

United Nations Development Programme



# **UNDP Annual Monitoring Report**

***Fiscal Year 2010***

***15 December 2010***

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# 1 Executive Summary

The 2010 reporting cohort is comprised of 288 projects, supported by UNDP with financing from the Global Environment Facility (GEF) and other co-financing partners, that have been under implementation for more than 12 months as of 1 July 2009<sup>1</sup>. This 2010 reporting cohort is 20% larger than the 2009 reporting cohort. Of the 288 projects, 37 are regional projects underway in multiple countries in the same region, and 17 are global projects. These projects are under implementation in 88 countries, and 109 countries are involved in regional projects<sup>5</sup>.

The total GEF grant funding for the 2010 reporting cohort is US\$ 1.1 billion, 14% higher than the 2009 reporting cohort. A total of US\$ 3.3 billion in co-financing was committed to these projects at project document approval, and since project start, additional resources in the amount of US\$ 862 million have been committed to the project. The co-financers include governments, NGOs, the private sector, UNDP and other stakeholders. Thus, every dollar of GEF grant provided to the 2010 reporting cohort was matched with approximately 3 dollars in co-financing (cash and in-kind). This represents a combined **total value of US\$5.3 billion invested in environment and sustainable development priorities in 143 countries, including 37 SIDS and 42 LDCs**<sup>5</sup>. The average GEF grant of a full-size project is US\$ 5.5 million.

The 2010 reporting cohort contributed to the following key results:

- 112 new PAs covering nearly 8.6 million hectares have been established, and an additional 126 new PAs covering nearly 4.8 million hectares are in the process of being established<sup>2</sup>. UNDP also assisted countries to establish the governance frameworks needed to strengthen PA management more broadly and to unleash the economic potential of PAs by promoting sustainable tourism, the sustainable harvesting of natural resources and by developing markets for ecosystem services. Such work is strengthening 722 existing PAs covering over 113 million hectares. 35 PA projects also contribute to mainstreaming biodiversity into 13 production sectors<sup>3</sup>.
- 18 production sectors<sup>4</sup> are addressing biodiversity conservation. Over 382 million hectares of land outside of PAs is either directly or indirectly impacted by these mainstreaming activities. In addition, mainstreaming projects are also contributing to strengthening 293 existing PAs covering almost 19 million hectares of land; have helped to establish 85 new PAs covering almost 8 million hectares of land; and/or are working to establish 37 new PAs covering almost 356 thousand hectares of land.
- Across 14 countries, energy efficiency projects have contributed to avoiding approximately 20.22 Mt of CO<sub>2</sub> emissions this reporting period, and cumulatively the energy efficiency portfolio has avoided more than 88 Mt CO<sub>2</sub> of CO<sub>2</sub> emissions over the lifetime of these projects. Across 11 countries, renewable energy projects have contributed to avoiding approximately 4.28 Mt CO<sub>2</sub> emissions this reporting period, and cumulatively the renewable energy portfolio has avoided more than 14.69 Mt CO<sub>2</sub> emissions over the lifetime of these projects.
- 2 Strategic Action Programmes (SAPs) – for the Yellow Sea and Niger River Basin – were formally adopted this reporting period, and significant progress was made in the preparation of 8 other SAPs including the Okavango River SAP which is expected to be adopted by the 3 riparian countries very soon. Other

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<sup>1</sup> These projects began implementation on or before 01 July 2009. 7 projects of the 2010 reporting cohort were actually just under one year of implementation. These include climate change mitigations projects PIMS# 3467, 4166, 3880, 4158; international waters project PIMS# 4164; CB2 projects PIMS# 3619 and 3703.

<sup>2</sup> 74 projects in the 2010 reporting cohort, some of which have been under implementation since 2005, contributed to these results. These figures do not include the PA results achieved by projects that are now closed.

<sup>3</sup> These include: Agriculture/Farming (21 projects), Livestock (2 projects), Energy (2 projects), Fisheries (17 projects), Forestry (18 projects), Horticulture (1 project), Hunting (2 projects), Land Use Planning (1 project), Mining (2 projects), Trade (1 project), Transport (2 projects), Travel/Tourism/Ecotourism(24 projects), Water (7 projects)

<sup>4</sup> These include: Agriculture/Farming (31 projects), Apiculture (1 project), Banking (1 project), Urban, rural, real estate and infrastructure Development (4 projects), Livestock (5 projects), Energy (2 projects), Fisheries (11 projects), Forestry (19 projects), Horticulture (1 project), Hunting (2 projects), MAPs (1 project), Mining (4 projects), Land Use Planning (6 projects), Trade (3 project), Transport (1 projects), Travel/Tourism/Ecotourism(26 projects), Waste (1 project), Water (7 projects)

international water projects made substantial progress in identifying and implementing stress reduction measures supported by governance reforms and investments to address depleted fisheries, reduce nutrient pollution, apply integrated approaches to watershed and coastal area management, and reduce the risk of invasive species from ship ballast water.

- In management performance, 91% of the 2010 reporting cohort was rated marginally satisfactory or above in likelihood of achieving their project objectives (i.e. DO Rating) exceeding the GEFSEC target of 85%. 66% of the 2010 reporting cohort were rated satisfactory or above in likelihood of achieving project objectives, just under the GEFSEC target of 75%. 88% of the 2010 reporting cohort were rated marginally satisfactory or above in implementation progress (i.e. IP Rating). Based on final evaluations undertaken this reporting period, higher amounts of co-financing were realized over the planned amounts. 14% of the 2010 reporting cohort was rated as high risk, and these risks are typically financial, operational or political risks.

## 2 Introduction

This report highlights progress in 143 countries<sup>5</sup> that has been achieved through the contributions of 288 projects. These investments in environment and sustainable development priorities have helped countries make progress in achieving the global environmental goals laid out in the global environmental conventions for Biodiversity, Climate Change and Land Degradation as well as the international waters and persistent organic pollutant objectives supported by the Global Environment Facility (GEF).

The strategic focus of UNDP's support is to help countries put in place the policy, institutional and financial frameworks that will help drive private investment flows towards environmentally sustainable solutions, and to assist countries in making sustained progress toward the Millennium Development Goals. These 288 projects are therefore aligned to country priorities as outlined in UNDP country programmes (CPDs and CPAPs), and UN Development Assistance Frameworks (UNDAFs). In addition, these projects are fully mainstreamed into UNDP's internal planning, monitoring and reporting, and evaluation processes, and are aligned with one of four environment and sustainable development key results outlined in the UNDP Strategic Plan for 2008 -2013, namely:

- (i) Mainstreaming environment and energy in MDG-based policy and planning frameworks at the national level.
- (ii) Generating new environment-based sources of finance to significantly scale-up investment in environment and energy to achieve the MDGs
- (iii) Promoting adaptation to climate change in order to lower the risks to the poor in developing countries and enable the attainment of the MDGs.
- (iv) Expanding access to environmental and energy services for the poor as a foundation for poverty reduction and economic growth.

UNDP partners with national and local governments, non-government organizations (NGOs) and community-based organizations (CBOs), the private sector, and other multi-lateral organisations to fund and implement national, regional<sup>6</sup> and global projects. National governments develop and execute projects through international agencies and NGOs also execute some projects when they are best placed to do so. UNDP technical support is provided by the UNDP Environment and Energy Group (EEG) and additional support is provided by the Governance, Poverty, Crisis Prevention, Gender and other teams within UNDP when appropriate. UNDP's support to these projects is based on a strong commitment to results management, continuous improvement, learning, and the sharing of knowledge and best practice.

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<sup>5</sup> This includes 109 countries involved in 37 regional projects but does **not include** countries involved in 17 global projects. **The 143 includes 37 SIDS countries, 42 LDCs, and 25 LLDCs.**

<sup>6</sup> The international waters portfolio is mainly comprised on regional or multi-country projects.

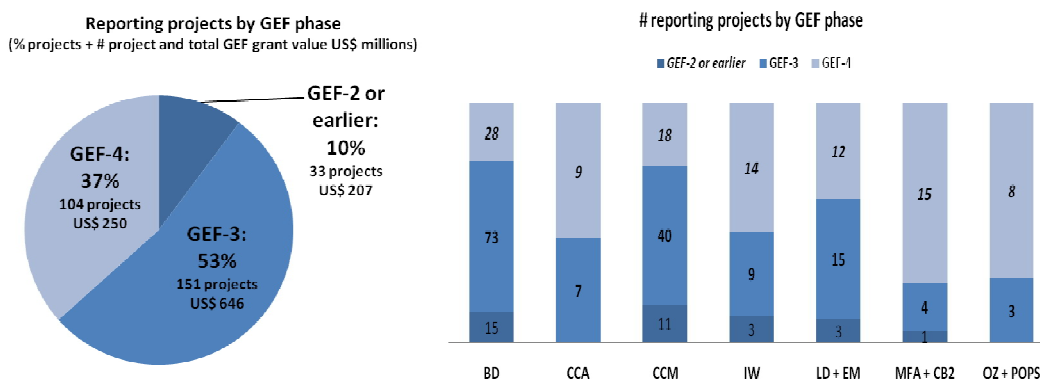
Principal Technical Advisers (PTAs), Regional Team/Practice Leaders and Region-based Technical Advisers located in Regional Service Centres<sup>7</sup> provide technical and oversight support to UNDP Country Offices who in turn support the government Implementing Partner<sup>8</sup> and country project management teams. A small percentage of projects are managed globally by UNDP staff based in headquarters in New York. Additional fiduciary and management oversight support services are also provided by UNDP staff in New York.

The results highlighted in this report have been extracted from 288 individual project Annual Performance Reviews/Project Implementation Reports (APR/PIR), 30 mid-term project evaluations and 16 final project evaluations undertaken during this reporting period, as well as comprehensive separate reports for Biodiversity/Land Degradation/Integrated Ecosystem Management, Climate Change Mitigation, and International Waters. The APR/PIR builds on standard UNDP monitoring policies and procedures, and provides additional quantitative and qualitative monitoring of issues of particular relevance to the GEF. UNDP also undertakes an annual independent review of the quality of each APR/PIR and this quality rating is an important element of the performance evaluation of appropriate staff.

### 3 Overview of 2010 reporting cohort

The 2010 reporting cohort is comprised of 288 projects, supported by UNDP with financing from the GEF and other co-financing partners, that have been under implementation for more than 12 months as of 1 July 2009<sup>1</sup>. This 2010 reporting cohort is 20% larger than the 2009 reporting cohort. Of the 288 projects, 37 are regional projects underway in multiple countries in the same region, and 17 are global projects. These projects are under implementation in 88 countries and 109 countries are involved in regional projects<sup>5</sup>.

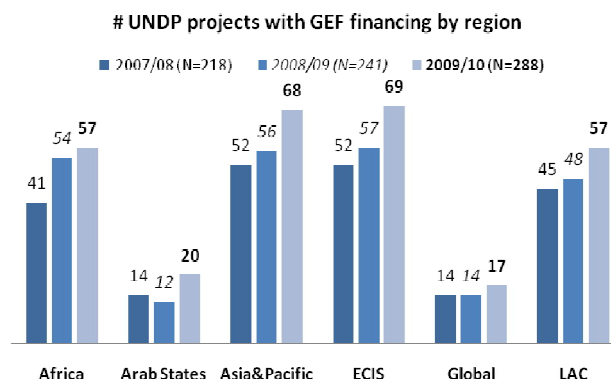
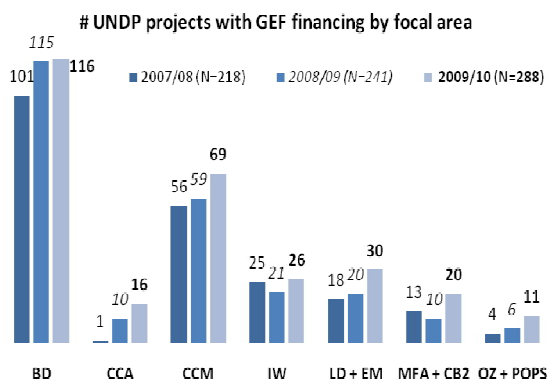
182 projects in the 2010 reporting cohort received a GEF grant of over US \$1 million (full-size projects) and 106 received a GEF grant under US\$1 million each (medium-sized projects). 37% were approved during GEF-4 (i.e. between 2006 -2010), 53% were approved during GEF-3 (i.e. between 2002 and 2006), and 10% were approved during GEF-2 or earlier.



The total GEF grant funding for the 2010 reporting cohort is US\$ 1.1 billion, 14% higher than the 2009 reporting cohort. A total of US\$ 3.3 billion in co-financing was committed to these projects at project document approval, and since project start, additional resources in the amount of US\$ 862 million have been committed to the project. The co-financers include governments, NGOs, the private sector, UNDP and other stakeholders. Thus, every dollar of GEF grant provided to the 2010 reporting cohort was matched with approximately 3 dollars in co-financing (cash and in-kind). This represents a combined **total value of US\$5.3 billion invested in environment and sustainable development priorities in 143 countries, including 37 SIDS and 42 LDCs<sup>5</sup>**. The average GEF grant of a full-size project is US\$ 5.5 million. 53% of the GEF funds have been disbursed as of 30 June 2010.

<sup>7</sup> These RSCs cover the following regions: Africa (Dakar and Pretoria), Arab States, Asia and the Pacific, Europe and the Commonwealth of Independent States, and Latin America and the Caribbean.

<sup>8</sup> As per UNDP terminology. This is equivalent to a GEF Executing Partner.



Summary table: 2010 Reporting cohort by focal area and region

2010 reporting cohort of UNDP projects with GEF financing										
	# Projects		GEF funding (US\$ millions)		Co-financing <sup>9</sup> (US\$ millions)		Leveraged resources <sup>10</sup> (US\$ millions)		MTE	TE
	#	% total	\$	% total	\$	% total	\$	% total <sup>11</sup>	#	#
<b>Focal Area</b>										
BD	116	40	455	41	1142	35	286	63	17	13
CCA	16	6	44	4	104	3	13	30	0	0
CCM	69	24	266	24	1065	32	248	93	5	2
IW	26	9	154	14	588	18	152	99	2	0
LD + EM	30	10	111	10	313	9	127	114	6	1
MFA + CB2	20	7	20	2	12	0	37	185	0	0
Oz + POPS	11	4	53	5	78	2	0	0	0	0
<b>Region</b>										
Africa	57	20	246	22	880	27	163	66	6	4
Arab States	20	7	56	5	196	6	30	53	0	1
Asia & Pacific	68	24	290	26	788	24	204	70	7	2
ECIS	69	24	158	14	422	13	235	149	11	6
Global	17	6	94	8	108	3	43	45	2	0
LAC	57	20	259	24	908	27	189	73	4	3
<b>Total</b>	<b>288</b>		<b>1103</b>		<b>3303</b>		<b>862</b>	<b>78</b>	<b>30</b>	<b>16</b>

## 4 Progress made toward focal area strategic priorities

Projects financed by the GEF are aligned to a GEF results framework that is developed for each focal area and for each replenishment phase<sup>12</sup>. Therefore, 37% of the 2010 reporting cohort aligns to the GEF-4 Results Framework and 53% are aligned to the GEF-3 Results Framework. The APR/PIR for each project in the 2010 reporting cohort included sections to monitor quantifiable progress toward the results outlined in the GEF results frameworks using indicators common to all projects in the portfolio (i.e. GEF focal area tracking tools<sup>13</sup>). While some margin of error is inevitable in such technical reporting, the quality of the reported data is improving each year. Where appropriate, these impact results have been aggregated at the focal area/portfolio level.

<sup>9</sup> Co-financing as outlined in the approved project document which can include grants, loans, guarantees, cash and specific in-kind support.

<sup>10</sup> Leveraged resources are additional resources over and above what is outlined in the approved project document and that have been mobilized while the project is under implementation.

<sup>11</sup> % leveraged is calculated as amount leveraged since project start divided by the GEF grant.

<sup>12</sup> See [www.thegef.org](http://www.thegef.org)

<sup>13</sup> Please see GEF tracking tools available at <http://www.thegef.org/interior.aspx?id=20480>.

In addition, the 2010 APR/PIR included sections to monitor progress against key UNDP priorities including gender inclusiveness and engaging with indigenous communities. For example, this reporting period, 30% of the 2010 cohort reported engaging with indigenous communities in project implementation. These projects reported working with over 200 different indigenous communities and local CSOs and NGOs supporting indigenous groups. Where available, this qualitative data is included in the highlights of good practice below. These good practice highlights have been selected based on the requirements of the GEFSEC 2010 AMR guidelines and to provide an appropriate regional balance.

## **Biodiversity, Land Degradation and Integrated Ecosystems Management**

93 countries are implementing, with the support of UNDP, 146 biodiversity, land degradation or integrated ecosystem management projects, including 7 regional projects, financed by the GEF and other co-financing partners. Additional countries are also involved in 5 global projects. 27% of this portfolio was approved during GEF-4, 60% during GEF-3, and 12% in GEF-2 or earlier. 23 of the projects in this portfolio completed a mid-term evaluation and 14 completed a final project evaluation this past reporting period.

The GEF grant funding for this combined portfolio is US\$565.73 million. With co-financing from other partners at US\$1.46 billion (ratio of 1:3 to GEF grant) and additional funding leveraged during project implementation at US\$412.77 million (73% of GEF grant), this combined portfolio represents a total investment of US\$ 2.43 billion. 57% of the GEF Grant for this combined BD/LD/EM portfolio has been disbursed as of 30 June 2010.

BD/LD/EM	Africa	Arab States	Asia & Pacific	ECIS	Global	LAC	Total
# projects	31	9	28	41	5	32	<b>146</b>
GEF Grant	146.19	26.56	85.62	96.47	42.95	167.94	<b>565.73</b>
Co-financing	424.94	25.63	163.82	280.89	48.98	511.56	<b>1455.82</b>
Leveraged	126.82	7.5	26.68	108.21	17.91	125.65	<b>412.77</b>

### ***Biodiversity: Catalyzing the Sustainability of Protected Areas***

UNDP works with its partners to address the root causes of biodiversity loss which over the long-term will improve the state of biodiversity, and maintain and enhance the beneficial services provided by natural ecosystems. The most important direct causes of biodiversity loss include habitat change, climate change, invasive species, overexploitation and pollution. Most of the direct drivers of degradation in ecosystems and biodiversity remain constant or are growing in intensity in most ecosystems.

Protected areas (PAs) cover 22 percent of the Earth's surface area, including indigenous and community conservation areas, and are widely recognized as a cornerstone of biodiversity management and sustainable development. An effectively managed and ecologically representative global network of PAs is crucial to sustain biodiversity. While individual differences exist between countries and regions, two general deficiencies in PA systems are weak management effectiveness in addressing threats to biodiversity, and weak financial sustainability. Furthermore, the global PA estate is not representative of all ecosystems and some ecosystems such as marine environments and grasslands are significantly under-represented as a proportion of their total area.

The biodiversity projects, supported by UNDP and financed by the GEF and other co-financing partners, are designed to unleash the economic potential of the PA systems so they are effectively managed, sustainably financed and contribute towards sustainable development. This aligns with the GEF strategic objective of catalyzing the sustainability of PA systems. UNDP support seeks to strengthen the management of PA systems by addressing existing barriers at systemic, institutional, individual and financial levels. UNDP works through strategic partnerships mobilized with governments and private sectors, NGOs, and community-based organizations CBOs that build on their respective strengths. This approach aims to strengthen PA systems by mobilizing funding and

management know-how. Importantly, UNDP also takes a rights-based approach by ensuring that local communities are treated as partners with clear rights and responsibilities in PA management.

Between 2005 and 2010, 112 new PAs covering nearly 8.6 million hectares have been established. An additional 126 new PAs covering nearly 4.8 million hectares are in the process of being established. UNDP has also assisted countries to establish the governance frameworks needed to strengthen PA management more broadly. The economic potential of PAs is being harnessed by promoting sustainable tourism, the sustainable harvest of natural resources and by developing markets for ecosystem services. Such work is strengthening 722 existing PAs covering over 113 million hectares.<sup>14</sup> Of the 74 PA projects, 35 also contribute to mainstreaming biodiversity into 13 production sectors.<sup>3</sup>

UNDP Region	Existing PAs Being Strengthened		PAs Newly Established		PAs Being Established	
	Number	Area (ha)	Number	Area (ha)	Number	Area (ha)
Africa	306	54,695,185	60	4,200,676	26	1,795,247
Arab States	6	7,140,418	3	37,758	0	0
Asia & Pacific	69	1,846,471	4	211,296	2	462,200
Europe & CIS	191	40,584,591	16	3,109,247	85	1,835,308
LAC	150	9,055,665	29	1,039,044	13	697,879
<b>Totals</b>	<b>722</b>	<b>113,322,330</b>	<b>112</b>	<b>8,598,021</b>	<b>126</b>	<b>4,790,634</b>

*Highlights of good practice:*

In Namibia, dryland ecosystems are a globally significant repository of biodiversity, acclaimed for their species richness, habitat diversity and biological distinctiveness. The country has established an impressive system of Protected Areas, managed by the State, which constitutes a cornerstone of its conservation programme. This system comprises 20 protected areas, covering 13.8% of the terrestrial area (114 000 km<sup>2</sup>). There is huge potential for these areas to be woven together to form a tight, cohesive and effective network of protected areas, providing an effective buffer against threats to biodiversity. The project *Strengthening the Protected Area Network (SPAN) in Namibia (PIMS# 3121)* aims to improve the management effectiveness in the PA system as a whole.

Government partner	Ministry of Environment and Tourism
Start date	March 2006
Planned closing date	December 2012
Date MTE	December 2009
GEF grant	US\$ 8.6 million
Co-financing	US\$ 33.68 million
Leveraged resources	US\$ 4.6 million
2010 DO Rating <sup>15</sup>	Satisfactory
2010 IP Rating <sup>16</sup>	Satisfactory
2010 Risk Rating	Low

The project reported tremendous progress to secure sustainable financing for the PAs. The annual budget for park management and development has increased by 310% in the last four years. The Ministry of Finance has agreed to earmark 25% of the park entrance revenue and these funds are now reinvested in park and wildlife management through a trust fund providing up to US\$2 million additional sustainable financing per annum. The project has also successfully mobilized additional donor funding for PAs, including US\$67 million from the US Government’s Millennium Challenge Account (MCA) with US\$40.5 million direct investment in Etosha National Park management infrastructure—the MCA’s first biodiversity-based tourism project and investment in parks by its poverty alleviation grant.

Though the management effectiveness of the national PA network was not measured during this reporting period, the project had exceeded its end of project (EoP) targets on the management effectiveness of the PAs at mid-term. Institutional capacities for PA management have been strengthened, resulting in more effective use of financial and human resources. The average length of procurement from initiation of the requisition to the issuance of the purchase order by the Procurement Office has been reduced to 21 days (exceeding the EoP target). A skills upgrade for PA staff is underway and Standard Training Manuals sponsored by the project are being developed to

<sup>14</sup> These figures **exclude** the impacts of UNDP-GEF Biodiversity Protected Areas projects that closed in previous reporting periods.

<sup>15</sup> DO Rating = annual rating of cumulative progress made toward development objective

<sup>16</sup> IP Rating = annual rating of annual implementation progress



aid this process. Performance reviews to focus on staff development are expected to start in the second to third quarter of 2010. Career Development Plans for METT staff are to be incorporated in Personal Development Plans. A Knowledge Management and Communication Committee has been established as a first attempt to institutionalize a functioning knowledge management system and make it accessible to a wide range of conservation partners including MET staff, line ministries, communities, and local and international NGOs and individuals.

The project has also created three new PAs, and an increase in the percentage representation of the six biomes in PA system had been partly achieved at mid-term (the Namib and Succulent Karoo biomes representation in PAs has increased to 75.72 percent and 90.34 percent respectively). However, no proclamation of new parks took place during this reporting period. The original idea of establishing a people's park in Kunene was deemed not to be in conformity with existing national laws because all parks belong to the state. A work-around to proclaim a national park has been agreed with communities and endorsed by the Project Technical Committee. A tourism options report, a draft agreement and the management plan were finalized.

In Ethiopia, the project *Sustainable Development of the Protected Area System of Ethiopia (PIMS# 494)* aims to improve the sustainability of the protected area system which was under resourced and marginalized from the national development agenda. Through partnering with the GEF Small Grant Programme, additional financial support was generated for a programme with local communities, with a focus on women, who are residing around Senkelle Swayne's Hartebeest Sanctuary. This programme has achieved a number of outputs including the

<i>Project attributes – PIMS# 494</i>	
Government partner	Ministry of Culture and Tourism
Start date	September 2008
Planned closing date	September 2016
GEF grant	US\$ 9.3 million
Co-financing	US\$ 22.4 million
Leveraged resources	US\$ 13.29 million
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Substantial

provision of credit and basic business skill training for 40 women which aims to increase the women mutual assistance group income by 20% against baseline. In addition, 100 modern fuel saving stoves will be distributed. Indigenous communities in these regions have a long history of sustainable land and resources management. In the Guassa-Menz area of the North Shoa region, local communities developed a sustainable natural resource management system in the 17th Century. The system, known as Qero, allowed equitable use and distribution of natural resources (thatching grass, fuelwood and grazing) that were, and still are, important for the livelihood security of the community. The project works with

seven indigenous communities on land use and protected area planning, promoting community conservation areas, and benefit sharing activities. The indigenous groups include: Nuer and Anuak communities in Gambella, Mursi and Nyangatom communities in Omo, Gutsi community in Nechsar, and Afar and Kareyu communities in Awash.

In Uzbekistan, the project *Conservation of Tugai Forest and Strengthening Protected Areas System in the Amu Darya Delta of Karakalpakstan, Uzbekistan (PIMS# 2109)* aims to improve the coverage of the regional PA system by including Tugai ecosystems. It demonstrates new approaches and models for an effective PA system by helping to establish a new multi-zoned PA and by introducing an efficient enabling environment for sustainable natural resource management and biodiversity conservation in the Autonomous Republic of Karakalpakstan within Uzbekistan.

The project reported that an inclusive approach and excellent partnership strategy has been established from the grassroots level, to regional and national authorities, cross-sectoral agencies and private sector. New technical (community forestry and energy efficiency measures) and managerial approaches (performance based contracts) have been piloted, and lessons from other UNDP supported GEF financed projects in Uzbekistan and in the wider central Asia have been adopted.

The project is making excellent progress in facilitating the designation of a new Biosphere Reserve, which will cover all remaining major blocks of tugai forest along the lower Amu Darya River. Even though the Council of Ministers of Karakalpakstan approved the draft resolution on establishment of the Biosphere Reserve in July 2008, currently there is strong opposition on including the northern territories into the Biosphere Reserve, as this might affect the "rice crops". As a result of consultations held with the Karakalpak authorities, a decision was granted in April 2010

for the establishment of the Reserve, though in only two districts, instead of the planned eight, and three major blocks of Tugai forests will be covered instead of the planned five. In spite of this reduction, the core area will have the same size. The proposed size and zoning of the Reserve will be 11,568 hectares of core zone, 6,731 hectares of buffer zone, and 50,418 hectares of transition zone.

<i>Project attributes – PIMS# 2109</i>	
Government partner	State Committee of the Republic of Karakalpakstan for Nature Protection
Start date	August 2005
Planned closing date	December 2011
Date MTE	September 2008
GEF grant	US\$995,000
Co-financing	US\$ 1.08 million
Leveraged resources	US\$ 1.27 million
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Substantial

The project also continues to be very successful in addressing illegal felling threats faced by the Tugai forest, by implementing a two-pronged approach: replicating the successful community forestry experience and models developed in the completed UNDP supported and GEF financed Nuratau-Kyzylkum project; and identifying the areas with poor gas supply in partnership with the Regional Gas Administration. In this second aspect of its work, the project has purchased and installed six gas control points serving 16 households. As each household uses an estimate of ten cubic metres of wood per year, these households save approximately 160 cubic metres of Tugai forest wood annually by switching to gas.

The project has also taken on the challenging work of piloting no-till agriculture in an area where there is a widespread lack of awareness of the benefits of this method—increasing the content of water in soil, decreasing erosion, retaining crop residues on the soil surface, and increasing carbon sequestration potential. Because the no-tillage practice requires specialized seeding equipment, which is very expensive, the project obtained the seed drills from another project implemented with the support of GTZ. Meanwhile, local inspectors, unaware of the benefits of no-till, continue to encourage tillage, no crop rotation and cotton. The project needs to continue its awareness and training campaigns to demonstrate the benefits of no-till farming.

As the region has experienced a dramatic increase in poverty levels, rural communities in the project area have fallen back on basic subsistence horticulture and livestock rearing combined with gathering of whatever products local ecosystems can provide, particularly in drought years. These are offered for sale in local markets to provide some income or are used directly as food, building material, fodder or fuel. Because natural resources such as forests are state-owned, there are no direct incentives to cultivate these resources and utilize them in a sustainable fashion. The project has worked to promote sustainable livelihoods for local communities and has amongst others by providing micro-credits to 35 women for their small businesses.

<i>Project attributes – PIMS# 1831</i>	
Government Partner	Ministry of Forests and Soil Conservation
Start date	March 2005
Planned closing date	August 2012
GEF grant	US\$ 3.5 million
Co-financing	US\$ 9.5 million
Leveraged resources	Not reported
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Moderate

In Nepal, the project *Creating Biodiversity Conservation Landscapes in Nepal's lowland Terai and Eastern Himal Areas (PIMS# 1831)* aims to strengthen the PA management system and to extend biodiversity conservation strategies into the surrounding productive landscape comprising national forests, agricultural land, riparian strips and wetlands.

Having overcome initial start-up problems since implementation started, the project is on track to achieve its outcomes. The project is well on its way to conserve the EoP target of 40% of critical habitats as it is at 37% accounting mainly for 27 important wetlands. Through a highly innovative process and due to dedicated consultative efforts, local communities have been engaged in conserving local agro-biodiversity resulting in significant increases in several varieties and landraces of local species. The livelihood support activities of the project are also yielding significant results. The average household income of the communities in the project site has increased by 14% already exceeding the end-of-project target of 10%.

The project has also succeeded in developing landscape level planning frameworks (for example, the Integrated Landscape Planning Framework and Financial Mechanism), which will serve to integrate the landscape approach within sub-national level development planning. In addition, to ensure enabling support at the central planning

level, a dedicated Landscape Support Unit has been established under the Ministry of Forests and Soil Conservation. Finally, the project is making critical contributions towards cross-boundary biodiversity conservation efforts by bringing together PA officials from India and Nepal to discuss and agree on common strategies.

### ***Biodiversity - Mainstreaming Biodiversity in Production Land/Seascapes and Sectors***

Most biodiversity in the world resides outside PAs in lands dedicated to various economic production activities. The integration, or 'mainstreaming,' of biodiversity-friendly objectives into economic sector activities ensures that production processes maintain biodiversity and ecosystem services that sustain human welfare. If industries see biodiversity maintenance as a negative balance sheet item, then these ecosystems will likely be transformed and their biodiversity lost.

Key mainstreaming activities in the biodiversity portfolio include interventions that aim to influence the policy framework governing production sectors, as well as interventions at the level of institutions. The link between the value of ecosystem goods and services and sustainable economic development needs to be clearly demonstrated to communities and businesses, and some projects in the portfolio are tackling this need through pilot activities in a number of production sectors.

In total, 18 types of production sectors<sup>4</sup> have been addressed by mainstreaming projects, and many projects address more than one of these sectors. Over 382 million hectares of land outside of PAs is either directly or indirectly impacted by these mainstreaming activities.

UNDP Region	Area Directly Covered (ha)	Area Indirectly Covered (ha)	Total Area Impacted (ha)
Africa	13,359,879	157,680,644	171,040,522
Arab States	6,792,300	54,470,000	61,262,300
Asia & Pacific	8,939,958	36,576,259	45,516,217
Europe & CIS	54,302,133	40,883,256	95,185,389
Global	253,350	460,500	713,850
LAC	3,127,052	5,358,200	8,485,252
<b>Totals</b>	<b>86,774,672</b>	<b>295,428,859</b>	<b>382,203,531</b>

In addition, these mainstreaming projects are also contributing to strengthening 293 existing PAs covering almost 19 million hectares of land; have helped to establish 85 new PAs covering almost 8 million hectares of land; and/or are working to establish 37 new PAs covering almost 356 thousand hectares of land.

UNDP Region	Existing PAs Being Strengthened		PAs Newly Established		PAs Being Established	
	Number	Area (ha)	Number	Area (ha)	Number	Area (ha)
Africa	79	2,647,409	48	256,166	19	351,909
Arab States	31	1,519,256	0	0	0	0
Asia & Pacific	79	4,800,104	31	6,868,530	15	3,636
Europe & CIS	100	9,680,018	6	787,500	2	TBD
LAC	4	338,858	0	0	1	200
<b>Totals</b>	<b>293</b>	<b>18,985,645</b>	<b>85</b>	<b>7,912,196</b>	<b>37</b>	<b>355,745</b>

#### *Highlights of good practice:*

In **Morocco**, the project *Biodiversity Conservation in Southern High Atlas (PIMS# 852)* addresses the causes of biodiversity loss through the revival of biodiversity-friendly mobile pastoralism and traditional common property management regimes, land use planning, and innovative incentives for rangeland and wildlife biodiversity conservation. The project pursues simultaneous global and local benefits that would ensure both a demonstration effect and a self-sustaining local process after project completion.

<i>Project attributes – PIMS# 852</i>	
Government partner	Ministry of Agriculture
Start date	November 2000
Planned closing date	December 2010
Date MTE	April 2006
GEF grant	US\$ 4.36 million
Co-financing	US\$ 5.38 million
Leveraged resources	US\$ 2.77 million
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	High

The project reported that it has initiated and successfully implemented its sustainability strategy over the past two years, resulting in the full incorporation of the project's products and results into national, sub-national and community organizations.

While the project has failed to deliver on the national policy reform in relation to transhumance and land tenure, it has nonetheless initiated a debate at the national level through the results and findings of the assessments and economic studies it has undertaken. Additionally, national counterparts have committed to moving forward with this policy reform, with the support of the UNDP CO through non-GEF financed initiatives.

The lessons learned from this project are proving extremely valuable. The methodologies it used for the preparation of integration communal management plans have already been adopted and replicated in other regions of Morocco and through other donor interventions. Despite its shortcomings, the project is considered a best practice and the codification of its lessons through the series of visual and documentary media should be widely disseminated, and used in the design and programming of similar environmental projects. Lastly it should be noted that the UNDP CO, together with the national counterparts, has already started to build on and replicate project achievements in other regions, therefore creating economies of scale.

The Latin America regional project *Central American Markets for Biodiversity (CAMBio) (PIMS# 3368)* supports the mainstreaming of biodiversity conservation and sustainable use within small, micro- and medium-sized enterprise (SMME) development and financing in five Central American countries: Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua.

<i>Project attributes – PIMS# 3368</i>	
Partner	Central American Bank for Economic Integration
Start date	July 2006
Planned closing date	January 2013
GEF grant	US\$ 10.2 million
Co-financing	US\$ 17.3 million
Leveraged resources	Not reported
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Substantial

The project reported the approval and dispersal of US\$2.6 million in loans to 286 biodiversity SMMEs in a wide range of sectors—coffee, cocoa, cardamom, agro-forestry, silvo-pastoral, organic agriculture and sustainable tourism. Of these, 243 were micro-loans totaling US\$0.5 million provided by non-banking institutions, such as cooperatives, to small-scale low-income producers in coffee, cocoa and silvo-pastoralism.

In addition, extensive training has been undertaken with 21 financial institutions (FIs), with 349 credit officers trained in credit risk analysis and guarantee instruments, which has led to subsequent lending by these institutions. The FIs are now using CAMBio's loan pre-appraisal tool tailored for biodiversity businesses as well as the biodiversity monitoring system set up on-line by CAMBio.

An unexpected but very satisfactory result in 2009-2010 is that two non-banking institutions replicated and adopted CAMBio's approach to support their own micro-enterprise clients. There has also been strengthening and good mainstreaming of the project within Central American Bank for Economic Integration (CABEI), with CABEI senior management lowering the interest rate for the biodiversity credit line to assist with competitiveness, and also internalized the project by including CAMBio indicators in the performance reviews of the CABEI credit officers.

### ***Sustainable Land Management (SLM)***

Sustainable land management interventions aim to mitigate the causes and negative impacts of land degradation, especially desertification and deforestation, on the structure and health of ecosystems. These interventions focus on improving the productivity of land in affected areas, and the rehabilitation, conservation and sustainable management of land and water resources.

### Highlights of good practice:

In the Dominican Republic, the project *Demonstrating SLM in the Upper Sabana Yegua Watershed System (PIMS# 3185)* is strengthening national and local efforts to reverse land degradation by creating policies, developing local and national capacities, and developing the sustainable financing necessary to promote long-term sustainable land management and assure the environmental services needed to reduce poverty. The project is built on very strong outreach efforts and participatory processes.

Project attributes – PIMS# 3185	
Government Partner	Secretariat for Environment and Natural Resources
Start date	February 2006
Planned closing date	October 2011
GEF grant	US\$ 4.59 million
Co-financing	US\$ 25.4 million
Leveraged resources	US\$ 24.7 million
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Moderate

This year, the project initiated a process of evaluating the level of assimilation of practices promoted by the project in the model farms. The results highlight the fact that for crop management, 60% of producers control weeds with slashing practices. There was a 1% reduction in producers that carry out bad practices (use of herbicides and fire to control weeds). In addition, it was found that the number of producers using chemicals to control pests decreased (from 36% to 34%), and the number of producers with access to irrigation increased. In addition, the reforestation of 534 ha was achieved for a total of 1,954.12 ha during the life of the project.

There was also a significant increase in the level of knowledge of producers of Sustainable Land Management (SLM) and the application of that knowledge. The establishment of the 500 planned model farms was completed, which represent 10% of the total farms in the watershed. These farms will serve as an example to motivate the rest of the producers to replicate good productive practices and sustainable soil management practices. The productive models are based on the adequate use of the soil according to its characteristics and the application of SLM practices. In addition to the 500 model farms, there are 294 farms in the watershed that are applying some form of SLM. SLM practices are being applied to 1,073.79 hectares of model farms and farm owners are applying at least one SLM practice on an additional 750 hectares. The microcredit scheme has also been very successful, so much so that demand currently exceeds supply by almost 40 percent, an indication of the interest in and commitment to SLM that the project has galvanized.

The redefinition of the financial scheme for long term sustainability into an "Eco-Fund" for the watershed has been initiated, and includes a very innovative "incentive mechanism" oriented to providing "compensation" for those farmers who will dedicate lands to provide the forest area needed for the safeguarding of the watershed. It comprises four basic incentive mechanisms that go beyond payment for ecosystem services, and will be focused on "compensation" from agreements between the Community Fund and public institutions, and private or international donors interested in conservation of the natural resources in the watershed. Additionally, all these mechanisms are bound to the promotion of SLM and formal commitments to beneficiaries of reforestation. The fund's operation mechanism is still in the process of being defined, but is expected to be operative well after project completion.

### **Integrated Ecosystem Management**

IEM interventions create synergies among three of the GEF focal areas (namely Biological Diversity, Climate Change, and International Waters) and land degradation to optimize multiple benefits, responding to stakeholders' growing interests in holistically addressing multiple convention objectives in accordance with national priorities.

IEM projects seek to provide a comprehensive framework to manage natural systems across sectors, and political or administrative boundaries within the context of sustainable development, and aim to facilitate inter-sectoral and participatory approaches to natural resource management planning and implementation on an ecosystem scale. The projects also facilitate the prioritization and strategic sequencing of needed policy reforms, investments, and other interventions.

For example, Belarus has a substantial share of peat- and non-peat wetlands; the overall area of natural peatlands in Belarus before 1950 was 2,939,000 hectares. As a result of large-scale drainage between 1950 and 1990, more than 54 percent of peatlands were drained for peat extraction and agriculture. The use of 10 billion m<sup>3</sup> of peat in



both agriculture and energy has resulted in the release of huge volumes of carbon dioxide (CO<sub>2</sub>) into the atmosphere, contributing substantially to emissions of greenhouse gases in Belarus and a wider region. Peatland drainage has led not only to microclimatic changes, but also regional climate changes across Belarus. The ecological rehabilitation of degraded peatlands will likely improve microclimate and sub-regional climate through flooding of those areas on the brink of desertification. Populations of both rare fauna and flora have declined because the drainage of peatlands has resulted in fragmentation of their formerly continuous habitats. They now occur on the few remaining natural mires and sporadically along the periphery of the anthropogenically damaged sites. Their population numbers are directly related to the habitat area, and rehabilitation of their potential habitats, linking the now segregated sites will contribute to the stabilization and improvement of the populations of these species in Belarus.

The project *Renaturalization and sustainable management of peatlands in Belarus to combat land degradation and ensure conservation of globally valuable biodiversity (PIMS# 1750)* addresses peatland degradation in Belarus and aims to achieve global benefits in the areas of sustainable land management, global climate, and biodiversity

Project attributes – PIMS# 1750	
Government Partner	Ministry of Forestry
Start date	December 2005
Planned closing date	December 2010
Date MTE	November 2008
GEF grant	US\$ 1.02 million
Co-financing	US\$ 6.79 million
Leveraged resources	US\$ 716,497
2010 DO Rating	Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Substantial

while respecting the socio-economic development concerns of local communities. The project reported successful achievement of the majority of its targets and is now in the final year of implementation.

The project developed a sophisticated methodology for bringing extracted peatlands back from degradation by re-wetting them and elevating the ground water level. Following the methodology, the Belarus project recreated 28,208 hectares of degraded peatlands across the country. Further, it triggered investment (from co-financing) into rehabilitation of 20,000 more peatlands. Thus, it has exceeded its target (42,000 hectares) set for restoration at project start. The restored peatlands prevent emissions of 235,000 tons of CO<sub>2</sub> annually.

The value of the project for biodiversity is visible at a glance: already in the second year, there is re-emergence of typical wetland vegetation and a visible increase in the presence of water-birds such as Bittern, Reed bunting, and Sedge warbler. Recreated peatlands have quickly become popular among local communities who have started to use them for collection of cranberries, fishing and sustainable hunting. Convinced of the project's environmental and economic benefits, the Government adopted a policy which stipulates that at the end of its "economic life" a peatland must be turned back into a peatland and not into a reservoir or forest as was usually done. Whatever economic use the peatland is used for, the land-user is mandated to set-aside up-front resources for bringing it back to nature at the end, using the restoration methodology developed by the project.

The project has also triggered partnerships with national and international NGOs, as well as the German Government's International Climate Initiative, which allocated resources for further research on carbon emissions from peatlands and development of a methodology to include trading of emissions saved from peatlands at the mandatory and voluntary carbon markets. The project was instrumental in positioning the Government of Belarus at the UNFCCC, CBD and Ramsar fora on matters related to ecosystem carbon. Belarusian experts are providing important data to the International Panel on Climate Change (IPCC) and SBBSTA of UNFCCC, pushing for introduction of accounting in carbon emissions and sequestration by wetlands under the LULUCF category, ultimately aiming for full inclusion of peatland conservation and restoration projects as one of the common carbon trading mechanisms, similar to REDD+ for forests.

Due to limited scope and funding, the medium-size project did not resolve all problems pertaining to the sustainable management of peatlands in the country. However, the best proof of the project's effectiveness was the summer of 2010 when many of the neighboring Russia's peatlands were on fire. It is widely known that there is no better solution to peat-fire prevention than their proactive re-wetting. Before restoration, peatland fires were just as frequent in Belarus as in neighboring Russia, inflicting sizeable economic and health damage. Since the project started, peat fires in Belarus have been showing a steady decline, saving the country at least US\$2 million annually in fire-fighting operations. No trace of peat fire, which happened in Russia in 2010, was found in Belarus.

In August 2010, at the request of the Government of Russia, the 42-page illustrated step-by-step manual developed by the Belarus project was shared with Russia, and the Belarus project experts were invited to the cross sectoral working group set up by the Russian Government to deal with peat fires. The Russian Government confirmed that the Belarusian methodology is being considered for adoption in Russia. To further assist the Russian Government, UNDP, with support from GEF, is currently developing a wide-scale program on conservation and sustainable use of peatlands.

In the reporting period, project proposals were elaborated for renaturalization of six sites situated at the territory of forest enterprises included into the sectoral program of the Ministry of Forestry on peatlands restoration. Financial sources for the work on these sites have been, for the most part, secured. This trend will be continued as soon as more financial sources can be found, as the Ministry of Forestry, local forest enterprises and authorities can see practical project results and can evaluate benefits received in the restoration of peatlands. Now, also due to the efforts of the project, there is an understanding of importance of ecological restoration of peatlands in view of conservation of biodiversity, prevention of land degradation, and climate change mitigation. There was a proposal from the German company "Krombacher" to invest into re-hydration of depleted peatlands in Belarus in order to receive CO<sub>2</sub> reductions and to sell them at the voluntary market; this is the first proposal of such a deal in the world. There is a significant probability that this trend will continue.

## Climate Change Mitigation

UNDP works with its partners to remove barriers to the wide-spread adoption and use of environmentally and climate friendly technologies and practices. These barriers are typically policy related, capacity related, technical and/or awareness related. This will over the long-term create sustainable markets, promote a green economy, and reduce CO<sub>2</sub> emissions.

With the support of UNDP 77, countries are implementing 69 climate change mitigation (CCM) projects, including 6 regional projects, financed by the GEF and other co-financing partners. Additional countries may also be involved in 2 global projects. This 2010 CCM portfolio represents an increase of 17% in the number of projects compared to the last reporting period. 74% of this reporting cohort was approved during GEF-3/2 and 26% during GEF-4. 5 of the projects in this portfolio completed a mid-term evaluation and 2 completed a final project evaluation this past reporting period<sup>17</sup>.

The GEF grant funding for this portfolio has increased by 18% compared to the last reporting period, and represents a total GEF grant of US\$266.06 million. With co-financing from other partners at US\$1.07 billion (ratio of 1:3 to GEF grant) and additional funding leveraged during project implementation at US\$247.53 (93% of the GEF grant), this portfolio represents a total CCM investment of US\$ 1.58 billion. 53% of the GEF Grant for this portfolio has been disbursed as of 30 June 2010.

CCM	Africa	Arab States	Asia & Pacific	ECIS	Global	LAC	Total
# projects	7	6	27	14	2	13	69
GEF Grant	25,492,724	23,579,150	117,522,006	35,033,378	12,368,304	52,066,670	266,062,232
Co-financing	223,342,089	152,280,000	393,370,210	76,858,880	23,595,779	195,787,109	1,065,234,067
Leveraged	10,292,682	21,963,839	76,777,520	88,708,392	1,572,713	48,217,679	247,532,825

## Energy Efficiency

Using less energy saves money and reduces greenhouse gas emissions. Energy efficiency (EE) projects aim to remove technical, awareness, capacity and policy barriers to the large-scale application, implementation and dissemination of cost-effective, energy-efficient technologies and practices. These include CFL lighting, appropriate standards and labeling of energy efficient technologies, and the widespread adoption of energy-efficient technologies in industry and residential and public buildings.

<sup>17</sup> This does not include evaluations underway this past reporting period or evaluations that were submitted this reporting period but were completed in earlier reporting periods.

27 projects (39%) of the CCM portfolio address energy efficiency (EE). This represents 38% of the total portfolio GEF grant and 29% total portfolio co-financing. Energy efficiency projects leveraged 122% of the GEF grant for energy efficiency projects. 54% of the GEF funds have been disbursed as of 30 June 2010.

14 projects in this portfolio estimated that 20.22 Mt of CO<sub>2</sub> emissions were avoided this reporting period. Cumulative estimated emission reductions over the lifetime of the energy efficiency portfolio of UNDP supported GEF funded projects has reached more than 88 Mt CO<sub>2</sub>. This amount is essentially due to emissions avoided by three projects:

- *Energy Efficiency Improvement & Greenhouse Gas Reduction Project in Egypt (PIMS# 452)* which reported 7.5 Mt CO<sub>2</sub> in avoided emissions;
- *Cross-sectoral energy efficiency and removal of barriers to ESCO operation in Lebanon (PIMS# 1188)* which reported emissions avoided of 4.8 Mt CO<sub>2</sub>; and,
- *End Use Energy Efficiency Project in China (PIMS# 2003)* which reported avoided emissions of 6.6 Mt CO<sub>2</sub>.

6 EE projects reported that US\$ 48 million of investments have been made in energy efficiency in industry, and this has led to a total in energy savings of 55,585,986 MWh. 37 institutions have lent or expressed interest in lending for energy efficiency investments beyond those doing so at the time of project initiation.

*Highlights of good practice:*

In Egypt, the project *Energy Efficiency Improvement & Greenhouse Gas Reduction Project (EEIGGR) (PIMS# 452)* has assisted in reducing the long-term growth of GHG emissions from electric power generation and from consumption of non-renewable fuel resources. To meet suppressed and growing energy demand through management of energy consumption, the project has successfully removed key barriers to energy efficiency and conservation through awareness-raising, promotion of energy efficiency standards and labels for appliances, catalysing private sector involvement and disseminating EE lighting.

<i>Project attributes – PIMS# 452</i>	
Government Partner	Egyptian Electricity Authority, Ministry of Electricity and Energy
Start date	August 1998
Planned closing date	December 2010
Date MTE	January 2002
GEF grant	US\$ 4.1 million
Co-financing	US\$ 800,000
Leveraged resources	US\$ 1.4 million
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Moderate

The project has been instrumental in facilitating changes to the national energy efficiency policy including:

- Resolution of the Supreme Council of Energy, headed by the Prime Minister, concerning the energy efficiency measures to be applied in different sectors at the national level, starting with energy efficient lighting in government buildings and street lighting;
- Energy efficiency improvements in residential and commercial sectors, in which the Ministry of Electricity & Energy has sold 9 million CFLs at half price;
- An Energy Efficiency Unit has been established at the Cabinet of Ministers to coordinate between different players at the national level and to follow up the resolutions of the Supreme Council of Energy.
- An increase in the electricity tariff of industries that are heavy consumers of electricity.

During this reporting period, the project contributed to increasing the number of EE projects financed from the loan guarantee programme to reach a total of 46 energy efficiency projects, with a total guarantee value of 30 million Egyptian Pounds and a contracted value of 68 million Egyptian Pounds. The project has facilitated the diffusion of good-quality CFLs by guaranteeing their quality after carrying out chemical, photometric and electrical tests; as a result of the success of this programme, an additional 3 million CFLs have been procured for dissemination. To raise customer awareness, a campaign to save energy in lighting and appliances has been undertaken in media, magazines, TV and radio. The project, in cooperation with the German Joint Committee, has selected a media agency to carry out a two-year campaign which will be financed by local manufacturers.



In addition, transmission losses that can be linked to project activities amount to approximately 2 percentage points (3.8% losses in 2009 vs. 5.9% in 1998), and fuel savings from lighting appliances amounted to 3.3 Mtoe in 2008/09. The project team has successfully established itself as a genuine knowledge hub on EE in Egypt and the project has also shown how successful links with the GEF-SGP can be, particularly in the context of involving grass-roots organisations in EE.

In Vietnam, the project *Promoting Energy Conservation in Small and Medium-sized Enterprises (SMEs) (PECSME) (PIMS# 2057)* aims to reduce the annual growth rate of GHG emissions from SMEs through the removal of major barriers to adoption of more energy efficient technologies and energy management practices.

<i>Project attributes – PIMS# 2057</i>	
Government partner	Ministry of Science and Technology
Start date	October 2005
Planned closing date	June 2011
Date MTE	November 2008
GEF grant	US\$ 5.79 million
Co-financing	US\$ 23.3 million
Leveraged resources	US\$ 2.84 million
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Low

The target cumulative energy savings in the SME sector was 136.1 ktoe, and so far the project has achieved direct energy savings from the implemented demonstration projects and replication projects of 135 ktoe. The indirect energy savings from projects implemented by project partners is estimated at 37 toe.

The related target cumulative GHG emission reductions was 962 kt CO<sub>2</sub>, and so far the project has reached 525 kt CO<sub>2</sub> from direct emission reductions by implemented demonstration and replication projects. The indirect emission reductions achieved through projects implemented by project partners is estimated at 178 kt CO<sub>2</sub>.

The project has influenced the drafting of the national law on energy conservation and energy efficiency approved in June 2010. In addition, 306 local officers were trained on economic and environment benefits of EC&EE technologies against the end-of-project target of 100, and 51 SMEs have received finance from the Vietinbank Loan Program and VEPF, of which, 48 received Loan Guarantee Fund (LGF) Programme support (against the target of 80).

Overall 12 demonstration projects, and, due to the success of the project, 487 replication projects were successfully implemented showcasing feasible design and application of energy efficient management and technologies. This also provided evidences of successful replication and scaling up of such experiences and models nationwide in SME sector in Vietnam.

<i>Project attributes – PIMS# 715</i>	
Government Partner	Ministry of Economy, Labour and Entrepreneurship
Start date	December 2004
Planned closing date	June 2011
Date MTE	January 2010
GEF grant	US\$ 4.59 million
Co-financing	US\$ 8.66 million
Leveraged resources	US\$ 43.7 million
2010 DO Rating	Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Substantial

In Croatia, the project *Removing barriers to improving energy efficiency of the residential and service sectors (PIMS# 715)* co-financed by the Croatian Fund for Environment and Energy Efficiency currently works with two thirds of the cities, counties and ministries in Croatia on introducing systematic energy management in buildings; educating civil servants; and establishing systems for monitoring and reporting on energy consumption, end-use efficiency and GHG emissions reduction. The project has focused on sustainably building a permanent structure and system for energy management in the public sector, developing a pipeline of EE investments, and strategically educating/promoting EE measures for citizens. All of this has led to increased awareness, and use, of EE products on Croatian market with a 63% increase of all households in Croatia using CFLs and over 10% increase in EE-glass windows. The project has also leveraged over US\$ 40 million in new investments in EE projects.

In Kenya, the project *Removal of Barriers to Energy Efficiency Conservation in the Biomass Energy Sub-Sector in Kenya (PIMS# 3166)* seeks to remove market barriers to the adoption of sustainable biomass energy practices and technologies by institutions (schools and hospitals) and small businesses (restaurants, hotels) in rural and urban areas of Kenya by: (i) promoting highly efficient improved stoves and (ii) establishment of woodlots owned and managed by the institutions and private sector.

Project attributes – PIMS# 3166	
Government Partner	Ministry of Energy
Start date	January 2007
Planned closing date	December 2010
Date MTE	January 2009
GEF grant	US\$ 1.0 million
Co-financing	US\$ 5.6 million
Leveraged resources	US\$ 76,000
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	High

The project builds on and scales up a successfully implemented GEF SGP project where a revolving fund credit scheme to disseminate energy-saving stoves to institutions in Kenya on a commercial basis was established. The key project indicator is the reduction of CO2 equivalent emissions by an accumulated total of between 400,000 and 960,000 tonnes by 2020. Domestic benefits include reduced deforestation and forest degradation, reduced air pollution indoors (and outdoors), improved respiratory and general health of cooks, reduced cooking times, less time spent gathering fuel, cleaner kitchens, protection for community forests, reduced fuel costs, and income generation for stove producers and seedling producers / farmers establishing woodlots.

The National Woodfuel policy - the development of which was supported by the project - has now been submitted to the directorate of Renewable Energy in the Ministry of Energy in readiness for a stakeholders workshop and final adoption, hopefully by early next year. Since June 2009, 271 stoves have been installed in 165 institutions. The schools ordered these through the revolving fund, which they are currently repaying in installments over a 2-year period. The partnership is up and running with the World Food Programme toward feeding school children and the fabrication and installation of 72 stoves out of an estimated order of 400 stoves for an estimated population of 1,200,000 students in the slums of Nairobi and the arid and semi arid regions is underway. The project is also promoting the use of solar lighting technology. The wood fuel consumption rates and patterns, the per capita GHG emission avoidance, tree survival rates and biomass/carbon sequestration models have been integrated into tools for assessing emission avoidance as a result of switching from traditional to improved stoves and carbon sequestration potential school woodlots. These tools are now available and are in use. Data collection is in progress and proper avoidance and sequestration data will be made available in due course.

### **Promoting the Adoption of Renewable Energy**

Renewable energy (RE) is one of the most promising substitutes for fossil fuels. Renewable energy projects aim to help countries remove barriers to developing markets for renewable energies where this is cost-effective, and to create enabling policy frameworks, build the capacity for understanding and using the technologies, and establish financial mechanisms to make renewable energy more affordable.

30 projects (44%) of the CCM portfolio address renewable energy. This represents 38% of the total portfolio GEF grant and 45% of the portfolio co-financing. Renewable energy projects leveraged 100% of the GEF grant for renewable energy projects. 53% of the GEF funds have been disbursed as of 30 June 2010.

11 projects in this portfolio estimated that 4.281 Mt CO<sub>2</sub> have been avoided during the reporting period. Cumulative estimated emission reductions over the lifetime of the portfolio of projects under implementation have reached 14.686 Mt CO<sub>2</sub>. The vast majority of these emissions avoided are the result of three projects:

- *Capacity Building to Remove Barriers to Renewable Energy Development in Philippines (PIMS# 761)* which reported 2.04 Mt CO<sub>2</sub> in emissions avoided;
- *Grid-connected Photovoltaic Project in Mexico (PIMS# 2201)* which reported 0.9 Mt CO<sub>2</sub> in emissions avoided; and,
- *Action Plan for Removing Barriers to the Full Scale Implementation of Wind Power in Mexico (PIMS# 2222)* which reported 1.06 Mt CO<sub>2</sub> in emissions avoided.

17 projects rated progress made toward creating an enabling environment for the adoption, creation and/or enactment of policy for renewable energy. The average across these projects is 2.44/4, roughly indicating that standards have been formally proposed, adopted in some cases but not for all, and enforcement mechanisms are still needed.

12 projects reported electricity production in the reporting period from grid-connected renewable energy installations installed under the influence of the project, for a total of 4,235,999 MWh. 7 projects reported that 83 999 businesses and households are being served by renewable energy beyond those receiving service at the time of project inception. 8 projects reported that 315,059 MWh of electricity have been produced from rural renewable energy installations installed under the influence of the project.

In Uruguay, the project *Uruguay Wind Energy Programme (UWEP) (PIMS# 2292)* aims to remove institutional, regulatory, financial, technological and social barriers to the development of commercially viable wind energy investments in the country and the establishment of a 5 MW showcase as a basis for replication.

The project continues to exceed expectations, creating national policies that encourage additional wind energy generation and diversifying the country's energy generation mix. The main policy changes can be summarized as follows:

<i>Project attributes – PIMS# 2292</i>	
Government partner	Ministry of Industry, Energy and Mining
Start date	June 2007
Planned closing date	December 2011
GEF grant	US\$ 1.0 million
Co-financing	US\$ 6.0 million
Leveraged resources	Not reported
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Low

- allowing the incorporation of independent power producers for electricity generation;
- issuing decrees that allow the Government to tender RE generation;
- incorporating Renewable Energy targets in the National Energy Policy.

A clear indication of the projects' influence has been the Government's recent launch of a bidding process for 150 MW of wind generation and establishment of a 300-500 MW target by 2015. Furthermore, the project has greatly increased technical capacity within the state owned utility, UTE. Prior to the project, UTE was unsure of the potential benefits of wind energy generation in Uruguay; however, the technical assistance provided by the project has allowed it to successfully operate the first large scale commercial wind farm in Uruguay (now 20 MW). For the upcoming year, the main remaining challenge is for the project to generate reliable, detailed wind maps for the most viable generation locations in the country. The appetite for wind energy has already been created, and both the public and the private sectors are willing to invest. The generation of improved public knowledge will be essential to identify the best generation sites, and will allow the government to make the appropriate spatial planning decisions to ensure that these sites are adequately exploited. Furthermore, the project must ensure that this experience is well captured through publications, dissemination events, and any other appropriate knowledge management mechanisms.

In Costa Rica, the project *National Off-Grid Electrification Programme Based on Renewable Energy Sources*

Project attributes – PIMS# 1322	
Government partner	Ministry of Environment and Energy
Start date	December 2004
Planned closing date	July 2010
GEF grant	US\$ 1.14 million
Co-financing	US\$ 945,824
Leveraged resources	Not reported
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Low

(PIMS# 1322) is designed to reduce greenhouse gas emissions by promoting the use of decentralized renewable energy systems in areas isolated from the National Interconnected System of Costa Rica. Approximately 329 communities are expected to receive electricity through either micro hydroelectric plants or photovoltaic systems, reducing CO<sub>2</sub> emissions by an estimated 210 thousand tons over the project lifetime. The project has influenced the national policy of renewable energy in Costa Rica. The Congress recently approved an amendment to a tax exemption act (Law No. 7400) which promotes the use of renewable energies by eliminating 13% of the tax burden previously levied on solar panels and solar-powered kitchens, refrigerators and heaters, as well as on devices that run on wind and hydroelectric power.

In Malaysia, the project *Building Integrated Photovoltaic (BIPV) Technology Application Project* (PIMS# 2754) aims to reduce the cost of non-emitting GHG technology (i.e. the photovoltaic or PV) by creating a sustainable BIPV market in Malaysia that will generate widespread BIPV applications.

Project attributes – PIMS# 2754	
Government partner	Ministry of Energy, Communications and Multimedia
Start date	May 2005
Planned closing date	September 2010
GEF grant	US\$ 4.82 million
Co-financing	US\$ 20.25 million
Leveraged resources	US\$ 120,000
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Substantial

The MBIPV Project has achieved significant progress in its final year of implementation. The project has managed to popularize BIPV systems whereby the public today is very familiar and fond of solar energy, as found in many public comments through the mass media. The public acceptance towards solar energy has increased significantly where the public today is willing to pay between 60% to 80% of the price of the BIPV systems. With the support from the project, the local solar industry and service providers have also improved significantly, and are able to provide quality services while reducing the local system cost by 39% since the inception of the project. The solar industry in Malaysia has also grown with the foreign direct investments of almost RM 20 billion of top international solar companies in Malaysia. To sustain the impact, the

project has successfully assisted the Government to introduce feed-in tariff programme in the 10th Malaysia Plan to catalyse renewable energy (RE) development.

The BIPV project has exceeded its targets and delivered all of its major outputs such as:

- improvement of the quality of PV systems through application of the Malaysian Standard MS1837;
- implementation of Green School Campaign with solar PV installations in six public schools with co-financing;
- incentives awarded to 177 applicants installing 1,524 kWp PV systems;
- pre-commercial production of nine local inverter units; and,
- two training manuals published and courses ISPOQ-accredited (the first two in ASEAN) to enhance competency of 87 local solar service providers.

In addition, the project reported a reduction of CO<sub>2</sub> emissions of approximately 1,553 tonnes, increasing the cumulative reduction since the start of project to 4,380 tCO<sub>2</sub>. The supply of 2,465 MWh electricity to the grid, which replaced the fossil fuel-based electricity generation, has made this emission reduction possible. More than 100 stakeholders expressed interest in procuring/supplying the PV technology.

## International Waters

International Waters (IW) interventions focus on transboundary water systems, such as river basins where water flows from one country to another; multi-country lake basins; groundwater resources shared by several countries; or large marine ecosystems (LME) bounded by more than one country. With the support of UNDP, countries work with their neighbours to modify human activities – including agriculture, industry, mining, water and other resource extraction, fishing and wastewater management – that place ecological stress on the water systems and degrade them, often affecting their downstream use by another country or community. In this way, water use conflicts can be prevented, security and livelihoods improved, habitats protected, health risks minimized and water resources used sustainably for the benefit of all.

There are 26 regional projects in the 2010 IW portfolio this year covering 93 countries. The 2010 IW portfolio represents an increase of 24% in the number of reporting projects compared to the last reporting period. 46% of this portfolio was approved during GEF-3/2 and 54% during GEF-4. 2 IW projects completed a mid-term evaluation this reporting period and 2 final project evaluations are underway.

The GEF grant funding for this portfolio has increased by 19% compared to the last reporting period, and represents a total GEF grant of US\$ 154.29 million. With co-financing from other partners at US\$ 587.72 million (ratio of 1:4 to GEF grant) and additional resources leveraged during project implementation at US\$ 152.00 (99% of the GEF grant), this portfolio represents a total IW investment of US\$ 894 million. 57% of the GEF Grant for this portfolio has been disbursed as of 30 June 2010.

IW	Africa	Arab States	Asia & Pacific	ECIS	Global	LAC	Total
# projects	8	2	5	4	4	3	<b>26</b>
GEF Grant	59,857,895	2,000,000	46,415,295	9,734,816	10,122,840	26,155,552	<b>154,286,398</b>
Co-financing	195,524,338	11,773,400	151,134,744	44,281,921	22,433,899	162,568,000	<b>587,716,302</b>
Leveraged	24,514,961	0	100,240,032	1,339,213	20,315,540	5,590,000	<b>151,999,746</b>

Key IW portfolio results this reporting period include:

- Formal adoption of the Yellow Sea and Niger River Basin Strategic Action Programmes (SAPs); significant progress made in the preparation of 8 other SAPs including the Okavango River SAP which is expected to be adopted by the 3 riparian countries very soon;
- Significant progress in implementing governance reforms and stress reduction measures to address depleted fisheries in the west and central Pacific, Caspian Sea and Benguela Current Large Marine Ecosystem; reducing nutrient, toxics and/or sediments pollution in the Dnipro River basin, FrePlata, Lake Tanganyika, in the Seas of East Asia; reducing conflicting water uses for the Nile River basin; and, reducing risk of invasive species from ship ballast water;
- Significant progress was made in building capacity and knowledge management in municipal wastewater management, nutrient management, effective transboundary legal and institutional frameworks, and GEF-wide portfolio learning in marine, coastal and island states;
- Good progress was also made in strengthening and/or operationalizing 8 existing and/or emerging shared waterbody institutions, in establishing inter-ministerial committees as key vehicles for cross-sectoral participation in the TDA and SAP/IWRM planning processes in 7 projects, and several projects made important progress towards financial and institutional sustainability of joint waterbody institutions and transboundary water institutions.

12 projects of the IW portfolio were approved during GEF-3/2 and support the GEF-3 Results Framework strategic priorities of preparing transboundary diagnostic analyses (TDA) and strategic action programmes (SAP) (2 projects); undertaking foundational activities including capacity building and learning (7 projects); and, investing in innovative demonstrations (3 projects).



*Highlights of good practice include:*

In Africa, the project *Guinea Current LME (PIMS# 858)* involves the following 16 countries: Benin, Cameroon, Côte d'Ivoire, Ghana, Guinea, Nigeria, Togo, Angola, Congo, Gabon, Equatorial Guinea, Liberia, Sierra Leone, DR Congo,

<i>Project attributes – PIMS# 858</i>	
Start date	October 2004
Planned closing date	June 2011
GEF grant	US\$ 12.14 million
Co-financing	US\$ 33.97 million
Leveraged resources	US\$ 13.98 million
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Moderate

Guinea-Bissau, and, Sao Tome and Principe. The project aims to: 1) recover and sustain depleted fisheries; 2) restore degraded habitats; and 3) reduce land and ship-based pollution by establishing a regional management framework for sustainable use of living and non-living resources in the GCLME. Priority action areas include reversing coastal area degradation and living resources depletion, relying heavily on regional capacity building. The project focuses on nine demonstration projects, designed to be replicable and intended to demonstrate how concrete actions can lead to dramatic improvements. Sustainability will derive from this improved capacity, strengthening of national and regional institutions, improvements in

policy/legislative frameworks, and the demonstration of technologies and approaches that will lead to improved ecosystem status.

The project reported the establishment, through a public-private partnership, of a port reception facility at Tema Port in Ghana leading to a reduction in discharges of waste oil into the water body by maritime vessels. Facilities are also being established at maritime ports in Nigeria and Cote d'Ivoire leading to enhanced capacity of the countries in ballast water management. Nypa palm infestation areas have been delineated and pilot mangrove restoration projects are being implemented by oil companies as co-financing contribution in the Niger Delta, Nigeria.

The Nigerian government is formulating a new national policy for control of Nypa Palm invasive species. A public-private partnership project on the utilization of municipal solid waste for fertilizer production is fully established in Nigeria. Common industrial effluent standards have been adopted and are being implemented/enforced in some countries. Partnerships with the private sector in Lagos, Nigeria were established for restoration of the Lagos lagoon (effluent discharge reduction). Over 100 environmental experts were trained and knowledge applied in drafting and implementing common standards, policies and legislation. LME biomass estimates are being made from Fish Trawl and Stock assessment surveys conducted in the region looking at catch rates and length frequency measurements.

In Asia and Pacific, the *Yellow Sea LME (PIMS# 994)*, involves China and the Republic of Korea, who share common problems with pollution abatement and control from municipal and industrial sites in the Yellow Sea basin, as well

<i>Project attributes – PIMS# 994</i>	
Start date	June 2003
Planned closing date	March 2011
Date MTE	November 2007
GEF grant	US\$ 14.7 million
Co-financing	US\$ 9.89 million
Leveraged resources	Not reported
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Low

as contributions from non-point source contaminants from agricultural practices. All of the littoral countries are urgently seeking to address problems of reduced fish catch and shifts in species biomass and biodiversity (caused in part by overfishing), red tide outbreaks, degradation of coastal habitats (caused by explosive coastal development), and effects of climate variability on the Yellow Sea Large Marine Ecosystem. The objective of the project is to promote an ecosystem-based, environmentally-sustainable management and use of the YSLME and its watershed by reducing development stress and promoting sustainable exploitation of the ecosystem from a densely populated, heavily urbanized, and industrialized semi-enclosed shelf sea.

The Yellow Sea LME Strategic Action Programme (SAP) was adopted by the two governments in November 2009 and National Yellow Sea Action Plans (NSAPs) have been finalized. National fisheries management plans as part of the NSAPs are in preparation in line with the regional targets and actions. The goal of the SAP is to protect the "ecosystem carrying capacity" of the Yellow Sea so that the ecosystem services, such as provision of food, nutrient absorption, and carbon sequestration. Key among the SAP commitments are measures to achieve (a) a 30% reduction in fishing effort (cutting both numbers of fishing boat and engine size); and (b) a 10% cut in point source

pollution every 5 years and strict control of new reclamation. The governments have already shown their commitment to implement major management actions, with several hundred million US dollars being spent every year to tackle the shared environmental problems of the YSLME. Establishment of an YSLME Commission was agreed as a regional coordination mechanism to coordinate and monitor SAP implementation going forward. The project and participating countries are now full partners to the SDS-SEA and its Partnership Council.

The ecosystem-based approach has been further tested and improved with the new methods and technologies applied in the completed 21 demonstration activities, several of which demonstrably reduced environmental stress on the Yellow Sea. For example, nutrient pollution from mariculture was reduced by developing environment-friendly mariculture ("Integrated Multi-Trophic Aquaculture, IMTA) methods. Assessment of the relative contribution of pollution from atmospheric, sea and land-based sources to the nutrient enrichment of "hot spots" such as the Yalu River estuary provided solid evidence for where most attention should be paid to reduce eutrophication impacts. Developing conservation plans and building institutional capacity improved the management of critical habitats such as the Rongcheng seagrass beds and the Ganghwa tidal flat. The data and information system was fully established, and a mirror site of the YSLME GIS data base has been fully established in the Republic of Korea (ROK). Data and samples generated from the co-operative cruises have been fully shared.

Strong political support was generated for the continuation of the project into SAP implementation phase; a draft GEF PIF indicates initial co-financing commitments to SAP implementation from the two countries of \$2.6 billion. The Government of the Republic of Korea is providing US\$ 500,000, and China RMB 2,000,000, covering bridging phase of the project between GEF-supported projects. As a country no longer eligible for GEF financing, ROK is making arrangements to be fully self-funded for SAP implementation.

In Latin America and the Caribbean, the project *Caribbean SIDS IWCAM (PIMS# 2195)* aims to strengthen the capacity of the participating countries to implement an integrated approach to the management of watersheds

<i>Project attributes – PIMS# 2195</i>	
Partners	The Secretariat of the Cartagena Convention; The Caribbean Environmental Health Institute
Start date	October 2005
Planned closing date	July 2011
GEF grant	US\$ 14.3 million
Co-financing	US\$ 98.2 million
Leveraged resources	US\$ 900,000
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Low

and coastal areas (IWCAM). The long-term goal is to enhance the capacity of the countries to plan and manage their aquatic resources and ecosystems on a sustainable basis. The following 13 countries are involved in the project: Antigua and Barbuda, The Bahamas, Barbados, Cuba, Grenada, Dominica, Dominican Republic, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago.

The project reported significant progress this reporting period and several demonstrations have presented their results at major international fora, including Stockholm World Water Week, CWWA Conference, Global Oceans Conference, 5<sup>th</sup> Caribbean Environmental Forum, and through events organized

in the Pacific by IWCAM's sister project for the Pacific SIDS.

For example, Cuba is developing an IWCAM approach in Cienfuegos Bay and reported that an organic waste pre-treatment plant for organic fertilizer production was completed at the Sarduy and San Juan farms. A demonstration activity at the State property farm for recycling sugar cane wastewater and the implementation of the soil conservation measures has been implemented. Design and construction of a biogas system has been initiated. A monitoring programme for Cienfuegos Bay is being fully implemented and a procurement process for laboratory acquisitions/capacity building is underway. A range of stress reduction, environmental and socioeconomic status improvements associated with the demonstration project are already evident and include:

- An increase of more than 200 Cuban pesos in monthly income for both families, as a result of the sale of fruits and vegetables produced on the farm.
- A 90% reduction in Marabú infestation in the demonstration areas; these areas were then used for grass, dairy, and meat production.
- 100% of technical procedures in all demonstration areas were implemented to reduce fires, soil erosion and acidification.

- Improvement in living and working conditions for the farmer and their families through the procurement of TV, radio, refrigerators, fans, bathroom fittings.
- An increase in the production of meat (800%), milk (67%), fruits and vegetables (130%) from the 2006 baseline level at both the Sarduy and San Juan farms.
- Catalytically, three projects of wastewater treatment system were developed for three neighbours of Cienfuegos city. One of them was presented for funding to PDHL-UNDP program.

In Trinidad and Tobago, reforestation was initiated in the Courland watershed in areas of Culloden and Moriah. A total of 553 trees were planted and group training was conducted to guarantee continuation of the reforestation work within the community. A public awareness campaign was held with all agencies involved in fire suppression and water resources management in the watershed. 23 contractors (large to small) were trained in the construction and use of sedimentation ponds as a means of reducing the flow of sediments into the water ways during construction of homes and building. A workshop was held for 19 active farmers in the watershed on soil conservation for hillside farming. Farmers were taught how to construct bench terraces using the A-Frame to prevent soil erosion getting into and sedimentation of the waterways. Three public consultations on the wastewater treatment plant were held. The design of the wastewater treatment plant and collection plant and related land surveys were completed and studies from the consultant on artificial wetlands were submitted. A very solid stress reduction and environmental status baseline has been created for ongoing monitoring including live coral cover, sedimentation rate, dissolved oxygen, pH, salinity, turbidity, bleaching, macro-algal cover, coral disease and species abundance. The Buccoo and Plymouth reef showed signs of increase in live hard coral: 5.8% - from 22.55% in 2007 to 28.33% in 2009 for Buccoo, and 3% - from 19.34% to 22.33% for Plymouth.

The 14 projects approved during GEF-4 support the Strategic Priorities of: Restoring and sustaining coastal and marine fish stocks and associated biological diversity (5 projects); Reducing nutrient over-enrichment and oxygen depletion from land-based pollution of coastal waters in LMEs consistent with the GPA (1 project); Balancing overuse and conflicting uses of water resources in surface and groundwater basins that are transboundary in nature (4 projects); Reducing persistent toxic substances and testing adaptive management of waters with melting ice (1 project); and, global learning (3 projects).

*Highlights of good practice include:*

The global project *Building Partnerships to Assist Developing Countries to Reduce the Transfer of Harmful Aquatic Organisms in Ship's Ballast Water (GloBallast Partnerships) (PIMS# 3050)* aims to assist developing countries to

<i>Project attributes – PIMS# 3050</i>	
Partner	International Maritime Organization
Start date	September 2007
Planned closing date	September 2014
GEF grant	US\$ 6.38 million
Co-financing	US\$ 16.1 million
Leveraged resources	US\$ 18.6 million
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Highly Satisfactory
2010 Risk Rating	Moderate

reduce the risk of aquatic bio-invasions mediated by ships' ballast water and sediments and expand and build on a successfully completed GEF-UNDP-IMO pilot project (GloBallast Project). With the help of tools developed and lessons learned from the pilot project, the GloBallast Partnerships project aims to expand government and port management capacities, instigate legal, policy and institutional reforms at the country level, develop mechanisms for sustainability, and drive regional coordination and cooperation.

The project will spur global efforts to design and test technology solutions, and will enhance global knowledge management and marine electronic communications to address the issue. The partnership effort is

three-tiered, involving global, regional and country-specific partners, representing government, industry and non-governmental organizations. Private sector participation is achieved through establishing a GloBallast Industry Alliance with partners from major maritime companies. 14 countries, from 6 high priority regions, take a lead partnering role focusing especially on legal, policy and institutional reform. All told, more than 100 countries in 14 regions across the globe participate, including the six pilot countries whose expertise and capacities are drawn on for this global scaling-up effort.

By the end of this reporting period, all the project Lead Partnering Countries (LPC) have started drafting a national policy and at least 3 LPCs have completed this drafting process. The project achieved this by developing a set of



global guidelines to assist the countries to develop such national policies and strategies (Globallast Monograph on "Guidelines for Development of a National Ballast Water Management Strategy"), providing regional and national level training on development of national policies and assisting with national level support to procure the services of local experts to draft the national policies. It is expected that the national level policy implementation will take place when the BWM Convention enters into force. Once implemented it is expected that this will put in place a set of measures by which ships ballast water discharges will be regulated and this will eventually reduce the risk of alien invasive species transferred via ships from one ecosystem to another.

All Regional Seas Programmes in participating regions are incorporating ballast water issues under the regional environmental convention frameworks. Significant capacity has been built in participating regions to undertake port biological baseline surveys. Momentum is also being sustained in GloBallast pilot-phase countries such as India which has internally mobilized over \$15 million to continue the substantial progress achieved under the pilot phase. The Global Industry Alliance and Global Industry Alliance Fund are fully established and several activities to overcome technology related hurdles to industry adoption of ballast water management systems have progressed. Several technologies have received formal IMO/GESAMP endorsement and are currently available to manage ballast water; the ballast water treatment technology industry is now valued at close to \$30 billion.

In *Asia and Pacific*, the project *Pacific Island Countries Integrated Water Resource and Waste Water Management (PIMS# 3311)* aims to improve water resource and wastewater management and water use efficiency in Pacific

Project attributes – PIMS# 3311	
Partner	Pacific Islands Applied Geoscience Commission
Start date	February 2009
Planned closing date	November 2013
GEF grant	US\$ 7.45 million
Co-financing	US\$ 90.57 million
Leveraged resources	US\$ 0
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Low

Island Countries in order to balance overuse and conflicting uses of scarce freshwater resources through policy and legislative reform and implementation of applicable and effective Integrated Water Resource Management (IWRM) and Water Use Efficiency (WUE) plans. As of June 2010, inter-ministerial committees have been established in 13 countries. In 10 of these countries, IWRM APEX bodies have been established, while in 3 countries, national water summits will be held to establish the APEX bodies. As of June 2010, IWRM principles had been incorporated into national strategic frameworks of 3 countries (Vanuatu, Kiribati and Solomon Islands), were under development in 6 countries (Samoa, Fiji, Cook Islands, Nauru, Niue and Tuvalu) and being followed through other paths in 4 countries (Tonga, Federated States of Micronesia, Palau and Republic of Marshall Islands). 10 countries (Cook

Islands, Fiji, Kiribati, Niue, RMI, Tonga, Samoa, Solomon, Vanuatu and Tuvalu) have established APEX bodies, and 3 countries (FSM, Palau and RMI) are planning national water summits to launch water policy and legal reform process through national committees and Presidential decrees.

## Climate Change Adaptation

UNDP services on adaptation are provided in the context of the organizations' broader strategy to support countries on low emission, climate resilient development. UNDP supports countries to achieve pro-poor and pro-growth sustainable economic development and livelihoods in the face of climate change. This is done through projects designed to assist countries strengthen adaptive capacity and enabling environments to create robust and responsive state institutions, capable public and private sector management, and skilled human resources to innovate, adapt and deliver in the context of changing long-term conditions. National and sub-national systems are enhanced to leverage sources of public finance to catalyze private financing to effect a transformational change on economic growth.

29 countries are working with UNDP to implement implementing 16 climate change adaptation projects, including 2 regional projects, financed by the GEF LDCF/SCCF and other co-financing partners. 14 of these countries are SIDS countries and 12 are least developed countries (LDCs). This 2010 CCA portfolio represents a 60% increase in the number of projects since 2009. 56% of the portfolio was approved in GEF-4 and 44% was approved in GEF-3. Two mid-term evaluations were underway this reporting period in the portfolio.

The GEF funding for this portfolio has increased by 122% since 2009, and represents a total GEF grant of US\$ 43.52 million. With co-financing from other partners at US\$ 104.22 (ratio of 1: 2 to GEF grant), and additional resources leveraged during project implementation at US\$ 13.12 million (30% of the GEF grant), this portfolio represents a total CCA investment of US\$ 160.86 million. 21% of the GEF Grant for this portfolio has been disbursed as of 30 June 2010.

CCA	Africa	Asia & Pacific	ECIS	Global	LAC	Total
# projects	6	4	2	2	2	16
GEF Grant	8,938,000	22,550,050	1,949,900	5,733,160	4,350,000	43,521,110
Co-financing	20,885,038	55,396,023	2,790,000	5,170,140	19,975,232	104,216,433
Leveraged	792,547	231,000	37,000	2,664,665	9,395,790	13,121,002

#### Highlights of good practice:

In Zimbabwe, the project *Coping with Drought and Climate Change (PIMS# 3785)* seeks to develop and pilot a range of long-term adaptation measures in the agriculture sector to reduce the vulnerability of small-holder

Project attributes – PIMS# 3785	
Executing Agency	Ministry of Environment and Tourism
Start date	August 2007
Planned closing date	September 2012
GEF grant	US\$ 983,000
Co-financing	US\$ 2.15 million
Leveraged resources	Not reported
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Substantial

farmers and pastoralists in rural Zimbabwe to current and future climate change related shocks. The project has been designed to promote sustainable livelihoods in drylands; enhance the use of early warning systems; integrate climate risk management across sectors, institutions and society; and, up-scaling adaptation lessons learned outwards to other geographic areas and upwards to national policy level. The GEF Small Grants Programme participates in the Project Steering Committee.

The project reported that a broad range of measures have been piloted to help poor communities in Chiredzi district in southeast Zimbabwe reduce the climate vulnerability of their agriculture and livestock-based livelihoods. Crop diversification is being promoted, including open pollinated maize, sorghum, pearl millet, groundnuts, cowpeas and cassava. Infield rainwater harvesting is being undertaken to reduce vulnerability to drought impacts. Simple tillage practices such as tied ridges, deep plough furrows and “zai pits” have increased yields five-fold across maize and sorghum hybrid varieties. In areas where rainfed crop production is not a viable option, farmers are diversifying into other livelihood options including natural resources management, aquaculture and captive wildlife breeding. A group of 28 farmers made up of 19 men and 9 women have started a successful crocodile breeding venture as a pilot demonstration project. The project is also working with extension workers and farmers to build a village level climate information system to support within season crop and livestock decision making. In addition, interventions have focused on promoting conservation of locally available forage to supplement dry season forage and boost availability of animal drawn draught power.

Project attributes – PIMS# 3722	
Government partners	Ministry of Economic Affairs' Department of Geology and Mines; Ministry of Home and Cultural Affairs' Disaster Management Division
Start date	April 2008
Planned closing date	December 2012
Date MTE	September 2010
GEF grant	US\$ 3.62 million
Co-financing	US\$ 2.71 million
Leveraged resources	US\$ 231,000
2010 DO Rating	Satisfactory
2010 IP Rating	Moderately Satisfactory
2010 Risk Rating	Moderate

In Bhutan, the most significant climate change impact is the formation of supra-glacial lakes due to the accelerated retreat of glaciers from increasing temperatures. The risk of potential costly economic damages on key development sectors such as agriculture, hydropower, and forestry by Glacial Lake Outburst Floods (GLOFs) is mounting. The project *Reducing Climate Change-induced Risks and Vulnerabilities from Glacial Lake Outburst Floods in the Punakha-Wangdi and Chamkhar Valleys (PIMS# 3722)* aims to reduce climate change-induced Glacial Lake Outburst Flooding (GLOF) risk in the Punakha-Wangdi and Chamkhar Valleys in Bhutan.

Since the project started in 2008, a government circular for GLOF-resilient land use planning has been disseminated to local authorities

which aims to prevent new construction in potentially hazardous sites, and a number of planned construction efforts have been effectively put on hold on the basis of this circular, which was based on the GLOF hazard zonation undertaken during project preparation. In addition, the project has successfully supported the formulation of Bhutan's Disaster Management Act, which is currently under review by the Parliament. A review of the National Disaster Risk Management Framework (NDRMF) is expected to take place in 2011, and will integrate concrete lessons learned from this project.

In addition, from June-September each year, 340 workers are working to lower the water-level of the Thorthomi lake, one of Bhutan's 25 potential dangerous lakes. In 2009, the lake level was lowered by 0.86m, thereby substantively reducing the pressure of melt waters on the thinning moraine dam of the Lake. The overall target of the project is to lower the lake water level by 5m, which is expected to be achieved by December 2012.

The project is working with vulnerable communities in several areas on Community-Based disaster risk management trainings and has targeted 21 vulnerable communities downstream along the Punatsangchu River for trainings and awareness programmes with the aim of supporting bottom-up disaster planning processes. The communities include: Wolathang, Samdingkha, Tsekha/Domi, Changyul, Punakha Dzong Dratshang, Punakha, Khuruthang and Tshokana in the Punakha district; Samthang VTI, Bajo Thangu, Bajothang, Hesothangkha, Chanchey, Rurichhu Lanitsaw, and Jari-Kamichu in the Wangduephodrang district; Chachey Dobani and Rangthangling Gewog in the Tsirang district; and, Sunkosh, Lhamoizingkha, Karmaling, and Lichula in the Dagana district.

### Persistent Organic Pollutants (POPs)

UNDP POP interventions focus on providing support to countries to phase out the production and use of POPs, and to reduce releases of POPs to the environment. In addition, POP waste is prevented, managed and disposed of and POPs contaminated sites are managed in an environmentally sustainable manner.

9 countries are working with UNDP to implement 10 POPs projects financed by the GEF and other co-financing partners. 8 additional countries are also involved in the implementation of 1 global project *Demonstrating and Promoting Best Techniques and Practices for Reducing Health-Care Waste to Avoid Environmental Releases of Dioxins and Mercury (PIMS# 2596)*. 70% of the projects were approved during GEF-4 and 30% during GEF 3. The total number of POPs projects has increased by 83% since 2009. 3 projects completed a mid-term or final project evaluation this past reporting period.

The GEF grant financing for this portfolio has increased by 50% since 2009, and represents a total GEF grant of US\$ 52.91 million and US\$ 78.27 million in co-financing from other partners. This represents a combined total investment of US\$ 131.18 million. 14% of the GEF Grant has been disbursed as of 30 June 2010.

POPs	Africa	Arab States	Asia & Pacific	ECIS	Global	LAC	Total
# projects	2	1	2	1	1	3	<b>10</b>
GEF Grant	4,245,950	2,532,900	16,955,000	10,612,160	11,051,403	6,769,550	<b>52,166,963</b>
Co-financing	15,100,000	5,173,200	23,950,000	10,056,000	6,350,507	17,241,750	<b>77,871,457</b>
Leveraged	Not reported	Not reported	Not reported	Not reported	Not reported	Not reported	<b>Not reported</b>

This year, projects were asked to report against the new GEF POPs tracking tools. 10 projects, including 3 projects that are closing, reported against these POPs portfolio indicators. As many of the projects have been under implementation for a short period of time, capacity development for sector interventions such as the setting-up of environmentally sound management systems, including POPs disposal, has received greater emphasis and progress can be monitored in this area. In addition, the GEF POPs tracking tool compiles data on somewhat different parameters depending on the targeted POPs, and reporting of the direct portfolio results requires

aggregation of results across contaminants groups. As such, 4 indicators have been selected for aggregate portfolio reporting:

Indicator	Cumulative result
Number national POPs regulations adopted	16
Number of people receiving POPs management or POPs alternatives training (more than 3 days training only)	91,601
POPs disposed (metric tons)	1,295
POPs safe guarded (metric tons)	220

*Highlights of good practice:*

In China, the project *Alternatives to DDT Usage in the Production of Antifouling Paint (PIMS# 3664)*, has helped catalyze action to impose an early ban on the production, distribution, uses, import and export of pesticide POPs, including DDT as of May 17, 2009. As a result of the early ban, the project achieved one of its main objectives with the closure of Tianjin Chemical Plant, the sole supplier of DDT for antifouling plant production, effectively eliminating the consumption of 250 MT DDT per year for DDT-based antifouling paints production.

Project attributes – PIMS# 3664	
Start date	October 2007
Planned closing date	December 2011
GEF grant	US\$ 10.6 million
Co-financing	US\$ 12.3 million
Leveraged resources	Not reported
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Moderate

In Mauritius, the project *Sustainable management of POPs in*

*Mauritius (PIMS# 3779)* has placed additional efforts to enhance the abilities to prevent or manage vector-borne diseases with reduced reliance on DDT. The use of DDT for residual spraying will be stopped at the airport and seaport in Mauritius, and pyrethroids and insecticide treated bed nets (ITN) were recommended for emergency purposes. In addition, as a result of awareness raising and trainings, during the first half of 2010 the annual use of DDT in the amount of 600 kg was reduced to 300 kg. The project also progressed with the establishment of decentralized vector surveillance system at village level.

Project attributes – PIMS# 3779	
Government partners	Ministry of Environment; National Development Unit; Ministry of Health and Quality of Life; Ministry of Local Government and the State Law Office
Start date	June 2008
Planned closing date	June 2012
GEF grant	US\$ 950,250
Co-financing	US\$ 2.15 million
Leveraged resources	Not reported
2010 DO Rating	Highly Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Substantial

In Morocco, the project *Safe PCB Management Programme (PIMS# 3714)* reported the promulgation of the Decree establishing the National PCB Commission. This commission is made up of stakeholders from various backgrounds and is in charge of ensuring the endorsement and implementation of measures of the Stockholm Convention

Project attributes – PIMS# 3714	
Government partner	Ministry of Land Planning, Water and Environment
Start date	February 2009
Planned closing date	December 2012
GEF grant	US\$ 2.53 million
Co-financing	US\$ 5.17 million
Leveraged resources	Not reported
2010 DO Rating	Satisfactory
2010 IP Rating	Satisfactory
2010 Risk Rating	Substantial

relative to POPs and PCBs. Training of representatives from different ministerial departments concerned with safe management and emergency response situations linked to accidental pollution by PCBs allowed the formulation of an important recommendation concerning the preparation and the implementation of Prevention and Emergency Intervention Plans to manage situations of accidental pollution by PCBs and to plan simulation exercises. Additional regional training workshops were held for other stakeholders (authorities, ministerial departments, NGOs, private sector, research institutions...etc.) on PCBs. Feedback from these workshops showed that: 94% of beneficiaries assert having been sufficiently informed about PCB and having acquired new knowledge in

terms of PCB management; 96% confirmed that the workshops allowed them to build their knowledge on practical aspects of safe PCB management; 94% have committed to sensitize their work environment on PCB issues.

In addition, 1 regional Ozone project with GEF financing and other co-financing, is being implemented with the support of UNDP in Belarus, Bulgaria, Kazakhstan and the Russian Federation.

## Cross-cutting capacity development (CB2)

The CB2s complement focal area projects by targeting the development of key capacities deemed necessary to achieve and sustain global environmental objectives and outcomes respectively. Given countries' differing circumstances and resiliency of their institutional frameworks for environmental management, countries' cross-cutting capacity development priorities also differ.

16 projects of the 2010 reporting cohort are cross-cutting capacity development projects (CB2). These projects aim to build national capacities to implement the global environmental conventions for Biodiversity, Climate Change and Land Degradation in line with the priority recommendations outlined in National Capacity Self-Assessments (NCSAs) of these countries. These capacities are typically related to: 1) public awareness and environmental education; 2) information management and exchange; 3) development and enforcement of policy and regulatory frameworks; 4) strengthening organizational mandates and structures; and 5) economic instruments and sustainable financing mechanisms.

For example, a project in Bulgaria provided training on the integration of global environmental issues into strategic planning to 141 of the 201 employees (or 70%) of the three key agencies dealing with the Rio Conventions. This project also developed and launched a Master's level course on the same topic at Sofia University. The project in Kyrgyzstan developed and tested a new methodology for calculating fees for emissions from point sources of 32 enterprises. In the Seychelles, the project team is taking the lead in formulating the preparation of the National Environmental Management Plan, and along the way building key systemic, organizational and individual capacities along the lines of learn-by-doing. In Belize, the project has instituted new institutional arrangements to improve decision-making for the global environment. Previously, environmental decision-making was not effectively leading to sustained commitment beyond the focal area agencies. Under the CB2 project, two consultative and strategically linked mechanisms (a committee and a working group) have been created and adopted to strengthen expert and stakeholder input from academia, NGOs, community-based organizations, and civil society.

CB2	Africa	Arab States	Asia & Pacific	ECIS	LAC	Total
# projects	3	2	2	6	3	<b>16</b>
GEF Grant	1,425,000	1,000,000	1,000,000	2,990,800	1,497,500	<b>7,913,300</b>
Co-financing	634,400	1,400,000	777,692	6,343,900	418,100	<b>9,574,092</b>
Leveraged	140,000	Not reported	3,000	36,843,179	Not reported	<b>36,986,179</b>

## 5 Management Performance

UNDP's support to these projects is based on a strong commitment to results management, continuous improvement, learning, and the sharing of knowledge and best practice. These projects follow standard UNDP monitoring policies and procedures, and practice adaptive management to facilitate the delivery of results on the ground. Management performance indicators measure efficiency and effectiveness in the project cycle from project design to closure. On an annual basis through the APR/PIR, each project monitors cumulative progress made towards their project objective and outcomes against end-of-project targets (i.e. DO Rating) and annual implementation progress (i.e. IP Rating). This progress is then rated using a six point scale<sup>18</sup> by the project manager/coordinator, the UNDP Country Officer, the UNDP Regional Technical Advisor, and increasingly the GEF Operational Focal Point and Implementing Partner. These ratings are then averaged using a conservative formula to arrive at the overall rating for the project.

<sup>18</sup> HS=highly satisfactory, S=satisfactory, MS = moderately satisfactory, MU=moderately unsatisfactory, U=unsatisfactory, HU=highly unsatisfactory

## Project Ratings

91% of the 2010 reporting cohort was rated marginally satisfactory or above in likelihood of achieving their project objectives (i.e. DO Rating) exceeding the GEFSEC target of 85%. 66% of the 2010 reporting cohort were rated satisfactory or above in likelihood of achieving project objectives, just under the GEFSEC target of 75%. 88% of the 2010 reporting cohort were rated marginally satisfactory or above in implementation progress (i.e. IP Rating).

Progress Toward Development Objective (DO) Rating by Focal Area (# projects in 2010 reporting cohort, and % ratings) Note no HU ratings reported								
Focal Area	HS	S	MS	MU	U	Total	% S or above	% MS or above
BD	6	73	29	3	5	116	68%	93%
CCA	3	6	7	0	0	16	56%	100%
CCM	4	39	17	6	3	69	62%	87%
IW	4	14	6	1	1	26	69%	92%
LD + EM	2	19	6	3	0	30	70%	90%
MFA + CB2	0	11	6	1	2	20	55%	85%
OZ + POPS	0	9	1	0	1	11	82%	91%

Implementation Progress (IP) Rating by Focal Area (# projects in 2010 reporting cohort, and % ratings)									
Focal Area	HS	S	MS	MU	U	HU	Total	% S or above	% MS or above
BD	9	76	19	7	5	0	116	73%	90%
CCA	2	6	7	0	1	0	16	50%	94%
CCM	6	27	28	5	2	1	69	48%	61%
IW	6	11	4	4	1	0	26	65%	81%
LD + EM	2	17	6	3	2	0	30	63%	83%
MFA + CB2	1	7	8	0	4	0	20	40%	80%
OZ + POPS	0	8	2	0	1	0	11	73%	91%

Progress Toward Development Objective (DO) Rating by Region (# projects in 2010 reporting cohort, and % ratings) Note no HU ratings reported									
Focal Area	HS	S	MS	MU	U	Total	% S or above	% MS or above	
Africa	3	31	19	3	1	57	60%	93%	
Arab States	0	10	6	1	3	20	50%	80%	
Asia & Pacific	4	37	22	3	2	68	60%	93%	
ECIS	5	51	10	1	2	69	81%	96%	
Global	5	10	2	0	0	17	88%	100%	
LAC	2	32	13	6	4	57	60%	81%	

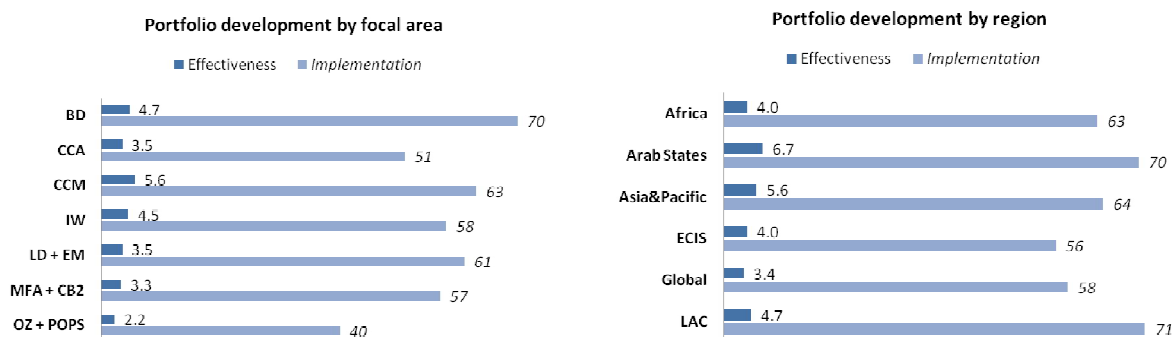
Implementation Progress (IP) Rating by Region (# projects in 2010 reporting cohort, and % ratings)										
IP Rating by Region	HS	S	MS	MU	U	HU	Total	% S or above	% MS or above	
Africa	3	33	13	6	2	0	57	63%	86%	
Arab States	0	9	7	2	2	0	20	45%	75%	
Asia & Pacific	6	39	18	2	3	0	68	66%	93%	
ECIS	11	40	15	1	1	1	69	74%	96%	
Global	5	10	2	0	0	0	17	88%	100%	
LAC	1	21	19	8	8	0	57	39%	72%	



## Portfolio development

For the cohort of 182 *full size* projects, the average time taken in months between GEF CEO Endorsement of the project document and the project document signature date – otherwise known as *effectiveness* - is 4.7 months. If the projects approved before GEF-3 are removed from the cohort, the effectiveness time is reduced to 4.0 months. For the GEF-4 cohort only, effectiveness time is further reduced to 2.7 months.

The average *implementation time* measure from project start to closure is 63 months or 5.25 years. On average, projects are extended – at no cost- by 18 months. UNDP records the project start date as the day when the project document is signed. However, it can take many months to begin project activities as project personnel need to be recruited (and retained) and changes in government and/or political issues that arose since the project was prepared need to be addressed. As projects are typically planned for four years, and have ambitious targets, should the time required to initiate implementation take longer than estimated, by the third year of implementation many projects have barely reached mid-point and therefore require extensions. Some projects also report that achieving agreement on implementation arrangements can take considerably longer when there is also a non-governmental organization designated as the implementing partner, and regional projects generally tend to be more complex than national ones.



## Project Risk

Since 2007, UNDP has used a conservative approach to calculate risk ratings by taking into account the progress toward achieving the project objective and the implementation progress ratings in addition to the number of critical risks as reported in the UNDP Atlas risk log. This calculation means for example that a project with zero critical risks would still be classified as having substantial risk if it received an unsatisfactory rating. Likewise, a project that received a satisfactory rating could be classified as at-risk if it had three or more critical risks.

Using this conservative calculation, 14% of the 2010 reporting cohort is rated as high risk, 22% as substantial, 23% as moderate and 41% as low risk. 54% of the high risk projects are BD, LD or EM projects, and 31% are CCM projects. 75% of the high risk projects were reported in Africa, ECIS and LAC regions. Arab States reported 60% of portfolio as substantial risk or higher, and Africa reported 47% of portfolio as substantial risk or higher. Financial and operational risks are the most frequently reported critical risk, followed by political and environmental. Progress in managing these projects risks is updated quarterly through the on-line UNDP ATLAS and ERBM corporate systems.

% risk by focal area	High	Substantial	Moderate	Low
BD	14	23	22	41
CCA	6	19	31	44
CCM	17	25	22	36
IW	4	19	19	58
LD + EM	17	20	37	26
MFA + CB2	15	25	10	50
OZ + POPS	9	9	27	55

% risk by region	High	Substantial	Moderate	Low
Africa	16	32	19	33
Arab States	20	40	20	20
Asia & Pacific	7	16	30	47
ECIS	14	19	19	48
Global	6	0	29	65
LAC	17	25	25	33

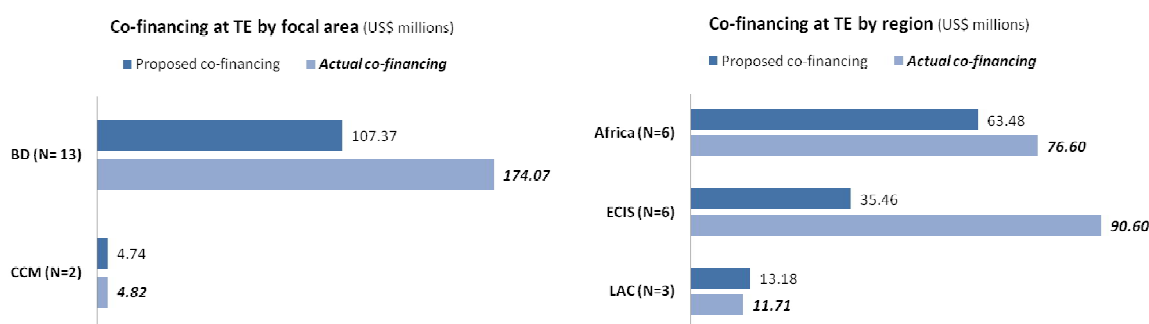
### Co-financing

Co-financing demonstrates a commitment to the project goals and can assist in sustaining the long term results of the project. Co-financers include governments that have primary ownership over project results, UNDP resources allocated to the development priorities identified in the country programme (TRAC resources), and other stakeholders including NGOs, the private sector, bilateral donors and development banks. The co-financing contributions can be in the form of cash, grants, credits, loans, equity, and/or in-kind resources. Co-financing commitments are outlined in the project document and the actual co-financing realised is evaluated during the mid-term and final project evaluations.

Of the 16 projects that submitted a terminal (or final) evaluation this reporting period, 11 reported on actual co-financing. These projects reported that 160% of the proposed co-financing has been realized, of this the BD portfolio has realized 162% of co-financing, and the CCM portfolio 102%. By region, in Africa 121% of the proposed co-financing has been realized by close of project; in ECIS 255%; and, in LAC 89%.

This is in large measure due to 4 Biodiversity projects that reported higher actual co-financing than originally planned:

- In South Africa *CAPE Programme: Biodiversity Conservation and Sustainable Development in the CFR (PIMS# 2204)* reported higher actual in-kind co-financing from other sources;
- in Latvia the project *Biodiversity Protection in the North Vidzeme Biosphere Reserve (PIMS# 2190)* reported higher grant government co-financing;
- in Romania *Strengthening Romania's Protected Area System by Demonstrating Best Practices for management of small protected areas in Macin Mountains National Park* reported higher in-kind government co-financing; and,
- in Georgia the project *Recovery, Conservation, and Sustainable use of Georgia's Agrobiodiversity (PIMS# 1636)* reported higher grant co-financing from other sources.

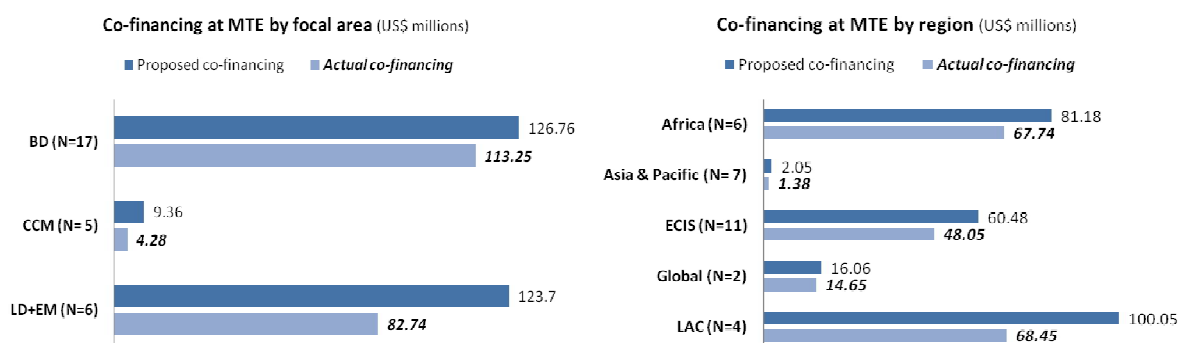


Of the 30 projects that submitted a mid-term evaluation this reporting period, 20 submitted financial data on proposed and actual co-financing, and reported that 77% of the proposed co-financing had already been realized at the mid-term of project implementation. The BD portfolio has realized 89% of co-financing at mid-term; the CCM portfolio 46%; and the combined LD and EM portfolio 67%. By region, in Africa 83% of the proposed co-financing has been realized at mid-term; in Asia and Pacific 67%; in ECIS 79%; Global projects 91%; and, in LAC 68%.

This is in large measure due to the following 4 projects that reported higher co-financing at the mid-term of project implementation than originally planned:



- in the Dominican Republic, the Land Degradation project *Demonstrating Sustainable Land Management in the Upper Sabana Yegua Watershed System (PIMS# 3185)* reported higher government grant and in-kind co-financing;
- in Russia, the Biodiversity project *Conservation and Sustainable Use of Biological Diversity in Russia's Taymir Peninsula: maintaining connectivity across the landscape (PIMS# 1816)* reported higher government 'other type' of co-financing;
- in Botswana, the Biodiversity project *Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta (PIMS# 2028)* reported higher government in-kind co-financing;
- in Turkmenistan, the project *Conservation and sustainable use of globally significant biological diversity in Khazar nature Reserve on the Caspian Sea Coast (PIMS# 3157)* reported higher other sources of in-kind co-financing.



## 6 Progress in projects that received sub-optimal ratings in 2009

Of the 17 projects that received sub-optimal ratings (MU, U or HU) in 2009 and are still under implementation this reporting period, 12 received higher ratings in 2010. 5 remained at the same rating or had lower ratings (project title in bold in the table below), and will receive extra attention this year.

PIMS#	Project Title	Country	FA	Rating in 2009		Rating in 2010		Progress made in 2010
				DO	U	DO	MU	
740	Removal of Barriers to Biomass Power Generation in India, Part I	India	CCM	DO	U	DO	MU	The project has provided financial support to two demonstration projects for establishing Biomass Fuel Supply Linkages in the State of Maharashtra and Punjab. So far, the project has only been able to spend 37% of the total budget. The cumulative progress made since the project start is marginally unsatisfactory and if the project continues at the same phase, the achievement of some of the outcomes may not be possible. There is a progress towards technology package benchmarking and validation for different biomass power technologies. Development and establishment of sustained fuel supply linkages in order to improve the collection efficiency of crop/field residues for biomass power plants is under development. There has been progress in the creation of fund for contingent financing, but the project must swiftly respond to the 18 EOIs received in order to enable the functioning of the fund. The knowledge product development is progressing as per the plan.
				IP	U	IP	MS	
858	Combating living resource depletion and coastal area degradation in the Guinea Current LME through ecosystem-based regional actions	Ghana	IW	DO	MU	DO	S	SAP implementation has been started through the launching of all the 16 countries national action plans. National socio-economic, legal and biodiversity experts were recruited in all 16 GCLME countries to provide specific inputs into the NAPs. Subcontracts for the implementation of the Demonstration Projects in Cameroon (ICAM) and in Cote d'Ivoire (ESIA for coastal erosion) were established. Biodiversity conservation is under preparation through the drafting of the GCLME Biodiversity Action Plan and the incorporation of national
				IP	MU	IP	S	

								plans into the regional biodiversity action plan. The management problems the project encountered in 2008 led to a quasi stand still in project implementation. With the recruitment of a new management team (Project Manager and Regional Project Coordinator) these problems have been overcome. Project implementation has been re-launched in January, 2009 and implementation remains on track.
2144	Removing Barriers to the reconstruction of public lighting (PL) Systems in Slovakia	Slovakia	CCM	DO	MU	DO	MS	The project is evaluated MS as the majority of the outcomes were achieved - the planned emission reductions are likely to be achieved under the IFD. Some of the problems have been overcome as IFD succeeded to mobilize investment in public lighting reconstruction, which exceeds the target. This was achieved through providing advisory and technical services – energy audits, project documentation, advisory services in procurement process, and elaboration of grant applications. However no emission reductions were generated through Energy Performance Contract (EPC) approach as no contract has been signed yet. The challenge to reach the emission reduction target through EPC is still problematic. During last reporting period activities of the IFD focused on the preparation of investments to be financed through EPC model. Loan conditions have been re-negotiated with the financial institutions. Budget for Outcome 1 and Outcome 3 was exhausted, IFD continues to offer technical consultancy to municipalities on commercial basis.
				IP	MS	IP	MS	
1584	Conservation of the biodiversity of the Nimba Mountains through integrated and participatory management	Guinea	BD	DO	MU	DO	U	A MTE was undertaken which recommended that certain minimum conditions must be in place for the project to continue. These were grouped under five broad categories: - Strengthening of the territorial integrity of the Reserve - Satisfaction of the rights of people who have left the Forest Reserve and have settled in the savannas - Development of a Financing Program for the region - Reconstruction of CEGENS' HQ and provision of equipment - Create good conditions of operation of the ecoguards Reserve The MTE management response summarises a 16-point action plan. Some of the actions foreseen, such as the contracting of a full time Chief Technical Advisor, are already underway.
				IP	MS	IP	MU	
1610	Extending Wetland Protected Areas through Community Conservation Initiatives in Uganda	Uganda	BD	DO	MU	DO	S	Progress towards the development objective has been satisfactory this year. Participation of local communities in biodiversity and wetland management-process has started in 4 of 9 target sites. Four community conservation areas have been established. Implementation of the 2 management plans is on-going. Two sub-counties in two districts have integrated the CCA concept in their planning process. A project office was setup, implementation systems and procedures established, project inception process finalized and Project Advisory Committee (PAC) launched to guide project implementation. A Project Advisory Committee (PAC) was instituted. The project team is vibrant and hard working. The project partners are actively involved in implementation. Despite some challenges, include delays in disbursement of funds, planned activities were completed in time and within budget.
				IP	MU	IP	S	
1878	Mainstreaming conservation of migratory soaring birds into key productive sectors along the Rift Valley/Red Sea flyway, Tranche 1	Jordan	BD	DO	U	DO	U	Overall project progress towards its result is rated as unsatisfactory on the basis of delays in the change in implementation arrangements which are significantly hindering implementation. However, it should be noted that the project has continued to focus primarily on the identification of vehicle projects without which - no matter what the implementation modality - the project would not be able to move forward. With the imminent change in project implementation modality, the recruitment of project managers in Lebanon, Jordan and Egypt, and the proposed establishment of a Senior Technical Assistant post this alignment should now be feasible and operational. Overall project progress on implementation is rated as marginally
				IP	U	IP	MU	

								unsatisfactory because despite the complex process of revising the management arrangements and implementing the recommendations of the external review, progress has been made in terms of vehicle project identification; regional knowledge codification work; negotiations and endeavours to identify a replacement country for Djibouti; activation of the national component in Lebanon and provision of technical assistance and support to further implementation in Egypt and Jordan.
2042	Accelerating renewable energy investments through CABEL in Central America	Honduras	CCM	DO	MU	DO	MS	The main challenge for the project during this period was to allocate at least one guarantee to a small scale RE project. 5 projects are undergoing the final financing approval procedures with local banks and at least two of these are expected to access the PRGM by the end of 2010; an additional 5-7 projects are in the pipeline for 2011. Two factors had a major impact on the project in the last year and can explain the reason why guarantees were not placed: first, the global financial crisis reduced the risk appetite of both banks and investors; second, the political crisis in Honduras virtually paralyzed UNDP's and CABEL's operations in Honduras for an extended period of time. The situation has certainly improved in the recent period as compared to the initial years of project implementation, and the project now operates in an appropriate institutional scenario both within UNDP and CABEL. The project team's performance has been satisfactory, especially in marketing the PRGM to banks and investors, and creating the capacity in local banks to assess small scale RE projects and engage in project financing.
				IP	MU	IP	MS	
2115	Global Programme to Demonstrate the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non-Combustion Technologies for Destroying Persistent Organic Pollutants (POPs)	Slovak Republic	POP	DO	MU	DO	U	Presently, there are ongoing institutional changes to assign the Ministry of Environment a separate status. The bankruptcy of a principal member of the private consortium led to the re-organization of the consortium to include members which were seriously interested in further discussions of the technology transfer. The municipalities objected against a stationary reactor unit to receive wastes from all parts of the country, and the project attempted to provide an option for procuring a mobile reactor unit which was acceptable. These events had required additional time and supervision to ensure there is a consensus among the project stakeholders on the project implementation plans. Due to multiple factors which were at play during the project implementation, the project was not able to progress well within the reporting period; however, during several stakeholder meetings (either consortium wide or project wide) several agreements were reached which enabled to propose corrective actions for the coming months. The new project team will, in consultations with relevant stakeholders, need to designate the project site (Dekonta or other), amend the technology contract for the procurement of the mobile destruction unit, receive necessary permits for the installation and start-up of the unit and secure PCB wastes for the operation.
				IP	MU	IP	U	
2221	Strategic Planning and Design for the Environmental Protection and Sustainable Development of Mexico	Mexico	MFA	DO	U	DO	U	No activities were carried out during this reporting period and as per previous RTA recommendations the final evaluation should be undertaken and the project should be closed. The evaluation has been delayed but is expected to be undertaken before the end of 2010.
				IP	U	IP	U	
3341	Adaptation to Climate Change- Responding to Coastline Change in its human dimensions in West Africa through Integrated Coastal	Senegal	CCA	DO	MU	DO	MS	General progress in terms of achieving annual targets, as per agreed work plan, was satisfactory and most intended targets were achieved - especially at the regional level. However progress towards targets at the five national project interventions continue to be challenging, and also suffer from inadequate monitoring and reporting (both substantive and financial) from project teams and UNDP country offices. Financial expenditures relative to the project budget was
				IP	MS	IP	MS	

	Area Management (ACCC)							satisfactory. Delivery was extremely satisfactory. The project is due to end on time, on scope and on budget. Actions and approaches and the true impact needs to be examined more closely in the upcoming mid-term review.
2983	Restoring the environmental functions, ecological integrity and socioeconomic services of forest landscapes in the Middle Atlas	Morocco	IEM	DO	MU	DO	MS	The overall project progress towards DO is rated as marginally satisfactory, as there has been a positive trend since last year, with the implementation of all the recommendations embedded in the PIR and definite signals that the project is moving on the implementation front. The project is rated as marginally satisfactory on the basis of progress in delivery of products and outputs as well as on the basis of disbursement rates which are equally limited. The current pace of implementation is no longer hindered by the difficulties reported in the last year, and all recommended actions in last year's PIR have been implemented. It is therefore estimated that this year's low level of implementation reflects the heritage of the past years and will not be the standard for the project in its remaining years.
				IP	MU	IP	MS	
3598	CPP Namibia: Adapting to Climate Change through the Improvement of Traditional Crops and Livestock Farming (CCA)	Namibia	CCA	DO	U	DO	S	The Project is expected to achieve its objective and outcome targets. In terms of adaptation value, a range of measures have been undertaken to improve the livelihoods of many of the beneficiary households which are extremely vulnerable and remotely located. This project receives a Satisfactory rating in recognition of its progress against its Results Framework, and also to recognize the excellent multiplier value of the project in influencing the design of other projects and programmes, such as the Africa Adaptation Programme. This project has seen reasonably good implementation progress well despite two changes in the project managers. Two thirds of the GEF grant has been implemented three quarters of the way through the project; delivery rate for Jan – July 2010 was 40%. With the new project manager in place, outputs already delivered and activities mapped out for the rest of 2010, delivery rate is expected to be higher.
				IP	U	IP	S	
3687	Strengthening Capacity to Integrate Environment and Natural Resource Management for Global Environmental Benefits	Romania	MFA	DO	MU	DO	S	The project has made up for initial delays and is steadily progressing towards planned targets. The project has galvanized the process of improving the institutional, legislative, policy and planning framework for implementing Rio Convention commitments by engaging all relevant stakeholders, intensifying the work with convention focal points and undertaking necessary analyses. It has supported participatory and thorough analysis of administrative and legal set up and has developed a number of recommendations for improvement. The implementation progress for the reporting period is rated 'satisfactory' since the project team managed to largely overcome challenges of the preceding year and take swift actions ensuring that now the project activities are on track according to the workplan in the inception report. Country office spearheaded an active dialogue with stakeholders resulting in the decision to change the delegated national executing agency and establishing effective communications with the renewed staff of the Ministry of Environment. Also efforts of the new project manager were instrumental in establishing an effective project team and speeding up the process of recruiting consultants and organizing the work of the project.
				IP	MU	IP	S	
2223	Promoting Integrated Ecosystem and Natural Resource Management in Honduras	Honduras	BD	DO	MS	DO	MS	In 2009 the project was granted an IP rating of MU and it was asked to address key issues. In response, the project developed a 2009-2011 strategic plan that prioritizes key activities to be implemented, but it does not include an operational work plan and a review of existing and potential co-financing and stakeholders. Furthermore, the project did not advance on the revision of the logical framework particularly at the level of outputs and activities that was requested last year by the RTA. Progress on these requests may have been slow due to the coup d'état that the
				IP	MU	IP	U	

								government experienced during this reporting period. The project is encouraged to carry out an analytical and systematic process to monitor the project's impact on: (a) the state of biological diversity; (b) climate change mitigation; and (c) the reduction of land degradation. The project's mid-term evaluation was concluded during this reporting period and several of the key recommendations are currently being addressed. One of the recommendations was to extend the project, which has now been done and the project was extended until December 31st, 2012.
2426	Removing Barriers to Energy Efficiency Improvements in the State Sector in Belarus	Belarus	CCM	DO	MS	DO	MU	This project has been existence for almost 4 years and unfortunately little has been achieved to put in place increased incentives for state organizations to invest in energy-efficiency. Some progress has indeed been made most notably with the regard to developing a pipeline of projects, encouraging some specific state sector investments in energy-efficiency and developing the national energy-efficiency centre. However, overall it is fair to say that progress has been slower than expected. Hopefully, the decisions over the last 8 months to hire a new project manager, hire an international expert, revise the project document including project logframe and develop new activities and outputs aimed at meeting the objectives of the project, will prove successful.
				IP	MU	IP	MU	
3786	Coping with Drought and Climate Change	Mozambique	CCA	DO	HU	DO	MS	With the project just recently starting implementation in earnest despite the formal start to the project in June 2008, it is difficult to say at this point whether the achievement of outcomes and outputs will be on track. The CO has been diligent in finding ways to get project implementation off the ground, and managing a difficult situation with the project management. It is positive to note that the project has a coordinator once again keen to push forward with a 3 month work plan, within a re-formulated Results Framework that is achievable within the project budget. This bodes well for the success of the project. Delivery rate for Jan – July 2010 was 44%. With the new project manager in place, outputs already delivered and activities mapped out for the rest of 2010 the project team expects there to be a full delivery rate.
				IP	HU	IP	MS	

## 7 Administrative Costs

GEF Fiscal Year (July 09-June 10)	Staff time	Consultant time	Staff cost (i)	Consultant cost (ii)	Travel costs (iii)	Overhead costs (iv)	Total Cost
<b>Estimated actual administrative costs</b>	(days)	(days)	(US\$)	(US\$)	(US\$)	(US\$)	(US\$)
<b>1. GEF Corporate activities:</b>							
a) Policy support	1,709	0	1,241,895	0	177,493	177,567	1,596,956
b) Portfolio Management	927	0	606,770	0	2,496	111,445	720,711
c) Reporting	433	290	314,783	146,654	3,530	52,089	517,055
d) Outreach and knowledge sharing	1,108	37	556,176	22,344	51,562	64,550	694,631
e) Support to the GEF Evaluations Office	531	30	323,016	7,935	17,934	33,584	382,469
<b>Subtotal</b>	<b>4,708</b>	<b>357</b>	<b>3,042,639</b>	<b>176,933</b>	<b>253,015</b>	<b>439,235</b>	<b>3,911,823</b>
<b>2. UNDP-GEF Project Cycle management:</b>							
a) Project preparation and approval	18,536	3,193	7,855,054	1,459,051	1,362,229	1,057,407	11,733,741
b) Project supervision, monitoring and evaluation	41,940	4,485	11,731,425	1,371,742	1,770,197	1,776,498	16,649,862
<b>Subtotal</b>	<b>60,476</b>	<b>7,678</b>	<b>19,586,479</b>	<b>2,830,793</b>	<b>3,132,426</b>	<b>2,833,905</b>	<b>28,383,603</b>
<b>Total:</b>	<b>65,184</b>	<b>8,035</b>	<b>22,629,118</b>	<b>3,007,726</b>	<b>3,385,441</b>	<b>3,273,140</b>	<b>32,295,426</b>

(i) Staff time multiplied by total salary costs (per staff day) to the agency, excluding overhead costs, e.g. using average costs per category of staff.

(ii) Includes tickets and per diem

(iii) Overhead costs include office space, utilities, etc.

<b>GEF Fiscal Year 2010 (July 2009-June 2010)</b> <b>List of meetings attended</b>	<b>Venue</b>	<b>Month</b>	<b>Year</b>	<b>Categories</b>  (i)
Suriname National Dialogue	Paramaribo, Suriname	7	2009	d
Subregional Workshop for GEF Focal Points in West and Central Africa	Accra, Ghana	7	2009	a, d
GEF Inter-Agency Meeting	Washington D.C., USA	8	2009	a
Subregional Workshop for GEF Focal Points in Latin America	Lima, Peru	9		a, d
Least Developed Countries Expert Group (LEG) Meeting	Bangkok, Thailand	9	2009	b, c
GEF-5 Replenishment and LDCF/STAR meetings	Paris, France	10	2009	a
Tanzania National Dialogue	Dar es Salaam, Tanzania	10	2009	d
5th GEF International Waters Conference	Cairns, Australia	10	2009	a, b, c, d, f
Subregional Workshop for GEF Focal Points in Middle East and North Africa	Cairo, Egypt	10	2009	a, d
GEF NGO and Council Meetings	Washington D.C., USA	11	2009	a
DANIDA side event on LDCF/SCCF Evaluation	Barcelona, Spain	11	2009	c
COP 15 Copenhagen	Copenhagen, Denmark	12	2009	a,d
CC Taskforce Meeting	Washington D.C., USA	1	2010	a,b
Subregional Workshop for GEF Focal Points the Pacific	Port Moresby, Papua New Guinea	2	2010	a, d
GEF SGP Meeting	Washington D.C., USA	3	2010	a
GEF Replenishment Meeting	Rome, Italy	3	2010	a
Subregional Workshop for GEF Focal Points in Asia	Hanoi, Vietnam	3	2010	a, d
Atelier Régional sur les PCB et les déchets contenant les POPs	Bamako, Mali	3	2010	d, f
Int'l Program Committee Meeting, Global Forum on Oceans, Coasts and Islands	Washington D.C., USA	3	2010	a,b
GEF Inter-Agency Meeting	Washington D.C., USA	4	2010	a
Subregional Workshop for GEF Focal Points Europe and CIS	Istanbul, Turkey	4	2010	a, d
POPs Taskforce Meeting telecon	New York, USA	4	2010	a,b,c
GEF Replenishment Meeting	Paris, France	5	2010	a
Global Forum on Oceans, Coasts and Islands	Paris, France	5	2010	a,b

GEF Assembly and Council Meeting	Punta del Este, Uruguay	5	2010	a
GEF M & E Inter-Agency Meeting	Washington D.C., USA	6	2010	c
GEF NGO and Council Meetings	Washington D.C., USA	6	2010	a
POPs Taskforce Meeting	Geneva, Switzerland	6	2010	a, b, c
LDCF/SCCF Council Meeting	Washington D.C., USA	6	2010	a,b
STAP Hypoxia Workshop	Washington D.C., USA	6	2010	a, b

Categories: a) policy support, b) portfolio management, c) reporting, d) outreach, e) support to the GEF Evaluations Office, f) other.