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TACKLING GLOBAL ENVIRONMENTAL CHALLENGES THROUGH THE INTEGRATED APPROACH PILOT PROGRAMS

Progress Report for GEF Council
October 2015 – April 2016

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INTRODUCTION

1. On June 4, 2015, during its 48th meeting, the Council [approved](#) the three integrated approach pilots (IAPs) (see Annex 1 for summary). This report provides an update on activities since then to advance further development of the programs, spanning the period October 2015 – April 2016.

2. Council members welcomed the IAPs for their groundbreaking approach. They reiterated the importance of country ownership and alignment with country priorities during their subsequent development. Each of the programs represents a significant step by the GEF toward holistic and synergistic investment in generating global environmental benefits. The Council therefore called for a strong institutional framework in their development, including collaboration with relevant actors already engaged with the issues, and engagement by the GEF Scientific and Technical Advisory Panel (STAP) in expounding the scientific underpinnings and theory of change for the programs.

3. The IAP programs represent an important step toward implementation of the GEF 2020 strategy and delivery on focal area strategies in the GEF-6 Programming Direction. The GEF 2020 vision is a long-term strategy that seeks to position the GEF as champion of the global environment, supporting transformational change and achieving global environmental benefits at scale. To pursue this long-term vision, the IAPs collectively embody the following key principles of the GEF 2020 strategy:

- (a) **Address drivers of environmental degradation.** They will proactively seek out and promote interventions that focus on the underlying drivers of global environmental degradation, within a much broader and more complex set of development challenges.
- (b) **Strengthen and support coalitions.** They will mobilize stakeholder coalitions that bring together partnerships of committed stakeholders around solutions to complex environmental challenges.
- (c) **Deliver integrated solutions:** They will support activities that can help countries and the global community address global environment issues more holistically, with the aim of creating synergies leading to greater and sustained impact.

4. Following report to Council at its 49th meeting in October 2015, GEF Agencies and partners have continued engagement with countries for the development and preparation of child projects. In addition, continued engagement by GEF Secretariat and STAP is helping to clarify major cross-cutting issues for ensuring coherence and consistency within each and across all the IAP programs. Key milestones and achievements for the period October 2015 – April 2016 are presented in Box 1.

IAP PROGRAMS AT A GLANCE

IAP Program	Food Security	Commodities	Cities
GEF Agencies¹	IFAD (Lead), CI, FAO, UNDP, UNEP, UNIDO, World Bank	UNDP (Lead), CI, IADB, UNEP, World Bank (IFC), WWF	World Bank (Lead), ADB, AfDB, DBSA, IADB, UNDP, UNEP, UNIDO
Program financing			
Program financing approved (USD)	106,359,290	40,332,518	137,522,072
Agency fees approved (USD)	9 572 336	3,629,927	12,403,984
Total financing approved (USD)	115,931,626	43,962,445	151,583,106
Indicative co-financing (USD)	805,361,640	443,200,000	1,478,647,433
Number of countries (directly involved)	12	6	11
Geographical coverage	Africa	Global	Global
Indicative, expected global environmental benefits			
Land under integrated management (ha)	5,000,000	23,000,000	-
Sustainable land management (ha)	5,000,000	-	-
GHG emissions avoided or reduced (MtCO_{2e})	10-20	80	106
Genetic diversity of crops and animals maintained or increased in the production landscape (%)	15-25	-	-
Land cover (increase, %)	10-20	-	-
Improved management of landscapes and seascapes (ha of coastal marine areas with exclusive economic zones under sustainable fisheries management regimes)	-	-	-
% (by volume) of globally overexploited fisheries moved to more sustainable levels	-	-	-

¹ Note: Lead GEF Agencies are responsible for overall coordination and delivery of the programs, while all other GEF Agencies listed are involved in design and implementation of at least one child project under the programs.

Box 1 - Milestones and Achievements (October 2015 – April 2016)

- Country-specific stakeholder consultations to support and advance design of child projects under the IAPs. These meetings brought together other GEF Agencies with government entities and key technical partners to discuss substantive aspects of the child projects, taking into account feedback from the GEF Council and cross-cutting needs such as gender dimensions, resilience and knowledge management.
- Continued engagement by STAP in development of a framework for monitoring and enhancing resilience, including indicators and approaches for potential application in child projects. Final draft of the Resilience, Adaptation Pathways and Transformation Assessment (RAPTA) framework completed¹, and draft report produced on sustainability indicators for agricultural commodities.
- All three IAPs were actively featured at UNFCCC COP21 in Paris, including a session in the Rio Conventions, during which country representatives from Cote d'Ivoire, Indonesia and Uganda shared their perspectives on importance of the programs. Separate events were also organized for the Commodities and Sustainable Cities IAP programs, to increase outreach and stakeholder engagement.
- The Food Security IAP also featured at the UNCCD COP12 in Ankara, Turkey to further strengthen links with initiatives on sustainable land management, including the Great Green Wall Initiative of the Africa Union.
- Participation by the GEF Secretariat and Agencies in major conferences and events to continue stakeholder engagement and outreach for the IAPs and major programs, including the following:
 - Meeting of the Global Resilience Partnership (GRP) Council, November 3-5, 2015 Bellagio, Italy – *GEF Secretariat participated to share perspectives on priorities for resilience in the Food Security IAP and identify opportunities for collaboration.*
 - 12th General Assembly and 13th Roundtable Meeting of the Roundtable on Sustainable Palm Oil, 16-19 November 2015, Kuala Lumpur, Malaysia – *GEF Agencies on the Commodities IAP participated and organized side events to engage key stakeholders.*
 - Annual Conference of the International Forestry Resources and Institutions (IFRI) and Forests and Livelihoods: Assessment, Research, and Engagement (FLARE) Network, November 27-30, 2015 - *GEF Agencies participated to share perspectives on the Commodities IAP*
 - Meeting of the NEPAD TerraAfrica Partnership Steering Committee, December 2015 – *GEF Secretariat participated to share perspectives on the Food Security IAP, including opportunities for alignment with new TerrAfrica Action Plan*
 - IDH Smallholder Renovation Finance meeting, November 2015, Amsterdam, The Netherlands – *GEF Agencies on the Commodities IAP participated to share perspectives on possible finance models for smallholder tree crops including palm oil*
 - 12th Partnership Platform Meeting for the Comprehensive African Agricultural Development Program (CAADP), Accra, Ghana – *The GEF IAP on Food Security was featured through two activities: a joint side event with WB and Government of Ghana on the Food Security IAP, with focus on the Ghana child project; and b) a joint brainstorming session with key partners to discuss opportunities and challenges for global environmental benefits in an era of agricultural transformation in Sub-Saharan Africa.*

¹STAP with the Commonwealth Scientific and Industrial Research Organisation and UNDP developed guidelines for the RAPTA titled "Designing projects in a rapidly changing world: Guidelines for embedding resilience, adaptation and transformation into sustainable development projects (Version 1.0)". The report will be posted soon on the STAP website (www.stagef.org).

FOSTERING SUSTAINABILITY AND RESILIENCE FOR FOOD SECURITY IN SUB-SAHARAN AFRICA (FOOD SECURITY IAP)

Introduction

5. The Food Security IAP is focused specifically on promoting sustainability and resilience through management of the natural resources — land, water, soils, trees and genetic resources — that underpin food and nutrition security. Through multi-stakeholder frameworks that engage smallholder farmer groups, private sector entities, governments and scientific institutions at national and regional levels, the IAP is advancing an integrated and holistic approach to environmental management for food security. The integrated approach will facilitate the scaling-up of practices that support aspirations for food security and generate global environmental benefits. It will promote the integrated management of natural resources in smallholder agriculture and thereby help smallholders strengthen soil health, improve access to drought-tolerant seeds, adjust planting periods and cropping portfolios, and enhance on-farm agro-biodiversity.

6. The IAP program is engaging twelve African countries (Burkina Faso, Burundi, Ethiopia, Ghana, Kenya, Malawi, Niger, Nigeria, Senegal, Swaziland, Tanzania and Uganda), all of which are located in the dryland regions of sub-Saharan Africa where the threat of environmental degradation and climate change is a major constraint to food production. The countries are well placed to harness good practices for long-term sustainability and resilience of food production by reducing land degradation and biodiversity loss, recovering natural vegetation and increasing soil carbon. While the context and realities of each country is different, the program is being designed to align with existing initiatives in the agriculture sector. Specifically, the program is enabling the creation or strengthening of institutional frameworks that promote integrated approaches in smallholder agriculture; promote scaling-up of interventions for sustainability and resilience; and ensure effective monitoring of ecosystem services and global environmental benefits through application of innovative tools and practices.

7. In addition to country level engagement, the program is being fully aligned with regional and global priorities for integrating environment and sustainable development. The IAP is reinforcing the commitments of the participating countries to implement the conventions (specifically UNCCD, CBD, and UNFCCC) in an integrated manner that maximizes synergies and generates multiple global environmental benefits across conventions. The program is also aligning with the Environment Action Plan and Comprehensive African Agricultural Development Program (CAADP) of the Africa Union. The regional and global engagement is being assured through a separate project that will support the 12 countries and at the ensure coherence and consistency in overall delivery of the IAP.

8. During the period covered by this report, all twelve participating countries and the technical partners have been engaged in design activities for child projects. In line with overall program framework, the design activities have centered around two important priorities: 1) consultative processes to ensure adequate engagement by all relevant stakeholders, which will serve as basis for creating or strengthening platforms to advance the integrated approach; and

2) *ex ante* baseline assessments and surveys to inform priority interventions and establish targets for global environmental and development benefits. In an effort to ensure program level coherence and consistency, the agencies and technical partners have maintained a strong link between the regional and country level design activities. Detailed updates on the design activities for each of the child projects are provided below.

Regional Programming

9. At heart of this IAP program is the “regional cross-cutting child project (or “hub” project), which will serve as basis for aligning country level engagement with regional and global priorities to harness opportunities for fostering sustainability and resilience. The overall goal of the project is to contribute to the IAP-Food security by supporting countries in target geographies in Sub-Saharan Africa to integrate priorities to safeguard and maintain ecosystem services into investments improving smallholder agriculture and food value chains. The project will reinforce applied knowledge aspects of institutional frameworks, scaling up, and monitoring and assessment of integrated approaches to natural resources management in each and across all country child projects in the IAP-Food Security, and establish and operate governance structure and process for coordination and general management of the IAP.

10. With IFAD as lead GEF Agency for the IAP, progress has been made on design of the “hub” child project on cross-cutting capacity building, knowledge services and coordination. Roles and responsibilities have been clearly delineated among participating GEF Agencies and technical executing partners. In addition, four PPG-funded thematic reviews are underway or have been completed to inform the design of the project and components as follows:

- (a) Leveraging policy and scientific platforms/mechanisms to promote mainstreaming of ecosystem services, climate resilience and gender-sensitive approaches into food security policy and practice – *led by FAO and UNEP*
- (b) Approaches and good practice in integrating sustainability and resilience into regional and national staple food crop value chains – *led by UNDP and AGRA*
- (c) Agricultural advisory service/extension delivery; opportunities for integration of participatory approaches to scale up INRM – *led by FAO*
- (d) Impact Assessment: Existing tools and frameworks for monitoring of ecosystem services and socio-economic benefits of INRM and global environmental benefits – *led by CI.*

11. IFAD is continuing to develop a Hub project component that will ensure coordination and reporting across IAP projects. It is exploring innovative ways of measuring programmatic impacts. One option is Outcome Mapping, which unpacks the program level theory of change and provides a framework for collecting data on immediate, basic changes that lead to longer, more transformative change, and allows for a plausible assessment of the initiative’s contribution to results. IFAD is also collaborating with Cornell University, working with two co-supervised Masters Students to review the state-of-the-art on food security policies in SSA.

12. The lead consultant for the Hub project is working with IFAD to help ensure conformity to and take advantage of the modes of operation and resources of the Lead Agency. This has been instrumental for integrating contributions from all Agencies and key technical delivery partners to ensure operational coherence in the management and governance arrangements. An “editshop” for the project document was held on March 31–April 1 at the IFAD Headquarters in Rome, with all GEF Agencies and technical partners participating.

13. As part of its coordination role, IFAD is monitoring the status of all child projects through a program database and documentation, which is updated as information is available from Agencies. In parallel, IFAD as the lead Agency has compiled comments from Agencies regarding (i) the IAP-FS Tracking Tool and (ii) the STAP Resilience Framework (RAPTA), which has also been used on a trial basis during the design of the Ethiopia country project.

14. IFAD and its partner agencies are on track and aim to deliver a fully designed hub child project in time for the program commitment deadline that can provide early and timely technical and capacity building support to the participating countries. This would be followed by an operational launch workshop once the project teams are on board in at least 10 of the countries; in order to ensure a common understanding of the relationship between country and program level, minimum data requirements for impact assessment, and prioritization of support from program level.

Country Programming

15. At least 9 of the 12 countries are expected to submit child projects within the next 2-3 months. The remaining countries will only face delays either due to political strife (Burkina Faso and Burundi) or recent institutional transitions (Tanzania). Below are country-specific highlights of activities and progress toward delivery of child projects.

Burkina Faso (GEF Agency: IFAD)

- The child project will be implemented in the Northern Region of the country, focusing on the development of mechanisms to improve food security through sustainable agro-ecosystem management, and linkages of these mechanisms at all decision levels. Three components have been in line with the IAP framework: (i) strengthening capacity of multiple actors at the local and national levels; (ii) scaling-up integrated approaches for sustainable land management in agroecosystems; and (iii) monitoring environmental risks in the context of food security.
- The project has been under "continuous design" ever since a mission was aborted due to the coup d'état in September 2015. A draft of the project design document was presented for internal quality control at IFAD in February, after which -- if the security situation allows -- a second mission will visit the country to finalize the design.

Burundi (GEF Agency: FAO)

- The focus is still on establishing a coherent and multi-sector approach to tackle environmental degradation and food insecurity in five high plateau provinces - Bururi, Mwaro, Muramvya, Kayanza and Ngozi. The national policy context includes focus on combating poverty, land degradation and natural disasters, as well as biodiversity conservation and agricultural development.
- However, due to the ongoing insecurity in the country, FAO has not yet been able to carry out design missions on the ground. In the meantime, international and national consultants have been recruited, and FAO and the Government agencies have continued with preparatory activities where possible (via video link). Through this effort, the team is proceeding with finalization of a customized household baseline assessment tool (HH-BAT), and -- if possible -- the training of national consultants. Furthermore, discussions with IFAD and representatives of its baseline program are underway in the country and between IFAD and FAO headquarters.

Ethiopia (GEF Agency: UNDP)

- The child project is focused on strengthening the country's institutional framework for integrated approaches in the agro-pastoral systems, covering the highland areas of Tigray, North Shoa, East Harerege and lowland areas of West Harerege, Somali (Hadew area) and the Rift Valley Lakes. Emphasis is on innovations for water resource management and on community-based watershed interventions to increase resilience of the production systems.
- The design team has produced an inception report, and is currently collecting baseline data, and it is running a pilot of the Resilience, Adaptation Pathways and Transformation Assessment (RAPTA) framework. In February, the team plans to carry out a series of consultations with the State Minister and relevant stakeholders. The team will hold a RAPTA workshop in March and its validation workshop in May.

Ghana (GEF Agency: The World Bank)

- Design of the child project continues to build on the strong foundation of investing in sustainable land and water management in smallholder production systems. With support from the World Bank as GEF Agency, the project is focused on scaling up sustainable land and water management initiatives in the Northern Savanna zone, which has the highest incidence of poverty and food insecurity and is the least climate-resilient.
- The national government conducted a stakeholder workshop in December in Tamale to initiate design of the project. The workshop was covered by national media, which helped to create awareness of the proposed approach. A local steering committee meeting has also taken place in the town of Wa. The team will finalize detailed activities and documents for Bank Board submission in May 2016.

Kenya (GEF Agency: IFAD)

- The child project has advanced considerably, building on creation of the Upper Tana Water Fund, a unique partnership initiative involving government agencies, development partners, the private sector and international environmental organizations. With major focus on water resources to sustain flows for agricultural production and other sectoral needs, the project will strengthen management of country's major "water towers," which are also critical for protection of native flora and fauna. The Upper Tana Water Fund is the first of its kind in Africa. It has received important media coverage over the past 12 months. International newspapers and websites such as the Guardian, SciDev, and Voice of America covered the story.
- A design mission took place in September 2015 and the project passed IFAD's internal quality enhancement process in January. The project has received firm commitments from stakeholders – including the national and county governments, parastatals and private sector partners – to support the design and implementation. The project will be submitted for CEO Endorsement within a few months.

Malawi (GEF Agency: IFAD)

- The country child project is focused on supporting a shift toward a holistic approach to foster sustainability and resilience for food security in smallholder production systems. In addition to strengthening and expanding cross-sectoral teams and platforms at national level, project design is targeting integrated catchment management in four districts that are most affected by land degradation, food insecurity and rainfall variability. Scaling up will be pursued through promotion of options for integrated natural resource management, and removal of barriers to adoption by smallholder farmers.
- The design team undertook a baseline study in November, including a survey of more than 323 households (in shortlisted target districts) and 12 focus group discussions. The project passed IFAD's internal quality enhancement process in January, and a second design mission in January 2016 included consultation workshops with District staff and extension officers as well as a national stakeholders.

Niger (GEF Agency: IFAD)

- The country is building on its 3N national program (Nigériens Nourish Nigériens) to design the IAP child project for advancing a holistic approach toward increasing the productivity of smallholder farms. The focus is still on scaling up of good practices in regions most critical for food production yet affected by environmental degradation (Tahaoua, Zinder and Maradi). IFAD is supporting the government to develop initiatives under the 3N, which will serve as a basis to foster sustainability and resilience for food security.
- Prospective GEF-funded IAP activities were identified during the baseline design in 2014, and a national startup workshop on January 28 endorsed the design and generated engagement and visibility for the project. This integrated design process will enable the project team to move rapidly to launch the GEF-supported activities. The project

document has been finalized and translated, and the team is currently preparing the CEO endorsement for submission to the GEF.

Nigeria (GEF Agency: UNDP)

- The child project is still focused on harnessing existing initiatives to improve food production and food value chains, and seeks to enhance resilience of smallholder farmers to effects of climate change in the Sudano-Sahelian zone. In addition to strengthening the existing national level institutional and policy framework for integration of environmental management in production systems, the project will scale up interventions on sustainable land and water management, and introduce innovative tools for monitoring and assessment of global environment benefits and resilience.
- Following a successful design inception workshop in November 2015, the project team is currently undertaking consultations with various stakeholders in the target geographies and nationally, which will enable elaboration of the components to ensure consistency with the IAP framework. The design team also organized a visit to Songhai Agricultural Centre in Port Novo, and conducted technical workshops and stakeholder consultations to identify and confirm secured co-financing resources.

Senegal (GEF Agencies: IFAD and UNIDO)

- The overall framework and approach for Senegal is consistent with the IAP program, which presents an opportunity for the country to address sustainability and resilience for food security. The framework includes a government planning process at national level, involving all key stakeholders (relevant ministries, agencies and the private sector). Building on this process, the child project is being designed to facilitate targeted investments in regions where food insecurity is driven by land degradation and effects of climate change. The proposed approach will strengthen food value chains by engaging all major actors, especially at the production end.
- The child project completed IFAD's quality enhancement process in December. A validation workshop took place in February in the capital Dakar, after which the project document is now being finalized for CEO endorsement.

Swaziland (GEF Agency: IFAD)

- Design of the child project - 'Climate-Smart Agriculture for Resilient Livelihoods' (CSARL) - is now complete, and the CEO Endorsement is being finalized for submission to the GEF Secretariat. The project is linked to the Smallholder Market-Led Project (SMLP), which the Government of Swaziland and IFAD agreed to jointly finance in March 2015.
- SMLP aims at reducing poverty and food insecurity of poor rural dwellers, with emphasis on women and youth, through investment supporting increased agricultural production and productivity, and market-led commercialization of smallholder agriculture. CSARL adds value to SMLP by i) ensuring that resource planning and agricultural production are underpinned by sustainable land and water management (SLWM); and ii) strengthening

national capacity for promoting SLWM. SLWM provides a sound ecological base for production, which specifically will be achieved through climate-smart agriculture (CSA).

Tanzania (GEF Agency: IFAD)

- The child project is still envisioned as means to help the government address two critical needs for sustainability and resilience, focusing on smallholder farmers and pastoralists in the semi-arid areas: 1) strengthen the existing national-level institutional framework for multi-sectoral cooperation and coordination, and 2) promote scaling up of best practices focused on sustainable land management, ecosystem-based adaptation and biodiversity conservation. The project will build on several national-level policies and strategies addressing agricultural development and economic growth, and recently developed a strategy focused specifically on integrating climate change as a major cross-cutting development priority.
- Due to a recent change in the position of Permanent Secretary for the designated government Ministry, there has been some re-orientation of the project that will likely cause a delay in this design phase. Nevertheless, the project team still aims to submit the CEO endorsement by the IAP commitment deadline.

Uganda (GEF Agencies: UNDP and FAO)

- The child project is still focused on a targeted approach to address food insecurity in one of the country's most affected region, the northeastern sub-region of Karamoja. With joint support from UNDP and FAO, the project will enable the government to strengthen the existing national platform for investment in sustainable land management interventions that integrate broader needs of affected communities in the sub-region. This will also broaden the framework to include other stakeholders, such as those associated with development of markets (private sector). Scaling up efforts will focus on value chains to create opportunities for smallholder farmers in the region.
- The design team led by UNDP and FAO completed inception activities, including an inception workshop and the recruitment of consultants. In addition, the design team completed the criteria for selecting project sites and associated baseline programs in consultation with an inter-ministerial technical committee on sustainable land management, and local project partners. Preparatory activities to conduct a comprehensive household survey using FAO's HH-BAT are on-going.

Outreach and Stakeholder Engagement

16. Stakeholder engagement is progressing at multiple levels: global, regional (in Africa) and national (in the context of country child projects). At the global level, the IAP was a key feature of several events in which the GEF Secretariat and agencies participated, including sessions at COP21 of the UNFCCC in Paris France, and COP12 of the UNCCD in Ankara, Turkey. In addition, the IAP was also a key component for GEF engagement with the Global Resilience Partnership, which is co-led by Rockefeller Foundation, US Agency for International Development, and the Government of Sweden.

17. Regionally, the GEF Secretariat and agencies held preliminary discussions with the TerrAfrica Secretariat, which is hosted at NEPAD Agency. With its newly launched 10-year strategy, the TerrAfrica Partnership offers additional opportunity to advance the integrated approach for food security in Africa. At the 12th Partnership Platform Meeting for the Comprehensive African Agricultural Development Program (CAADP) in Accra, Ghana, the IAP program was featured through two activities: a joint side event with WB and Government of Ghana, with focus on the Ghana child project; and b) a joint brainstorming session with key partners to discuss opportunities and challenges for global environmental benefits in an era of agricultural transformation in Sub-Saharan Africa.

18. At national level, the countries are also made progress in relation to stakeholder outreach engagement. Malawi is collaborating with IMWI – Pretoria office for water management and institutional elements and is designing activities related to linking IAPs with other initiatives. Burkina's and Ghana's project concepts were presented in Ankara at the UNCCD COP, and Ghana's will also be presented within the Bank's Environment & Natural Resources global meeting in March 2016 and the Land and Poverty conference also in March 2016. The FSIAP was the subject of a side event co-organized with GEF Secretariat at the UNCCD and UNFCCC COPs in the fall of 2015. Finally, outreach materials are being produced and will be distributed, for example, at the Extended Constituency Workshop in February for Southern Africa.

Looking ahead

19. Following timely submission to the GEF Secretariat of fully developed proposals for all child projects, IFAD together with Agencies and GEF Secretariat is planning a formal IAP program implementation launch event in Kenya during the latter part of 2016. During the event, country teams will share knowledge and experiences from the design phase, and identify opportunities for learning and south-south exchanges during implementation. The event will also include a high level forum to involve regional and sub regional entities, as well as a field trip to showcase Kenya's innovative Water Fund, which will anchor the country's IAP child project.

SUSTAINABLE CITIES (SC-IAP)

Introduction

20. Recognizing the unique window of opportunity that comes with rapid urbanization, the SC-IAP seeks to promote the creation and implementation of comprehensive urban sustainability planning and management initiatives. The IAP is predicated on the establishment of a Global Platform for Sustainable Cities (GPSC) that will provide support to participating IAP cities and non-IAP cities in the areas of sustainability planning, tools and indicators, and financial sustainability, supported by the key global city networks and technology providers. To the maximum extent possible, local challenges addressed by this work—designed to promote improved livability and environmental conditions—will be linked to global challenges, such as climate change, biodiversity, water resources, chemicals and waste, land degradation, and so on.

21. There is already a considerable amount of support for sustainable cities around the world. What sets the IAP program apart from other initiatives is its novel approach to support planning and implementation efforts:

- (a) *An emphasis on comprehensive, evidence based planning:* The IAP program presumes that a thoughtful, evidence-based planning process is fundamental to urban sustainability, driving strategic decision-making and investments that will result in greater economic and resource efficiency, improved quality of life, and enhanced environmental performance. In many ways, the program emphasizes the value that investments in institutional processes and capacity building can have in enabling the infrastructure investments that are most often associated with the delivery of a sustainable city.
- (b) *Comprehensive suite of support services:* Multi-city sustainability initiatives typically include some shared resources that are made available to all program participants. The IAP program follows a similar path, but diverges from traditional approaches in terms of the type and wide diversity of services, tools, and information to be made available and their overall orientation. Beyond the functional support provided by the services, the program will also emphasize a set of sustainability planning ideals, promoting broad topical coverage, engagement that reaches a wide set of stakeholders, and the formal integration of these ideas into local policy and institutional arrangements. For all of these reasons, the SC-IAP will be far more than the sum of its individual parts, serving as a catalyst for many important changes in the urban sustainability field.
- (c) *“Network” approach:* The policy control powers assigned to cities can be significant, but they are not all-powerful. Instead, cities are part of a complex web of stakeholders, and one of the planning challenges all cities face is how to identify and foster relationships that can deliver important elements of a local sustainability plan. The SC-IAP places a premium on the development or nurture of these relationships, and the reflection of this stakeholder environment in the

design and implementation of a local sustainability strategy. These stakeholders may be local or national, but they can also be global in focus, and across the SC-IAP cities will be actively encouraged to participate in these initiatives. Such participation will allow IAP cities to both draw on the expertise of others, and share the insights they are gaining through the IAP program. A wide range of city based networks and other agencies have been involved in the design of the program and will continue to be leveraged for support during the program roll-out.

- (d) *Contribution to global discourse and financial leverage:* The SC-IAP will play an important role in advancing the cause of urban sustainability in the current global policy discourse. The creation of a Global Platform will help position cities as major hubs for global environmental and development benefits, and increase opportunities for financial leverage to support the sustainability and resilience agendas for cities. During COP21 in Paris, a number of new urban climate initiatives were launched, which can be woven into the fabric of the IAP program. Furthermore, inclusion of urban sustainability in the Sustainable Development Goals (SDGs) presents a timely opportunity for advancing the integrated approach, including potential indicators for monitoring and reporting. Finally, the IAP will build bridges to other initiatives focused on other aspects of urban sustainability, such as the Cities Biodiversity initiative at ICLEI, and different clean air and clean water initiatives that have been launched on several continents.

22. The program is organized around two major priorities: a) to help 23 cities promote integrated approach through actual investment of their priority; and b) to create a global platform for knowledge sharing among cities, primarily focusing on the 23 but others as well. This framework will ensure that 23 cities can harness state of the art thinking /methods of integrated urban planning, and at the same time share their experiences globally through networks of Mayors and city experts. This knowledge sharing platform is therefore a unique feature of the program with huge potential of scaling up of transformation.

23. During the period covered by this report, the World Bank has been engaging a diversity of actors in the urban sustainability sector, including city networks and technology providers, toward building the Global Platform for Sustainable Cities (GPSC) that will provide support to participating IAP cities and non-IAP cities in the areas of sustainability planning, tools and indicators, and financial sustainability. The World Bank as lead Agency is also in extensive discussion with other GEF Agencies to establish a common understanding and approach for linking the GPSC and with country child-projects for support to participating cities. At the same time, project design activities are well underway, with engagement by all participating cities and countries. The focus has been on stakeholder consultation processes, institutional frameworks for implementation, co-financing arrangements, and baseline information for the CEO Endorsement. Countries are currently aiming towards project proposal submission to the GEF Secretariat by the program commitment deadline.

Global Programming

24. The World Bank as lead Agency for the IAP program is reaching out to engage a wide range of initiatives to further strengthen the overall support for cities, and bring specific additional value by enhancing the environmental governance for the resilience and sustainability of the cities. The global programming has therefore focused on creating the Global Platform for Sustainable Cities (GPSC) dedicated to providing space for collaborative engagement by cities with aspirations for sustainability, and a wide range of entities already working to support those cities. This Global Platform will engage partners and city networks to promote integrated urban design, planning and management, resulting in sustainable, resilient, and environmentally sound urban development.

25. The GPSC will bring together cities, agencies, technical partners and city based associations towards a common goal of designing sustainable and resilient cities. The day to day activities under GPSC will include extensive and continuous consultations and technical support to cities based on their demands and needs, and the expertise available within the partnership players of the GPSC. This will include Data/Indicators & Tools, Sustainability Planning, and Financial Sustainability among other such “services”. These services will be delivered in the form of capacity building, training, technical assistance, review of sustainability plans, documents and processes. North-south or south-south exchanges will be strongly encouraged and facilitated.

First Meeting of Global Platform for Sustainable Cities, March 7-11, Singapore

26. The World Bank as lead agency for the SC-IAP organized and hosted a global meeting to launch the GPSC, which will provide space for collaborative engagement by cities with aspirations for sustainability and a wide range of entities already working to support those cities.² The week long meeting was attended by representatives of participating cities from 11 participating countries (Brazil, China, Cote D’Ivoire, India, Malaysia, Mexico, Paraguay, Peru, Senegal, South Africa and Vietnam), GEF Agencies, GEF Secretariat, city networks and technical entities (ICLEI, UN Global Compact, WRI, WCCD, ESA, UN-HABITAT, and ESRI), and from several other cities (e.g. Paris, Amman, and Colombo). With support of the GEF and in partnership with the Government of Singapore, the Centre for Livable Cities (CLC), the Public Utilities Board (PUB), and the Urban Redevelopment Authority (URA), a series of thematic sessions, learning events and site visit were organized to enable knowledge sharing and exchange on the integrated approach to building smart, sustainable and resilient cities.

27. In line with the overall SC-IAP framework, the meeting addressed three key priorities related to urban sustainability: Integrated Urban Planning, Indicators & Tools, and Financial Sustainability. Technical presentations by a wide range of experts helped set the stage for cities

² Launch of the GPSC was widely publicized with a joint WB and GEF press release - [World Bank and Global Environment Facility \(GEF\) launch new multi-million dollar ‘Global Platform for Sustainable Cities’](#), which was picked up by several major media - [New urban sustainability program targets 23 developing cities](#), [World Bank launches global platform for sustainable cities](#).

to share experiences and discuss their specific needs for investment through child projects under the IAP. All 11 countries were also given the opportunity to introduce their participating cities, highlighting ambition/key policy objectives, priorities to be covered in the child projects, and unique features of the city including entry points for the integrated approach. The learning events covered Green Infrastructure Solutions for Integrated Urban Flood Risk Management, Transit-Oriented Development, and Integrating Climate Change Strategy to Urban Planning and Management. As part of the deliberations, the GEF and World Bank engaged with representatives of cities, city networks, and technology providers to discuss modalities for the GPSC. An important outcome of the discussion was a set of guiding principles that will help all participating countries and cities to achieve coherence and consistency in design of child projects under the SC-IAP (see Box 2).

Box 2 - Ten Guiding Principles for the Global Platform Sustainable Cities (GPSC) and for Child Projects under the Integrated Approach Pilot on Sustainable Cities (SC-IAP)

The following principles are understood as guidance for the development and implementation of child projects by countries and respective cities under the SC-IAP. These aim at promoting transformative change towards achieving more sustainable and integrated urban planning.

The program *acknowledges* the different baselines and contexts of participating cities, driven by diverse political economy characteristics, planning culture and procedures, existing policies, strategic priorities, legal frameworks, knowledge base, and capacities in different parts of the world that in turn require adjustment of procedures, tools and solutions adequate to the local circumstances.

The SC-IAP partners *endorse* these guiding principles as the overall framework for pursuing transformative change and for delivering on the objectives of the IAP-SC.

Implementation of the IAP-SC at national and municipal levels

1. The interventions will build on and reinforce locally self-determined strategic priorities and practices as well as on existing decision-making processes, and will not be in competition to the existing ones.
2. With a view to achieve or accelerate transformation, all projects will need to identify and/or demonstrate a pathway for integration in a holistic way that supersedes a purely sectoral perspective. An assessment of the relative roles of all relevant sectors will constitute a starting point of the proposed action plan and activities.
3. The integrated approach planning framework will include all required elements that can support long-term institutional sustainability. The participating city(ies) will identify the proper interlinkages between municipal agencies/department/sectors deemed appropriate for successful project implementation.
4. All IAP pilot projects will include the following building blocks: indicators and associated data; integrated planning; implementation and overall financial considerations.
5. Appropriate Global Environmental Benefits will be estimated for each of child project, and be tracked throughout project implementation.
6. Child projects will identify success indicators and be assessed against them.
7. Child projects will identify relevant stakeholders and participatory approaches that will be necessary preconditions for success.
8. City peer to peer connectivity will become a distinctive feature of the IAP, including by building upon the experience of model cities. This will be accomplished through knowledge exchanges, peer to peer work, and documentation and outreach activities promoted by GPSC.

Links to the other levels of government

9. State, regional and national governments are important enablers in creating optimal frameworks for integrated planning approaches, and must be considered as part of the project activities as appropriate.

Links to global frameworks and agreements

10. The IAP-SC builds on the Sustainable Development Goals, the Paris agreement, the Sendai and Addis Ababa Decisions, as well as the expected outcomes of Habitat III backbones for future change in cities.

Country Programming

28. Each of the 11 countries have made significant progress toward design of child projects, with full engagement by the participating cities. In addition to 23 cities identified in the Program Framework Document, several more are likely to be included as some countries take steps to accommodate them as part of the overall project design process. Below are country-specific descriptions of activities and progress made during the period under reporting.

Paraguay (City: Asuncion; GEF Agency: UNDP)

- In late December 2015, the consultant team for the design of the “Asunción Green City of the Americas” child project was completed and the cycle of meetings with national counterparts started on several of the issues to be covered by the project: urban planning, biodiversity, transport, solid waste, disaster risk management, gender, etc.
- National institutions involved so far include the Secretariat of the Environment, the Ministry of Public Work and Communications, the National Secretariat for Emergencies and the Secretariat of Strategic Planning, while preliminary meetings have been held with authorities from the Municipality of Asuncion that came into office in December 2015. It is expected that joint meetings will be held in February and that NGOs and academy and other stakeholders will be reached out to shortly so as to ensure their adequate participation in project design and implementation.
- Baseline information and a draft result framework are expected to be concluded by late February when a workshop will be held with most national counterparts and UNDP. The purpose of the workshop is to review this information and produce any adjustment that may be necessary to successfully complete the child project design phase, in line with the IAP Sustainable Cities Program and the GPSC.

Mexico (Cities: Campeche, La Paz and Xalapa; GEF Agency: IDB)

- The Mexico child project will focus on development of sustainable clean projects in three cities: Campeche, La Paz and Xalapa. In each of these cities, the IDB team has worked with local, state and federal authorities in identifying priorities that will benefit from the IDB’s Emerging and Sustainable Cities Initiative (ESCI) financing. In addition to the GEF grant of US\$15 million, the Mexican Government will provide co-financing in the amount of US\$110 million.
- The country has established three major components for the integrated approach, which are being developed under the child project: 1) Solar Complex for La Paz Public Buildings, 2) Waste-to-Energy Project for Xalapa, and 3) Bay Clean-Up Project in Campeche.
- A series of design missions have been undertaken by IDB specialists and consultants to engage with city municipalities, local and state authorities on priorities for investment. The first mission in September 2015 covered all three Mexican cities of Campeche, La Paz, and Xalapa, during which overall framework for the child project was discussed.

- In November 2015, a second visit to all three cities was undertaken by IDB specialists and consultants for consultations on priority actions related to water/wastewater, solid waste, and energy. This was followed by subsequent visits to La Paz and Xalapa (December 2015 and January 2016) to elaborate with local and state authorities, needs on water/wastewater and solid waste.

Peru (City: Lima; GEF Agency: IDB)

- Peru has established five major components for advancing the integrated approach for sustainability in the city of Lima, which are being developed under the child project: 1) Sustainable Planning, 2) Monitoring Climate Change Variables, 3) Biodiversity conservation, 4) Strategic Investments for a Sustainable Lima, and 5) Institutional Strengthening. The breakdown of GEF financing for these components will include 30% Infrastructure (US\$ 1.9 million) and 70% Technical assistance (US\$ 4.43 million)
- IDB specialists undertook a first mission to Lima in September 2015 and met with state and local authorities, and followed up with a second mission in January 2016. The team is now preparing the application documents and is holding meetings with different stakeholders such as the Metropolitan Municipality of Lima and other national, regional and local authorities, as well with various actors of civil society, the academia, the business and financial sector among other, to define the areas of intervention. The objective is to identify actions which have the biggest impact and, at the same time, can be done within the time frame of the project implementation.

Brazil (Cities: Recife and Brasilia; GEF Agency: UNEP)

- A Brazilian Knowledge Platform (+250 cities/users) is being developed with a focus on IT tools, indicators, content management, social media and capacity building. This will be an important bridge to the SC-IAP, with a focus on Recife and Brasilia. Recife will focus on green transport (solar boats, bikes and electric cars, ferries), green roofs, filtering gardens, intermodal stations, and a transit app with a range of themes. Brasilia will focus on watershed restoration, dumpsite soil remediation, renewable energies (solar and LED pilots), and an eco-econ zoning tool. Themes include: clean water, metro area, and an increasing population.
- All the project development teams (one team for each city in Brazil and another team for indicators) have validated the project scope and have developed a detailed work plan and deliverables for the project development phase. A coordinator has also been hired to work with both cities and to bring together all of the necessary materials.

Vietnam (Cities: Hue, Ha Giang, Vinh Yen, and potentially others; GEF Agency: ADB)

- The GEF grant of US\$9 million under the SC-IAP will be linked to a separate US\$4.5 million SCCF- project that is also currently under design, and leverage an additional US\$180 million through an ADB supported baseline project Green Cities I Program. This program will support urban and global environmental improvement and climate resilience in the three IAP cities, including preparation of Green City Action Plans (GCAPs). ADB finance will

be provided through a results-based lending modality, and is expected to be approved in September 2016. It will support investments into priority urban infrastructure across the three cities based on the GCAPs. The GEF SC-IAP will be integrated and processed with the loan.

- GEF SC-IAP has started a review of the GCAPs. This is expected to lead to recommendations for modifications and additional priorities including the development of a holistic, integrated approach to urban development, and the mainstreaming of environmental and global environmental concerns into GCAPs and into individual investments. A particular focus is on climate resilience. Discussions have been initiated with the planning teams and the city decision-makers.
- GEF SC-IAP will also support national upscaling of sustainable, integrated, climate-resilient urban development. GEF SC-IAP will help the central government to prepare a national framework that will prioritize, provide incentives and develop capacity for green, climate resilient city investments across Vietnam. The focus will include the use of sustainable cities indicators to guide an integrated planning framework, linked financial mechanisms.
- Finally, GEF SC-IAP will demonstrate or pilot 2-3 activities in support of sustainable, climate resilient city development. This will demonstrate the use of small grants to achieve local economic and global environmental benefits and increase climate resilience in the urban setting. The GEF SC-IAP demonstration funds could be used to support physical investments, the use of software, or innovative finance or risk management mechanisms such as climate insurance at the city level.

China (Cities: Tianjin, Nanchang, Ningbo, Shijiazhuang, Beijing, Shenzhen and Guiyang; GEF Agency: WB)

- The GEF SC-IAP China child project will focus on transit-oriented development (TOD) and planning integration, as discussed and agreed with Ministry of Finance (MOF) and Ministry of Housing and Urban Rural Development (MOHURD) during the identification closing workshop in November in Beijing, and endorsed by the World Bank Country Director for China, Mongolia, and Korea in December, 2015.
- The project would focus on developing a Diagnostic Tool and Toolkit for TOD, which would be a scientific, innovative and scalable instrument for China's cities to assist in achieving more low-carbon and sustainable urbanization. It is expected that the TOD Tool/Toolkit would form an overall City TOD Platform owned and guided by the Ministry of Housing and Urban Rural Development (MOHURD), and benefiting from the direction of a high-level multi-agency steering committee chaired by MOHURD. This is considered as a strategic and coherent way to frame the project in line with the integrated approach pilot of GEF and the cities COP21 related commitments of cities.
- The toolkit would be developed with multiple modules (e.g., technical, institutional, incentives, approaches, applications etc.) that enable a complete analysis of the broader economic, social, and environmental costs and benefits of TOD, including potential global benefits such as GHG emission reduction and sustainable land management, as compared

to business-as-usual scenarios. The toolkit would aim at assisting cities to evaluate readiness for TOD and identify a range of pathways and interventions to materialize TOD given the diversity of city development contexts. The tool and components of the toolkit would be piloted by the cities and improved through the experiences gained from the city pilots as well as knowledge sharing and feedback mechanisms and monitoring of these during the Project. The Global Platform for Sustainable Cities would play a key role in sharing lessons with cities globally.

India (Cities: Jaipur, Bhopal, Mysore and Vijayawada-Guntur; GEF Agency: UNIDO)

- The India project will focus on integration of sustainability strategies into urban planning and management to create a favorable environment for investments in infrastructure and service delivery. The major components of the India child project include 1) Sustainable Urban Planning and Management, 2) Pilot Projects / Technology Demonstration, 3) Partnerships, Investments and Knowledge Platform, and 4) Monitoring and Evaluation.
- The objectives and components were discussed and agreed during an initial coordination meeting in August 2015 between UNIDO and Ministry of Urban Development (chaired by Joint Secretary-MoUD), together with representatives of the IAP cities.
- In September and October 2015, the project design team was engaged in data-gathering and assessment of prospective technology demonstration projects. This was followed by a joint UNIDO-GEF Secretariat mission to the IAP cities in November 2015, for consultation and data-gathering with city Mayors/Commissioners and city-level stakeholder, and visits to potential intervention sites
- In December 2015 and January 2016, an experts' writeshop was initiated at UNIDO Headquarters in Vienna for preparation and writing of the project document for GEF CEO Endorsement. This will be followed by a Sustainable Cities Workshop held in February 2016 in New Delhi, for national level stakeholder consultations and validation of the project document by city / State / national counterparts

Malaysia (City: Melaka; GEF Agency: UNIDO)

- The Government of Malaysia has established two main objectives for its child project, focused on the city of Melaka: i) to promote an integrated approach to urban policy making and management that is guided by an evidence-based, multi-dimensional, and broadly inclusive planning process that balances economic, social and environmental resource considerations; and ii) to build awareness and institutional capacity, and promote investment in climate risks mitigation technologies through demonstration projects.
- Accordingly, the project will be delivered through two major components: 1) Integration of Climate Risks in Urban Planning and Management (National policies for strategic direction and demand creation for sustainable-cities; incentive schemes (funding models, green procurement, PPPs, etc.); Institutional capacity of policy-makers at the national level, specifically focusing on the policy coordination partners of Malaysia's Smart City

Program; increased adoption of electric vehicles promoted through demonstration activities of solar-powered charging facilities, smart-grids, IT applications, etc.; energy efficiency and renewable energy applications in commercial and government buildings demonstrated; awareness raising events for policy-makers, industry and end-users organized at the local and city levels; and 2) Monitoring and Evaluation

- Stakeholder Inception Workshop was held in November 2015 to gain inputs of the stakeholders for the development of the full-fledged project document. Stakeholder consultations between project counterparts are still ongoing, led by the project executing partner, MIGHT. A draft full-fledged project document has been developed by the Local Consultant and will be finalized in the coming weeks.

South Africa (City: Johannesburg; GEF Agencies: UNEP and Development Bank of South Africa—DBSA)

- South Africa already has developed national indicators on sustainable cities, while Johannesburg also has developed local indicators (Growth and Development Strategy—GDS 2040) to articulate a desired environmental path. The City of Johannesburg hopes to invest in BRT corridors and nodes, develop a green building index, assess energy consumption, explore fuel alternatives for public transport, assess current waste composition and process, address food security (assess food flow and create food action plan), train local officials, invest in social housing, and create a biogas project for food waste, among others.
- The project development team has validated the project scope and has developed a detailed work plan and deliverables for the project development phase. A formal Memorandum of Understanding has been developed to underpin collaboration between the City of Johannesburg and the GEF Agencies.
- The City of Johannesburg was host of the month long EcoMobility World Festival in October 2015, in partnership with ICLEI – Local Governments for Sustainability. The Festival allowed commuters to leave their cars at home and encouraged the use of public transport, cycling and walking. Through various events and dialogues, the Festival allowed citizens to reclaim street space and provided a platform for mobility experts, local government leaders and private sector representatives to discuss sustainable urban transport solutions for the future.

Senegal (Cities: Dakar, Diamniadio and Saint Louis; GEF Agencies: WB and UNIDO)

- The consultant hired by World Bank on August 2015 has prepared a background document on sustainable cities approach at national level and has identified activities that would lead to expected outputs and outcomes.
- UNIDO consultants are working on developing UNIDO component since January. World Bank has already its component developed as part of the PROGEP 2. The World Bank has also initiated the process for recruitment of a consultant who will be responsible for developing the CEO Endorsement request, by consolidation of the two components.

- A national validation workshop will be organized after a first draft of the consolidated document becomes available, at a date to be mutually agreed. Following the national workshop, each of the implementing agencies will undertake an internal validation process before submission of the project document to GEF.

Cote D'Ivoire (Cities: Abidjan, Bouake and San Pedro; GEF Agencies: AfDB and UNIDO)

- The GEF grant of US\$5.2 million will be linked to a US\$120 million AfDB loan, which will engage the Ministry of Urban Development, Ministry of Environment, District of Abidjan, and municipalities of Bouake and San Pedro.
- The overall objective is to enhance local capacity to assess and respond to environmental degradation through the application of integrated sustainable urban planning and management methods, while encouraging the uptake of innovative lower carbon technologies to reduce GHG emissions and improve air quality. The child project will be delivered through the following four components: 1) Improving Urban Mobility Planning and Management, 2) Assessing and Improving Air Quality (UNIDO), 3) Sustainable Urban Transportation Infrastructure, and 4) Capacity Building, Knowledge Management and Replication Activities
- The project preparation has started under the PPG with the recruitment of the consulting firm in charge of the GEF component preparation. The Bank organized a preparation mission in November 2015 with involvement of all stakeholders, including District of Abidjan, Ministry of Infrastructure, Ministry of Environment, CSO and private sector entities. The mission was jointly organized by AfDB, JICA and European Investment Bank (EIB) to discuss the preparation of the Abidjan Urban Transport Project as key component of the IAP child project.
- For the UNIDO component, a steering committee (Cellule Technique Opérationnelle: CTO) has been established with the official announcement (arête 0115) on 24 November 2015 by the Ministry of Environment and Sustainable Development. Centre for Anti-Pollution (Centre Ivoirien pour Antipollution: CIAPOL) has been selected as the national counterpart for execution of this component. In line with its comparative advantage, UNIDO technical departments related to Energy, Environment and Agri-Business Development, based on the specific project scenario and upon request from the beneficiary country, provide technical assistance and services to ensure smooth project approval and start-up.

Outreach and Stakeholder Engagement

29. The GEF Secretariat and World Bank co-organized with a series of partners, several events on the IAP during COP21 in Paris. There has also been extensive outreach by the World Bank and other participating agencies to engage multiple actors in the urban sustainability community, exploring the possibility of joint activities in such areas as climate change, transit-oriented development, and indicators for sustainable cities. The engagement of city networks and technology providers (ICLEI, WRI, ESRI, ESA, WCCD, UN Compact and UN Habitat among others) proved invaluable for launch of the GPSC.

Looking Ahead

30. The World Bank is looking to finalize the child project for supporting the GPSC, which will strengthen the work of participating cities and engagement by city networks and technical partners. This will facilitate alignment of the country / city child projects with the GPSC, and create opportunity for coherence and consistency in implementing the integrated approach.

31. At the same time, additional efforts are underway by the GEF and World Bank to foster a coordinated approach by city networks and technical entities as key partners in the GPSC. The focus will be on harnessing their strengths on networking cities, promoting peer-to-peer learning, and establishing a knowledge platform to advance the sustainability agenda.

TAKING DEFORESTATION OUT OF COMMODITY SUPPLY CHAINS (COMMODITIES IAP PROGRAM)

Introduction

32. The Commodities IAP program is advancing an integrated approach to tackling the underlying root causes of deforestation from agriculture commodities, specifically *beef*, *oil palm*, and *soy* that together account for nearly 70% of deforestation globally. To vastly reduce or take deforestation out of these commodity supply chains, production has to come from areas that do not contribute to require further clearance of natural forests.

33. The Program's Theory of Change builds on the notion that if the right lands (agriculture lands, degraded lands, etc.) are available and accessible for production, and if forestlands are not accessible, agriculture expansion and growth can be achieved without contributing to deforestation. Good production practices and locations are contingent on the ability of producers to have enhanced capacity to adapt better management practices and improve yield. At the same time, financial flows and economic incentives, coupled with market awareness and demand for reduced-deforestation supply to enable and signal producers, can similarly play a key role in driving agriculture expansion to the desired locations.

34. Consequently, the adoption of better practices and sustainability principles can contribute to adjacent forest conservation, such as in-farm set asides, protection of water sources and other important activities that contribute to environmental services being protected. By advancing this integrated "supply chain" approach for beef, oil palm and soy, the IAP program will build momentum for sustainability in other major commodity supply chains. As a result, this will ensure that the drive for products that do not contribute to deforestation becomes standard industry practice.

35. The overall IAP program is designed through the supply chain lens for each of the three commodities, and in close consultation with four countries associated with their production: Brazil and Paraguay for soil palm and beef; and Indonesia and Liberia for oil palm. The table below summarizes the how the program is being designed, include involvement by the participating GEF Agencies.

Supply Chain	Palm Oil	Soy	Beef
Support to Production with CI and WWF Lead: UNDP;	Indonesia and Liberia as participating countries; engagement with Round tables, private sector, production systems and smallholders; Tropical Forest Alliance and Consumer Goods Forum	Brazil and Paraguay as participating countries; engagement with market/private sector actors, and production systems	Brazil and Paraguay as participating countries; engagement with landscape-level production systems, private sector, production and traceability systems
Enabling transactions with UNEP and WWF Lead: WB/IFC;	Engagement with private sector; financial institutions, financial market benchmarking; risk analysis and methodologies	Engagement with private sector; financial institutions, financial market benchmarking; risk analysis and methodologies	Engagement with private sector; financial institutions, financial market benchmarking; risk analysis and methodologies
Generating Responsible Demand with UNDP Lead: WWF;	Engagement with private sector, associations and Round tables, Consumer Goods Forum	Engagement with soy traders and Round tables, Consumer Goods Forum	Engagement with private sector and Round tables, Consumer Goods Forum
Adaptive Management and Learning Lead: UNDP	Cross-cutting focus on knowledge management, coordination and global level engagement to advance practices for taking deforestation out of commodity supply chains.		

36. During the period covered by the report, there has been an extensive outreach by the participating GEF Agencies to engage multiple actors within the sustainable forestry sector and along the entire supply chain— including for example platform or collaboration initiatives, private sector companies, development organizations, financial institutions, academia and think tanks. A partnerships database has also been developed with input from all agencies. A series of meetings and consultations have been conducted for individual child projects or as collaborative efforts across child projects, to identify potential intervention strategies either at the global scale or for each country. An external advisory group has been put in place, which includes leaders from the private sector, financial institutions and forums who are providing expert input to the team during the PPG phase. Finally, commodity supply chains featured highly at COP21 and in the Paris Agreement, which marks an unprecedented political recognition of the risks of climate change and much-needed acknowledgment of the critical role that forests play in combatting same.

Supply Chain Programming

37. Program design for all four component child projects under the IAP have progressed relatively well, with each lead agency playing a key role in mobilizing and engaging relevant actors along the supply chains for each commodity. The design team on *financial transactions* met in December 2015, with IFC, UNEP-FI and WWF-US participating. The group recapped on the last six months in relation to potential project activities, budgets and next steps. At the same time, inter-agency consultation meetings with stakeholders were held in Indonesia and Paraguay, followed by detailed designed workshops in Brazil and Indonesia. Additional discussions are underway with key implementing and project partners.

38. The focus on *responsible demand* is targeting four main actors in each of the supply chains: corporations, financial institutions, consumers, and/or governments. This will help to influence their role in promoting sustainable production of commodities, leading to reduced impacts on forests and high conservation value areas. Because the emphasis is on mainstreaming demand for soy, beef and oil palm that is not attributed to deforestation, this component will primarily engage at global and regional levels, with pilots taking place at a national or local level. The pilots are based on trends towards agricultural growth and expansion, with threats to globally significant biodiversity and GHG emissions.

Oil Palm

Indonesia:

39. An IAP program inception meeting was held in Jakarta, Indonesia in November 2015, with the GEF agency consortium and Government representatives in attendance, as well as representatives of key potential partners. Remarks from the GEF Operational Focal Point highlighted need for a green economy approach, including creating jobs and alleviating poverty, in addition to ensuring sustainable economic growth, maintaining the national carrying capacity of the land, ensuring interconnections of IAP program with national projects financed through STAR allocations and involving financial as well as grassroots stakeholders

40. A multi stakeholder (including government) project design workshop was held in Jakarta, Indonesia on January 25-27^h, followed by field visit to West Kalimantan for consultations with provincial authorities, local farmer groups, and companies. The two-day workshop in Jakarta was used to engage all major stakeholders to discuss the overall IAP framework, and establish strategic entry points for the three major supply chain components (production, transactions, and demand). The emphasis was on support to production, which enabled a more focused discussion on how the IAP can directly influence producers (smallholders and companies) toward sustainable and resilient practices.

41. More than 40 participants attended the 2-day workshop, with representation from government agencies, civil society, development partners, and the private sector. A key highlight of the remarks was reference to the recently launched “Indonesia Palm Oil Platform” (InPOP), which is now the de factor anchor for all activities associated with the palm oil supply

chain. InPOPs four working groups include – 1) increasing smallholder capacity, 2) environmental management and monitoring, 3) governance and mediation, and 4) ISPO certification and market access. By aligning the IAP with these working groups, the GEF will now be able to more directly influence and support transformation of the supply chain for this globally important commodity.

42. As a result of the consultation processes, three target landscapes have been proposed for addressing production aspects of the supply chain: the district of Sintang within the province of West Kalimantan, the district of South Tapanuli in North Sumatra Province, and the province of Riau. The landscapes were chosen because they face similar obstacles, as with considerable weaknesses in current policy frameworks that hinder the authority's ability to exercise adequate oversight of remaining tracts of high biodiversity multiple forest landscapes. As in other parts of Indonesia, the forest function classification and standards for criteria for decision-making are suboptimal. The concession granting process is not adequate in terms of integrating biodiversity and carbon issues within decision-making for granting and siting of concessions. The capacity of the national provincial and local agencies to support local forest management units and to monitor compliance and enforcement of sound land uses also need to be strengthened.

Liberia:

43. For Liberia where palm oil plantations are in the ascendancy, a country-level consultation is being planned jointly with relevant government agencies and technical partners. This will include participation by Proforest representatives who have been involved in the ongoing development of Regional principles for development in East Africa, on behalf of the Tropical Forest Alliance (TFA) and will be key partners for the Commodities IAP in Liberia.

Beef

Paraguay:

44. Focus on this commodity is primarily anchored on supply chains linked to Paraguay, which is currently the world's sixth largest beef exporter, though given the rapid growth of the industry over the last 4 years, this soon might change. Going back to 2013, a booming agriculture sector fueled Paraguay's 14% growth in GDP, accounting for 72% of its total exports. That year made the country the fourth largest soy exporter and sixth largest beef exporter globally. The expanding beef (and also soy) sectors has led to Paraguay having one of the highest deforestation rates in the world. Hence the crucial need to focus on the production sector in this country as a means of influencing the entire supply.

45. Two regions with globally significant biodiversity have been affected: the Atlantic Forest in the east and the Chaco tropical dry forest, savannas and wetlands in the west. In the eastern region, a devastating 90% of Paraguay's Atlantic Forest has been converted to agriculture, mainly soy. In the western Chaco region, tropical dry forest, savannas and wetlands are being converted for cattle raising and beef production at a rate of approximately 306,021 hectares a

year of deforestation related to beef production. Extensive forest areas are cleared for cultivation and pastures with no planning and management that could into account take the frailty of the ecosystem and the environmental impacts of current and expanded production. The Chaco's forests have been seriously degraded by these biological, social and economic processes. While natural degradation of forests within the Paraguayan Chaco is relatively fast, the impact of human activity in a frail ecosystem with very gritty and deficient soil, lack of rain, high winds and high temperatures make vegetation recovery very difficult. Furthermore, the use of land and water resources with no planning had led to important environmental degradation.

46. The program design has given priority to three landscapes within the Chaco region where the interaction of beef production is high and the deforestation frontier is continuing to expand. These areas are: 1) Central Boqueron; 2) Northern Boqueron; and 3) Agua Dulce. All three areas are situated either in the Department of Boqueron or in the neighboring department of Alto Paraguay and incorporate both buffer zones and areas adjacent to the Defensores del Chaco national park, as well as the productive landscape between the Rio Negro National Park and the Defensores del Chaco Park. These chosen landscapes contain a combination of small and large scale farmers, with structural problems and a lack of capacity on land use planning and enforcement that continue to increase the threat on biodiversity and ecosystem integrity in the region.

47. In early December, UNDP and IFC design teams participated in a meeting in Paraguay to explore ongoing work on supply chain and opportunities for the IAP, focusing on the Chaco region. Formal consultations were also held between GEF Agencies and the government entities in Paraguay.

48. There has recently been a Ministerial change in Paraguay, with the appointment of a new Minister for the MAG. The UNDP team met with the Minister in early March and he confirmed his interest in the IAP, as well as participation at the highest levels (Vice Minister of Livestock, Vice-Minister of Agriculture, and Director of Strategic Planning).

49. Several working sessions have been held between the GEF agency team and national counterparts in order to collect information on existing initiatives and refine the Production project's lines of action. The first draft of the logical framework has also been designed with these national counterparts and other key actors.

Soy

Brazil:

50. In mid-December, the Brazilian Government confirmed their commitment to the IAP program, which opened the way for a three-day multi-agency and stakeholder consultation workshop on January 20-22. The first two days were focused on technical discussions on the IAP program framework, and involved representatives of participating GEF Agencies, GEF Secretariat and several Brazilian organizations. On 22 January, a half-day meeting was held with

officials from the Ministry of Environment to focus specifically on the Matopiba region, which the government has highlighted as a priority targeted for the IAP program to engage in the soy supply chain. It was agreed that the target landscape will emphasize engagement with stakeholders on the production end, while at the same time harnessing priorities for demand and financial transactions components.

Adaptive Management and Learning

51. The Multi agency team, STAP along with Gender and Resilience experts from the GEF met together in Mid-February at WWF offices in Washington DC for a productive two-day workshop. The group shared project progresses, discussed and identified project linkages and synergies, reviewed the Program level Theory of Change and further developed each of the child project components.

Outreach and Stakeholder Engagement

52. There has been an extensive outreach by the participating IAP agencies to multiple actors within the sustainable forestry sector and along the entire supply chain— including for example platform or collaboration initiatives, private sector companies, development organizations, financial institutions, academia, donors and think tanks. A database of stakeholders and partners has been compiled as well as an identification of the various potential roles that partners can play during the implementation phase of the project, from for example providing implementation services to providing donor funding. This will be included at a Program level as part of the Adaptation and Learning project.

53. ***Platform/ Collaboration Initiatives*** - Outreach to Roundtable on Sustainable Palm Oil, Indonesian Sustainable Palm Oil, Tropical Forest Alliance, Consumer Goods Forum, ISEAL and Global Green Growth Institute. The RSPO meeting in November 2015 included a session to identify globally what the key issues and strategies should be to address in advancing sustainable palm oil. With over 100 participants globally, the sessions were broken out by geography: China, EU, SE Asia, Americas, India and Rest of the World, with participants including private sector, government, and civil society. The IAP design team also attended side events organized by the RSPO Financial Institutions Task Force (FITF) and visited IFC program sites in North Sumatra, focusing on independent smallholder productivity improvement and standards adoption (RSPO).

54. ***Private Sector Companies*** - Outreach and presentations to or meetings with trading, plantation or manufacturing companies including Cargill, Musim Mas, Sine Darby and Mondelez. In addition, the demand and transactions projects hosted a successful workshop in Miami on January 14th with soy trading companies from Latin America, including ADM, Bunge, Louis Dreyfus, Noble/COFCO, Wilmar, Amaggi and Marubeni.

55. ***Financial Institutions*** - Meetings have been held with Rabobank, Santander and HSBC.

56. **Development Organizations / Non Profits / Charities/ PPP Initiatives** - Extensive outreach by the design team, including to Moore Foundation, DFID, Solidaridad, Oxfam, Rainforest Alliance, Fauna & Flora International (FFI), EcoAgriculture Partners, IDH, UNEP TEEB, UN REDD, Meridian Institute, Supply Change/Forest Trends, Proforest, TNC, London Zoological Society, Wetlands International, Governors' Climate and Forests Fund, and World Resources Institute. This was further enhanced through participation in an IDH Smallholder Renovation Finance meeting (November 2015), a one-day meeting in Amsterdam to review a joint-funded study on the possible finance models for smallholder tree crops including palm oil. The study showed that there are limited models to replicate for smallholder replanting/renovation in the oil palm sector to learn from, and that any renovation done to date has been heavily subsidized by the public sector banks.

57. **Think tanks / Academia** – Outreach to the Global Canopy Program, Trucost, the Paulson Institute, the University of Wisconsin, and the University of Michigan, all of which will play an important role for adaptive management and learning on the overall approach to taking deforestation out of commodity supply chains.

Looking ahead

58. The design of the various Child Projects continues apace. The GEF Multi agency Steering team have agreed to a timetable for drafting and review, which includes three phases of drafting and feedback between March and May. This will ensure time for feedback loops on project development, as well as integration of key program level themes and synergies.

59. Two further meetings with the External advisors were planned for early and late April, for input and validation as part of the drafting and review process. Finally, planning is underway to feature the Commodities IAP at the Climate Action Summit being held in May in Washington DC.