GEF Council
May 15-17, 2002
Agenda Item 8

WORK PROGRAM
SUBMITTED FOR COUNCIL APPROVAL
Recommended Council Decision

The Council reviewed the proposed Work Program submitted to Council in document GEF/C.19/7 and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by c.o.b. May 31, 2002.

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

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

With respect to the endorsement of the China: Fuel Cell Buses project, the Council …
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Annex A: Project Proposals Submitted for Council Approval, May 2002

Annex B: Medium-Sized Projects Under Expedited Procedures

Annex C: Project Development Facility – PDF A

Annex D: Project Development Facility – PDF B/C

Annex E: Enabling Activities under Expedited Procedures
SUMMARY OF PROPOSED WORK PROGRAM

Biological Diversity

• **Algeria**: Conservation and Sustainable Use of Globally Significant Biodiversity in the Tassili and Hoggar National Parks
• **Cuba**: Strengthening the National System of Protected Areas
• **Papua New Guinea**: Community Based Coastal and Marine Conservation of Milne Bay Province
• **Philippines**: Asian Conservation Foundation
**South Africa**: Greater Addo Elephant National Park Project

Biodiversity – Biosafety

• **Malaysia**: Capacity Building for Implementation of Malaysia's National Biosafety Framework

Climate Change

• **Regional - Czech Republic, Slovak Republic, Estonia, Latvia, Lithuania**: Commercializing Energy Efficiency Finance
• **Argentina**: Enabling Activities Leading to the Second National Communication of the Argentine Government to the Conference of the Parties to UNFCCC
• **Burkina Faso**: Energy Sector Reform Project
• **Croatia**: Renewable Energy Resources Project
• **Mexico**: Introduction of Climate Friendly Measures in Transport
• **Philippines**: Rural Power (Renewable Energy Component)
• **Poland**: Polish Energy Efficiency Motors Program
• **Sri Lanka**: Renewable Energy for Rural Economic Development

International Waters

• **Regional - Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama**: Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America
• **Regional – Colombia, Costa Rica, and Nicaragua**: Reducing Pesticide Runoff to the Caribbean Sea
• **Regional - Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Moldova, Romania, Russian Federation, Serbia & Montenegro, Slovak Republic, Slovenia, Turkey, Ukraine**: GEF Strategic Partnership on the Danube/Black Sea Basin - WB-GEF Nutrient Reduction Investment Fund: Tranche 2

Multiple Focal Areas
• **Egypt**: Second Matrouh Resource Management Project
• **Namibia**: Integrated Ecosystem Management in Namibia through the National Conservancy Network
• **Niger**: Community-Based Integrated Ecosystem Management Program under the Community Action Program
WORK PROGRAM

1. The Chief Executive Officer (CEO), after reviewing the conclusion and recommendations of the project review meetings with the Implementing Agencies, proposes to the Council for its consideration and approval a Work Program consisting of 20 new project proposals:

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>Allocation</th>
<th>Projects</th>
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<tbody>
<tr>
<td>Biodiversity</td>
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<td>Biodiversity/Biosafety</td>
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<td>International Waters</td>
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<td>3</td>
</tr>
<tr>
<td>Multiple Focal Areas</td>
<td>$16.865 million</td>
<td>3</td>
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2. The proposed Work Program has an allocation of $113.717 million in GEF financing out of a total cost of $610.894 million (see Annex A for details).

3. Work Program resource allocations for projects depend on the level of country-driven demand for GEF-eligible support, the delivery capacity of the GEF system, and the availability of financial resources at the time of Work Program submission. This Work Program could have been significantly larger on the basis of proposals that had been technically considered had it not been for the current level of available financial resources. For the same reason, total commitments for FY02 are also less than Business Plan expectations.

Project for Endorsement

4. The project “Demonstration for Fuel-Cell Bus Commercialization in China” had been submitted for CEO endorsement, but a decision on the project was deferred to the May Council meeting following objections raised by four Council members.

Cumulative Work Program

5. The GEF finances full projects, medium sized projects (MSPs), and enabling activities. If the Council approves this Work Program, the cumulative GEF financing will be a total of $3.931 billion (including pilot phase), with cumulative GEF financing for the subset of full projects of $3.660 billion. Twenty-one medium-sized projects (MSPs) were approved by the CEO under expedited procedures during this reporting period from October 1, 2001 to March 2002, with a total GEF allocation of $18.290 million: 9 biodiversity, 6 climate change, 1 international waters and 5 multiple focal areas projects for total allocations of $8.217 million, $5.145, $1.000, and $3.928 respectively (see Annex B).

6. From October 2001 to March 2002, the Implementing Agencies approved 36 PDF-As and the CEO 23 PDF-B/Cs for a total of $0.888 million and $7.471 million (see Annexes C and D) with cumulative totals of $2.040 million and $61.130 million respectively (including pilot phase).
7. GEF support for biodiversity enabling projects through March 31, 2002 covers 139 countries. During this reporting period, October 1, 2001, to March 2002, 13 new project proposals were approved with a total financing of $2.321 million. For two countries, this was the first GEF support for biodiversity enabling activities (see Annex E for details).

8. GEF support for climate change enabling activities through March 31, 2001, covers 123 individual countries in addition to a number of regional and global enabling activity type projects. During this reporting period, October 1, 2001, to March 31, 2002, 11 new project proposals were approved with a total financing of $1.550 million. For two countries, this was the first GEF support for climate change enabling activities (see Annex E for details).

9. GEF support for POPs enabling activities through March 31, 2002 now covers 39 countries (including PDF-B grant to China and twelve countries part of pilot project approved by Council in May 2001). During this reporting period, October 1, 2001, to March 2002, 21 new project proposals were approved with a total financing of $9.826 million (see Annex E for details).

**PROJECT HIGHLIGHTS**

10. GEF responsiveness to emerging issues is notable with persistent organic pollutants, land degradation, and integrated management of productive landscapes. Some private sector mobilization is seen in this Work Program, which is a positive development towards achieving the goal of increasing private sector participation for GEF projects. The POPs projects create a sound foundation for building the new focal area. Land degradation is increasingly becoming a central issue, which is particularly evident in the multiple focal area submissions. Within biodiversity, the strategic shift from conservation areas to productive landscapes is changing approaches to co-financing. This is illustrated by the fact that economic activities and alternative livelihoods issues are beginning to be included in the biodiversity projects in this Work Program.

11. The current Work Program includes several innovative projects developed in accordance with agreed upon approaches and with the principles and policies outlined in the Operational Strategy. The following section highlights how these operational principles and programmatic requirements have been reflected in project development and how cross-cutting issues have been addressed in project design.

**Country Ownership**

12. Country ownership is highlighted in particular by the significant amount of policy support being committed by the governments for the projects in this Work Program. The following three projects in particular involve substantial policy, legal, and institutional support from the host countries: Papua New Guinea: Community Based Coastal and Marine Conservation of Milne Bay Province; Polish Energy Efficiency Motors Program; and Malaysia: Capacity-building to Support the Implementation of the Cartagena Protocol on Biosafety. Implementation for each one of them is based on building a supportive institutional and policy environment at the national, regional, and local levels.
Replicability

13. The Colombia, Costa Rica, and Nicaragua: Reducing Pesticide Runoff to the Caribbean Sea project has scope for initial replication in the Caribbean region followed by replication in similar situations worldwide. The project will document and disseminate the results of case studies in order to demonstrate how to build capacity, train people, and set up management practices that support sustainable agricultural production whilst reducing pesticide use and runoff.

14. Similarly, the approach taken in the Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama: Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America project is to rely heavily on documentation and dissemination of results achieved at project demonstration sites. Through this project, the GEF is commencing to address the issue of sustainable alternatives to DDT for vector control, one of the most contentious issues in the early implementation of the newly adopted POPs Convention.

15. The Mexico: Introduction of Climate Friendly Measures in Transport project is the first of its kind to target a combination of technology and the development of a supportive policy/regulatory framework. The project will encourage a modal shift in transport patterns in Mexico City which could be replicated in other mega-cities of the World.

16. Dedicated resources are allocated in the Cuba: Strengthening the National System of Protected Areas to ensured replicability throughout the country of the methodology, scientific approach and planning process. This will also be much facilitated by the strong Government co-financing of recurring costs.

Sustainability

17. One of the foundations of the GEF’s operational strategy is sustainability of biodiversity initiatives beyond the time period of GEF financing. In practice, this has been difficult to achieve. This Work Program includes some notable attempts to address this issue. The Papua New Guinea: Community Based Coastal and Marine Conservation of Milne Bay Province; Philippines: Asian Conservation Foundation and Integrated Ecosystem Management in Namibia through the National Conservancy Network projects focus on sustainable uses and practices for conservation areas.

18. Examples in the Climate Change focal area include ensuring that some of the local stakeholders benefit directly from the GEF intervention. The Philippines: Rural Power (Renewable Energy Component) project delivers renewable-energy based energy services for both social and productive uses, including schools, health clinics, and small rural enterprises. The social benefits and job benefits of such applications are expected to enhance sustainability of the investments and lead to further replication of investments with clearly demonstrated benefits. Similarly, the Burkina Faso: Energy Sector Reform Project also targets renewable-energy based energy services for social uses such as schools and health clinics.
19. The Regional - Czech Republic, Slovak Republic, Estonia, Latvia, Lithuania: Commercializing Energy Efficiency Finance will achieve long-term sustainability by opening or enlarging a lending area for local banks which are seeking to place excess liquidity in the market but are hesitant to enter energy efficiency lending due to a lack of information on the opportunities and a high risk perception. The provision of a partial risk guarantee by IFC through the project will allow the banks to gain experience in the energy efficiency market and, experiencing that the actual risk is lower than the perceived risk, to continue to lend after the completion of the project. Alternatively, a local financial institution could take over the guarantee business from IFC, recognizing its business value.

**Stakeholder Involvement**

20. Involving key stakeholders in the preparation, design, and implementation of project activities is key for commitment and long-run sustainability. The level and type of participation vary and can include direct execution of project components, share in decisions and resources, and information dissemination and consultations. The projects included in this work program have engaged in disseminating information about the project through national and local workshops and through consultations involving key experts and local leaders.

21. In the Sri Lanka: Renewable Energy for Rural Economic Development project, more than 20 local stakeholder groups were consulted prior to setting up village hydro systems that require community participation. The Philippines: Rural Power (Renewable Energy Component) project held a national consultation, the feedback of which will be used in the design of a socio-economic survey of consumer preferences and energy needs. The Addo Planning Forum in the South Africa: Greater Addo Elephant National Park Project has served as the primary mechanism for stakeholder feedback. Representatives from the Forum are members of the project’s Park Committee. In the Cuba: Strengthening the National System of Protected Areas project, production cooperatives will be encouraged. Several workshops were held to discuss how the cooperatives and park councils would be organized, including issues related to membership, access, and conflict resolution.

22. The Conservation and Sustainable Use of Globally Significant Biodiversity in the Tassili and Hoggar National Parks project is based on strengthening and sustaining existing stakeholder capacity. Processes involving local governance and collaborative management agreements are crucial for the success of this project. Similarly, the Integrated Ecosystem Management in Namibia through the National Conservancy Network project focuses on assisting stakeholders to develop conservancies and related community driven sustainable ecosystem management activities.

**Indicators, Monitoring, and Evaluation**

23. Assessment of impact requires the establishment of appropriate monitoring and evaluation plans specific to each project to measure the global environmental benefits that are achieved as a result of GEF financing. Each of the projects has a monitoring and evaluation component. Particularly noteworthy cases are the Colombia, Costa Rica, and Nicaragua: Reducing Pesticide Runoff to the Caribbean Sea project and the Belize, Costa Rica, El Salvador,
Guatemala, Honduras, Mexico, Nicaragua, and Panama: Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America projects. These are demonstration projects where careful assessment of baseline conditions and monitoring and evaluation are critical drivers for implementation.

Financing

24. In this Work Program, the GEF allocation of $113.7 million has co-financing of $497.2 million. This co-financing provides diversification of project risks across several players. It also signals clear commitment from beneficiaries, strengthens the basis of project ownership, and improves prospects for replication. As the GEF seeks to attract greater amounts of co-financing, issues of leverage, types of co-financing, appropriate co-financing target ratios, how to report uniformly different types of co-financing, etc, come to the forefront. These issues are the subject of on-going discussions with the Implementing Agencies.

25. The co-financing ratios for the projects submitted in this Work Program vary widely – from 1:0.9 to 1:16 (with the exception of Argentina: Enabling Activities Leading to the Second National Communication of the Argentine Government to the Conference of the Parties to UNFCCC, which is an enabling activity project). This is in part a reflection on the type of project, and in part a demonstration of the wide range of co-financing arrangements utilized in GEF projects. Many projects have co-financing ratios greater than 1:3 which is indeed encouraging and a step in the right direction. The Niger: Community-Based Integrated Ecosystem Management Program Under the Community Action Program project, for example, has a significant amount of co-financing, $34 million of co-financing for a GEF commitment of $4.35 million (ratio of 1:8). Much of this is in the form of World Bank IDA credits, but is also significant that some of the co-financing also comes from the local communities who have almost no access to rural micro-credit: the $2m that they are raising is a relatively large amount for them, and is equal to the government share.

26. The amount of Government and other stakeholders co-financing raised in other projects such as the Cuba: Strengthening the National System of Protected Areas (ratio of 1:5), the South Africa: Greater Addo Elephant National Park (ratio of 1:6) or the Capacity-Building for Implementation of Malaysia’s National Biosafety (ratio of 1:5) demonstrates strong country commitment and driveness. Other projects that include a high level of co-financing include Philippines: Asian Conservation Foundation (ratio of 1:9) and the Egypt: Second Matrouh Resource Management Project (ratio of 1:10).

27. Co-financing of $17.7 million for a GEF commitment of $4.5 million for the Polish Energy Efficiency Motors Program is interesting because of the number of sources it is raised from which include the Government of Poland, buyers of electric motors, manufacturers of electric motors, domestic environment funds, and the Polish Foundation for EE/Polish Copper Promotion Center. These sources are diversified between the government, private sector, and foundations.

Coordination and Partnerships
28. The first tranche of the Danube/Black Sea Basin Strategic Partnership was approved by Council in May 2001. This Partnership illustrates cooperation among the 17 countries of the linked basin and large marine ecosystem in working together to address the key transboundary pollution problem being experienced by the Danube Delta and Black Sea. It also illustrates how the three GEF Implementing Agencies can assist the countries according to their comparative advantages. Such a partnership has the potential to achieve greater leverage of resources and facilitate more streamlined implementation of specific measures than could be achieved otherwise and may therefore accelerate on-the-ground restoration efforts.

Private Sector Involvement

29. The Polish Energy Efficiency Motors Program that has a significant private sector component essentially allows the creation of a new marketplace in energy efficient motors by removing barriers to market penetration of these motors. This project is significant because it will give the GEF experience in creating efficient-energy markets that can be replicated in the future.

30. The Sri Lanka: Renewable Energy for Rural Economic Development project engages the private sector through a successful finance model that is both sustainable and replicable. This project follows the first World Bank/GEF project in Sri Lanka, which successfully piloted microcredit delivery to rural households through an NGO and fostered growing solar home systems delivery enterprises. This second project extends that successful model to put the market on a strong commercial and self-sustaining basis and to broaden the credit access and sales to include more lower-income households. The project has a build-in exit strategy with GEF subsidies being gradually phased-out and completely eliminated by the end of the project. The Philippines: Rural Power (Renewable Energy Component) project also provides a microcredit line for consumer purchases of solar home systems, as well as a partial risk guarantee fund for long-term debt financing for private off-grid utility operators.

31. The Croatia: Renewable Energy Resources Project presents another good example of innovative financing mechanisms for renewable energy power projects. There are no capital cost subsidies involved. Rather, GEF provides equity contributions that leverage other commercial financing and will be later recovered and can be used to fund further investments. The equity fund approach also promotes replication by allowing other local and foreign investors to capitalize the equity fund based on GEF seeding. GEF also provides contingent grants for project development costs that are repaid (capitalized into project financing) if project development successfully results in a financed project.

32. The Regional - Czech Republic, Slovak Republic, Estonia, Latvia, Lithuania: Commercializing Energy Efficiency Finance project uses a guarantee instrument that is a market based, commercially oriented tool to assist the private sector investing in profitable energy efficiency. It helps build financial markets in the region through supporting private sector banks' lending to private and public investors. The private sector in these countries will benefit from a better availability of local financing for Energy Efficiency investments at competitive rates. Using modern contingent finance instruments to respond to private sector needs also ensures a very high leverage of funding: with GEF funds of 11.25 m, private investment of $112–225 m as
well as a guarantee facility capitalisation from IFC of $21 m will be leveraged. Considering that only a portion of the guarantee is expected to be utilised, and that a major share of GEF funds will be returned at the end of the project, even further leverage is achieved.

33. The private sector is also harnessed in biodiversity and multi-focal projects as evidenced by the following examples. The Niger Community-Based Integrated Ecosystem Management Program Under the Community Action Program project envisions development of linkages between public conservancies and the private sectors and an environmental investment fund as a long term mechanism for support of conservancies.

34. A unique and exciting partnership between a private equity investment company and a conservation foundation is proposed in the Philippines: Asian Conservation Foundation project, where private investors are willing to forfeit short-term gains from investments to capitalize a conservation trust fund. This is a promising and replicable approach for achieving sustained conservation gains affecting globally significant biodiversity.

35. On the whole, private sector participation and co-financing have become key issues for the GEF portfolio of projects. As evidenced from the project descriptions above, the GEF is beginning to gain experience in understanding how to involve the private sector and facilitate its participation in projects. Positive developments include creating linkages to build public-private partnerships (PPPs) and laying the groundwork for financially sustainable environmental investment “funds”. These will ensure continuity of benefits once GEF funding is exhausted for individual projects.

Mainstreaming of Global Environment Benefits

36. The Papua New Guinea Milne Bay project stands out in terms of mainstreaming global environment benefits by integrating biodiversity consideration and key protected areas into regular development programs. In general, a majority of the projects in this Work Program show evidence of substantial mainstreaming of biodiversity conservation, energy efficiency, and land and water management. These projects include Polish Energy Efficiency Motors Program; Colombia, Costa Rica, and Nicaragua: Reducing Pesticide Runoff to the Caribbean Sea; Integrated Ecosystem Management in Namibia through the National Conservancy Network; and Community-Based Integrated Ecosystem Management Program Under the Community Action Program in Niger. The Sri Lanka: Renewable Energy for Rural Economic Development, with the highest co-financing ratio in this work program (1: 16), is a good example of mainstreaming global environment imperatives in a development issue (electrification of rural areas).

37. The Egypt: Second Matrouh Resource Management project is exemplary in blending environment management and sustainable development objectives. The overarching objective of the project will be rural poverty reduction through sustainable community-driven development. This entails a greater responsibility and authority being passed to local communities which will be prepared, trained and given the requisite guidance to accept such responsibilities.

38. The second tranche of the Danube/Black Sea Basin Investment Fund (Regional - Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Moldova, Romania,
The investment fund represents a good example of mainstreaming in the international waters focal area. Being the investment portion of the Strategic Partnership, the investment fund provides the agreed incremental cost of single country investments in the municipal, industrial, and agriculture sectors that accompany World Bank operations. The 3:1 leverage and the level of effort for implementing on-the-ground measures included in the agreed Strategic Action Programmes prepared by the countries are unprecedented in the IW focal area. As part of the investment fund and its role in the Strategic Partnership, the World Bank has committed to: (a) incorporating in its country dialogue with each of the 15 GEF-recipient countries policies that address nutrient pollution reduction in the agriculture, municipal, and industrial sectors, (b) promoting inclusion of Danube/Black Sea restoration issues in the on-going Country Assistance Strategy (CAS) development processes, and (c) using the Bank’s convening powers and comparative advantage to mobilize funding and engage other donors/partners to achieve an overall contribution of $3 from other sources for every $1 from GEF for pilot subprojects aimed at implementing nutrient reduction measures. This constitutes as test of possible future approaches to accelerate resolution of priority transboundary water issues and conflicts through single country investments and policy reforms.

39. These projects emphasize an integrated approach to ecosystem and regional eco-conservation strategies. They focus on sustainable use of natural resources while building the enabling environment at the same time: participatory decision making at the local, regional, and national levels; strengthening of regulatory and monitoring institutions; and fostering of private sector activities to make the strategies financially sustainable in the long-run.
SUMMARIES OF PROPOSED PROJECTS

Biological Diversity

Algeria:  Conservation and Sustainable Use of Globally Significant Biodiversity in the Tassili and Hoggar National Parks (UNDP); GEF $3.721 m; Total $6.271 m

The Tassili n'Ajjer and Hoggar National Parks cover a total area of 452,000 km², constituting the largest contiguous protected area in Africa and a site of global significance for the conservation of biodiversity in the central Saharan ecosystem. Stakeholder capacity to manage biodiversity is weak creating the danger of biodiversity loss as such risk-prone and fragile environments are uniquely vulnerable to adverse externalities. A comprehensive package of measures is proposed to enable an effective and country-driven conservation initiative that secures global environmental benefits in desert ecosystems. The project will support a process approach, enabling the development of new forms of local governance, based on flexible and plural legal frameworks and institutions that are rooted in an appreciation of the consequences of ecological uncertainty in desert ecosystems. Final outcomes would include permanently staffed, technically autonomous and financially sustainable Protected Area Management Units with clear mandates and appropriate planning, monitoring and law enforcement prerogatives. Collaborative management agreements would involve all key stakeholders in the adaptive, equitable and sustainable use of biodiversity resources and the development of innovative, environmentally-compatible, economic activities which meet livelihood needs. An adaptive management planning process will formalise operational links between the two Protected Area Management Units, integrate PA management with local and national cross-sector development plans and policies and provide a basis for future bio-regional planning and trans-national biodiversity conservation and sustainable use initiatives.

Expected Project Outputs:

Seven key outputs are proposed, with the GEF financing the agreed incremental cost of conservation:

- Institutional capacity build and basic infrastructure developed;
- Collaborative management agreements involving key stakeholders implemented;
- Environmentally compatible and non-intrusive eco-tourism promoted;
- Conservation awareness through targeted Information, Education, and Communication programs;
- Biodiversity monitoring system;
- Management plans based on adaptive management guidelines; and
- Eco-development and sustainable livelihoods.

Cuba:  Strengthening the National System of Protected Areas (UNDP); GEF $ 2.145 m; Total $13.436 m
The project would conserve highly representative assemblages of four globally significant ecoregions in Cuba (Dry Forest, Pine Forest, Moist Forest and Wetland), all classified as the highest priority for conservation. As the largest remnants of these ecoregions are found within protected areas that are still relatively free from anthropogenic pressures, the alternative course of action would seek to strengthen the National System of Protected Areas (SNAP) as the most cost-effective means of conserving these global values. The project would take action, at a demonstration level, to provide both immediate short-term benefits and lessons that could be replicated through the system. This would be achieved through a two pronged approach in which site-specific actions would be undertaken in one pilot protected area per ecoregion and complementary actions delivered system-wide to raise capacities for replication of lessons.

**Expected Project Outputs:**

Supporting a national five-year operational plan for the SNAP, the project would have the following five outputs:

- Strengthened Protected Area Operations and Management;
- Strengthened SNAP Co-ordination and Regulation;
- Management Strategies for Controlling Proximate Threats in Protected Areas (including agriculture, forestry, and bioinvasion threats);
- Education and Awareness Programmes; and
- Visitation Strategies Compatible with Protected Area Conservation Goals.

**Papua New Guinea: Community Based Coastal and Marine Conservation of Milne Bay Province (UNDP); GEF $3.549 m; Total $7.127 m**

Milne Bay Province is located on the eastern extremity of the island of New Guinea, at the edge of the biologically rich “coral triangle”, a globally important storehouse of coastal and marine biodiversity. The project will support community-based conservation management demonstrations, working in three designated Zones that are representative of Milne Bay’s habitat diversity and the many different social settings in the Province. Interventions will seek to establish community-managed marine protected areas (MPAs), geared to securing conservation and sustainable use objectives. With this objective, the project would support social mobilization, planning, awareness, advocacy, monitoring, evaluation and targeted capacity development. To facilitate learning and condition GEF support progressively upon the attainment of conservation outcomes, this proposal seeks funding to pilot the conservation approach in the first of the three target zones. The activities will test and adapt appropriate conservation models to reflect social, economic and ecological specificities in the area, while also establishing an enabling institutional and policy environment for conservation activities across the Province. Subsequent replication would adapt tested conservation approaches to the social and ecological landscapes of the other target zones, while monitoring impacts in Zone 1.

**Expected Project Outputs:**
• An enabling environment for marine conservation and near-shore resource management is established at the provincial, local, and ward levels;
• A representative network of community-based marine conservation and sustainable near-shore resource management areas is established and functioning;
• An environmental education program and conservation awareness activities are imparting marine conservation values and resource management skills to students in formal and informal settings (elementary, primary, and secondary schools, vocational schools and church schools);
• Conservation objectives are overlaid into land use strategies on densely populated small islands and these objectives are carried out;
• Sound monitoring system to keep sustainable use activities within ecological parameters defined and implemented;
• M&E program for the project defined and implemented; and
• Limited targeted research on agriculture, including training and extension to targeted small island communities carried out as part of the proposed baseline. Subsequent replication
• Tested conservation approaches adapted and replicated to other target sites; and
• Impacts from targeted zone monitored.

Philippines: Asian Conservation Foundation (WB/IFC); $1.600 m; Total $16.400 m

This project will conserve significant coastal and marine biodiversity through a unique partnership between a private equity investment company (Asian Conservation Company, or ACC) and a conservation foundation (Asian Conservation Foundation, or ACF). In the initial years of the project, the ACF will channel GEF grant funds and other donor funds to local entities (e.g., NGOs, Local Government) to carry out conservation activities. The conservation activities will include: conservation management, marine enforcement, information-education-communication, sustainable livelihoods, biodiversity research and monitoring, and development of institutional and financial sustainability mechanisms. During the initial years of the project, ACC investee companies will channel some of their revenues into an endowment to be managed by the ACF. After the GEF grant funds are fully utilized, the ACF will sustain the conservation activities through ongoing contributions from ACC investee companies, additional contributions to be catalyzed from other private sector operators, and proceeds from the endowment. This ACC/ACF model is highly innovative because it engages a private equity company to leverage long-term biodiversity support and conservation finance from investee companies. By combining the investment skills of professional fund managers with the biodiversity-related expertise of experienced conservation practitioners, the ACC/ACF proposal presents a promising and highly replicable approach for achieving sustained conservation gains affecting globally significant biodiversity.

Expected Project Outputs:

• Establishment of an effective and replicable model of private sector investment to go beyond the baseline of environmental mitigation and proactively from
partnerships that conserve biological diversity while simultaneously generating profits for investors;

- Establishment of an affective multi-stakeholder project management and conservation mechanism and plan for each site in the network of high priority conservation areas where the ACC invest;
- Multi-stakeholder enforcement programs are established and ensuring that legal and regulatory regimes are fully supportive of this model;
- Stakeholders at each site in the network are aware, supportive of and participating in conservation efforts;
- A suite of functional sustainable livelihood initiatives that help local communities find alternatives to destructive activities, thus enabling them to improve their quality of lives while supporting biodiversity conservation;
- A set of well established institutional and financial sustainability mechanisms to ensure long-term support to conservation initiatives at each site of the network; and
- An effective multi-stakeholder biological and socioeconomic monitoring program that enables the ACC/ACF to understand relevant changes over time at each priority site within its network.

South Africa: Greater Addo Elephant National Park Project (WB); $5.840 m; Total $40.282 m

The project objective is to create the third largest National Park in South Africa around the existing Addo Elephant National Park by supporting innovative models to involve landowners, communities and private sector to conserve globally significant biodiversity in terrestrial and marine environments. It will include 6 out of 7 of South Africa’s biomes including the threatened Succulent Karoo, Fynbos and Thicket biomes. GEF support will be used to: (i) develop an integrated conservation plan/planning and monitoring system for the Park; (ii) support implementation of the Park development plan including rehabilitation of ecosystems and private landowner incorporation and partnership; (iii) provide targeted support to institutions and governance structures to implement the planning and Park management requirements; (iv) support community development so that the community benefits from Park social and economic opportunities and (vi) support regional economic development through removing barriers to Addo becoming a tourist destination and facilitating private sector investment.

Expected Project Outputs:

- A large well managed protected area;
- Removal of threats and causes to biodiversity losses especially through reducing fragmentation of landscape;
- Private sector investment and involvement of the community through proposed social ecology program;
- Sustainable use enhanced through specific policy objectives and programs; and
- Strengthening of SANParks.

Biodiversity – Biosafety
Malaysia: Capacity Building for Implementation of Malaysia's National Biosafety Framework (UNDP); GEF $0.911 m; Total $5.215 m

The project will help consolidate Malaysia’s national capacity for the implementation of the Cartagena Protocol on biosafety. This project will address the capacity building needs of the country so as to be able to implement her national biosafety framework. Specifically, the project will develop the national capacities in biosafety required to: carry out risk assessments with an appropriate scientific and technical level; implement necessary activities for risk management; evaluation and strengthening of legal and regulatory framework; and development of infrastructure for information exchange and data management. The development of national capacities in these areas will consolidate the national framework for biosafety management.

Expected Project Outputs:

- Enhancement of scientific, socio-economic and institutional capacities for risk assessment;
- Development of capacity for developing and implementing a risk management program;
- Building capacity for long-term regime building maintenance; and
- Better institutional coordination and sharing of information.

Climate Change

Regional - Czech Republic, Slovak Republic, Estonia, Latvia, Lithuania: Commercializing Energy Efficiency Finance (WB/IFC); GEF $11.250 m; Total $32.100 m

The project is a replication of the Hungary Energy Efficiency Co-financing Program. IFC will employ a contingent financing modality which uses GEF resources to leverage IFC and private capital. Under the Project, IFC will provide partial guarantees, and related credit enhancement mechanisms adapted to country market conditions, supporting the financing of energy efficiency (EE) projects by domestic financial institutions (FIs), as well as private project sponsors. IFC will serve as guarantor pursuant to guarantee facility agreements with participating local FIs. IFC resources will be combined with GEF funds as reserves supporting the guarantees. The Project includes a complementary technical assistance (TA) program to develop a pipeline of finance-ready EE projects and to build commercial capacities of EE businesses and participating FIs. The Project will mobilize local financial and EE industry resources and commercialize EE finance by engaging key parties - FIs, EE and energy service company businesses and end-users - to implement EE projects on commercial terms.

Expected Project Outputs:

- Reduction of greenhouse gas emissions by 7.4 million mt of CO2 over 10 years at a cost of $0.67/mt by improving the efficiency of energy use for a range of industrial, commercial, and residential applications;
• Through the guarantee mechanisms, support to implementation of EE projects with total investment cost of $112-225 m, assuming 50% partial guarantee cover and 20% private equity;
• Stimulate the development of the EE/ESCO industry by providing access to debt financing for EE projects, technical support for business development and project structuring, and equity-fundraising for EE businesses;
• Yield sustainable capacity for EE lending and investment in the commercial finance sector by building capacity for EE sector lending within participating FIs, establishing business models and marketing mechanisms for EE finance products.

Argentina: Enabling Activities Leading to the Second National Communication of the Argentine Government to the Conference of the Parties to UNFCCC (WB); $1.140 m; Total $1.850 m

The primary objective of this project is to support enabling activities for the preparation of the Second National Communication of the Government of Argentina to the Conference of the Parties to UNFCCC. The Government of Argentina already submitted its First National Communication in 1997 and a revised version in 1999. This project will enable the Government of Argentina to duly satisfy requirements under Art.12.1 of the UNFCCC, in accordance with decisions 10/CP.2, 11/CP.2 and 8/CP.5. This project will complement ongoing activities undertaken by the Government of Argentina to implement the UNFCCC requirements and will: (i) Update and improve GHG National Inventories; (ii) Strengthen local capacities to integrate climate change issues into the planning process and develop public awareness; (iii) Assist in the preparation of national mitigation policies and measures, including identification of mitigation opportunities in transport and electric energy demand side management; and (iv) Assess vulnerability and adaptation options for key ecosystems and agricultural regions.

Expected Project Outputs:

• GHG emissions inventory;
• Vulnerability Assessment;
• Identification of alternatives aimed at reducing GHG emissions;
• Encouragement of public environmentally responsible behavior; and
• Drafting and distribution of Second National Communication to FCCC.

Burkina Faso: Energy Sector Reform Project (WB); GEF $3.290 m; Total $15.590 m

GEF assistance is requested in financing investment, technical assistance, and capacity building for promotion of renewable and energy-efficiency technologies (RETs/EETs). These activities are part of a larger Energy Sector Reform Project (ESRP) under preparation by the World Bank. The development objectives of the ESRP are to reduce electricity costs to the Burkina economy, and to expand peri-urban and rural populations’ access to electricity services. The key rationale for GEF financed interventions – which help generate carbon emission reductions – in the context of a broader thrust in power
sector reforms and electricity access expansion strategy is to place RET/EETs on a stronger footing for competition against more conventional alternatives, thus moving the economy to a lower-carbon energy development trajectory. The project seeks to do so via a ‘learning by doing’ barrier removal strategy – beginning with supporting a ‘critical mass’ of solar PV businesses and helping drive down the local investment and implementation costs. It will also support technical assistance and capacity building efforts for introducing grid-capable RETs in the energy supply mix over the longer term.

**Expected Project Outputs Include:**

- Capacity for sector policy is established in Ministry of Mines & Energy;
- Rural public institutions utilize PV systems;
- Smaller PV systems or lanterns are sold in the market on retail basis, and/or are incorporated in the supply plans of independent grid concessionaires;
- Retail distributors of PV systems increase and spread their reach geographically;
- Installation of energy efficient air-conditioning and lighting systems, and application of associated awareness and training programs, in large public and private sector buildings.

**Croatia: Renewable Energy Resources Project (WB); GEF $6.350 m; Total $27.780 m**

The objective of the proposed project is to help develop an economically and environmentally sustainable market for renewable energy resources in Croatia. Development of this market will make Croatia’s economy less reliant on imported electricity and fossil fuels as well as reduce overall emissions. The project will overcome several policy, financial and technical barriers to implementing renewable energy projects. It will do so by supporting the implementation of a national policy framework that would legally require a minimum share of energy supply to be met from renewable resource, catalyzing investments through creation of critical financial mechanisms, and building knowledge and implementation capacity. GEF grant financing will support technical assistance for policy development and implementation, training, resource assessments, development planning and capacity building; and will provide seed capital for projects. GEF contingent grant will support development costs for investments.

**Expected Project Outputs:**

- Regulatory frameworks;
- Demonstration projects;
- Operating pilot of renewable energy fund;
- Regional energy centers; and
- Renewable energy power developer/financing industry.

**Mexico: Introduction of Climate Friendly Measures in Transport (WB); GEF $6.125 m; Total $12.525 m**
The project is part of a 10 year multi-sector program that seeks to contribute to improvements in air quality in the Mexico City Metropolitan Area (MCMA) through the reduction in the emission of critical pollutants, therefore reducing human exposure and improving health indicators for the large population living in the area. The program focuses on reductions in emissions of particulate matter, ozone precursors and emissions of greenhouse gases from mobile and fixed sources in the MCMA, of which the transport sector has been shown to be a large contributor. The GEF proposal makes part of the larger effort to achieve these reductions and harmonize said efforts with investments that would mitigate greenhouse gases from the transport sector. The effort supported by the proposed GEF operation will promote the introduction of climate-friendly measures and technologies that would strengthen the sustainability of the transport sector. These measures will include: (i) harmonization of sector strategies on air quality issues and Integrated Climate Action Plan for Transport; (ii) definition of an enabling environment to facilitate the implementation of sustainable transport strategies; (iii) Field Test of climate-friendly high capacity vehicles; (iv) technical assistance and training for incorporation of climate change and air quality considerations in the design and analysis of transport strategies; (v) Public awareness and dissemination and (vi) project management. The global objective of the program is to reduce the emission of GHG from passenger ground transport systems in large metropolitan areas. In the longer term, the project is intended to promote a modal shift to a sustainable, cleaner, less GHG emitting ground transport system for the MCMA. This shift complemented with long-term promotion of public transportation and removal of related barriers is expected to result in substantial global impacts.

Expected Project Outputs:

- Harmonization of sector strategies on air quality issues and adoption of an Integrated Climate Action Plan for Transport;
- Definition of an enabling policy and regulatory environment to facilitate the implementation of sustainable transport strategies, including non-motorized transport and permit development of transport corridors;
- Field test of climate friendly high capacity alternative vehicles as a complementary measure to modal shift;
- Technical assistance and training for incorporation of climate change and air quality considerations in the design and analysis of transport strategies; and
- Public awareness and dissemination.

Philippines: Rural Power (Renewable Energy Component) (WB); GEF $10.350 m; Total $36.850 m

The project would contribute towards the global objective of mitigating climate change caused by greenhouse gas (GHG) emissions through wider use of clean, renewable energy technologies in power generation. Due to its archipelago geography – the Philippines comprises some 7,000 islands spread over 300,000 square kilometers – decentralized systems are expected to be the least-cost solution for many of the non-electrified and underserved barangays. It is also expected that environmentally benign renewable energy technologies (RETs), particularly photovoltaic (PV) systems, small hydros and biomass
power systems will be competitive in many such applications, if market barriers to their adoption are reduced. Since a significant component of the project entails the establishment of small independent grids, opportunities for the feasible use and demonstration of stand-alone RETs or diesel/hybrid RETs in minigrid situations would be sought. RETs in minigrid systems currently suffer the vicious cycle of persistent high cost and consequently few applications worldwide. The component to support PV systems builds on successful experiences in other countries and GEF support is sought to remove market entry and market development barriers that have impeded the implementation of such schemes in the Philippines.

Expected Project Outputs:

- Infrastructure is built to provide electricity access to barangays and to rural households who desire it;
- Renewable energy to displace fossil-fueled power generation;
- Rural Electric Cooperatives operations are restructured to make them financially sustainable and efficient;
- National Electrification Administration operations are restructured to make it responsive to the needs of Rural Electric Cooperatives in a restructured power sector and financially sustainable; and
- Rural Power Project Implementation Units function effectively.

Poland: Polish Energy Efficiency Motors Program (UNDP); GEF $4.500 m; Total $22.211 m

The Polish Energy Efficient Motors Program (PEMP) project aims to overcome barriers to increased market penetration of energy efficient motors and related efficiency improvements in electric motor systems. Target sectors of the project are water supply and sewage treatment, generation and distribution of steam and hot water, electricity utilities, mining and chemicals. The project has four main activities to be supported under the GEF. The first major activity focuses on building capacity and raising awareness by providing information and services related to energy efficient electric motor systems. The second major activity involves demonstration projects to establish and showcase the technical and economic benefits of energy efficient motor systems, and increase awareness. The third major activity has the objective of stimulating market transformation and competition through a financial incentive mechanism, supported by coordinated and targeted awareness raising activities. The fourth, a policy component, comprises both institutional and information instruments, and has been identified as a separate component because it addresses a different target group than the other components and requires a different approach on a national government level.

Expected Project outputs:

- Increased energy efficient motor sales in Poland to app. 15% of the total motor market as a direct result of PEMP during the duration of the program (five years);
- Increased efficiency of electric motor systems by increasing the penetration of variable speed drives in combination with energy efficient motors;
• Medium-term increase of energy efficient motors sales of 30% of the total motor market in the year 2010;
• Electricity savings by promoting the optimization of electric motor systems, including the implementation of energy efficient motors and variable speed drives to a level of 55.7 GWh/year in 2006 and 231.6 GWh/year in 2010; and
• Reduced domestic GHG emissions by 885,000 t CO2 by 2006 (cumulative over the project lifetime), and 3.7 million t CO2 by 2010, including the medium-term impact (cumulative over the lifetime of the investments).

Sri Lanka: Renewable Energy for Rural Economic Development (WB); GEF $8.000 m; Total $133.800 m

This project represents a second, follow-on project to the first Energy Services Delivery project. That first project, to close in December 2002, targeted solar home systems, grid-based small hydro, small hydro village mini-grids, and energy efficiency, and has been one of the most successful projects in the GEF portfolio to date. This second project continues to expand markets for solar home systems, adds biomass power generation and off-grid wind, emphasizes new approaches to income generation and social services, explicitly targets poverty reduction, and supports policy frameworks for energy efficiency. An exit strategy and subsidy design maximize sustainability and replication after the project without need of further grant financing.

Expected Project Outputs:

• Solar home systems;
• Institutional and commercial applications of solar PV;
• Wind and biomass power feeding isolated grids;
• Grid-based small hydro plants;
• Village hydro systems;
• Integration of solar and other off-grid options into rural electrification policy;
• Strengthened regulatory frameworks for renewable energy IPPs;
• Proven business models at larger scales for solar home systems; and
• Resolved legal status of village hydro.
INTERNATIONAL WATERS

Regional - Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, and Panama: Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America (UNEP); GEF $7.495 m; Total $13.905 m

During the last decade Mexico and Central American countries have gradually discontinued DDT sprayings for vector control. Malaria, however, still poses a serious risk for the population of these countries. This proposal aims to prevent reintroduction of DDT for malaria control by promoting new integrated vector control techniques and implementing a coordinated regional program to improve national capacities. Major project components will be: the implementation of demonstration projects of vector control without DDT or other persistent pesticides that can be replicable in other parts of the world and which are cost-effective, environmentally sound, and sustainable; the strengthening of national and local institutional capacity to control malaria without the use of DDT; and the elimination of DDT stockpiles in the eight participating countries.

Expected Project Outputs:

- Demonstration projects (9) and dissemination;
- Strengthening of national institutional capacity to control malaria and DDT; and
- Elimination of DDT stockpiles.

Regional – Colombia, Costa Rica, and Nicaragua: Reducing Pesticide Runoff to the Caribbean Sea (UNEP); GEF $4.585 m; Total $10.337 m

This project will demonstrate reduced pesticide runoff to the Caribbean Sea through improved pesticide management throughout the life cycle of pesticides (from manufacture to application and ultimate fate). Project elements include monitoring and assessment of impact; technology alternatives to intensive pesticide use and management practices to reduce runoff and runoff impact; education and training; development of incentives/institutional strengthening; and information management and dissemination. Demonstration projects will be the means of co-ordinating these various elements and will be the basis from which sustainable and widespread interventions will be developed and implemented in the region. Best management practices, training, monitoring, and other elements tested through the demonstration projects will be documented and widely disseminated to facilitate their adoption in the other countries of the Wider Caribbean and beyond.

Expected Project Outputs:

- Validation of Best Management Practices through twelve demonstration projects covering six crops on two types of farms;
- Set of monitoring protocols for the demonstration projects, which will serve as standardized protocols for the countries and possible models for the Wider Caribbean and other regions;
Geo-referenced databases on pesticide runoff available through the CEPNET clearinghouse mechanism on the Internet;

Three certified laboratories, one per participating country;

Well-trained experts capable of further training farmers and other stakeholders; and

Educational and public awareness materials.

**Regional** - Belarus, Bosnia-Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Hungary, Moldova, Romania, Russian Federation, Serbia & Montenegro, Slovak Republic, Slovenia, Turkey, Ukraine: GEF Strategic Partnership on the Danube/Black Sea Basin - WB-GEF Nutrient Reduction Investment Fund: Tranche 2 (WB); GEF $16.000 m; Total $90.800 m

The World Bank-GEF Investment Fund is the investment arm of the GEF Strategic Partnership on the Danube/Black Sea Basin. The Fund constitutes a proposed envelope of US$70 million, to be approved by the GEF Council in several tranches, to grant-finance investment projects in the Black Sea/Danube Basin that aim at nutrient reduction. In May 2001, the GEF Council approved the first tranche of the Investment Fund, US$20 million. Eligible sectors for investment under the Fund include advanced municipal and industrial wastewater treatment, agricultural nutrient pollution control and wetland restoration. The Investment Fund provides a focused regional framework for country level investments aimed at a common goal of combating eutrophication in the Black Sea and allows for a streamlined approach to project processing by the GEF. The GEF Council is now requested to approve tranche 2 of the Investment Fund. The report describes the project pipeline and the stage of development of each project proposal, discusses progress to date on program leveraging targets, and addresses cooperation and coordination of the Fund with the regional projects under the Partnership and other key partners.

**Expected Project Outputs:**

- Sub-projects on nutrient reduction in the agriculture, municipal, and industrial sector that are mainstreamed into World Bank country operations;
- Wetland restoration projects requested by Basin countries;
- Policy dialogue with governments;
- Priority for basin issues in country specific CAS; and
- Policy/legal and institutional reforms in countries.
**MULTIPLE FOCAL AREAS**

*Egypt: Second Matrouh Resource Management Project (WB); GEF $5.120 m; Total $55.670 m*

The overall development objectives of the proposed MRMP II is the conservation, rehabilitation and sustainable utilization of natural resources in the dryland areas of the NWCZ of Egypt through the implementation of an ecologically, socially and economically sustainable operation of biodiversity for the benefit of the local population. The project will integrate watershed management with community-based and demand driven approaches to socioeconomic development. This will be achieved by: (i) assisting communities, including women and the poor, to organize themselves and participate in community-based planning and implementation of development activities; (ii) assisting communities to conserve, rehabilitate and sustainably manage the natural resource base through developing appropriate community-based institutional processes and mechanisms; (iii) improving small holder sustainable agriculture, horticulture and livestock production; (iv) promoting demand-driven non-farm income generating activities, mainly targeting women; and (v) providing improved access to technical, financial and commercial services and market linkages.

*Expected Project Outputs:*

- Formulation and adoption of appropriate policies and regulations to support integrated ecosystem management as assessed by the % of appropriate management plans for the area implemented with full community and stakeholder involvement;
- Reduction in adverse impacts of resource use on the biodiversity as measured by improvement in demographic status of key species and the richness and diversity of habitats;
- Reduction in wind and water erosion; and
- Reduction of net emissions or improved storage of greenhouse gases as measured by increase organic carbon stored under different land-use systems and more efficient use of biomass and non-biomass energy.

*Namibia: Integrated Ecosystem Management in Namibia through the National Conservancy Network (World Bank); GEF $7.395 m; Total $30.395 m*

The Namibian approach towards Community-Based Natural Resource Management (CBNRM) is embedded in an initial policy and legal framework that grants rights over wildlife and tourism management and uses to communities on their lands once they are organized as conservancies. The purpose of the project is to provide GEF support to the development and implementation of the national CBNRM/Conservancy Program by assisting stakeholders under the Namibian Association of CBNRM Support Organizations (NASCO) partnership to establish, operationalize, and strengthen conservancies and related community driven sustainable integrated ecosystem management activities in rural Namibia. The global objective is to enhance biodiversity conservation and to alleviate land degradation by supporting integrated ecosystem management in the expanding conservancy network of Namibia. GEF resources will be used to support targeted
conservancies with global environmentally important assets, strong community-driven demand and ownership, strong perspective for sustainability, where GEF catalytic role leads to additional leverage of resources addressing root causes and other local development needs, which contribute to the development of best practices for dissemination, where replication is facilitated, and which contributes to a landscape approach.

**Expected Project Outputs:**

- Capacity of the CBNRM Association of Namibia to provide support to its member organizations strengthened;
- Emerging conservancies assisted to manage and take care of biodiversity and natural resources sustainability;
- Linkages between the public (conservancies) and private sectors established and promoted;
- Entrepreneurial skills and opportunities in the conservancies developed; and
- Environment and Investment Fund developed as a long term mechanism for support of conservancies.

**Niger: Community-Based Integrated Ecosystem Management Program Under the Community Action Program (World Bank) GEF $4.350 m; Total $38.350 m**

The proposed CBIEM aims at supporting sustainable local development by providing communities in Niger with the means to improve the management of rural and peri-urban ecosystems so as to generate both local and global environmental benefits. It is an attempt to reduce poverty and vulnerability by combating land degradation and desertification in Niger and by conserving and eventually restoring ecological mechanisms. It also aims at increasing the carbon sequestration capacity of dryland ecosystems via an increase in biomass production and a reduction in biomass depletion, particularly with respect to fuel wood consumption.

**Expected Project Outputs:**

- Capacity of local institutions and community associations strengthened to facilitate local development planning, implementation, monitoring, and evaluation;
- Capacity of local government and regional authorities strengthened to support decentralization, including promotion of community-based integrated management of natural resources;
- Legal and policy framework strengthened to support administrative and fiscal decentralization conducive to CBIEM;
- Matching grants facility established and operational providing particular attractive conditions for micro-projects promoting or supporting CBIEM; and
- Cross-sectoral M&E system established able to demonstrate linkages between poverty and the condition of natural resources, providing feedback for rapid program adaptation.