



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

GEF/C.46/06
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GEF Council Meeting
May 25 – 27, 2014
Cancun, Mexico

Agenda Item 11

WORK PROGRAM

RECOMMENDED COUNCIL DECISION

The Council, having reviewed document **GEF/C.46/06**, *Work Program*, approved the work program comprising 37 new and two resubmitted project concepts, one non-expedited enabling activity, and one programmatic approach, subject to comments made during the Council meeting and additional comments that may be submitted in writing to the Secretariat by June 9, 2014.

Total resources approved in this work program amounted to \$241.78 million which include GEF project grants and Agency fees. The work program is comprised of the following Project Identification Forms (PIFs), the non-expedited Enabling Activity and Program Framework Document (PFD):

[List of PIFs, EA, and PFD]

[With respect to the following __ projects, the Council requested the Secretariat to arrange for Council members to receive draft final project documents and to transmit to the CEO within four weeks any concerns they may have prior to the CEO's endorsing the project document for final approval by the GEF Agency.

(List of PIFs requested for second review)]*

With respect to the [PIFs/EA/PFD] approved as part of the work program, the Council finds that each of these PIFs (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 GEF Agency, provided that the final project documents fully incorporate and address the Council's and the STAP reviewer's comments on the work program, and that the CEO confirms that the project continues to be consistent with the Instrument and GEF policies and procedures.

With respect to any PIF approved in this work program, the final project document will be posted on the GEF website for information after CEO endorsement. If there are major changes to the project scope and approach since PIF approval, the final project document shall be posted on the web for Council review for four weeks prior to CEO endorsement.

**This paragraph will apply only should one or more Council Members request specific projects be reviewed by them prior to CEO endorsement*

EXECUTIVE SUMMARY

1. The proposed work program presents the last set of full-sized project concepts and a programmatic approach for approval by the Council as GEF-5 comes to a conclusion.
2. The total work program resources presented to Council for approval under GEF Trust Fund amount to \$241.78 million, which includes \$221.54 million in GEF project grants and \$20.24 million in Agency fees. The work program consists of 37 new and two resubmitted project concepts, one non-expedited enabling activity and one programmatic approach.
3. Co-financing associated with the proposed work program amounts to \$1.16 billion. Each dollar of GEF grant is matched by \$5.10 in co-financing, which is comparable to the average co-financing of \$5.52 in the previous replenishment period. Leading contributions to co-financing come from governments, GEF Agencies, and the private sector accounting for 85 percent of the total co-financing resources.
4. Two project concepts deferred by Council from the March 2014 Intersessional Work Program are being resubmitted as part of this work program.
5. All project concepts in this work program have been screened by the Scientific Technical Advisory Panel (STAP). The advice provided will be taken into consideration by GEF Agencies in their project preparations and revisited by the Secretariat at the time of project endorsements.
6. Thirty five countries have used their STAR¹ country allocations for a total of \$151 million directed to projects in biodiversity, climate change and land degradation. With the approval of this work program, grant utilization of allocated resources under the STAR would have reached 95 percent in biodiversity, 87 percent in climate change and 83 percent in land degradation focal areas. In the non-STAR focal areas, grant utilization would have reached 91 percent in international waters, 97 percent in persistent organic pollutants (POPs) and 93 percent in ozone depleting substances.
7. The cohort of stand-alone climate change mitigation (CCM) projects, together with CCM components included in multi-focal area (MFA) projects are expected to mitigate a total of 13.5 million metric tons of CO₂ equivalent in their life time operations.
8. Five multi-focal area projects in this work program access financing from sustainable forest management (SFM) and REDD+² resources to support landscape approaches which strengthen provisions for ecosystem services while at the same time seeking opportunities to promote sustainable livelihoods and contribute to rural sustainable development.

¹ System for Transparent Allocation of Resources (STAR)

² REDD+ = Reducing Emissions from Deforestation and Forest Degradation.

9. If the work program is approved as submitted, 47 recipient countries will benefit from GEF support across the globe, including 16 Least Developed Countries (LDCs), and four Small Island Developing States (SIDS). This is not to mention the intended 76 recipient countries that will be supported by the *Global Project for Sustainable Capacity Building for Effective Participation in Biosafety Clearing House*.

10. Finally, when this work program is approved, the total resources programmed would have reached \$3.75 billion or close to 88.15 percent of total resources targeted for programming in GEF-5.

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Where to send technical comments:

It is requested that Council Members send their technical comments electronically (in Word file) to the GEF Secretariat's program coordination registry at: gcoordination@TheGEF.org

PROJECTS/PROGRAM IN THIS WORK PROGRAM

1. The work program contains 37 new and two resubmitted stand-alone project concepts in the form of Project Identification Forms (PIFs) spanning four focal areas: biodiversity, climate change, international waters and land degradation.
2. One non-expedited enabling activity is being included in this work program because it has exceeded the delegated approving authority of the CEO. Therefore, it needs the Council review and approval.
3. One programmatic approach is presented in this work program in the form of a Program Framework Document (PFD) drawing its resources from the public-private partnership set aside.
4. The Council is requested to review and approve all 39 project concepts, one non-expedited enabling activity and one programmatic approach including their associated Agency fees as presented in Annex A.

GEF RESOURCES REQUESTED FOR THE MAY 2014 WORK PROGRAM

5. This proposed work program consists of 37 new and two resubmitted project concepts, one non-expedited enabling activity, and one programmatic approach requesting GEF project grants totaling \$221.54 million and Agency fees of \$20.24 million from the GEF Trust Fund. (see Annex A for the financial details of the PIFs, EA and PFD).
6. Table 1 indicates the amount of GEF resources requested by focal area. It depicts the number of projects drawing exclusively from individual focal areas, and as such excludes resources that were programmed to the nine multi-focal area (MFA) projects which are presented in a separate line item under MFAs.³

Table 1. GEF Resources Requested in the May 2014 Work Program⁴ by Focal Area

Focal Area	Number of Projects	Resources Requested (\$ million)		
		GEF Project Grant	Agency Fees	Total GEF Resources Requested in this WP
Biodiversity	12	59.28	5.52	64.80
Climate Change	12	48.53	4.61	53.14
International Waters	7	59.97	5.52	65.49
Land Degradation	1	2.64	0.25	2.89
Multi-focal	9	51.12	4.34	55.46
Total	41	221.54	20.24	241.78

* Agency fees are calculated at 9.5% or 9% of the GEF Project Grant for projects requesting up to \$10 million or above \$10 million, respectively. Agency fee for a program is calculated at 8% of the GEF Program Grant in this case as the PFD is submitted by a GEF Agency with a board that approves projects.

³ MFA projects are proposals with mixed funding from different focal areas.

⁴ The number of projects in the Work Program consists of 37 new and two resubmitted stand-alone PIFs, one non-expedited enabling activity and one programmatic approach (PFD).

7. This work program addresses 22 of the 31 GEF focal area objectives set forth in the GEF-5 Programming Document. Table 1a shows how GEF resources are spread out according to the focal area objectives.

Table 1a. Distribution of GEF Resources by Focal Area Objectives in the Work Program

Focal Area	Code	Focal Area Objectives	GEF Resources (\$million)
Biodiversity	BD-1	Improve Sustainability of Protected Area Systems	9.64
	BD-2	Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors	26.11
	BD-3	Build Capacity for the Implementation of the Cartagena Protocol on Biosafety (CPB)	10.93
	BD-4	Build Capacity on Access to Genetic Resources and Benefit Sharing	18.69
Climate Change	CCM-1	Technology Transfer: Promote the demonstration, deployment, and transfer of innovative low-carbon technologies	9.60
	CCM-2	Energy Efficiency: Promote market transformation for energy efficiency in industry and the building sector	11.63
	CCM-3	Renewable Energy: Promote investment in renewable energy technologies	19.04
	CCM-4	Transport/ Urban: Promote energy efficient, low-carbon transport and urban systems	11.77
	CCM-5	LULUCF: Promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry	6.36
	CCM-6	Enabling Activities: Support enabling activities and capacity building under the Convention	1.85
Capacity Development	CD-2	Generate, access and use of information and knowledge	0.31
	CD-5	Capacities enhanced to monitor and evaluate environmental impacts and trends	0.31
Chemicals	CHEM-1	Phase out POPs and reduce POPs releases	0.77
International Waters	IW-1	Transboundary Basins/ Aquifers: Catalyze multi-state cooperation to balance conflicting water uses in trans-boundary surface and groundwater basins while considering climatic variability and change	15.58
	IW-2	Large Marine Ecosystems/ Coasts: Catalyze multi-state cooperation to rebuild marine fisheries and reduce pollution of coasts and Large Marine Ecosystems (LMEs) while considering climatic variability and change	31.98
	IW-3	IW Capacity Building: Support foundational capacity building, portfolio learning, and targeted research needs for joint, ecosystem-based management of trans-boundary water systems	23.69
Land Degradation	LD-1	Agricultural and Rangeland Systems: Maintain or improve flow of agro-ecosystem services to sustaining the livelihoods of local communities	3.59
	LD-2	Forest Landscapes: Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people	4.54
	LD-3	Integrated Landscape Management: Reduce pressures on natural resources from competing land uses in the wider landscape	4.01
	LD-4	Adaptive Management and Learning: Increase capacity to apply adaptive management tools in SLM	2.64
Multi-focal Area	SFM/REDD+-1	Forest Ecosystem Services: Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services	5.36
	SFM/REDD+-2	Reducing Deforestation: Strengthen the enabling environment to reduce GHG emissions from deforestation and forest degradation and enhance carbon sinks from LULUCF activities.	0.89

STATUS ON THE USE OF GEF-5 RESOURCES

8. Table 2 presents the status of resources in each focal area and corporate programs, showing the target allocations in GEF5 and cumulative resources utilized after the inclusion of the proposed work program amount.

**Table 2. Status of Resources Programmed under GEF-5⁵
by Focal Area and Corporate Program**

GEF-5 Focal Area	Target Allocations in GEF-5		Resources Requested for May 2014 Work Program Including Fees (\$ million)		Total GEF-5 Resources Programmed* (\$ million)			% of GEF-5 Resources Used
	Amount (\$ million)	%	Grant	Fees	Grant	Fees	Total	
Biodiversity	1,080	25.41%	65.86	6.10	935.51	86.48	1,022.00	94.63%
Climate Change	1,260	29.65%	59.80	5.44	1,002.88	94.04	1,096.92	87.06%
International Waters	440	10.35%	72.05	6.62	368.56	33.47	402.03	91.37%
Land Degradation	385	9.06%	12.51	1.08	295.30	26.06	321.35	83.47%
Persistent Organic Pollutants (POPs)	375	8.82%	-	-	331.44	31.86	363.29	96.88%
Ozone Depletion	25	0.59%	-	-	21.39	1.98	23.36	93.45%
Sound Chemicals Management and Mercury Reduction	25	0.59%	-	-	16.00	1.57	17.57	70.28%
CSP and Capacity Building	70	1.65%	-	-	37.23	3.57	40.80	58.28%
Small Grants Program	140	3.29%	-	-	134.62	5.38	140.00	100.00%
SFM/REDD-Plus Program	250	5.88%	6.33	0.60	131.04	12.40	143.44	57.38%
Outreach to Private Sector	80	1.88%	5.00	0.40	55.18	4.42	59.60	74.50%
Corporate Budget ⁶	120	2.82%	28.57	-	115.86	-	115.86	96.55%
Total: Resources Utilized	4,250	100.00%	250.11	20.24	3,445.00	301.23	3,746.23	88.15%

1. The Small Grants Program (SGP), which is a corporate program, is programmed from resources made directly available to the SGP under the replenishment, in addition to resources earmarked by countries under the STAR in the biodiversity, climate change and land degradation focal areas.

2. Funds for MFA projects/programs in this table were charged to the different focal areas based on their respective allocations in the project/program documents. Hence, there is no line item for MFAs in this table.

⁵ Total GEF-5 resources programmed are inclusive of all the resources approved to date and resources requested in this work program.

⁶ These numbers are based on an expected FY15 corporate budget of request of \$28.57 million. Estimated GEF-5 corporate budget resources programmed would, therefore, total \$115.86 million, which also includes: actual corporate budget expenditures for FY12 and FY13 (respectively \$26.43 + 29.89 million) and the approved FY14 corporate budget of \$30.97 million.

9. Total resources programmed under GEF-5 to date, including Agency fees, amount to \$3.75 billion or 88.15 percent of the target allocation as shown in Table 2. This table also presented total utilization by focal area and corporate programs.

10. In this work program, 35 recipient countries have used STAR country allocations to fund projects worth \$151 million in biodiversity, climate change and land degradation focal areas.

DISTRIBUTION OF GEF PROJECT GRANTS BY REGION AND FOCAL AREA

11. Table 3 shows the regional distribution of project proposals in this proposed work program. Of the total GEF project grants of \$221.54 million requested in this work program, Africa and Asia received equal shares of 26 percent each, followed by Latin America and the Caribbean and Global with almost equal shares of 20 percent each, and Europe and Central Asia with 8 percent. In all, 47 countries across the globe will benefit from this work program, including 16 LDCs and 4 SIDS.

Table 3. Distribution of GEF Project Grants in the May 2014 Work Program by Region and Focal Area

Focal Area	Project Grants by Region (\$ million)					
	Africa	Asia	Europe and Central Asia	Latin America and the Caribbean	Global	Total
Biodiversity	3.86	8.56	2.33	13.03	31.50	59.28
Climate Change	17.81	14.72	10.67	5.33	-	48.53
International Waters	10.90	28.50	-	15.58	4.99	59.97
Land Degradation	-	-	-	-	2.64	2.64
Multi-focal	23.94	4.77	4.24	11.21	6.97	51.12
Total	56.51	56.55	17.24	45.15	46.09	221.54
% resources programmed for region	25.51%	25.53%	7.78%	20.38%	20.81%	100.00%

DISTRIBUTION OF PROPOSALS BY AGENCY

12. Table 4 shows the distribution of project proposals submitted by eight of the ten GEF Agencies and by two new GEF Project Agencies. One project is to be jointly implemented by two GEF Agencies.

13. Total Agency fees⁷ requested amount to \$20.24 million or 8.1 percent of the total GEF project grants.

⁷ Effective January 1, 2013, projects up to \$10 million will have an Agency fee of 9.5% of the GEF project grant while projects above \$10 million will have 9% of the GEF project grant. Agency fee for Programmatic approach, regardless of the grant amount, is at 8% or 9% of the GEF program grant, depending on the type of program. This is based on Council decision on Fee Structure for Agencies, Part I, GEF/C.42/08)

Table 4. Distribution of Proposals by Agency in the May 2014 Work Program

Agency	Number of Projects	Resources Requested (\$ million)		
		GEF Project Grant	Agency Fees	Total GEF Resources Requested in this WP
AfDB	1	12.01	1.08	13.10
CI	1	9.80	0.88	10.68
FAO	6	21.16	2.01	23.18
IADB	4	16.11	1.46	17.56
IFAD	1	4.77	0.45	5.22
UNDP	17	87.04	7.77	94.81
UNDP/UNEP	1	4.99	0.47	5.46
UNEP	4	28.56	2.64	31.20
UNIDO	3	14.96	1.42	16.38
World Bank	2	13.12	1.25	14.37
WWF-US	1	9.02	0.81	9.83
Total	41	221.54	20.24	241.78

CO-FINANCING

14. Table 5 shows the distribution of co-financing levels of the projects proposed in this work program by co-financier and by focal area.

15. Co-financing associated with the proposed work program amounts to \$1.16 billion. Each dollar of GEF grant is matched by \$5.10 in co-financing, which is comparable to the average co-financing ratio of 1: 5.52 in the last replenishment period (GEF 4).⁸

16. There is an increasing trend in co-financing through the five GEF replenishment periods with GEF-5 registering the highest co-financing ratio of 1: 6.24 as shown in Table B.1 in Annex B.

⁸ The details on co-financing for this work program are presented in Table 5; historical co-financing trends can be found in Table B.1 in Annex B.

Table 5. Distribution of Co-financing in the May 2014 Work Program by Co-financiers (\$million)

Type	Biodiversity	Climate Change	International Waters	Land Degradation	Multi-focal Area	Total
GEF Project Grant	59.28	48.53	59.97	2.64	51.12	221.54
PDF/PPG	1.65	1.04	1.40	0.10	1.13	5.31
Total GEF Grant	60.93	49.57	61.37	2.74	52.25	226.85
<i>Co-Financier</i>						
Bilateral	35.32	1.03	10.60	-	28.30	75.24
Foundation	-	-	0.30	-	0.73	1.04
GEF Agency	30.93	4.00	16.82	5.30	85.16	142.21
Government	98.76	112.19	370.36	-	64.49	645.80
Multilateral	30.79	2.19	16.44	-	8.50	57.93
NGO	6.80	6.54	6.46	0.70	2.24	22.75
Private Sector	-	111.69	28.65	-	40.50	180.84
Others	4.65	20.82	6.50	-	-	31.97
Total Cofinancing	207.25	258.45	456.13	6.00	229.93	1,157.76
Total Project Cost	268.18	308.02	517.50	8.74	282.18	1,384.62
GEF: Cofinancing Ratio	3.40	5.21	7.43	2.19	4.40	5.10
Percentage Cofinancing	77.28%	83.91%	88.14%	68.65%	81.48%	83.62%

17. The three largest contributors of project co-financing are governments, the private sector and the GEF Agencies which accounted for 84 percent of the total co-financing.

INNOVATIVE ELEMENTS, SUSTAINABILITY AND SCALABILITY AMONG PROJECTS

18. This work program has selected several projects showcasing their innovative features, sustainability and prospects for scalability. They are described below.

Biodiversity

19. Two megadiverse countries, Brazil and Mexico, have put forward the most significant projects in the history of the GEF biodiversity program to advance implementation of the Nagoya Protocol.

20. Brazil has pioneered the legislation related to the access to genetic resources and the sharing of benefits derived from their utilization. Indeed, more than 13 years ago, Brazil started establishing an interim national access to benefit sharing (ABS) framework with Provisional Measure 2186-16 (the de facto ABS law in Brazil), Decree 3945-2001 (establishing and regulating the Council for Genetic Heritage Management), Decree 5459-2005 (on penalties), and Decree 6915-2009 (distribution of profits and royalties). With the adoption of the Nagoya Protocol by the Conference of the Parties (COP) in 2010, Brazil aims to re-focus its domestic

legislation aiming at the ratification of the protocol and the implementation of its measures. The project, *“Brazil: Capacity Building and Institutional Strengthening on the National Framework for Access and Benefit Sharing under the Nagoya Protocol,”* (IADB, GEF Project Grant: \$4.40 million, Co-financing: \$4.40 million), will support Brazil to ratify the Nagoya Protocol, harmonize existing laws and regulations on genetic resources, with the measures needed to comply with the Nagoya Protocol, develop a national electronic management knowledge system to make information readily available to potential users of genetic resources, and improve awareness, capacities and ABS negotiation skills of indigenous people and local communities.

21. In Mexico, a number of laws and regulations address natural resources and the use of genetic resources and traditional knowledge and they are administered by a variety of institutions. However, these laws are not necessarily aligned with the requirements of the Nagoya Protocol, nor managed by one administrative entity. As a result, the existing systems do not provide the necessary legal certainty required for users and providers of genetic resources to engage in ABS agreements with the knowledge that they are in full compliance with existing legislation and regulation. Therefore, the focus of the project, *“Mexico: Strengthening of National Capacities for the Implementation of the Nagoya Protocol,”* (UNDP, GEF Project Grant: \$2.28 million, Co-financing: \$8.43 million) is to build the appropriate legal framework and enhance the institutional capacity of national authorities to ensure that the provisions of the Nagoya Protocol are met when ABS agreements are developed. This project will develop a national strategy for the conservation and use of genetic resources and associated traditional knowledge and strengthen national institutions in charge of administering the access and monitoring of genetic resources under the provisions of the Nagoya Protocol.

22. In response to the Conference of the Parties (COP) Decision XI/5, Appendix 2, the GEF is providing further support to all eligible Parties for capacity-building in the use of the Biosafety Clearing-House, through the project, *“Global: Sustainable Capacity Building for Effective Participation in the Biosafety Clearing House (BCH),”* (UNEP, GEF Project Grant: \$4.70 million, Co-financing: \$ 9.72 million). The objective of this project is to strengthen the capacity of countries to use the BCH, the mechanism set up by the Cartagena Protocol on Biosafety to facilitate the exchange of information on Living Modified Organisms (LMOs) and assist the Parties to better comply with their obligations under the Protocol. This project will support capacity building in the 76 countries that did participate in the previous projects that supported the BCH.

Climate Change Mitigation

23. This work program includes 12 climate change project proposals, together with four multi-focal area project proposals that include climate change components and is expected to mitigate 13.5 million tons of CO₂ equivalent.

24. Among the cohort of projects proposed for this work program, six address various aspects of biofuels, charcoals, and waste for energy. They take place in Angola, Argentina, Benin, Nigeria, South Africa, and Thailand. For example, the project titled *Promotion of Sustainable Charcoal in Angola through a Value Chain Approach* (UNDP, GEF Project Grant: \$4.62 million, co-financing: \$13.16 million) seeks to reduce unsustainable and greenhouse gas (GHG)-

intensive charcoal production and utilization. The main innovative feature of this project is its aim to address the charcoal value chain, from more resource-efficient production use, and charcoal waste collection, as well as certification of green charcoal products. An inclusion of a national model scheme for commercial financing with local financial institutions for improved kiln and briquetting technologies aims to ensure that commercially-based financial platforms could be scaled up on a national basis for sustainability. This project, as well as others, is also expected to generate practical lessons learned for neighboring countries that seek to address similar issues.

25. The project on *Lesotho: Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4All) Progress* (UNDP, GEF Project Grant: \$3.50 million, Co-financing: \$9.43 million) aims to support the country's efforts to build a foundation of public policy to support the goals of Sustainable Energy for All, increase rural electrification, and establish new business models for renewable energy. An enabling environment of coherent policy, accurate data, supportive legislation, investment frameworks and effective governance that set the rules of the game is critical to achieve the objectives of the national energy targets and SE4ALL Action Agendas. To ensure further replication and scale-up, financing schemes supported by the project will continue to operate after project completion.

26. In the field of energy efficiency, the project on *Trinidad and Tobago: Improving Energy Efficiency in the Social Housing Sector* (IADB, GEF Project Grant: \$2.55 million, Co-financing: \$11.70 million) is a first of its kind in Trinidad and Tobago to introduce innovative technologies in the social housing sector, including improved architectural designs, passive building elements, and large-scale energy efficiency measures. The creation of a regulatory framework, combined with capacity building, is anticipated to provide a favorable policy environment to promote market transformation in the building sector.

International Waters

27. The seven international waters proposals and two multi-focal projects in this work program all address regional and global issues of importance, ranging from foundational projects facilitating the process of identifying common topics of concern, over implementation of the commonly agreed Strategic Action Programme (SAP) leading to regional priority setting and national policies to support its implementation. Further, this work program will also support knowledge management processes within and beyond the GEF IW portfolio.

28. The regional project on *"Integrated Water Resources Management in the Titicaca-Desaguadero-Poopo-Salar de Coipasa (TDPS) System"* (UNDP, GEF Project Grant: \$6.56 million, Co-financing: \$33.46 million) is targeting the Titicaca watershed in the high Andean plateau shared by Bolivia and Peru. The project will be formalizing a IWRM in the basin. The project will be following the Transboundary Diagnostic Analysis (TDA) - Strategic Action Programme (SAP) methodology, proposing an intervention directed at addressing the important structural causes of environmental degradation in the TDPS system, such as policy and institutional problems, and will facilitate the development of, and agreement on, a broad binational instrument of policies based on the principles of Integrated Water Resource Management. The SAP will be central for the long-term sustainability of investments and for up-

scaling in the TDPS system towards sustaining the ecological flows and services central for sustainable economic development, while it may also serve as providing key lessons to inform the GEF-6 program on high altitude melting glaciers.

29. The regional project on “*Enabling Transboundary Cooperation for Sustainable Management of the Indonesian Seas*” (FAO, GEF Project Grant: \$4 million, Co-financing: \$15.5 million) is targeting the Indonesian Sea LME (ISLME) situated at the confluence of the Pacific and Indian Oceans, and is bordered by Indonesia and Timor-Leste. The project will develop and agree on a Strategic Action Programme (SAP) based on a Transboundary Diagnostic Analysis (TDA), for the ISLME leading to reduced stress on the marine resources and ecosystem through improved understanding of LME processes and the development of sustainable ecosystem-based management actions. The TDA/SAP process will be conducive for replicability and scaling-up as well as provide the basis for future cooperation on threats to fisheries and the broader marine ecosystem in the ISLME, working on the regional, national and local level towards strengthening the community livelihoods and engagement in fisheries and land-based sources of pollution management.

30. The regional project titled “*Realizing the Inclusive and Sustainable Development in the Benguela Current Large Marine Ecosystem Region through the Improved Ocean Governance and the Integrated Management of Ocean Use and Marine Resources*” (UNDP, GEF Project Grant: \$10.90 million, Co-financing: \$174.39 million) in Angola, Namibia and South Africa will ensure the long-term sustainability of one of the world's richest marine ecosystems in one of the poorer regions in the world where people have few alternatives to fishing for their livelihood and sustenance. The BCLME is innovative in that it has succeeded in building tremendous high-level regional and national political support and is now entering the phase of implementation at the regional, national and even community scales. The project will a) implement the Strategic Action Program and the Benguela Current Convention at regional and national levels through the promotion of standards and best practices and the establishment of new national ocean policies; b) ensure community-level and private sector engagement in BCLME SAP and Convention implementation; and, c) build human and institutional capacity to ensure the long-term sustainability of the BCLME and its emerging governance structure. Through the sharing of experiences and knowledge, the community and nation-specific activities are expected to be scaled-up elsewhere, which will lead to a stronger regional approach to ensuring the sustainability of the BCLME and greater awareness and innovation regionally and globally.

Land Degradation

31. The land degradation focal area is represented by eight (8) projects, utilizing a total of \$13.6 million of the focal area resources for this work program. The work program includes one (1) stand-alone LD FA project, and seven (7) multi-focal area projects utilizing resources from biodiversity (\$ 5.02 million), climate change (\$ 6.84 million), international waters (\$13.17 million), and the SFM/REDD+ incentive (\$ 3.41 million). The stand-alone project accounts for only \$2.89 million of the focal area grant, but addresses an important gap in the overall GEF-5 programming. Among the multi-focal area projects, there is one on sustainable management of peatlands in Indonesia, which also adds an important dimension to the focal area portfolio with respect to climate change mitigation.

32. The project on *Global: Participatory Assessment of Land Degradation and Sustainable Land Management in Grassland and Pastoral Systems* (FAO, GEF Project Grant: \$2.64 million; Co-financing: \$6 million) proposes to address an important priority for the land degradation focal area. It has to do with sustainability and resilience of rangelands where the risks of desertification has major livelihood implications for pastoralist communities. Rangelands represent some 25 percent of the global land area, including the Sahel in Sub-Saharan Africa, the steppes of Central Asia, and the Highlands of Latin America. They provide significant ecosystem services especially used by nomadic and poor agrosylvo-pastoral stakeholders for the production of beef, mutton, goat, and milk. The practices and processes that underpin the livelihood of these communities are crucial for safeguarding the overall ecosystem. Yet there is no global framework or set of tools to monitor and quantify the multiple environment and development benefits in these fragile ecosystems. The FAO is working to address this need in the baseline investment, and the additional support from GEF will facilitate engagement with pastoral, grassland, and agrosylvo-pastoral stakeholders in nine countries from the three regions. This will ensure the delivery of practical knowledge resources that will serve as public good for improved decision making on management of pastoral rangelands at multiple scales, and to inform future investments for long-term sustainability.

Multi-Focal Area Projects Under the Sustainable Forest Management (SFM)/REDD+ Incentive Mechanism and Other Multi-Focal Area Projects

33. This work program features five multi-focal area projects under the sustainable forest management. They present a diverse and innovative set of initiatives which focuses on strategies to deliver multiple benefits across a variety of ecosystems and landscapes. These projects, by utilizing a multi-focal area approach are able to contribute towards the goals and objectives of multiple Conventions. The work program utilizes a total of \$5.67 million from the SFM/REDD+ Incentive Mechanisms to address the causes of deforestation and forest degradation through multi-focal area projects in Benin, Bolivia, Indonesia, Mozambique, and Nigeria. These resources, in turn, brought together \$17.22 million in GEF grants for projects drawing on the SFM/REDD+ mechanism through investments coming from biodiversity (\$5.71 million), climate change mitigation (\$5.88 million), and land degradation (\$5.62 million) focal areas, seeking multiple benefits derived from forests. These projects are focused on providing support at landscape level to strengthen forest ecosystem services provision while at the same time promoting sustainable livelihoods and contributing to rural sustainable development.

34. In Bolivia, the multi-focal area project on *Sustainable Management of Forest Ecosystems in Amazonia by Indigenous and Local Communities to Generate Multiple Environmental and Social Benefits* (UNDP, GEF Project Grant: \$6.20 million [BD \$3.76 million, LD \$0.89 million, SFM/REDD+ \$1.55 million]; Co-financing: \$26.37 million) is expected to promote increased resilience and to ensure that forest ecosystems are managed by indigenous and local communities for environmental benefits, as well as local benefits that reinforce the communities' continued motivation. The project will develop and strengthen the enabling environment by developing institutional mechanisms and, improving capacities in governmental and indigenous structures to implement SFM. The project will ensure the long-term conservation status of globally important forest habitats, covering at least 350,000 hectares, by the strengthening of community-based governance and the generation of sustained economic benefits from the sale of

NTFPs. Sustainable land management practices will be applied over an area of 125,000 hectares of non-forest land in the landscapes. The project is estimated to address deforestation leading to the avoidance of an estimated 248,325 tons of C₂ equivalent.

35. In Mozambique, the initiative on a multi-focal area sustainable forest management project titled *Payment for Ecosystem Services to Support Forest Conservation and Sustainable Livelihoods* (FAO, GEF Project Grant: \$3.64 million [BD \$1.94 million, CC \$0.77 million, SFM/REDD+ \$.091 million], Co-financing: \$11.50 million) aims to develop and implement an effective payment for ecosystem services (PES) mechanism. This will be built on the Ministerial Decree ordering 20 percent of all governmental taxes and fees collected from the use of forests, wildlife and protected areas go to local communities. The project will ensure for accountable and equitable disbursement of fees by linking payments to environmental enhancement and performance and through creating the capacity to implement and monitor the PES mechanism. The PES mechanism will be established in Zambezia province and is expected to result in 400,000 hectares of Miombo forest managed under sustainable practices, together with a 5 percent increase in forest cover. The project is estimated to secure carbon benefits totaling 1.39 million tons of CO₂ equivalent.

36. The multi-focal area sustainable forest management project titled *Sustainable Fuelwood Management in Nigeria* (UNDP, GEF Project Grant: \$4.40 million [CC \$2.2 million, LD \$1.1 million, SFM/REDD+ \$1.1 million], Co-financing: \$15.90) focuses on Cross River State where deforestation rates have been as high as 2.2 percent yearly mainly attributed to agricultural expansion and unsustainable wood extraction for timber and fuel wood. The proposed project will promote improved cook stoves and complement it with measures to promote sustainable forest management by local communities. Establishment of community forests and involving local communities in their management would increase their understanding of need for efficient fuel and engender higher interest in cook stoves. Formulation of a business model based on local conditions and needs would help engage locals in such schemes and the project also relies on the communities to build these cook stoves. The project will result in 50,000 hectares of forestlands under improved community-based forest management. Direct GHG emission reduction from use of efficient cook stoves is estimated at 20,000 tons of CO₂ equivalent per year.

SMALL GRANTS PROGRAM USING STAR RESOURCES

37. The project titled *"Fifth Operational Phase of the GEF Small Grants Program- Using STAR Resources III"* (UNDP; GEF Project Grant: \$6.95 million; Co-financing: \$7.25 million) is a multi-focal area global project which includes eleven countries that have endorsed STAR funds for GEF SGP country programs. Some of these countries have well-established programs and have developed a significant portfolio of projects with high demands from the communities for project funding. The STAR funds will supplement the core grant allocation of GEF SGP in these 11 country programs, so that the GEF can continue to channel funds to community-based and civil society organizations in these countries, commensurate with their higher absorptive capacity. The GEF SGP approach encourages local innovation and creativity, by maximizing the use of local knowledge and capacity, allowing greater flexibility and enhancing adaptability of projects. Innovation arises when a greater degree of freedom is allowed, and local conditions are respected during project development and implementation. It is anticipated that the GEF SGP

STAR funding for these 11 countries will support at least 120 projects (should the maximum grant amount \$50,000 be utilized) or as many as 240 projects (at the average grant making of \$25,000 per project).

PUBLIC-PRIVATE PARTNERSHIP OUTREACH

38. One of the barriers to greater private sector participation in sustainable and climate-smart agriculture practices is the perception of risk and the long payback periods for investments. The programmatic approach espoused by the *IDB-GEF Climate-Smart Agriculture Fund for the Americas* (IDB, GEF Program Grant: \$5 million; Co-financing: \$50.85 million) will address this barrier by identifying opportunities and developing detailed economic and financial ecosystem services, appraisals and market studies. This innovative program will support targeted investments in small and medium-sized enterprises to foster climate-smart agriculture, providing climate mitigation and land degradation benefits. This program illustrates the integration of focal area objectives and through engagement with private sector partners.

39. An indicative pipeline of potential investments has been developed in Paraguay, Bolivia, Chile, Brazil, and Honduras. Examples of investments include: reforestation of degraded pasture land; loans to small holders for agricultural services and water resiliency; sustainable aquaculture certification; productive use of degraded lands; and certification of sustainable coffee production.

40. The proposed GEF grant will address financial barriers by providing debt with long tenors, guarantees, and low collateral requirements. It will be co-financed with a \$20 million hard loan from IDB, \$30 million from private sector, and \$850,000 technical assistance grant from IDB. Estimated benefits include 3 million tons of CO₂ equivalent sequestered, 300,000 hectares certified improved land use; and 16,500 hectares with climate resilient technologies/practices.

SUMMARY OF STAND-ALONE PIFs, NON-EXPEDITED EA, AND PFD IN THE MAY 2014 WORK PROGRAM⁹

Biodiversity

1. **Global:** Effective Mainstreaming Biodiversity Conservation into Government Policy and Private Sector Practice: Piloting Sustainability Models to Take the Critical Ecosystem Partnership Fund (CEPF) to Scale (CI)(GEF Project Grant: \$9,800,000)
2. **Global :** Mainstreaming Biodiversity Information into the Heart of Government Decision Making (UNEP) (GEF Project Grant : \$5,000,000)
3. **Global :** Strengthening Human Resources, Legal Frameworks and Institutional Capacities to Implement the Nagoya Protocol (UNDP) (GEF Project Grant : \$12,000,000)
4. **Global :** UNEP-GEF Project for Sustainable Capacity Building for Effective Participation in the Biosafety Clearing House (BCH) (UNEP) (GEF Project Grant : \$4,699,684)
5. **Regional (Angola, Lesotho, Madagascar, Malawi, Mozambique, Congo DR) :** Multi-Country Project to Strengthen Institutional Capacity on LMO Testing in Support of National Decision-making (UNEP) (GEF Project Grant : \$3,860,000)
6. **Brazil :** Capacity Building and Institutional Strengthening on the National Framework for Access and Benefit Sharing under the Nagoya Protocol (IADB) (GEF Project Grant : \$4,401,931)
7. **Colombia :** Consolidation of the National System of Protected Areas(SINAP) at National and Regional Levels. (IADB) (GEF Project Grant : \$4,157,000)
8. **El Salvador :** Conservation, Sustainable Use of Biodiversity, and Maintenance of Ecosystem Services in Protected Wetlands of International Importance (UNDP) (GEF Project Grant : \$2,191,781)
9. **Indonesia :** Mainstreaming Biodiversity Conservation and Sustainable Use into Inland Fisheries Practices in Freshwater Ecosystems of High Conservation Value (FAO) (GEF Project Grant : \$6,192,694)
10. **Mexico :** Strengthening of National Capacities for the Implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization to the Convention on Biological Diversity (UNDP) (GEF Project Grant : \$2,283,105)

⁹ Financial details of the PIFs submitted in this Work Program are presented in Annexes A.

11. **Sri Lanka** : Implementation of the National Biosafety Framework in Accordance with the Cartagena Protocol on Biosafety (CPB) (FAO) (GEF Project Grant : \$2,365,964)
12. **Turkey** : Conservation and Sustainable Management of the Steppe Ecosystems¹⁰ (FAO) (GEF Project Grant : \$2,328,767)

Climate Change

13. **Algeria** : Algeria Energy Efficiency Project (World Bank) (GEF Project Grant : \$3,620,000)
14. **Angola** : Promotion of Sustainable Charcoal in Angola through a Value Chain Approach (UNDP) (GEF Project Grant : \$4,620,000)
15. **Argentina** : Sustainable Business Models for Biogas Production from Organic Municipal Solid Waste (UNDP) (GEF Project Grant : \$2,779,849)
16. **China** : Accelerating the Development and Commercialization of Fuel Cell Vehicles in China (UNDP) (GEF Project Grant : \$8,233,560)
17. **Lesotho** : Development of Cornerstone Public Policies and Institutional Capacities to Accelerate Sustainable Energy for All (SE4A) Progress (UNDP) (GEF Project Grant : \$3,500,000)
18. **Nigeria** : Preparation of Third National Communication (TNC) to the UNFCCC and Capacity Strengthening on Climate Change¹¹ (UNDP) (GEF Project Grant : \$1,850,000)
19. **Philippines** : Promotion of Low Carbon Urban Transport Systems in the Philippines (UNDP) (GEF Project Grant : \$2,639,726)
20. **Russian Federation** : Low Carbon Technology Transfer in the Russian Federation¹² (UNIDO) (GEF Project Grant : \$6,885,000)
21. **South Africa** : Promoting Organic Waste-to-Energy and other Low-carbon Technologies in Small and Medium-scale Enterprises (SMMEs): Accelerating Biogas Market Development (UNIDO) (GEF Project Grant : \$4,222,110)
22. **Thailand** : Reduction of GHG Emission in Thai Industries through Promoting Investments of the Production and Usage of Solid Bio-fuel (UNIDO) (GEF Project Grant : \$3,850,000)

¹⁰ Project was deferred from March 2014 Intersessional Work Program

¹¹ Non-expedited enabling activity

¹² Project was deferred from March 2014 Intersessional Work Program

- 23. **Trinidad and Tobago** : Improving Energy Efficiency in the Social Housing Sector (IADB) (GEF Project Grant : \$2,550,000)
- 24. **Turkey** : Sustainable Energy Financing Mechanism for Solar PV in Forest Villages in Turkey (UNDP) (GEF Project Grant : \$3,780,000)

International Waters

- 25. **Global** : GEF International Waters: Learning Exchange and Resources Network IW LEARN (UNDP/UNEP) (GEF Project Grant : \$4,987,500)
- 26. **Regional (Angola, Namibia, South Africa)** : Realizing the Inclusive and Sustainable Development in the BCLME Region through the Improved Ocean Governance and the Integrated Management of Ocean Use and Marine Resources (UNDP) (GEF Project Grant : \$10,900,000)
- 27. **Regional (Belize, Guatemala, Honduras, Mexico)** : Integrated Transboundary Ridges-to-Reef Management of the Mesoamerican Reef (WWF-US) (GEF Project Grant : \$9,018,349)
- 28. **Regional (Bolivia, Peru)** : Integrated Water Resources Management in the Titicaca-Desaguadero-Poopo-Salar de Coipasa (TDPS) System (UNDP) (GEF Project Grant : \$6,563,750)
- 29. **Regional (China, Indonesia, Cambodia, Philippines, Vietnam)** : Implementing the Strategic Action Programme for the South China Sea (UNEP) (GEF Project Grant : \$15,000,000)
- 30. **Regional (Indonesia, Timor Leste)** : Enabling Transboundary Cooperation for Sustainable Management of the Indonesian Seas (FAO) (GEF Project Grant : \$4,000,000)
- 31. **China** : Mainstreaming Integrated Water and Environment Management (World Bank) (GEF Project Grant : \$9,500,000)

Land Degradation

- 32. **Global** : Participatory Assessment of Land Degradation and Sustainable Land Management in Grassland and Pastoral Systems (FAO) (GEF Project Grant : \$2,639,726)

Multi-Focal Area

- 33. **Global (Armenia, Burundi, Cameroon, Ghana, Kyrgyz Republic, Mongolia, Maldives, Thailand, Ukraine, Vietnam, Congo DR)** : GEF SGP Fifth Operational

Phase - Implementing the Program Using STAR Resources III (UNDP) (GEF Project Grant : \$6,965,151)

34. **Regional (Burkina Faso, Benin, Cote d'Ivoire, Cameroon, Guinea, Mali, Niger, Nigeria, Chad)** : Integrated Development for Increased Rural Climate Resilience in the Niger Basin (AfDB) (GEF Project Grant : \$12,014,800)
35. **Regional (Kazakhstan, Russian Federation)** : Enabling Transboundary Cooperation and Integrated Natural Resources Management in the Ural River Basin (UNDP) (GEF Project Grant : \$4,243,562)
36. **Regional (Latin America and Caribbean)** : IDB-GEF Climate-Smart Agriculture Fund for the Americas¹³ (PROGRAM) (IADB) (GEF Program Grant : \$5,000,000)
37. **Benin** : Promotion of Sustainable Biomass-based Electricity Generation in Benin (UNDP) (GEF Project Grant : \$3,872,602)
38. **Bolivia** : Sustainable Management of Forest Ecosystems in Amazonia by Indigenous and Local Communities to Generate Multiple Environmental and Social Benefits (UNDP) (GEF Project Grant : \$6,208,848)
39. **Indonesia** : Sustainable Management of Peatland Ecosystems in Indonesia (2014-2018) (IFAD) (GEF Project Grant : \$4,766,756)
40. **Mozambique** : Payment for Ecosystem Services to Support Forest Conservation and Sustainable Livelihoods (FAO) (GEF Project Grant : \$3,637,748)
41. **Nigeria** : Sustainable Fuelwood Management in Nigeria (UNDP) (GEF Project Grant : \$4,410,000)

¹³ Programmatic Approach

ANNEX B: HISTORICAL TRENDS ANALYSIS

HISTORICAL CO-FINANCING TRENDS BY FOCAL AREA

41. The historical trend in total co-financing amounts and ratios is shown in Annex B. Co-financing performance has steadily increased over the phases of the GEF. The co-financing ratio average for GEF-5 to date is 6.24, the highest ratio as compared to the overall historical average in the previous replenishment periods.

Table B.1 Historical Trends of Co-financing by Focal Area *

GEF Phase	GEF Grant (\$m)	Co-financing Amount (\$m)							Total Project Cost (\$m)	Co-Financing Ratio
		BD	CC	IW	LD	MFA	ODS	POPs		
Pilot Phase	740.25	189.05	2,402.89	144.30	-	4.35	1.85	-	3,482.68	3.70
GEF - 1	1,254.62	965.77	2,323.75	217.40	-	55.21	95.20	-	4,911.95	2.92
GEF - 2	1,902.17	1,838.03	3,397.20	540.37	-	345.29	78.10	5.49	8,106.66	3.26
GEF - 3	2,889.75	2,964.04	4,802.55	2,033.17	940.65	876.67	11.49	138.51	14,656.83	4.07
GEF - 4	2,665.63	2,458.98	6,216.13	2,412.99	676.20	2,407.85	13.16	524.19	17,375.13	5.52
GEF - 5	3,182.13	2,230.54	8,316.62	2,308.42	493.84	5,068.43	12.10	1,428.13	23,040.21	6.24
2011	358.74	55.01	1,674.66	-	17.90	526.01	5.55	64.44	2,702.30	6.53
2012	1,228.42	1,065.08	3,389.06	514.74	215.46	2,987.28	6.55	691.18	10,097.78	7.22
2013	803.31	504.58	1,714.82	802.55	148.26	887.03	-	373.21	5,233.77	5.52
2014	791.66	605.86	1,538.09	991.13	112.22	668.10	-	299.30	5,006.36	5.32
Total	12,634.56	10,646.41	27,459.14	7,656.64	2,110.69	8,757.79	211.90	2,096.32	71,573.46	4.66

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

* Table associates project preparation grants with the project grants for those periods when the project grants are approved; Co-financing ratio = Co-financing/GEF Grant

GEF Project Grants

42. Table B.2 (next page) contains the cumulative GEF project grants approved by Council through work programs, as well as PPGs, MSPs, and enabling activities approved by the CEO.

Table B.2: GEF Project Grant Trends (GEF Pilot Phase – GEF-5) by Focal Area (\$ million)

GEF Phase	Biodiversity		Climate Change		International Waters		Land Degradation		Multi-Focal Area		Ozone Depletion		Persistent Organic Pollutants (POPs)		Total
	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	
Pilot Phase	318.8	43%	280.6	38%	121.1	16%	-	0%	15.6	2%	4.2	1%	-	0%	740.2
GEF - 1	456.4	36%	507.5	40%	119.4	10%	-	0%	49.7	4%	121.6	10%	-	0%	1,254.6
GEF - 2	727.8	38%	660.9	35%	299.5	16%	-	0%	143.4	8%	43.4	2%	27.0	1%	1,902.2
GEF - 3	878.4	30%	874.8	30%	341.1	12%	201.8	7%	426.2	15%	12.0	0%	155.4	5%	2,889.8
GEF - 4	693.6	26%	749.7	28%	254.8	10%	150.0	6%	561.3	21%	10.8	0%	245.4	9%	2,665.6
GEF - 5	549.4	17%	759.5	24%	278.6	9%	102.8	3%	1,145.4	36%	5.3	0%	341.2	11%	3,182.1
2011	29.2	8%	83.5	23%	-	0%	5.4	2%	220.7	62%	2.6	1%	17.4	5%	358.7
2012	249.3	20%	252.9	21%	62.2	5%	34.6	3%	501.5	41%	2.7	0%	125.3	10%	1,228.4
2013	113.3	14%	214.7	27%	85.4	11%	32.1	4%	245.6	31%	-	0%	112.3	14%	803.3
2014	157.5	20%	208.4	26%	131.1	17%	30.7	4%	177.7	22%	-	0%	86.3	11%	791.7
Total	3,624.5	29%	3,832.9	30%	1,414.5	11%	454.6	4%	2,341.6	19%	197.2	2%	769.1	6%	12,634.6

ANNEX A: PROJECTS SUBMITTED FOR COUNCIL APPROVAL
Under the GEF Trust Fund
May 2014

Note: please refer to the above annex in a separate file attached to this cover note.