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ANNUAL MONITORING REPORT
FY 2008

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INTRODUCTION

1. At its June 2007 meeting, Council approved a Results-based Management Framework (RBM) (GEF/C.31/11), for the GEF. Several key components of the framework were presented in the paper, including an annual monitoring report that monitors project implementation progress, progress towards achieving global environmental objectives, and baseline identification and tracking. As outlined in the RBM framework, the AMR is designed to provide information regarding the overall health of the GEF's active portfolio of projects each fiscal year.

2. The AMR 2008 is based on the GEF's active portfolio of projects that began implementation on or before June 30, 2007 and were under implementation for at least part of FY 2008 (July 1, 2007 – June 30, 2008). The majority of projects in this first AMR were therefore approved in GEF-3, with a few remaining under implementation from GEF-2.

3. As part of the AMR exercise, each GEF agency has submitted individual Project Implementation Reports (PIRs) on all active projects in their respective portfolios. The PIRs include self-ratings that provide the basis of the analysis on implementation progress and progress toward achieving global environmental objectives. From these reports, the overall GEF portfolio of projects under implementation in 2008 is performing satisfactorily in both implementation progress and development objectives across all focal areas.

4. Agencies have also submitted summarized focal area reports and overview reports of their portfolio (reports are available in their entirety at http://www.thegef.org/interior.aspx?id=20480). These have been used to inform the focal area sections.

5. The AMR 2008 includes an analysis of performance ratings by focal area, agency, and region. It also examines how projects are progressing toward achieving portfolio outcomes set under GEF-3. Since an RBM system did not exist during GEF-3 and only the biodiversity (BD) focal area had tracking tools in place, reporting on progress toward these outcomes is challenging.

IMPLEMENTING RBM AT THE GEF

6. Progress on improving and streamlining the reporting process for monitoring GEF's active portfolio has been slow. For example, the Secretariat had originally proposed to begin submitting the AMR at the fall Council meeting, in order to provide monitoring information closer to the completion of the fiscal year. More in-depth performance monitoring could then be undertaken and submitted to Council at its spring meetings. Initiating such a change will however require more work than originally anticipated, including coordination with agencies' reporting timelines, automating the collection of data through the PIR, and reducing the amount of information collected through the PIR process. It will also require a shift in thinking about how much information can realistically be integrated into the report and which information might be

better collected and analyzed through other reporting tools. The Secretariat will continue to work with GEF agencies and the EO to improve its performance monitoring and to provide more timely information as it relates to GEF's active portfolio.

7. The Secretariat must also put in place an adequate system to ensure that all projects have identified a baseline prior to project start or during the first year of implementation. As it currently stands, there is a requirement that all projects must complete a baseline prior to CEO endorsement/approval. Some projects, however, can request for baseline completion during the first year of implementation. The Secretariat does not yet track the number of projects that request such an extension nor does it track whether projects that request such an extension complete the baseline after one year. Given that the identification of baselines is crucial to tracking results, the Secretariat will introduce a system to capture and track the identification of baseline data and will report on its progress and present preliminary results for the 2009 AMR.

8. In terms of GEF tracking tool, the Secretariat has made steady progress. This years' AMR piloted tracking tools in three focal areas: Climate Change (CC), International Waters (IW), and POPs. An analysis of these results is included in the section summarizing focal area results.

Tracking Tool Development

9. Over the course of 2008, the CC focal area successfully developed the first version of its tracking tool for its energy efficiency, renewable energy, emerging low-GHG energy technologies (implemented under GEF-3), and sustainable transport projects. The AMR 2008 exercise constituted a first trial to test the utility and appropriateness of these indicators for wider application in the CC focal area.

10. In IW, GEF agencies utilized the GEF-3 IW Tracking Tool, developed and adopted in collaboration with the GEF IW Task Force. In addition, the IW focal area is the first to have developed a web-based user interface for its GEF-3 and GEF-4 tracking tools within the GEF PMIS database. This application will be tested over the coming year.

11. While each individual focal area is making progress on developing and adopting tracking tools, the application of tracking tools for Multi-Focal Area (MFA) projects does pose several challenges. This is particularly true given the fact that all focal areas have developed tracking tools using different approaches. Once a project proposes the pooling of resources from more than one focal area, all tracking tools associated with the involved focal areas have to be applied. This is a challenge for agencies to implement since the transaction costs are considerably higher and could potentially become a disincentive to develop MFA projects.

12. Ideally, the tracking tools need to be harmonized among focal areas to reduce the transaction costs and to provide incentives for agencies and countries to come forward with projects that support focal area synergies and aim to achieve multiple global

environmental benefits. In developing tracking tools for GEF-5, the GEF Secretariat will work to harmonize the tracking tools across focal areas to the extent feasible.

13. The table below summarizes the status of the GEF-4 tracking tool development and implementation for each focal area. Specific updates for each focal area on tracking tool development are included in Annex 4.

Table 1: GEF-4 Tracking Tool Status

Focal Area	Completed and Under Implementation	At Testing Stage	At Development Stage
Biodiversity	√		
Climate Change		√	
International Waters		√	
Land Degradation			√
POPs		√	

Monitoring Challenges

14. **Collection of reliable baseline data**. As part of its effort to monitor whether or not baselines are in place at project start, the Secretariat must also take into account countries' capacities to provide monitorable, verifiable, and reportable data (MVR). In many cases, indicators are developed but data reliability is questionable since many recipient countries lack national capacities to provide such data. It is therefore important that the GEF pays more attention to developing those capacities that in turn will enable better reporting of progress towards achieving results. For countries that lack the capacity for MVR reporting, interim solutions need to be developed until the capacity has been improved.

15. **Costs of Monitoring and Evaluation.** GEF projects are obliged to measure and report on results that are consistent with GEF's mandate. With a more systematic approach to RBM and the development of tracking tools, the issue of costs of M&E has become a point of discussion. Most projects propose a project-based M&E system, which in many cases is financed 100% by external sources. M&E systems need to be fully mainstreamed into national processes and led by national institutions in order to continue M&E activities related to project-induced changes beyond the life of the project. It is the assumption in GEF projects that good practices will be replicated and upscaled after project closure, but proof of success of this assumption is linked to a continuing monitoring system that allows for the attribution of impact to activities initiated by GEF

or any other project. The GEF Secretariat will need to conduct an analysis to better determine how the GEF can contribute to strengthening national systems.

16. **Measuring Total System Carbon as a global environmental benefit (GEB)**. GEF is currently developing a scientifically robust methodology for measuring total system carbon benefits from GEF-supported interventions to be applied from GEF-5 onwards. The methodology will be costed so proponents can plan for an appropriate budget. Since it is primarily in GEF's interest to measure carbon as a GEB, there is a need to open the discussion about who will pay the costs for applying this methodology in GEF projects. The intention of the methodology is to provide reliable data on carbon benefits that will allow for the engagement of countries with the voluntary carbon market. The assumption is that countries will see the benefit of applying this methodology in a rigorous way and therefore, costs to external financing sources such as the GEF will diminish over time.

FOCAL AREA RESULTS

17. This section provides a brief summary of results from this years' AMR for each focal area. As noted earlier, nearly all of the projects that were part of the PIR 2008 are from GEF-3. More detail on each focal area, including detailed progress on tracking tool development, lessons learned, and best practices is provided in Annex 4. The table below gives an overview of the number of active projects and total GEF financing for the active portfolio by focal area.

Table 2: GEF Projects under Implementation by Focal Area

FOCAL AREA	NUMBER OF PROJECTS	TOTAL GEF FINANCING
BIODIVERSITY	150 FSPs 80 MSPs 230 Total	$1055 million
CLIMATE CHANGE	121 FSPs 24 MSPs 145 Total	$859 million
INTERNATIONAL WATERS	53 FSPs 8 MSPs 61 Total	$451 million
LAND DEGRADATION	13 FSP 11 MSP 24 Total	$101 million
POPS & OZONE	8 FSPs 6 MSPs 14 Total	70 million

Biodiversity

18. As part of the GEF-3 document, *Strategic Business Planning: Direction and Targets* (GEF/C.21/Inf 11), a set of coverage and outcome indicators were agreed for the two primary BD strategic priorities during GEF-3: protected areas and BD mainstreaming. At the end of GEF-3 programming, the coverage results achieved for GEF's primary strategic priorities in BD surpassed most targets. These are presented in Table 3 below:

Table 3. FY 2003-06 Project Contributions to the Coverage Targets in the Business Plan for GEF-3

Strategic Priority One for GEF-3: Catalyzing Sustainability of Protected Area Systems at national levels.	
Targets for Entire GEF-3 (coverage)	**GEF-3 Coverage Targets**
• At least 15 countries receive support for strengthening PA systems to ensure their long-term sustainability. • At least 400 PAs supported (through about 80 projects) – of which at least 20% should be new additions. • At least 70 million ha of PAs supported. • Number of protected areas and total hectares under any "global priority lists".	• Forty -one (41) countries. • 566 PAs. • 137,234,149 hectares supported. • 63 PAs are new totaling 20,004,213 hectares. Total number of PAs that are new is about 11 % in terms of total number of PAs supported and in terms of coverage this translates into 14.6 % of the total hectares covered. • 10 World Heritage Sites (5,868,817 hectares; about 4.4 % of total coverage.) • 47 WWF 200 sites (41,314,416 hectares; about 30 % of total coverage) • 32 Biosphere Reserves (26,389,842 hectares; about 20 % of total coverage.) • 40 Ramsar sites (3,060,447 hectares about 2.3 % of total coverage.) • Total Hectares under global lists: 76,633,522 hectares or about 55.8 % of total coverage.
Strategic Priority Two for GEF-3: Mainstreaming BD Conservation in Production Landscapes/Seascapes and Sectors	
Targets for entire GEF-3 (coverage)	**GEF-3 Coverage Targets**
• At least 5 projects in each of the targeted sectors (agriculture, forestry, fisheries, tourism) focused on mainstreaming. • At least 20 million hectares in production landscapes and seascapes that contribute to BD conservation or the sustainable	Agriculture: 43 projects Fisheries: 21 projects Forestry: 26 Projects Tourism: 23 projects Mining: 3 projects • At least 98,596,081 hectares in landscapes and seascapes.

use of its components. • At least 5 countries promote conservation and sustainable use of wild species and landraces.	• 33 countries with projects on wild species and landraces conservation and sustainable use.

19. In GEF-3, the BD focal area began to apply a set of tracking tools to measure progress in achieving the targets and indicators established at the portfolio level. The tools are applied at work program inclusion (establishing the baseline), and at the mid-term and final evaluations. The indicators and targets were agreed in the GEF-3 business plan and are being tracked for all GEF-3 projects. A similar process is in place for tracking the GEF-4 output and outcome indicators at the portfolio level. Data from the GEF-3 project cohort will be aggregated for analysis of directional trends and patterns at a portfolio-wide level to both inform the strategic priorities of the GEF and to report to GEF Council on portfolio-level performance in the BD focal area.

20. As part of the FY 2008 PIR process the GEF Secretariat requested that GEF agencies submit the completed tracking tools for all projects undergoing a mid-term or final evaluation in FY 08. As part of the ongoing reporting to Council on the portfolio level results from GEF-3 for the FY 08 cohort are provided in Table 4 below.

Table 4. FY 08 Update on GEF-3 Project Cohort Contributions to the BD Outcome Targets in the Business Plan for GEF-3

Strategic Priority One For GEF-3: Catalyzing Sustainability of Protected Area Systems at National Levels.
Expected Impact: Improved management effectiveness of national PA system, and individual PAs which receive direct support over the long-term.
Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation: X (Y %) PAs supported show improved management effectiveness against baseline scenarios

Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise

Mid-Term Evaluation

At the time of the FY 2008 PIR, 24 protected areas---or 4 % of the GEF-3 cohort total covering an area of 1,591,340 hectares, or only 1.2 % of the GEF-3 cohort total—were part of protected area projects that underwent a mid-term evaluation as reported by the GEF agencies.

75 % of these protected areas demonstrated improved management effectiveness as measured by Management Effectiveness Tracking Tool, 12.5% showed no improvement, and 12.5% regressed and demonstrated a negative trend.

The 18 sites that demonstrated improved management effectiveness covered an area of 1,164,941 hectares or 73 % of total coverage of the evaluated protected areas.

Final Evaluation

At the time of the FY 2008 PIR, 8 (eight) protected areas---or slightly more than 1 % of the number of protected areas being managed in the GEF-3 project cohort covering an area of 183,243 hectares, or slightly less than 1% of the GEF-3 cohort in terms of hectares covered--were part of protected area projects that underwent a final evaluation as reported by the GEF agencies.

Seven (7) (or 88%) of these protected areas demonstrated improved management effectiveness as measured by Management Effectiveness Tracking Tool. One protected area dropped slightly in management effectiveness.

The 7 (seven) sites that demonstrated improved management effectiveness covered an area of 141,483 hectares or 77% of total coverage of the evaluated protected areas.

Strategic Priority Two For GEF-3: Mainstreaming Biodiversity Conservation in Production Landscapes and Sectors

Expected Impact: (i) Produce BD gains in production systems and buffer zones of protected areas and (ii) BD mainstreamed into sector programs of the IAs.

Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation:

-- X (Y %) projects supported in each sector have included incorporated biodiversity aspects into sector policies and plans at national and sub-national levels, adapted appropriate regulations and implement plans accordingly.

-- X ha of production systems that contribute to biodiversity conservation or the sustainable use of its components against the baseline scenarios.

Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise

At the time of the FY 2008 PIR, only four mainstreaming projects underwent a mid-term evaluation as reported by the agencies in the fiscal year. No projects underwent a final evaluation.

- Three projects sought to influence the policy and regulatory framework.

-- One project, starting from a zero baseline, had achieved BD considerations mentioned in sector policy through specific legislation and regulations are under implementation.
-- One project had made no progress in advancing BD considerations into the policy and regulatory frameworks that they targeted.
-- One project had successfully incorporated BD into agriculture and tourism policy.

- All four projects sought to change production systems with the following results:
  - 730 hectares out of a project goal of 3,000 hectares were under certified organic agricultural production. Production included four wild species and eleven landraces.
  - 170,000 hectares out of a project goal of 228,000 hectares semi-arid woodlands was under more sustainable management (not certified).
  - One project covered more than 1.5 million hectares, within which the following the sustainable use outputs were achieved by the project mid-term:
    - Four forestry units managed under FSC Guidelines (hectares covered x)
    - Seven farmers engaging in organic farming (certified) (coverage of hectares x)
    - Sixty farmers utilizing indigenous breed of cattle or sheep for grazing and milk production
    - Eight Municipalities integrating BD concerns into planning,(i.e .municipality environment plans, spatial plans, action plans, project plans, tendering procedures etc.)

21. Reporting each year will give Council small snapshots of progress to date with the GEF-3 cohort. The GEF will continue to provide these portfolio level summaries as part of the AMR process. Once 50% of the GEF-3 BD project portfolio has undergone a mid-term review, portfolio outcomes will be summarized and presented to Council as part of the annual PIR process in order to provide a more substantial view of portfolio-level progress. This will be repeated once 100% of the GEF-3 project cohort has undergone a mid-term evaluation. The process will be repeated once the GEF-3 cohort is 50% and 100% implemented, projects have undergone final evaluations, and have submitted the final version of the tracking tools.

Climate Change

22. Over the course of 2008, the CC focal area successfully developed the first version of its tracking tools for its energy efficiency, renewable energy, emerging low-GHG energy technologies (implemented under GEF-3), and sustainable transport projects. A set of indicators for GEF Adaptation projects is anticipated to be developed over the course of 2009.

23. The AMR 2008 constitutes a first trial to test the utility and appropriateness of these indicators for wider application in the CC focal area. In this test, all projects were asked to report on two of the proposed indicators associated with the strategic priority (or

objective) the project addresses. Since very few GEF-4 projects are currently under implementation, agencies were asked to test how these indicators can be used to measure results from previous GEF periods. An approach to fitting and retrofitting the GEF-4 indicators to projects prepared in accordance with GEF-3 strategic priorities was provided in the 2008 GEF Annual Monitoring Review Guidelines. For projects dating from earlier GEF periods, the project team was asked to determine through self-assessment whether the proposed indicators can be fitted to the project under consideration. A summary of the indicators by strategic program is provided in Annex 4.

24. Given that many projects which are currently under implementation pre-date the adoption of the indicators covered by CC tracking tools, agencies did raise a concern about trying to retrofit indicators to old projects. Those projects that do not include appropriate indicators will be identified and a strategy for restructuring the monitoring and measuring tools will be suggested for 2009.

25. In addition, difficulties were encountered quantifying the market transformation indicators. Consequently, many projects reported qualitatively on this indicator or did not explain their definition of the market transformed, making the results challenging to analyze or summarize. Therefore, in order to make the reporting on this indicator across the projects uniform, there appears to be a need to provide an exact definition of what a market is and how the "impact" should be assessed and rated.

26. Overall, the AMR 2008 process shows that as it is the current CC indictor requirements are reasonable and do not impose undue additional reporting strain on project implementing agencies. However, further fine-tuning will be done to improve upon the existing set of indictors, requirements, and analysis tools. In addition, more work remains to be done on expanding reporting requirements for the sustainable transport strategic program, as well as for projects in adaptation. In this respect the GEF Secretariat will collaborate with GEF agencies, drawing on already existing sustainable transport and adaptation projects tracking tool research.

27. As part of the FY 2008 PIR process agencies submitted Terminal Evaluation reports for twenty completed projects, which contain information on the relevant indicators. Relevant data submitted for the AMR 2008 project cohort has been aggregated and analyzed against the GEF-3 targets, set in GEF/C.21/Inf 11, GEF-3 *Strategic Business Planning: Directions and Targets*. Results of GEF-3 projects that went through Terminal Evaluations in FY 2008 are presented in Table 5.

Table 5: FY 08 Update on GEF-3 Project Contributions to the Climate Change Outcome Targets in the Business Plan for GEF-3

Selected Performance Indicators	Overall GEF-3 targets	Contributions of 2008 project Cohort, Submitting Terminal Evaluations during FY 2008 PIR Exercise, towards Overall GEF-3 Targets
GWh p.a. of annual energy saving from transformation of markets for high-quality, commercial, low GHG products of processes	12 000 GWh p.a.	10 217 GWh p.a.
MW of renewable energy power sector investments	4 000 MW	186 416 MW
Number of countries with explicit renewable energy / energy efficiency power sector policies	10 additional countries	19 additional countries
Avoided CO_2 emissions (million tons, GEF projects which went trough Terminal Evaluation during 2008[1])	600-1500 million tons of CO_2 equivalent	41.57 million tons of CO_2 equivalent

[1] Lifetime emissions from facilitated investments; includes some replication, but large market scale-up from replication could double these numbers

International Waters

28. For the first time, in 2008, GEF agencies reported progress toward project level outcomes associated with the GEF-3 Replenishment targets. This was carried out through the simplified GEF-3 IW Tracking Tool. The tracking tool was developed and adopted by the GEF IW Task Force in order to support Results-based Management reporting at a portfolio level. Agencies submitted a total of 37 GEF-3 tracking tools (IADB (1), UNDP (17), UNEP (9) and WB (2)). The specific tracking tool as well as project ratings are presented in Annex 4.

Land Degradation

29. The GEF LD focal area became operational in 2003 with the approval of the Operational Program 15 on "Sustainable Land Management." GEF-3 was considered and encouraged by the GEF Council to be experimental in terms of understanding the demand for such projects, clarifying some fundamentals of the focal area (e.g. global environmental benefits and the application of the incremental cost principle) and the development of an innovative and diverse portfolio for learning purposes. As these projects begin to reach completion, the GEF Secretariat will be able to present the major lessons learned from this pilot phase of LD.

30. For GEF-4, $300 million was allocated to the LD focal area. The portfolio development presents three major clusters of supported initiatives: sustainable agriculture (cropping and rangeland management), sustainable forest management, and management of wider landscapes with diverse rural land uses. Programmatic approaches dominate the portfolio as they provide better opportunities to capture visible results at the local level and also provide synergies among various GEF focal areas. Most of these programs pool resources among focal areas including BD, IW, and CC adaptation and mitigation. The development of an appropriate tracking tool to capture anticipated results at the portfolio level has therefore been a challenge.

31. To push for a strategic approach to results management in LD, an MSP was developed "Ensuring impacts from Sustainable Land Management (SLM)," which aims to establish a scientifically rigorous yet pragmatic indicator system for the focal area to measure results at the project, portfolio, and global levels. This indicator system also intends to address how to better build a knowledge management platform for GEF financed initiatives that focus on mitigating LD, especially desertification and deforestation. The MSP was therefore designed to develop indicators to demonstrate the results derived from actions in LD, establish a learning network to strengthen knowledge exchange across the GEF LD portfolio, and lay the foundations for a harmonized interagency monitoring system for adaptive management and the evaluation of impacts. The project is ongoing. As of now, the global level indicators have been developed and inform the GEF-5 strategy when it comes to measuring the impact of the focal area as a whole. Work has now started with regards to the project level indicators.

32. The GEF-5 LD FA strategy is currently in development using a results-based management framework. It is structured as follows:

- **Focal Area goal** with impact indicators (see above) reflecting on the contribution of the focal area to global environmental benefits
- **Four objectives** with indicators and **outcomes** by objective
- **Outputs** by outcomes with measurable indicators such as reduced/avoided carbon emissions from land use, maintained endemic species in the production landscape and output indicators relating to the enabling environment.

33. The outputs will include results individual projects and programs will achieve under GEF-5, hence, it will be possible to aggregate. This will be done through the development of a tracking tool which will be completed by all projects funded in GEF-5 under the LD focal area. The tracking tool will also be informed by the progress of the MSP "Ensuring impacts from SLM". It is the intention to develop a simple, pragmatic and useful tracking tool which will be applied to all LD projects from GEF-5 onwards.

Persistent Organic Pollutants (POPs) and Ozone Layer Depletion

34. Under GEF-3, the emphasis in the POPs focal area was on enabling activities, with the comprehensive development of Stockholm national implementation plans in most GEF eligible countries. Under GEF-4, the strategic focus for the focal area has marked by a shift from the preparation and enabling stage to actual implementation of the Stockholm Convention. Therefore, not unexpectedly, the projects that are currently under implementation and that have submitted a PIR under this years' AMR 2008 exercise are not representative of the main goals and objectives of the GEF under the POPs focal area. There are, however, seven projects currently under implementation that do provide lessons for the type of projects supported under GEF-4 programming. Some of these lessons are outlined in Annex 4.

35. The POPs focal area piloted a set of tracking tools for the 2008 AMR process. The tracking tools were developed within the framework of the POPs task force, with input from the GEF agencies, the STAP, and the Stockholm Convention Secretariat. The tracking tools include a set of project outcome indicators that can be aggregated from different but related projects to provide an overview of the results at the focal area level. The tracking tools aim to provide a meaningful overview of portfolio achievement, but cannot hope to cover all aspects of project achievements and therefore cannot provide a broad overall assessment of focal area-wide achievements.

36. Six projects submitted tracking tools this year (3 UNIDO, 2 WB, and 1 UNEP). As more GEF-3 and GEF-4 POPs projects progress in implementation, the GEF Secretariat will begin to report back on how these projects are progressing towards expected outcomes.

37. The very few ODS projects under implementation reflect the transitional nature of the portfolio. Most of the projects that were addressing CFCs, CTC, and halons are now closed. Countries are now planning for accelerated HCFC phase out following the decision of the parties in September 2007. The two full-sized projects under

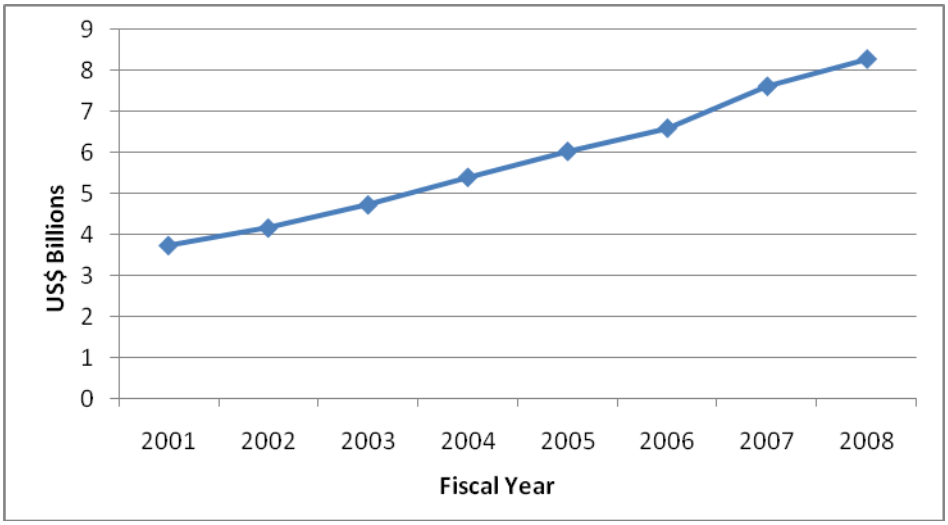
implementation will have undergone a terminal evaluation by the time of the next AMR exercise and will present an opportunity to take stock of lessons learned. In particular, the regional UNDP/UNEP project on methyl bromide phase out should offer lessons for the POPs portfolio. The interaction with the private sector, and how to deal with implementation barriers specific to this type of project such as registration of alternative products may be of particular interest.

PORTFOLIO OVERVIEW[2]

38. The following section provides an overview of the cumulative GEF portfolio and projects currently under implementation (projects that began implementation on or before June 30, 2007 and were under implementation for at least part of FY 2008). The information and data presented here were taken from annual PIRs submitted by the GEF agencies, the Secretariat's database, and data provided by the Trustee.

39. The growth of the overall GEF portfolio has continued on an upward trend, including enabling activities and project development funds (see figure 1). The total GEF allocation as of June 30, 2008 was $8,275 million.[3] Compared to $7,611 million in 2007, this constitutes an increase of about 9 %.

Figure 1. Cumulative GEF Resource Allocations (as of June 30, 2008)



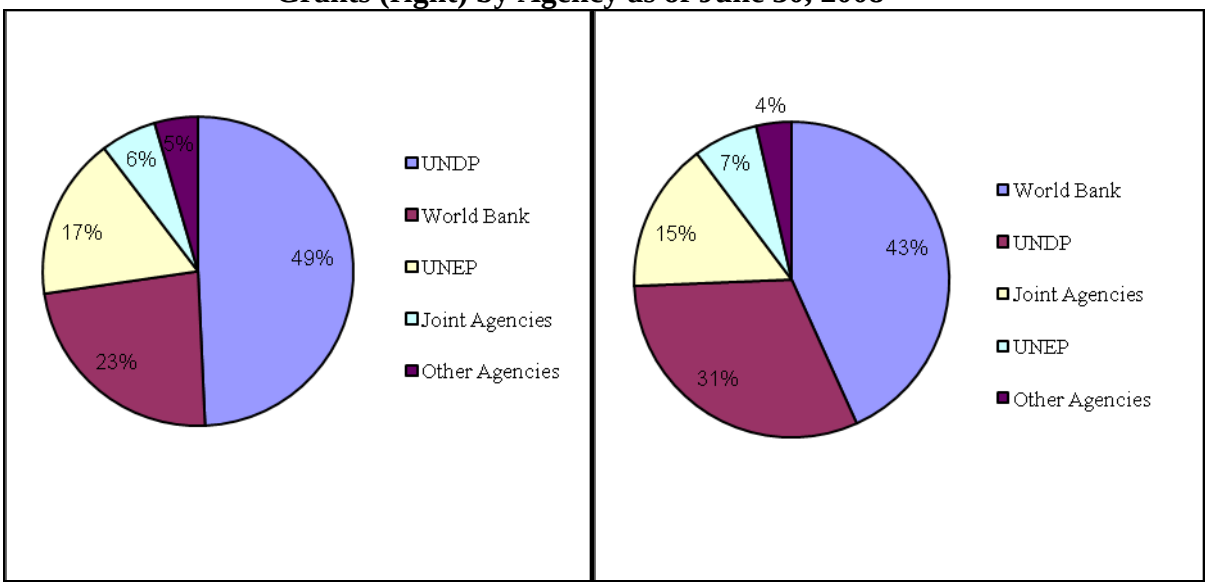
[2] All dollars cited in this and subsequent sections are US dollars.
[3] This figure is based on data that was generated by the GEF Secretariat's project management information system on February 3, 2009. A breakdown is provided in Annex 2.

40. During FY 2008, 109 full-sized projects (FP), 72 medium-sized projects (MSP), and 19 enabling activities (EA) were approved. The total allocation for these projects, including PPG grants, was $664 million in GEF funding.

41. As of June 30, 2008, a total of 1,335 full and MSP have been allocated funding in approved GEF work programs, compared to 1,172 projects by June 30, 2007, representing an increase of almost 14 %. In addition, 804 enabling activities have been approved as of June 30, 2008.

42. Figure 2 shows the distribution of GEF allocations and the number of GEF projects (FSPs, MSPs, and EAs) by agency. As of June 30, 2008, UNDP had the largest share of projects, at 49 % while the World Bank had the largest share of total GEF allocations, at 43 %.

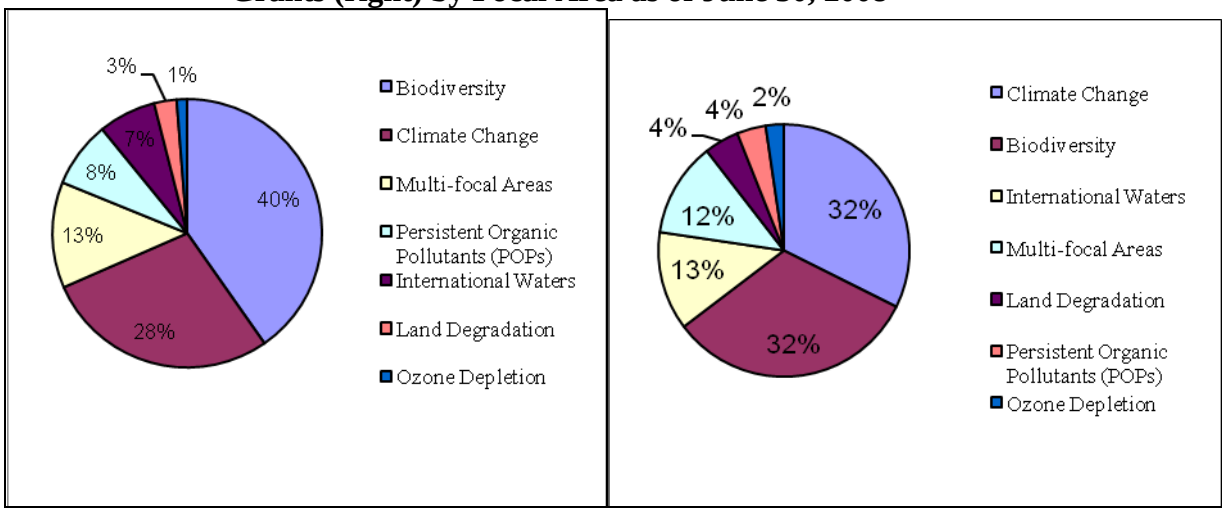
Figure 2. Distribution of the Number of GEF Projects (left) and the Amount of GEF Grants (right) by Agency as of June 30, 2008



43. Figure 3 provides the distribution of GEF allocations and the number of GEF projects by focal area. As of June 30, 2008, the BD focal area had the largest number of GEF projects, at 40 % while both CC and BD focal areas had an equal share of the total project funding at 32 % each.

44. Detailed tables breaking down GEF project allocations by agency, focal area, project type, and number of projects are provided in Annex 1 (Tables 1.1 and 1.2).

Figure 3. Distribution of the Number of GEF Projects (left) and the Amount of GEF Grants (right) by Focal Area as of June 30, 2008

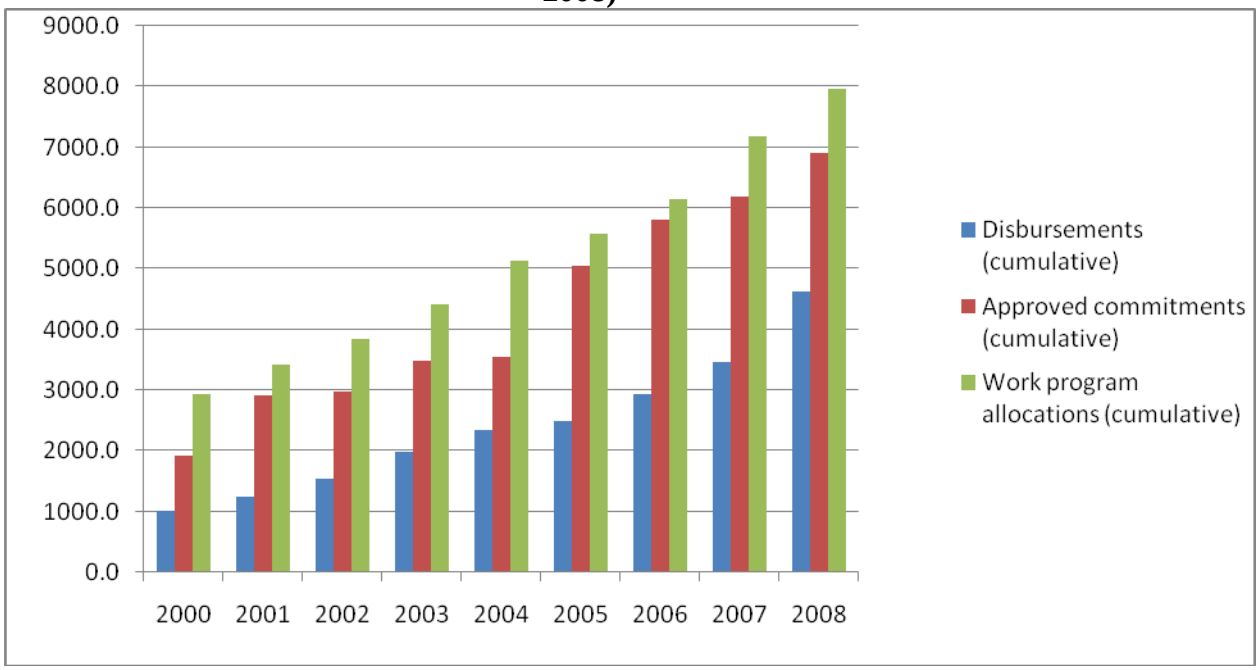


Approved Commitments and Agency Project Disbursements

45. Figure 4 shows GEF allocations, commitments, and disbursements as of June 30, 2008. The cumulative work program allocation from the start of the GEF was $7,982 million. Cumulative disbursement increased during FY 2008 to $4,629 billion, up from $3,599 billion in FY 2007.

46. The difference between approved commitments and actual disbursements was 47 % in FY 2006, 43 % in FY 2007, and 33 % in FY 2008 (See Figure 4).

Figure 4. Cumulative GEF Allocations, Commitments, and Disbursements (2000-2008)



OVERVIEW OF PROJECTS UNDER IMPLEMENTATION

47. The GEF agencies submitted PIRs (PIRs) for 522 projects, including 379 full and 143 MSP that have been under implementation for at least one year as of June 30, 2008. The total number of projects under implementation reflects a steady growth of the portfolio under implementation, up from 464 projects in 2007.

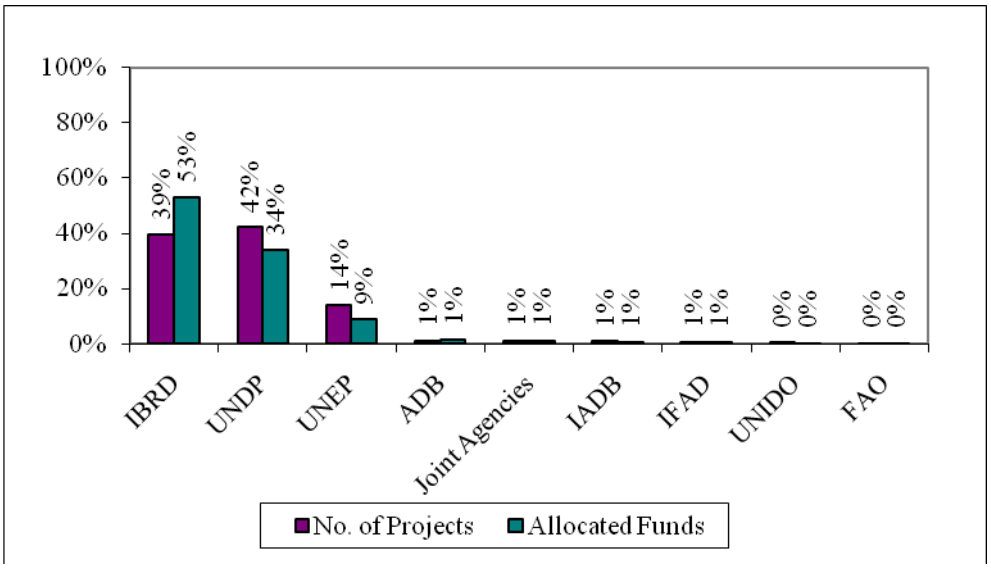
48. The total amount of GEF funds allocated to full and MSP that were under implementation in FY 2008 was US$ 2,765.20 million (including PDF grants for these projects) compared to US$2,551.58 million allocated funds in FY2007.

49. The World Bank had the largest share of the total GEF funding[4], totaling 53%, followed by UNDP and UNEP, with 34 and 9%, respectively. Projects implemented jointly by multiple agencies constituted one % of the allocated funds, while the remaining three percent was utilized by the following agencies in order of decreasing allocation of funds: ADB, IADB, IFAD, UNIDO and FAO. Figure 5 presents the agency distribution of total GEF funds allocated to projects under implementation in FY 2008.

50. In terms of the distribution of the count of projects amongst the agencies, UNDP has the largest portion of projects, at 42%, followed by the World Bank at 39%, then UNEP, at 14%. The remaining 5% of projects are distributed among the other agencies in the same order as above.

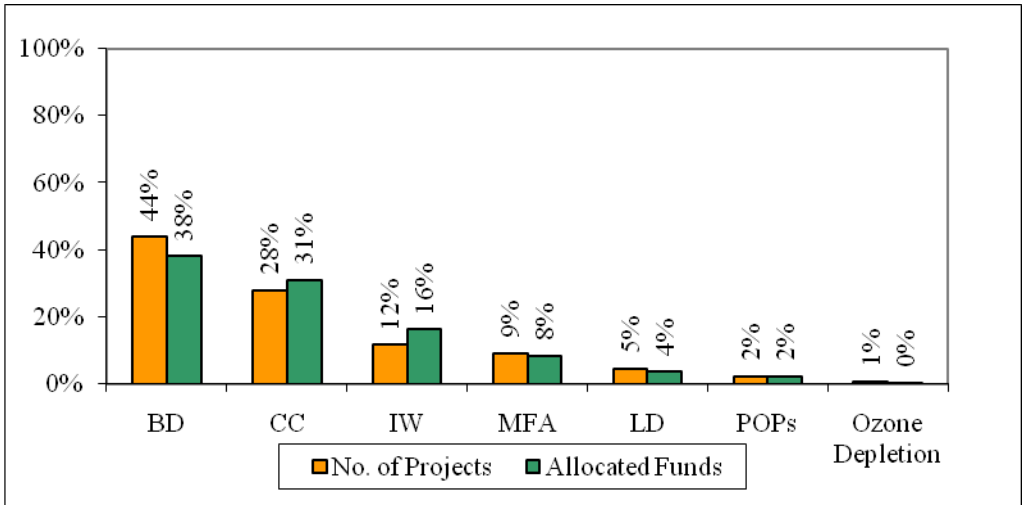
[4] World Bank projects included 22 IFC projects.%

Figure 5. Distribution of Value by Agency for Projects under Implementation in FY 2008



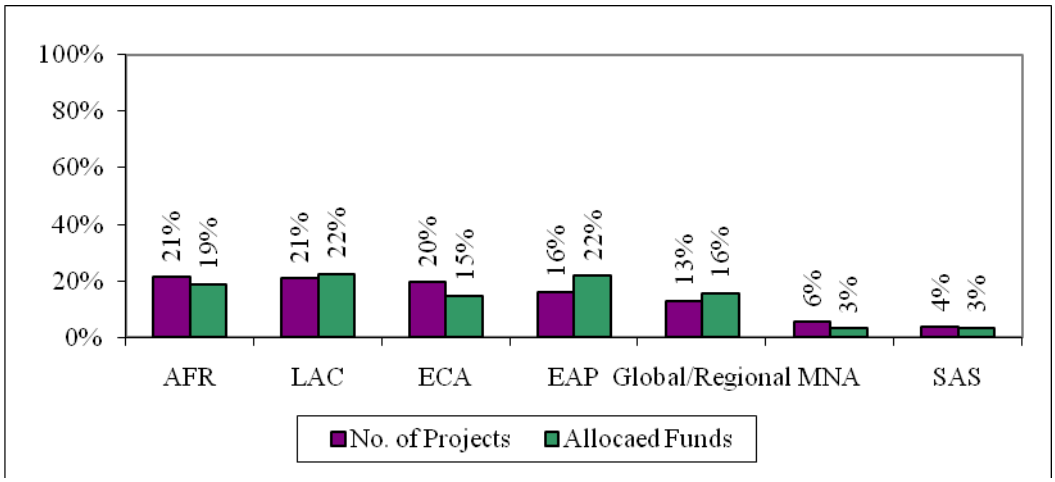
51. Figure 6 shows the distribution of projects under implementation in FY 2008 and total GEF allocation for these projects by focal area. As in previous years, BD projects represent the greatest portion of active projects at 44 %, followed by CC projects at 28 %. BD projects also had the largest share of total GEF allocations at 38 %, with CC projects having the second largest share at 31 % of total GEF allocations.

Figure 6. Distribution of Value by Focal Area for Projects under Implementation in FY 2008



52. Figure 7 presents the geographic distribution of active projects for FY 2008, both in terms of the number of projects and the amount of funds. The Africa and Latin America and the Caribbean regions had the largest proportion of projects at 21% each; not far behind was Europe and Central Asia, at 20 %. Latin America and the Caribbean also constituted the largest portion of funds at 22 %. The East Asia and the Pacific region had a similar proportion of total funds, with a lower project count. The Middle East and North Africa and South Asia regions had the fewest number of projects at 6 and 4% respectively, while also utilizing the least amount of funding: 3 % each. Europe and Central Asia implemented more projects for utilized funding (at 25% more projects than funding); while for East Asia and the Pacific the reverse was true. Figure 8 presents a breakdown of the geographical distribution of projects and total GEF allocations in the active GEF portfolio.

Figure 7. Distribution of Value by Region for Projects under Implementation in FY 2008[5]



Performance Ratings

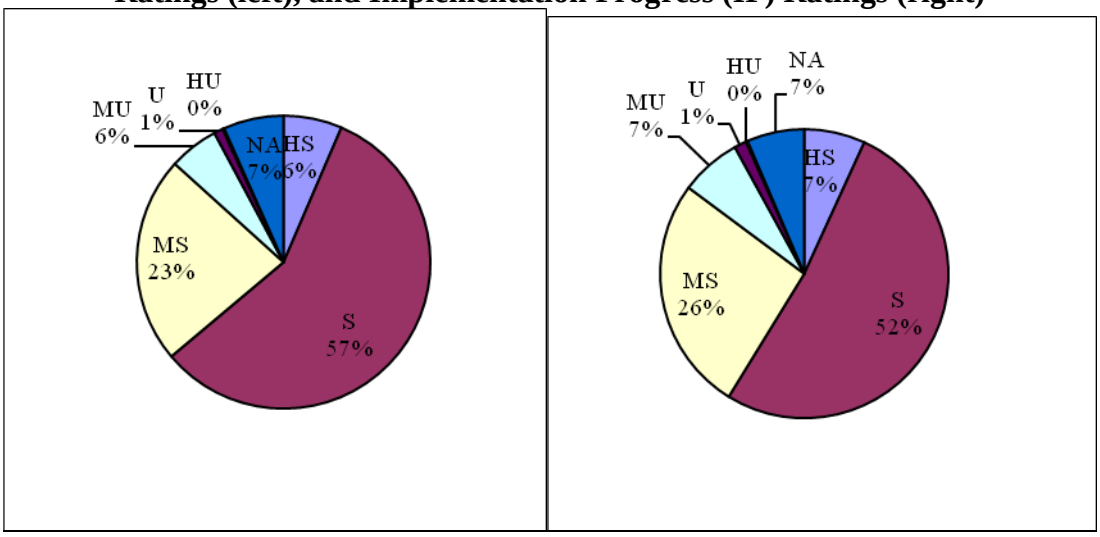
53. The GEF Secretariat relies on each agency to rate and report on project performance. Every year, the agencies rate their projects according to two criteria (1) implementation progress and (2) likelihood of attaining developmental/global environment objectives. Six ratings are used by agencies: Highly Satisfactory (HS), Satisfactory (S), Marginally Satisfactory (MS), Marginally Unsatisfactory (MU), Unsatisfactory (U) and Highly Unsatisfactory (HU).

54. Based on PIRs submitted by the GEF agencies, the overall finding from the AMR 2008 is that the GEF portfolio under implementation performed satisfactorily (those projects that rated MS or above) across all focal areas in FY 2008.

[5] Africa (AFR), East Asia and Pacific (EAP), Europe and Central Asia (ECA), Latin America and the Caribbean (LAC), Middle East and North Africa (MNA), South Asia (SAS)

55. Figure 8 provides the distribution of agency ratings for implementation progress (IP) and the likelihood of attaining development/global environment objectives (DO) for the 522 projects that were under implementation in FY 2008.

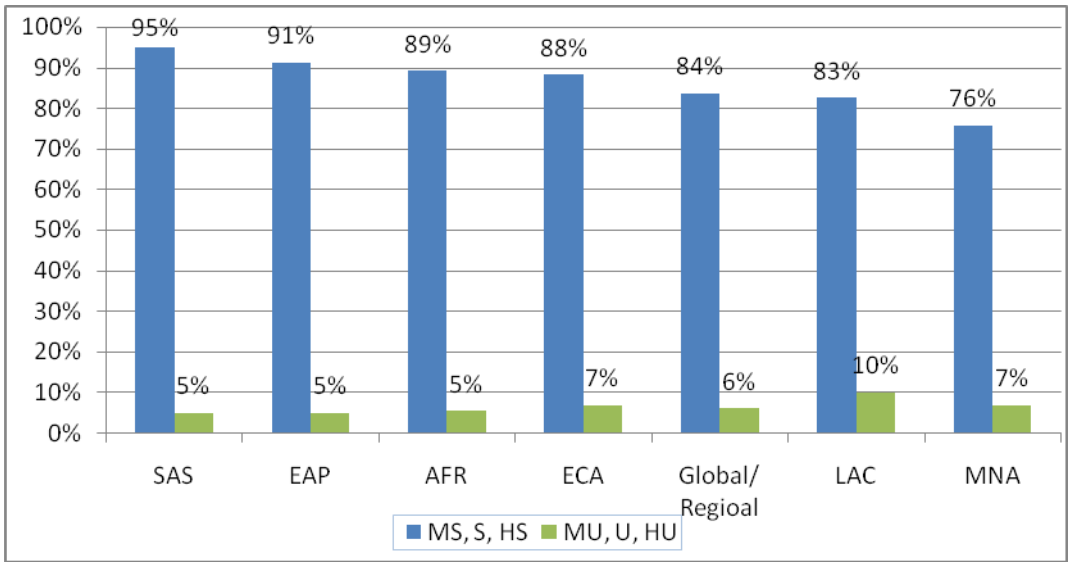
Figure 8. Distribution of Development/Global Environment Objectives (DO) Ratings (left), and Implementation Progress (IP) Ratings (right)



56. Close to 87% of projects in the active portfolio report achieving a marginally satisfactory rating or higher in terms of their development/global environmental objectives. Of all active projects, 85 % were rated marginally satisfactory or higher for implementation progress. Around 7% of projects received unsatisfactory ratings for both the likelihood of achieving their development/global environmental objective and the implementation progress. No ratings were received for 7% of the active projects for the FY 2008.

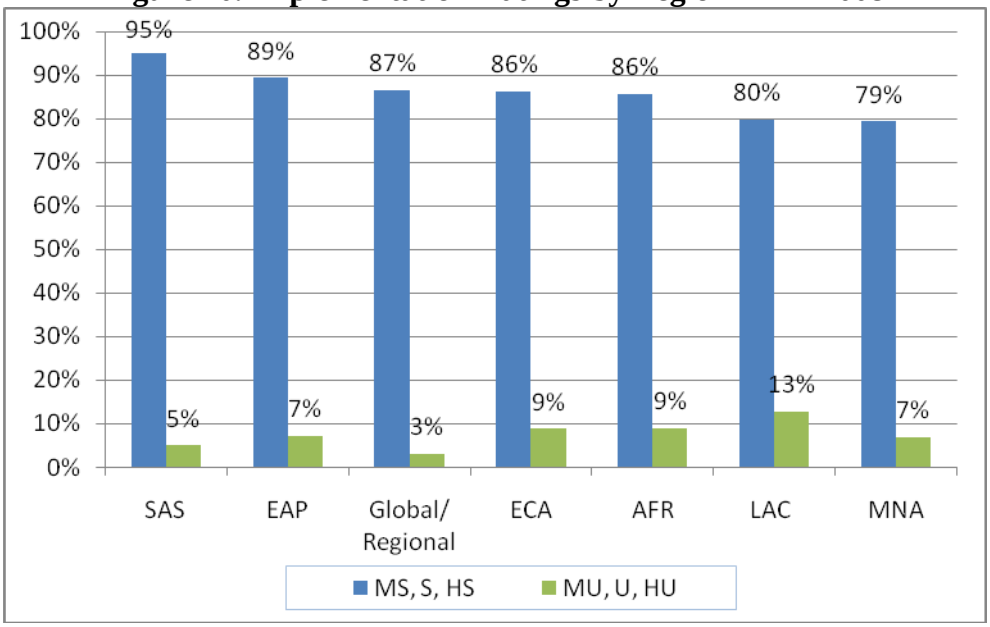
57. In terms of the likelihood of achieving development/global environmental objectives by region, South Asia had the highest portion of projects rated marginally satisfactory or higher, at 95% of the active projects, followed by East Asia and the Pacific at 91%. Latin America and the Caribbean had the greatest portion of projects rated marginally unsatisfactory or lower at 10%. Figure 9 shows a breakdown of the percentage of satisfactory and unsatisfactory ratings for projects.

Figure 9. DO Ratings by Region in FY 2007



58. In terms of ratings on implementation progress, the region with the highest portion of projects rated marginally satisfactory or higher is the South Asia region, at 95 %, followed by the East Asia and the Pacific region. Projects in Latin America and the Caribbean had the greatest portion rated marginally unsatisfactory or lower at 13 %, followed by projects in both Africa and Europe and Central Asia at 9 % each. Figure 10 shows a breakdown of the percentage of satisfactory and unsatisfactory ratings.

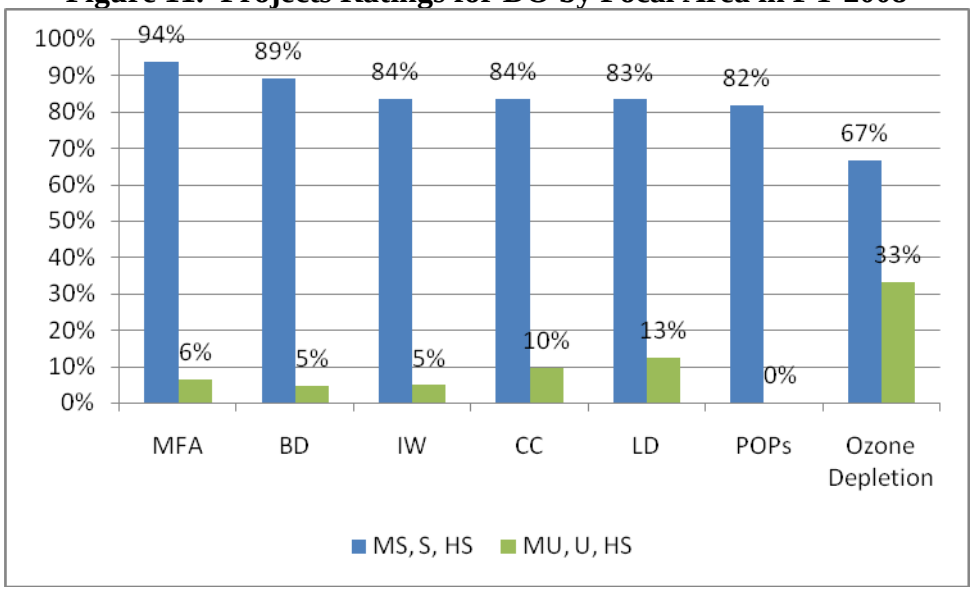
Figure 10. Implementation Ratings by Region in FY 2008



59. As for the likelihood of achieving development/global environmental objectives by focal area, the MFA had the highest ratings, at 94 % marginally satisfactory and

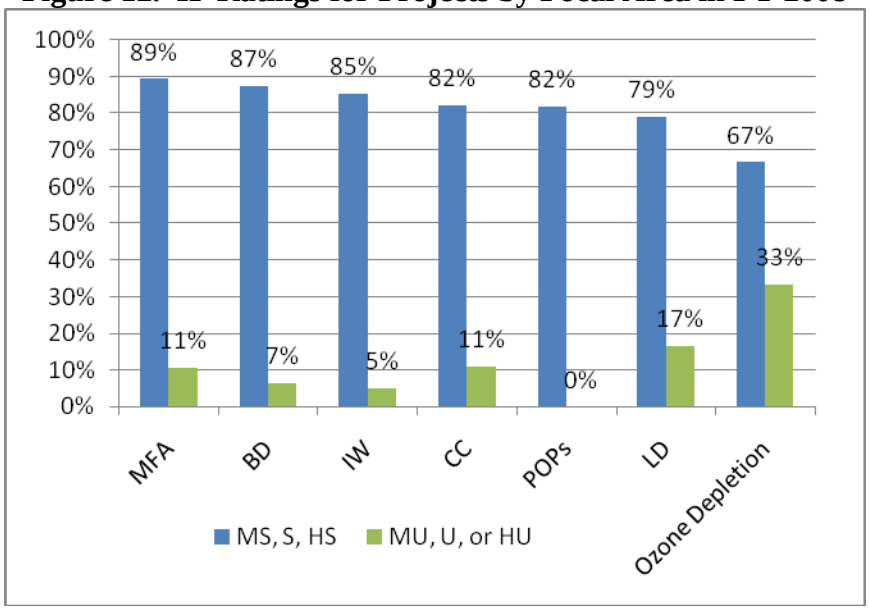
above. The ozone depletion focal area had the greatest portion of projects rated marginally unsatisfactory or below, however, it should be noted that there are only 3 active projects for ozone. Figure 11 shows a breakdown of the percentage of satisfactory and unsatisfactory ratings.

Figure 11. Projects Ratings for DO by Focal Area in FY 2008



60. The focal area with the highest portion of projects rated marginally satisfactory or above on the implementation progress was the multi-focal area at 89 %. The very small portfolio of ozone depletion focal area had the greatest percentage of projects rated marginally unsatisfactory or below at 33 %, followed by LD at 17 %. Figure 12 shows a breakdown of the percentage of satisfactory and unsatisfactory ratings.

Figure 12. IP Ratings for Projects by Focal Area in FY 2008



61. While it is encouraging that the majority of GEF funded projects appear to be performing satisfactorily, with the overwhelming majority being rated MS or higher, it would be useful to reassess how each agency determines its ratings. For the 2009 AMR, the GEF Secretariat will work with the agencies to examine the internal rating systems of the 10 GEF agencies and determine how ratings are mapped to the six point scale currently utilized.

62. For the 2008 AMR, agencies provided information on co-financing for projects that have gone through a mid-term evaluation or final evaluation. This analysis is provided in Annex 2. A list of projects that have been operationally closed or cancelled during FY 2008 is also provided in Annex 2.

63. An elapsed time analysis, for the time it takes from CEO endorsement/approval through project start as well as an analysis of project delays is provided in Annex 3. For an analysis of elapsed time from PIF entry to CEO endorsement/approval please see the *Project Cycle Paper* submitted to the November 2008 Council.

ADDITIONAL DATA[6]

Table 1.1. GEF Project Allocations by Agency (as of June 30, 2008)

	FSPs		EAs		MSPs		Totals	
Agency	Project Count	GEF Grant (US$ m)	Project Count	GEF Grant (US$ m)	Project Count	GEF Grant (US$ m)	Project Count	GEF Grant (US$ m)
ADB	14	86.27	0	0	3	2.28	17	88.54
EBRD	3	27.84					3	27.84
FAO	2	7.09					2	7.09
GEFSEC	1	2.6	0	0	0	0	1	2.6
IADB	9	35.70	0	0	1	0.99	10	36.69
IFAD	10	53.07			2	1.64	12	54.71
Joint Projects	72	795.42	5	64.66	8	7.17	85	867.25
UNDP	361	2194.37	517	137.35	176	152.72	1054	2,484.44
UNEP	68	345.08	201	94.92	93	70.12	362	531.35
UNIDO	8	46.13	42	23.28	2	1.80	52	71.21
World Bank	387	3,699.29	39	15.62	115	94.87	541	3,809.79
Totals	935	7,314.09	804	335.83	400	331.60	2,139	7,981.52[7]

Table 1.2. GEF Project Allocations by Focal Area (as of June 30, 2008)

	FSPs		EAs		MSPs		Totals	
Focal Area	Project Count	GEF Grant (US$ m)	Project Count	GEF Grant (US$ m)	Project Count	GEF Grant (US$ m)	Project Count	GEF Grant (US$ m)
BD	352	2,319.11	303	96.30	206	172.43	861	2,587.85
CC	290	2,344.84	229	151.99	84	70.37	603	2,567.20
IW	120	1,003.27	0	0	28	23.95	148	1,027.22
LD	34	335.07	0	0	24	21.01	58	356.08
Multi-focal Areas	87	902.56	145	29.73	40	29.74	272	962.03
Ozone Depletion	20	178.11	0	0	7	5.36	27	183.47
POPs	32	231.13	127	57.81	11	8.73	170	297.67
Totals	935	7314.09	804	335.83	400	331.60	2,139	7981.52[8]

[6] The data presented here was generated by the Secretariat's management information system on March 13, 2008.
[7] The total GEF grants accumulated as of June 30, 2008 does not include PPG in this table.
[8] The total GEF grants accumulated as of June 30, 2008 does not include PPG in this table.

CO-FINANCING, CANCELLED AND OPERATIONALLY COMPLETED PROJECTS FY 2008

Co-financing

64. UNEP provided cofinancing tables for seven of the currently active portfolio for FY08. UNDP, IADB, and the World Bank presented GEF co-financing information in their annual overview reports, these are provided in summary form in Box 1.

65. The information extracted from the cofinancing tables by UNEP are summarized as follows:

1) The project, *Development and Implementation of a Sustainable Resource Management Plan for Marsabit Mountain and its Associated Watersheds*, exceeded the expected co-financing by 50 % (or $760 thousand). Co-financing was leveraged mainly by the Central Government, and also by the Agricultural Research Foundation, public universities, Kenya Wild Service, and NGOs. The project's expected closing date is December 2008.

2) The project, *Integrated Ecosystem Management of Transboundary Areas between Niger and Nigeria Phase I: Strengthening of Legal and Institutional Frameworks for Collaboration and Pilot Demonstrations of IEM*, has leveraged approximately $3 million less than expected ($10 million expected) as of this year. As the expected closing date is in 2013, the project may meet or exceed the committed co-financing. IA granted $5 million of the realized co-financing.

3) The project, *Removing Barriers to Invasive Plant Management in Africa*, realized 55 % of expected co-financing. The closing date is expected to be in December 2009.

4) The project, *Sustainable Management of Inland Wetlands in Southern Africa: A Livelihoods and Ecosystem Approach*, has reached 84 % of committed co-financing and was expected to close in January 2009. In-kind contributions by the Challenge Program on Water and Food project, *Wetlands-based livelihoods in the Limpopo basin: balancing social welfare and environmental security*, supported complementary activities for this project.

5) Dryland Livestock Wildlife Environment Interface Project (DLWEIP) exceeded the expected financing by 13 % (mostly in-kind) and was expected to close on January 2009. The project was able to leverage funds from the GEF Small Grants Program, the Ministry of Livestock (sponsored within the African Development Bank), and the Arid Lands and Resource Management Project by streamlining activities, which were further spread to cover more land. The US Government also contributed to the implementation of the project.

The following box presents an overview of cofinancing as reported by UNDP, IADB, and the World Bank:

Box. 1 Co-financing

UNDP	IADB	World Bank
The UNDP-GEF Climate Change Mitigation portfolio consisted of 60 large and MSP. This portfolio was financed by the GEF at USD 235.52 million, for a total of USD 978.45 million including total co-financing of USD 742.94 million (76% of total project funding). Of the projects operationally completed this year, realized co-financing exceeds the planned levels by 18% (USD 62.6 million realized by 20 June 2008 versus USD 51.3 million planned) The ratio of co-financing to GEF financing was highest in Arab States (4:1) and lowest in Southern & Eastern Africa (2:1). Noteworthy in these figures are the following projects: In Southern & Eastern Africa the Malawi Barrier Removal to Renewable Energy project (PIMS 526) suffered from funds planned from the government not materializing; In Asia & the Pacific, the Malaysia (PIMS 752) project has an apparent shortfall of USD 4 million in co-financing. However, this co-financing will still be made available through the end of 2008 through the Energy Supply Trust Fund once the regulatory framework is ready (motor test facility, demonstration industrial boiler). Europe & the CIS was particularly successful at leveraging co-financing. The Hungary Public Sector Energy Efficiency Programme (PIMS 1749) realized higher than anticipated private investment in their projects and also received additional support from the EU Structural Fund (KIOP). The Belarus Biomass Energy for Heating and Hot Water Supply (PIMS 1893) project leveraged additional co-financing through the National Government's Department for Energy	Only one project has gone through midterm evaluation and the related analysis of co-financing. The proposed co-financing for this project was US$ 13.8 million and the actual co-financing at midterm evaluation was US$ 9.925 million. Full level of proposed co-financing is expected to be reach by the end of the project.	As reported in the World Bank GEF Annual Monitoring Report FY08, 26 FSPs and MSPs from all Bank regions were either closed and have ICRs (6)[9] or underwent mid-term evaluations (20). In sum, co-financing exceeded expectations by nearly 18%, or by US$135 million. Project co-financing for two regions, AFR and MNA did not attain co-financing levels expected at project inception. In AFR, this is due to the sum of nine projects which each had slightly lower co-financing levels than planned. However, of the projects in question, six are at the mid-term stage and may still reach the targeted co-financing amounts. For MNA, the *Tunisia Energy Efficiency Program* has leveraged US$5 million less than expected from the borrower (in-kind) but it is expected to reach its target by the end of the project in December 2009. The remaining regions all achieved notably high levels of co-financing, with ECA more than doubling the amount of funds to be leveraged[10]. Notable projects realizing more co-financing than planned

[9] Please note that 14 ICRs/ICMs were tallied for the reporting period, however, co-financing tables were provided for only six closed projects.
[10] IFC leveraged 52% more than had been planned

Efficiency and through demonstration site owners that became involved in the project. In Peru (1423), some co-financing from the government was not entirely realized due to changes in the government General Directorate for Energy. Consistent with their stage of implementation, projects at the midterm evaluation (MTE) stage have realized USD 194.5 million of the USD 314.6 million planned co-financing. The *UNDP Land Degradation and Integrated Ecosystem Management Focal Areas* report covers both projects in the Land Degradation (LD) focal area (OP#15) and in the Integrated Ecosystem Management (IEM) multifocal area (OP#12). This report comprises of a portfolio of 22 projects, with 11 projects each in the LD and IEM areas: five full size projects and six medium-sized LD projects and five full size projects and six medium-sized IEM projects. The total value of GEF funding towards the LD PIR portfolio is approximately US$50m, with co-financing worth US$123m. For IEM, GEF funds add up to US$36m with co-financing of approximately US$160. The cofunding ratio is therefore 1:2.5 for LD projects and 1:4.4 for IEM projects.		include the *India Energy Efficiency Project* which at project completion has been able to catalyze 1:7 additional funding from the World Bank, the Government of India and the private sector in support of energy efficiency operations. For IFC, the regional *Commercializing Energy Efficiency Finance (CEEF) Project* and the *Russia Sustainable Energy Finance Program* provided significant leverage opportunities for GEF funding. The ECA *Albania Integrated Water Ecosystem Management* project leveraged US$20 million more than planned, increasing the US$5.2 million GEF grant's leveraging ratio from 1:3 to 1:7. In Colombia the *Community-Based Management for the Naya Conservation Corridor MSP* was successful in leveraging co-financing funds and in-kind contributions from external donors (almost 50% of the original TF budget), allowing the project to finance three new activities.

Cancelled Projects in FY2008

66. Nine projects were cancelled during FY 2008, five of which required project proposal and Project Preparation Grants (PPG) cancellation only. In total, the funds of cancelled projects amounted to $23.2 million.

67. Four FP: *Fisheries Revitalization Project* (FRP) in the Republic of Congo, *Agricultural Development and Rural Road Rehabilitation Project* in Indonesia, *Methyl Bromide Phase-out* in Ukraine, and *Expanding Partnerships for the National Parks System Project* in Venezuela, all amounting to $21.9 million, and one medium-sized project (MSP): *SIP-Targeted Capacity*

Building for Sustainable Land Management (SLM) and Carbon Sinks in Africa, which utilized $25 thousand PPG, were all cancelled by the World Bank.

68. IADB cancelled two FP projects: *Exploitation of the Geothermal Resources of Guatemala for Electricity Generation Projects* for a$350 thousand PPG, and *Integrated Management of the Coastal and Marine Zone of the Samana Region*, with PPG of a $250 thousand.

69. UNIDO cancelled one FP project: I*ntegrated Management of the Humboldt Current Large Marine Ecosystem (HCLME)* for a $420 thousand of PPG.

70. UNDP also cancelled one FP project: *Industrial Energy Efficiency Improvement* for a $226 thousand of PPG.

Operationally Completed Projects

71. For fiscal year 2008, a total of 70 projects (32 BD, 17 CC, 9 IW, 4 multi-focal area, 3 LD, and 3 POPs projects) submitted a terminal PIR indicating their operational completeness. Of these, 34 are FP, 35 MSP, and 1 EA project.

72. UNDP submitted a final evaluation report for 30 projects (16 FSP and 13 MSP). The breakdown by focal area is as follows: 11 BD, 10 CC, 4 IW, 2 LD, and 2 POPs. IBRD submitted 27 final PIRs (17 FSP, 10 MSP and 1 EA). Of those, 15 are BD, 7 are CC, 3 are IW, and 2 are MFA projects. UNEP submitted 12 final PIRs, of which 7 are BD, 2 IW, and one of each of the following: LD, multi-focal area, and POPs. ADB submitted one MFA project PIR and IFAD submitted one BD project PIR as terminal evaluation.

73. Table 2.1 provides a complete list of the closed projects submitted in this reporting period.

Table 2.1. Closed Projects Submitted for 2008 AMR

Agency	Focal Area	Project Title	Project Type	Closing Date
UNDP	BD	Developing Incentives for Community Participation in Forest Conservation through the Use of Commercial Insects in Kenya	MSP	12/31/2008
	BD	Conservation of coral reef biodiversity through community-based resources management	FSP	12/1/2007
	BD	Samar Island Biodiversity Project (SIBP)	FSP	9/9/2007
	BD	GEF/MSP Sothern Rain Forest	MSP	12/31/2008
	BD	Nuratau-Kyzylkum Biosphere Reserve	MSP	8/31/2007
	BD	Participatory community based conservation of biodiversity in the Anjozorobe Forest Corridor	MSP	3/31/2008
	BD	Conservation of Mnazi Bay National Park	FSP	12/31/20

				08
	BD	Management of the Cardamom Mountains Protected Forest and Wildlife Sanctuaries Cambodia	MSP	12/31/2007
	BD	Conversación Biodiversidad en Tierras Ashaninka	MSP	N/A
	BD	Dibeen Reserve	MSP	12/31/2007
	BD	Strengthening the National System of Protected Areas	FSP	12/1/2007
	CC	Reglementation Thermique	FSP	12/1/2007
	CC	Barrier Removal to Renewable Energy	FSP	2/23/2008
	CC	Industrial Energy Efficiency Project	FSP	6/30/2007
	CC	Solar Water Heaters	MSP	12/31/2008
	CC	Biomass Power Geveration Phase 1	FSP	12/31/2007
	CC	Development Marche Chauffe eau Solaire	FSP	6/1/2008
	CC	Photovoltaic Rural Elec in Peru	FSP	2/1/2007
	CC	Biomass Energy for Heating and Hot Water Supply in Belarus	FSP	5/31/2008
	CC	Capacity Building for Stage II Adaptation	FSP	3/31/2007
	CC	Eficiencia Energetica	MSP	8/15/2008
	IW	Protección Ambiental R.P. y F.M.	FSP	12/31/2008
	IW	PEMSEA Main	FSP	3/31/2008
	IW	PIMS 2622 IW FSP: Action Programme for Caspian Sea	FSP	12/1/2008
	IW	PIMS3065 IW:FSP Black Sea Tranche 2	FSP	6/30/2008
	LD	Capacity building for Sustainable Land Management	MSP	5/31/2008
	LD	Building sustainable capacity and ownership to implement UNCCD objectives	MSP	3/11/2008
	POPS	PIMS 3055: POPS MSP: Action Plan Training for 25 LDCs	MSP	7/31/2008
	POPS	PIMS 3545: POPS MSP: 15 LDCs training	MSP	7/31/2008
IBRD	BD	GM-GEF MSP Coastal & Marine (ICAM)	MSP	12/31/2007
	BD	Community-based Integrated Natural Resources Management Project in Okyeman	MSP	02/19/2008
	BD	Improving Management of NGO and Privately Owned	MSP	4/31/200

	Nature Reserves and High Biodiversity Islands in Seychelles		8
BD	Partnership for Natural Ecosystem Management Program (PAGEN)	FSP	12/31/2007
BD	Coastal and Marine Biodiversity Management Project	FSP	12/31/2007
BD	KH BIO & PROT AREA M	FSP	12/31/2007
BD	KARST Ecosystem Conservation (GEF)	FSP	12/31/2007
BD	GEF Co-High Andes	FSP	12/31/2007
BD	GEF EC NT Parks/Biodiversity II	FSP	12/31/2007
BD	Conservation and Sustainable Use of Medicinal Plants	FSP	6/30/2007
BD	Southern Cone Development Marketplace (Environment Window)	MSP	1/14/2008
BD	Formoso River -- Intergrated Watershed Management and Protection	MSP	
BD	Naya Biological Corridor in the Munchique-Pinche Sector	MSP	3/30/2007
BD	Indigenous Management of Protected Areas in the Amazon	FSP	5/31/2007
BD	Conservation and Sustainable Use of the Mesoamerican Barrier Reef	FSP	6/30/2007
CC	Energy and Water Sector Reform and Development	FSP	12/31/2008
CC	PH-GEF-MMURTRIP-Bicycle Nwk	FSP	12/31/2007
CC	(Biomass) Renewable Energy (GEF MSP)	MSP	5/31/2008
CC	CEPALCO Grid Connected, Conjunctive Use PV Power Plant	FSP	3/11/2008
CC	Energy Efficiency	FSP	3/31/2008
CC	Energy Conservation	FSP	6/30/2007
CC	Enabling Activities Leading to the Second National Communication of the Argentine Government to the Conference of the Parties to UNFCCC	EA	3/31/2007
IW	Institutional Strengthening and Resource Mobilization for Mainstreaming Integrated Land and Water Management Approaches into Development Programs in Africa	MSP	12/31/2007

	IW	Agricultural Pollution Control Project - under WB-GEF Strategice Partnership for Neturient Reduction in the Danube River and Black Sea	FSP	12/1/2008
	IW	Baltic Sea Regional Project, Tranche 1	FSP	2/1/2008
	MFA	Southern Cone Development Marketplace	MSP	1/14/2008
	MFA	Sustainable Land Management in the Zambian Miombo Woodland Ecosystem	MSP	5/31/2008
UNEP	BD	Sustainable Conservation of Globally Important Caribbean Bird Habitats: Strengthening a Regional Network for a Shared Resource	MSP	7/1/2007
	BD	Integrated Management of Cedar Forests in Lebanon in Cooperation with other Mediterranean Countries	MSP	9/1/2007
	BD	Conservation of Gramineae and Associated Arthropods for Sustainable Agricultural Development in Africa	MSP	10/1/2007
	BD	Ecosystems, Protected Areas and People	MSP	12/31/2007
	BD	Mainstreaming Biodiversity Conservation into Tourism through the Development and Dissemination of Best Practices	MSP	3/1/2008
	BD	Conservation and Sustainable Use of Biodiversity through Sound Tourism Development in Biosphere Reserves in Central and Eastern Europe	MSP	5/1/2008
	BD	Strengthening the Network of Training Centers for Protected Area Management through Demonstration of a Tested Approach	MSP	6/1/2008
	IW	Managing hydrogeological Risks in the Iullemeden Aquifer System (IAS)	MSP	6/1/2008
	IW	Fostering A Global Dialogue on Oceans, Coasts, and SIDS, and On Fresh Water-Coastal-Marine Interlinkages	MSP	6/1/2008
	LD	Global Support to Facilitate the Early Development & Implementation of Land Degradation Programs & Project Under the GEF Operational Programme N 15	MSP	8/1/2007
	MFA	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa	FSP	10/1/2007
	POPs	Assessment of Existing Capacity and Capacity Building Needs to Analyze POPs in Developing Countries	MSP	6/1/2008
ADB	MFA	National Performance Assessment and Subregional Strategic environment Framework in the Greater Mekong Subregion (GMS)	MSP	4/14/2008

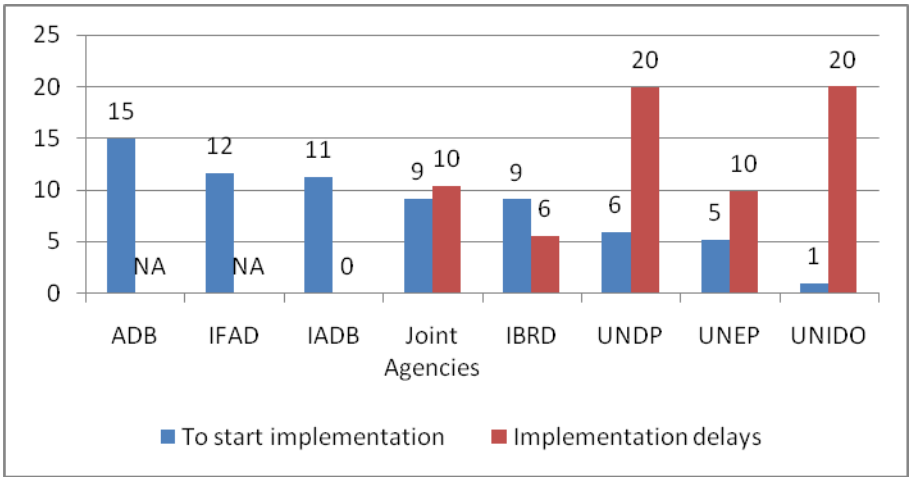
ELAPSED TIME ANALYSIS – PROJECT START AND PROJECT DELAYS

Elapsed Time

74. The analysis on elapsed time is based on information from the GEF database and the analysis of the portfolio of projects submitted by each agency. Time to project start is calculated from the date of CEO endorsement, as recorded in the GEF database, to the start date, as reported by the agency. The analysis of implementation delays compares the expected completion date at the time of project approval with the actual or currently expected operational completion date reported by the agencies. The average time in implementation delays represent time extensions needed for the projects to be completed.

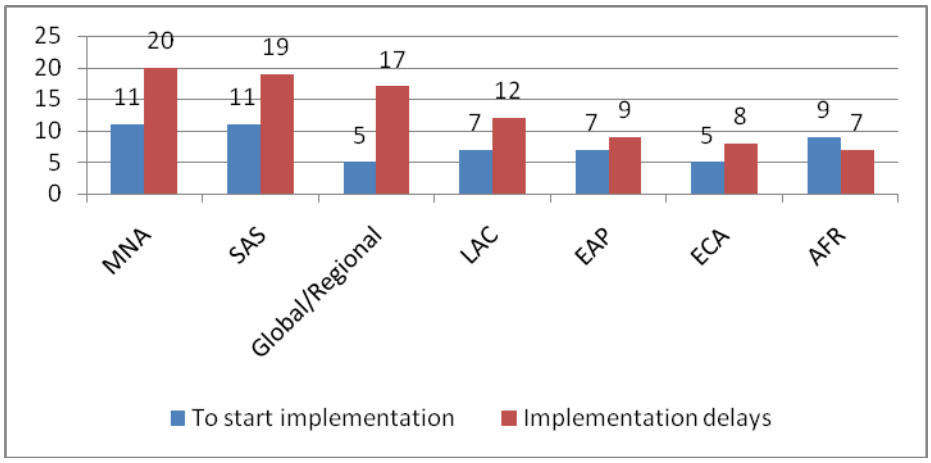
75. The average start of implementation from CEO Endorsement by all agencies is 8 months; with ADB averaging the longest (15 months) and UNIDO the least (1 month). The average delay to expected project closing was 11 months for all agencies. The longest elapsed time between expected closing and actual closing was approximately 20 months by UNIDO and UNDP. For FY 2008, IADB was the only agency to complete all of its projects by the expected date. ADB and IFAD did not provide the actual or current expected date for their projects.

Figure 3.1. Time Elapsed by Agency for Projects under Implementation in FY 2008



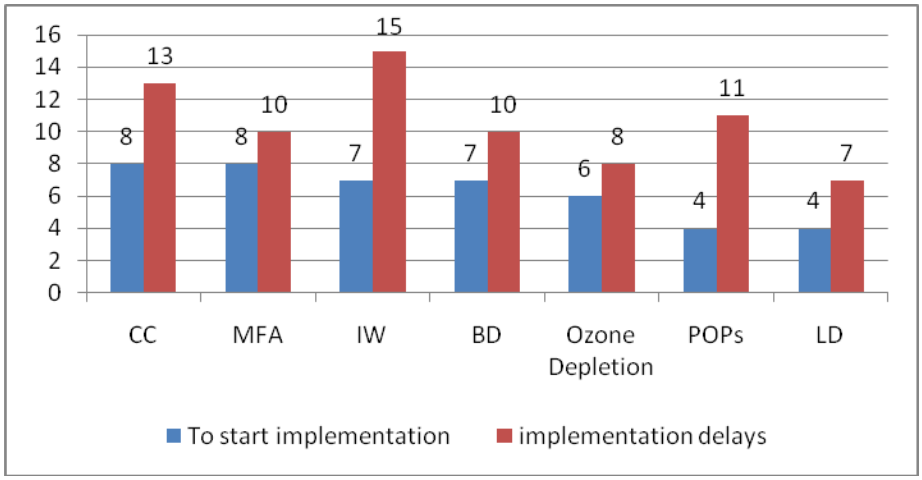
76. The average start of implementation from CEO Endorsement across all regions is 8 months; the Middle East and North Africa and South Asia holding the highest averages (11 months) and Global/Regional and Europe and Central Asia averaging the least (5 months). The average implementation delays across the regions is 13 months. The Middle East and North Africa region also has the maximum time in extensions of projects (20 months), closely followed by South Asia (19 months), while Africa has the least (7 months).

Figure 3.2 Time Elapsed by Region for Projects under Implementation in FY 2008



77. The calculated average start of implementation time across all focal areas is 6 months. The CC and MFA projects held the maximum average time to start implementation; 8 months, and the least was LD projects at 4 months. Implementation delays averaged 11 months across all focal areas; the highest average being that of IW (15 months) and the least being that of LD (7 months).

Figure 3.3. Time Elapsed by Focal Area for Projects under Implementation in FY 2008



78. The average time to start implementation of projects generally was 6 to 8 months regardless of agency, region, and focal area. The implementation delays experienced are also significant across all factors. Implementation delays show an unrealistic timeframe set for the projects, which leads to inefficient increase in paperwork, financing, etc.

FOCAL AREA TRACKING TOOL PROGRESS, LESSONS LEARNED, AND BEST PRACTICES

BIODIVERSITY

1. Overview of the Focal Area Portfolio under Implementation

Progress in implementing recommendations and incorporating lessons learned from previous AMRs

The challenges that project teams encountered during the implementation of BD projects during the past year brings to mind the oft-quoted phrase from the Book of Ecclesiastes; "The thing that hath been, it is that which shall be; and that which is done is that which shall be done: and there is no new thing under the sun." Although similar implementation challenges have been highlighted in this year's AMR as have been identified in the past intimating that there is indeed nothing new under the sun, (e.g. community participation and ownership are fundamental to project success, demonstrating economic benefits of conservation to local stakeholders is required to foster buy-in and commitment to conservation and sustainable use, financing protected areas requires a "basket" approach drawing on many possible revenue streams, projects that have local champions are more successful, etc.), this year's AMR is distinguished by the prevalence of projects successfully overcoming the barriers and challenges to successful conservation. In addition, the emphases of the BD strategy in GEF-3—during which most of the AMR 2008 cohort were designed and approved---has facilitated the development of projects that address and incorporate previous lessons learned due to the assumptions inherent to the strategy. These include the focus on interventions that are more systemic in nature and that address site-based problems while cognizant of the important influence that the enabling environment (policy, legal, and regulatory framework) and resource management pressures in the surrounding physical landscape or seascape can have on conservation outcomes.

Table 4.1 below summarizes a select number lessons learned from previous AMRs that are pivotal to project success and indicates progress in learning from these past experiences by citing projects that have incorporated these lessons, identifying improvements in project design found in this year's AMR project cohort, and noting changes in the GEF strategy that have incorporated lessons learned from conservation practice. The table is organized by the predominant response measures identified in the BD strategy to mitigate and reduce BD loss: Catalyzing the Sustainability of Protected Area Systems and Mainstreaming BD Conservation into the Productive Landscape/Seascape and Production Sectors.

Table 4.1 Progress Incorporating Previous Lessons Learned

Previous Recommendations and Lessons Learned from the GEF AMR	**Evidence of Progress Incorporating Previous Recommendations and Lessons Learned**
Catalyzing the Sustainability of Protected Area Systems	
• External threats from development and other land-uses are often a greater threat to protected areas (PAs) and protected area (PA) systems than the small-scale illegal activities within and outside of PAs to which projects often direct their attention. These patterns in resource use and management can totally negate small-scale conservation gains derived from project activities, thus, PA projects can not ignore what occurs outside protected area boundaries and must approach protected area management at site and system level in a more integrated fashion with broader landscape scale management processes. • Site-based demonstrations must be integrated into other processes (e.g., enabling environment, landscape management) to have systemic impact. Those that are not tend to remain isolated and make dissemination and further uptake problematic.	*Increased emphasis in project implementation to strengthen policy and legal framework so that PA management can be nested within broader landscape and seascape management planning*. Project Examples • **Bhutan:** The **"**Linking and Enhancing Protected Areas in the Temperate Broadleaf Forest Ecoregion" project has clarified the legal status of Bhutan's biological corridors (which cover 370,000 hectares), and has supported the establishment of a dedicated unit within the government's Nature Conservation Division to manage biological corridors. • **Argentina:** The **"**Consolidation and Implementation of the Patagonian Coastal Zone Management Programme and BD Conservation" project helped develop policies concerning tourism on the coast and the reduction of by-catch in coastal fisheries thus positively impacting PA objectives. *Within project interventions, PAs and PA systems are being designed and managed to maintain BD patterns and ecosystem processes.* Project Examples • **Tanzania:** The "Eastern Arc Forests Conservation" project calculated the value and carbon emission potential of carbon stocks in standing forest under protection and this has resulted in the upgrading of management status and gazetting of forest reserves given the value that was demonstrated by this exercise.

Previous Recommendations and Lessons Learned from the GEF AMR	**Evidence of Progress Incorporating Previous Recommendations and Lessons Learned**
	Stakeholders external to site management increasingly engaged in sustainable resource management. Project Examples • **Colombia**: The "Community-Based Management for the Naya Conservation Corridor" project promoted BD-friendly sustainable agricultural production systems. At project closing, 240,300 hectares (83%) of the Munchique-Pinche Corridor were under conservation and sustainable use schemes through implementation of management strategies and plans that included 29 pilot farms in 22 villages, 10 micro-watersheds and 4 protected areas.
Demonstrating economic benefits and values of protected areas to local and national stakeholders is required to foster buy-in and commitment to conservation and sustainable use.	*Economic analyses and presentation of economic arguments to demonstrate the monetary value of protected areas are being promulgated more frequently in project implementation to secure stakeholder support to conservation.* Project Examples **Namibia:** The "Namibia Protected Areas" project supported economic and financial analyses that have been instrumental in making a case to decision makers for increasing PA finance. The government has increased the budget for PAs by 147% above the project baseline (the recurrent operational budget is now 67% of the total needed, up from 37% at the project inception). In addition, US$67 million has been leveraged through the Millennium Challenge Account for the development of infrastructure in PAs and conservancies, and the development of conservation livelihoods based on PAs. The business case – based on the contribution of PAs to the tourism economy – was instrumental in accessing these additional funds. A further US$8 million has been secured from bilateral

Previous Recommendations and Lessons Learned from the GEF AMR	**Evidence of Progress Incorporating Previous Recommendations and Lessons Learned**
	donors for the PA system, over and above the amount leveraged as co-finance during project development. **Tunisia:** The **Protected Areas Management** project aims at improving management and protection of selected national parks for the purposes of conserving BD and contributing to the overall improvement in welfare of local populations. As part of the park management plans, the project has improved access and infrastructure for the three parks with the rehabilitation and construction of access and service roads, protection fences, eco-museums, watch towers, regeneration of vegetation, tree planting operations, and the reintroduction of wildlife species into the depleted parks' resources. For the communities living around the parks, several micro projects were financed as part of the community development plans including livestock production, beekeeping, and handicrafts promotion which have helped diversify their livelihood options. A significant outcome of the project is that local communities are no longer considered enemies of park management but have become social champions for the parks.
Innovative approaches to conservation financing (taxes, debt for nature swaps, trust funds, sinking funds, payments for ecosystem services, user fees, etc.) are useful supplementary sources of conservation financing but most conservation initiatives, including PAs, require a "basket" of funding sources, including government contributions, for sustainability.	*Beginning with the GEF-3 strategy and continuing on into the GEF-4 strategy, an increasing emphasis on sustainable financing of protected area management has lead to greater diversity in approaches to revenue capture and enhancement in all individual protected area and protected area system projects.* <u>Project Examples</u> • **Paraguay**: The **"**Wildlands Protection Initiative" project reported total revenue of US $7 million to support PA management through a debt for nature

Previous Recommendations and Lessons Learned from the GEF AMR	**Evidence of Progress Incorporating Previous Recommendations and Lessons Learned**
	swap. • **Philippines:** The **"**Samar Island BD" project has developed a mechanism for financing the recurrent costs of conservation activities through Government approval of Interim Fees and Charges for resource users, and a proposal on eco-tourism for co-management with the local government units has also been proposed.
Mainstreaming BD Conservation into the Productive Landscape/Seascape and Production Sectors	
In order to achieve BD conservation through mainstreaming, projects must address the following significant challenges: a) reconciliation of global benefits with local needs; b) working across sectors with multiple institutions and production-oriented stakeholders to ensure sustainability of outcomes; c) incorporation of BD conservation into regional planning and development frameworks; and d) producing and marketing BD-friendly products.	*Although the challenges in mainstreaming BD conservation into production landscapes and sectors remain significant, the project cohort demonstrates increasing sophistication in project design and more targeted interventions that have successfully overcome key barriers to BD mainstreaming.* <u>Project Examples</u> • **Nepal:** Conservation and Sustainable Use of Wetlands has enhanced intersectoral coordination in wetlands management by establishing "wetlands focal desks" in all major sectoral ministries; forestry, fisheries, agriculture, water resources and irrigation. Through this mechanism, the project has ensured the integration of wetland issues into the policy and planning framework for key production sectors. • **Georgia:** The **"**Recovery, Conservation and Sustainable Use of Agro-BD" project assists local farmers in achieving organic certification. Two groups of registered producers will receive organic certificates in 2009. The project has signed an agreement with a private company, Begeli, to

Previous Recommendations and Lessons Learned from the GEF AMR	Evidence of Progress Incorporating Previous Recommendations and Lessons Learned
	market the crops produced by participating farmers; there is no evidence to suggest that the project supports the transaction costs of farmers in any way that might distort these markets. The products are branded as traditional under an Elkana/Begeli trademark. Technological standards for 4 land races have been developed, 2 producer groups have been established, and 3 sites (the seed multiplication plot itself and 2 farms). The land races promoted and introduced by the project are adapted to local conditions, resistant to diseases, capturing higher prices in the market, and are sought after in international markets.
Mainstreaming projects often attempt to strengthen the enabling environment (policy and regulatory framework) as part of the intervention strategy. Previous AMRs observed that at the project level, there is considerable risk in setting project objectives that require full national legislative authorization in order to be met. Given the vagaries of government, these legislative actions can be delayed or postponed indefinitely.	*Identified again as a key lesson in this AMR, project designers have begun to factor in longer implementation periods for projects that are promoting policy, legislative, and regulatory changes.*

2. AMR 2008 Findings

Project Highlights: Good Practice Examples

The AMR 2008 project cohort included numerous good practice examples, a few of which are presented below according to the priorities of the GEF BD strategy and the good practices identified in each project.

a) Catalyzing the Sustainability of Protected Area Systems

<u>Protected Areas as Carbon Assets</u>

Tanzania: Eastern Arc Forests Conservation project has provided valuable data on forest carbon reservoirs, which is positioning Tanzania to participate in the reducing emissions from deforestation and degradation (REDD) market. The project study calculated that 151.7 million tons of carbon is stored in the Eastern Arc Mountains, primarily in the natural forest. Of this total amount, 91.7 million tons is found in the existing reserves. The study further calculated that deforestation over the past 20 years has resulted in the loss of around 34 million tons of carbon, which is equivalent to around 125 million tons of CO_2. This deforestation has occurred primarily in unprotected woodlands and forests that are outside the network of PAs with rates of deforestation within the protected areas being insignificant in comparison. The same work further calculated that undisturbed natural forest stores around 85 tons of carbon per hectare, whereas undisturbed forest stores between 100 and 400 tons per hectare (with a mean of 306 tons per hectare). It can therefore be estimated that disturbance of the natural forest leads to a loss of up to 200 tons of carbon per hectare. Better management of these reserves would allow the forest to recover and this amount of additional carbon might be stored in vegetation. In response, important headway has been made in upgrading the management status of two critically important Forest Reserves to Nature Reserves (Kilombero and Nilo Nature Reserve), while a third (Uluguru Forest Reserve) will be gazetted as a Nature Reserve in the next year. Meanwhile, two unprotected forest patches have been designated as forest reserves, and seven patches are in the process of being so designated (boundaries have been demarcated at most sites). This work has been complemented by efforts to strengthen institutional capacity to manage the network of 150 PAs in the area.

Co-management as an Effective Means to Achieve Conservation Outcomes

Russian Federation: Kamchatka Protected Areas, Phase II project has supported the establishment of new management arrangements for protected areas. Two co-management agreements have already been signed, bringing together local and indigenous communities and facilitating their involvement in the parks' decision-making and activities via the community conservation councils of Nalychevo and Bystrinsky Parks. The community conservation councils, consisting of indigenous and local people, work with and involve local communities in PA management and BD conservation activities. Community-based conservation is new for Kamchatka and the whole of Russia's PA system, which makes this project element suited to replication in other areas. Though hardly a year has passed since their creation, the councils have had impressive outputs. For example, the councils have contributed to decisions on PA zoning, protection strengthening and anti-poaching activities. The community conservation council of Nalychevo Nature Park has set up an initiative to create an anti-poaching brigade comprising park's officers, council members and militia (Russian police), which made eight raids into the most poached territories of the nature park during just three months.

In addition, the merger of Kamchatka Oblast and Koryak Autonomous Okrug to form Kamchatka Krai, a new constituent part of the Russian Federation, was a historical event and triggered similar changes in sections of government and the wider community. The 'merger trend' encouraged multilateral stakeholder discussion that eventually resulted in

the decision to establish Kamchatka Krai Protected Areas Association, which has the primary objective to consolidate the Kamchatka's network of protected areas by strengthening their management and demonstrating their social value. Officially established on 3 December 2007, the Association boasts a large and representative membership including the Directorate of Refuges and 8 PAs – Kronotsky, Koriaksky and Commander Islands state reserves (*zapovedniks*); all peninsula's nature parks (Nalychevo, Bystrinsky, Kluchevskoy, South-Kamchatka) and the Kol River Salmon Refuge. The goal of the Association is to coordinate efforts of PA staff in various scientific, eco-tourism and awareness raising activities so as to derive maximum benefits both for their own PAs and for contiguous areas.

Building Individual Capacity for the Long-Term

Cape Verde: Integrated Participatory Ecosystem Management in and around Protected Areas, Phase I project has invested in targeted training, aiming to increase and retain national capacity that can be used in the management of the country's nascent PA system. The strategy for upgrading individual capacities was based on a training needs analysis carried out in April and May 2007. The project supported the participation (through payment of partial expenses) of two Directorate staff on the Environment for Master's Degree in Environmental Sciences at universities in Brazil. All project staff underwent 4 months of training in Geographic Information Systems (GIS) in 2006. A total of 14 field surveyors from PA adjacent communities were trained in socio-economic data collection and were engaged in surveys carried within the framework of the projects. The project also supported 3-month training courses for guards and 6-month courses for rangers. Three technical project staff attended field training in Spain in the Mallorca National Park in partnership with Albufera International BD Group. Some key project staff were trained in PA management through a short-term course, also with support from Spain. Investing in individual capacities, especially in a small country like Cape Verde, yields important results, given that the pool of nationally available human resources is limited. Targeted training has a significant impact on the availability of qualified personnel who will become the PA national authority. Training also offers the individual an incentive to invest in a local career, and can help to reverse brain drain and emigration, which are serious problems in Small Island Developing States.

Catalyzing Conservation with Small Grants

The "**Peru Participatory Management of Protected Areas"** project provides an example where virtually all previous lessons about what makes small grants programs successful have been incorporated. The project opted for an approach more closely focused on using small grants to local communities to mitigate threats to globally important BD of five protected areas: Tambopata National Reserve, Salinas y Aguada Blanca National Reserve, Bahuana-Sonene National Park, Manglares de Tumbes National Sanctuary, and Huascarán National Park. Targeting populations living in the buffer zones of these protected areas, the Sustainable Economic Activities Program (name of the small grants program under the project) had three objectives: mitigating impacts on conservation targets in each protected area; promoting sustainable use of

natural resources; and involving local populations in conservation and assuring equal access to the benefits derived from conservation. Prior to starting the program threats to the area were identified; threat mitigation strategies were developed; a stakeholder analysis was done; and a Local Technical Committee was formed, comprised of local and national government and non-government representatives. In order to participate in the small grants program, each protected area had to have its Master Plan already approved by the appropriate authorities. Activities supported include agroforestry, sustainable coffee production, silvopastoral systems, ecotourism development, improved management of grasslands, swamps and mangroves, introduction of fences to contain domesticated animals, improved management of alpacas and llamas oriented toward better water and soil conservation, honey production, and pollution control.

b) Mainstreaming BD Conservation into the Productive Landscape/Seascape and Production Sectors

Spatial Planning to Advance Biodiversity Mainstreaming

South Africa: C.A.P.E. Biodiversity Conservation and Sustainable Development project has played a major role in informing the national strategies fostered to protect BD at the landscape level. As it was established and implemented concurrently with larger policy reforms, the project has been uniquely positioned to shape the policy agenda through its active stakeholder constituency. This has included inputs into the new BD Act, Protected Areas Bill, National BD Strategy and Action Plan and BD Framework, which was established under the BD Act to set medium term targets for conservation. Advances in the arena of area wide planning, engineered through the initiative, informed the methodologies used in preparing the National Spatial BD Assessment. The BD Act provides for the establishment of Bio-regional Frameworks in critical bioregions. These are fine scale maps documenting BD patterns to be used as an overlay for municipal land use planning.

Sustainably Using and Marketing Biodiversity

South Africa: Agulhas Biodiversity Initiative is helping to source wildflowers through sustainable harvesting on 0.03 million hectares of land, which are now managed for conservation. The project partner, the Flower Valley Conservation Trust, has played a key role in this regard. Sustainable harvesting levels for different species have now been established through fieldwork by expert botanists. A recording protocol is in place, a species identification schedule is available, and a data capture system has been established. A code of practice for flower harvesting has been developed and CapeNature, the provincial conservation authority, grants harvest permits based on adherence to the code. An auditing and certification system, with an associated brand and marketing strategy, is being developed to assure premium returns; this will encourage certified harvesters and exporters to harvest in an environmentally sustainable and socially responsible way. A private company, Fynsa Pty Ltd., formed 3 years ago, with private capital, to source and market sustainably harvested wildflowers in partnership with the Flower Valley Conservation Trust. Fynsa is selling product directly to retailers

to maximize price returns at the farm level, thereby increasing conservation incentives for producers. Fynsa registered annual sales of over US$ 5 million in 2007, with an annual growth rate of up to 40%. A major marketing deal has recently been secured with Marks & Spencers in the UK, which sells and promotes Fynsa's flowers under its social responsibility programme. A new marketing deal has being negotiated with SA-based grocers Pick 'n Pay to diversify into the local market.

The Mainstreaming Biodiversity Conservation into Tourism through the Development and Dissemination of Best Practices project secured global environmental benefits by mainstreaming BD conservation into tourism industry operations in tropical forest and coral/marine ecosystems through an array of components, including the establishment of "sustainable" supply chains in Belize and Ecuador. Project successes were validated through fifty indicators which measured project impacts on decreasing threats to tropical forests and species, and minimizing threats to land and marine animal and plant species. The best practices and tools developed by this project are featured on the web sites of the Rainforest Alliance, Conservation International and UNEP's Tourism Program, with view towards integration in all future tourism oriented efforts of these organizations.

Mainstreaming Biodiversity into Agriculture

Regional (Costa Rica, Nicaragua and Colombia) The "Silvo-Pastoral Integrated Ecosystems Management" project is a model for mainstreaming BD in cattle ranching. In Costa Rica the project worked with the Ministry of Mining and Environment to develop a regulation for payment of environmental services in agroforestry and silvopastoral systems. This plan incorporates water, BD and carbon. Two local laws were submitted (one environmental guide for farmers and one proposal of legislation to protect and use the local bamboo in the protection of soil, water and BD). The first one is being studied by the environmental authority and the second one has been approved. In Nicaragua the project supported the formation of a commission for environmental services. The commission is functioning and is working on a regulation for payment of environmental services at a national level. In Colombia the project collaborated with FEDEGAN-livestock farmers association to develop a sustainable livestock program based on implementation of silvopastoral systems. More than 150 members of the community were trained in the use of the methodology. In all three countries, the GEF project is able to modify land use changes in different ways (i.e. direct funding, legislation, technical assistance) and is increasing the awareness of BD values in the rural landscape.

c) Building Capacity to Implement the Cartagena Protocol on Biosafety

Of 130 eligible countries, 124 countries have endorsed their participation in the **Biosafety Clearing House** project. MOUs with 112 countries have been finalized and projects in 71 countries have been completed and closed. Three-hundred (300) national level workshops have been conducted in 92 countries; seven (7) regional/sub-regional workshops in Pacific, Caribbean, Latin America, Asia, Europe and Africa, four (4) global

level workshops at the margins of MOP1, MOP2, MOP3 and MOP4 have also been conducted. More than 3,500 people, including BCH national focal points, have been trained since the beginning of the project. A peer reviewed training package, which includes nine training modules is available in 5 UN languages. The package has also been integrated into the central portal of the BCH (in form of BCH help section) which will be maintained by the SCBD in Montreal in the future.

3. Lessons Learned From Project Implementation

The AMR cohort was particularly rich in lessons learned from project implementation. A summary of selected new lessons learned particular to this year's project cohort is presented below and focus on the three main foci of the GEF-3 BD strategy: 1) catalyzing sustainability of protected areas systems, 2) mainstreaming BD conservation into the productive landscape/seascape and production sectors; and 3) capacity building in biosafety.

Catalyzing the Sustainability of Protected Area Systems

1) **Economic valuation of natural resources requires the involvement of the political decision makers from the beginning of the exercise.**

The involvement of decision-makers in economic valuation should be done through targeted consultation and information sessions, so that the results of economic studies (such as Payment for Ecosystems Services (PES) analyses, etc.) meet stakeholder expectations. In the case of protected area management, engaging policy makers at the start generates the following benefits for PA managers: (i) political ownership and full support of implementation of PES and other revenue generation schemes; (ii) enhances chances to leverage funds from policy and decision makers; (iii) facilitates the identification and linkage of national conservation priorities to necessary policy change; and (iv) is more effective at raising awareness among politicians of conservation priorities.

2) **Integrated conservation and development approaches can work but require thoughtful designs and supportive socio-political environments.**

The effective integration of conservation and development continues to pose great challenges to the conservation community and the literature is rife with reviews of the shortcomings and failures of ICDPs as a conservation intervention strategy. However, in this cohort, some projects have demonstrated and maintained a direct link between the project interventions and the conservation activities and outcomes, which has been a shortcoming that has plagued ICDPs. Success was achieved by combining a set of activities that had a clear and positive impact on the living conditions of the local populations and included (i) more transparent mechanisms for sharing revenues derived from sustainable use activities; (ii) direct employment of local populations in park management activities, (iii) controlled access to and use of natural resources following an agreed sustainable use plan, and (iv) financing of targeted community development initiatives.

3) **Decentralization of PA management responsibilities to local government and the involvement of local communities in PA management contribute to effective biodiversity conservation.**

Decentralization of responsibility for protected area management took many forms in this project cohort and included co-management arrangements with local communities and indigenous peoples in protected areas, private reserves, and more inclusive participation fostered by participatory management committees. Numerous project examples support this conclusion, however, national oversight and some elements of centralized management remain important – particularly relating to cost effectiveness of certain activities at central levels and the establishment of minimum standards for protected area management. New institutional rearrangements and devolution of management responsibilities need to be based on an analysis of the costs and benefits of decentralization.

4) **Voluntary monitoring of protected areas by local people cements partnerships among stakeholder groups, sectors and jurisdictions; brings meaningful collaboration between citizens and the government; increases citizen knowledge about their environment; and builds social and intellectual capital for participating communities.**

It is important to establish a link between a voluntary monitoring program and professional scientists who can provide both advice in program set-up, and perform further data analysis and interpretation.

Mainstreaming Biodiversity Conservation into the Productive Landscape/Seascape and Production Sectors

1) **A project involving a change of legislation and/or policy framework must acknowledge that the pace of change in Government can be slow, and project time-frames and management approaches must reflect that.**

The time it takes to change a law or policy is often underestimated, so the overall project duration is often too short to develop the necessary capacity to make the change sustainable. The political process should be integrated into the logic of the project intervention and allow the project to adapt implementation plans to accommodate the achievement of the policy or legislative objectives necessary for project success.

2) **Mainstreaming into decision-making proceeds at a different pace at the local, national and policy-making levels.**

Influencing decision-making progresses at different rates at the local and national levels, therefore progress in achieving outcomes in project components will often vary resulting in disconnects between change at the national and local levels. Project designs should account for this expected variability in the adoption of mainstreaming ideas and policies by designing national and local level components to progress at different speeds without causing bottlenecks or delays.

3) **Strong local capacity on financial issues is needed to facilitate the development of biodiversity markets.**

Projects in the design phase should not underestimate the complexity of procedures for adoption and implementation of new financial instruments in a region where little or no prior experience exists. Realistic approaches that focus on building the prerequisite capacity should be put in place for projects that introduce new and complex financial instruments.

4) **Fisheries projects need to involve fishermen in undertaking stock assessments and defining sustainable off-takes and management measures.**

This participation can build a sense of ownership amongst this typically 'libertarian' constituency. Project activities should focus on defining the systems, objectives, roles and responsibilities for co-management – including vesting management rights and responsibilities in groups of fishermen. The individual capacity of fishermen to understand and participate in co-management should be strengthened.

5) **Positive impacts of marine protected areas need to be tangible to fishermen in order to gain their support for co-management and sustainable fishing practices.**

Ensuring visible benefits to fishermen is critical and must be achieved quickly. However, the typical temporal asymmetry between management action that can improve fishery productivity and the visible results of that action makes this a complex matter. The length of this time lag depends on the biology of the fish stock targeted, its baseline population status, and the quality of the science that informed the design of the fishery set asides. Short-term rewards may be needed, depending on the circumstances, to offset the perceived opportunity costs of foregoing production. This may involve integrating fishermen into other economic activities, but could also involve the pursuit of other strategies in tandem, including: (i) involving fishermen in the design and monitoring of management interventions; (ii) study tours to successful fishery co-management sites; and (iii) focusing on fisheries that will yield rapid population responses.

6) **Fisheries management systems need to integrate adaptive management principles.**

The response of fish stocks to decreased fishing pressures cannot always be predetermined with certitude, as environmental and other factors may have significant influence. Adaptive management should therefore be pursued as a basic principle of project interventions. This should control for uncertainty and allow strategies to be amended as necessary.

7) **Decisions to change land use should weigh the costs of change against the risks of not changing practices.**

BD benefits to agriculture tend to be undervalued, an effect amplified by distorting subsidies. The causes of BD loss in different farming systems need to be diagnosed. Design abatement measures must be geared to those different needs, and should accommodate the differential cost-benefit calculus of these systems.

Many farmers tend to be risk averse, an attitude that militates against changing their farming practices. Mainstreaming interventions for cultivation generally has three

purposes:

- Reduce the expansion of cultivation into agricultural areas (generally through agricultural intensification).
- Maintain livestock at optimal levels to avoid habitat degradation.
- Promote the use of traditional varieties in the cultivar pool employed by farmers.

Regardless, success will depend upon farmer innovation. The costs/benefits from such innovation need to be assessed as part of an early feasibility assessment. The solutions will depend on the crop type and farm type and other parameters, as well as the market price of the relevant product. The trigger price needed to promote conservation-compatible uses must be determined. This price could be reached through market reform (by removing subsidies or by guaranteeing market access for 'green' products) or through 'user pays' schemes.

8) Conservation of land races and local varieties is an important component of agro-biodiversity, but should not be considered the only aspect of the conservation of agricultural biodiversity.

The conservation of crop wild relatives, where the incentives to manage these resources are less tangible or less easily realized when compared with the land races and local varieties that have very immediate benefits, poses many challenges. In order to achieve well-rounded agro-BD conservation, a multi-disciplinary approach must be taken, to combine components of research on crop wild relatives (including survey, identification, ecology, etc.), *in situ* management and farming systems (regional ecosystem planning), farm systems and marketing of the products and create well-regulated markets. Through appropriate partnerships with other organizations that have these capabilities and by assigning various responsibilities to the different players (such as local government, NGOs and others), a multi-faceted approach towards the conservation of agricultural BD should be possible.

4. Portfolio Monitoring

Progress on Focal Area Indicator and Tracking Tool Development

Progress in Achieving Portfolio-level Outcomes from the PIR 2008 Project Cohort

As part of the GEF-3 Business Plan, a set of coverage and outcome indicators were agreed for the two primary strategic priorities during GEF-3: protected areas and BD mainstreaming. At the end of GEF-3, the coverage results achieved for GEF's primary strategic priorities in BD are presented in Table 4.2 below. (Note: Virtually all of the projects that were part of the PIR 2008 are from GEF-3.)

Table 4.2. FY 2003-06 Project Contributions to the Coverage Targets in the Business Plan for GEF-3

Strategic Priority One for GEF-3	Targets for entire GEF-3 (coverage)	GEF-3 Coverage Targets
Catalyzing Sustainability of Protected Area Systems at national levels.	• At least 15 countries receive support for strengthening PA systems to ensure their long-term sustainability. • At least 400 PAs supported (through about 80 projects) – of which at least 20% should be new additions. • At least 70 million ha of PAs supported. • Number of protected areas and total hectares under any "global priority lists".	• Forty -one (41) countries. • 566 protected areas. • 137,234,149 hectares supported. • 63 protected areas are new totaling 20,004,213 hectares. Total number of protected areas that are new is about 11 % in terms of total number of PAs supported and in terms of coverage this translates into 14.6 % of the total hectares covered. • 10 World Heritage Sites (5,868,817 hectares; about 4.4 % of total coverage.) • 47 WWF 200 sites (41,314,416 hectares; about 30 % of total coverage) • 32 Biosphere Reserves (26,389,842 hectares; about 20 % of total coverage.) • 40 Ramsar sites (3,060,447 hectares about 2.3 % of total coverage.) • Total Hectares under global lists: 76,633,522 hectares or about 55.8 % of total coverage.
Strategic Priority Two for GEF-3		
Mainstreaming BD Conservation in Production Landscapes/Seascapes and Sectors	• At least 5 projects in each of the targeted sectors (agriculture, forestry, fisheries, tourism) focused on mainstreaming. • At least 20 million ha in production landscapes and seascapes that contribute to BD conservation or the sustainable use of its components. • At least 5 countries promote conservation and sustainable use of wild species and landraces.	Agriculture : 43 projects Fisheries : 21 projects Forestry : 26 Projects Tourism : 23 projects Mining : 3 projects • At least 98,596,081 hectares in landscapes and seascapes. • 33 countries with projects on wild species and landraces conservation and sustainable use.

Beginning in GEF-3, the BD focal area began to apply a set of tracking tools to measure progress in achieving the targets and indicators established at the portfolio level of the BD focal area. The tools are applied at work program inclusion (establishing the baseline), and at the mid-term and final evaluations. The indicators and targets were agreed in the GEF-3 business plan and are being tracked for all GEF-3 projects. A similar process is in place for tracking the GEF-4 output and outcome indicators at the portfolio level. Data from the GEF-3 project cohort will be aggregated for analysis of directional trends and patterns at a portfolio-wide level to both inform the strategic priorities of the GEF and to report to the GEF Council on portfolio-level performance in the BD focal area.

As part of the FY 2008 PIR process, the GEF Secretariat requested that GEF agencies submit completed tracking tools for all projects undergoing a mid-term or final evaluation in FY 08 as part of the ongoing reporting to Council on the portfolio level results of the GEF-3 cohort. Results from the FY 08 cohort are provided in Table 4.3 below.

Reporting each year will give Council small snapshots of progress to date with the GEF-3 cohort. The GEF will continue to provide these portfolio level summaries as part of the AMR process. In addition, once 50% of the GEF-3 BD project portfolio has undergone a mid-term review, portfolio outcomes will be summarized and presented to Council as part of the annual PIR process in order to provide a more substantial view of portfolio-level progress. This will be repeated once 100% of the GEF-3 project cohort has undergone a mid-term evaluation and repeated once the GEF-3 cohort is 50% and 100% implemented and projects have undergone final evaluations and submitted the final version of the tracking tools.

Table 4.3. FY 08 Update on GEF-3 Project Cohort Contributions to the Biodiversity Outcome Targets in the Business Plan for GEF-3

Strategic Priority One For GEF-3	Expected Impact	Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation	Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise
Catalyzing Sustainability of Protected Area Systems at National Levels.	Improved management effectiveness of national PA system, and individual PAs which receive direct support over the long-term.	• X (Y %) PAs supported show improved management effectiveness against baseline scenarios.	Mid-Term Evaluation At the time of the FY 2008 PIR, 24 protected areas---or 4 % of the GEF-3 cohort total covering an area of 1,591,340 hectares, or only 1.2 % of the GEF-3 cohort total—were part of PA projects that underwent a mid-term evaluation as reported by the GEF agencies. 75 % of these PAs demonstrated improved management effectiveness as measured by Management Effectiveness Tracking Tool: 12.5% showed no improvement, and 12.5% regressed and demonstrated a negative trend. The 18 sites that demonstrated improved management effectiveness covered an area of 1,164,941 hectares or 73 % of total coverage of the evaluated PAs. Final Evaluation At the time of the FY 2008 PIR, 8 (eight) PAs---or slightly more than 1 % of the number of protected areas being managed in the GEF-3 project cohort covering an area of 183,243 hectares, or slightly less than 1% of the GEF-3 cohort in terms of hectares covered were part of PA projects that underwent a final evaluation as reported by the GEF agencies.

Strategic Priority One For GEF-3	Expected Impact	Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation	Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise
			7 (or 88%) of these PAs demonstrated improved management effectiveness as measured by Management Effectiveness Tracking Tool. One protected area dropped slightly in management effectiveness. The 7 sites that demonstrated improved management effectiveness covered an area of 141,483 hectares or 77% of total coverage of the evaluated PAs.

Strategic Priority Two For GEF-3	Expected Impact	Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation	Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise
Mainstreaming BD Conservation in Production Landscapes and Sectors	(i) Produce BD gains in production systems and buffer zones of PAs and (ii) BD mainstreamed into sector programs of the implementing agencies.	• X (Y %) projects supported in each sector have included incorporated BD aspects into sector policies and plans at national and sub-national levels, and adapted appropriate regulations and implement plans accordingly. • X hectares of production systems that contribute to BD conservation or the sustainable use of its components against	At the time of the FY 2008 PIR, only four mainstreaming projects underwent a mid-term evaluation as reported by the agencies in the fiscal year. No projects underwent a final evaluation. • Three projects sought to influence the policy and regulatory framework. -- One project, starting from a zero baseline, had achieved BD considerations mentioned in sector policy through specific legislation and regulations are under implementation. -- One project had made no progress in advancing BD

Strategic Priority Two For GEF-3	Expected Impact	Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation	Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise
		the baseline scenarios.	considerations into the policy and regulatory frameworks that it targeted. -- One project had successfully incorporated BD into agriculture and tourism policy. • All four projects sought to change production systems with the following results: ➢ 730 hectares out of a project goal of 3,000 hectares were under certified organic agricultural production. Production included four wild species and eleven landraces. ➢ 170,000 hectares out of a project goal of 228,000 hectares semi-arid woodlands was under more sustainable management (not certified). ➢ One project covered more than 1.5 million hectares, within which the following sustainable use outputs were achieved by the project mid-term: ➢ Four forestry units managed under FSC Guidelines (hectares covered ?) ➢ Seven farmers engaging in organic farming (certified) (coverage of hectares?) ➢ Sixty farmers utilizing indigenous breed of

Strategic Priority Two For GEF-3	Expected Impact	Selected Performance indicators (outcomes) to be assessed at mid-term and final evaluation	Tracking Tool Results from Projects Submitting Mid-Term and Final Evaluations during FY 2008 PIR Exercise
			cattle or sheep for grazing and milk production ➢ Eight Municipalities integrating BD concerns into planning, i.e.municipality environment plans, spatial plans, action plans, project plans, tendering procedures etc.)

Progress on Tracking Tool Development

Given changes in the GEF's BD strategy for GEF-4, Tracking Tool for Strategic Objectives One and Two have been revised. Additions to the tracking tool for Strategic Objective One: Catalyzing Sustainability of Protected Area Systems include a scorecard to measure improvements in financial sustainability of a protected area system. The Tracking Tool for Strategic Objective Two has been streamlined to concentrate on key data collection relevant to the portfolio level outcomes. In addition, the GEF developed a new tracking tool to measure progress in Strategic Program 7: Building Capacity to Implement the Cartagena Protocol on biosafety and Strategic Program 8: Prevention, Control and Management of Invasive Alien Species under Strategic Objective Three: Safeguarding BD. Tracking Tools for Strategic Objective Four are under development and will be posted on the website in the near future.

The tracking tools for GEF-4 projects are to be submitted to the GEF Secretariat at three points: a) With the project document at CEO endorsement for FP and at CEO approval for Medium Sized Projects; b) Within 3 months of completion of the project's mid-term evaluation or report; and c) With the project's terminal evaluation or final completion report, and no later than 6 months after project closure.

As with the tracking tool data from GEF-3, the data from the GEF-4 project cohort will be aggregated for analysis of directional trends and patterns at a portfolio-wide level to both inform the strategic directions of the GEF and to report to GEF Council on portfolio-level performance in the BD focal area. However, a key barrier to more effective use and analysis of the data being collected is the lack of an online system for completion and submission of the tracking tools. An online system would facilitate collection of data from project proponents, help ensure 100% compliance, and improve completeness and accuracy of data provided in the tracking tools. Finally, an online system linked to a database and appropriate statistical analyses software would

allow for more sophisticated data analysis and reporting of outputs and outcomes at the portfolio level. This must be remedied in order to improve portfolio monitoring.

- **Other Monitoring Issues**

Improving Portfolio Monitoring Through a Targeted Portfolio Monitoring Exercise

As discussed above, projects funded under the BD focal area are currently using tracking tools to measure the contributions of each project to achieving the impacts and outcomes established at the portfolio level for the focal area and to systematize lesson learning from project implementation. However, in order for the GEF Secretariat to effectively fulfill its monitoring function, other portfolio monitoring tools must be utilized to gather complementary data and information. The Portfolio Monitoring Exercise (PME) is being proposed as an additional tool which will allow for strategic review of focal area sub-portfolios, i.e., investments in specific strategic interventions, such as financial sustainability of protected area systems; creating markets for BD goods and services, integrating adaptation into BD conservation projects, etc.

The objectives of the PME are to:

1. assess project conformity with GEF strategic objectives and programs;
2. examine the validity of assumptions upon which the focal area strategies are based to facilitate continued refinement of the focal area strategy;
3. extract practical and evidence-based implementation lessons and good practice to share with the GEF network, the development community and through GEF's website and other dissemination mechanisms (professional journals, SBSTTA, scientific meetings); and
4. identify successful project responses that address weaknesses identified in Project Implementation Review process.

PME will be implemented by the GEF Secretariat in coordination with the IAs. The reviews will be non-bureaucratic and expedited. When appropriate, the PME's will be implemented in coordination with the existing GEF agencies' monitoring procedures to reduce costs and burdens on project implementation teams in the field.

Reviews will be based on information from three sources:
(a) Existing documentation such as project design document, project agreements, implementation and financial plans, managers and reviewers comments, evaluation and supervision reports and PIR.
(b) Interviews with project manager/teams and other agency staff involved; and
(c) Field visits including interviews with cooperating partners including host country executing partners.
We propose that each year a cohort of projects that are representative of a significant BD focal area investment will be selected for review (referred to as a "focal area investment strategy").

The selection of the focal area investment strategies to be investigated is based on the following factors:

1. Importance of the focal area investment strategy in terms of size of investment, coverage, and number of projects;
2. Relevance and importance of the focal area investment strategy to the CBD;
3. Complementarity to other reviews carried out by GEF Secretariat, the GEF EO, and the GEF agencies.

On a trial basis an estimated 10-15 projects will be selected in the first cohort for each investment strategy that will be investigated. This will allow for sufficient geographic coverage and diversity. Of the 10-15 projects in each cohort, a sub-group would be selected for site visits.

4. Conclusions and Recommendations

- **Strategic Advice from the AMR Process**

The BD task force met to discuss the PIR reports of the agencies as part of the AMR 2008 process. In addition to the traditional focus of the AMR, the meeting sought to use the project cohort (predominantly GEF-3 projects) to inform the evolution of the GEF-5 strategy based on project implementation experiences and project evidence. Selected key observations and recommendations drawn from project evidence in the PIR 2008 cohort are presented below.

- **Strategic Objective One: Catalyzing Sustainability of Protected Area Systems**

- Support to the management of protected areas should remain a central part of the GEF BD strategy. Improving protected area financing is still fundamentally important for many countries; thus the focused strategic program on financing in the GEF-4 strategy should continue in GEF-5.
- The GEF-5 strategy should more strongly reflect the positive co-management experiences (including the role of indigenous peoples) and other cost-sharing and cost-saving management options highlighted in the 2008 PIR cohort as part of sustainable financing and sustainable protected area management strategies.
- The GEF-5 strategy should more explicitly note the importance of improved management of protected areas that may not be formally or legally part of national protected area systems, such as municipal protected area systems and networks of private reserves, as essential contributions to the country's protected area estate and the sustainability of a country's network of protected areas, inclusive of all types.
- Protected areas have higher potential than is currently recognized in GEF's current strategy to serve as providers of ecosystem services. Mechanisms (PES etc.) that recognize the economic value of these services should be supported as part of protected area finance strategies.
- Given CC, protected areas as a dedicated land-use must be considered within the context of the management of the wider landscape. Therefore, support to spatial planning exercises that will allow for more integrated management of protected areas within the context of broader landscape scale management and change processes (including CC) should be considered in future GEF strategies to support protected area systems.

- **Strategic Objective Two: Mainstreaming Biodiversity Conservation into the Productive Landscape/Seascape and Production Sectors**

- Mainstreaming BD conservation into policy and regulatory frameworks remains a challenge and although the GEF should continue to support these interventions, consideration should be given to focusing these types of interventions in very specific ways to have greater leverage than was evidenced in the PIR 2008 cohort.
- BD conservation/sustainable use and the economic value generated by the ecosystem services BD generates has to compete and be favorably compared (economically- and socially-speaking) with other land-use options in order for BD to persist for the medium- and long-term. Improvements in GIS and other technologies may facilitate the introduction of BD and ecosystem service values (when known) into national level land-use mapping and spatial planning exercises, thus providing an effective and potential high-leverage strategy to secure BD in-situ. Although this type of intervention is currently eligible and has been supported as far back as GEF-3 as evidenced by successful project experiences highlighted in this report, strengthening support to these kinds of interventions within future strategies is warranted.
- GEF projects appear to have more success intervening in established markets for BD-based goods and services as opposed to the creation of new markets given that barriers can be enormous in the "creation" of new markets and GEF grants relatively small in relation to barriers that may need removed. This should be considered in future strategy development.

Climate Change

1. AMR 2008 Findings

- **Project Highlights: Good Practice Examples**

The 2008 AMR exercise includes numerous CC mitigation and adaptation projects which provided good practice examples and lessons learned. A sample of those is presented below in accordance with GEF CC focal area strategic programs and good practice examples identified in each project.

Energy Efficiency

Successful ways of reducing CO_2 emissions and promoting market transformations

China: Energy Conservation Project (I) objectives were "To achieve large, sustained and growing increases in energy efficiency and associated reductions in growth of carbon dioxide emissions and other pollutants by: a) introducing, demonstrating and disseminating new project financing concepts and market-oriented institutions to promote and implement energy efficiency measures in China; and b) developing a more efficiency national energy conservation information dissemination program."

Through collaboration with locally founded energy management companies (EMCs) the project provided extra financing for particularly attractive energy efficiency proposals. Based on the project terminal evaluation, throughout its duration the project saved 5.92 million tons of coal equivalent (tce) and avoided emissions of 18.5 million tons of carbon dioxide equivalent (MTCO2eq).

The three pilot EMCs established during the course of the project were successful in designing and applying profitable business models and generating energy performance contracting investment, which amounted in a total of $180.8 million. With regards to market transformation, at project completion stage, a total of sixty three firms were undertaking 419 energy performance contracting investments, which served as a sign for the expanding ESCO-type industry in China.

In addition, the project achieved satisfactory results in developing a more efficient national energy conservation information dissemination program. During the project duration, the State Economic and Trade Commission Energy conservation Information Dissemination Center (SECIDC) was re-organized to become National Development and Reform Commission Energy Conservation Information Dissemination Center (NECIDC).
An effective platform was developed for delivery of information on energy efficiency investment opportunities which were attractive under market conditions. By the time the GEF part of the project closed, the information dissemination center had prepared and disseminated 100 energy conservation investment project case studies in areas of highly replicable technology, and produced 20 energy conservation technical guides. The case studies were disseminated through a variety of channels and proved effective in generating new investment.

The project was exceptionally successful in meeting its broad goals of introducing, adapting and laying a foundation for scaling up the new energy performance contracting mechanism for energy efficiency investment. This has proved especially important with China's current insistent national agenda to further increase energy efficiency. The project achieved major successes in the adaptation of a new energy efficiency investment
business model to China, and the development and dissemination of new information dissemination products emphasizing the attractiveness of specific energy efficiency investments. The four new organizations created under the project to anchor these institutional innovations all became successfully established, and are virtually certain to continue operations over the long term. The three companies have grown into major enterprises, with sophisticated management, financial risk assessment, technical and marketing capacity to further pursue successful energy efficiency investment business.

As a result, GEF funding was used not only to leverage about 8 times the GEF's contribution in financial terms, but also to create a sustainable basis for an energy service company industry.

Successful leveraging effect of the GEF support

Tunisia: Development of an Energy Efficiency Program for the Industrial Sector for Tunisia project's main objective is to overcome barriers to the development of a sustainable market for energy efficiency products. In addition to the removal of institutional and capacity-related barriers, the project aims to establish energy services companies (ESCOs) as the main vehicle to guarantee a sustainable energy efficiency market.

To date the project has facilitated the development of a sustainable energy efficiency (EE) market for Tunisian Industry and an average of 60 projects approved annually. Gross investment in energy efficiency in Tunisian industry has increased to about $16 million since January 2005. Energy Savings have achieved 39,744 tons of oil equivalent (toe) per year and 62 sub-projects have been approved to be subsidized through this program. In addition, six ESCOs have been established and are now fully operational, and the number of companies having ESCO-mediated projects has increased to seven, with four other contracts underway. Finally, technical centers for construction materials and technical canter for mechanical and electric industries have been monitoring the energy efficiency contracts signed for the sub-projects.

Overall, the project has exceeded many of its targets. In terms of investments in energy efficiency, the project has resulted in more than $150m of energy efficient investment, compared to an original target of $25m. With respect to the CO_2 emission reduction target, approximately 130,000 tones of CO_2 per annum are being reduced via the investments already made. The level of lending to ESCOs and industry by commercial banks as compared to all energy efficiency investment under the projects has reached 8.7%, exceeding the project target of 5%. Finally, the energy efficiency project has approved 232 energy efficiency program contracts, which reflects a relatively healthy and growing energy service industry.

Successful capacity building in GEF projects

Regional: Program on Electrical Energy Efficiency in Industrial and Commercial Service Sectors in Central America (PEER) is designed to remove the barriers that inhibit the

implementation of energy efficiency (EE) measures in order to promote a market transformation for the efficient use of electricity in the industrial and commercial service sectors in Central America, focused on motors, air conditioning and refrigeration. Implementation of the program has commenced in four core countries, i.e.: El Salvador, Nicaragua, Panama, and Costa Rica, while Guatemala, Belize, and Honduras are the associated countries in which information dissemination and replication activities will also take place.

The establishment of commercially viable markets in energy efficiency is supposed to assist commerce and industry in becoming more competitive in the global context, by reducing operating costs -in the short run- and decelerating demand for increased thermal power capacity -in the long run-. In addition GEF involvement is envisioned to enable an environment where private sector business development and investment activities are making informed decisions, through implementation of three main components: (i) create legal and regulatory base for market transformation; (ii) secure institutional and individual capacity to implement EE and support SMEs; and (iii) distil lessons learned and information dissemination.

To date the program has illustrated that trough the PEER projects the energy efficiency markets have been triggered for the first time in Central America, through elaboration on energy efficiency standards and labels, an experience that can be shared with other regions and countries, such as the Caribbean countries. In addition, this project contributes to technology transfer in many ways. For example PEER has made a significant effort for promoting equipment imports mainly for CFLs given the availability of an energy efficiency label. Additionally, the program has illustrated that the elaboration of energy efficiency technical manuals and several case studies helps to promote the transfer of more efficient technologies in the Region. PEER also identified gender-related barriers such as: lack of information on the application of best practices in energy saving, limited technical understanding on efficient technologies, and the lack of culture regarding the efficient use of energy among women. To remove these barriers, PEER looks to strengthening technical knowledge of the stakeholders through technical handouts distributed to all targeting energy users.

Successful replication of the GEF projects

Armenia: District Heating Project's objective is to reduce greenhouse gas (GHG) emissions resulting from the current heat and hot water supply practices in Armenian cities by laying the foundation for the sustainable development of heat and hot water supply services in these cities while taking into account global environmental impacts. Within this framework, the project works on: (i) strengthening the role of condominiums in collectively organizing and managing heat and hot water supply services at the building level; (ii) supporting the restructuring and capacity building of the existing district companies to improve both their service quality and operational efficiency; (iii) supporting the new decentralized service providers to commercially run, market and diversify their businesses, in order to promote the use of alternative environmentally clean and energy efficient technologies and to structure financing for the required investments in areas that do not sustain the centralized district heating services; and, (iv) utilizing the results, experiences and lessons learned for advancing the sustainable development of the heat and hot water services in Armenia with a specific emphasis on the GHG emission reduction aspects.

Project's successful implementation has promoted development of legislation on preferential combined heat and power (CHP) feed-in tariffs and, therefore, greater private sector interest in investing in commercially viable power and heat supply projects. This demonstrates that there are promises for future investments in heat supply. Still, a number of other legislative barriers exist, such as VAT levels on natural gas for district heating, which if successfully addressed will further ensure that investment finance is available. Considering financial resources for municipalities or for support services for condominium owners associations, in the absence of appropriate legislation (which may be provided by the heat law), financial sustainability does not exist, and replication throughout the country will be limited.

Renewable Energy

Stimulating on-grid markets for renewable energy

Croatia: Renewable Energy Resources (RER) project has as its objective to help develop an economically and environmentally sustainable market for renewable energy resources in Croatia. Development of this market should support Croatia in its EU accession efforts. In addition, the project decreases Croatia economy's reliance on imported electricity and fossil fuels, reduces overall emissions, leads to a higher degree of local equipment manufacturing, creates an attractive climate for private investment in renewable energy, and generates local industry and employment. The project deals with both the production of electricity and heat from RER. However, most of the emphasis is put on electricity production (from wind farms and biomass fired cogeneration plants).

The project's first component focuses on the drafting and adoption of legislation and regulation to create a feed-in tariff whereby independent renewable energy generators are paid a favorable tariff for electricity sold to the grid. The other components, focus on increased biomass and increased wind-generation, however, these have made less progress to date due to the regulatory framework. Nonetheless, now that the regulation hurdle is passed, they are expected to experience rapid growth to meet the project's renewable generation targets.

Overall, the project focuses on stimulating on-grid renewable energy investments through creating the proper regulatory and enabling environment and demonstrates that without the proper regulatory framework, no progress can be made in taking renewable energy to a significant scale. Even with the regulations are in place, scaling up the renewable generation is not always easy.

Stimulating off-grid markets for renewable energy

Uganda: Energy for Rural Transformation project is the first long-term programmatic proposal submitted under the WB/GEF Strategic Partnership for Renewable Energy and serves as a platform for demonstration and testing of several programmatic modalities and operational procedures envisioned under this Partnership. It targets to remove market barriers to support the development of approximately 70 MW of biomass, hydro, and solar renewable energy capacity

over ten years in a commercial, private sector orientation, and is implemented under an Adaptable Program Loan approach utilizing three funding tranches. Funding releases are guided by performance indicators for each tranche. Such an approach stimulates accelerated development of rural energy sources strongly interlinked with rural development needs and objectives, and providing a significant shift away from diesel power sources.

At its current stage, most of the project activities are nearing completion and nearly 597,000 Wp of solar PV capacity has been installed in household and institutional PV systems. The only ones that may not be completed by project closure being the construction of the Nyagak mini hydro power plant, the grid extension components and PV systems for the education institutions. The Nyagak mini hydropower station is delayed mainly due to the inability of the civil works sub-contractor to execute the works.

The project demonstrates that it is possible to grow the market for off-grid PV's to provide modern energy to those without access. It also showed the willingness and ability of local consumers to pay, as well as the ability of the industry to expand into this niche. Unfortunately, the PV industry remains a boom-bust industry with prices largely driven by periodic shortages in production capacity and rapid growth in the subsidy-driven rooftop market in Europe and North America. Once these complications are resolved, PV systems will become far more important as sources for clean energy for those in remote rural areas of developing countries.

Successful capacity building

Peru: Photovoltaic (PV) Based Rural Electrification project's objective was to assist the Government of Peru in removing barrier to sustainable rural electrification using PV technology in remote rural areas, thereby reducing the long-term growth of the GHG emissions. The project demonstrates the viability of establishing micro enterprises to sell, maintain and operate the PV system, as well as create incentive for increased public and private sector investment in PV-based rural electrification.

When commenced the project was entirely new in focus (renewable energy in rural areas), magnitude and scope and therefore no references existed. As such, basic elaboration of renewable energy data, standards, identification of study areas, elaboration of Household PV Systems (HPS) administration models, capacity building of users and local technicians and installation of a large number of HPS were required. Despite the fact that the project had a strong technical focus, the project's evaluation found that the establishment of an administration model was one of the project's key contributions, as it provides an example for future initiatives in Peru.

Sustainable Innovative Systems for Urban Transport

Philippines: Marikina Bicycle Network project's main objective is to improve the operational efficiency and safety of the transport system of Metro Manila, with better opportunities to use public transport and non-motorized transport (NMT), the dominant transport modes of low-income residents. The Global Environment Objective of the project is to reduce greenhouse gas

emissions by promoting the use of zero-emission bicycle and pedestrian transport. A second objective is to demonstrate and publicize the benefits and viability of bicycles as an alternate transport mode to encourage replication of this pilot program in other parts of Metro Manila, elsewhere in the Philippines, and in other countries.

The indicators for the completed projects show that the development objectives of the project are being met by the remaining components under implementation. So far, nine civil work contracts under the revised scope of the project. Out of the nine contracts, five have been completed, while four contracts are ongoing. Overall, the project has attracted GEF financing of $1 million towards successful development of bike paths. The bike paths component exceeded its target of 7.56% of modal share of trips by NMT in 2005, up from an original measure of 4.25%. The project also resulted in an increase in public awareness for expanded NMT and has spawned additional similar investments throughout Marikina City. Although there is an acknowledgement that the measurement of the GHG benefits might be difficult, the project has contributed to increased sustainable mobility in the Philippines.

Adaptation

Foreseen success in adaptation policy

Columbia: INAP project concept development relied on the results of the studies sponsored by the Government of Colombia, GOC, through IDEAM and other Colombian research institutes, including those reported in the First National Communication to the United Nations Framework Convention on Climate Change (UNFCCC). The studies had identified highly vulnerable ecosystems to the anticipated impacts of Global Climate Change (GCC), such as sea level rise, changes in temperature and/or rainfall. They also highlighted the urgent need to identify and formulate adaptation policy options for strategic systems classified as having high to critical vulnerability to GCC. These strategic systems include high mountain systems, the large insular area on the Colombian Caribbean and expansion for dengue and malaria vectors and associated impact on human health.

In this context, the project development objective was to support Colombia's efforts to define adaptation measures and policy options to meet the expected impacts of CC. This was set to be achieved through:

- Capacity building activities: improvements to the knowledge base (documenting trends and impacts); assessments of the expected consequences of GCC on strategic ecosystems; and
- Assessment measures and policy options to adapt to the effects of CC, as well as development of projects within which adaptation can be mainstreamed.

These efforts focused on high mountain ecosystems, insular areas and on health concerns related to the expansion of areas for vectors linked to malaria and dengue.

At its current stage the project is beginning to make concrete progress in piloting adaptation activities. In addition to working with Colombian scientists, collaboration exists with Japanese

experts in estimating the likely effects of CC on Colombia. Several of the project's pilot activities have already begun. In particular, a water supply system in San Andres to address stressed aquifers has been established. Additional marine protected area called "Seaflower" has been established to monitor changes in the coastal zone. Monitoring stations have been established in the high altitude moorland near Chingaza.

While it is too early to reach conclusions regarding the effectiveness of these activities as adaptation options, this project will likely be the first GEF-supported project to provide any evidence based upon adaptation policy experiments.

- **Lessons Learned from Project Implementation**

The CC AMR 2008 project cohort presented a variety of lessons learned from project implementation activity. Presented below is an overview of the most significant lessons identified by different implementing agencies.

Project Design

1) Using a phased approach in project design helps avoid an overambitious implementation schedule and associated project management problems

As demonstrated in many projects a phased approach to project implementation reduces the number of project management problems faced during implementation. For instance monitoring of the UNDP Malaysia, *Industrial Energy Efficiency and Improvement Project* showed that the project would have benefited from taking a phased approach by focusing on capacity building and developing the ESCO industry in the first phase, and then provided input for regulatory frame work before embarking on the demonstration plants. On the contrary, the original project design ambitiously covered a very wide scope causing certain complications in its management.

2) Allow more time for project start up for regional projects as opposed to national projects

As reported by the implementing agencies, there needs to be more time allotted for start up of regional projects when compared to national ones. The main logic behind this is the fact that many more actors are involved in decision making when a project is being implemented on a regional level.

Further, International conventions and agreements signed by all countries are often not accompanied with implementation mechanisms and supporting staff. Therefore it is essential to find a project coordinator with the ability to socialize project objectives and activities and ensure engagement from representative officials from all countries and from both national and local level. Past project experiences have demonstrated that the selection process of the coordinator and establishment of the coordination unit at early stages of project preparations is important for the timely commencement of projects and can be initiated soon after CEO endorsement while the agency approval is still being processed.

3) Plan additional time in the project's work plan to allow for complications and additional budget to cover unforeseen costs

An additional lesson with regards to project timeline, is that sometimes it might be useful to plan for longer project design phases, taking into account the special environmental, logistical, and local complications that can take place. Such complications were faced in the Ecuador project on *Renewable Electrification of the Galapagos Islands (ERGAL*). In addition, in some cases it might be useful to plan for greater budgetary flexibility to fund additional monitoring studies that might come in useful as the project implementation begins.

4) Conduct market research on proposed emission-reducing technologies and existing policy regulations

In general, it is always recommended to conduct a pre-project market baseline analyses in order to assess technological and/or regulatory conditions present in any given market.

As shown in the case of the Malawi *Barrier Removal to Renewable Energy in Malawi (BARREM)* project, the difficulties encountered in rolling-out the relevant technologies were linked to a lack of in-depth market analysis at the design stage. It turned out to be that for the majority of end-users, there was little business incentive to adopt the technology, which also manifested in a low uptake of the financial instruments put in place. Instead of being concerned with the potential levels of CO_2 reduction in the project design phase, the team would have been concerned with carrying out an economy-wide situation analysis and identifying technologies that would fit into the different income levels. Such an approach would have led to achievable CO_2 abatement targets as well as numbers of installations by end-users in the different sectors.

Project management

1) Focus on retaining qualified and knowledgeable staff to enhance project sustainability

Several project monitoring reports have commented on the importance of qualified, knowledgeable staff. Below are several recommendations that came out of the South Africa *Solar Water Heaters (SWHs) for Urban Housing* project, Peru *Photovoltaic Based Rural Electrification* project, and Iran *Carbon Sequestration in the Desertified Rangelands* project.

- Transitions between staff turnover need to be seamless with a focus on knowledge management and archiving. Past experiences have shown that it might be useful to have a specific budget line included in project design to continuously ensure new socialization activities with new authorities and staff.
- Effort should be given to strengthening of management capacities in networking and negotiation skills areas.
- The personnel of a partner institution should be carefully examined when establishing a joint working group or building capacity in a sister institution that is considered key to a project's implementation.

- If external personnel are used, at the end of the project they take away the capacity and knowledge gained thereby jeopardizing the project's sustainability.
- It is important to take a competent chief technical advisor from the very beginning of project implementation.

2) Ensure an early start to competitive bidding processes

As demonstrated in the monitoring report of the Belarus *Biomass Energy for Heating and Hot Water Supply* project, selection of equipment suppliers and contractors for construction of pilot projects often causes project implementation delays. It is, therefore, recommended that project competitive bidding processes start as early as possible. An early start in preparing the foundations for quality tendering that is required for a large, highly technical and complex competitive bidding process, and would help avoid subsequent delays in demonstration sites completion.

Involvement of stakeholders

1) Set criteria in choosing community partners

Whenever selecting local beneficiary communities a full evaluation of various segments of the market, production processes and chains, value-added impacts, presence of social conflicts with neighboring communities needs to be conducted. As demonstrated in the Peru *Photovoltaic based rural electrification* project conducting such an assessment using the appropriate selection criteria is essential in choosing the most suitable community partners.

2) Emphasize regular communication with stakeholders

Additionally, GEF success in positively influencing the livelihood of local population, creating the right opportunities for achieving global environmental objectives and sustainability depends on the involvement and support from local actors and governments. As a result, project objectives and activities should be clearly communicated to key stakeholders and social groups at the beginning of any given project.

There are different ways of addressing this issue. Inter-American Development Bank, for instance, now includes a Social Communication Strategy in the design and initial implementation plans of its project. On a more informal level the UNDP Morocco *Market Development for Solar Water Heaters* project stressed the importance of working in close coordination with partners from different sectors, initiating regular and direct communication and providing updates. Both of the suggested approaches ensure project ownership and full collaboration.

3) Enhance a project's relationship with government through lobbying, networking and adapting to national priorities

In a similar realm, it has been demonstrated that adapting to national priorities is essential to establishing trust and good working relationship with the government, increasing the impact of

project activities, and leveraging additional co-financing. As shown through the Morocco, *Solar Water Heaters* project there is often need for stronger lobbying aimed at the various ministerial departments to push for a strengthened legislative framework.

Other projects, like that of Iran's *Carbon Sequestration in the Desertified Rangelands* have emphasized the significance of networking, securing the support of local government, and, in general, enhancing relevant relationships at earlier stages of project implementation.

4) Realistically consider the challenges of working with multiple stakeholders in a new industry

A considerable number of project implementation reviews stresses the importance of maintaining positive local, provincial and national government interest in projects and the respective industries. Such an approach ensures sustainable growth for industries as a whole. As recommended in the South Africa *Solar Water Heaters (SWHs) for Urban Housing* project, it is crucial for project management teams to carefully identify and prioritize the needs of the various stakeholders and ensure that the management team as a whole have the skills to address diverse needs of various stakeholders.

Capacity building

1) Modeling administrative approaches through technical projects

In the case of new projects, such as the one of Peru's *Photovoltaic Based Rural Electrification* project, where no reference materials on previous project implementation practices exist, it has been found that an establishment of an administration model is crucial as it provides a useful framework for future initiatives. Since, as demonstrated in the case of Peru, despite the fact that the project had a strong technical focus, it was the establishment of an administration model that was one of the project's key contributions for its replication in the future.

2) Use case studies and distribution of technical materials to promote technology transfer

The successful Regional Program on Electrical Energy Efficiency in *Industrial and Commercial Service Sectors in Central America (PEER)* has shown that the elaboration of energy efficiency technical manuals and several case studies help promote the transfer of more efficient technologies. In addition, PEER demonstrated that strengthening technical knowledge of the stakeholders through distribution of technical handouts helps to remove such gender-related barriers as: lack of information on the application of best practices in energy saving, limited technical understanding on efficient technologies, and the lack of culture regarding the efficient use of energy among women.

Documents and information management

1) Ensure adequate document control, information management, and sustainability of project documents

Several projects noted the importance of document control and the need for strong information management throughout a project's lifetime. For instance, during the Malaysia *Industrial Energy Efficiency and Improvement Project (IEEIP)* project showed the importance of keeping and having available all documentation and records on the realized project. In addition, document controls and knowledge and information management systems are identified as particularly important for long-term projects, as well as those with high staff turnover rates.

Moreover, to ensure that the project's findings are shared with and used by subsequent projects, attention should be paid to making relevant documents and reports accessible to a broad audience. Based on the review of the South Africa *Solar Water Heaters (SWHs) for Urban Housing* project it has been recommended that a repository for final document outputs, accessible beyond closure of the project, be created for every project. In the case of the South African project, the developed code of practice became part of a new national standard on solar water heaters and market surveys conducted through the project are to be made available through the Central Energy Fund's website.

2. Progress on Focal Area Indicator and Tracking Tool Development

In an effort to improve its results-based management and capture the impacts of that the projects have created, the CC focal area and the implementing agencies have worked on improving its project monitoring system. Over the course of 2008, the CC cluster has successfully developed the first version of its Results-based Monitoring System for tracking the performance of its energy efficiency, renewable energy, emerging low-GHG energy technologies (implemented under GEF-3), and sustainable transport projects. A set of indicators for GEF Adaptation projects is anticipated to be developed over the course of 2009.

The AMR 2008 constitutes a first trial to test the utility and appropriateness of these indicators for wider application in the CC focal area. In this test, all projects were asked to report on two of the proposed indicators associated with the strategic priority (or objective) associated with the project. The project implementation report (PIR) should include data on the project's targets for this indicator and the project's achievements in this dimension to the date of the PIR. The set of indicator has been developed such that two indicators are proposed per strategic program (SP) under GEF-4. As not many GEF-4 projects are under implementation yet, the implementing agencies have been asked to test how these indicators can be used to measure results from previous GEF periods. An approach to fitting and retrofitting the GEF-4 indicators to projects prepared in accordance with GEF-3 strategic priorities was provided in the 2008 GEF Annual Monitoring Review Guidelines. For projects dating from earlier GEF periods, the project team was asked to determine through self-assessment whether the proposed indicators can be fitted to the project under consideration. Qualitative feedback on the use of the indicators is also appreciated. Table 4.4 below provides a summary of the indicators by strategic program.

Table 4.4: GEF CC Indicators

Energy Efficiency
1. GEF-4 SP1: Promoting Energy-Efficient Buildings and Appliances *(NB: Also use for GEF-3 Strategic Priority 1)* *Indicator 1: Drafting, Adoption and Enforcement of policies and legislative measures contributing to enabling environments* *Indicator 2: Quantity of Energy saved (toe saved or MWh saved or GJ saved)* 2. GEF-4 SP2: Promoting Industrial Energy Efficiency *Indicator 1: Volume of investments ($ invested)* *Indicator 2: Quantity of energy saved (toe saved or MWh saved or GJ saved)* 3. For projects under the GEF-4 interim strategy: Promoting Rehabilitation of Large Power Plants *(NB: Applies only to projects from GEF-4 (interim period)—included here for future reference only)* *Indicator 1: Electricity-generation capacity rehabilitated (MW)* *Indicator 2: Energy savings (toe)* 4. For projects under GEF-3 Strategic Priority 2: Access to local sources of financing *Indicator 1: Number of financial institutions (lending for) or (expressing interest in lending for) energy efficiency or renewable energy investments beyond those doing so at the time of project initiation.* *Indicator 2: Quantity of Energy saved (toe saved or MWh saved) (description see above)*
Renewable Energy
1. GEF-4 SP3: Promoting on-grid renewable 2. GEF-4 SP4: Promoting sustainable energy from biomass *(Note: These should also cover projects under GEF-3, Strategic Priority 3)* *Indicator 1: Adoption/Creation/Enactment/ of Policy for On-grid Renewables* *Indicator 2: Electricity production in the reporting period from grid-connected renewable energy installations installed under the influence of the project (MWh / year)* 3. For projects under GEF-3 Strategic Priority 4: Productive uses of RE

Indicator 1: Number of businesses and households served by renewable energy beyond those receiving service at the time of project inception. *Indicator 2: Electricity production in the reporting period from rural renewable energy installations installed under the influence of the project (MWh / year)* 4. For projects under GEF-3 Strategic Priority 2: Access to local sources of financing *Indicator 1: Number of financial institutions (lending for) or (expressing interest in lending for) renewable energy investments beyond those doing so at the time of project initiation.* *Indicator 2: Quantity of Energy produced (MWh/year) (description see above)*
Advanced Low GHG Emitting Energy Projects
1. OP 7 Projects (GEF-3) *Indicator 1: Growth in interest in the selected technologies, as measured by the number of stakeholders (public or private enterprises) indicating interest in procuring or supplying the technology.* *Indicator 2: Annual electricity production from grid-connected renewable energies that were installed under the influence of the project (MWh / year)*
Sustainable Transport
1. GEF-4 SP5: Promoting Sustainable Transport *Indicator 1: Adoption/Creation/Enactment/ of Sustainable Transport Policy* *Indicator 2: Number of Annual Person-trips taken on Sustainable Transport Options Promoted Under Project.*

As part of the FY 2008 PIR process, agencies submitted Terminal Evaluation reports for twenty completed projects, which contain information on the relevant indicators. Relevant data submitted for the AMR 2008 project cohort has been aggregated and analyzed against the GEF-3 targets, set in (C.21/Inf.11) *GEF-3 Strategic Business Planning: Directions and Targets*. Results of GEF-3 projects that went through Terminal Evaluations in FY 2008 are presented in Table 4.5.

Table 4.5: FY 08 Update on GEF-3 Project Contributions to the CC Outcome Targets in the Business Plan for GEF-3

Selected Performance Indicators	**Overall GEF-3 targets**	**Contributions of 2008 project Cohort, Submitting Terminal Evaluations during FY 2008 PIR Exercise, towards Overall GEF-3 Targets**
GWh p.a. of annual energy saving from transformation of markets for high-quality, commercial, low GHG products of processes	12 000 GWh p.a.	10 217 GWh p.a.
MW of renewable energy power sector investments	4 000 MW	186 416 MW
Number of countries with explicit renewable energy / energy efficiency power sector policies	10 additional countries	19 additional countries
Avoided CO_2 emissions (million tons, GEF projects which went trough Terminal Evaluation during 2008[11])	600-1500 million tons of CO_2 equivalent	41.57 million tons of CO_2 equivalent

- **<u>Issues Requiring Further Study and Analysis</u>**

Improving Portfolio Monitoring Tracking Indicators and Tool

At large the implementing agencies have been successful in applying the newly developed CC indicators to gain sense of progress for all the projects in the active portfolio, however, a lot of work remains to be done on refining the indicators, designing a functioning inter-agency aggregating tracking tool, and integrating the results obtained from the CC tracking tool analysis with data from other focal areas in an attempt to achieve a GEF-wide portfolio assessment.

[11] Lifetime emissions from facilitated investments; includes some replication, but large market scale-up from replication could double these numbers

Consolidating feedback from the agencies, reporting has been done on a large number of projects as values for the indicators were collected during project monitoring activities. In other words for the most part the data are readily available.

However, a general criticism expressed by the agencies stresses that the CC monitoring guidelines need to be further clarified and refined. One suggestion is for the new AMR guidelines to include precise definition of indicators, to make it possible to aggregate the indicators into a portfolio wide indicator-based assessment. Taking such recommendations into account, precise wording will be agreed upon in the upcoming CC Task Force meetings, included in the 2009 AMR Guidelines document, and integrated into the GEF-wide efforts on designing the new RBM framework and Knowledge Management System. Once, agreed upon, the refined set of indicators will be enforced by the GEF Secretariat during project review and approval. In addition, efforts will be made to create new reporting methods, whereby the indicators would be submitted in a template easily adoptable into the aggregate monitoring tool.

A specific issue was also raised with regards to retro-fitting older projects with indicators. Given that many projects which are currently under implementation pre-date the adoption of the indicators covered by 2008 AMR Guidelines, some inconsistencies exists between the requested indicators and those reported on by the agencies. As suggested by the agencies, this is viewed to be less of a problem for those projects that are at their mid-term or final review stages. However, there are also those projects for which the indicators are either not provided at all or for which too many indicators are reported on. Such reporting makes it difficult to integrate and analyze the project data on an aggregate level. Therefore, close attention should be paid to the group of projects that do not include appropriate indicators, with appropriate follow-up conducted for such projects.

It is essential that both the GEF Secretariat and the implementing agencies perform a better job of ensuring that the projects approved meet the current requirements for the results matrices. As for those projects that have already been approved, a strategy for restructuring of the monitoring and measuring tools should be suggested in the 2009 AMR Guidelines.

In addition, difficulties were encountered quantifying the market transformation indicators. Consequently, many projects reported qualitatively on this indicator or did not explain their definition of the market transformed, making the results challenging to analyze or summarize. Therefore, in order to make the reporting on this indicator across the projects uniform, there appears to be a need to provide an exact definition of what a market is and how the “impact” should be assessed and rated.

Overall, the AMR 2008 process shows that as it is the current CC indictor requirements are reasonable and do not impose undue additional reporting strain on project implementing agencies. However, further fine-tuning will be done to improve upon the existing set of indictors, requirements, and analysis tools. In addition, more work remains to be done on expanding reporting requirements for Sustainable Transport strategic program, as well as for projects in Adaptation. In this respect the GEF Secretariat will seek collaboration with implementing agencies, drawing on already existing sustainable transport and adaptation projects tracking tool research.

Reducing the Elapsed Time from Projects' CEO Endorsement to Start of Implementation

As reported during the 2008 PIR period, the majority of the projects took anywhere between six to ten-and-a-half months to begin implementation after receiving CEO Endorsement. Overall, the fact that most of the projects began implementation within a year of CEO endorsement represents a significant improvement over the previous reporting period. Given that more recent projects do not suffer from these delays, there is an indication that these delays in start-up are being actively addressed at the project development and design stages.

While there was a significant improvement in time elapsed before implementation, this issue should be examined closely. The number of projects that are extended suggests a systemic design or implementation problem in the portfolio. Project extensions have significant implications on the oversight and monitoring requirements of the portfolio and efforts should be made to identify the reasons and adjust future project design implementation and oversight approaches accordingly. During 2009 PIR period emphasis will be given to developing a monitoring tool that will automatically signal any significant delays in project implementation.

3. Conclusions and Recommendations

The 2008 AMR exercise demonstrated the existence of a number of successful stories and useful lessons learned from the 2008 AMR project cohort. These lessons and the specific recommendations received from the agencies will all be used to inform the evolution of the GEF-5 strategy development, as well as the development of the a more refined tracking tool for the CC focal area. Major observations and future action items highlighted through the 2008 PIR process are summarized below.

- **Energy Efficiency**

    - As demonstrated through the 2008 AMR process, the GEF continues to build on its strong track record, experience, and expertise in energy efficiency investments. These programs have dramatically addressed the energy security concerns of developing and transition countries and mitigated billions of tons of greenhouse gases. The GEF-5 strategy should continue to expand on this performance record, enhancing and expanding investments in energy efficient lighting, appliances, buildings, and industry. GEF support should continue to be directed toward development and implementation of strong policies, norms, and regulations in developing countries in order to achieve large-scale impact in terms of energy savings and GHG emissions reductions.

    - The GEF-5 energy efficiency program should emphasize scaling-up of GEF's responsiveness to country needs, improving GEF projects' capacity building activities, and developing comprehensive intervention methods with local and regional governments as the anchor to integrate transport, energy, water, and housing sector activities.

- **Renewable Energy**

  - As shown in the 2008 PIR process the GEF has invested in a considerable number of successful renewable energy projects and, therefore, should build on its strong and robust track record in this field under GEF-5. GEF intervention under this strategic program should continue to emphasize the creation of enabling policies and a regulatory environment to promote renewable energy.

  - The GEF should continue to invest in renewable energy projects that will lead to a step-change in the deployment of highly reliable, low-cost renewable energy technologies that address the natural resource endowments of participating countries.

- **Sustainable Transport**

  - Given the importance and the continuous global growth of transport systems in developing countries, GEF's sustainable urban transport program should continue to promote innovative systems including sustainable urban transport as well as emphasize land-use planning, modal shift, and public transit systems. In addition, technological solutions may be considered in countries where significant GHG emissions reduction as well as local development and environment benefits can be achieved.

  - Under GEF-5 greater attention will be given to measuring and quantifying global environmental benefits from the projects.

  - Emphasis should be placed on comprehensive intervention with local, regional, and national governments as the anchor to integrate transport, energy, water, and housing sector activities.

- **GEF Climate Change Portfolio**
  - Experience has shown that strong commitments from the local, regional, and national governments are important for successful investments. Therefore, as identified in this exercise, GEF-5 strategy should highlight the importance of regular communication with stakeholders, as well as of the responsiveness to the challenges of working with multiple stakeholders.

- **GEF Climate Change Focal Area Indicator and Tracking Tool Development**

  - The 2008 PIR exercise has confirmed that the current indicator requirements of the CCchange focal area are reasonable and do not impose undue additional reporting requirements on project implementation teams. However, further enhancement of the indicators and monitoring processes will be done in collaboration with the agencies and as part of the new RBM and Knowledge Management System development.

- Development of reporting requirements, indicators, and methodologies for assessing both Sustainable Transport and Adaptation projects should commence over the course of 2009 PIR and be given a strong emphasis under GEF-5.

- While there was a significant improvement in time elapsed before implementation, the issue of project extensions should be examined closely and mechanisms to track project implementation delays should be instituted.

- As reported by the agencies, lessons captured by the PIR process are often non-technical. In an effort to capture more technical lessons from the portfolio, sector- or OP-level additional monitoring reviews should be implemented.

INTERNATIONAL WATERS

- **Progress on Tracking Tool Development:**

In 2008, GEF agencies reported for the first time individual projects results associated with the GEF 3 Replenishment targets within the simplified GEF 3 IW Tracking Tool (TT). This was developed and adopted by the GEF IW Task Force in order to support Results-based Management reporting at a programme level. IADB (1), UNDP (17), UNEP (9) and WB (2) submitted a total of 37 GEF 3 Tracking Tools. An overview of the tracking tool is presented below. The GEF 3 and GEF 4 tracking tools are now online at www.gefpmis.org and their more widespread application with the new web-based user interface will be tested over the coming year.

Annex IV

Table 4.6. GEF 3 SP1 rating scale

	CORE				ADDITIONAL	
	Process Indicators			**Stress Reduction Indicators**	**Process Indicators**	**Process/ Stress Reduction Indicators**
Rating	*Regional Legal Agreement Adopted/Implemented*	*Functioning & Sustainable Regional Transboundary Waters Institution*	*National/Local Reforms Enacted/Implemented*	*On -the-Ground Results (Demonstrations and Investments)*	*Functional Inter-Ministery Commitees (ICM)*	*Catalytic Results*
0	No legal agreement in place	No TBW institution in place	Agreed reforms neither enacted nor implemented in majority of countries	No progress on implementing demonstrations or investments	No IMC established	
1	Legal agreement signed and ratified by more than one country	TBW institution established but functioning with limited effectiveness; 50% or less of countries contributing dues	Most countries have enacted reforms but less than 50% are implementing	All demos/investments are designed and agreed with stress indicators and targets set	IMCs established but not functioning effectively or at all.	
2	Legal agreement ratified by necessary quorum and in force	TBW institution established and functioning with moderate effectiveness, 50-75% of countries contributing dues	50-80% of countries have enacted and are implementing reforms	More than half of demos/investments reached the targets in stress reduction	IMCs established and functioning on informal basis	
3	Legal agreement in force, ratified by all countries	TBW institution in place, fully functioning and fully sustained by at or near 100% country contributions	80% or more of countries have enacted and are implementing reforms	All demos/investments achieved the targets, projected stress reduction documented, results fully disseminated	IMCs established, functioning and formalized thru legal and/or institutional arrangements	

Table 4.7. GEF 3 SP2 rating scale

GEF 3 SP2 - New Waters/Foundational Projects							
	CORE					ADDITIONAL	
Rating	*Agreement on TB Priorities and Root Causes (TDA Development and Completion)*	*Regional Agreement Adopted*	*Regional Management Organisation Capacitated*	*SAP Approved*	*On-the-Ground Results (Demonstrations and Investments)*	*Functional National Inter-Ministry Committees (IMC)*	*Catalytic Results*
0	No progress on TDA	No legal agreement in place	No TBW institution in place	SAP neither developed, nor approved	No progress on implementing demonstrations or investments	No IMC established	
1	Priority TB issues identified and agreed but based on limited environmental/socioeconomic impact information; none or inadequate root cause analysis	Legal agreement signed	TBW institution established but functioning is quite limited; countries contributing dues on voluntarily basis	SAP developed and agreed at highest technical level (e.g. project Steering Committee)	Demos/investments are designed and agreed with stress indicators and targets set	IMCs established but not functioning effectively or at all.	
2	Priority TB Issues agreed based on solid baseline of envir and socioecon impacts info; root cause analysis is inadequate	More than one country ratified the legal agreement	TBW institution established and functioning with limited effectiveness, 50% of	SAP developed and endorsed by minimum 50% 0f countries	More than 2/3 of demos/investments underway as designed but insufficient information available to quantitatively	IMCs established and functioning on informal basis	

			countries contributing dues on voluntarily basis		document stress reduction		
3	Regional agreement on priority TB issues drawn from valid enviro/socioecon impacts baseline, immediate and root causes properly determined	Legal agreement ratified by necessary quorum and in force	TBW institution established and functioning in general, 75% or more of countries contributing dues	SAP endorsed by all ministers of countries sharing the TB water body or adopted by relevant inter-governmental body	All demos/investments achieved the targets, projected stress reduction documented, results fully disseminated	IMCs established, functioning and formalized through legal and/or institutional arrangements	

Annex IV

Table 4.8. GEF3 SP3 Rating Scale

	Indicators			
	CORE		ADDITIONAL	
	Process Indicators	**Stress Reduction Indicators**	**Process/Stress Reduction Indicators**	
	Demo Projects with National Reforms Implemented	***Demos with On -the-Ground Stress Reduction Results***	***Catalytic Results***	***Others***
0	Agreed reforms neither enacted nor implemented in majority of countries	No progress on implementing demonstrations or investments		
1	Most countries have enacted reforms but less than 50% are implementing	All demos/investments are designed and agreed with stress indicators and targets set		
2	50-80% of countries have enacted and are implementing reforms	More than half of demos/investments provided documentation on reaching the targets in stress reduction		
3	80% or more of countries have enacted and are implementing reforms	All demos/investments achieved the targets, projected stress reduction documented, results fully disseminated		

- **Project Highlights: Good Practice Examples**

UNDP Good Practice Examples

Governance Reform:

The Pacific OFM project reported that the W/CPFC Commission adopted data submission protocols outlined in "Scientific Data to be provided to the Commission", a binding agreement on protocols for fisheries data collection & provision). Target stocks remain within limits agreed by the WCPFC but a reduction in fishing mortality rate for bigeye and yellowfin is proposed with limits yet to be agreed.

As a result of 15 years of GEF catalytic support to both foundational (TDA/SAP) work and implementation of agreed reforms and investments in the Danube/Black Sea basin, the overall burden of nutrient and other pollution to the Danube/Black Sea basin system has been reduced and the Black Sea ecosystem is showing measurable progress in recovery including virtual elimination of the large dead zone once prevalent over much of the northwest shelf of the Black Sea and the return of several species only recently considered locally extinct. In 2008, progress was made on revision of the LBSA protocol to the Bucharest Convention; the Protocol was prepared for planned adoption at a 2009 Ministerial Conference. A feasibility study was also completed on proposed ICZM Protocol which includes short-term application of 'soft law' documents (such as Code of Practice) given the likely lengthy time frame to adoption of the ICM protocol.

The Lake Chad project reported endorsement of a data sharing protocol by Lake Chad Council of Ministers (CoM) and completion of a Lake Chad Institutional Assessment and its endorsement by CoM. In support of MDG Indicator 7.9.26, all existing protected areas within the Lake Chad Basin have been identified and a Protected Area Strategy has been adopted. Guinea Current LME reported that a new LBA protocol was prepared and will be presented for endorsement at the next ministerial meeting in November 2009.

Caribbean SIDS IWCAM project reported that St. Lucia has adopted a new Land Policy which integrates the IWCAM approach and St. Lucia acceded to the Cartagena Convention's Land Based Sources of Marine Pollution Protocol on 30th January 2008. Other Environmental Legislation is being drafted and/or revised with IWCAM input, including Environmental Management Act, BD Act, EIA Regulations, Environment Management Act, St. Lucia Forest Act and the Management of Containers Act. St. Lucia has also established and operationalized the Watershed Management Committee for its demonstration site.

PEMSEA reported that the Coastal Strategy Implementation Plan for the Chonburi (Thailand) demo site was updated for 2008-2011 and the ICM Action Plan was adopted and incorporated into the Municipal Development Plans and Provincial Environmental Management Plan. Danang (Vietnam) demo site reported development of a 3 year work program for implementation of the Danang Coastal Strategy 2008-2010. Catalytically, the Prime Minister of Vietnam approved the Master Plan on Basic Survey and Management of Marine Resources and Environment until 2010 and Vision until 2020. Manila Bay (Philippines) Environmental Management Project was mainstreamed in the Department of Environment and Natural Resources' structure through Administrative Order No. 2007-27 and placed under River Basin

Control Office. A Pollution Reduction Investment Plan for Bulacan (Marilao-Obando-Meycauyan River) was developed to support implementation of Philippine Clean Water Act in this watershed draining to the Bay.

Demonstrations:

Global Mercury Project (completed) reported that all 6 pilot countries were using the GMP developed UN guidelines on reforming gold mining legislation. The countries are using the UN guidelines as a checklist for inspectors and as a method to enforce best practices; the guidelines include technical suggestions on methods that must be banned (such as amalgamation of the whole ore) and methods to be promoted (such as use of retorts far away from villages). Tanzania remains the most active GMP country in incorporating GMP recommendations into their mining legislation. The project has left over 320 locally trained trainers on cleaner gold mining. Transportable Demonstration Units (TDU) have been installed in all 6 countries and are being used to train miners and communities, but with varying impacts due to logistic challenges in some countries. Related to stress reduction, about 4,200 miners trained in Brazil have fully adopted 7 of the 20 cleaner procedures taught by the GMP team; this removed an estimated 1,000 kg of mercury from being released to the local rivers annually. Lastly, the UNEP Global Mercury Partnership area on ASM in which the GMP team has a lead role promotes collaboration between International Organizations, National Governments, NGOs and all stakeholders involved in the sector to achieve the goals of the global partnership's business plan: reduce by 50% the emissions of Hg from the sector by 2017.

At the PEMSEA demonstration site in Sihanoukville (Cambodia), access to sanitation facilities and safe drinking water was improved through the implementation of the SGP-PEMSEA Joint Communiqué; a 5-hectare freshwater reservoir in Stung Hav District is being rehabilitated to provide freshwater supply for small-scale agricultural production. Communities indicated that the rehabilitation of the reservoir resulted in significant increase in the volume of groundwater from their wells. The project benefits about 2,000 families in Stung Hav.

Foundational Processes:

The Caspian Sea project (completed) reported that the Caspian TDA, NCAPs and SAPs were updated in 2008. The Black Sea project supported updating of the SAP in 2008 with 5 of 6 countries (except Russia) having fully agreed on text and content; the SAP specifically accounts for legislative developments in each of the Black Sea countries. The Okavango Basin Steering Committee Thematic Technical Team met and agreed on priority trans-boundary issues and developed a Table of Contents for the TDA.

The FrePlata SAP and associated NAPs were approved by a wide range of relevant stakeholders including, among other government agencies, the National Secretary for the Environment and Sustainable Development (Argentina), the Secretary for Environmental Policy of the Province of Buenos Aires, the Minister in charge for the Environment (Uruguay) and representatives of coastal local governments of both countries.

Following the formal creation of the Benguela Current Commission in 2007, in 2008 the BCLME project reported that a regional aquaculture policy has been developed and adopted; management plans have been prepared for marine BD conservation within the region; an ecosystem approach to fisheries management (EAF) has been developed and incorporated into

national decision making policy; key recommendations have been made in terms of pressing fisheries policy, socio-economic and legal issues; and transboundary surveys of fish stocks are taking place and various working groups have been established. An early warning system has been established including a network of coastal instruments, satellite remote sensing products and models developed to provide information of oceanographic processes driving the environmental variability including Benguela Nino events and low oxygen water. The project also supported preparation of water quality guidelines for the region, guidelines on responsible seabed mining, and a regional oil spill contingency plan assessment.

Transboundary Waters Institutional Development:

The Niger Basin Authority (NBA) is being strengthened through a series of institutional reforms. The Pacific OFM project reported that most staff positions at the WCPFC Secretariat have been recruited and filled and the project has established its SC & subsidiary bodies including Specialist working groups for Biology, Ecosystem & By-catch, Fishing Technology, Methods, Statistics and Stock Assessment. PEMSEA (completed) reported that at the regional level, the PEMSEA Partnership Council remains fully operational (since Dec 2006), the PEMSEA Resource Facility is established, operational and fully financed by (3) PEMSEA countries. Several projects (Nubian, Okavango, Yellow Sea LME) reported strong progress in the establishment and utilization of inter-ministerial committees (IMCs) as key vehicles for cross-sectoral participation in the TDA and SAP processes.

Sustainability:

The Lake Manzala project (completed) reported that the Egyptian National Water Research Center has assumed responsibility for operation and management of the facility from its own governmental resources since late 2007. Catalytically, two additional constructed wetlands were added in 2007-2008 bringing the total in the Port Said governorate to four and underscoring the high demonstration value of the project in promoting local replication. The Black Sea countries agreed to increase their contributions to BSC/PS by 25% following an institutional review. The WCPFC reported a few instances of arrears in payments to the Commission as was observed in 2007. Financial contributions to the Niger Basin Authority Secretariat are presently up to date from all riparians, an improvement on the previous year when several were in arrears. Nile TEAP reported that a draft NTEAP Phase Out and Sustainability plan has been established for all NTEAP components including the networks. For Train-Sea-Coast, 5 professionals now staff the Central Support Unit (CSU) on a permanent basis (vs. target of 3) with other professional staff according to needs; the TSC Coordinator (SPA P5 level) is also DOALOS Deputy-Capacity building Coordinator to promote synergies and coordination.

Learning:

Train-Sea-Coast reported that a total of 19 Standard Training Packages are now available in the TSC catalogue against a project target of 12 (e.g. target exceeded by 58%). A total of 80 deliveries of all TSC courses have been made during the project period. A total of 2,160 trainees (vs. 1,800 target) have benefited from training since project inception of which 41% are female. A total of 7 new Course Development Units (CDU) have been established and remain active vs. target of 6.

The Improved Municipal Wastewater Management in Coastal Cities in ACP Countries (MSP) project reported that 9 training courses supporting 200 trainees from 5 African countries and 10 Caribbean (8) and Pacific (2) SIDS were delivered in English. Two training courses were delivered in Arabic to 55 participants from 15 Arab countries. Two courses were delivered in Portuguese in Mozambique (40 trainees), and one course was delivered in Dutch in Surinam (30 trainees). Feedback from 270 course participants suggests a paradigm shift in the understanding and acceptance of the concept and benefits of systematic stakeholder involvement in the wastewater planning process, while confirming the baseline assumption of low institutional tradition of systematic stakeholder involvement in all stages of the planning process.

UNEP Good Practice Examples

The IWCAM project successfully carried out regional activities aiming at enhancing the capacities of the participating countries in applying the integrated watershed and coastal area management approach, including A Legislative, Policy and Institutional Inventory with Toolkit for Harmonising Laws and Institutions prepared, Capacity Assessment of Geographic Information Systems (GIS) Capabilities and preparation of Roadmap for Effective Mainstreaming of GIS for Watershed Management. The demo projects in Jamaica, Saint Lucia, and Trinidad & Tobago have been experiencing impressive results over the reporting period. These projects have undertaken activities in areas such as reforestation, rainwater harvesting, GIS, wetlands filtration, and small grants.

Under the SCS project, the draft of the Strategic Action Programme (SAP) for the *South China Sea* was considered by the Project Steering Committee and all participating countries convened national consultations during first half of 2008 on SAP content and mechanisms for implementation. The SAP draft was developed based also on the results of the valuation of regional total economic values and cost-benefit analysis of management options related to the primarily important habitats. Twenty five (25) of the 26 NAPs for the habitat sub-components have been completed and 6 of the 7 NAPs for the Land-Based Pollution component have been finalised. The bilateral meetings between Cambodia and Viet Nam resulted in the signing of a Memorandum of Agreement to strengthen environmental protection, BD conservation, and welfare in the transboundary water area of Cambodia and Viet Nam by the Kien Giang People's Committee (Viet Nam) and the Governor of Kampot Province (Cambodia). Other key achievements include the showcasing of the project's Google Earth layer by Google in its official news and on its website on 25th February 2008.

In the IAS project, the *Transboundary Diagnostic Analysis for the shared Iullemeden Aquifer System* through the thorough national and regional consultation processes and taking a scientific approach in analyzing the transboundary concerns of the involved countries. Based on the project activities, a draft tripartite agreement was developed for establishment of a tripartite mechanism of consultation among the three participating countries, and at the technical level, the draft was agreed upon to be discussed at a higher political level for their endorsement.

The project "Addressing land-based activities in the Western Indian Ocean (WIO-LaB)" successfully established the Regional Clearinghouse Mechanism for information related to the WIO coastal and marine environment (http://gridnairobi.unep.org/CHMPortal/ptk), will soon adopt the new Legal Protocol on Land-based Sources and Activities (LBSA) and is finalizing the Strategic Action Programme. Several demo projects focus on the application of constructed wetland systems for wastewater treatment, a cost effective method of using natural cleansing

capacity of wetlands for treating municipal wastewater, for which sample schemes are developed in Mombassa (Kenya), Pemba (Tanzania) and Mahé (Seychelles). In Mombassa, results show that the system as designed has an efficiency of approximately 90% in BOD and 80% for total nitrogen (TN) removal, therewith reducing the loading to 30 mg/l BOD and 5 mg/l TN respectively and meeting both Kenyan and international standards.

The project, *Reduction of Environmental Impact from Tropical Shrimp Trawling through the Introduction of By-catch Reduction Technologies and Change of Management (REBYC)* reduced bycatch taken by shrimp trawlers, and results of between 20% and 50% reduction of by-catch in the participating countries at the pilot sites have been achieved. Overall about 50% of industrial vessels have introduced Bycatch Reduction Devices (BRDs) and 15% of artisanal vessels have introduced BRDs. Approximately 500 - 600 vessels have introduced BRDs for turtle and fish reduction. In Indonesia, fisheries experts have proposed a new law to be made under the presidential regulations (i.e. Peraturan Presiden) and to revoke the old law (Presidential Decree No. 39 Year 1980). The proposed draft presidential regulation contains the basic principles of trawl management in Indonesia, and spells out the management measures that should be taken in order to engage with trawl fishery, such as level of fishing effort, fishing capacity, close season, closed zones, MCS, legal enforcement and by-catch management.

The project: Russian *Federation – Support to the National Programme of Action for the Protection of the Arctic Marine Environment (NPA-Arctic)*, the Strategic Action Programme was fully developed and was awaiting a final government approval. Two demonstration activities are highlighted. In the *Environmental Remediation of Decommissioned Military Bases on Franz Josef Land Archipelago*, several military bases and polar stations that had been established were abandoned in previous years. Up to 50,000 tons of petrol and lubricants in steel drums and tanks were left behind on the archipelago including waste oil and several millions of drums with oil and lubricant residuals. Geo-environmental survey of existing environmental situation in the decommissioned military bases on Alexandra Land, Hoffman and Graham-Bell islands allows drawing a conclusion about high level of pollution and soil degradation in the studied areas. In Alexandra Land for example 82% of the examined area was littered with metal scrap accompanied with visible degradation of soil-vegetable cover. The most of the area are littered with steel drums with the density of 10 to 30 drums per hectare totalling to 140,000-175,000. The demo activities were initiated for cleaning up of the area with the abandoned drums containing oil waste by means of pressing with preliminary cleaning and followed by transportation to the mainland for recycling is quite possible. It is important that the demo activity attracted the attention of the Ministry of Defence of the Russian Federation to the environmental problems.

As the project, *Implementation of the Strategic Action Program for the Bi-national Basin of the Bermejo River*, comes to an end after 10 years of GEF interventions, the basin has been benefiting from a series of successful actions. More than 50% of the bi-national basin is subject to erosion processes that range from significant to very severe. While these processes are clearly related to natural conditions of topography, soil susceptibility, and torrential rain patterns, it is evident that human activities have been conducive to accelerating both processes during the last 50 years. Studies indicate that more than 60% of the rangelands of the Bermejo Basin are either overgrazed or improperly managed. Similarly studies show that the Bermejo basin is responsible

for 80% of the sediment load to the Plata System. Each year, the Bermejo River discharges 100 million tones of sediment to the Plata Delta. Through a series of actions looking at sedimentation control with engineering works, the project with limited funding built together with the local communities, over 100 gabions, dikes and check dams to reduce sediment loads, torrential erosion and sediment transport, consolidate riverbeds and prevent flood damages in the Mena (Tolomosa), Huasamayo and Iruya Sub-basins. Dikes and check dams built in areas that were previously desert have created beautiful oases, providing water for use in the irrigation of newly-formed nurseries and crop land thereby generating revenues and well being for riparian communities, fighting as well against desertification. In the Calderas sub-basin, implementation of small-scale irrigation schemes, regeneration of vegetative cover, and erosion control resulted in summer crops increased by 60% and winter-spring production increased by 90%. Integrated, community-based units have been created to serve the ecotourism market, helping to establish buffer zones and environmental corridors to reduce human impacts on areas of significant habitat value.

World Bank Good Practice Examples

Foundational Groundwater and River Basin Projects.

With respect to the ***Senegal River Basin***, the legal framework of Guinea has been reviewed and necessary adjustments have been agreed upon in order align national legislation with the OMVS Water Charter, the future regional code of environment, and pertinent legislation in the other riparian countries. GEF played a catalytic role for leveraging supplementary IDF and Dutch funding and setting the stage for a larger multi-purpose, IDA-funded multi-sectoral investment. Similarly, the closure of the ***Lake Chad Basin GEF*** project yields not only TDA and SAP completion, but also $40 million from AfDB, IsDB, EU, GTZ, and Nigeria to continue the work of the GEF project.

Marine and Coastal Water Projects.

The ***Coral Reef Targeted Research Program*** supported a landmark paper (Science, December 14, 2007) suggesting that carbon dioxide concentrations that exceed 450 ppm will cause coral reefs to deteriorate into non-coral communities. Recent work on economic valuation methods for marine ecosystems, including for full range of coral reef ecosystem services, is successfully being incorporated by local decision-makers into their business models in order to create more sustainable, reef-friendly practices. As of the mid-point of the ***Tanzania Marine and Coastal Environmental Management Project***, Zanzibar has three Marine Conservation Areas and is taking steps to establish four more, covering 10% of its shoreline. The Vessel Monitoring System now in place is providing Joint surveillance on both Mainland and Zanzibar sides, leading to legalized fishing of Tuna vessels, and increased monies incoming for purchased tuna licenses. The ***Strategic Partnership for a Sustainable Fisheries Investment in Sub-Saharan Africa*** is currently leveraging a series of PROFISH-funded analytical works at the country level throughout sub-Saharan Africa focusing on fisheries economics and governance reform.

Nutrient Pollution Reduction Investment Funds.

The World Bank's nutrient pollution reduction Investment funds currently under implementation are located in the Danube/Black Sea basin as well as in the East Asia Seas. Two examples of the Danube/Black Sea Basin investment at the country level include the ***Romania Agricultural***

Pollution Control Project and the ***Georgia Agricultural Research and Extension Project***. In the Romania example, adoption of a combination of manure management, crop rotation, crop nutrient management with soil testing, and the use of organic manures has resulted in the a decrease in nutrient discharge into surface and ground waters of about 15 % for N and 27% for P in 2006. With the recently-closed Georgia project, public adoption of biogas digesters are at the core of a set of agricultural good practices (as well as manure storage and handling facilities, soil and water quality monitoring facilities) adopted by beneficiary farmers. The Decrease of nutrient pollution (N and P containing pollutants) to the selected rivers of Environment Pollution Control Program target area (% of decrease as compared to baseline) are NO3 - 43% and PO4 - 58% for the minor river Choga and NO3 - 4.6% and PO4 - 23.5% for the larger river Khobistskali. The ***Investment Fund for the Large Marine Ecosystems of East Asia projects*** are in early implementation, with the ***China Ningbo Water and Environment GEF*** project most advanced. In this case, engineering design of the Cixi wetland center and WWTP is complete and procurement of construction consultants are underway.

LAND DEGRADATION

- **Progress on Tracking Tool Development:**

The GEF LD FA became operational in 2003 with the approval of the Operational Program 15 on "Sustainable Land Management". GEF-3 was considered and encouraged by the GEF Council to be experimental in terms of understanding the demand for such projects, clarifying some fundamentals to the focal area (e.g. global environmental benefits and the application of the IC principle) and the development of an innovative and diverse portfolio for learning purposes.

The GEF-4 allocated $300million to the LD focal area. The portfolio development has been driven by the GEF-4 strategy for the LD FA and presents three major clusters of supported initiatives: sustainable agriculture (cropping and rangeland management), sustainable forest management and management of wider landscapes with diverse rural land uses. Programmatic approaches dominate the portfolio as they provide better opportunities to capture visible results at the local level and synergies among various GEF focal areas. Most of these programs pool resources with the LD focal area from various focal areas, including BD, IW and CC adaptation and mitigation. Still, the aggregation of anticipated results at the portfolio level has been a challenge.

To push for a strategic approach to results management in the LD FA, a MSP was developed "Ensuring impacts from SLM" which aims to establish a scientifically rigorous yet pragmatic indicator system for the focal area to measure results at the project, portfolio and global levels. This indicator system also intends to address a better knowledge management for GEF financed initiatives that focus on mitigating LD, especially desertification and deforestation. Therefore the MSP was designed to develop indicators to demonstrate the results derived from actions in the LD FA, establish a learning network to strengthen knowledge exchange across the GEF LD portfolio and lay the foundations for a harmonized interagency monitoring system for adaptive management and the evaluation of impacts. The project is ongoing. As of now, the global level indicators have been developed and inform the GEF-5 strategy when it comes to measuring the

impact of the focal area as a whole. Work has now started with regards to the project level indicators.

The GEF-5 LD FA strategy is currently in development using a results-based management framework. It is structured as follows:

- **Focal Area goal** with impact indicators (see above) reflecting on the contribution of the focal area to global environmental benefits
- **Four objectives** with indicators and **outcomes** by objective
- **Outputs** by outcomes with measurable indicators such as reduced/avoided carbon emissions from land use, maintained endemic species in the production landscape and output indicators relating to the enabling environment.

The outputs will reflect on the results individual projects and programs will achieve under GEF-5, hence, it will be possible to aggregate. This will be done through the development of a tracking tool which will be completed by all projects funded in GEF-5 under the LD FA. The tracking tool will also be informed by the progress of the MSP "Ensuring impacts from SLM". It is the intention to develop a simple, pragmatic and useful tracking tool which will be applied to all LD FA projects from GEF-5 onwards.

- **Project Highlights: Good Practice Examples:**

Regardless of the early stages of the implementation of projects in the LD focal area, the World Bank presents a project in Burundi that demonstrates good practices.

The project supports community-implemented plans and investment with GEF financing for sustainable farming and agro-forestry wilt local species and micro-watershed management, including soil stabilization and water conservation. The project also aims to develop a sound incentive framework and regulatory mechanisms for sustainable land and natural resources uses, including a national land management plan, information and monitoring services, public awareness of available options and their benefits, and capacity building for implementing activities.

Since project implementation in 2004, substantives outputs/outcomes have been achieved in the following areas:

1. Financing of agro-forestry and agricultural production sub-projects with focus on land management: 522 communities based organizations (CBO) have produced more than 60 million plants of which 40 million for reforestation and 20 million for agro-forestry uses covering respectively 24,000 hectares and 52,000 hectares benefiting more than 132,000 households. More than 1,200 sub-projects benefitting 30,000 households and covering 5,000 hectares have focused on sustainable land management

2. Pilot watershed management aiming at improving land productivity and fighting against farmland, ranheland and soil fertility losses due to erosion by using biological and

mechanical fence to reduce water velocity. To that end, 2.859 hectares (1,446 ha under forestry coverage and 1,413 hectares with anti-erosive banks) have been treated for 2,610 hectares targeted, i.e. an output rate of 110%. By the same token 13.5 km of path have been treated and protected with the establishment of more than 15,000 anti-erosive banks by the National Anti-Erosive Program. Management committees have been created in 10 sites. The striking impact indicator is the beginning of soil accumulation along the anti-erosive banks which undoubtfully will contribute to increase soil fertility and apparition of species with economic, medical and cultural interests.

3. Marshland Rehabilitation. In the specific case of Burundi, rehabilitating the marshland is an excellent opportunity to also sustain and land productivity. In the perspective 8 different marshlands of 600 hectares have been rehabilitated and will benefit more than 4,000 households. Additional 600 ha watershed have been protected in these marshlands with tree plantation fences and anti-erosive banks so to avoid their silting up

4. Elaboration of a national land management strategy and 10 provincial land management schemes. With the support of the Project, the Ministry of Water, Environment and Land Management has elaborated a national sustainable land management strategy and designed 4 provincial land management schemes. It is expected that at the end of the project 6 additional provincial schemes will be completed. These undertakings will help the Government to plan an optimal land use and improve the creation of socio-economic infrastructures.

5. Capacity Building and Training: Several types of training have been organized for the Community based organizations and officials of ministries in charge of land management including: (i) integrated pest management, (ii) forestry, agro-forestry and soil and water conservation management; (iii) marshland and irrigation infrastructure management; (iv) watershed management etc. More than 10,000 people have benefitted from these training sessions.

However, there's an emphasis on the awareness and regular monitoring needed for the beneficiaries to regularly maintain these infrastructure to ensure a better management and a medium and long term visible impact. Also, the results show that designing and implementing sub-projects with sustainable land management component could substantially be improved if revenues generating activities are fully taken into account. Sustainable Land Management sub-projects themselves could generate additional revenues for household with the marketing of wood, fodder etc.

- **<u>Lessons Learned from Project Implementation:</u>**

1. The project, *Capacity Building for Sustainable Land Management in Bulgaria,* aims to build capacity for the development and the implementation of a coherent land policy at an institutional level. Based on UNDP's analysis and review of project documents interviews and meetings with key informants of the project, the following findings/lessons learned were collected:

- A project design that is the product of a strong participatory process facilitates the implementation of the project and ensures a greater potential for long-term impact and long-term sustainability. The project design becomes "*their*" design and the result is a strong ownership of the project by Stakeholders. The strong ownership of the project by stakeholders leads to cost-effective project achievements.
- A comprehensive approach to address the capacity gaps through the systemic development of key elements and the sharing of project decision-making amongst stakeholders guarantees long-term sustainability and impact.
- Addressing a national issue such as LD is a complex process involving many sectors of the economy. It necessitates an interdisciplinary approach whereby the capacity of all relevant Stakeholders needs to be developed at three levels: system, organization and individual levels; at national, regional and local levels; and also at cross-sectoral levels.
- The flexibility of the implementation of a project is a key ingredient for the success of the project. The management of the project needs to be flexible enough to adapt and respond to existing needs of stakeholders and also to the time needed for the activities to be conducted.
- The choice of an excellent Senior Project Manager with an extended technical knowledge, a good network of "*Champions*" among key stakeholder organizations and accompanied by an approach that emphasizes transparency and tenacity.
- Despite the success of this project, this type of project emphasizing capacity development requires a longer timeframe to ensure greater results. Usually the time required to change or integrate any new legislation or policy is far greater than two years. A 5-year duration minimum should be required for any capacity development initiative of this amplitude to maximize the cost-effectiveness, the impact and the long-term sustainability.
- Establish a "connection" between the project activities and the priorities of the Stakeholders to develop/improve the capacity throughout the system including intervention at the policy, legal, institutional and individual levels. Project activities should always try to build on or reinforce existing structures and mechanisms.
- Demonstrating good practices "connects" the project with the end-users.

PERSISTENT ORGANIC POLLUTANTS

- **Progress on Tracking Tool Development:**

The POPs focal area piloted a set of tracking tools for the 2008 AMR process. The tracking tool was developed in the framework of the POPs task force, with input from the GEF agencies, the STAP, and the Stockholm Convention Secretariat. The tracking tool includes a set of project outcome indicators that can be aggregated from different but related projects to provide an overview of the results at the focal area level. The tracking tool aims to provide a meaningful overview of portfolio achievement, but cannot hope to cover all aspects of project achievement

because they the tool cannot capture the broad overall assessment of focal area-wide achievements.

Six projects submitted tracking tools this year (3 UNIDO, 2 WB, and 1 UNEP). As more GEF-3 and GEF-4 POPs projects progress in implementation, the GEF Secretariat will begin to report back on how these projects are progressing towards expected outcomes.

The Secretariat will continue to work with the agencies to revise the tracking tool based on the experience gained in this year's exercise, with a view to ensuring that it is simpler to complete, and that there is no ambiguity as to how to interpret the indicators.

- **Lessons Learned from Project Implementation and Recommendations:**

Under GEF-3, the emphasis in the POPs focal area was on enabling activities, with the comprehensive development of Stockholm national implementation plans in most GEF eligible countries. The strategic focus for the focal area under GEF-4 is marked by a shift from the preparation and enabling stage to actual implementation of the Stockholm Convention. Therefore, not unexpectedly, the projects under implementation and that submitted a PIR under this AMR 2008 exercise are not representative of the main goals and objectives of the GEF under the POPs focal area.

Seven of the projects under implementation, however, do reflect the types of projects supported under GEF-4 programming, and provide lessons for portfolio development. Some of these early experiences from projects under implementation are outlined here. Some have general applicability, and indeed have been noted previously with projects in other focal areas; some are more specific to the POPs focal area.

- Operational difficulties include the lack of familiarity of the executing agency with financial management procedures, leading to early delays in project implementation that must be addressed through training – to be provided as early as possible.
- Work plan and timeframe need to be set realistically, taking into account the capacity of project implementers, and their capacity development needs. This otherwise leads to the frequent need to extend projects due to unrealistic original planning with, *inter alia*, detrimental implications for project financing.
- A number of projects reported difficulties due to fluctuations in exchange rates, and in particular the depreciation of the US dollar relatively to the Euro, leading to financing shortfalls.
- With regional or multi-country projects, it is important to introduce flexibility in project design, to avoid making countries dependent on project progress in other countries.
- As with many activities related to the natural world, it is important to take into account meteorological and other environmental conditions that can affect project planning and activities on the ground.

- An issue more specific to the POPs portfolio is the low awareness of private companies regarding risks posed by PCB waste handling and disposal, leading to potential implementation bottlenecks that need to be identified and addressed through training.
- With multi-agency/multi partner programs, it is important to clearly define the roles and responsibilities of the various partners for effective project implementation.
- A certain number of fairly extensive activities may need to be completed as part of project preparation in order to have a better baseline on which to base project design in general, and provide budget estimates with acceptable precision. This is particularly the case with projects dealing with POPs wastes, which can be vastly underestimated until a detailed inventory is carried out.
- It is important to assess the capacity of executing agencies to carry specialized services, for example a government agency or ministry carrying out a POPs inventory – and identify capacity building needs and provide early training to address these.
- Involving the mass media can increase country drivenness and ownership from all stakeholders, and facilitate project implementation.
- The private sector can be engaged through financial support, but also through in-kind contributions. Individual meetings and discussions with companies at high management and operational levels can facilitate this process, and should be carried out early in the project to facilitate later smooth implementation.
- It is important to include all stakeholders in Steering Committees to ensure broad ownership of project goals and objectives.
- When relying on counterparts to provide consultants, it can be necessary, to the extent possible, to evaluate the consultants/services provided; or run the risk of having to rely on unreliable work.