



Global Environment Facility

GEF/C.24/5
October 19, 2004

GEF Council
November 17-19, 2004

Agenda Item 9

**WORK PROGRAM SUBMITTED FOR COUNCIL APPROVAL
AND PROJECT RE-SUBMITTED FOR COUNCIL REVIEW PRIOR TO
CEO ENDORSEMENT**

Recommended Council Decision

The Council reviewed the proposed work program submitted to Council in document GEF/C.24/5, and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by December 3, 2004.

The Council finds that [, with the exception of ,]each project presented to it as part of the work program is or would be consistent with the Instrument and GEF policies and procedures and may be endorsed by the CEO for final approval by the Implementing or Executing 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 to 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 or Executing Agency. Such projects may be reviewed at a further Council meeting at the request of at least four Council Members.]

With respect to *Slovak Republic: Global Program to Demonstrate the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non-combustion Technologies for Destroying Persistent Organic Pollutants (UNDP/UNIDO)*, a project proposal that was resubmitted to the Council for review prior to CEO endorsement, the Council [agrees that the project be endorsed by the CEO][requests the CEO to work with the Implementing Agencies to take into account the Council's comments in the further processing of the project]

ACRONYMS

ADB	-	Asian Development Bank
BCH	-	Biosafety Clearing House
BD	-	Biodiversity
CABEI	-	Central American Bank for Economic Integration
CBD	-	Convention on Biological Diversity
CC	-	Climate Change
CEO	-	Chief Executive Officer
FSP	-	Full-sized Project
FY	-	Fiscal Year
GEF	-	Global Environment Facility
IA	-	Implementing Agency
IDA	-	International Development Association
IFC	-	International Finance Corporation
IW	-	International Waters
IWP	-	Intersessional Work Program
LD	-	Land Degradation
LDC	-	Least Developed Countries
MBRS	-	Mesoamerican Barrier Reef System
MFA	-	Multi-focal Area
MPA	-	Marine Protected Area
MSP	-	Medium-sized Project
NCSA	-	National Capacity Self-Assessment for Global Environment
NGO	-	Non-Government Organization
ODS	-	Ozone Depleting Substances
OP	-	Operational Program
PCBs	-	Polychlorinated Biphenyls
PDF A	-	Project Development Facility Block A
PDF B	-	Project Development Facility Block B
POP	-	Persistent Organic Pollutants
SAP	-	Strategic Program of remedial Actions
SGP	-	Small Grants Programme
SIDS	-	Small Island Developing States
SLM	-	Sustainable Land Management
STAP	-	Scientific and Technical Advisory Panel
UNDP	-	United Nations Development Programme
UNEP	-	United Nations Environment Programme
UNIDO	-	United Nations Industrial Development Organization

Where to send technical comments:

Council members are urged to send their technical comments electronically (in Word file) to the GEF Secretariat's program coordination registry at: gcoordination@TheGEF.org

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I. PROJECTS IN THE PROPOSED WORK PROGRAM

Biological Diversity

1. **Regional (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan):** In Situ/On Farm Conservation of Agricultural Biodiversity (Horticultural Crops and Wild Fruit Species) in Central Asia (UNEP)
2. **India:** Andaman and Nicobar Islands: Ecologically-Sustainable Island Development (UNDP)
3. **Russian Federation:** Demonstrating Sustainable Conservation of Biodiversity in Four Protected Areas in Russia's Kamchatka Oblast, Phase 2 (UNDP)

Biodiversity (Biosafety)

4. **Global:** Building Capacity for Effective Participation in the Biosafety Clearing House (BCH) (UNEP)
5. **Global:** Development of National Biosafety Frameworks Project (10 additional countries) - Add On (UNEP)

Climate Change

6. **Regional (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize):** Accelerating Renewable Energy Investments through CABEI in Central America (UNDP)
7. **South Africa:** South Africa Wind Energy Programme (SAWEP) (UNDP)

International Waters

8. **Regional (Belize, Guatemala, Honduras):** Environmental Protection and Maritime Transport Pollution Control in the Gulf of Honduras (IDB)
9. **Regional (Burundi, Congo DR, Tanzania, Zambia):** Lake Tanganyika Integrated Environmental Management Programme (UNDP)

Multi-focal Area

10. **Global:** Small Grants Programme (Third Operational Phase), Tranche 1 (UNDP)
11. **Argentina:** Decentralized GEF Medium-sized Grants Programme (World Bank/UNDP/UNEP)
12. **Kenya:** Mount Kenya East Pilot Project for Natural Resource Management (UNEP)

Land Degradation

13. **Global:** Land Degradation Assessment in Drylands (LADA) (UNEP)
14. **Brazil:** Sustainable Land Management in the Semi-Arid Sertao (IFAD)

Persistent Organic Pollutants

15. **China:** PCB Management and Disposal Demonstration (World Bank)

Resubmitted Project for Council review prior to CEO Endorsement (from the May 2003 WP)

16. **Slovak Republic:** Global Programme to Demonstrate the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non-Combustion Technologies for Destroying Persistent Organic Pollutants (POPs) (UNDP/UNIDO)

II. WORK PROGRAM

1. The Chief Executive Officer (CEO), having reviewed the conclusions and recommendations of the project review meetings with the Implementing Agencies and Executing Agencies under the policy of expanded opportunities, proposes to the Council the approval of this Work Program. It consists of 15 new full-sized project (FSP) proposals for a GEF allocation of \$142.860 million (see Work Program Project Summaries for details on these projects and Annex A for their financial breakdown):

Table 1. Proposed Allocations for November 2004 WP by Focal Area

Focal Area	GEF Amount (US\$ million)	Projects (No.)
Biodiversity	15.327	3
Biodiversity/Biosafety	11.515	2
Climate Change	9.315	2
International Waters	19.550	2
Multi-focal Areas	54.550	3
Land Degradation	13.968	2
Persistent Organic Pollutants	18.636	1
Total	142.860	15
<i>Total project cost</i>	<i>394.084</i>	

2. Ten projects in the work program have utilized project development facility block B (PDF B) grants to prepare the proposals. These PDF B grants together amount to \$3.984 million. Two projects have used project development facility block A (PDF A) grants to prepare project concepts.

3. Two projects in this work program have also been submitted by two Executing Agencies under the policy of expanded opportunities.

4. One project is submitted jointly by IBRD, UNEP and UNDP: *Argentina, Decentralized GEF Medium Sized Grants Program*. Approval of this project in the work program is contingent upon approval by the Council of the *Proposals for Enhancing GEF Medium Sized Projects* (GEF/C.24/13) to be discussed by the Council under agenda item 17.

Re-submitted Project

5. One project in the Slovak Republic titled *Global Programme to Demonstrate the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non-Combustion Technologies for Destroying Persistent Organic Pollutants* is being resubmitted for Council discussion. This project was approved by the Council for entry into the Work Program at the May 2003 meeting, with the request that it be re-circulated for Council review prior to endorsement by the CEO. The final project document was distributed to the Council on May 28, 2004, for comments prior to CEO endorsement. Four Council members responded that the project be submitted to a Council meeting for discussion prior to CEO endorsement.

Project Allocation Trends

6. Table 2 contains the cumulative amounts for the work programs of the last five years. The Biodiversity and Climate Change Focal Areas have recovered from a dip in fiscal year 2002. Multifocal projects have shown an upward trend during the last few years. Of the total GEF allocations approved by the Council since FY 2000 plus the present work program, 34 percent is allocated to projects in the Climate Change focal area, 32 percent to Biodiversity/Biosafety, 16 percent to International Waters, 12 percent to Multi-focal Area projects, three percent to each Land Degradation and Persistent Organic Pollutants (POPs), and one percent to Ozone Depleting Substances.

Table 2. Project Allocation Trends in the Work Programs of FY 2000 to November 2004 by Focal Area (\$ million)*

Fiscal Year	BD	BD-BS	CC	IW	LD	MFA	ODS	POP	Total
2000	182.748		186.405	47.425		29.118	7.508		453.204
2001	159.211	26.092	177.522	74.834		26.045		6.185	469.889
2002	79.350	7.187	134.365	80.414		42.227			343.542
2003	120.791	2.000	171.648	79.601		75.561	2.087	40.718	492.406
2004	160.309	9.833	202.033	116.487	34.350	82.423	5.176	4.565	615.175
2004-Jul	67.092		23.379		17.357	1.884			109.711
2004-Nov	15.327	11.515	9.315	19.550	13.968	54.550		18.636	142.860
Cum. FY05	82.418	11.515	32.694	19.550	31.325	56.434	-	18.636	252.572
Total	784.827	56.627	904.666	418.310	65.675	311.807	14.770	70.104	2,626.787
	30%	2%	34%	16%	3%	12%	1%	3%	100%

Note: Table includes non-expedited MSPs and EAs that were submitted for Council approval

Legend: BD – Biodiversity; BD-BS- Biosafety; CC – Climate Change; IW – International Waters; LD – Land Degradation; MFA – Multi-focal Area; ODS – Ozone Depleting Substances; POPs – Persistent Organic Pollutants

Co-financing Amount and Trends

7. The proposed sources of co-financing for this current work program, as shown in Table 3, come from beneficiaries, bilateral and multilateral agencies, foundations, recipient governments, non-government organizations (NGOs), the private sectors, and other sources. The total co-financing is \$251.224 million which when added to the total GEF allocation (\$142.860 million) gives a total project cost value of \$394.084 million. Hence, every dollar of GEF allocation is accompanied by 1.76 dollars in co-financing.

8. In terms of focal areas, the climate change portfolio offers the highest co-financing ratio at 1:9.79 or 91 percent of the project cost come from co-financing. This is followed by international waters at 72 percent, and land degradation at 55 percent. On the average, co-financing provided 64 percent of total project cost in this work program.

Table 3. Proposed FSP Co-financing in the November 2004 Work Program (\$ m)

	Biodiversity	Climate Change	International Waters	Land Degradation	Multi-focal Areas	POPs	Total
GEF grant	26.842	9.315	19.550	13.968	54.550	18.636	142.860
<i>Co-financier</i>							
Beneficiary					14.670		14.670
Bilateral	1.875	2.480	8.000	1.500	4.799	1.840	20.494
Foundation	0.406						0.406
Government	13.843	5.585	5.700	7.773	9.029	11.335	53.265
Multilateral	0.732	44.270	31.500	8.071	17.318		101.891
NGO	0.920		1.000		6.692		8.612
Private Sector	4.000	38.900	1.200		2.754		46.854
Others	1.719		2.600	0.062	0.652		5.033
Sub-Total Co-financing	23.494	91.235	50.000	17.406	55.914	13.175	251.224
Total Project Cost	50.335	100.550	69.550	31.374	110.464	31.810	394.084
GEF: Co-financing Ratio	0.88	9.79	2.56	1.25	1.03	0.71	1.76
Percentage Co-financing	47%	91%	72%	55%	51%	41%	64%

9. Table 4 shows the trend in total co-financing amount and ratios during the 2000-2005 fiscal years. The co-financing ratio average for the first half of FY2005 is 3.50. This ratio is very close to the overall historical figure of 3.71.

Table 4. Trends in Co-financing Amounts and Ratios for FY 2000 to FY 2005 *

Approval FY	Total GEF Allocation	Co-financing Amount (\$million)								Co-financing Ratio***
		BD	CC	IW	LD	MFA	ODS	POPs	Total	
2000	453.204	406.127	1,309.841	40.307		46.000	1.000		1,803.275	3.98
2001	469.889	787.247	617.320	95.814		77.390		3.130	1,580.901	3.36
2002	343.542	198.962	881.270	286.943		173.960			1,541.135	4.49
2003	492.406	236.238	915.977	367.899		228.046		51.773	1,799.934	3.66
2004	615.175	658.108	429.109	752.415	67.950	212.850	6.728	7.762	2,134.922	3.47
Jul-04	109.711	228.030	348.398		56.192	0.975			633.595	5.78
Nov-04	142.860	23.494	91.235	50.000	17.406	55.914		13.175	251.224	1.76
2005**	252.572	251.524	439.633	50.000	73.598	56.889	-	13.175	884.819	3.50
Total	2,626.787	2,538.205	4,593.151	1,593.378	141.548	795.135	7.728	75.840	9,744.986	3.71

Legend: BD – Biodiversity; CC – Climate Change; IW – International Waters; LD – Land Degradation; MFA – Multi-focal Area; ODS – Ozone Depleting Substances; POPs – Persistent Organic Pollutants

*Table includes non-expedited MSPs and EAs that were submitted for Council approval

** Covers July and November 2004 Work Programs

*** Cofinancing/GEF Allocation

Fees and Fee Ratios

10. Fees are paid to the agencies for GEF project cycle management services. Table 5 shows the fees by focal area for this Work Program¹.

Table 5. Proposed FSP Agency Fees for November 2004 Work Program

Focal Area	GEF Grant (\$m)	IA Fee (\$m)	No. of Projects	Fee Ratio (%)
Biodiversity	26.842	2.140	5	7.97%
Climate Change	9.315	0.982	2	10.54%
International Waters	19.550	1.424	2	7.28%
Multi-focal Area	54.550	2.465	3	4.52%
Land Degradation	13.968	0.947	2	6.78%
POPs	18.636	1.513	1	8.12%
Total	142.860	9.470	15	6.63%

11. The total Agency fees for this Work Program are \$9.470 million, which translates into a fee ratio of 6.63 percent. This ratio is lower than historical figures (Table 6). This is due mainly to one large project, the Small Grants Program, whose grant (\$47M) represents about the third of this Work Program, and received a relatively lower fee of four percent. Cumulatively for FY05, the fee ratio of 7.57 percent (Table 6) is converging towards those of previous years.

1.1 ¹ Table 5 and Table 6 include all projects that were submitted for Council approval, which include FSPs and non-expedited EAs and MSPs.

Table 6. Trends in IA Fees from FY 2000 to FY2005 Work Programs

Fiscal Year	GEF Amount (\$m)	IA Fees (\$m)	Project Count	Fee Ratio	Average Grant (\$m)
2000	453.204	32.471	52	7.16%	8.715
2001	469.889	34.225	57	7.28%	8.244
2002	343.542	35.877	60	10.44%	5.726
2003	492.406	44.141	68	8.96%	7.241
2004	615.175	59.784	70	9.72%	8.788
Nov-04	142.860	9.470	15	6.63%	9.524
2005*	252.572	19.126	31	7.57%	8.147

Note: Table includes fees for all projects submitted for Council approval, including non-expedited EAs and MSPs

*Covers July and November 2004 WPs

III. APPROVED PROJECTS UNDER EXPEDITED PROCEDURES (3RD QUARTER , 2004)

12. The GEF also finances medium-sized projects, project development facilities (PDFs), and enabling activities under expedited procedures. Expedited approvals by the CEO or Implementing Agencies in the reporting period July to September 2004 comprise:

Medium-sized projects	\$ 8.125 million	(9 projects)	CEO, Annex B
PDF-A	\$ 0.424 million	(9 grants)	IAs, Annex C
PDF-B	\$ 4.688 million	(15 grants)	CEO, Annex D
Enabling activities	\$ 2.934 million	(11 projects)	CEO, Annex E
<i>Total GEF allocation</i>	<i>\$ 16.171 million</i>		

Medium-sized Projects

13. During this reporting period, nine medium-sized projects were approved for \$8.125 million with co-financing of \$21.238 million. All but one of these projects have also utilized project development facility block A grants (PDF As) amounting to \$ 0.199 million. The Implementing Agency fee requested is \$1.314 million. Co-financing ratio is 1:2.6

Project Development Facility

14. Nine PDF A proposals amounting to \$ 0. 424 million were approved by the Implementing Agencies to prepare project concepts.

15. Fifteen PDF B proposals were approved by the CEO for \$4.688 million with co-financing of \$7.94 million. The co-financing ratio is 1:1.69

Enabling Activities

16. Two add-on biodiversity enabling activity project proposals were submitted and approved for \$0.515 million.

17. Seven new NCSA enabling activities were submitted and approved for \$1.475 million. GEF support for governments to assess their own national capacity needs for global environmental management now covers 107 countries with grants totalling \$23 million.

18. Two new POPs enabling activity proposals were submitted and approved for \$0.944 million. This is the first GEF support of this kind in these two countries. GEF support for POPs enabling activities now covers 102 countries for a total of \$46 million.

Projects Approved Under the Policy of Expanded Opportunities

19. During this reporting period, one proposal each from the Inter-American Development Bank and UNIDO were approved.

IV. CANCELLED PROJECTS

20. Council has requested the GEF Secretariat to report on projects that have been cancelled and to show the amounts of undisbursed grants and unutilized fees. In response to this request, Annex F has been added to the cover note and will become a regular item in future work program cover notes.

V. WORK PROGRAM PROJECT SUMMARIES

Biological Diversity

Regional (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan): In Situ/On Farm Conservation of Agricultural Biodiversity (Horticultural Crops and Wild Fruit Species) in Central Asia (UNEP)

Background

21. In Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan (Central Asian or CA countries) the genetic diversity of fruit species is threatened due to overgrazing; deforestation; logging and industrialization in the wild; use of uniform high-yield varieties, chemical fertilizers and pesticides; and increased mechanization in home gardens and on small farms. The result is loss of traditional diversity-based farming systems, degradation of arable lands, pollution, genetic erosion, and loss of biodiversity. The region's legal and policy frameworks to address biodiversity conservation do not adequately support conservation of fruit species. Farmer and research sector knowledge about wild and cultivated fruit genetic resources is fragmented, out of date, and lacks the benefits of modern technologies. Linkages between and among stakeholder groups are weak.

Objectives

22. The project's objective is to ensure the preservation of *in-situ*/on-farm conservation and utilization of horticultural crops and wild fruit species for sustainable agricultural development, food security, and environmental stability in Central Asia, in support of the Convention on Biological Diversity. The project will provide farmers, institutes, and local communities with

knowledge, methodologies, and policies to conserve *in situ*/on-farm horticultural crops and wild fruit species. The project's expected outcomes include: 1) providing options to policy-makers for strengthening legal and policy frameworks; 2) assessing, documenting, and managing local varieties of horticultural crops and wild fruit species in a sustainable way; 3) promoting broad stakeholder participation, representative decision making, and strong partnerships among them; and 4) strengthening the capacity to implement all aspects of fruit species genetic diversity conservation at local, national and regional levels.

Approach

23. This project will work on agro-ecosystem in five Central Asian countries, using an integrated ecosystem approach and focusing on the conservation and sustainable use of indigenous horticultural crops and wild fruit species. The project will mainstream biodiversity into production systems in collaboration with several Ministries as well as the local and indigenous communities and the private sector.

India: Andaman and Nicobar Islands: Ecologically-Sustainable Island Development (UNDP)

24. This project's objective is to mainstream environmental sustainability into the governance systems and key productive sectors (ecotourism, high-value agriculture, sustainable fisheries) of the *Andaman and Nicobar* Islands. This will support the goal of conserving the Islands' globally-significant biodiversity in terrestrial and marine ecosystems through sustainable use.

25. The project addresses OP2 (Coastal, Marine and Freshwater Ecosystems) by promoting the conservation and sustainable use of the globally-significant coastal and reef biodiversity resources of the two Islands. This includes developing capacities for integrated marine and coastal area management, both within overall governance structures as well as within the key economic sectors of coastal fisheries and tourism. The project also addresses OP3 (Forest Ecosystems) with the conservation of the globally-significant moist broadleaf forests of the Andaman Islands. The project will reduce the loss of forest cover through improved land-use planning, monitoring, and enforcement. It will also promote sustainable use of terrestrial ecosystem resources through the development of ecologically-sustainable ecotourism and agricultural activities.

26. The project's expected outputs include:

- (a) mainstreaming biodiversity in ecotourism, agriculture and fisheries development strategies; and
- (b) developing a comprehensive, island-wide coastal and reef fisheries management plan.

Russian Federation: Demonstrating Sustainable Conservation of Biodiversity in Four Protected Areas in Russia's Kamchatka Oblast, Phase II (UNDP)

27. The biological uniqueness of Russia's Kamchatka peninsula is defined by the presence of numerous rare and unique species (Kamchatkan brown bear, Steller's sea eagle), as well as species assemblages and ecosystem processes, both volcanic and geothermal. The network of 107 protected areas in Russia's Kamchatka Oblast provides an opportunity to conserve the peninsula's biodiversity. This project proposes to demonstrate improved management of four representative protected areas, and disseminate the lessons learned to other protected areas in the network through a targeted extension program.

28. The four protected areas that are the focus of this intervention are: Kronotsky State Biosphere Reserve (Zapovednik), South Kamchatka State Sanctuary (Zakaznik), Nalychevo Nature Park, and Bystrinsky Nature Park. As a whole, these protected areas encompass many of the ecosystems found in Kamchatka including tundra (arctic and alpine), boreal coniferous and temperate deciduous forests, freshwater wetlands and lakes, and marine inshore waters. They also represent the diversity of institutional structures (federal and regional protected area management), social contexts (engagement with indigenous peoples and subsistence hunters and trappers), as well as management issues (limited budgets, staffing and capacity, illegal resource use and poaching) encountered in the Oblast, thereby increasing the likelihood of replication.

29. This proposal builds on Phase I of the project which was approved in February 2001. The 2004 independent evaluation of Phase I concluded that the project: a) improved the overall capacity for biodiversity conservation and management; b) strengthened administrative and management capacities within the four selected protected areas; c) increased stakeholder biodiversity conservation awareness, commitment and participation in protected area management; and d) promoted sustainable alternative livelihoods for members of local communities.

30. Phase II of the project will continue to train staff, update and implement current management and operational plans at each site, strengthen and use databases to assist with management planning and decision-making, and supply basic operational equipment and infrastructure for key management functions such as biodiversity monitoring and controlling illegal poaching. A micro-credit/small grant facility will support community efforts to manage natural resources in a way that is compatible with protected area management objectives, including the harvesting of non-timber forest products and the development of tourism opportunities. Awareness raising activities will help maintain the constituency that supports improved conservation management in the peninsula. During Phase I, the strategy for the development of the Kamchatka Biodiversity Conservation Trust Fund was developed. For Phase II, a concerted effort will be undertaken to capitalize the Trust Fund, which will serve as a bridge fund to cover recurrent management costs while other revenue generating mechanisms are piloted and made operational (user fees from visitation, tourism, recreational concessions). Successes and failures encountered with the new management models and approaches in Phase II will be extended to other protected areas in Kamchatka through a series of training and capacity building exercises.

Biodiversity (Biosafety)

Global: Building Capacity for Effective Participation in the Biosafety Clearing House (BCH) (UNEP)

31. This project's objective is to help eligible countries build and strengthen their national capacity to access and use the Biosafety Clearing House (BCH) established under Article 20 of the Cartagena Protocol, to help countries implement their obligations under the treaty. The original project was designed for 50 countries and approved by Council in November 2003. This project will assist 89 additional countries, to develop core human resources and establish an appropriate national infrastructure to fully participate and benefit from the BCH.

32. The CBD Secretariat has developed the BCH and launched the fully operational phase in April 2004. The BCH is comprised of a central portal and a distributed network of external components. The focus of the CBD Secretariat's work has been on developing the central portal. This project will help develop the national BCH components and the capacities of countries to access and use the BCH.

33. The project's expected outcomes are:

- (a) Strengthened country capacity including training for key stakeholders on data management, identification and access to information required for decision-making under the Cartagena Protocol on Biosafety and access to and registration of information in the BCH.
- (b) Creation of an enabling environment to help countries meet the obligations for implementation of the Protocol, by providing them with appropriate computer hardware and software, including software for the storage and exchange of data with the BCH through Internet connectivity or other means.
- (c) Development and dissemination of an interactive computer-based training package including the BCH toolkit. This training package will be developed at the global level and used for training as well as distribution in participating countries.

Global: Development of National Biosafety Frameworks Project (10 additional countries) - Add On (UNEP)

34. This project will assist remaining GEF eligible countries to prepare for the entry into force of the Cartagena Protocol on Biosafety. More specifically, the project will help countries prepare national biosafety frameworks, promote regional and sub-regional cooperation through the convening of regional and subregional workshops, share experiences, and build the necessary capacity.

35. The original project, approved at the November 2000 Council meeting, was designed for a planning figure of 100 countries with a clear commitment to support any additional eligible country. A further request for additional funds for 20 countries was approved at the November 2003 Council, bringing the number of countries currently financed to 120. This request for

additional funds for the last 10 eligible countries is, an extension of the original project design with the same norms and standards.

36. The project's expected outcomes are:

- (a) Strengthened national capacity to implement biosafety procedures and maximize the potential for the safe use of modern biotechnology;
- (b) Enhanced environmental management through the application of biosafety procedures.
- (c) Application of biosafety guidelines under the Protocol, taking into account the work of the Inter-governmental Committee for the Cartagena Protocol on Biosafety.
- (d) Harmonized regional and sub-regional legal instruments to simplify the process of applying and conforming to regulations.
- (e) Increased public awareness of the issues involved in release of living modified organisms to promote informed debate and to ensure that any use of modern biotechnology is open and transparent.
- (f) An opportunity for all stakeholders to be involved in the design and implementation of a national framework for biosafety.
- (g) An assessment of technological capacity, its effect on implementation of national biosafety frameworks, and its means to improve it.

Climate Change

Regional (Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, Belize): Accelerating Renewable Energy Investments through CABEI in Central America (UNDP)

37. This project's overall objective is to facilitate renewable energy investments through the Central American Bank for Economic Integration (CABEI) by removing the financial barriers that obstruct the development of small renewable energy projects in the region.

38. The activities required to meet the project's overall objective include: the integration of small-scale renewable energy lending strategies within CABEI; the development of a pro-active small scale renewable energy pipeline to be included in the CABEI's lending portfolio; the development of appropriate risk mitigation mechanisms to increase the availability of investment capital for on-grid renewable energy activities; and expanded financing opportunities to support market penetration. A major feature of this project is the creation of a partial risk guarantee mechanism for up to 35% of CABEI loans for renewable energy projects, funded by a \$5 M grant from the GEF. An additional \$2.05M would be provided for the technical assistance activities.

39. The expected outputs of the project are:
- (a) an internal strategy, policies, and rules including incentive structures and streamlining procedures for renewable energy projects;
 - (b) formalized synergies among available and future financial instruments relevant for small-scale projects;
 - (c) information and training for all relevant stakeholders in each country;
 - (d) a mechanism to finance feasibility work necessary for project funding; and
 - (e) an innovative guarantee financing mechanism for renewable energy projects.

South Africa: South Africa Wind Energy Program (SAWEP) (UNDP)

40. South Africa has good potential for the cost-effective operation of wind farms. Market surveys have also shown that there is significant willingness among progressive, primarily industrial customers to pay a premium for environment-friendly electricity. This project will pilot a green power tariff for wind energy in the city of Cape Town, South Africa. In the first phase, GEF support will enable the city government to enter into a 20-year power purchase agreement with the municipal distribution company to provide wind-generated electricity to Cape Town customers.

41. To build the market for wind power, the GEF will provide an incentive for marketing the power as well as risk sharing for possible losses over the first 5 years. The GEF contribution is \$2 million in the first phase of the project, for which Council approval is sought now. The government and the private sector will provide \$8.4 million in co-financing for this first phase.

42. The South African government has committed to a 10,000 GWh target for the annual contribution of renewables to energy use in the country over the long term. An implementation plan to achieve this target will also be developed as part of the project's outcomes. On the basis of this plan, as well as the experiences from the first phase, a second phase of the project will come back for Work Program inclusion, with higher long-term ambitions for the expansion of wind power. The proposed second phase of the project will expand the green power scheme to other municipalities and regions in South Africa, but will also provide support to the government of South Africa to implement these more ambitious plans. GEF has pipelined \$5 million and the government and private sector are expected to contribute another \$55 million in co-financing for this second phase.

International Waters

Regional (Belize, Guatemala, Honduras): Environmental Protection and Maritime Transport Pollution Control in the Gulf of Honduras (IDB)

43. The Gulf of Honduras is one of the more ecologically rich and diverse coastal-marine environments of the Caribbean, with extensive barrier beaches, mangrove forests, sea grass beds, tidal swamps, estuaries and lagoons, patch reefs, barrier reefs, and highly productive fisheries. The Gulf, part of the Cayman Basin in the Western Caribbean Sea, includes portions of the exclusive economic zones of Belize, Guatemala and Honduras and receives large freshwater inputs from Guatemala and Honduras. The NW part of the Gulf is shallow (0-30m), and includes part of the Mesoamerican Barrier Reef System (MBRS). The deep Cayman Trench occupies the SE portion of the Gulf, with a steep continental slope. Both coastal and ocean processes play a role in determining seawater properties in the Gulf, and reflect the highly trans-boundary nature of the environmental problems:

- (a) pollution from point and land based sources spreads over long distances in all three countries;
- (b) rising maritime traffic and port operations within and beyond the Gulf increases the potential for catastrophic accidents and chronic pollution; and
- (c) deforestation in the upstream watersheds and frequent extreme climatic events, means that excessive sediments and pollutants are carried by rivers and transported by currents across maritime boundaries.

44. This project's objective is to reverse degradation trends in the coastal and marine ecosystems by:

- (a) preventing and controlling maritime transport-related pollution in ports and navigational lanes, thus improving navigational safety; and
- (b) reducing land based sources of pollution, including sediments, draining into the Gulf. During its five years' duration, the project will help the countries : (a) build their capacity to prevent marine pollution prevention and establish regional and institutional arrangements for coordinated ship and land related pollution control; (b) improve their knowledge base by completing a Transboundary Diagnostic Analysis to identify hot spots and highly sensitive areas, and to reach agreement on to a Strategic Program of remedial Actions (SAP) for the Gulf and the watersheds draining into it; (c) enhance navigational safety and environmental protection in shipping lanes through structural strengthening and two pilot demonstrations; (d) improve environmental management of the Gulf's five main ports by introducing reforms and policies (e.g.: ballast and bilge water discharges), building capacity, and demonstrating the benefits of innovative management technologies in three pilot areas.

45. A key element of the project will be the identification, in partnership with the private sector, of mechanisms to provide financing for SAP implementation over the longer term. Likely options are fees for port services, including specific fees for SAP activities; fees from cruise ships, reimbursements in case of accidents, and a broad set of partnerships with in kind and monetary contributions. Replicability of lessons learned and practices will be responsibility of the executing agency, the regional maritime organization COCATRAM.

Regional (Burundi, Congo DR, Tanzania, Zambia): Lake Tanganyika Integrated Environmental Management Programme (UNDP)

46. Lake Tanganyika contains 17% of the world's "free" freshwater resources, Africa's second largest inland fishery, and over two thousand species of aquatic plants and animals. However, according to a Transboundary Diagnostic Analysis, the lake's environment is threatened by over-fishing, point and non-point land based pollution (nutrients), excessive sediment loads entering the lake, and destruction of coastal habitats. There is also evidence that Lake Tanganyika is being heavily impacted by climate change. The increased frequency of extreme weather events has triggered accelerated runoff and erosion, which contaminate the lake with sediments and pollutants and affect coastal waters and aquifers. Warming of the lake's first water layers is also compounding the effects of over-fishing and further stressing fish stocks.

47. At the request of the riparian states, the GEF is supporting a broad alliance of countries and donor agencies which is implementing the Strategic Action Program and related Lake Tanganyika Framework Fisheries Management Plan. Specifically, this project will help establish a regional management structure (the Lake's Authority, and a regional monitoring system), provide sustainable watershed management for erosion and pollution control through pilot demonstrations, and identify and implement mechanisms to ensure the financial sustainability of the regional collaboration. GEF supported interventions will also help the local population adapt to and mitigate the impacts of future extreme events.

Multi-focal Area

Global: Small Grants Programme (Third Operational Phase), Tranche 1 (UNDP)

48. The GEF Small Grants Programme (SGP) was launched in 1992 to support community initiatives in global biodiversity conservation, climate change mitigation and protection of international waters. To date, the programme has funded nearly 5,000 projects through small grants up to \$ 50,000 to NGOs and community organizations in 76 countries.

49. This project supports the third phase of the Small Grants Programme (SGP) covering the period 2005 to 2007. This phase has been developed on the basis of the recommendations of the third independent evaluation of SGP. Building on earlier work and lessons learned, this project will continue SGP support for path-breaking local environmental initiatives and document the resulting global environmental benefits using specifically developed indicators.

50. Many of the small-scale initiatives are considered to have the potential of becoming good practices or extending into large-scale activities. These initiatives include promotion of sustainable use activities within protected areas and buffer zones, conservation in productive landscapes and seascapes, productive uses of renewable energy, innovative demonstrations in international waters, innovative and indigenous sustainable land management practices, and targeted capacity building through learning by doing.

51. The expected outcomes of this project include:

- (a) Extending SGP to 10 new countries, including a minimum of 5 Least Developed Countries (LDCs) and/or Small Island Developing States (SIDS);
- (b) Introducing two new GEF focal areas of land degradation and persistent organic pollutants;
- (c) Introducing a strategic project window, not exceeding 10% of the small grants, with an increased grant ceiling of \$150,000 from the current \$50,000;
- (d) Demonstrating local and global environmental benefits of the programme and documenting good practices in this context;
- (e) Catalyzing the mainstreaming of SGP funded projects into national and/or medium or full-sized GEF projects and programmes;
- (f) Enhancing and demonstrating the long term sustainability of SGP funded activities; and
- (g) Establishing close links between SGP and other GEF funded projects.

52. The project comprises a monitoring and evaluation component that includes project visits by country programme teams, semi-annual and annual reporting, and regular updates through on-line and off-line databases. In addition, an independent evaluation will be done in the second year of this project.

Argentina: Decentralized GEF Medium-sized Grants Programme (World Bank/UNDP/UNEP)

53. The objective of this pilot project is to test a decentralized process for the implementation of medium-sized projects at the country level. The pilot, based in Argentina, will develop a simplified, efficient and cost effective mechanism to process, manage and implement smaller-sized MSPs; enhance the participation of local NGOs and other Argentine partners and increase their access to GEF resources; strengthen collaboration and coordination among all GEF Implementing Agencies working at the local level; and forge stronger partnerships and more efficient collaboration between the local offices of the GEF Implementing Agencies, the Government of Argentina, and civil society.

54. In its initial stage, the pilot will develop a set of criteria to provide guidance for approval of a series of sub-projects that support GEF environmental objectives and strategic priorities. Over the 3-year pilot phase, the program expects to develop:

- (a) A portfolio of 10-12 well prepared MSPs, in line with national and GEF priorities, which will be implemented by experienced organizations with enhanced managerial and administrative capacity;
- (b) A simplified and administratively streamlined model to finance medium-size projects at a lower cost than the traditional MSP process;
- (c) Incremental funding from other donors, the private sector and executing agencies to leverage (at a ratio of at least 1:1) GEF funds to support activities that generate global environmental benefits;
- (d) a set of lessons learned and best practices for the scaling up and replication of the model on a global scale in other countries or regions;
- (e) promotion of more direct outreach and coherent linkages between the GEF Secretariat, GEF Implementing agencies, the proponents, including governments, NGOs, and communities;
- (f) increased access to GEF resources by medium sized NGOs and civil society organizations which did not have access previously;
- (g) improved performance of the GEF portfolio through the involvement of new proponents with strengthened capacities; and
- (h) stronger incentives for the GEF to embrace the smaller and medium-sized project agenda, including an increased number of well prepared projects and combined monitoring/supervision of grants (thus lowering unit costs of supervision).

Kenya: Mount Kenya East Pilot Project for Natural Resource Management (UNEP)

Background

55. In 1999, the Kenya Wildlife Service conducted a survey and time series analysis of satellite imagery of the Mt. Kenya National Park and Forest Reserve and found serious degradation of the protected areas and areas under productive use. The ecosystem degradation in Mount Kenya is caused by a complex mix of pressures/threats from poverty, population, institutional constraints and climate change.

Objective

56. This project's objective is to enhance the effective and equitable use of natural resources of the Mount Kenya ecosystem, with particular focus on environmental conservation and improved agricultural activities, both of which will help alleviate poverty in the region.

Expected Outcomes

57. The project will address main barriers to the sustainable management of the Mount Kenya ecosystem with these expected outcomes:

- (a) Strengthened local capacity to achieve more equitable withdrawal and more efficient use of river water;
- (b) Environmental conservation and rehabilitation in critical catchment areas to control soil erosion on farms and roadsides and improve soil organic matter;
- (c) Improvement in the quality and quantity of river water to increase the dry season base flow to ASAL areas, and reduce sediment loads and pollution;
- (d) Improved agricultural productivity to enhance carbon sequestration in agro-ecosystems;
- (e) Marketing of agricultural and natural resource-based products to raise household income; and
- (f) Effective conservation of the Mount Kenya Ecosystem and its biodiversity, which will safeguard the integrity of the World Heritage Site and the National Reserve as well as surrounding areas.

Approach

58. The project will promote community-based, integrated land and water management of the Mount Kenya ecosystem and its natural resources. The project is designed to promote synergies between improving local livelihoods and achieving global environmental benefits in the areas of biodiversity, climate change-carbon sequestration and sustainable land management.

Land Degradation

Global: Land Degradation Assessment in Drylands (LADA) (UNEP)

Background

59. The lack of reliable and comparable information on the extent of land degradation in drylands and the basis for informed decision making, especially at the policy level, has been a major constraint not only to affected countries but also to the implementation of Rio Conventions

particularly the United Nations Convention on Biological Diversity and United Nations Convention to Combat Desertification. The project directly addresses the need for a standardized methodological framework for land degradation assessment and policy guidance.

Objectives

60. The principal objectives of LADA project are:

- (a) To develop and implement strategies, tools and methods to assess and quantify the nature, extent and severity of land degradation and the overall ecosystem resilience of dryland ecosystems at a range of spatial and temporal scales. The assessment will integrate biophysical factors and socio-economic driving forces; and
- (b) To build national, regional and global assessment capacities to enable the design and planning of interventions to mitigate land degradation and establish sustainable land use and management practices.

61. These objectives are expected to overcome current policy and institutional barriers to sustainable land use and management in dryland zones and establish incentives to promote sustainable land management systems that will accrue benefits at national and local levels.

Expected Results

62. The project will:

- (a) Develop, test and disseminate an improved needs-based and process-driven approach to drylands degradation assessment;
- (b) Present baseline ecosystem (or regional) and global assessments of land degradation for drylands;
- (c) Provide Detailed local assessments and analysis of land degradation and its impact; and
- (d) Promote action and decision-making for the control and prevention of land degradation in drylands using *LADA* products.

Approach

63. The project will deliver a global assessment of land degradation. During the pilot phase, six regional and six national and local assessments will be conducted to test and fine-tune the methodology and allow for a follow-up at the policy-level (capacity building for informed decision-making) in the selected pilot countries (Argentina, China, Cuba, Senegal, South Africa and Tunisia) .

Brazil: Sustainable Land Management in the Semi-Arid Sertao (IFAD)

Background

64. The Northeast Brazil's semi-arid *Sertão* Region covers an area of 900,000 km² and is home to a population of 17.8 million inhabitants. Within the *Sertão*, the *Caatinga* is the predominant vegetation, found only in Brazil. It holds exceptional rates of national and regional endemism, and is rich in biological diversity. Despite its recognized status as an important habitat for terrestrial biodiversity, the natural systems of *Sertão* are increasingly threatened by land degradation.

65. The main causes of land degradation which affect the structural and functional integrity of the ecosystems of the *Caatinga* are: i) erosion caused mainly by deforestation, overgrazing and inappropriate agricultural practices; ii) elevation of the groundwater table caused by excessive groundwater irrigation; iii) salinization caused by irrigation; and iv) loss of organic material and nutrients due to unsustainable cropping practices including slash and burn, leading to erosion and leaching.

Objective

66. This project's objective is to minimize the causes and negative impacts of land degradation on the integrity of the *Caatinga* biome in the North-East of Brazil through the implementation of sustainable land use systems. The project will promote integrated natural resources management which targets capacity building and innovative sustainable land management practices. This will, in turn, contribute to increased sustainable development and an improved quality of life in communities affected by land degradation in the semi-arid North-East of Brazil.

Expected Outcomes

67. The project will address key constraints to the adoption of sustainable land management by:

- (a) fostering a collective "culture" among smallholder farmers, community leaders, school teachers, students and decision makers for the protection of natural resources and the prevention and control of land degradation in the semi-arid *Sertão*;
- (b) increasing public awareness of the importance of land degradation issues and appropriate land management to the sustainable economic development of the region;
- (c) increasing environmental services (such as water supplies and agriculture productivity) provided by sustainable land use in the project area;
- (d) establish a monitoring and evaluation system to monitor project progress, track the impact on people's livelihoods and the ecosystem, and support the replication of lessons learned and successes in other regions of Latin America; and

- (e) developing a model for participatory management of the biome to ensure the achievement of the project's objectives and goals.

Persistent Organic Pollutants

People's Republic of China : PCB Management and Disposal (WB)

68. China manufactured and imported polychlorinated biphenyls (PCBs) during the 1960s and 1970s. During the 1980s, following growing health and environmental concerns, the government removed most PCB-containing capacitors from service and placed them in temporary storage facilities intended to hold them for 3-20 years. Recent surveys and investigations indicate that most PCB-containing equipment remains in these temporary storage facilities, and that many of the facilities -- caves and burial sites -- are leaking PCBs into the environment. PCB storage sites with confirmed or suspected leakage constitute considerable risks to people and the environment since they are often located in close proximity to residential, office or retail buildings, in public parks, upstream of drinking water reservoirs and rivers, at sites of planned or ongoing infrastructure development, at active cemeteries, and on farms.

69. This project's objective is to identify and demonstrate environmentally-sound and cost-effective policies, procedures and techniques for safely managing and disposing of China's unique temporarily-stored PCBs and associated PCB-contaminated wastes, as well as PCBs still remaining in use in Zhejiang Province. Project activities will go hand in hand with development of China's National Implementation Plan and will pave the way for the implementation of the PCB related aspects of the Stockholm Convention in the country as a whole.

70. The project's expected outcomes include:

- (a) Institutional strengthening and capacity building in Zhejiang Province and national levels;
- (b) Development of an adequate national and provincial policy and regulatory framework for the environmentally sound management of PCBs;
- (c) Recovery of all PCB-containing equipment and cleanup of all PCB storage sites in Zhejiang Province;
- (d) Transportation, treatment and disposal of the PCB wastes and highly contaminated soils;
- (e) Maintenance, monitoring, management and decontamination of all on-line PCB transformers in Zhejiang Province;
- (f) Monitoring and evaluation of project implementation; and
- (g) Design and development of a national PCB management replication program.