-Black Sea basin (the World Bank has mobilized about \$300 million in co-financing). The Council delegated responsibility for the approval of individual projects under the partnership to the GEF CEO/Chairman based on Council-approved criteria for projects.

11. In the case of the proposed country partnership on sustainable land management, the following four documents would be produced at various stages of the program (project) cycle:

- (a) Project concept development: The country and the GEF Implementing agency (IA) or Executing Agency (EA) will prepare, in cooperation with GEFSEC and the donor partners, a concept paper on the partnership (max. 10 pages).
- (b) Work program inclusion: The country and the IA or EA will prepare a detail partnership framework document, in collaboration with the donor partners and GEFSEC, for GEF work program inclusion. The framework document would outline, among other things, the following: (a) programmatic objectives and expected outcomes; (b) criteria for the selection of individual projects; (c) phasing of implementation, with clear benchmarks and triggers; (d) program-level implementation performance and impact indicators; and (e) upfront financial commitment from the partners.
- (c) Preparation of individual projects: The country and the IA or EA, in collaboration with the donor partners, will prepare documents for individual projects under the partnership for approval by the GEF CEO/Chairman.
- (d) Program Implementation: The country and the IA/EA will prepare an annual report on implementation progress for GEF Council discussion.

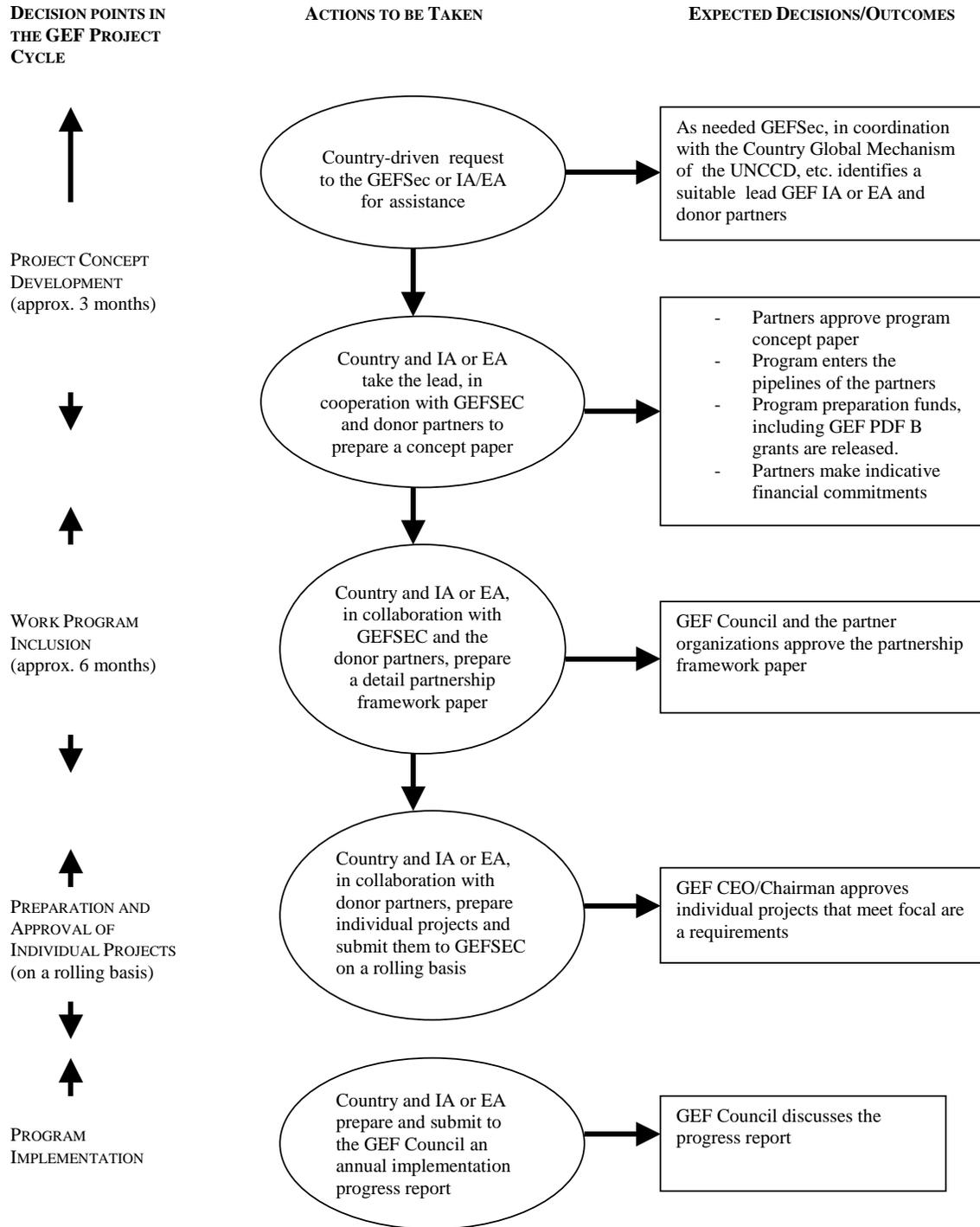
Next Steps

12. GEFSEC should take the lead in contacting possible partners and possible collaborating agencies.

13. GEFSEC should convene a meeting of interested partners, including donors, pilot countries and relevant GEF agencies by February 2004 to prepare a detailed work plan to develop the pilot partnerships.
14. An information paper on specific pilot partnerships in advanced stages of development should be submitted to the May 2004 Council Meeting.
15. The specific project cycle steps proposed for the country partnership on sustainable land management are outlined in Figure 1.

Figure 1. Country Pilot Partnership On Sustainable Land Management

STEPS IN PROGRAM DEVELOPMENT AND APPROVAL



GEF COUNTRY PARTNERSHIP FOR SUSTAINABLE LAND MANAGEMENT

Criteria for Selection of Pilot Countries

- (a) Country(s) with clearly identified priority institutional building and/or investments to address land degradation in their NAP, PSRP or other priority setting planning frameworks.
- (b) Evidence of strong political will and commitment to address land degradation.
- (c) Country commitment to provide funds from national budgetary resources for the partnership.
- (d) Interest by donor(s) to provide co-funding assistance to GEF and country commitments to support land degradation prevention and control activities in the country under consideration.

Criteria for Selection of the Lead Agency

- (a) Country preferences
- (b) Track record and involvement in SLM in terms of policy dialogue, technical assistance and investment projects in the country.
- (c) Substantial pipeline of planned activities of relevance to SLM
- (d) Resources and capacity to assist in the coordination of activities of other agencies in the country/region
- (e) Country presence

Functions of Lead Agency

- (a) Assist governments in convening country-level consultation meetings to agree on main policy dialogue, capacity building and investment elements for SLM
- (b) Assist country to articulate programmatic frameworks for SLM, in cooperation with all relevant partners
- (c) Facilitate a coordinated response of multilateral and bilateral agencies in support of SLM program
- (d) Assist in mobilization of resources within the agreed programmatic framework
- (e) Assist in monitoring of implementation of the program

- (f) Assist in evaluation of impact of the program
- (g) Provide regular feedback to GEF on implementation of the partnership (Financial and Technical reporting)
- (h) Oversee submission of required documentation of partnership activities to the GEF in accordance with GEF project cycle

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