



**Asian Development Bank**

**Annual Monitoring Review  
FY 2010**

**Agency Overview Report**

**Final Version, 18 November 2010**

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## I. EXECUTIVE SUMMARY

1. This Agency Overview Report (AOR) will form part of the GEF Annual Monitoring Review (AMR) for FY 2010. It provides a general overview of the ADB/GEF Portfolio and its status as of 30 June 2010.

2. The ADB portfolio of GEF projects has grown steadily from 1998<sup>1</sup> to 2010. From only one (1) approved project in 1998, it has accumulated a total of 34 projects<sup>2</sup> up to this reporting period. The cumulative value of ADB/GEF projects now stands at US\$167.14 million, with total co-financing of US\$2.17 billion. As to status, two of the ADB/GEF projects were cancelled, 8 were closed/completed, 12 are now under implementation, while the remaining 12 were approved by the GEF Council and under preparation.

3. This AOR covers the 12 full-sized ongoing projects spread over the following focal areas: Biodiversity (BD) with five projects (i.e., increased from 2 projects in FY 2009), followed by Land Degradation (LD) with four projects, two projects under the Climate Change (CC) focal area, and one project under the International Waters (IW) focal area.

4. These ongoing projects have a total GEF funding of almost \$65 million, distributed as follows: five BD projects – 50.67% (\$32.93 million); two CC projects – 27.08% (\$17.59 million); four LD projects - 19% (\$12.25 million); and one IW project – 3.38% (\$2.20 million).

5. For the first six months of 2010, three (3) new projects were approved, with a combined value of \$6.30 million. These projects are in the area of Climate Change (SP5-Urban/Public Transport) and Biodiversity (SP1 and SP7).

6. In 2009, three ADB/GEF projects were completed: two in the Peoples Republic of China (PRC) and one in Sri-Lanka. These projects are:

- (i) GEF ID 956, PRC-GEF Partnership on Land Degradation in Dryland Ecosystems Project 1 – Capacity Building to Combat Land Degradation, Multi-Focal Area; and
- (ii) GEF ID 1105, Efficient Utilization of Agricultural Waste, Climate Change Focal Area
- (iii) GEF ID 878, Protected Area Management and Wildlife Conservation, Biodiversity Focal Area

7. Another project, the Tonle Sap Environmental Management Project, whose GEF component (GEF ID 1183) was implemented in partnership with the UNDP, was likewise completed during this calendar year.

8. Except for one, all other six projects (in various focal areas) that provided reports on performance ratings had performed Satisfactory both in terms of achievement of Development Objectives (DO) and in Implementation Progress (IP). They also reported a Low rating for Risk factors. Other projects have no reports on performance rating because implementation has been ongoing for less than one year.

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<sup>1</sup> FY 1998 is used as the baseline since the first ADB/GEF project was approved during this year.

<sup>2</sup> Cumulative number of projects from being a GEF-recipient agency until it attained its full partner-executing agency status in 2002.

9. The *PRC: Sanjiang Plain Wetland Protection Project (GEF ID No. 1126)* received a Marginally Satisfactory (MS) rating for both achievements in DO and in IP. The project likewise received a Modest (M) rating for Risk factors.

10. While the ADB-GEF portfolio is relatively small, lessons from the portfolio are evolving. It is worth mentioning that significant accomplishments and best practices can already be drawn from some of these projects. So far, five ADB/GEF projects have successfully incorporated employment, livelihood and health in their implementation strategies and have proven to contribute in improving the condition of environment in their project sites. For instance in Sri-Lanka, the local communities residing in protected areas (PA) bufferzone areas are now active partners in PA management and wildlife conservation.

## II. BACKGROUND

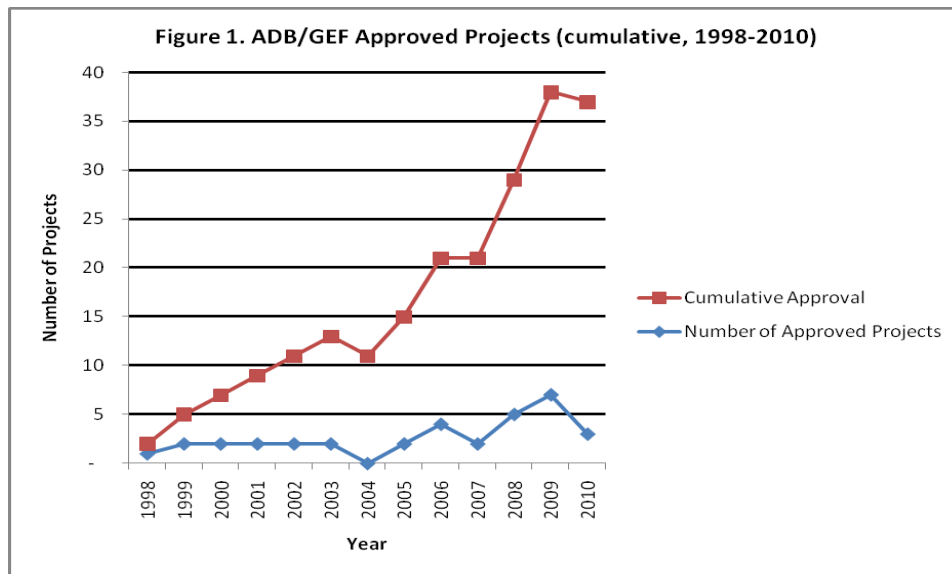
11. ADB has been working closely with GEF since the mid-1990s. With the approval of ADB's direct access to GEF full project resources in 2002, the partnership has been further strengthened. This partnership is anchored on the recognition that the drive for global sustainability should be rooted in strong links between environment and development—a clean environment is essential for both sustainable development and poverty reduction. The ADB-GEF partnership has provided substantial opportunities to blend ADB resources for sustainable development with GEF resources for the global environment.

## III. PORTFOLIO OVERVIEW

### A. General Overview

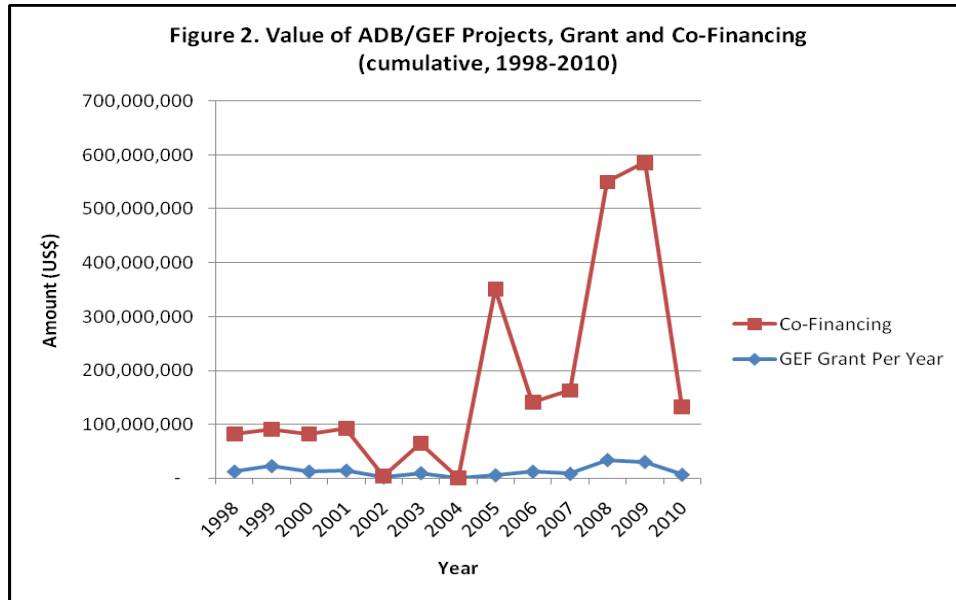
12. ADB's portfolio of GEF projects has grown steadily from 1998<sup>3</sup> to 2010. From only one (1) approved project in 1998, it has accumulated a total of 34 projects after 13 years (i.e., from being a GEF-recipient agency into a full partner-executing agency in 2002). FY 2006 marked the portfolio's turning point as the number of project approvals increased from then on, except in 2007 with a relatively fair performance.

13. For the first six months of 2010, three (3) new projects were approved, with a combined value of \$6.30 million (Figure 1). These projects are in the area of Climate Change (SP5-Urban/Public Transport) and Biodiversity (SP1 and SP7).



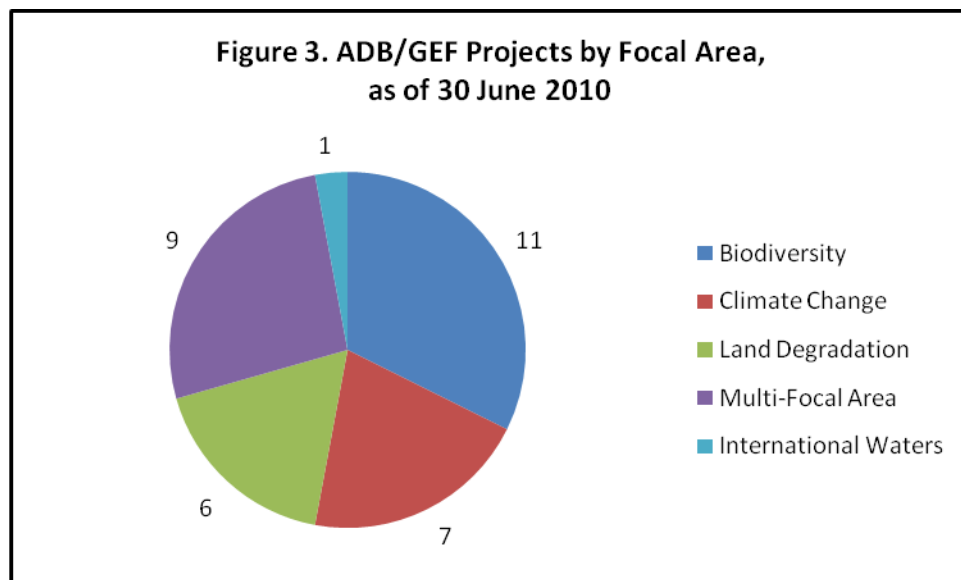
14. The cumulative value of ADB/GEF projects now stands at US\$167.14 million or an average of US\$12.86 million per year, with a total co-financing of US\$2.17 billion (Figure 2). This implies that ADB is effective in leveraging co-financing from various sources registering a cumulative average ratio of 1:12.9.

<sup>3</sup> FY 1998 is used as the baseline since the first ADB/GEF project was approved during this year.



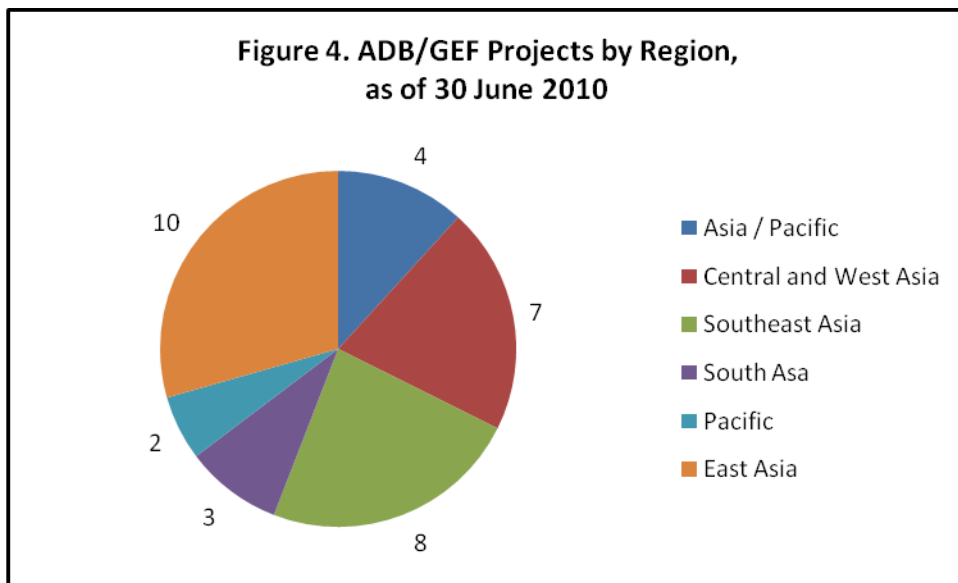
15. The annual value of ADB/GEF Portfolio, however, showed a fluctuating performance, with FY 2008 and FY 2009 registering the highest turn-over of more than US\$33.0 million and US\$30.0 million, respectively. This was brought about by the approval of five (5) projects under the Coral Triangle Initiative (CTI) program.

16. With regard to focal area distribution, Biodiversity registered the highest number of projects at 11, followed by Multi-Focal Area (with 9 projects), then Climate Change (with 7), Land Degradation (with 6), and last International Waters, with only one (1) project under the CTI program (Figure 3).

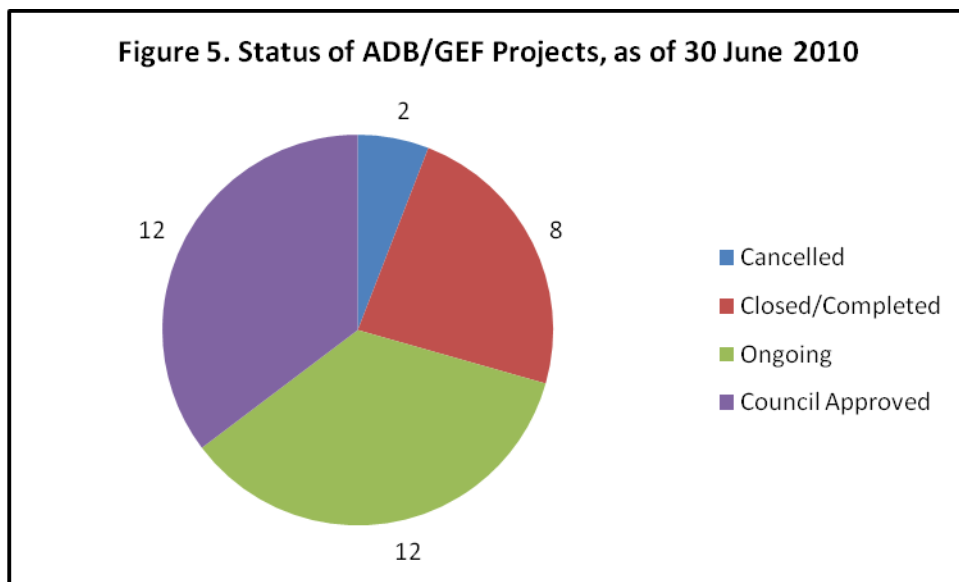


17. In terms of regional and sub-regional distributions, East Asia, particularly the PRC registered the highest number of GEF projects at (10). This is followed by Southeast Asia with

eight, and then the Central and West Asia with seven projects. South Asia has three projects, while Pacific has two. The rest of the projects (4) are either cross-regional in nature (Figure 4).



18. As to status, two of the ADB/GEF projects had been cancelled, 8 were closed / completed, 12 are under implementation, and a further 12 have been approved by the GEF Council, and are under preparation (Figure 5).



19. In 2009, three ADB/GEF projects were completed: two in the PRC and one in Sri-Lanka. These projects are:

- (i) GEF ID 956, PRC-GEF Partnership on Land Degradation in Dryland Ecosystems Project 1 – Capacity Building to Combat Land Degradation, Multi-Focal Area;

- (ii) GEF ID 1105, Efficient Utilization of Agricultural Waste, Climate Change Focal Area; and
- (iii) GEF ID 878, Protected Area Management and Wildlife Conservation, Biodiversity Focal Area

20. Another project, the Tonle Sap Environmental Management Project, whose GEF component (GEF ID 1183) was implemented in partnership with the UNDP, was likewise completed during this calendar year.

## B. Portfolio of Ongoing Projects

21. From the five ongoing projects in FY 2008-2009, ADB/GEF Portfolio has now 12 projects under implementation in 2009-2010 (Table 1) or 240% increase this calendar year.

**Table 1: ADB/GEF Portfolio of Ongoing Projects, FY 2009-2010**

GEF ID No.	Region / Sub-region	Country	Project Title	Focal Area
1126	East Asia	PRC	Sanjiang Plain Wetland Protection Project	BD
1185	Southeast Asia	PHI	Integrated Coastal Resources Management Project	BD
2788	East Asia	PRC	Ningxia Integrated Ecosystem and Agricultural Development Project	BD
2787	East Asia	PRC	Shaanxi-Qinling Mountains Integrated Ecosystem Development	BD
2766	East Asia	PRC	Integrated Ecosystem Management and Environmental Protection of Baiyangdian Lake Catchment	BD
1609	Asia	GLOBAL	Renewable Energy Enterprise Development-Seed Capital Access Facility (REED-SCAF)	CC
3744	East Asia	PRC	Integrated Renewable Biomass Energy Development	CC
3639	Asia / Pacific	GLOBAL	*IW Learn: Portfolio Learning in International Waters with Focus on Oceans, Coasts, and Islands and Regional Asia/Pacific and Coral Triangle Learning Processes (UNDP/ADB) [Regional Cooperation on Knowledge Management, Policy, and Institutional Support to the Coral Triangle Initiative: Regional)	IW
3230	Central and West Asia	REG	Central Asian Countries Initiative for Land Management (CACILM) Multicountry Partnership Framework Support Project-under CACILM Partnership Framework, Phase 1	LD
3232	Central and West Asia	UZB	CACILM Partnership Framework-Land Improvement Project	LD
3234	Central and West Asia	TAJ	CACILM: Rural Development Project-under CACILM Partnership Framework, Phase 2	LD
3484	East Asia	PRC	Management and Policy Support for Combating Land Degradation in Dryland Ecosystems (under PRC-GEF Partnership)	LD



22. These ongoing projects are distributed over four focal areas. Biodiversity (BD) leads with five projects (i.e., increased from 2 projects in FY 2009). This is followed by Land Degradation (LD) with four projects: one in PRC, while the other three are being implemented in Central Asian Countries. Two projects are under the Climate Change (CC) focal area, while the remaining lone project under the Coral Triangle Initiative (CTI) program is under the International Waters (IW) focal area.

23. Nine of the ongoing projects are linked to ADB supported investment projects, while the other three (GEF ID Nos. 3230, 3639, 3484) are technical assistance (TA) projects that support programs led by ADB, such as the PRC-GEF Partnership on Land Degradation; the Central Asian Countries Initiative on Land Management (CACILM), and the Coral Triangle Initiative (CTI) programs.

### C. Portfolio Co-financing and Leverage

24. The 12 ongoing projects have a total GEF funding of almost \$65 million (Table 2). BD projects represent more than half of this funding (\$32.9 million), while two CC projects have the next largest share at \$17.5 million. Four LD projects had almost 19% of the GEF grant, and the lone IW project has only 3% share of the total funding.

**Table 2: Financing Data for ADB/GEF Ongoing Project, by Source and Focal Area  
FY 2010**

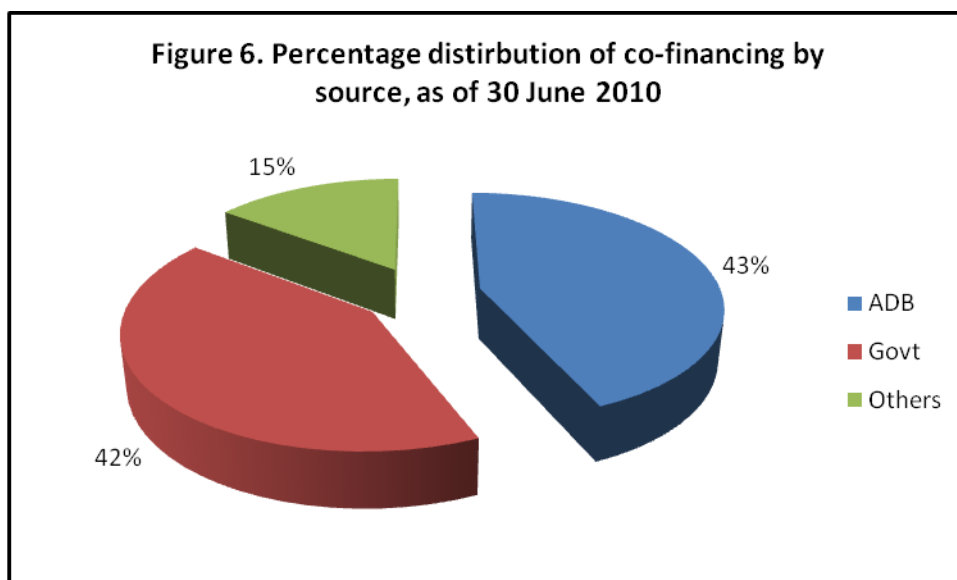
Focal Area	GEF Grant	Co-Financing			
		ADB	Government	Others	Sub-Total
Biodiversity	32,930,460	281,231,000	387,385,600	15,411,000	684,027,600
Climate Change	17,599,091	83,000,000	14,590,000	132,620,000	230,210,000
Land Degradation	12,252,455	79,800,000	23,940,000	2,750,000	106,490,000
International Waters	2,200,000	1,625,000	875,000	534,000	3,034,000
<b>Total</b>	<b>64,982,006</b>	<b>445,656,000</b>	<b>426,790,600</b>	<b>151,315,000</b>	<b>1,023,761,600</b>

25. The overall co-financing ratio for on-going projects was computed at 1:15, indicating ADB effective role in leveraging and providing substantial counterpart funds<sup>4</sup> for its projects. Across focal areas, BD registered the highest co-financing ratio at 1:20, particularly for projects being implemented in the PRC. Both the ADB and the PRC government contributed substantial amounts of co-financing for the investment components of these projects. Likewise, CC and LD projects leveraged relatively high co-financing ratio at 1:13 and 1:8, respectively. Again, this is because of the investment components of these projects.

26. Figure 6 shows the percentage distribution of co-financing by source. Similar to FY 2009, the percent shares of both the ADB and the government did not vary very much. Other sources of co-financing include: (i) the State Forest Farms, China Construction Bank, Asia Pacific Carbon Fund and Equity Investments for the BD projects; (ii) United Nations Foundation, UNEP, GTZ, and project beneficiaries (farmers and private enterprises) for the CC projects; (iii) FAO, IFAD, GTZ, and international research institutions (ICARDA – International Center for

<sup>4</sup> Most of these are in the forms of loan, with also a good amount of technical assistance financial support.

Agricultural Research in Dry Areas) for the LD (CACILM) projects; and finally, UNDP and NGO for the IW project.



27. Co-financing realization rates for ongoing and completed projects in FY2010 are shown in Table 3.

**Table 3: ADB/GEF Project Co-financing Realization Rate, FY 2010**

GEF ID No.	Project Title	Status	Focal Area	Closing Date	Proposed Co-financing (million\$)	Actual Co-Financing (million \$)	Realization Rate (%)
956	PRC-GEF Partnership on Land Degradation in Dryland Ecosystems Project 1 – Capacity Building to Combat Land Degradation	Completed	MFA / LD	31 Dec 2009	13.80	14.79	107.18
1105	Efficient Utilization of Agricultural Waste	Completed	CC	31 Dec 2009	70.911	70.911	100.00
878	Protected Areas and Wildlife Conservation Project	Completed	BD	30 Dec 2009	24.60	24.6	100.00
1183	Tonle Sap Environmental Management Project/Tonle Sap Conservation Project	Completed	BD	31 Oct 2009	15.54	8.4	54.05
1126	Sanjiang Plain Wetland Protection Project	Ongoing	BD	31 Dec 2010	43.41	43.41	100.00

#### IV. PORTFOLIO PERFORMANCE BY FOCAL AREA

28. This section of the report illustrates the general performance of the ADB/GEF Portfolio, which covers ongoing projects in FY 2010, including those completed during the second half of FY 2009. The portfolio performance is presented by focal area.

##### A. Biodiversity

###### 1. Contributions towards focal area strategic priorities/programs and targets

29. Only two projects are presented here which provided significant contributions to relevant BD strategic objectives. Other BD projects have only recently commenced implementation and no sufficient information is available.

*Strategic Objective 1: To catalyze sustainability of protected area (PA) systems*

- Through the **Protected Areas and Wildlife Conservation Project (GEF ID No. 878)**, the capacity of the Biodiversity Secretariat (BDS) was strengthened and collaboration by BDS significantly contributed in improving the scientific base for PA management in Sri Lanka. Collaborative research and planning was successful in producing an updated Biodiversity Conservation Action Plan (BCAP), preparation of the 2007 Red List of Threatened Species, and developing a more rational PA network as a result of the ecosystem gap analysis studies. Funding of microprojects under the project also helped empower buffer zone communities, and strengthened rapport between PA staff and communities. There is now an increased willingness by communities to protect and conserve wildlife in the PAs and to reduce park violations. Community-Based organizations (CBOs) established under the project also created revolving funds, many of which are still functioning and serving as a sustainable source of funding. A 50 percent share of park revenues is now credited to the Wildlife Preservation Fund (WPF) for Department Wildlife Conservation's (DWC) conservation activities, including outreach support, enhancing sustainability. Training was successful in expanding the skills of DWC staff and in raising public awareness about conservation issues. Curricula improvements of NWTC are improving skills of future trainees.
- The establishment of the 178 community-fisheries organizations (CFOs) through the **Tonle Sap Environmental Management Project/Tonle Sap Conservation Project (GEF ID No. 1183)** has provided significant impacts on the lives of people from 50,800 households in and around the Tonle Sap Lake as well as in the conservation of biodiversity in the Tonle Sap basin. CFOs now have a clear understanding of their responsibility in managing their local habitats in a sustainable way, while at the same time securing a better future through improved livelihoods. Participation of the local communities, highlighted by the involvement of school children through an environmental awareness education program, contributed to the long term success of the initiatives started by the project.
- Restoration of three pilot farmland-to-wetland sites with a total area of 3,442 hectares has been completed under the **Sanjiang Plain Wetland Protection Project (GEF ID No. 1126)** in PRC. More than 6,300 records of wild species were collected that will be established into a database. Recovery plans for 10 targeted globally-threatened water bird species, inventories of natural resources utilization, and a plan for reducing unsustainable harvesting in Nature Reserves (NRs) are being prepared.

*Strategic Objective 2: To mainstream biodiversity in production landscapes/seascapes and sectors*

- Ecotourism as a management tool for biodiversity conservation and natural resource management was adopted by the **Sanjiang Plain Wetland Protection Project (GEF ID No. 1126)**. The Master Plan on ecotourism development for Sanjiang Plain was prepared. A pilot ecotourism development project will be conducted in Xingkaihu NR. Possible activities under the pilot project are (i) construction of piers and trails for fishing, hiking, wetland exploration; (ii) construction of eco-camping zones; (iii) construction of an eco-conference center; (iv) improvements of three existing monitoring stations (e.g., provision of telescopes); (v) purchase of boats for fishing and tours; (vi) market promotion; (vii) tours for tourists; and (viii) provision of brochures and boards.

## 2. Project's Performance Rating

30. As indicated in Table 4, six of the seven projects received a Satisfactory (S) performance rating in terms of delivery of development objectives (DO), implementation progress (IP) and Risk ratings.

31. The remaining project, the **PRC: Sanjiang Plain Wetland Protection Project (GEF ID No. 1126)**, received a Marginally Satisfactory (MS) rating for DO and IP and a Modest (M) rating for Risk (R) factor.

32. For projects that have recently commenced, performance ratings are not yet available. Rating are not provided for the **Tonle Sap Environmental Management Project/Tonle Sap Conservation Project (GEF ID No. 1183)**, as the GEF-component was implemented by UNDP.

**Table 4: Performance Rating of Biodiversity Projects, FY2010**

GEF ID No.	Project Title / Status	DO rating	IP rating	Risk rating	Remarks
	<b>Completed</b>				
878	SRI: Protected Areas and Wildlife Conservation Project	S	S	L	
1183	CAB: Tonle Sap Environmental Management Project/Tonle Sap Conservation Project				No rating available; GEF component of the project implemented by UNDP
	<b>Ongoing</b>				
1126	PRC: Sanjiang Plain Wetland Protection Project	MS	MS	M	4 <sup>th</sup> PIR submitted
2788	PRC: Ningxia Integrated Ecosystem and Agricultural Development Project	S	S	L	Newly Implemented
2787	PRC: Shaanxi-Qinling Mountains Integrated Ecosystem Development				Delayed Implementation
2766	PRC: Integrated Ecosystem Management and Environmental Protection of Baiyangdian Lake Catchment				Newly Implemented; financing agreement was signed only on 23 June 2010. GEF component

					(Component B: Biodiversity Conservation) has yet to start.
1185	PHI: Integrated Coastal Resources Management Project	S	S	M	Newly Implemented project

### 3. Projects-at-risk

33. No BD project was flagged at risk in FY 2010.

### 4. Outcomes and implications for the overall portfolio

34. The outcome of the ***Protected Areas and Wildlife Conservation Project (GEF ID No. 878)*** contributed directly to the goal of *enhancing protected area and biodiversity conservation in Sri Lanka for the benefit of current and future generations*. Institutional reform of DWC provided a stronger future base for its national wildlife conservation responsibilities. The amended Flora and Fauna Protection Ordinance (FFPO) strengthened conservation nationally. Results of Project-initiated research led to more scientifically-based PA management. The decentralized PA planning and management principles are being applied to other parks. The outreach program, which contributed to some poverty reduction, is internalized within DWC and long term should improve partnerships with buffer zone communities in protecting PAs.

35. The National Conservation Review, habitat mapping, ecological gap-filling studies, 'Red List' updating and the Addendum to the BCAP created a firmer base for future national biodiversity conservation. BCAP enabled MENR to comply with the Convention on Biological Diversity. Two threatened species recovery programs are being implemented. The BDS technical and educational publications further support wider public awareness and adoption of biodiversity conservation.

36. The above confirmed the direction that the ADB/GEF portfolio is now taking relative to supporting and implementing BD related projects. Practically in all the succeeding BD projects, institutional strengthening and capability building are incorporated including components/activities related to: BD and PA management-related policy review and reformulation; training and IEC activities, not only for government officials but also for community leaders and other stakeholders; scientific assessments necessary in formulating PA management plans.

## B. Climate Change

### 1. Contributions towards focal area strategic priorities/programs and targets

*Strategic Objective 6: To support new low-GHG emitting energy technologies*

*Strategic Program 4: Promoting sustainable energy production from biomass*

- The ***Efficient Utilization of Agricultural Wastes (GEF ID No. 1105)*** has contributed in the provision of a sustainable annual global environmental benefits through the reduction of an estimated at 86,682 tons of CO<sub>2</sub> emission. This proceeds from the production of about 13.70 million m<sup>3</sup> per year of renewable biogas energy and the treatment of over 948,612 tons of agricultural wastes (pig manure, straw, vegetable wastes) resulting in

cleaner air and groundwater quality. The project also results in the annual production of 851,233 tons of digested effluent/sludge that are converted into organic fertilizer. In addition, 19,083 household biogas digesters have been constructed, each generating 600 m3 of biogas per year. Fifteen large scale biogas plants have likewise been constructed and are now operating well. Furthermore, the project has contributed to incomes and quality of life of 21,796 households, including 9,182 poor households in the project area.

## 2. Project's Performance Rating

37. The project *Efficient Utilization of Agricultural Wastes (GEF ID No. 1105)* received Satisfactory ratings for its performance in terms of DO and IP and a low rating for the Risk factor. Generally, the project was assessed as highly successful. It was rated (i) highly relevant to the development strategies of ADB and the government; (ii) effective in achieving outcomes; (iii) efficient in achieving outcomes and outputs; and (iv) sustainable in the long-term.

38. As other projects under the CC focal area are newly implemented, no details on performance rating can be provided yet (Table 5).

**Table 5: Performance Rating of Climate Change Projects, FY2010**

GEF ID No.	Project Title / Status	DO rating	IP rating	Risk rating	Remarks
	<b>Completed</b>				
1105	PRC: Efficient Utilization of Agricultural Wastes	S	S	L	
	<b>Ongoing</b>				
3744	PRC: Integrated Renewable Biomass Energy Development				Newly implemented
1609	REG: Renewable Energy Enterprise Development-Seed Capital Access Facility (REED-SCAF)				A partnership project with UNEP; consolidation of PIR being handled by UNEP

## 3. Projects-at-risk

39. No CC project was flagged at risk in FY 2010. All risks have been effectively managed through the effective NPCC, PMO and frequent day to day communication between ADB and the other participating parties.

## 4. Outcomes and implications for the overall portfolio

40. The *Efficient Utilization of Agricultural Wastes (GEF ID No. 1105)* has been a useful catalyst in the introduction of biogas technology in rural areas. The **likelihood of project sustainability is strong given the pool** of trained technicians developed under the project and the interest and financial incentives to expand the use of biogas technology in PRC. Both the private sector and the government are keen in encouraging the uptake of this technology, not to mention the fact that a network of support systems will be retained in the local and national levels of the government.

41. The project was rated as highly successful and highly relevant to the development strategies of ADB and the PRC government. It has proven that project objectives and activities

that are well integrated with the policies of the government (both local and national), as well as with the existing institutional systems, particularly in eliciting support from local communities, the chances that it will succeed is high. Again, lessons and experience gained from the project reiterate ADB's clear direction in addressing the goals of poverty alleviation and environmental protection. Follow-up to the project is also being supported by the **PRC Integrated Renewable Biomass Energy Development Project**.

## C. Land Degradation

### 1. Contributions towards focal area strategic priorities/programs and targets

*Strategic Objective 1: To develop an enabling environment that will place Sustainable Land Management (SLM) in the mainstream of development policy and practices at the regional, national and local levels*

- Through the **PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project 1-Capacity Building to Combat Land Degradation (GEF ID No. 956)**, Sustainable Land Management (SLM) practices are mainstreamed into the development policies and practices at national and local levels in the PRC, particularly in: (i) strengthening of institutional and human resources capacity; (ii) improved coordination and cooperation among key-stakeholders; (iii) increased awareness of sustainable land management practices; and (iv) catalyzing SLM investments for large-scale impacts.
- Policy frameworks for SLM are being reviewed/formulated/amended/approved in the Central Asian countries through the **Central Asian Countries Initiative for Land Management (CACILM) – Multicountry Partnership Framework Support Project – under CACILM Partnership Framework, Phase 1(GEF ID No. 3230)**. In Kazakhstan, the Presidential Regulation on “Adoption of Ecological Criteria of Land Assessment” was approved. In Tajikistan, amendments to the Law on Farm Unions and Land Code which contribute to land tenure optimization are being introduced. In Turkmenistan, recommendations have been provided for the formulation of a Forest and Pasture Law based on participatory experiences in forest and pasture areas in different ecological zones. In Kyrgyzstan, the development of concepts on food security and law on development of the agricultural sector is ongoing. In Uzbekistan, the process of formulating policies on agricultural optimization has been initiated with the support of the government.

*Strategic Objective 2: To upscale SLM investments that generate mutual benefits for the global environment and local livelihoods*

- Innovative development approaches to combat land degradation involving considerable investments in the PRC and Central Asia (in particular Uzbekistan and Tajikistan) are in various stages of implementation or preparation.
- Improved capacity of NSECs/MSECs staff in project management; farmers/beneficiaries of national projects through various trainings and workshop on sustainable land management was accomplished through the **Central Asian Countries Initiative for Land Management (CACILM) – Multicountry Partnership Framework Support Project – under CACILM Partnership Framework, Phase 1(GEF ID No. 3230)**.

## 2. Project's Performance Rating

42. Table 6 shows that of the five projects under the LD focal area, two projects ( *PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project 1-Capacity Building to Combat Land Degradation (GEF ID No. 956)* and *Central Asian Countries Initiative for Land Management (CACILM) – Multicountry Partnership Framework Support Project – under CACILM Partnership Framework, Phase 1(GEF ID No. 3230)*) received ratings of Satisfactory (S) for DO and IP, and Low (L) for Risk. The rest are newly implemented, hence no performance rating can be reported yet.

43. The **S** ratings for the (*GEF ID No. 956*) can be attributed to its being able to establish a strong foundation for an effective enabling environment for combating land degradation in PRC. A multi-level and multi-sector coordination mechanism has been set up, which effectively enhanced coordination among the central and provincial agencies, opened channels of cooperation from the central to the county level natural resources management agencies, and improved coordination between the sectoral plans and programs and between central and provincial budgets.

44. Laws, regulations and policies were reviewed, revised or formulated, and a legal framework was established in six project provinces/autonomous regions, which has coordinated the administrative and legislative systems at provincial and regional levels.

45. Land degradation issues have been integrated into the provincial 11<sup>th</sup> five year plans in 6 PRC provinces/autonomous regions, as well as strategies and action plans for land degradation control. The mechanism for land degradation data sharing has been established and Provincial Integrated Ecosystem Management (IEM) Information Centers have been set up, which enabled integration of scattered data resources, resulting in data sharing across the sectors and the provinces/autonomous regions, and improved capacity in land degradation monitoring and evaluation. Implementation at pilot sites has improved the rural infrastructure and empowered community members to address local land degradation by themselves. In addition, the lessons and experiences have been widely disseminated by communication and experience on IEM has been shared with TerrAfrica and CACILM in Central Asia.

46. *GEF ID No. 3230 project* (CACILM) demonstrated gradual but steady progress towards achieving its desired objectives. All national subprojects became operational within the rating period. The favourable SLM environment in CACs was strengthened through the development of new laws and presidential decrees for land management in which NCCs/NSECs provided inputs/recommendations. Kyrgyzstan and Uzbekistan reported increase in SLM state budget; although reporting on SLM budget is complicated as no specific SLM allocation exists. CACILM projects contributed to the increased potential of state organizations in land-use planning through involvement of various stakeholders to project meetings and workshops.

**Table 6: Performance Rating of Land Degradation Projects, FY2010**

GEF ID No.	Project Title / Status	DO rating	IP rating	Risk rating	Remarks
	<b>Completed</b>				
956	PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project 1-Capacity Building to Combat Land Degradation	S	S	L	



	Ongoing				
3484	PRC: Management and Policy Support for Combating Land Degradation in Dryland Ecosystems (under PRC-GEF Partnership)				Newly implemented
3234	TAJ: CACILM: Rural Development Project-under CACILM Partnership Framework, Phase 2				Newly implemented
3232	UZB: CACILM Partnership Framework-Land Improvement Project				Newly implemented; project suffered delay in implementation; contract negotiation for consulting firm will commence in August 2010
3230	REG: Central Asian Countries Initiative for Land Management (CACILM) Multicountry Partnership Framework Support Project-under CACILM Partnership Framework, Phase 1	S	S	L	3 <sup>rd</sup> PIR submitted;

### 3. Projects-at-risk

47. No LD project was flagged at risk in FY 2010. However, under the project ***PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project 1-Capacity Building to Combat Land Degradation (GEF ID No. 956)***, it was perceived that a multi-sectoral coordinating mechanism at the national, provincial and county levels will better promote effective implementation of the project activities. However, enabling environmental improvement is a complex task and requires flexible approaches and responsive interventions. The capacity building of the project has generated both capacity and shifts in attitudes and growing enthusiasm for the project. These capacities, attitudes and the level of enthusiasm may now be affected if there will be no follow-up project in each of the provinces. Therefore implementation of the legal reform recommendations and strategy and action plans will also be more or less affected.

### 4. Outcomes and implications for the overall portfolio

48. Innovative approaches yield positive results provided there is common understanding of the approach and there is a supportive policy environment and institutional arrangements. The IEM approach in combating land degradation in the PRC is innovative at the time of the conceptualization and approval of the PRC-GEF Partnership program (***GEF ID: 956***) and continues to be relevant at this time. By design, the first subproject under this program aimed at improving policies, laws and regulations for land degradation control using the IEM approach and developing the corresponding institutional capacity from the provincial to the county levels. The project has already effectively promoted the application of the IEM concept and approach, enhanced national and local capacities through training of a team of professionals and intensified cooperation and coordination with international partners. Encouraged by the results from this subproject, the Program has now moved into its second phase involving significant investments employing the IEM approach and continuing on with the policy and management support for the Partnership. As this approach is gaining momentum and has proven to be an

effective tool in environmental management, several projects in ADB are now incorporating similar approach in their development strategies.

#### **D. International Waters**

49. As of this reporting period, the only project under this focal area is the ***IW Learn: Portfolio Learning in International Waters with Focus on Oceans, Coasts, and Islands and Regional Asia/Pacific and Coral Triangle Learning Processes (UNDP/ADB) [Regional Cooperation on Knowledge Management, Policy, and Institutional Support to the Coral Triangle Initiative] (GEF ID No. 3639)***. As this project has only recently commenced implementation, a performance rating has not been prepared.

#### **E. Progress on projects that received sub-optimal ratings in AMR 2009/Overall Performance Rating**

50. There were no projects that received sub-optimal (unsatisfactory) ratings in FY 2009.

### **V. BEST PRACTICES**

51. Some best practices, including the incorporation of livelihood program into projects in order to catalyze environmental improvements by providing provide socio-economic benefits to communities are presented below:

#### **A. Protected Areas and Wildlife Conservation Project (GEF ID No. 878)**

52. The outreach program implemented by the project has successfully empowered villagers and generated rapport between PA staff and bufferzone communities. There is now an increased willingness by communities to protect and conserve wildlife in the PAs and resulted in reduced park violations, particularly PA encroachment.

53. Most Community-Based Organizations established under the program created revolving funds, which remain functioning and serving as sustainable source of funding for the local communities. A 50% share of park revenues is now credited to the Wildlife Preservation Fund for the government's conservation activities.

#### **B. Tonle Sap Environmental Management Project/Tonle Sap Conservation Project (GEF ID No. 1183)**

54. While livelihood activities were not included in the original design of the project, household-scale livelihood activities were included in the area management plans. A total of 5,923 households benefited from income generating activities such as fish/earthwork raising, pig/chicken raising, mushroom culture and vegetable growing. A total of 31 Community Forestry Organizations carried out fish hatchery and fingerling development, fish processing and marketing, jasmine production and marketing, organic vegetable production and marketing, and community-based ecotourism. The livelihood support also benefited 11,125 CF members with potable water, 31 wells, and 84 latrines.

#### **C. PRC: Sanjiang Plain Wetland Protection Project (GEF ID No. 1126)**

55. The project has provided sustainable income-generating opportunities for local people affected by farmland-to-forest restoration program through intercropping activities. So far, some 663 hectares were planted with intercropped plants such as: soy bean, kidney bean, and indigowood root, in four counties. Also, 604 hectares were converted to forests and have been allocated for NTFP production, which will augment the sources of livelihood in the project area.

56. A pilot alternative livelihoods development project (greenhouse farming combined with biomass) will be conducted in the experimental zone of Qixinghe NR where farmers conduct traditional agriculture on lands rented from the NR. Introduction of greenhouse farming is expected to reduce farming area in the experimental zone without reducing farmers' and NR's incomes. Combining biomass with green house farming is expected to reduce green house operating costs particularly for heating up. Biomass will also contribute to the reuse of agricultural wastes and environmental improvements.

#### **D. Efficient Utilization of Agricultural Wastes (GEF ID No. 1105)**

57. At project completion, around 19,000 households had new biogas plants built under the project, with increased pig or livestock breeding facilities, increased areas of vegetables, increased areas of orchards, crops or fishponds. They also have a good supply of organic fertilizer to replace the use of more expensive chemical fertilizers. This has led to increased farm production, increased on-farm employment opportunities, increased incomes, and a cleaner in-house environment in health and general living standards. The estimated average increase in farm household income is CNY8,510 per year at full project benefits. In addition, two of the established type III biogas systems reticulate gas contributed to rural household income and living condition for an estimated 600 households. The improvement to farm-to-market roads, and the additional market facilities and mechanized wells also have improved the living standards in the project area.

#### **E. Central Asian Countries Initiative for Land Management (CACILM) – Multicountry Partnership Framework Support Project – under CACILM Partnership Framework, Phase 1(GEF ID No. 3230)**

58. The rehabilitation and enhancement of the productive functions of selected lands in the project areas had resulted in the improvement in livelihoods of affected communities and likewise provided indirect protection to the ecosystems.

59. In Kyrgyzstan, 24 hectares of pastures in the Suusamyр project area was improved through phyto amelioration. By the effort of Jergetal project, three water points on intensively used pasture are reconstructed which are expected to improve the surrounding pasture areas. Rehabilitation of irrigation system in same project site will improve 160 hectares of irrigated areas. Reconstruction of 16 km of road to high mountain pastures will stabilize about 10 000 hectares of village pastures.

60. In Tajikistan, the UNDP/GEF project cleaned up about 9 km of drainage. Fifty two farm unions received loans for growing different agricultural crops which will improve about 60,000 hectares of arable lands. About 126 hectares of *tugay* forest is under lease agreement for improved management.

61. In Turkmenistan, six wells in desert pastures are constructed during Inception Phase and will facilitate pasture rehabilitation in affected areas. In irrigation area, 10 km of drainage channel was improved which will have immediate positive effect on land productivity. In

mountain region, the construction of 15 dams and water reservoirs started to improve the watershed used as a pasture. Five hectares of endemic *Juniperus* forest was rehabilitated.

62. In Uzbekistan, the project is ready to stabilize and afforest about 148,000 hectares of degraded desert pastures around two project villages. Also, some 162,300 hectares of irrigated lands are targeted for improvement.

## **VI. ADMINISTRATIVE EXPENSES**

63. Table 7 shows the administrative costs incurred by ADB in carrying out its partnership with GEF in FY 2010. The computations follow the guidelines provided by GEF. Staff time is based on estimates of the actual time (in work-days) spent for corporate and project cycle management activities. Staff costs consist of salaries and benefits. Salaries of staff are computed using the starting salary for the position designation of each staff while benefits are a fixed percentage of the salary. The total working-days per year is set at 260; this is used to convert annual salaries and benefits into work-day equivalent. Consultant costs and travel costs are actual expenditures. Overhead costs for office facilities and administration support, are calculated at 36% and is applied only to staff salaries (without benefits).

64. The total person-days spent for the ADB-GEF partnership reached 2,483 in FY 2010. About 3/4 is accounted for by staff (professional and support staff) while the remainder is primarily by technical consultants. This is equivalent to about 9.6 person-years of both professional or technical staff/consultants and local/support staff.

65. Total administrative expenses incurred by ADB in FY 2010 reached \$1.814 million of which 60% is staff cost, 19% is consultant cost, 7% is travel and 14% is overhead. About 34% of the total is accounted for by corporate activities while 66% is for project cycle management. Project preparation and approval costs constitute the single biggest category with 42% of the total while the share of supervision, monitoring and evaluation costs reached 21%. This reflects the growing ADB-GEF portfolio and the relatively large number of projects being prepared for Council approval and CEO endorsement during the reporting period. These include the CTI subprojects, the PRC-GEF Partnership on Land Degradation program subprojects, and other independent projects that are not part of an ADB-led program.

**Table 7: ADB Administrative Costs, FY 2010**

	Staff time (days)	Consultant time (days)	Staff cost (i) (\$)	Consultant cost (i) (\$)	Travel costs (ii) (\$)	Overhead costs (iii) (\$)	Total Cost (\$)
<b>1. Corporate Activities</b>							
a) Policy Support	91	45	64,704	24,076	53,247	14,236	156,263
b) Portfolio Management							
i) Pipeline and program management	125	20	61,466	10,809	0	13,717	85,992
ii) Financial and Data Management	147	7	74,023	4,070	0	16,710	58,750
c) Reporting	188	15	116,386	7,833	0	25,751	41,124
d) Outreach and knowledge sharing	106	25	69,835	17,197	21,522	15,445	35,989
e) Support to the GEF EO	7	0	6,174	0	0	1,352	8,198
Subtotal	664	112	392,588	63,984	74,769	87,210	618,551
<b>2. Project Cycle Management</b>							
a. Project preparation and approval	619	244	423,062	119,965	31,261	93,193	770,090
b. Project supervision, monitoring and evaluation	547	299	277,116	166,971	22,230	61,955	376,483
Subtotal	1,166	542	700,178	286,936	53,491	155,148	1,195,753
<b>TOTAL</b>	<b>1,829</b>	<b>654</b>	<b>1,092,766</b>	<b>350,920</b>	<b>128,260</b>	<b>242,358</b>	<b>1,814,304</b>

Note: Numbers are rounded off.

## SUPPLEMENTARY TABLES

**Table A.1: Number of ADB/GEF-Approved Projects and Value in US\$  
(cumulative, 1998 to 2010)**

Year	Number of Approved Projects	Cumulative Approval	GEF Grant Per Year	Cumulative Value	Co-Financing
1998	1	1	12,200,000	12,200,000	70,000,001
1999	2	3	22,340,000	34,540,000	68,010,000
2000	2	5	12,246,420	46,786,420	69,856,030
2001	2	7	14,060,000	60,846,420	78,210,000
2002	2	9	1,300,000	62,146,420	2,315,000
2003	2	11	9,375,000	71,521,420	55,370,000
2004		11		71,521,420	
2005	2	13	5,420,101	76,941,521	345,820,600
2006	4	17	12,025,000	88,966,521	129,024,000
2007	2	19	8,020,000	96,986,521	154,595,064
2008	5	24	33,722,729	130,709,250	516,774,000
2009	7	31	30,111,364	160,820,614	556,360,000
2010	3	34	6,318,182	167,138,796	126,000,000
<b>TOTAL</b>	<b>34</b>		<b>167,138,796</b>		<b>2,172,334,695</b>

**Table A.2: Summary of ADB/GEF-Funded Projects by Focal Area, as of 30 June 2010**

Focal Area	Number	GEF Grant	Co-Financing
Biodiversity	11	65,801,880	921,138,695
Climate Change	7	36,431,818	514,690,000
Land Degradation	6	15,627,096	270,047,000
Multi-Focal Area	9	47,078,002	463,425,000
International Waters	1	2,200,000	3,034,000
<b>TOTAL</b>	<b>34</b>	<b>167,138,796</b>	<b>2,172,334,695</b>

**Table A.3: Summary of ADB/GEF-Funded Projects by Region / Sub-Region, as of 30 June 2010**

Geographical Area	Number	GEF Grant	Co-Financing
Asia / Pacific	4	26,621,420	110,886,031
Central and West Asia	7	39,180,460	810,252,664
Southeast Asia	8	46,278,002	461,825,000
South Asia	3	7,027,455	27,610,000
Pacific	2	5,500,000	105,914,000
East Asia	10	42,531,459	655,847,000
<b>Total</b>	<b>34</b>	<b>167,138,796</b>	<b>2,172,334,695</b>

**Table A.4: Summary of ADB/GEF-Funded Projects, as of 30 June 2010**

GEF ID	Region / Sub-region	Country	Project Title	Focal Area	Project Size	GEF Council Approval Date of PIF	GEF Grant	Proposed Co-financing	Implementation Status
455	South Asia	BAN	Sundarbans Biodiversity Conservation (IBRD/ADB)	BD	FP	30-Mar-98	12,200,000	70,000,001	Cancelled
878	South Asia	SRI	Protected Areas and Wildlife Conservation Project	BD	FP	13-Sep-99	10,200,000	24,600,000	Completed
956	East Asia	PRC	PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project 1-Capacity Building to Combat Land Degradation	MFA	FP	29-Mar-01	7,700,000	7,300,000	Completed
1105	East Asia	PRC	Efficient Utilization of Agricultural Wastes	CC	FP	7-Dec-01	6,360,000	70,910,000	Completed
1126	East Asia	PRC	Sanjiang Plain Wetland Protection Project	BD	FP	21-Dec-99	12,140,000	43,410,000	Ongoing
1183	Southeast Asia	CAM	Tonle Sap Environmental Management Project/Tonle Sap Conservation Project	BD	FP	6-Mar-00	3,246,420	15,536,030	Completed
1185	Southeast Asia	PHI	Integrated Coastal Resources Management Project	BD	FP	28-Feb-00	9,000,000	54,320,000	Ongoing
1609	Asia	GLOBAL	Renewable Energy Enterprise Development-Seed Capital Access Facility (REED-SCAF)	CC	FP	18-Jan-03	8,400,000	54,620,000	Ongoing
1684	Asia	REG	National Performance Assessment and Subregional Strategic Environment Framework in the GMS	MFA	MSP	18-Dec-02	800,000	1,600,000	Closed
1870	Central and West Asia	REG	Prevention and Control of Dust and Sandstorms	MFA	MSP	18-Dec-02	500,000	715,000	Closed
1907	Central and West Asia	AFG	Natural Resources and Poverty Alleviation Project	BD	MSP	16-Dec-03	975,000	750,000	Closed
2504	Central and West Asia	REG	Central Asian Countries Initiative on Land Management (CACILM)	LD	FP	31-Jan-05	874,641	134,823,000	Closed
2766	East Asia	PRC	Integrated Ecosystem Management and Environmental Protection of Baiyangdian Lake Catchment	BD	FP	5-Feb-08	2,975,000	246,930,000	Ongoing

2787	East Asia	PRC	Shaanxi-Qinling Mountains Integrated Ecosystem Development	BD	FP	5-Oct-07	4,270,000	128,370,000	Ongoing
2788	East Asia	PRC	Ningxia Integrated Ecosystem and Agricultural Development Project	BD	FP	22-Jul-05	4,545,460	210,997,600	Ongoing
3103	Southeast Asia	VIE	Climate Resilient Infrastructure Planning and Coastal Zone Development in Viet Nam	CC	FP	7-Apr-09	3,400,000	176,960,000	Council Approved
3230	Central and West Asia	REG	Central Asian Countries Initiative for Land Management (CACILM) Multicountry Partnership Framework Support Project-under CACILM Partnership Framework, Phase 1	LD	FP	28-Aug-06	3,025,000	3,300,000	Ongoing
3232	Central and West Asia	UZB	CACILM Partnership Framework-Land Improvement Project	LD	FP	28-Aug-06	3,000,000	77,180,000	Ongoing
3233	Central and West Asia	KGZ	CACILM: Southern Agriculture Area Development Project-under CACILM Partnership Framework, Phase 1	LD	FP	28-Aug-06	2,500,000	28,734,000	Cancelled
3234	Central and West Asia	TAJ	CACILM: Rural Development Project-under CACILM Partnership Framework, Phase 2	LD	FP	28-Aug-06	3,500,000	19,810,000	Ongoing
3279	Southeast Asia	INO	Citarum Watershed Management and Biodiversity Conservation Project	BD	FP	3-Oct-07	3,750,000	26,225,064	Council Approved
3435	Southeast Asia	INO	Sustainable Forest and Biodiversity Management in Borneo	MFA	FP	6-May-09	2,527,273	10,000,000	Council Approved
3483	East Asia	PRC	Forestry and Ecological Restoration Project in Three Northwest Provinces (formerly PRC: Silk Road Ecosystem Restoration) (under PRC-GEF Partnership)	MFA	FP	19-Aug-08	5,119,546	176,660,000	Council Approved
3484	East Asia	PRC	Management and Policy Support for Combatting Land Degradation in Dryland Ecosystems (under PRC-GEF Partnership)	LD	FP	25-Feb-09	2,727,455	6,200,000	Ongoing
3589	Southeast Asia	REG	Coastal and Marine Resources Management in the Coral Triangle: Southeast Asia	MFA	FP	22-Feb-08	10,310,000	76,000,000	Council Approved
3591	Pacific	REG	Coastal and Marine Resources Management in the Coral Triangle of the Pacific	MFA	FP	22-Feb-08	13,118,183	14,150,000	Council Approved



3639	Asia / Pacific	GLOBAL	*IW Learn: Portfolio Learning in International Waters with Focus on Oceans, Coasts, and Islands and Regional Asia/Pacific and Coral Triangle Learning Processes (UNDP/ADB) [Regional Cooperation on Knowledge Management, Policy, and Institutional Support to the Coral Triangle Initiative: Regional)	IW	FP	27-Feb-08	2,200,000	3,034,000	Ongoing
3641	Pacific	REG	Promoting Energy Efficiency in the Pacific	CC	FP	14-Sep-09	5,254,545	10,610,000	Council Approved
3670	East Asia	PRC	Jiangsu Yangcheng Wetlands Protection	BD	FP	26-Jan-10	2,500,000	100,000,000	Council Approved
3744	East Asia	PRC	Integrated Renewable Biomass Energy Development	CC	FP	24-Feb-09	9,199,091	175,590,000	Ongoing
3887	Southeast Asia	PHI	Agusan River Basin Integrated Water Resources Management Project	MFA	FP	25-Feb-09	3,182,000	75,000,000	Council Approved
3980	Southeast Asia	PHI	Integrated Natural Resources and Environmental Management Sector Project	MFA	FP	28-Apr-09	3,821,000	102,000,000	Council Approved
4130	South Asia	NEP	Kathmandu Sustainable Urban Transport	CC	FP	20-Jan-10	2,818,182	25,000,000	Council Approved
4236	Asia	REG	GHG Assessment Methodologies in Public Transport	CC	MP	23-Apr-10	1,000,000	1,000,000	Council Approved