United Nations Environment Programme
برنامج الأمم المتحدة للبيئة • 联合国环境规划署
PROGRAMME DES NATIONS UNIES POUR L'ENVIRONNEMENT • PROGRAMA DE LAS NACIONES UNIDAS PARA EL MEDIO AMBIENTE
ПРОГРАММА ОРГАНИЗАЦИИ ОБЪЕДИНЕННЫХ НАЦИЙ ПО ОКРУЖАЮЩЕЙ СРЕДЕ

UNEP

Annual Monitoring Review

FY 2010

Overview Report

December 2010

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1. Portfolio Overview

The UNEP 2010 Annual Monitoring Review (AMR) analysis for FY10 includes a portfolio of 82 projects that started implementation on or before June 30 2009 and were under implementation for at least part of the fiscal year ending 30 June 2010[1].

The following table lists the projects, for which this year's PIR is the first PIR.

Table 1: New projects for FY10 (first PIR).

GEF ID	Focal Area	Project title	Size	Start date
1420	International Waters	Reducing Dependence on POPs and other Agro-Chemicals in the Senegal and Niger River Basins through Integrated Production, Pest and Pollution Management	FP	mar-09
1431	Land Degradation	Fouta Djallon Highlands Integrated Natural Resources Management Project (FDH-INRM) (Tranches 1 and 2)	FP	apr-09
1902	Biodiversity	Development and Application of Decision-support tools to conserve and sustainably use genetic diversity in indigenous livestock and wild relatives	FP	mar-09
2391	Biodiversity	Facilitation of financing for Biodiversity based businesses and support of Market Development Activities in the Andean Region	FP	jun-09
2430	Biodiversity	Conservation and sustainable use of Cultivated and Wild Tropical Fruit diversity: Promoting sustainable Livelihoods, Food Security and Ecosystem Services	FP	jan-09
2546	POPs	Demonstration of Sustainable Alternatives to DDT and Strengthening of National Vector Control Capabilities in Middle East and North Africa	FP	feb-09
2586	International Waters	Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries	FP	jul-09
2600	International Waters	Strategic Partnership for the Mediterranean Large Marine Ecosystem-Regional Component: Implementation of Agreed Actions for the Protection of the Environmental Resources of the Mediterranean Sea and Its Coastal Areas	FP	aug-09
2939	Climate Change	Solar Water Heating Market Transformation and Strengthening Initiative, Phase I	FP	maj-09
3010	Biodiversity	Conservation and Management of Pollinators for Sustainable Agriculture, through an Ecosystem Approach	FP	nov-08
3183	Biodiversity	Mitigating the Threats of Invasive Alien Species in the Insular Caribbean	FP	sep-09
3224	Climate Change	Establishing Sustainable Liquid Biofuels Production Worldwide (A Targeted Research Project)	MSP	maj-09
3342	International Waters	Development of the Methodology and Arrangements for the GEF Transboundary Waters Assessment Programme (TWAP)	MSP	mar-09
3343	International Waters	Enhancing the Use of Science in International Waters Projects to Improve Project Results	MSP	jan-09
3346	POPs	Malaria Decision Analysis Support Tool (MDAST): Evaluating Health, Social and Environmental Impacts and Policy Tradeoffs	MSP	sep-09
3348	POPs	Monitoring Reporting and Information Dissemination Using Pollutant Release and Transfer Registers (PRTRs)	MSP	jan-09
3449	Land Degradation	Global: SFM Carbon Benefits Project (CBP): Modeling, Measurement and Monitoring	FP	apr-09
3679	Climate Change	Economic Analysis of Adaptation Options	MSP	jul-08
3811	Biodiversity	Global International Commission on Land Use Change & Ecosystems	MSP	nov-08

[1] In addition to projects falling into this category the UNEP report for FY 10 also includes 11 projects, for which the TE has been finalized since the AMR09.

In general this report does not include co-implemented projects for which UNEP is not the lead agency and individual country enabling activities[2]. In total there are 47 full-size and 35 medium-sized projects with a total value of US$ 1.19 billion of which US$ 284.6 million is GEF funding[3]. The UNEP portfolio reporting for FY 10 includes 1 extra project than the report for FY 09. Project disbursements are $169.9 million or 54.8% of the total committed GEF funding as of 30 June 2010.

The portfolio includes projects in all focal areas with a majority of projects (45 %) addressing biodiversity (BD) (*see Table 2 and Figure 1 below*[4]), and the distribution pattern is almost the same as that of previous years. The value of the BD portfolio is 33.2 % of the total GEF funding, and is still higher than the International Waters focal area, which comes in second at 26.6 % of the total GEF funding, so as was the case in the reporting for FY09 the BD portfolio is still a very important part of UNEP's portfolio both in relative and absolute terms.

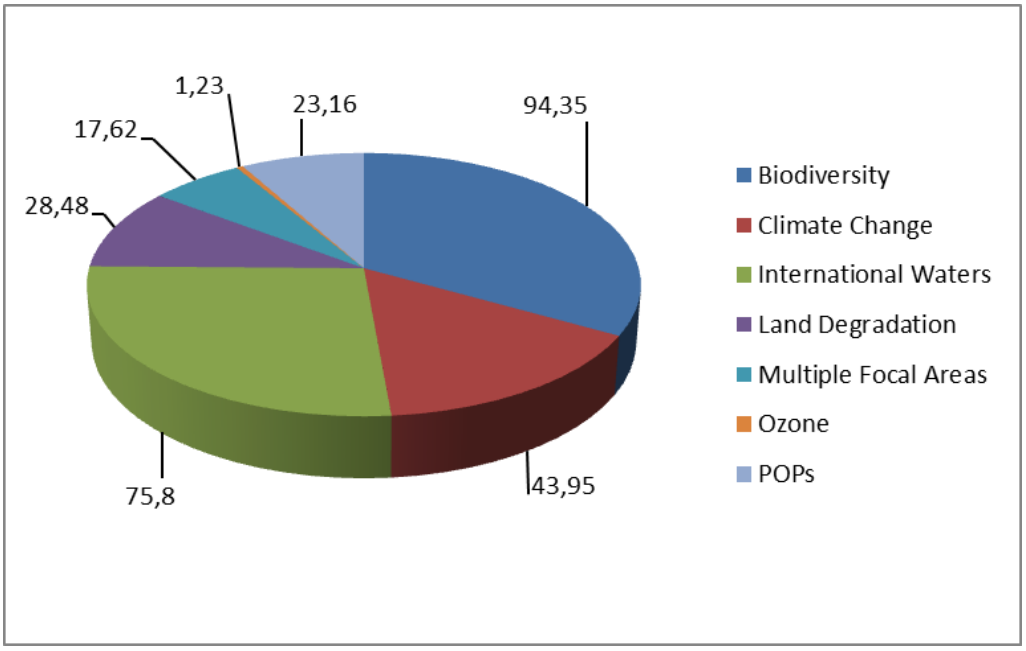

Figure 1: UNEP's distribution of GEF Funding by Focal Area (US$ m)

The UNEP portfolio report on Climate Change (CC) for FY10 consists of 13 active projects, which is a slight decrease from last year (15 projects in FY09). There are 6 projects in the POPs focal area reporting, which is 5 more projects than reported on last year, and as predicted in last year's report the robust pipeline of POPs proposals from UNEP, which included several projects with a slow maturing rate has started to come into play.

As a consequence of the advanced stage of phasing out Ozone Depleting substances the Ozone Depletion portfolio has shrunk and this year only includes 1 active project (and 1 project, for which the TE has been finalized since last year's reporting).

[2] Despite this a couple of co-implemented projects from the IW portfolio have been included in the UNEP report, even though UNEP is not the lead agency. The reason for this is that either it is only the UNEP component that is still active or because UNEP has felt a need for covering UNEP's perception of project implementation more accurately.
[3] This figure is the direct GEF Grant, but excluding PPG funds. Summarized PPG funds for the reported UNEP portfolio is 25.28 US$ m.
4 UNEP's organization of multi-focal area projects means that multi-focal projects will always have a lead focal area and the multi-focal area projects are reported within the portfolio performance of the lead focal area.

UNEP's current portfolio for FY10 reporting has 6 projects addressing land degradation under OP15 (1 less than for FY09).

The number and the ratio of Medium-sized projects in UNEP's portfolio has fallen significantly since last year's reporting and represents now 43 % of the number of projects (as opposed to 50 % for FY09) and the GEF value of MSPs has also fallen to 10 % of the total GEF value (from 14% in the FY09 reporting). As has also been the case in previous years, biodiversity has a significant share of the MSP portfolio 16 out of 35, but when looking at the GEF value of these 16 BD MSPs they only account for 13% of the BD portfolio GEF value. Climate Change portfolio ranks second regarding the number of MSPs, but also in this portfolio the GEF value of these MSPs only account for 15 % of the GEF funds allocated to DGEF's CC portfolio.

Table 2: FY10 portfolio by focal area, project size and GEF value

	No. of Projects			GEF Funding (US$ millions[5])		
	Total	FP	MSP	Total	FP	MSP
Biodiversity	31	15	16	94,35	82,11	12,23
Climate Change	16	9	7	43,95	37,36	6,6
International Waters	17	12	5	75,8	72,63	3,17
Land Degradation	6	4	2	28,48	26,53	1,95
Multiple Focal Areas	4	3	1	17,62	16,65	0,97
Ozone	2	0	2	1,23	0	1,23
POPs	6	4	2	23,16	21,22	1,95
TOTAL	**82**	**47**	**35**	**284,59**	**256,5**	**28,1**

In line with UNEP's role in the GEF and its comparative advantage, the portfolio comprises a large number of global, regional and multi-country projects. The combined number of projects in these categories represents some 74% of all projects (a slight increase compared to FY09), but due to a number of MSPs to support NCSAs and implementation of national biosafety frameworks the single country projects is approximately the same share of the overall UNEP portfolio.

Table 3: Project geographical coverage, compared to FP and MSP, and GEF funding

	No. of Projects			GEF Funding (US$ millions)[6]		
	Total	FP	MSP	Total	FP	MSP
AFR	20	13	7	79,37	73,43	5,94
ASIA & PAC	13	7	6	36,93	33,12	3,81
EUR & CIS	9	3	6	14,56	10,91	3,65
LAC	10	8	2	54,93	53,55	1,38
GLOBAL & Multi-regional	30	16	14	98,81	85,48	13,33
TOTAL	**82**	**47**	**35**	**284,6**	**256,49**	**28,11**

[5] Excluding PPG funds.
[6] Excluding PPG funds

Table 3 shows the geographical distribution of the portfolio in numbers of projects and in GEF value. The figures for each region represent the number of regional, sub-regional and single-country projects included in the reporting for FY10. Figure 2 below illustrates the geographical distribution of MSPs and FP in the different regions.

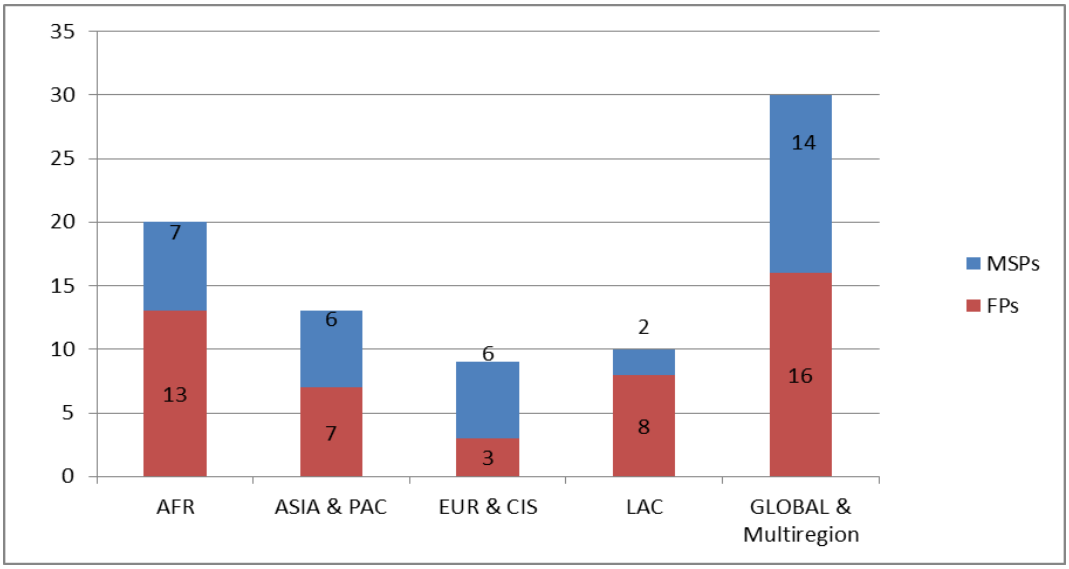

Figure 2: UNEP's Portfolio by Region and break down in MSPs and FPs (Number of projects)

Apart from the Global and Multiregional projects, which follow UNEP's mandate and comparative advantage in the GEF family, Africa has the largest number of projects in the portfolio (approximately 24%). This is similar to previous years' distribution and in line with UNEP's overall policy of providing priority support to Africa, SIDS and LDCs. As illustrated in table 3 above Africa is also the region receiving the highest portion of GEF resources (approximately US$79 m), while Latin America and the Caribbean receives about US$55 m, Asia Pacific approximately US$ 37 m, and Europe and the CIS is targeted with about US$14 m.

1.1. Portfolio Ratings:

As illustrated in figure 3 below the ratings for UNEP's project portfolio 89 % of the projects have been rated "Marginally Satisfactory" or better for Development Objectives, and 90% of UNEP's project portfolio has a rating of "Marginally Satisfactory" or better for the Implementation Progress, which is a slightly lower percentage compared to last year's reporting (The two percentages were 94% and 91% respectively in UNEP's report for FY09). The slight drop in ratings is not seen as significant or alarming, but nevertheless an issue, which will be followed closely over the coming year by DGEF's Task Managers to ensure even closer management and oversight of the project progress and with the aim of improving project progress for the reporting for FY11.

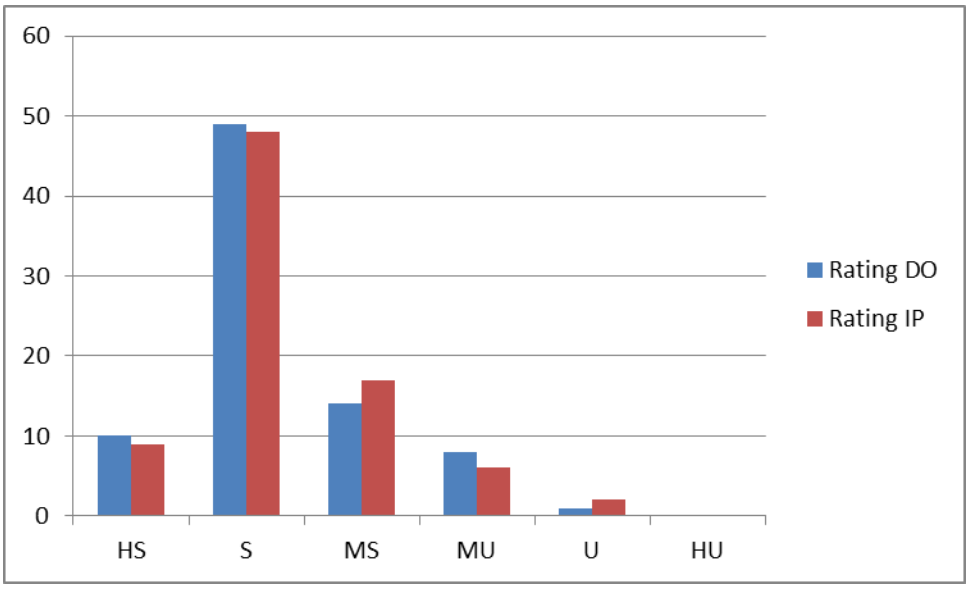

Figure 3: Overview of Rating Distribution (number of projects)

As illustrated in the figure 4 below risk ratings for DGEF's portfolio are generally low and 95 % of the projects fall in the categories "Low" or "Medium" risk, which is a slight improvement from last year's reporting (93%). As with the progress ratings above, the issue of project risk is an issue which is always closely monitored by DGEF's Task Managers to ensure that all is done to ensure risk mitigation as soon as risk is identified to avoid delay in the execution of the projects.

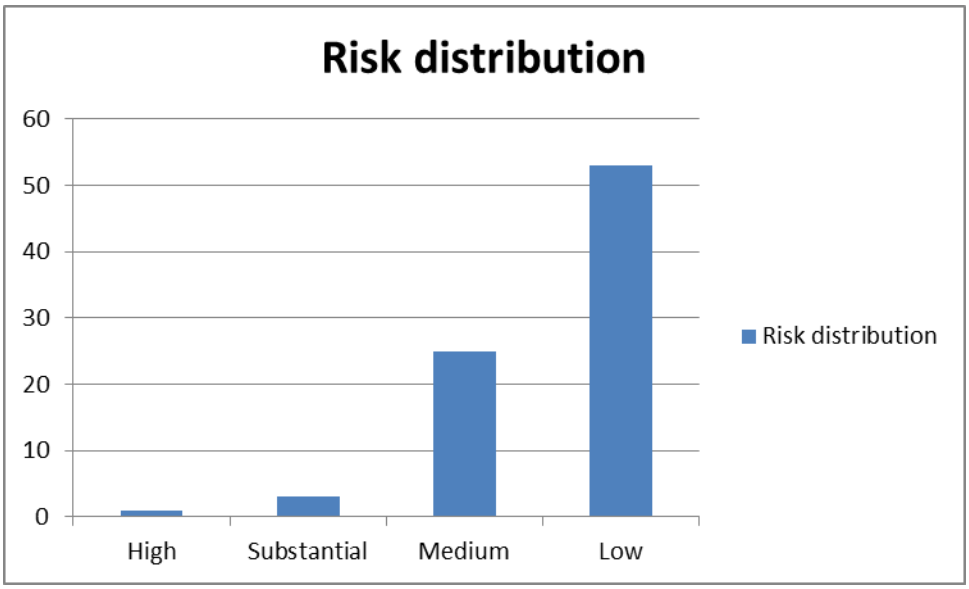

Figure 4: Distribution of risk ratings (number of projects).

The ratings presented above and in the individual PIRs are a result of a composite rating. By UNEP's PIR template and process, it is assured that all ratings are a composite of two persons' (Project Manager and Task Manager) perception of the projects' standings. When the Task Manager has provided ratings, the Senior Program Officer for the focal area or a monitoring consultant (and usually both)

review the PIRs prior to submission to ensure candor and consistency in the use of ratings across the focal areas and the whole UNEP portfolio.

1.2. Development of sub-optimal ratings from FY09:

For the projects in the UNEP portfolio, which were rated sup-optimally in FY09 there is no general trend to identify. Fortunately some of the sub-optimally projects have improved their ratings by one or more categories, but some of the sub-optimally projects have stayed at the same rating. There are no general or uniform reasons for this, but some projects have felt the financial pinch, which investors anticipated to provide significant co-funding have been in, and the progress that has been identified for most projects has not been able to catch up with previous delay. Other projects are still in the process of recovering from changing management structure and teams, which proved necessary to get new fresh perspectives to the table.

Some of the projects have closed down during the last year, as per the original plans, and the important lessons learned from the project implementation of these sub-optimally rated projects are being fed back into DGEF's project development cycle in order for future projects to avoid similar delays or setbacks if at all possible and to make best possible use of these lessons.

A general issue is that the supervision and oversight from DGEF's Task Managers is targeting these sub-optimally rated projects in particular to ensure best possible sparring with project teams and to ensure progress towards the development objectives.

2. Portfolio performance by Focal Area

2.1. Biodiversity portfolio performance

The UNEP biodiversity portfolio in FY10 comprises 35 projects representing about 45% of the entire UNEP project portfolio. The total value of this cluster of projects is $237 million of which $107.7 million is GEF funds (including project preparation grants). In FY09 the BD portfolio had 36 projects (about 45% of that year's portfolio) with $102 million of GEF funding, which means that the importance of the BD portfolio has increased both in relative and absolute terms. Over the same reporting period a further 16 new projects were internalized with a total value of $111 million dollars, of which $32.67 million is GEF funds for full details).

There are 17 full size projects (FSP) with a value of $93.42 million of GEF funds and 18 medium sized projects (MSP) worth $14.31 million of GEF funds. The number and ratio of FSPs to MSPs has changed quite dramatically from the previous reporting, with nearly 50% of the projects being FSPs compared to only 34% in FY09.

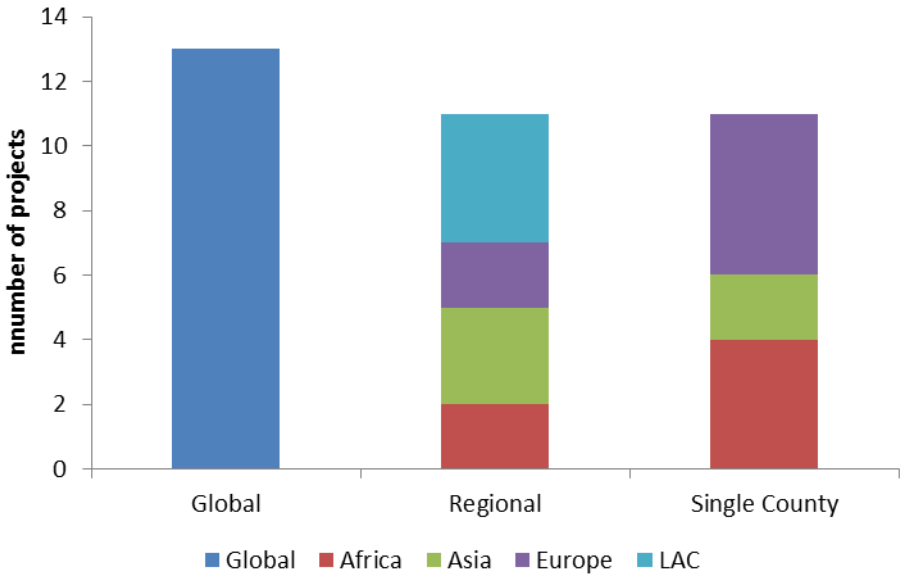

Figure 5: Breakdown of the Biodiversity Project Portfolio by Global, Regional and Single country projects

In line with UNEP's role and comparative advantage the portfolio includes 24 projects of a global or regional nature (over 66% of the total BD portfolio). The other 11 projects comprise 11 single country biosafety. The geographic distribution of this cohort of projects is summarized Figure 5: 6 projects in Africa; 5 in Asia; 7 in Europe and the CIS; 4 in LAC. 13 are global or multi-regional in nature (See Figure 5 for more details). This geographical spread does not present major deviations from previous PIR cohorts and the share of LAC projects is increasing.

The average BD grant size in FY10 is $3.08 million (up by $0.0.24 million on last year) and the overall co-financing ratio is about 1 to 1.2, a 20% increase on FY09. However, the smallest proportion of realized co-financing still comes from single African country Biosafety projects (See Figure 6), but it should be noted that biosafety projects, which account for about 1/3 of all biodiversity projects in this cohort are enabling activities and their costs are considered fully incremental in accordance with the guidance of the CBD. The cost to GEF of the current biosafety portfolio is $7.42 million, and it is anticipated to increase to over $35 million USD during GEF4 as pipeline projects are fully developed.

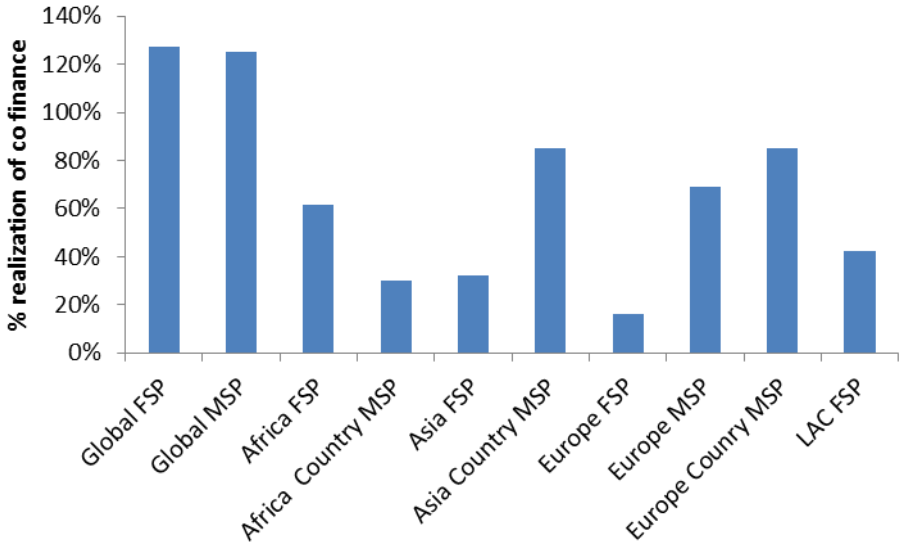

Figure 6: Summary of realization of co-financing by project size and location as of June 2010 - Biodiversity

Figure 6 summarizes the overall performance with regards to co-financing of the biodiversity portfolio by geographic area.

Table 4: BD projects with sub-optimal ratings in FY 2009-2010

GEF ID	Project Title	Overall DO rating	Overall IP rating
1216	Building Scientific and Technical Capacity for Effective Management and Sustainable Use of Dryland Biodiversity in West African Biosphere Reserves	MS	MS
2140	Removing Barriers to Invasive Plant Management in Africa	MS	MS
1769	Integrated Management of Peatlands for Biodiversity and Climate Change	S	MS
2856	Knowledge Base for Lessons Learned and Best Practices in the Management of Coral Reefs	MS	S
2839	Support for the Implementation of the National Biosafety Framework in Tanzania	S	MS

Concerning performance, all but five projects (see Table 4) are making satisfactory progress towards achieving global environmental benefits. Off these five(rated marginally satisfactory or lower), three projects have been completed and undergone terminal reviews this year (GEF IDs 2856, 1789, 1216) and have provided a number of lessons that have been fed back into UNEP's project development cycle to assist in improved project implementation. What is interesting to note is that none of the projects identified in the previous financial year are considered at risk in this year's reporting.

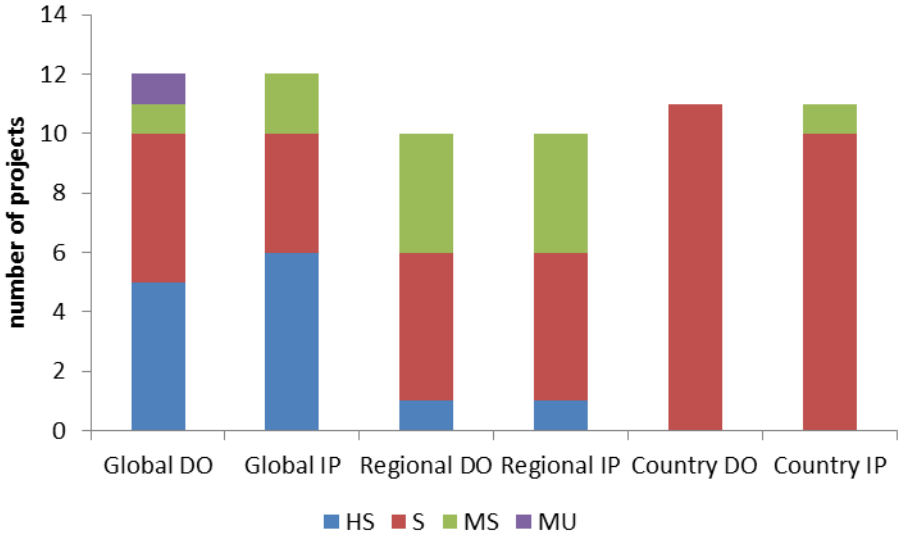

Figure 7: Progress of the Biodiversity Portfolio Projects for the FY 09-10 based on the Global, Regional and Single Country focus

For this reporting period, nine projects were operationally completed and eight projects commenced their terminal evaluation. Also six projects had a mid-term review and the relevant GEF BD tracking tools were prepared and verified by the evaluators. Overall, there is no disconnect between project PIR ratings from UNEP BD Task Managers and the ratings provided by the independent evaluations in this reporting period. This is a continued improvement with respect to previous periods where it was found that candor and realism in ratings from Task Managers needed improvement. Two new projects within the GEF 4 funding cycle opened and are reported upon. For the 10-11 reporting cycle it is anticipated that 17 projects will be brought to completion and undergo terminal evaluations. At the same time the cohort of 16 further GEF 4 projects will commence and become eligible for the PIR process. These are:

1. Promoting Payments for Ecosystem Services (PES) and related sustainable financing schemes in the Danube Basin
2. Building a Sustainable National Marine Protected Area Network – The Bahamas
3. Establishment of Incentives for the Conservation of Ecosystem Services of Global Significance,
4. Improving Brazilian Capacity to Conserve and Use Biodiversity through Information Management and Use,
5. Supporting the Development and Implementation of Access and Benefit Sharing Policies in Africa
6. Biosafety Implementation of the National Biosafety Framework in Costa Rica
7. Project for Ecosystem Services (PROECOSERVE)
8. Implementation of the National Biosafety Framework in Madagascar
9. Micronesia Challenge: Sustainable Finance Systems for Protected Area Management in "Micronesia Challenge' States
10. BS Support to the Implementation of the National Biosafety Framework of LAO PDR
11. Development of Biosafety Mechanisms to Strengthen the Implementation of the Cartagena Protocol in Guatemala

12. Capacity Building for the Implementation of the National Biosafety Framework in Albania,
13. Implementation of the National Biosafety Framework of Bhutan
14. Biosafety Implementation of the National Biosafety Framework in Ecuador
15. Contributing to the Safe Use of Biotechnology in El Salvador
16. Implementation of the National Biosafety Framework of Peru

2.1.1 UNEP contributions towards biodiversity strategic priorities/programs and, where applicable, targets:

The majority of projects in this cohort was developed under GEF-3 and therefore follow that framework. The following sections summarize the outputs from the various projects that contribute to each strategic priority area and provide a snapshot of achievements/lessons from specific projects.

GEF-3 Cohort

Strategic Priority 1: ***Catalyzing sustainability of protected area systems at National levels***

There are 6 projects with relevance to SP1 of which two are target flyways and/or important bird areas, three target scientific and technical capacity for protected area networks and sites management, and a new GEF project which addresses conservation in critical sites of the Andes 'Communities of Conservation: Safeguarding the World's Most Threatened Species'. UNEP is continuing to work on a number of new initiatives under GEF 4 that will reported in FY10/11 which include:

1. "Building a Sustainable National Marine Protected Area Network – The Bahamas"
2. Micronesia Challenge: Sustainable Finance Systems for Protected Area Management in "Micronesia Challenge' States
3. Sustainable Forest Management in the Transboundary Gran Chaco Americano Ecosystem
4. Evolution of PA systems in regards to climatic, institutional, social, and economic conditions in the West Africa Region
5. Phoenix Islands Protected Area (PIPA)

Specific project achievements in FY10/11 are:

SP1.1 Building Scientific and Technical Capacity for Effective Management and Sustainable Use of Dryland Biodiversity in West African Biosphere Reserves-1216

A principal lesson learned is that GEF projects should support and concentrate on regional projects that are closely related. This MAB project had the distinct advantage in that it was regional in the sense that all six countries shared the same language, the same ecosystem and more or less the same problems. All the countries could relate to each other, which is a distinct advantage as the project created a coherent group, once trust had been established. In contrast, the consultant has seen countries grouped together as a 'region' where none of the countries had anything in common except, for example, annual rainfall.

A further lesson of the MAB program is that GEF projects often have insufficient timeframes. Four years is too short a duration to achieve the results envisaged. Although GEF sees itself as a facilitator and therefore avoids phased projects, it

should still consider either a longer duration for such projects (8-12 years) or it should ensure that a four-year pilot project should be followed by an eight-year consolidation phase funded by another donor. At present this project is set for consolidation and scaling-up but is unable to do so except in as far as individual countries are able to seek and secure alternative funding. In a regional project, it is not unusual for non-performance in one country to 'drag down' the others. In such a situation, a country could be dropped after the initial period (e.g. four years) so that the project could concentrate on the 'best potential' countries

SP1.2 Strengthening the Network of Training Centers for Protected Area Management through Demonstration of a Tested Approach.

SP1.3 Development of a Wetland Site and Flyway Network for Conservation of the Siberian Crane and Other Migratory Waterbirds in Asia-1097
During this reporting period, all final outputs were completed and delivered as planned, with only minor variations. The project officially ended 31 Mar 2009, and an extension to Dec2009 was approved in July 2009 (excluding Russia). *Overall, site protection and management have been significantly improved as well as the national and international coordination of flyway conservation*.

At **site level,** protection measures have generally been completed and management capacity enhanced (*see e.g. tracking tool forms*). Community participation through pilot projects yielded good results at several Chinese sites, the basis for co-management of Fereydoon Kenar (Iran) was largely established but did not quite reach full completion (a signed agreement) due to delays in 2009. New CBOs (CSOs) in Kazakhstan have developed and are executing co-financed projects. The management plans and water management plans for NE China sites were completed and implementation has begun to varying degrees. A funding agreement for water provision to Zhalong has been established by provincial and city governments, and water for Momoge provided in 2009 by Jilin province. Project-supported ecological research has supported arguments against a proposed dam at Lake Poyang – this issue is being followed up post-project by ICF. Although administration of Federal Zakazniks in Russia is being passed to MNRE, there has been no change on the ground as yet. However, a regional PA system including Synsko-Voikarsky Nature Park (317,000 ha) has been established and management plans were completed for Kunovat, Kytalyk and Middle Aldan.

National activities have enhanced site and species conservation, and this is particularly evident in China and Kazakhstan where government interest and support to the project s has been more than expected (see e.g. level of co-finance). However, central government support remained weakest in Russia, but was balanced by strong regional government support in Yakutia and Yamalo-Nenetsky Autonomous Regions. All four project sites in Kazakhstan have been listed in Ramsar, and Bujagh Ramsar site extended in Iran. Nominations for other sites in China and Russia are in progress.

At **flyway level**, ICF convened the Project Completion Workshop, seminar on Zhalong, and NE Asia Crane Site Network WG meeting in Harbin, October 2009. ICF convened a symposium at the SCB Congress in Beijing in July 2009, presenting SCWP results. ICF/CMS organized CMS MoU7 meeting in Bonn 10-12 June 2010. Outcomes included: a strategy to address hunting in WC Asia, statement on the dam at Poyang, approval of 2 new sites in Pakistan for the Western/Central Asian Site Network, and updating of Conservation Plans. Measures supported by UNEP include development of a proposal for a GEF flyway project in W/C Asia. ICF provided input on SCWP lessons learned to the UNEP/DGEF Biodiversity Issue Paper

BD/001: *The Experience of UNEP GEF and Partners in Flyway Conservation.* Siberian Cranes continued to be tracked using satellite telemetry on the project website. The project engaged with the East Asian – Australasian Flyway Partnership including input to development of secretariat. Information on the project was widely distributed through press releases, websites, publications and presentations.

SP1.4 Enhancing Conservation of the Critical Network of Sites of Wetlands Required by Migratory Waterbirds on the African/Eurasian Flyways - 1258.
The project has continued to work diligently to deliver core resources over the reporting period. The project website www.wingsoverwetlands.org received significant attention from over 162 countries. Since the website was launched in 2008 there have been 13,112 unique visitors. A wide range of publications and communication tools were produced. The project continues to gain visibility at the international level, being presented at various venues through the combined efforts of all project partners.

The WOW Flyway Training Kit (FTK) was formally launched at a side event at the CBD SBSTTA-14 meeting in Nairobi, Kenya on 14th May 2010. Advance copies of the FTK were formally presented to the GEF, Kenya Wildlife Service Training Institute, Ramsar Convention, the UNEP/AEWA Secretariat, and to the German Government in recognition of their support during project implementation. The "Critical Sites Network" (CSN) was launched on 14th June 2010 at the AEWA 15th Anniversary Symposium in The Hague and can be accessed by visiting www.wingsoverwetlands.org/csntool. A Google Analytics Tool was installed on 17 June to monitor the usage of the site. In its first month, the site attracted 656 unique visitors.

Long-term flyway agreement formalized by core partners (AEWA, Ramsar Convention on Wetlands, Wetlands International and BirdLife International) in June 2010 for the continuation of wetland conservation work in the African-Eurasian region.

SP1.5 Conservation of the Biodiversity of the Paramo in the Northern and Central Andes -1918
Work in partnership with the Andean Community (CAN) and others is providing policy relevant information on high Andean ecosystems and flows directly to policy makers at the Andean level. This work now strongly includes climate change, an aspect that was not included during project formulation. A first group of recipients of the project's research grants program have delivered final reports. This information is now being processed in different formats, from scientific papers to policy briefs. The Paramo Information Mechanism www.paramo.org is fully operative and updated regularly. In the reporting period significant contribution by the project was towards the creation of Protected Areas (Yacuri National Park in Ecuador) and a number of community voluntary agreements.

In relation to BD2 (mainstreaming biodiversity in production systems), the project has contributed through support for sustainable production practices mainly in Paramo buffer zones. Initiatives for rescuing native potato varieties and "*achira*" varieties are proving successful. In the Paramo itself, some minor initiatives for medicinal plant use offer complementary income for Paramo inhabitants. In many sites biodiversity conservation measures in Paramo buffer areas are promoted and training is given for their adequate implementation.

To compliment this a number of Participative Paramo Management Plans are being developed and tested under the auspices of BD4 - Best practice. A systematic evaluation of these management plans is underway and will be reported in FY 10/11.

SP1.6 Communities of Conservation: Safeguarding the World's Most Threatened Species - 3790

Rare and its partners have identified 33 Andean forests that are important both for global biodiversity (i.e. AZE sites) and as sources of municipal/agricultural water supply, and have, besides, high potential for local community involvement in their conservation. In such watersheds across the Andes, there is a basic recognition of the need for shared investments in local watershed protection, often through traditional Andean Reciprocal Agreements for water. These *Arreglos Recíprocos para Agua* (ARA) are based on the precautionary principle and reciprocal sharing of benefits and responsibilities. However, few individual farmers in AZE watersheds are convinced about the value of participating in community-driven conservation. The social norms of a conservation constituency are not yet in place at these sites.

Project activities started with 1st University phase in Guadalajara Mexico. During this period the 12 campaign managers initiated and completed their 1st university phase (Jan-Mar). During this period the project had its "Inception Meeting". During this phase there also was the startup of biological monitoring activities (Monitoring Protocol). There also was the extensionist training as well as the 1st and 2nd meetings of the Advisory Council to the project (structure that functions as the project's Steering Committee).

Strategic Priority 2 "*Mainstreaming biodiversity conservation into production landscapes and sectors"*

There are 15 projects relevant to SP2. Of these, seven are agro-biodiversity projects developed within the framework of former OP 13, which address mainstreaming conservation and sustainable use of biodiversity within productive landscapes, assessment of status and trends of agro-biodiversity, adaptive management, food security, and capacity building.

Most of the OP13 projects under implementation are component specific i.e. they focus specifically on crops, animals (domestic and wildlife), pests and pathogens of individual species, pollinators or soil biota, etc. However, GEF-4 projects focus on interactions and linkages between different components of agro biodiversity through fully recognizing the role of diversity to provision of ecosystem services, mainstreaming of agro-biodiversity into health and nutrition sectors, and strengthening the policy and regulatory frameworks for mainstreaming of agro-biodiversity. In addition the projects are looking on possible management actions in response to the greatest challenge of how to deal with *in-situ* conservation in a context of growing threats posed by climate change. The emerging GEF 4 portfolio that will be reported upon in FY 10/11 comprises of:

1. Promoting Payments for Ecosystem Services (PES) and related sustainable financing schemes in the Danube Basin - 2806
2. Establishment of Incentives for the Conservation of Ecosystem Services of Global Significance 3623
3. Improving Brazilian Capacity to Conserve and Use Biodiversity through Information Management and Use, 3722
4. Project for Ecosystem Services (PROECOSERVE) 3807

The remaining 8 projects cover other aspects of SP2, including, among others, addressing the problem of alien invasive species (2 project), and mainstreaming biodiversity.

SP2.1 Agro-biodiversity

A common theme from these seven projects is the importance of working at different scales on different elements of diversity, on different farming systems and on the different components (crops, livestock, wildlife, soil, pests and pathogens, pollinators etc.). The lessons learned from this work have helped UNEP, in consultation with its national and international project execution partners to identify major priority issues which become a focus of the new GEF -4 supported projects detailed above.

The 7 UNEP GEF projects and their achievements in FY09-10 directly relevant to agrobiodiversity are:

SP2.1.1 Conservation and Sustainable Management of Below Ground Biodiversity, Tranche 2 - 2342

As per June 2010 all the CSM-BGBD project activities were completed. The emphasis in this last phase of the project has been on finalizing and reporting on the project activities in the various country project components. This has culminated in the presentation of results from the various activities for the various outcomes of the project through papers and posters during the closing conference that was held from 17 -21st of May 2010. All presentations and poster can be accessed through the project's WEB site and we are currently working on the proceedings of the conference. The project organized a side event on May 19th for the SBSTTA 14 for which we invited speakers to discuss "mainstreaming below-ground biological diversity in a changing climate" and where the major findings of the project were presented.

In order to generate planned outputs two workshops were conducted in this final year: one to discuss the results from the demonstration and experiments on managing BGBD and one on the economic evaluation of the various functions provided by soil organisms in providing ecosystem services. From the workshop on management of BGBD it became apparent that some field demonstrations and experiments still needed to be concluded and that some additional time would be required for the analyses and reporting on the experiments and therefore the request was made for the PSC to consider extending the deadline for completion of the project. Also the workshop on the economic evaluation of BGBD held in December 2009 indicated that there was some unfinished business. The PSC meeting of 12and 13 December consequently decided to extend the project activities to March 31, 2010, to postpone the closing conference to 17-21st of May to run concurrently with the SBSTTA14 and have the project completed by June 30th. Completion of the project has now been extended to August 31, 2010.

Student research has continued during the last year of the project. Field activities have been completed, but in some cases the thesis are still pending.

The project has so far covered outcomes, 1, 2a, 2b and 5 (capacity building). For outcomes 3, 4 activities have been completed but some final reporting is still pending.

Major results included:

Outcome 1:

The handbook on Tropical Soil Biology with methods for sampling and characterization of BGBD was published. It contributes to the above objective through providing the tools and methods that allow for systematic inventory of BGBD to establish baselines and for monitoring of BGBD and they represent therefore important tools for management and conservation of BGBD. Portuguese and Spanish versions have been prepared and will still be published in 2010.

Outcome 2:

Apart from the individual publications on the results of the inventory the project has put a lot of effort in editing the country reports on the inventory. These reports compile results from the inventory of the various functional groups of soil organisms in the benchmark areas. The reports are published either as a special issue of an international journal, a compilation of published papers, posters and other presentations or as an individual book or report. These are now available for all the country project components. As this refers to a comprehensive and systematic assessment of BGBD that is done for the first time it will provide a baseline against which future changes in soil biodiversity can be monitored, and as such it provides an important contribution to the conservation and management of soil biodiversity. Brazil, Cote d'Ivoire, Kenya, Uganda, Indonesia and Mexico have completed compiling the technical reports that will also be published in book form or as special journal issue. Brazil and India are also working to complete their reports.

The synthesis of the inventory will result in soil (biological) quality indicators. The proposal for a book publication on the synthesis has been approved, but will not be published until after the closure of the project. The project also intends to write a scientific paper on the synthesis form the inventory, which is likewise not expected to be published before the end of this year. The synthesis will inform about common trends in loss of BGBD and of common indicators of loss of soil quality that can be used for future monitoring and evaluation of soil biological quality. Some results for specific functional groups like the nematodes and arbuscular mycorrhizal fungi (AMF) have been presented and papers are being prepared

On the project websites, including those of the seven countries and the global one, references to all publications can be found and downloads of particular documents are available. This includes data sets on the inventory of BGBD as well as presentation and posters presented at the various national and international events.

Please see the following URLs:

- http://www.bgbd.net
- http://www.biosbrasil.ufla.br/
- http://lemlit.unila.ac.id/bgbd
- http://www.tsbfsarnet.org
- http://www.inecol.edu.mx/bgbd
- http://www.uonbi.ac.ke/research_projects/BGBD/
- http://www.bgbd.or.ug
- http://www.bgbdci.org/

Outcome 3:

The project has experimented and demonstrated various technologies for management of BGBD. These experiments refer to a variety of technologies aiming to enhance particular ecosystem functions through the manipulation of the soil

biological communities. It may refer to intervention to enhance nutrient uptake and nutrient cycling, Control of soil borne pest and diseases and the improvement of soil structure to enhance water availability. This includes, for example, the use of biofertilizers and biocontrol agents (inoculants) in some cases developed by the project, and the inoculation with earthworms, as well as indirect management options. Demonstration and experiments where done on farmer's fields. This has resulted in early adoption of technologies to control fungal infection and rotting of the Lily bulbs that occurred in the Mexican benchmark site and for example in the use of rhizobium inoculation and increased acreage of soybean cultivated in the Ugandan benchmark area.

Some commercial companies are now packaging inoculums to address challenges of plant pests and diseases, nutrient uptake and fertility improvement. TSBF-CIAT received a research grant from the Bill and Melinda Gates Foundation to test the efficacy of these inoculums before they are released for use by farmers in a three year project in a greenhouse established at the ICRAF Campus in Nairobi, which can be seen as a spin-off of the BGBD project. Further to this, three African countries were trained in inoculums production and are now producing and packaging their own inoculums for transferring the BGBD interventions to the field.

Outcome 4:

Approaches towards the valuation of BGBD have been varied and include desktop studies to review rhizobium inoculation technologies in various countries, as well as the value of nitrogen fixed by legume nodulating bacteria in particular crops. In addition studies on knowledge, attitude and practices of farmers and other stakeholders with regard to conservation and management of BGBD have been conducted. Especially the Indonesian team has put a lot of effort towards these surveys and conducted stakeholder workshops to assess change in attitude and perception and project impact. General conclusion is that farmers are not aware of the importance of soil organisms in maintaining soil health and maintaining or increasing productivity and generally lack the capacity to experiment with various management options available. Farmers do show great interest as often conventional option for treating pest and diseases for example are not available to them or have proven to sort little effect.

Further to this all the project countries have results on different BGBD intervention technologies some which will directly benefit farming systems through enhancing nutrient cycling, controlling pests and diseases, establishing trees and tree nurseries, supporting commercial production of lilies and other crops all which will directly benefit ecosystem services, crop production and environmental conservation through reduced use of mineral fertilizers and synthetic herbicides and pesticides.

The final technical report will draw on the lessons learned from this project in relation to the economic evaluation of BGBD, possible interventions to enhance soil life and environmental benefits that can be obtained from it. These lessons learned will form the basis for formulating recommendations to inform policies development to further conservation and sustainable management of BGBD It is expected that policies that integrate BGBD utilization and management will ultimately benefit the beneficiary farmers and other stakeholders who focus on organic farming.

Outcome 5:

Training of MSc and PhD students is ongoing with about 50 students having graduated across the three continents at time of reporting. Students from Europe (France) have done their research in Kenya with the BGBD project component that has benefitted their understanding of the subject of below-ground biodiversity.

No further short training courses were conducted as far as the inventory of BGBD was concerned, the last one having been organized in November 2008. However, the workshops on the management of BGBD and the economic evaluation of BGBD are considered training workshops in some sense, as they introduce project members to different approaches to meta-analyses for the result from experiments on management of BGBD and on approaches and methods for economic evaluation.

Farmer field days, demonstration days, and farmer participatory monitoring and evaluation exercises have been conducted in all countries in relation to the experiments on the management of BGBD and have contributed to the awareness and capacity of farmers and other stakeholders on the management options for conservation of BGBD and improving soil biological quality.

SP2.1.2 ***Conservation and use of crop genetic diversity to control pest and diseases in support of sustainable agriculture 3037***

Baseline information on i) diversity available in the communities, ii) Pests and diseases found in the project sites, iii) Pests and diseases severity, iv) host/pathogen interaction for the different landraces, v) use of pesticide, vi) adoption of practices to reduce the incidence of pests and diseases and vii) seed sources and management is completed. Analysis of the data showed that the use of pesticides at community level is minimum in Ecuador and Uganda and more significant in China and Morocco where applying pesticide is a recommended common practice although it was shown in Uganda and Ecuador using an econometric model based on a damage abatement framework that diversity can be a substitute for pesticide as the incidence of pests and diseases is negatively related to diversity. Diversity is also negatively correlated to yield, thus showing that a trade-off exists between reducing damage and risk and reducing yield.

The completion of a baseline information on diversity, refined through on farm, on station and glass house experiments, represents a major step forward towards the stated GEF Strategic Priorities, i.e. to identify globally applicable and relevant criteria and tools to determine when and where intra-specific genetic diversity can provide an effective management approach for limiting crop damage caused by pests and diseases in agroecosystems and to create replicable best practices for an optimal use of agro-biodiversity. Results already showed that agricultural biodiversity is important to cope with biotic and abiotic stress. On farm experiments carried out since beginning of the project, in different climatic conditions over the years, resulted in identification or a set of varieties for all target crops resistant to biotic and abiotic stress. Based on project activities, the Institut Agronomique et Vétérinaire (IAV) Hassan II Morocco has created an MSc on genetic diversity. The involvement of several students in the project from all countries ensures that the knowledge on the importance of agricultural biodiversity is integrated into University curricula. The implementation of economic surveys allowed the quantification of the economic value of using agricultural biodiversity to reduce pests and diseases. Finally, at the policy level, significant progress has been achieved towards the identification of incentives and disincentives to conserve agricultural biodiversity.

This represents a major step forward towards the development of the benefit sharing mechanism.

SP2.1.3 *In-situ Conservation of Crop Wild Relatives through Enhanced Information Management and Field Application - 1259*

The work of the project in developing management plans for CWR in protected areas has been showcased in a number of fora, including a news story run by the IUCN World Commission on Protected Areas (http://www.iucn.org/about/union/commissions/wcpa/?5664/Crop-Wild-Relatives). In **Armenia**, the species management plan has been developed for wild wheats (*Triticum araraticum, T. boeoticum, T. urartu and Aegilops tauschii*) in the Erebuni State Reserve. In **Bolivia**, the "National Strategy for CWR Conservation and Use and their National Action Plan" was finalized in June 2010. The Strategy was developed in close collaboration with research centres and institutions working in the field of genetic resources, as well as with organizations of indigenous people. Furthermore, the "Programme for *in situ* conservation of CWR in the Parque Nacional y Territorio Indigena Isiboro-Secure (TIPNIS)" and the "Management Plan of wild cacao species in the TIPNIS Protected Area" were finalized in June 2010. In **Madagascar**, the species management plan aimed at conserving *Dioscorea* spp. inside Ankarafantsika National Park has been validated and is awaiting endorsement from the Madagascar National Parks Authority. Monitoring plans and procedures for *Dioscorea* conservation inside the National Park are also underway. In **Sri Lanka**, the Species Management Plan for *Cinnamomum capparu-korondae* has been completed and monitoring procedures developed. The final draft of the Kanneliya forest reserve management plan has been completed. In **Uzbekistan**, the management plan for wild almond conservation has been published and delivered for implementation to the Ugam-Chatkal National Park and Chatkal Biosphere Reserve authorities.

National partners continued to produce and develop a wide range of public-awareness and educational materials during the current PIR reporting period.

SP2.1.4 *In Situ/On Farm Conservation and Use of Agricultural Biodiversity (Horticultural Crops and Wild Fruit Species) in Central Asia -1025*

Policy recommendations are developed in all countries for improvement of current national legislation in order to support farmers and local communities in their activities on in situ/on farm conservation of local diversity of fruit crops. Range of public awareness materials, including television and radio interviews, video-films, articles in papers and magazines, leaflets, posters, calendars are produced to increase awareness of broad audience on value of local fruit diversity for sustainable agriculture production. Round table discussions, agro-theatres performances, media-tours and press-conferences are organized to enhance adoption of developed policy proposals by national governments. Data on distribution of target 12 fruit crops and wild fruit species, management and conservation practices applied by farmers and forest dwellers has been collected. Knowledge and skills in fruit crops and wild fruit species management of more than 800 farmers and 132 national scientists in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan are improved and broaden. Guidelines on participatory assessment of fruit tree diversity on-farm and in wild systems are developed and tested in the field. 44 scientific manuals and guidelines on characterization of fruit crops local varieties and promising forms of wild fruit species, technologies on their cultivation and management are developed by national project teams for farmers and researchers use. Two Farmers' Associations are established in Kazakhstan and Tajikistan. Involvement of farmers and local communities in agrobiodiversity management actions is provided through participation of representatives of farmers' associations

and site coordination committees in Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and individual farmers in Turkmenistan in meetings of National Project Steering Committees and review and planning project activities. Instruments on providing access and benefit sharing are designed and currently have being tested in partner countries. Political instability observed in Kyrgyzstan is affecting on timely and effective implementation of the project activities in the project sites located in southern part of the country.

SP2.1.5 *Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services – 2430*

The main project focus during the reporting period was on the institutional arrangements and establishing all the project teams from regional to community level; e.g. recruitment of NPMU teams, PPMU teams, site officers and community organizers. Besides the major focus for this period was the capacity building and strengthening of project teams for the relevant tools and approaches related to the project; especially regarding participatory approaches, genetic diversity assessment and community-based biodiversity management methods. The project has now developed a critical mass of front line professionals that have now project conceptual insights and capacity to implement the community-driven project activities. At last the main emphasis was on raising awareness and interest on agricultural biodiversity within the sites and communities and identified stakeholders in the project sites to enable a bottom up approach for future planned project activities.

Site specific activities related directly to the development objective and immediate objective are formulated based on the information coming forward from the baseline survey and village consultation. During the first MDST and SMU meetings with community representatives Community Action Plans were developed together with farmers for every community in India. This exercise was done after joint diversity and social network analysis was done to understand the local context. This process created learning and sharing platform to communities' members and researchers alike. The process was appreciated by national partners and the communities were excited about the development of activities that directly address their immediate needs. Similar procedure will be followed in Indonesia, Malaysia and Thailand. The Community Action Plan includes a range of activities that strengthen local capacity to enhance farmers' livelihoods through use of local biodiversity; e.g. distribution of quality plant material or added value activities oriented on local diversity. This kind of bottom up planning process is eye-opener for our national partners as they are so used to make top down programs for farmers. In addition, we include diversity neutral activities (that do not adversely affect diversity) but contribute to their livelihoods like training on grafting, orchard rejuvenation or use of good agricultural practices. Such actions are expected to show the benefits in short term and help to build rapport and in gaining the local communities trust.

Activities contributing to achievement of Outcome 1 were initiated in India, Indonesia and Malaysia. Basic knowledge regarding local inter and intra species diversity, livelihood situation and assets and markets linkages were collected by the baseline survey. Initial steps were taken in Malaysia and Indonesia regarding the documentation of farmers' descriptors and the documentation of traditional knowledge regarding local diversity. Furthermore two scientific conferences were held in India to share knowledge and experiences regarding the diversity of *Garcinia* and Mango. The state of art on Garcinia was documented and published by the partners with co-financing from the college of Forestry, Sirsi and ICAR, India.

Progress related to Outcome 2 included the final selection and approval of sites in India, Indonesia and Malaysia. During baseline work and field visits conducted by RPMU and NPMU comprehensive data was collected regarding the livelihood situation and livelihood assets of selected communities. Activities as described and planned for the coming year in the Community Action Plans will contribute directly to outcome 2 of our project. Community Action Plans for the coming year were finalized for India and prepared in Indonesia and Malaysia. A common frame work for documenting farmers' good practices in diversity management was discussed and developed in India for further dissemination to other countries. Indicators for the impact assessment were further specified during the regional impact and baseline workshop and the baseline data collection is finalized in Indonesia, ongoing in Malaysia and initiated in India.

Progress made related to Outcome 3 includes the capacity building of project teams by the 4 regional workshops that were conducted. A total of 55 national partners were trained in the four key areas of the project who will provide technical backstopping and capacity building of community level multidisciplinary teams and peers. Substantial progress was made related to Outcome 4; by the establishment of project teams and operational procedures for financial management, progress reporting and communications between RPMU, NPMU's, PPMU's and SMU's.

Major challenges in meeting the objectives of the project are to adapt concepts like Community Biodiversity Management to the specific conditions of the project communities, as many sites have a more commercial and market -driven orientation. Another challenge lays in the effective and efficient coordination and management of the project as many different partner organizations and institutions are involved or form part of the implementation and management teams. In addition, most government partners do not have prior experience in a community based and participatory oriented approach to implement the project activities and local communities are not well organized for collective actions needed for this kind of the project. At selected sites in Indonesia, Malaysia and India, executing agencies have started actions that will help to gain the confidence of communities and to mobilize community and multi-stakeholder partners at the local level.

SP2.1.6 *Development and Application of Decision-support tools to conserve and sustainably use genetic diversity in indigenous livestock and wild relatives – 1902*

The project inception workshop was held in Dhaka, Bangladesh in June 2009. The project was officially **launched** under the auspices of the State Minister for Environment and Forest and the Secretary of the Ministry of Fisheries and Livestock of the Government of the People's Republic of Bangladesh, the Vice Chancellor of BAU and the Director of BAU Research System (BAURES). Local newspaper reporters gave a wide coverage of the launching ceremony events which emphasized the need to converse the indigenous animal genetic resources, and their importance in enhancing rural livelihood incomes. Project flier describing the objectives and development goals of the project was distributed during the launch. Also, the global website for the project was also officially launched (www.fangrasia.org). Subsequently, a national website for Bangladesh in English and Bengali was launched in February 2010 (www.fangrasiabd.org), and for Sri Lanka in English, Sinhala and Tamil is under preparation.

Collaborative Research Agreements (CRA) between ILRI and the National Executing agencies of the 4 countries were drafted and signed in October 2009.

During this period, except for Pakistan, project funds for purchase of equipment, baseline survey and in-depth monitoring of herd/flock survey, and awareness workshops had been disbursed to the countries implementing the project viz. Bangladesh, Sri Lanka and Vietnam. The national executing agency in Pakistan (PARC), even though enthusiastic and fully committed during the PDF B phase seems to be less committed and hinders the participation of the NPD and its scientists in research and training activities of the project.

SP2.1.7 *Conservation and Management of Pollinators for Sustainable Agriculture, through an Ecosystem Approach 3010*

Outcome 1. Integrated and accessible knowledge base: The existing knowledge base on management of pollination services - the reproduction of a seminal and out-of-print book on the topic and a crop pollination bibliographic database - has been made publicly available. A set of knowledge management protocols and tools to be applied in cropping agroecosystems so that the services of wild pollinators can be documented and secured - has been developed and field tested.

Outcome 2. Enhanced conservation and sustainable use of pollinators. Through national project implementation mechanisms, field demonstration sites are under development and information is being collected to form the basis for community consideration, testing and adaptive management of practices and plans that conserve pollinators for sustainable agriculture. The development of management plans takes an ecosystem focus, at the level of the landscape in which pollinators exist.

Outcome 3. Increased capacity for conservation and sustainable use of pollinators: A generalized curriculum for introducing pollination as a factor in horticultural production has been developed, and is currently being revised in partner countries to address country and crop specificities. Tools and courses to address the taxonomic impediment to identifying key pollinators have been developed and offered. Networks of expertise in specific crop pollination management have been established in Brazil, as the basic format through which capacity will be built in management of pollinators.

Outcome 4. Mainstreaming of pollinator conservation and sustainable use: Two critical areas essential to meet objectives are public awareness and policy development. Baseline levels of public awareness are being assessed and strategies developed. Scoping studies of policy options, as basis for national pro-pollinator policies, are under development in six countries. National policy addressing pollinators has been adopted in Nepal.

SP2.2 Invasive Alien Species

SP2.2.1 Removing Barriers to Invasive Plant Management in Africa-2140
All countries have completed their NISSAP's, but all of them are yet to be endorsed by their respective governments. Although the institution which is to house the APEX body (coordination unit for IAS at national level) has been agreed upon in each country this has not been fully institutionalized in all countries. Although all countries have developed cost-recovery mechanisms none of the recommendations will be implemented within the project period. All countries developed Communication Strategies which were well implemented with a range of awareness material being produced and disseminated – unfortunately the websites were not of an international standard and require upgrading. All countries developed Risk Analysis procedures and Early Detection and Rapid Response mechanisms with the exception of Ghana where they were not completed – aspects of them are being implemented in some countries. Pilot site activities are progressing well. Recommendations for inclusion of IAS issue in learning institutions have been made and in some countries are being implemented in some institutions.

National Invasive Species Strategies and Action Plans have been developed in each country although they have not been adopted yet by countries such as Ghana and Ethiopia – it is hoped that these countries will do so even after the project has ended. Although the institutions which will host the IAS Coordination Units have been identified in all countries they still need to be endorsed by all stakeholders in Ghana and Ethiopia. Supporting evidence indicates that awareness levels have increased significantly in each country as a result of the production and dissemination of thousands of brochures, pamphlets and posters; and the production of TV documentaries and radio jingles which were aired on national and regional stations. Project websites were also developed although these still need to be upgraded to meet international standards and be run as national IAS sites. A number of students completed their post-graduate studies on IAS related topics, with more than 40 students in Ethiopia alone. A number of IAS modules/training courses were developed and presented to various stakeholders contributing to capacity building and awareness creation. IAS inventories have been developed with extensive surveys having been undertaken in Ethiopia and Uganda. Pilot site activities have contributed to increased levels of biodiversity at selected sites.

SP2.2.2 Mitigating the Threats of Invasive Alien Species in the Insular Caribbean (MTIASIC) -3183
A 16 page booklet (Invasion of the Aliens) targeting all major stakeholders was published and disseminated in 14 member states of CARICOM. It will be made available on the regional Website http://www.ciasnet.org/ that project is developing with USDA/APHIS and others and will go public in August 2010.

The yahoo list serve managed by the project has actively distributed articles, news and views on IAS to approximately 300 members comprising policy makers; technicians; and the NGO community working on various areas of IAS in the Caribbean.

Joint efforts with the International Coral Reef Imitative, among others would also yield the planned lionfish regional strategy. Enhancing awareness of IAS issues has begun with the publication and dissemination of technical as well as public awareness materials.

SP2.3 Biodiversity

SP2.3.1 "Knowledge base for Lessons Learned and Best Practices in the Management of Coral Reefs" **2856**.

This project underwent its terminal evaluation during this reporting period and was rated Moderately Satisfactory given the short time frame of the project and ambitious impact targets of the project.

The project was successful in producing the target outputs (policy briefs, toolkit and checklist) that are expected to provide tools in charting the proper (if not new) directions and strategies for existing coral reef management projects. However, in large part these outputs are devoid of practical prescriptions or "easy-to-apply" methodologies. They are merely "motherhood statements" of points to consider in implementing coral reef projects. Except for some trials and pilot-testing, there are no clear reports to prove that these outputs were able to introduce change or craft new management schemes or direction in implementing coral reef projects.

The Project's Terminal Report claimed that trial implementation (replication) of the project's lessons learned and best practices was undertaken in selected ICRAN sites and in GEF and non-GEF projects. Foremost of these was the USAID-funded FISH project in the Philippines, which involved training of stakeholders (at national, provincial, municipal and barangay [village] level), local fishers, tourism operators, etc. In addition to the FISH project, implementation and dissemination of project outputs were achieved through training sessions, dissemination of project products through workshops, Coral-L list server and websites. While intentions were signified and commitments given by several institutions and funding agencies to utilize the project's outputs in future design and implementation of coral reef projects, no specific report is available stating whether these commitments were fulfilled or not, and whether the lessons learned and best practices were actually applied and resulted in positive impacts on coral reef protection and conservation.

SP2.3.2 Coastal Resilience to Climate Change: Developing a Generalizable Method for Assessing Vulnerability and Adaptation of Mangroves and Associated Ecosystems 2092

This project has identified and piloted adaptation strategies that reduce the vulnerability of mangrove systems to climate change, while also providing measurable benefits to local communities in terms of having more resilient and better managed mangroves in their area. In Cameroon, for instance, this project has worked with communities to reduce mangrove wood harvest by increasing the efficiency of fish smoking through the use of relatively efficient smokehouses rather than open fires. Wood harvesting is encouraged away from vulnerable areas of the seaward margin and creek margins. These communities have resource management committees that undertake surveillance of the condition of the mangrove resource, and through this make decisions on resource use. Their involvement in scientific monitoring techniques has increased their capacity to observe and act upon changing resource conditions.

SP2.3.3 Improved Certification Schemes for Sustainable Tropical Forest Management 1895

The SLIMF standards were as of July 26 2010 approved by FSC-IC either as part of national standards (in case of Mexico) or as stand-alone standards for Brazil and Cameroon. However these standards have been approved with conditions which have to be fulfilled before they can be officially published.

An adapted FSC step-by-step guide – "Good practice guide to meeting FSC certification requirements for biodiversity and high conservation value forests in small and low intensity managed forests" - for Cameroon has been completed and is available in French.

A generic client friendly booklet for the certification of SLIMFs for Brazil has been completed in Portuguese.

The FSC-Fairtrade Pilot project that explores the dual certification of community and small timber operations in developing countries is already being pursued. The products originating from small and community based operations will be labeled as FSC and FLO (Fairtrade Labelling Organizations).

The dissemination of information of the GEF project outcomes continues to be done via the FSC key channels of communication including the publication of the reports on the FSC website and sending to all the FSC membership and stakeholders in the FSC news and notes. The project partners, specifically CIFOR and ProForest, also update their website to reflect the current status and specific results of the GEF project.

Certified SLIMFs: 1,536,690 ha

Final standards (indicators and verifiers) including biodiversity and HCV aspects of forest management standards have been developed and field tested in the Brazil, Cameroon and Mexico. These were submitted to FSC-IC and evaluated, and have been approved by FSC IC

The final version of the step-by-step guide to meeting certification standards for HCVF/biodiversity values and certification requirement has been published and is available in English Spanish, French and Portuguese

Guidance document on the interpretation of FSC Principles and Criteria to take account of scale and intensity of forest operations has been approved and published on the FSC website.

Final standards (indicators and verifiers) including biodiversity and HCV aspects of forest management standards in Brazil, Mexico and Cameroon have been approved by FSC IC.
A client friendly SLIMFs booklet that presents among other things information on costs and benefits of FSC certification of small forest operations has been completed and adapted for the project countries

Strategic Priority 3 (Biosafety)

The UNEP biosafety portfolio is the only one contributing to SP3 among the cohort of FY 2010. Existing projects under implementation are all from the end of GEF-3 and there has been a significant delay in further developing the regional focus of this portfolio due to the introduction of the RAF and many project cycle changes,

including the requirement for a joint programmatic approach. Over the last reporting period 9 UNEP-GEF biosafety projects had been approved by June 2010,

1. 3642 BS Support to the Implementation of the National Biosafety Framework of LAO PDR
2. 3630 Development of Biosafety Mechanisms to Strengthen the Implementation of the Cartagena Protocol in Guatemala
3. 3895 Capacity Building for the Implementation of the National Biosafety Framework in Albania
4. 3850 Implementation of the National Biosafety Framework of Bhutan
5. 3629 Biosafety Implementation of the National Biosafety Framework in Costa Rica
6. 3335 Implementation of the National Biosafety Framework in Madagascar
7. 3405 Biosafety Implementation of the National Biosafety Framework in Ecuador
8. 3781 Contributing to the Safe Use of Biotechnology in El Salvador
9. 3633 Implementation of the National Biosafety Framework of Peru

17 full project proposals have been submitted for CEO approval, with a further 12 project documents undergoing final reviews prior to submission.

The majority of the co-finance in the biosafety portfolio is, as is usual for capacity building enabling activities, in the form of in-kind government contributions. In general, co-finance ratios have been disappointing, rarely achieving more than 1:0.7, with the African countries realizing the least in co-funding.

All of the biosafety projects have an expected duration of 4 years. This duration already to some extent factors in a level of expected delay in the approval of regulatory frameworks by formal government processes. To date, none of the 11 biosafety implementation projects is significantly delayed and at least one, Slovakia, will finish early, with a further five being completed by mid-2010.

All biosafety projects have been rated as Satisfactory.

Strategic priority 4 – Good Practices

There are 9 projects in the portfolio with relevance to SP4. Two of these ("*Building the Partnership to Track Progress at the Global Level in Achieving the 2010 Biodiversity Target, Phase 1*" and "*Indigenous Peoples' Network for Change*") continue to make important contributions to the CBD process.

SP4.1 Building the Partnership to Track Progress at the Global Level in Achieving the 2010 Biodiversity Target, Phase 1-2796

The project has been working successfully throughout FY10, with the first half of the year (Q3,4 2009) building up to International Year of Biodiversity; and the second half (Q1,2 2010) continuing to deliver significant outputs to IYB.

(i) The third edition of CBD Global Biodiversity Outlook (GBO3) was published on 10 May 2010, with substantial contribution from the 2010 BIP project, generously highlighted in the acknowledgements. In combination with the high-level research paper in *Science*, the Governmental and media interest in biodiversity is indicative of an increased global appetite to understand the plight of biodiversity loss, and the necessary responses to mitigate it.

(ii) Building upon FY09, a further four National capacity building indicator development workshops have engaged with a wide variety of relevant, senior country representatives regionally; resulting in numerous national biodiversity indicator development activities; together with overwhelming positive feedback, quantified in participant feedback surveys and in the project MTE feedback. Several countries have specifically sought engagement with 2010BIP to assist with developing indicator frameworks, as well as one region (ACB countries).

(iii) A working set of global indicators can now be accessed, discussed and most importantly utilized together to inform decision-making. These have been communicated widely in multiple languages.

The on-going challenge is related to Outcome 2: the inherent issue of incomplete data availability to all biodiversity indicator developers, especially in time series suitable for trend indicators; in the various facets of biodiversity measurement supported by the CBD indicator framework. With raised awareness of the 2010 BIP inevitably comes the raised expectation that a clear, comprehensive story will be presented *in 2010*.

With 29 measures under 17 of the 22 headline indicators from the CBD framework currently in various stages of development as a result of the influence and support of the 2010 BIP, including 10 that are considered globally well developed, the project is now making progress on identified GEF strategic priorities as follows:

The indicators aimed at monitoring changes in the global coverage and management effectiveness of protected areas are operational; and are widely utilized through the WDPA and associated networks of decision makers, catalyzing sustainability of protected areas by aggregating measurement of management effectiveness and highlighting trends globally.

Implemented headline indicators are adding significant guidance to the understanding of the state, and some of the pressures, upon biodiversity; notwithstanding the ongoing challenge of developing workable indicators on biodiversity pressures from climate change.

With the project's contributions to GBO3, it has facilitated informed decision making on improving conservation of species, habitats, and ecosystems, and improving protection of globally significant genetic material for agriculture; with ongoing communication throughout IYB

Indicators on crop and livestock genetic diversity have relevance to production systems. The project has facilitated the development of global indicators of sustainable use; These could be very valuable to this GEF priority of mainstreaming in production systems.

SP4.2 ECORA: An Integrated Ecosystem Management Approach to Conserve Biodiversity and Minimise Habitat Fragmentation in Three Selected Model Areas in the Russian Arctic - 413

As of June 2010, the project is in the process of being technically and financially closed and the Terminal Evaluation is ongoing, with report due by July/August 2010. Field work was undertaken as planned in all three MAs . Field and non-field activities planned for up to October 2009 were completed as scheduled. As of June 2010, the project has produced 74 technical reports, constituting 100% of all planned substantive reports in the project. Training activities on traditional nature use have

been completed in Beringovsky MA. Training activities on the development of small-scale economic activities have been completed in the Kolyma MA, and training manuals have been produced. Environmental education programs for schools are continuing in all MAs. Four school manuals are being published. Community monitoring programs are continuing in supporting all MAs. IEM action plans approved and signed as separate document by the administrations of the Nenets Autonomous Okrug (NAO) and Kolguev Island, and by the Sakha Republic Government. Pilot projects initiated in FY08 are continuing. The first stage of developing a waste management and safe drinking water program on Kolguev Island according to the contract signed by the Nordic Environmental Finance Corporation (NEFCO) is done and reports developed. The final results of two pilot projects in Yakutia have been received. A report on the establishment of Beringia National Park as Pilot Project was revised and presented to the Russian Federation Ministry of Natural Resources and Ecology (Minprirody). ECORA-CAFF Technical Report 10 (April 2009) highlighting the results of the ECORA project was released in Russian. Project results were presented at the wrap-up UNEP/GEF ECORA project meeting - International Scientific and Practical Conference *"Integrated Ecosystem Management in the Russian Arctic: Challenges and Perspectives"* has been arranged (Moscow, November 9-11, 2009). Due to difficulties in securing authors in a timely manner, the book "Towards IEM in the Russian Arctic" will not be produced. Instead, the results will be disseminated to a broader audience via relevant electronic media.

Further progress is being made toward documenting environmental and socio-economic conditions, both key elements of creating and amending IEM plans, as well as for the project M&E plan. Draft IEM plans are based upon information collected during the project and include a Code of Conduct for business. Redrafting of IEM action plans has been undertaken because of the financial and economic crisis in Russia. After revision, the Administration of Nenets AO and the Government of the Sakha Republic have approved the IEM Action Plans as separate documents with subsequent implementation since 2009. Progress is being made on environmental education programs for local schools by publishing additional copies of *Journey with Tundrovichok* (manual for children and adults)(in Russian and English), new manual schoolbooks *Birds of Chukotka. Introduction to Ornitholog*y, *Life within the Polar Circle* (manual for senior secondary school), *2000 Droplets* learning pack (14 guidance brochures for incorporating ecological information into nine subject areas for grades 7-9) and *Kolguev Island: people, reindeer, birds* (photo album). The second stage of a pilot project on waste management and clean drinking water on Kolguev Island is fulfilled. The pilot project on the ecological and economic background for establishing of National Park "Beringia" in Chukotka Autonomous Okrug has been revised and submitted to the Minprirody that is responsible for creation National Park on ground. Further actions on the creation of the national park will be based on these reports. The final drafts of pilot projects on development of sustainable reindeer herding and sustainable waterfowl management in Kolyma MA have been developed. ECORA has had wide media coverage in the three regions - in print, radio, and television, and in central mass-media – the press-conference was arranged in November 2009 by Russian Information Agency *Novosti*. The wrap-up UNEP/GEF ECORA project meeting - International Scientific and Practical Conference *"Integrated Ecosystem Management in the Russian Arctic: Challenges and Perspectives"* has been arranged (Moscow, November 9-11, 2009). About 70 participants from 8 countries representing the ECORA project Implementation Unit, Western Project Advisors, Project Steering Committee (DGEF/UNEP, GRID-Arendal, CAFF, RF Ministry of Natural Resources and Environment), Project Model Areas, Russian federal ministries, State Duma and regional administrations, indigenous communities, research organizations, Russian and international NGOs, and other projects

participated at the conference. A total of 35 presentations were made. The common opinion was that the ECORA results must be studied by relevant organizations and transferred to other regions of the Russian Federation.

SP4.3 Global International Commission on Land Use Change & Ecosystems-3811

Since the concept of the Commission was developed, its direction and strategy have evolved to reflect the interests of the GLOBE legislators involved, the progress of the relevant policy debates, the global economic situation and latest scientific information. Three distinct workstreams have emerged under the umbrella of the Commission:

Tropical Forests: The primary output of the Commission in 2009 was the GLOBE Forestry Policy Proposals, which were developed at the Nairobi and Pittsburgh Commission meetings and endorsed at the GLOBE Legislators Copenhagen Forum. Part of the Commission's work on tropical forest policy focused on the funding requirements for the REDD mechanism and the Commission developed a public-private dialogue on forest financing. In addition, the Commission co-hosted a session on this topic at the UNFCCC COP15. The first half of 2010 also saw the illegal logging policy debate in the European Parliament reach a climax. A number of the Commission's leading legislators played a central role in the improving and leading the legislation that was eventually passed by the European Parliament in July 2010.

Marine Environment: During the second half of 2009, the focus of the Commission's marine program was on the coral reef crisis and the Commission hosted a session at the GLOBE Copenhagen Legislators Forum on potential impacts of climate change on this critical ecosystem. In November 2009, the Commission established a Marine Technical Advisory Group (MTAG) to support GLOBE's policy work on marine fisheries. Using the MTAG's preliminary report as a starting point, the Commission gathered feedback from its network of marine legislators through a series of national and regional workshops, bilateral discussions and written submissions. This process culminated at the GLOBE World Oceans Day Meeting in London, which resulted in the final version of Part I of the GLOBE Marine Ecosystem Recovery Strategy: Marine Fisheries. The Commission is currently developing Part II of the Strategy, which focuses on coral reefs and will be finalized at the CBD COP10 in Nagoya, Japan.

Natural Capital: The Executive Secretary of the CBD invited the Commission to co-host a Parliamentarians and Biodiversity Forum at the CBD COP10 in Nagoya, Japan. Along with providing an opportunity for the Commission to present its final recommendations on forest policy and marine ecosystems, this will allow the Commission to move ahead with work on natural capital. The Commission Co-Chairs believe that natural capital is a critical concept for mainstreaming biodiversity within parliaments, finance ministries and industry. The Forum in Nagoya will focus on the policy tools that are available to integrate natural capital into public and private decision making. In preparation for this event, the Commission's advisors are working with Sir John Bourn, the former UK Comptroller and Auditor General, to prepare a GLOBE Natural Capital Action Plan.

2.1.2 Outcomes and implications for the overall portfolio:

As part of UNEP's project appraisal system to ensure quality at entry, all UNEP projects are structured to ensure they contribute to the ongoing UNDAF process and address priorities identified in NBSAPS and NAPS.

UNEP's emerging biosafety portfolio focuses on enabling parties to meet their obligations to the Cartagena Protocol and ensure that national Biosafety frameworks are operationalized.

Constraints that keep the portfolio from achieving or at least hampers the implementation are included in Chapter 4 below *Best Practices and Lessons Learned*.

2.1.3 Progress on BD projects that received sub-optimal ratings in AMR 2009:

The one BD project, which had sub-optimal rating in FY09 - *Indigenous Peoples' Network for Change* (GEF ID 1842) - was completed in December 2008 and the TE is underway.

2.1.4 Portfolio Risk:

Concerning risk, the majority of biodiversity projects (25 projects) were rated "low" risk, with only one rated as "substantial" risk (see Figure 8).

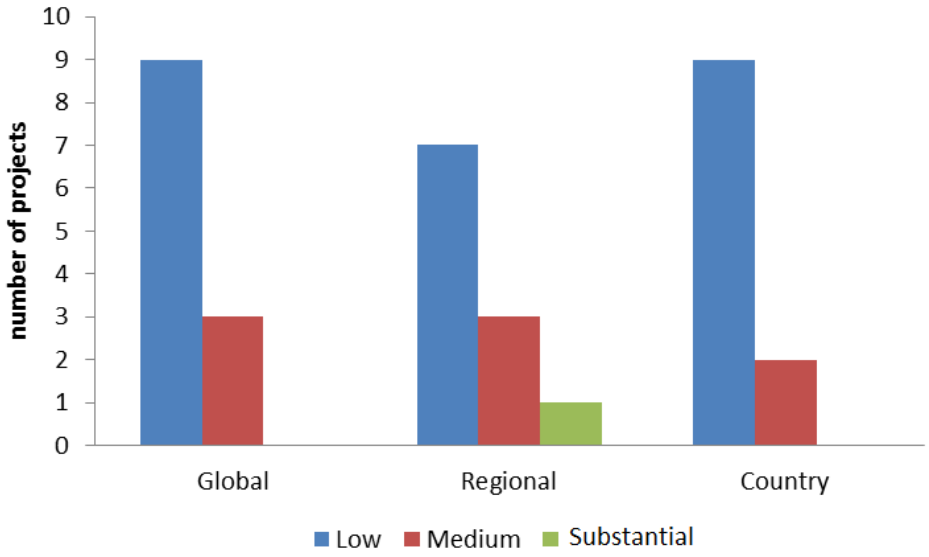

Figure 8: Risk status of the Biodiversity Portfolio for FY 09-10

REMOVING BARRIERS Project:

At the time of concept development many of the indicators set were truly unfeasible at the onset, the project has not been able to establish alternative

indices or other standardized and quantifiable M&E data, which is a pity as supportive evidence suggests good results on awareness building, improved or stabilized biodiversity at some of the pilot sites, as well as general capacity enhancements. The overall project rating in July 2010, has therefore dropped one step to Moderately Satisfactory, which is still a reasonable achievement, given the huge challenges faced by the project team. These include a number of substantial risks related to changed NEA staffing (IAS matters), and management capacity issues, leading to reduced sustainability post project, as well as the fact that not all project outputs are being met.

The project has not been able to compensate – particularly during the agreed project extension (7 months), for delays on unfinished outputs as well as on part of its M&E measurements, but the drop on component 1 (to MU) was averaged to an overall MS on the overall project by the three other components (MS, MS and S respectively). Ghana has done the worst on all but its field pilots. Ethiopia had big plans for completion on many outputs but did not deliver as agreed (this also let to underspending on their extension budget). It is the opinion of the TM that this is largely due to the complex and time consuming nature of these tasks, combined with an unrealistic project schedule, in these generally low-capacity countries. We are however disappointed that the countries did not put extra effort during these last months of the project to complete or to strengthen institutionally what were so well started during the project.

2.2. Climate Change portfolio performance

Between the 2009 and 2010 reporting period five projects have dropped from reporting (3 global, one ECA and one LAC), while 3 new ones are being reported on for the first time (3 global projects). During the same period, GEF financing reported on, has dropped from USD 47 million to USD 39 million, with a change in co-financing from USD 372 million to USD 367 million. Of the 13 projects now being reported on, 5 are MSPs and 8 are FPs, with an average project GEF USD size of USD 3.1 million. 6 projects are global, 1 regional; 3 Africa-based; and 1 each in Latin America and Asia. Thematically, 7 projects focus on renewable energy; and 2 each on transport, adaptation and financing. 10 of the 13 projects contribute to UNEPs expected accomplishment C and increase investment in clean technologies under the climate change sub-programme of work (PoW). 2 projects contribute to expected accomplishment A, on the number of planning documents including vulnerability and adaptation to climate change. The last project contributes to expected accomplishment B, by providing analysis on biofuels to help countries use renewable energy in their energy plans.

2.2.1 UNEP contributions towards Climate Change strategic priorities/programs and, where applicable, targets:

Of the 13 projects being reported on, 3 are new ones and have not yet been under implementation long enough to yield results; 2 more are adaptation projects so their results are not captured under this tool. Of the eight remaining, they have resulted in a combined emission reduction of 58,467

tCO2 direct and indirect; 8.15MW of new renewable energy generating capacity; and USD 7.476 million in new energy efficiency or renewable energy co-financed investments. The renewable energy project in Cuba has supported the government in drafting a renewable energy law, which is now going through parliament. In Jakarta the BRT project has supported formulation, approval and implementation of laws on non-motorized transit (NMT) and bus rapid transit (BRT), enabling the development of BRT and NMT under the project.

2.2.2 Outcomes and implications for the overall portfolio:

At a national level the Jakarta BRT project is being driven by the need to address congestion in the city, the need to provide public transport for those who cannot afford private means of transport and to improve local air quality. The project is providing technical support while the city of Jakarta is making the investment in the BRT system. Without local and national commitment USD 195 million in BRT investments would not be made. The project has been delayed slightly while the city addresses public complaints regarding quality of public transport service in Jakarta. The project has been advising the City of Jakarta on how to improve quality, and it is expected all planned investments will continue once these concerns have been finally addressed.

The other transport project in the portfolio, DARCART, is driven by similar national concerns. The City of Dar es Salam is taking a large World Bank loan of USD 91 million for its BRT infrastructure, and the project is waiting while these details are being worked out.

In the renewable energy portfolio, the project in Cuba was designed to reduce the cost of fuel imports to the public purse, by channeling private sector investment to install new renewable energy capacity and utilizing indigenous energy sources. In the event private sector is still nascent in Cuba and the financial burden for energy provision remains with the Government. The project has been working with the government on their renewable energy policy which is now completed; however economic development remains a primary concern in a country at a time when their economy is recovering. The renewable energy project in Zambia has been demonstrating the benefits of hydro power, bio-gasification and solar energy on mini grids to the country's power company. The national interest is to provide clean affordable power to remote off grid areas. Interest remains high for solar and hydro power technology and ZESCO the power company has made follow-up investments in these. However with new senior management in the company there is now less interest in bio-gasification technology. The project is now exploring ZESCO's changing interest to maintain project progress.

Regarding the Africa Cogeneration and Greening the Tea projects in East Africa the focus has been on the private sector. Here the projects have focused on convincing the private sector that cogeneration in industry and small hydro power technology in the tea sector makes good business sense. Following feasibility work the sugar and tea industry in the region are showing high interest in investing in cogeneration. While no actual investments have been made yet the interest is greater than anticipated

during project design. Two investments have been made in hydro power capacity by the tea industry and the Kenya Tea Association is in advanced negotiations with its bank for 8 more, and 4 other investments are being pursued by tea factory owners in other countries. Interest in investment in both technologies hinges largely on: the price and quality of power services; and the price for selling excess power back to the national grid. In Kenya and Tanzania conditions are favorable for the sale of excess power. In Rwanda power sales are negotiated on a case by case basis, while in Malawi conditions are not yet attractive for the private sector to sell excess power to the grid. These conditions are a reflection of the countries respective perception of the role of the private sector in power generation.

Regarding the financing for renewable energy and energy efficiency project being executed by UNECE, the first products are emerging for a financial mechanism and a lead investor. These will now be assessed for their ability to deliver the project objectives. EBRD has formally stepped down as co-implementing agency of the project and through an independent mid-term evaluation the project will seek recommendations on how to respond to this change in implementing agency arrangements.

2.2.3 Progress on projects that received sub-optimal ratings in AMR 2009:

In last year's PIR there were two projects that were rated less than Marginally Satisfactory. These are the Renewable Energy project in Cuba, and the Bus Rapid Transit project in Jakarta. Progress with the Cuba project stalled after two hurricanes, and frequent changes in management of the Executing Agency, UNIDO and project staff, and an almost complete absence of a private sector in Cuba anticipated by the project. New project and Executing Agency management are now in place and the UNEP Task Manager has fielded two missions this reporting year, first to reset and agree milestones with the project steering committee and to review progress towards those milestones, and initiate a mid-term evaluation. While implementation has picked up somewhat, still not enough progress has been made to improve the progress rating of the project. The MU rating relates primarily to the fact that the remaining gasifiers have not yet been installed as planned under the revised milestones. The mid-term evaluation has recommended the project continues with some modifications however. The steering committee is developing a management response based on recommendations of the evaluator and this will now form the basis for continued execution of the project.

The Jakarta BRT project was rated MU last year because the City of Jakarta had halted investment in BRT corridor expansion following complaints from the public related to quality of service. Together, ITDP (the Executing Agency) and TransJakarta (the city institution responsible for BRT) developed recommendations to address these problems, which the City of Jakarta has accepted are now being implemented. In particular the roles of regulation and operation have been separated so the City can transparently administer the BRT system and maintain service standards, while separate bodies operate the system. The City is more satisfied with progress and the new arrangements and has now re-initiated investments in the other corridors.

The expectation is the project will now be able to achieve its objectives by project closure.

2.2.4 Portfolio Risk:

While most projects at entry touch on cooperation with partners; project institutional arrangements; stakeholder priorities and interest, and changes in external conditions, they also focus on other technical aspects as well. However this high and substantial risks in this year and last year's report focus almost exclusively on these areas only. The BRT project in Jakarta faces delays with a transition on city administration and a re-assessment by them of the quality of service being provided. The BRT project in Dar es Salam is now in hibernation waiting for finalization of arrangement by the city administration with the World Bank in relation to the BRT infrastructure loan.

Of the two financing projects, REEDSCAF has had to simplify project implementation arrangements, and while it is now making progress there are fears that the financial crisis will hamper investment flows that need to go together with project seed capital. The financing of the energy efficiency project on the other hand is awaiting the outcome of a contract to identify the fund structure and a lead investor for it. This process has been slow and the trust of the contractor with partners has prevented full disclosure of progress.

In Cuba and Zambia a shift in priorities has delayed progress most. With a slowdown in their economy the Cubans have given greater priority to economic development than developing indigenous energy resources. In Zambia with a new Director of the national energy company the project has had to review the technology options for demonstration. While ZESCO remains interested in hydro and solar power they are less interested in bio-gasification technology. It is possible the project could switch to smaller bio-gasification units which have been demonstrated commercially. Larger units are still experimental.

2.3. International Waters portfolio performance

2.3.1

The GEF IW focal area addresses sustainable development challenges faced by states sharing transboundary surface, groundwater and marine waters. These transboundary challenges range from pollution, loss of critical habitats and biodiversity, ship waste and alien species, to overuse and conflicting uses of surface and groundwater, over-harvesting of fishes, and adaptation to climatic fluctuations. Projects are expected to deliver long-term impacts and benefits on the global environment and support the achievement of the impacts and outcomes identified at the programmatic level.

The UNEP/GEF International Waters (IW) Focal Area PIR report covers a portfolio which is valued at US$ 405.7 million with US$ 77.3 million of GEF financing supported by US$ 328.4 million of co-financing (at time of CEO endorsement) hence an overall co-financing ratio of 1:4.25 which demonstrates an increase by two from last year's portfolio PIR which showed an overall co-financing ratio of 1:2.6.

This portfolio comprises: 16 ongoing projects of which 12 full size (FP) projects and four (4) medium-sized projects (MSP). One (1) of these projects was approved during GEF-2, eight (8) during GEF-3 and seven (7) during GEF-4 phase (see table 5 below).The above list also includes one (1) project on POPs/Global Contaminants approved under OP10.

During this reporting year, one project underwent Terminal Evaluation (IW:LEARN). Further, the IW portfolio includes one multi-focal area project (Yangtze River) as well as two projects which are jointly implemented (IWCAM, GCLME) with UNDP of which one (1) project (IWCAM) is led by UNEP.

Six (6) projects (GCLME, Volta, Senegal and Niger River, Coast, MED LME, IW:Science) employ other UN agencies (UNIDO, FAO, UNOPS, UNU) as main Executing Agencies (EA) although most of those projects rely on a series of partners to support project execution. Compared to last year's PIR report, more projects (six this years as opposed to two last year) are using UN agencies as EAs.

The graphics in the following page present the composition of the portfolio by Strategic Priorities, geographic distribution and project type.

Table 5 shows the correlation between the projects and the GEF International Waters Strategic Priorities.

Table 5: IW projects and GEF Focal Area Strategic Priorities.

Region	Project		Size	Strategic Priority			
				SP1	SP2	SP3	
Projects under GEF-2							
LAC	Bermejo	Implementation of Strategic Action Program for the Bermejo River Binational Basin: Phase II	FSP	X			
Projects under GEF-3							
Africa	Volta River Basin	Addressing Transboundary Concerns in the Volta River Basin and its Downstream Coastal Area	FSP		X		
Europe	Russian Arctic	Support to the National Programme of Action for the Protection of the Arctic Marine Environment, Tranche 1	FSP			X	
Africa	Guinea Current LME	Combating Living Resource Depletion and Coastal Area Degradation in the Guinea Current LME through Ecosystem-based Regional Actions	FSP		X		
Africa	WIO-LaB	Addressing Land-based Activities in the Western Indian Ocean (WIO-LaB)	FSP		X		
LAC	Pesticide Runoff	Reducing Pesticide Runoff to the Caribbean Sea	FSP			X	
LAC	IWCAM	Integrating Watershed and Coastal Area Management (IWCAM) in the Small Island Developing States of the Caribbean	FSP			X	
Asia Pacific	Yangtze River	Nature Conservation and Flood Control in the Yangtze River Basin	FSP			X	
Africa	Senegal and Niger River	Reducing Dependence on POPs and other Agro-Chemicals in the Senegal and Niger River Basins through Integrated Production, Pest and Pollution Management	FSP			X	
Projects under GEF-4				**SP1**	**SP2**	**SP3**	**SP4**
Africa	Coastal Tourism	Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism	FSP	X	X	X	
Asia Pacific	IWRM Pacific	Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries	FSP			X	
Global	MED LME	Strategic Partnership for the Mediterranean Large Marine Ecosystem-Regional Component: Implementation of Agreed Actions for the Protection of the Environmental Resources of the Mediterranean Sea and Its Coastal Areas	FSP	X	X	X	
Asia Pacific	Bappeda	Demonstration of Community-based Management of Seagrass Habitats in Trikora Beach, East Bintan, Riau Archipelago Province, Indonesia.	MSP	X			
Asia Pacific	Shantou	Participatory Planning and Implementation in the Management of Shantou Intertidal Wetland	MSP			X	
Global	TWAP	Development of the Methodology and Arrangements for the GEF Transboundary Waters Assessment Programme	MSP	X	X	X	X
Global	IW:Science	Enhancing the Use of Science in International Waters Projects to Improve Project Results	MSP	X	X	X	X

Figure 9 below illustrates the geographic distribution of the IW active portfolio. Projects are fairly evenly distributed between the following regions: Africa (four projects), Latin America and the Caribbean (LAC, 3 projects) and Asia and the Pacific (four projects). Only one regional project is outside these areas (Europe/Russia). Two of the IW projects are dealing with global issues. The Mediterranean project has been included in the global category given that it covers three UNEP regions i.e. Africa, Europe and West Asia.

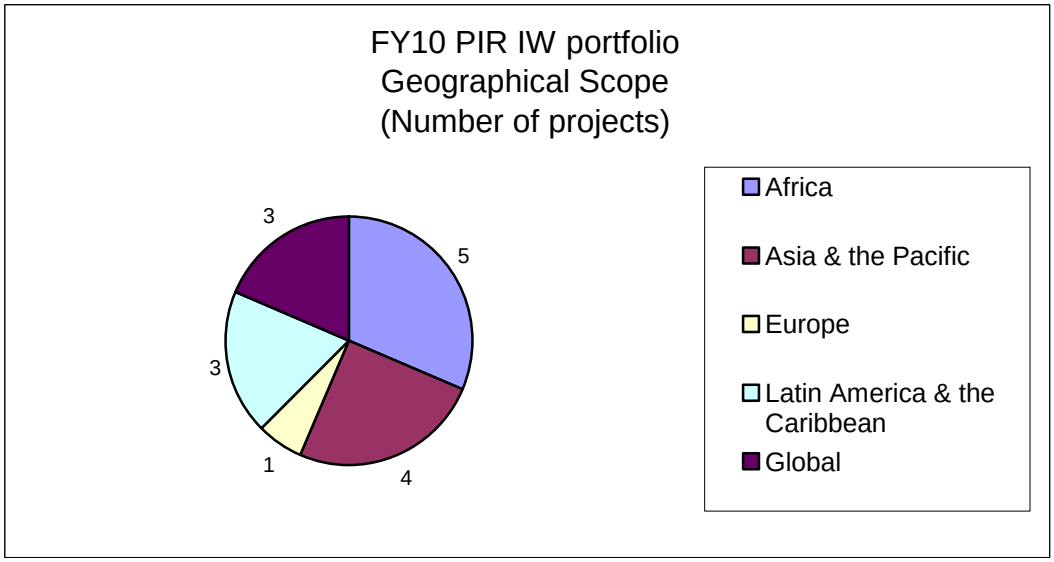

Figure 9: Geographic distribution of the IW projects.

In terms of GEF grant, this distribution, as illustrated in Figure 10 below, demonstrates that over two third of the funding is allocated to Africa and Latin America and the Caribbean. One sixth of the total amount of grant is allocated to global projects with the rest of the grant being shared between Asia and Europe.

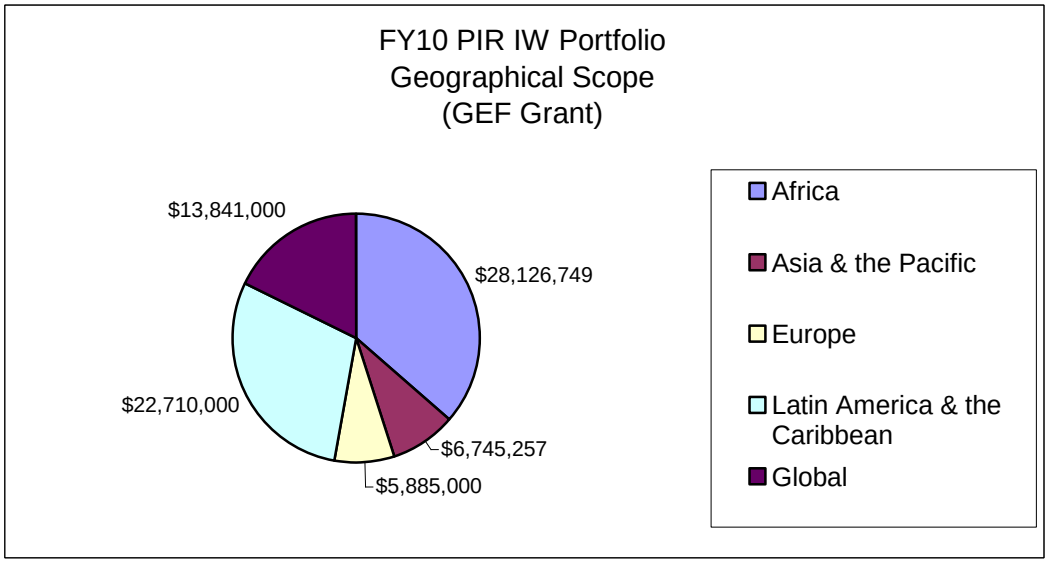

Figure 10: Geographic distribution of the GEF Grants in the IW Portfolio.

The IW projects goals and objectives are fully in line with UNEP's vision and strategy for addressing the challenges of water resources management, particularly with respect to the use of technology, informed decision-making and cooperation. The portfolio under review is indeed fully aligned with UNEP's programmatic baseline. It has been building on UNEP's subprogram 3 which promotes activities to help countries and regions increasingly integrate an ecosystem management approach into development and planning processes; (b) to have capacity to utilize ecosystem management tools; and

(c) to realign their environmental programs and financing to address degradation of selected priority ecosystem services, and subprogram 4 dealing with ecosystem management and governance matters respectively. States increasingly implement their environmental obligations and achieve their environmental priority goals, targets and objectives through strengthened laws and institutions. The TWAP project has also been benefiting from UNEP's normative comparative advantage with the development of IW Assessment methodologies for Rivers, Lakes, Aquifers, coastal zone ecosystems and LME systems. The IW:Science, on the other hand, has been gaining from UNEP science work and knowledge management platforms.

2.3.2 Outcomes and implications for the overall portfolio:

The IW projects address not only regional priorities but also national ones. Through the foundational work, an enabling environment for action is created for transboundary systems, including functioning national inter-ministry committees ready to work together on sustainable development, adoption of regional and national policy/legal/institutional reforms on transboundary waters priorities, ministerial-agreed action programs containing priority reforms both national and regional, and investments for sustaining transboundary waterbodies while contributing to water-related WSSD targets, and political commitments for action in transboundary agreements/protocols. An analysis of the tracking tool shows that 2/3 of the projects without counting TWAP and IW:Science have established national Inter-ministerial Committees which are functioning adequately, with 2/3 of the projects having adopted national reforms thus showing some improvement from last report. See Table 6.

Constraints that keep the portfolio from achieving or at least hampers the implementation are included in Chapter 4 below *Best Practices and Lessons Learned*.

2.3.3 Progress on projects that received sub-optimal ratings in AMR 2009:

The majority of projects with sub-optimal ratings in FY 2009 have improved their ratings in FY 2010, primarily due to enhanced quality of supervision from Project Managers and enhanced coordination with DGEF Task Managers.

Some of the projects with sub-optimal ratings have been closed down and is undergoing or waiting for Terminal Evaluation. Once the TEs are finished the lessons learned from these projects will be introduced back into UNEP's project development cycle, to make best use of the experiences and to avoid stepping into the same pitfalls as these projects have had.

2.3.4 Portfolio Risk:

As shown in Table 6 below, in FY10, 37.5% of the portfolio was rated Low risk with five (5) of the projects having scored Low (L) risk and one (1) project which was rated Low to Modest (M) risk. Nevertheless, 56% of the

portfolio or 9 projects scored Moderate risk and one (1) project is showing substantial risk (Coast). One (1) project (COAST) has been scoring higher risk in FY2010 compared to FY2009. Overall the general trend in the IW portfolio shows an increase in risk rating with 9 projects now showing a modest risk (M) and one project showing a substantial risk (S) (Coast).

Two projects were successfully coming to their end during FY 2009 and, therefore, rated lower risk levels or equal risk compared to FY 2009 (Bermejo and WIO-LaB)

The project Volta project attributed its M risk to co-finance uncertainties, capacity issues and delays associated with demo projects which are putting the overall project at medium risk.

The Russian Arctic project scored L risk and reported that the strong political commitment at federal and regional levels has significantly contributed to the success of project implementation. The Project has received full support and technical backstopping from the EA (Russian Ministry of Economic Development), that has expressed the keen interest in sustaining the project efforts to further implement the agreed SAP-Arctic through regional, national and Arctic regional cooperation.

WIO-LAB reports that the project was highly successful in delivering its outputs and making progress towards its objectives, so to this end, there is little or no risk that the project's objectives will not be met. There is some question about the future sustainability of SAP implementation, given the limited capacity of the national focal institutions, limited technological and managerial capacity and experience of executing organizations (e.g. for the demonstration projects) as well as limited financial resources for national action. However, the project, in this regard, has undertaken important efforts to develop partnerships as well as project documents for follow up. The project was thus rated L risk.

The Pesticide project scored M risk again this year but reports that most of the risk factors that were identified in previous PIRs were handled successfully. The main risk that remains is related to the limited institutional capacities in Nicaragua impacting the quality and timely implementation of the demo projects and hence the overall workflow. The support this project can give to the institutional capacities is limited; and institutions are not always receptive to criticism and recommendations regarding project coordination mechanisms and public-private partnerships. Nevertheless, a plan is put in place by the Project Coordination Unit to manage this risk factor.

IWCAM scored L/M and reports that delays associated with demonstration projects put the overall project at low to medium risk.

The Yangtze project scored M risk this year as opposed to S last year and attributes this year's risk reduction to the strong commitment of the EA and local partners through policy decision and co-financing. The PMO and concerns partners/stakeholders have also increased their efforts to implement project activities as planned. However, some remaining challenges toward effective project implementation are financial management issues due to a complex arrangement and the lack of

understanding of long term benefits from establishing linkages among various EFCAs/IEM projects/initiatives.

The Niger-Senegal project scored M and reports that although execution is proceeding well, some risks are associated with co-finance and political stability.

The COAST project score S. At this point in implementation, this project is now at substantial risk level, owing to (a) the significant accumulated delay, (b) uncertainties related to co-finance and national commitment if delays persist, and (c) uncertainty over the required capacity to timely implement the demonstration projects at the country level as well as within the UNIDO management team.

Action has been or is being taken as follows:

(a) Training Needs Analysis has been completed and is to be discussed at the second SCM in August 2010.

(b) A supplementary project note was circulated within UNIDO, and a small subsidiary project on clean water may be funded at one of the partner government demo sites (Watamu, Kenya), subject to further internal UNIDO decisions.

(c) The proposed three year rolling budgets are an attempt to get matching commitments from partner governments for project implementation during the remaining project period.

(d) Delays in implementation at the demo site level, means that this action is still valid and should be prioritised in the coming annual cycle.

(e) The COAST Project website (www.coast.iwlearn.org) is now public and is being regularly updated with reports and events.

The IWRM SIDS is scoring M and reports that this rating is based on specific concerns on inadequate engagement of the EA and the RSC in the project management. It is crucial that all concerned partners (i.e. EA/PCU, IAs, 14 participating countries, EU Water Facility IWRM National Planning Programme, and relevant stakeholders) strengthen their commitments and increase joint efforts to effectively carry out works as agreed/planned in the Project Document. It is also important to make sure that activities are progressing within planned budget, particularly for the regional components.

East Bintan has been reporting L risk and reports that the extent of support from local and national government has significantly improved. It is also noted that during the reporting period the local government has shown strong commitment and support to the project, and co-financing have been leveraged, which has yet to be fully recorded. A concern is how to leverage support and cooperation at the regional level. Effective regional cooperation will contribute significantly to sustain local activities, particularly when good practices at local level have been brought to and recognized by partners at the international level for further exchange of knowledge and for replication.

The TWAP is scoring M and states that Critical attention needs to be given to (1) partnership – (2) peer review and QA/QC of methodologies as to allow robust assessments during the follow-up phase.

Table 6: Rating of IW Project Risk.

Region	Project		2008	2009	2010
LAC	Bermejo	Implementation of Strategic Action Program for the Bermejo River Binational Basin: Phase II	S	M/H	L
Europe	Russian Arctic	Support to the National Programme of Action for the Protection of the Arctic Marine Environment, Tranche 1	M	L	L
Africa	WIO-LaB	Addressing Land-based Activities in the Western Indian Ocean (WIO-LaB)	M	L	L
Asia Pacific	Bappeda	Demonstration of Community-based Management of Seagrass Habitats in Trikora Beach, East Bintan, Riau Archipelago Province, Indonesia.	N/A	M	L
LAC	IWCAM	Integrating Watershed and Coastal Area Management (IWCAM) in the Small Island Developing States of the Caribbean	L	L/M	L/M
Africa	Volta River Basin	Addressing Transboundary Concerns in the Volta River Basin and its Downstream Coastal Area	N/A	M	M
LAC	Pesticide Runoff	Reducing Pesticide Runoff to the Caribbean Sea	M	M	M
Asia Pacific	Yangtze River	Nature Conservation and Flood Control in the Yangtze River Basin	S	S	M
Africa	Senegal and Niger River	Reducing Dependence on POPs and other Agro-Chemicals in the Senegal and Niger River Basins through Integrated Production, Pest and Pollution Management	N/A	N/A	M
Asia Pacific	IWRM Pacific	Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries	N/A	N/A	M
Global	MED LME	Strategic Partnership for the Mediterranean Large Marine Ecosystem-Regional Component: Implementation of Agreed Actions for the Protection of the Environmental Resources of the Mediterranean Sea and Its Coastal Areas	N/A	N/A	M
Global	TWAP	Development of the Methodology and Arrangements for the GEF Transboundary Waters Assessment Programme	N/A	N/A	M
Global	IW:Science	Enhancing the Use of Science in International Waters Projects to Improve Project Results	N/A	N/A	M
Africa	Coastal Tourism	Demonstrating and capturing best practices and technologies for the reduction of land-sourced impacts resulting from coastal tourism	N/A	M/S	S
Africa	Guinea Current LME	Combating Living Resource Depletion and Coastal Area Degradation in the Guinea Current LME through Ecosystem-based Regional Actions	H	M/S	M
Asia Pacific	Shantou	Participatory Planning and Implementation in the Management of Shantou Intertidal Wetland	N/A	L	L

2.4. Land Degradation portfolio performance

This year there is a total of seven projects in the land degradation PIR portfolio, of which four (3 FSPs and 1 MSPs) were approved in GEF-3 and three (2 FSP and I MSP) in GEF-4. Of the two MSPs one has just concluded terminal evaluation and is being closed and the other has been implemented for about a year. Of the five FSP under implementation one has had MTR this year, one is about to undergo final evaluation and closure and one will be completed in a year's time. The remaining two (FDH-INRM and Nigeria-Niger IEM) are phased projects over an 8 to 10 year period. The Nigeria-Niger-IEM project is undergoing an end of phase evaluation for Phase 2 to be submitted early in the New Year. In terms of geographical distribution, two of the projects are global (FSPs - LADA and Carbon Benefits Projects), 3 are in Africa (2 FSP and 1 MSP) and one (FSP) in Central Asia. One of the 7 projects the FSP *Carbon Benefits Project* is fully aligned with UNEP MTS and Work Programme 2011-2012. The UNEP LD portfolio is expected to increase significantly in the next reporting cycle as 3 new projects from GEF SIP TerrAfrica come into implementation. This will increase the proportion of LD projects in Africa where traditionally UNEP has had the most projects under implementation.

2.4.1 UNEP Contribution towards Land Degradation strategic priorities/ programs, and where applicable targets.

All five GEF-3 projects were approved when LD was cross-cutting with BD, IW and CC. The Operational Programmes (OP) that applied to the LD projects included OP1: Arid and Semi-Arid Zone Ecosystems, OP4: Mountain Ecosystems, OP9 Integrated Land and Water Multiple Focal Area, OP12: Integrated Ecosystem Management and finally OP15 Sustainable Land Management which superseded the other operational programs towards the latter part of GEF-3.

Table 7: Project contribution to LD focal area strategic programs of GEF-3& GEF-4

GEF-3 cohort

GEF ID	Project Title	OP1	OP4	OP9	OP12	OP15
1329	Land Degradation Assessment in Drylands (LADA)	X			X	X
2052	Sustainable Management of Inland Wetlands in Southern Africa: A livelihoods and Ecosystems Approach					X
2377	Sustainable Land Management in the High Pamir and Pamir-Alai Mountains – An integrated and Transboundary Initiative in Central Asia (PALM)					X
4889	Integrated Ecosystem Management in the Transboundary area between Nigeria and Niger	X		X	X	X

GEF-4cohort

GEF ID	Project Title	LD-SP1 Agric	LD-SP2 Forest	LD-SP3 Innovation	SFM-SP3 LULUCF
3449	Carbon Benefits Project: Modelling, Measurement and Monitoring		X		X
2184	Stimulating Community initiatives in Sustainable Land Management	X		X	
1431	Fouta Djallon Highlands Integrated Natural Resources Management (FDH-INRM)	X	X	X	

For OP 15 which is the main operational program covering UNEP's GEF-3 LD projects, there were four strategic priorities.

SP1: Promoting country partnership framework for removing barriers to SLM and foster system-wide change
SP2: Upscale successful SLM practices through new operations
SP3: Generating and disseminating knowledge addressing current and emerging issues in SLM
SP4: Promote cross-focal area synergies and integrated approaches to NRM

For the GEF-4 projects, the main strategic priorities include:

LD-SP1 Supporting sustainable agriculture and rangeland
LD-SP2 Supporting sustainable forest management in production landscape
LD-SP3 Investing in new and innovative approaches in sustainable land management
SFM-SP3 LULUCF

Table 8 below gives the distribution of the projects to strategic priorities of GEF-3 and GEF-4. It would appear that most of the GEF-3 projects addressed more than one strategic priority with a heavy emphasis on SP3 and SP4. For GEF-4 projects, the emphasis is on SLM in agriculture and rangelands (LD-SP1) and on sustainable forest management (LD-SP2) with particular emphasis on forest conservation as a mean to protect carbon stocks and avoid CO2 emissions (LULUCF). The latter is a new focus for the UNEP LD FA as it connects to UN REDD+.

Table 8: Project contribution to LD focal area strategic priorities of GEF-3 & GEF-4

GEF ID	Project Title	SP1	SP2	SP3	SP4
1329	Land Degradation Assessment in Drylands (LADA)			X	X
2052	Sustainable Management of Inland Wetlands in Southern Africa: A livelihoods and Ecosystems Approach			X	X
2377	Sustainable Land Management in the High Pamir and Pamir-Alai Mountains – An integrated and Transboundary Initiative in Central Asia (PALM)	X	X		
4889	Integrated Ecosystem Management in the Transboundary area between Nigeria and Niger			X	X
GEF-4 cohort					
GEF ID	**Project Title**	**LD-SP1 Agric**	**LD-SP2 Forest**	**LD-SP3 Innovation**	**SFM-SP3 LULUCF**
3449	Carbon Benefits Project: Modelling, Measurement and Monitoring		X		X
2184	Stimulating Community initiatives in Sustainable Land Management	X		X	
1431	Fouta Djallon Highlands Integrated Natural Resources Management (FDH-INRM)	X	X	X	

The UNEP LD GEF-3 projects have contributed mostly in generating and disseminating new knowledge and tools for SLM/INRM (e.g. PALM, LADA and Sustainable Management of Inland Wetlands); the latter being targeted research projects in the UNEP LD portfolio for which UNEP has a comparative advantage in the GEF. Specifically, the projects have contributed to improved sustainable land and water management, the conservation and sustainable use of biodiversity and strengthening of national and regional management capacity for integrated NRM. The GEF-4 projects are in their infancy in terms of implementation but they reinforce UNEP comparative advantage in the GEF in developing and disseminating tools and methodologies that enhance impact and secure global environmental benefits.

2.4.2 Outcomes and implications for the overall portfolio

As pointed out earlier, majority of the LD projects are engaged with developing methodologies, approaches and tools for assessment of land degradation and for SLM / integrated NRM. For example, the LADA FSP is designed to develop tools and methods to assess and quantify the nature, extent, severity and impact of land degradation on dryland ecosystems, watersheds, and river basins, carbon storage and biological diversity at a range of spatial and temporal scale. That of the Nigeria-Niger IEM FSP is to create enabling conditions for sustainable integrated ecosystem management through developing an integrated legal and institutional framework for collaboration and coordinated financing, harnessing and improving on research-based and indigenous knowledge, and cultural values, to support natural resource management, conservation and productivity; and developing and implementing sub-regional, catchments and community level ecosystem management plans through participatory and inclusive processes.

The first phase of this project has already secured the legal and institutional framework agreement that has been endorsed at the heads of state level thereby laying the foundation for upscaling of IEM in the transboundary zones between the two countries. The PALM FSP is promoting sustainable land management and building local capacity in various aspects of SLM planning and implementation and creating an enabling environment for SLM at the community, national and regional level. The FDH-INRM FSP is engaged with the conservation and sustainable management of the natural resources of the Fouta Djallon Highlands over the medium to long-term (2025) in order to improve rural livelihoods of the population directly or indirectly related to the FDH. The Sustainable Wetlands MSP has developed best practices, land use management plans and guidelines for integrated SLM/INRM in wetland ecosystem that is being widely used by the eight southern Africa countries engaged in the project. The SCI-SLM MSP is identifying, improving and upscaling local innovation in sustainable land management by communities in the drylands of Africa. The project has identified several community initiatives that are being screened for further improvement and upscaling. But the most significant contribution is expected from the GEF-4 Carbon Benefits Project that will for the first time provide the GEF with cost-effective, scientifically rigorous tools to establish the GEBs of sustainable land management (SLM) interventions in terms of protected or enhanced carbon stocks and reduced greenhouse-gas emissions. The tools will be widely available in 2012.

2.4.3 Progress on projects that received sub-optimal ratings in AMR 2009

Only one project, the PALM FSP was rated sub-optimally in 2009 and is listed below together with the ratings.

Table 9: LD Projects with sub-optimal ratings in FY 2009

GEF ID	Project Title	Overall DO rating	Overall IP rating
2377	Sustainable Land Management in the High Pamir and Pamir-Alai Mountains – An integrated and Transboundary Initiative in Central Asia (PALM)	MS	MS

The PALM FSP rating for both DO and IP is Moderately Satisfactory, MS. This is due to on-going delays in implementation of the project. The project has made measurable progress and starting to produce its programmed outputs, which as main deliverables of the project contribute to a better attainment of the outcomes as measured through the indicators set. Of serious concern is the need to allow for adequate time and uptake on micro-projects as well as adaptive research by communities in order to be able to measure any effect on SLM as well as community income, whilst most have only just started and the project already being beyond its midterm. Some concern on possibly inadequate involvement of poor HH in micro-project (report will be available end of 2010 – which may be too late for corrective action). It seems unavoidable that the project would require a no-cost extension of at least 9-12 months as proposed by the MTR.

2.4.4 Portfolio Risk

Two groups of risks are pertinent and could have potential impacts on LD project results. The first group of risks is environmental and, usually associated with drylands, is the spatial and temporal variability of rainfall that results in frequent and sometime prolonged periods of drought. This is particularly relevant for drylands of Africa where drought of varying intensity occurred during the reporting period. It should be noted however that the LD projects, e.g. Sustainable Wetlands MSP and PALM FSP involved with SLM and developing integrated NRM were designed to provide adaptation mechanisms and to strengthen resilience and coping mechanisms and capacities in these drylands.

The second group of risk factors relates to the problems of mobilizing the required co-finance for project implementation and this continues to be a major challenge and constraint particularly for LD projects in Africa. Inadequate co-finance also poses a major area of concern for the sustainability of the impacts of these projects after GEF support has ended. The LD projects that are particularly at risks include the Sustainable Wetlands and the REAP MSPs. In both cases the reported low co-finance mobilized so far may be due to poor reporting and this would certainly need to be improved on in the next reporting period.

2.5. Ozone Depletion portfolio performance

The UNEP GEF portfolio grew steadily in the previous GEF replenishments, particularly through the second and third replenishments (GEF 2 and GEF-3, respectively), to support the Article 2 Countries with Economies in Transition (CEITs) in their phase out of Ozone Depleting Substances under the Montreal Protocol (since these countries are exempt from Multilateral Fund support). Projects were initially medium-sized projects, geared to encourage ratification of the Protocol, and to raise high-level awareness of the Protocol to decision makers in governments. This gave rise to a second wave of MSPs, which resulted in the design of Country Programs, and the distinct investment and non-investment GEF-funded Ozone country projects, which were in turn implemented by UNDP and UNEP, respectively. The 14 resulting UNEP country-specific projects have consisted of Institutional Strengthening (IS) and Customs/Refrigeration Training projects, and have spanned 9 countries, with a cost of about US$ 3.5 million to the GEF Trust. There have also been a series of regional projects, ranging in size from US$25,000 to US$ 5,000,000 (for a total cost of about US$ 8.1 million to the GEF trust), covering more than 20 countries, and activities ranging from ODS licensing systems, to HFC training to Methyl bromide phase out.

The GEF Ozone portfolio for Article 2, CEIT countries under the Montreal Protocol has always been additive to the larger Article 5, MLF-funded portfolio managed by the OzonAction Branch of UNEP's Division of Technology, Industry and Economics. Since 1991, the UNEP DTIE OzonAction Branch, and its regionalized Compliance Assistance Program (CAP) (established in 2002) helps mainstream messages from the level of the Protocol, as it assists developing countries and countries with economies in transition to achieve and sustain compliance with the Montreal Protocol. With

the program's assistance, countries are able to make informed decisions about alternative technologies and ozone-friendly policies. Compliance with the Protocol is the key overall indicator of success for UNEP and the other members of the Montreal Protocol family of institutions. When a country is in danger of non-compliance, OzonAction and the other members of the Montreal Protocol family mobilize to provide proactive support to that country to enable them to avoid being in non- compliance or to quickly return to compliance. The CAP provides special assistance to numerous countries through: (i) missions, (ii) strengthening National Ozone Units (NOUs) through South-South cooperation, bilateral and informal advisory group discussions during Regional Network meetings. (iii) working closely with the other Implementing Agencies—UNDP, the UN Industrial Development Organization (UNIDO), the World Bank—plus the Ozone Secretariat, the Multilateral Fund Secretariat and other implementation partners, (iv) providing assistance to countries with regard to data reporting, (v) development of important mechanisms to build regional capacity in support of MEA compliance, (vi) development of information materials and regional training programs, (vii) development of mechanisms for information exchange between major ODS producing countries in the regions and importing countries (along with the global agencies such as the WCO, INTERPOL et. al.), (viii) development and distribution of a suite of information services to National Ozone Units and other stakeholders; among other activities.

2.6.1 UNEP contributions towards Ozone Depletion strategic priorities/programs and, where applicable, targets:

The GEF's overall objective of the Ozone Focal Area is to prevent releases of ODS in order to protect human health and the environment from depletion of the ozone layer. GEF -3 strategic priorities for the Ozone window put forward Short-Term Response Measures (STRM), with a principal focus on helping non-Annex 5 GEF eligible countries to meet their phase-out obligations regarding the Annex E substance, methyl bromide, to enable compliance with the 2005 total phase-out deadline. In addition, as a response to concerns raised in the Implementation Committee and Meeting of the Parties to the Montreal Protocol regarding the difficulty of a number of Article 2 (A-2) CEITs in meeting their reporting obligations and to phase out residual amounts of CFCs, the GEF mobilized modest resources under its Third Replenishment (GEF-3) to support capacity building, including institutional strengthening, in those countries most in need, with an eye to phasing out Methyl Bromide.

In direct response to the GEF-3 priorities, UNEP was lead on a full-sized regional project "Total Sector Methyl Bromide Phase Out in countries with Economies in Transition", covering phase out activity in Bulgaria, Hungary, Latvia, Lithuania, Poland (with Azerbaijan, Uzbekistan sharing in technical outputs), and UNDP acting as co-implementing agency. This project saw the training of over 1200 persons, along with the implementation of methyl bromide alternatives in the post-harvest and soil sectors. The key outcome to this project was the sustained sectorial phase-out of methyl bromide in CEITs, with the countries involved all reporting zero consumption for methyl bromide post-project. Initially, Poland held a Critical Use Exemption (CUE) (along with Australia, Canada, France, Israel, Italy, Holland, New Zealand,

Spain, USA), for strawberry runners, and a small volume for the disinfestations of medicinal herbs, deemed acceptable exemptions under the Protocol. However, the project sourced new breakthrough alternatives for the latter category of consumption, and efforts were launched within the project to see where MB fumigation of herbs could be eradicated totally. Significantly, a 700,000 USD investment (450,000 company's investment + 250,000 of Ecofund contribution) was made by the Herbapol Company to build a special CO2 pressure treatment chamber for disinfestation of medicinal herbs that started operation at the end of 2007.

Immediately after the project close, apart from achieving zero consumption, Poland waived its CUE for the post project period; a significant achievement, since under the Montreal Protocol, they have a right to continue MB consumption for strawberry runners, and other EU countries continue to utilize these exceptions. This shows that the project has not only been able to spread technical knowledge, but also build confidence and willingness amongst stakeholders and government to adapt and incorporate more environment friendly methods into their strawberry runner production.

The same can be said for other countries which struggled to maintain zero consumption in some sectors at the start of the project, but all reported a far better rapport and team approach to implementing alternatives between government regulatory bodies and the consuming sectors. Therefore, the countries have made significant progress in their contribution to meeting the global environmental objectives of the project to preserve the stratospheric ozone Layer through compliance with the phase out schedule of the Montreal Protocol.

The aforementioned project built upon an earlier GEF 2 project (which ran into GEF-3), entitled "Initiating Early Phaseout of Methyl Bromide through Awareness Raising, Policy Development and Demonstration/Training Activities". **It is mentioned here since some of the outputs ran into the early GEF-3 period**, and helped immediately build the GEF-3 follow-on phase out project. Under this first project, UNEP:-

- provided participating countries with UNEP publications on the methyl bromide issue (information and technical brochures, case studies on alternatives and inventory of agricultural resources).
- launched the Methyl Bromide Alternatives Discussion Forum and RUMBA Update for participating countries and other stakeholders to exchange knowledge about technical and policy issues related to the methyl bromide phase out.
- facilitated the first regional methyl bromide consumption survey
- provided support to Poland to carry out three years' worth of trials to find viable methyl bromide alternatives for economically important crops grown in the region (results of which were disseminated to the participating countries and posted on OzonAction's website for free download); and
- published and distributed in early 2003 a volume of case studies for alternatives to MB across 6 areas of use, suitable for the conditions of CEITs.

It was on this corner stone that the GEF-3 project was built, and executed.

Table 10: Expected Outcomes and Targets for GEF-4 by Strategic Objectives: Ozone

Strategic Objective	Outcome	Scenarios 1, 2 and 3 $ 50 million
Addressing HCFCs, residual use of MeBr, and Institutional Strengthening and other non-investment activities	Phase out of HCFCs, MeBr, and strengthened capacity for compliance enforcement and reporting	Targets and Indicators ODP adjusted tons of HCFCs and MeBr phased-out

For the period of GEF-4, the GEF prioritized assistance of eligible countries in meeting their HCFC phase-out obligations under the Montreal Protocol, and strengthening capacities and institutions in those countries that still are faced with difficulties in meeting their reporting obligations. It was envisioned that the projects should lead to complete consumption phase-out in these countries, to the extent technologically possible and cost-effective when taking into account climate change benefits resulting from gains in energy efficiency, such that preference would be given to low-GHG technologies and substitutes in order that the projects reduce overall the emissions of greenhouse gases. Activities to enable compliance and reporting would also be supported, including awareness-raising and training, with efforts to nest these activities within a country's framework for the sound management of chemicals will be promoted.

In mid-2003, the Implementation Committee reported that only 3 CEITs were now out of compliance (Tajikistan, Kazakhstan and Azerbaijan), a result achieved through the assistance provided by the individual Ozone country projects. As they worked to close off their individual projects, these countries, along with Uzbekistan, flagged that there was remaining work in the following areas:- (1) Support and improvement of ODS Import/Export substances as the Montreal Protocol schedule now requires monitoring of hydrofluorocarbons (HCFCs), methyl bromide (MB) and other chemicals due for phase out from 2005 and beyond; (2) attendant to the increased restrictions of the Montreal Protocol, as well as the past operating experience of ODS control mechanisms, there is a need for further legislative and regulatory strengthening of control instruments; (3) the issue of illegal trade is very prominent in the countries, necessitating collaboration with their neighbors, particularly Article 5 producers (such as India and China) which can act as a source of illegal ODS imports; (4) the NOUs are exploring interlinkages of activities with Climate Change activities (emission reductions), and are exploring cost-effective destruction solutions for unwanted ODS. The NOUs are also needed to execute other ODS control projects in their countries.

In the course of GEF 4, UNEP responded first by working with GEF Sec to reverse the previous policy which resisted Institutional Strengthening project renewals, and then seeking continued support of National Ozone Units (NOUs) in Azerbaijan, Kazakhstan, Tajikistan and Uzbekistan. Finally, in 2007, the countries were grouped to participate in a regional project "Continued Institutional Strengthening Support for CEITs to meet the

obligations of the Montreal Protocol". This project aims at giving the second phase of support to institutional strengthening and capacity building of the NOUs and stakeholders in Kazakhstan, Tajikistan, Uzbekistan and Azerbaijan. It also seeks to leverage other work by OzonAction in the area of Green Customs and the Article 5 (A-5) Europe and Central Asia (ECA) Network (funded bilaterally and by the Multilateral Fund (MLF) to the Montreal Protocol), by including support for these A-2 countries to participate in these broader regional activities. This gives vital co-operational support to the countries for the development and enforcement of national policies and mechanisms able to achieve long-term phase out, monitoring and control of ODS consumption in the countries, in the face of ever-increasing phase out restrictions of the Montreal Protocol. The ECA Network collaboration has proven most valuable in helping countries develop and explore solutions to illegal traffic, disposal/destruction of ODS and other hazardous chemicals (particularly POPs), and HCFC Phase Out Management Plan (HPMP) development.

At PIR10, awareness activities, work on illegal trade and ODS licensing mechanisms have been dominant in country reporting. Challenges remain (which are being faced by all countries under the Montreal Protocol) namely: (i) suitable, cost-effective alternatives to HCFCs in their various fields of use; and (ii) access to cost-effective, environmentally-appropriate ODS destruction technologies. The countries have been receiving assistance through the ECA Network, and have also been put in touch with Asian counterparts to explore areas of mutual benefit for collaboration (particularly as pertains to traffic of mislabeled of new CFCs as recycled/recovered substances from A-5 Asian producers to A-2 consumers like the CEITs). With the advancing 'crunch' of HCFC phase out, and the lack of agreement across the board on cost-effective alternatives, illegal trade is going to be an even more important issue, as will be destruction of stockpiles of unwanted and illicit ODS.

On the issue of HCFCs, UNEP has worked with UNDP and UNIDO on a UNDP-led regional project (for Azerbaijan, Belarus, Bulgaria, Kazakhstan, Russian Federation, Tajikistan, Ukraine, Uzbekistan) "Preparing for HCFC phase out in CEITs: needs, benefits and potential synergies with other MEAs". This project sought to carry out a region-wide assessment of HCFC phase out requirements ahead of GEF- 5, taking into account the need for integration of energy efficiency considerations. UNEP has pooled its resources with those of UNDP and UNIDO to permit the country-level surveying activity, and currently awaits the initial outputs from those agencies to carry out a synergies/interlinkages study to highlight the potential linkages of HCFC phase out with Climate and other Chemicals work, with an eye to leveraging technical, human and financial resources between the areas along the road to HCFC phase out.

2.6.2 Outcomes and implications for the overall portfolio:

The link to national priorities is clear since the Ozone Focal Area is in fact geared to help each eligible Article 2 country meet its compliance requirements under the Montreal Protocol. As such, all projects are specifically designed to meet with the countries' requirements, and/or

requests from the Implementation Committee of the Montreal Protocol on areas of need.

The portfolio has in fact largely achieved its objectives, and this was borne out in the independent Focal Area evaluation carried out by the GEF M&E section in 2009. The conclusions of this study are already documented in-house at the GEF Secretariat, and will not be repeated here.

2.6.3 Progress on projects that received sub-optimal ratings in AMR 2009:

Not applicable, as no OD projects received sub-optimal rating in AMR 2009.

2.6.4 Portfolio Risk:

Before launching into this topic, it is necessary first discussing issues related to design of the Ozone projects that initially led to there being a thorough analysis of risk for the portfolio as a whole.

The design of the Ozone portfolio of CEIT ODS capacity building and institutional strengthening projects date back to late 1997 and early 1998, and attempted to respond to the needs of the Montreal Protocol (MP) as perceived at that time, whilst at the same time reflecting both the reality of the limitations brought about by the MP itself, the progressive nature of the phase out schedule, and the overlap between the GEF and the MP multilateral fund (MLF). While M&E plans were not unlike those of projects across focal areas, there were elements of project design that impacted on the quality of reporting, even when it was done accurately. Up until about late GEF-3, the general thrust of the CEIT ODS projects called for a very broad base of support without proper use of indicators and only broad assessment of risks. However, independent evaluators for the Mid-Term and Terminal Evaluation of projects consider that although the original project documents were fundamentally well-conceived documents, for the most part, they were poorly designed.

Many early documents did not incorporate standard logframes, and alluded in a generic way to the main challenges that would likely be experienced by national execution agencies, without offering flexibility and acknowledgement of the need for adjustment in the light of the inevitable expansion of MP requirements. Performance Indicators (PIs) and results-based management and accountability frameworks (RMAFs), were largely ignored (though not totally absent) in project documents across all agencies. Risk Analysis was also not a part of project design, and this compounded the ability of both execution and implementing agencies to predict long term/post project problems as all activities appeared well executed and timely. As such risk, and accountability, was not addressed in an adequate manner; especially country accountability for sustaining results achieved post-project.

Apart from incorporating standard logframe approaches in the projects of GEF-3 going forward, UNEP obliquely addressed improving indicators and monitoring through demands for better monitoring and information in project

reporting across the portfolio, and/or through the setup of MOUs that may have been drawn up between UNEP and the country in the course of projects, where PIs not referenced in the project documents, were developed and set out in the MoUs. The scrutiny and demand for information and quality of execution of activities from the M.P's Implementation Committee has also been useful in ensuring that there is real impact from project activities in phasing out ODS and contributing to the healing of the ozone layer. As such, even with poor project and indicator design of the GEF ozone IS and training projects, there has been real impact because of the country activity being incorporated into the wider global framework of the Montreal Protocol.

With this background, the main risks broadly recognized as the portfolio matured were, inter alia, (i) underestimation of the effort and time required to implement ODS legislation and institutional strengthening in general; (ii) the threat of illegal trade in ODS as the phase out of the various substances advanced in the Article 2 countries ahead of the Article 5 countries with which there might be shared borders; (iii) the poor incorporation of NOUs into the government-funded institutional structure once external project support had come to an end (particularly for the non-EU CEITs).

UNEP had these risks flagged during a portfolio wide mid-Term Evaluation, and incorporated measures to help manage them in subsequent project documents. In addition, UNEP began to look for ways in which to support the older projects (e.g. via South-south cooperation and collaboration with the work of the OzonAction CAP Regional Networks of NOUs) to help with illegal trade issues, and sharing best practices in enforcement, legislation and institutionalization of project benefits. UNEP DGEF, in tandem with the PIR process, also carried out its own in-house identification, and follow-up of at-risk projects, so that apart from managing risk, lessons learned were captured and incorporated into subsequent project design. This has made for enhanced results in subsequent projects.

2.6. POPs portfolio performance

In the POPs focal Area, we see a shift from designing and experimenting towards application of lessons learned, making of impacts, and scale enlarging of 'good examples'.

All POPs and Chemicals Management related initiatives are complementary to UNEPs Program of Work under the Harmful Substances and Hazardous Wastes sub-program allowing for direct support from the organization during the design and development of projects, as well as mainstreaming of project outcomes into the organization. The direct and two-way link with 'UNEP Chemicals' is a strong comparative advantage of UNEPs POPs/Chemicals Management Focal Area in the GEF.

The number of NIP projects in execution has been decreasing steadily as most of the NIPs are now completed by Parties of the Stockholm Convention. However, an increasing number of Parties (now realizing the importance of good quality NIPs) has approached UNEP for an up-date of the current NIPs. About 50 % (60 countries) of all NIPs developed under GEF POPs Enabling

Activities have been developed with UNEP. UNEP leads the process of summarizing lessons learned and good practices in POPs NIP development from all GEF NIP projects resulting in an increased 'global' awareness of POPs related issues and the need to embark further on adequate interventions.

The general trend for the POPs Focal Area is a shift from demands from Parties from POPs focused issues towards a broader 'chemicals management' related portfolio (although still with emphasis on POPs, but increasingly on other chemicals of emerging concern). Also the inclusion of socio-economic factors in projects becomes more important: Although it seems to be obvious that certain chemicals should not be used anymore, these chemicals are still being used despite the fact that alternatives can be cheaper. Political, social and history/geographical aspects play a certain role, and should be addressed in future project designs.

The challenge for the future in the POPs/Chemicals Focal Area will be to marry the technically desirable with the socially/politically acceptable and economically feasible.

2.6.1 UNEP contributions towards POPs strategic priorities/programs and, where applicable, targets

GEFs *goal* in the POPs focal Area is to protect human health and the environment by assisting countries to reduce and eliminate production, use and releases of POPs, and consequently contribute generally to capacity development for the sound management of chemicals.

The *strategic* objective of GEF under the POPs Focal Area is to assist eligible partner countries to implement their obligations under the Stockholm Convention and to achieve the purposes of the convention, including the reduction and elimination of production, use and releases of POPs.

UNEPs POPs portfolio has contributed to three Strategic Priorities under the POPs Focal Area in GEF 4:

- *Strategic Priority One: Targeted Capacity Building* in the POPs focal area identifies three main areas of work: Preparation of National Implementation Plans (NIPs), awareness raising among stakeholders, and management and dissemination of information on POPs management.
- *Strategic Priority Two* includes *Partnering in investments for NIP implementation* (focusing on reduced POPs production, use and releases), and
- *Strategic Priority Three* includes *Demonstration of Innovative and Cost-Effective Technologies* (focusing on demonstration of feasible, innovative technologies and Best Practices for POPs Reduction).

All UNEP's projects under the POPs focal Areas have contributed to one or more of the above mentioned Strategic Priorities.

As more NIPs have become available during the last years, an increasing number of MSPs and FSPs focus on partnering in investments for NIP

implementation. Most projects target several Strategic Priorities at the same time. For example:
In eight partner countries, the project "Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America" strengthened national capabilities for malaria risk assessment, infrastructure of analytical laboratory, geographic information systems, community participation and management of pesticides. Malaria control national managers, officials from other sectors such as environmental and education, as well as local technicians from demonstration projects exchanged experiences. Government institutions have been adapted to sustain the new policy of vector control. The participating countries finalized eliminating approximately 87.9 tons of DDT. Some 48.8 tons of DDT and about 64.5 tons of other POPs (Toxafene, Chlordane, HCB, Aldrin, Dieldrin and Mirex) were safeguarded.

The countries participating in the "Central America DDT" project adopted "*malaria integrated control models*" which are methodologies for decreasing malaria without using DDT or other persistent insecticides. The countries reported significant progress in using the models and the number of cases of malaria in the demonstration areas shows, in general, a decreasing trend.

Seen the success of the above mentioned project, several other projects with similar objective but 'tailor-made' for the specific socio-eco-epidemiological circumstances of various regions have been developed and/or were already approved/have started implementation.

2.6.2 Outcomes and implications for the overall portfolio:

In general terms, the technical reduction of production, use and emission of POPs chemicals and replacement by 'alternatives' without a POPs character, is feasible and does not need to be 'per definition' more costly and as such unwelcomed.

However, beside technical and financial issues, one should take into account business strategic considerations (as is the case with phasing out of PCBs), historical and political considerations (as is the case with phasing out the application of DDT in vector management), the lack of awareness of the need to phase out POPs, as well as the lack of knowledge about alternatives.

It should be understood that certain Parties to the Convention might have national priorities that are seen as more important than POPs related priorities. For these situations standard support to achieve the 'incremental global benefit' might not be convincing enough to deal on a national level with POPs related issues.

In general, socio-economic and political issues are seen as a bigger challenge for the future of the POPs Focal Area to achieve its objectives under the Strategic Priorities as compared to the 'technical sound and available alternatives'.

2.6.3 Progress on projects that received sub-optimal ratings in AMR 2009:

Not applicable as the POPs focal area had no projects with sub-optimal ratings in AMR 2009.

2.6.4 Portfolio Risk:

As mentioned in section 2.6.2. above (socio-economic and political issues: a big challenge), the POPs / Chemicals Management portfolio suffers in general from a lack of committed capacity towards the implementation of the Convention. This was clearly illustrated in the 'lessons learned' workshops at the end of NIP formulations.
Some of the conclusions of these workshops were: (a) lack or weakness of technical capacity (external consultants were hired to substitute the lack of national technical capacity, including lack of management capacity to formulate a NIP); (b) weak inter-sectoral communication and lack of commitment, (c) mismatch of country needs and priorities and Convention requirements; (d) disregard of particular national situations during project design.

In many countries inter-ministerial coordination is something new and Parties keep on struggling with it. It often results in a NIP approach managed by a single entity in the country, finally resulting in a NIP document which in many cases is not fully accepted as *the start of implementation of the Stockholm Convention* or even considered in the 'National Plan'.

Another challenge identified by countries was the lack of continuity of the POPs project staff and low interest and very limited capacity from the government to set up a POPs structure or office to work on the implementation of the Convention. As a result, in many cases the NIP was produced with well formulated intentions and priorities, but once completed, the national POPs Project Office was dismantled and staff (which was no longer supported under the NIP project) was put on other tasks, or even migrated.

To a certain level, the above mentioned 'NIP conclusions' can be mentioned as 'risks' for the follow-up MSP & FSP projects as well.

On the other hand project development (NIP, MSPs, FSPs) has exposed a huge range of POPs related problems (existing stockpiles; existing and continuing POPs use; lack of regulatory and policy frameworks for chemicals management in general and POPs management in particular; lack of interest of partners, involvement and commitment of the private sector) and suggested solutions and priorities for further action. Real larger scale and sustainable implementation of suggested actions depends in many countries on the socio-economic development of these countries.

3. Co-financing

UNEP's overall portfolio co-financing ratio is about 74 % of the total project cost or 1:2.9, which is an increased ratio of co-financing compared to FY09, but still lower than that of FY08 (1:3.1).

The following sections introduce the co-financing for each focal area, where applicable information is available from Midterm Evaluations, Midterm Reviews or Terminal Evaluations.

3.1. Biodiversity portfolio Co-financing and leverage

The average BD grant size in FY10 is $3.08 million (up by $0.0.24 million on last year) and the overall co-financing ratio increased by 20% on FY09. However, the smallest proportion of realized co-financing still comes from single African country Biosafety projects, averaging less than 30%, compared with 82% from Central European and Asian Biosafety Projects.

During the FY10 co-financing figures has been compiled as part of evaluations for the following 4 projects:

Table 11: Co-financing from evaluation of biodiversity projects

GEF ID	Agency ID	Project Title	GEF Grant US$ m	Proposed Co-financing (US$ m)	Actual Co-financing as of 30 June 2010 (US$ m)	% cofinance realised	Terminal Evaluation date (if applicable) (m/d/yyyy)
1216	4788	Building Scientific and Technical Capacity for Effective Management and Sustainable Use of Dryland Biodiversity in West African Biosphere Reserves	$2.40	$3.83	$3.69	96.30%	July 2010
1769	4650	Integrated Management of Peatlands for Biodiversity and Climate Change	0.973	1.375	2.1	152.73%	Feb 2010
1842	4879	Indigenous Peoples' Network for Change	$0.91	$0.51	$0.52	103.64%	April 2010
2856	4905	Knowledge Base for Lessons Learned and Best Practices in the Management of Coral Reefs	$0.97	$0.95	$0.95	100.00%	June 2010

3.2. Climate Change portfolio Co-financing and leverage

The climate change portfolio has done exceptionally well at leveraging resources. The combined total of proposed co-financing is USD 367 million, while USD 221 million has already been raised. In addition the portfolio has leveraged USD 111 million in additional co-financing that was not envisaged at project approval.

3.3. International Waters portfolio Co-financing and leverage

Figure 11 illustrates the geographic distribution of GEF grants and proposed co-financing. While as shown above in Figure 10, the majority of the GEF funding was granted to Africa (US$ 28.0 million) and to the LAC region (US$ 22.7million), the biggest amount of proposed co-financing is in the LAC region.

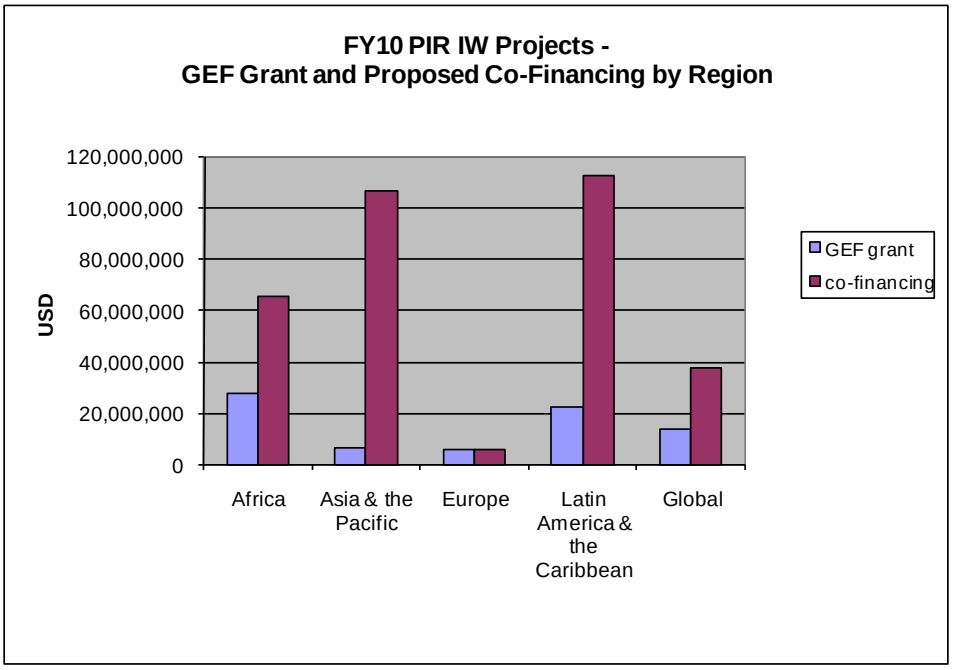

Figure 11: GEF Grant and Proposed Co-Financing by Region for IW portfolio

From a realized co-financing perspective, the situation is slightly different. Indeed while, Asia and Europe have over delivered on their co-financing and Africa delivered its proposed co-financing at design level, Latin America and the Caribbean are showing low rates of realized co-financing. This can be attributed in part to difficulties in diligently reporting such co-financing (Bermejo) or else to the non-materialization of a loan (USD90M) which accounted for at design level (IWCAM). In the global category, while TWAP and IW:Science have slightly over delivered on their co-financing, the MED project is only one year into project implementation and has not yet been delivering much of its co-financing hence the slightly biased graphic representation.

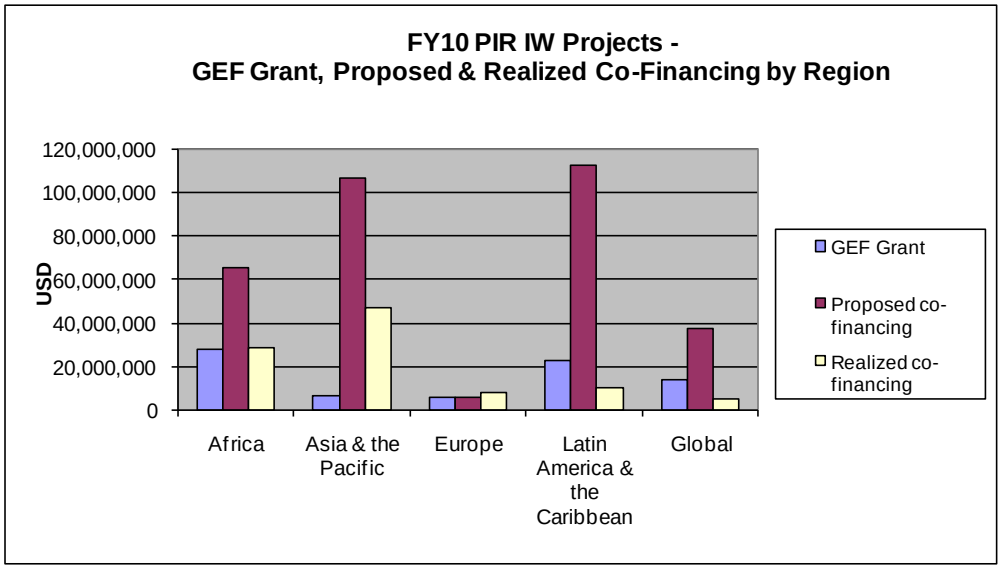

Figure 12: GEF Grant along with Proposed & Realized Co-Financing as of June 2010 by Region for the IW portfolio

3.4. Land Degradation portfolio Co-financing and leverage

Overall there is a 64% realization rate of the co-financing pledged for four of the LD projects that have had an MTR or Terminal evaluation. Table 12 below gives a breakdown of planned and actual co-financing levels against the expected date of project closure. It is apparent that the Sustainable Management of Inland Wetlands mobilized all the co-finance required. The LADA and PALM have mobilized significant proportion of their co-financing targets. The Nigeria-Niger IEM is the only project that has not met its co-finance target so far. In the case of Nigeria-Niger IEM more effort needs to be put into mobilizing the co-finance to meet the required target.

Table 12: Co-financing Realization Rate LD

GEF ID	Project Title	Expected closing date	Proposed Co-financing (US$)	Actual Co-financing as of 30 June 2010 (US$)	Realization rate (%)
1329	Land Degradation Assessment in Drylands (LADA)	Dec 2010	8,000,000	5,333,868	67
2052	Sustainable Management of Inland Wetlands in Southern Africa: A livelihoods and Ecosystems Approach	Dec 2010	1,210,716	1,210,716	100
2377	Sustainable Land Management in the High Pamir and Pamir-Alai Mountains – An integrated and Transboundary Initiative in Central Asia (PALM) (MTR)	Aug 2012	6,697,380	4,077,277	61
4889	Integrated Ecosystem Management in the Transboundary area between Nigeria and Niger (MTR)	Nov 2013	9,122,500	2,440,000	27

3.5. Ozone Depletion portfolio Co-financing and leverage

In keeping with the general policies of the Multilateral Fund and support given to the other Article 5 parties of the Montreal Protocol, the Ozone portfolio initially did not have any set requirements for co-finance. And so, for much of the life of the Focal Area, efforts to raise and leverage co-finance were minimal. Nevertheless, of the US$ 9.03 million in GEF finance secured for countries within the UNEP Ozone Portfolio of projects, some US$ 3.77 million in co-finance has so far been reported. Much of this co-finance came in since GEF-3, when there was overall improvement in project design and more effective lobbying of partners and governments to invest in projects. Unfortunately much of the leveraged finance in Ozone projects comes post project, when with the banning of ODS effected under projects, public and private sector continue to invest in ODS alternatives. The methyl bromide project in particular saw countries make large investments in alternate fumigation methods immediately after project close, permitting them to eschew the Critical Use Exemptions permitted under the Montreal Protocol. Unfortunately this is not captured post-project, and leaves a gap in estimating leveraged co-finance.

3.6. POPs portfolio Co-financing and leverage

In the POPs focal area a 12 country project evaluation for NIPs has been finalized in June ´10 and the summarized co-financing is presented in this table 13, which is also available in the Terminal Evaluation report.

Table 13: Co-financing from evaluation of POPs projects

		GEF funding								Co-funding					
IMIS Code		Yr 02	Yr 03	Yr 04	Yr 05	Yr 06	Yr 07	Yr 08	Total	Yr 05	Yr 06	Yr 07	Yr 08	Total	Grand Total
4452	Umbrella	398,774	371,142	162,282	143,016	534,969.84	1,806.77	364,009.16	1,975,999.77	39,224.00	139,563.17	137,860.18	135,352.36	451,999.71	2,428,000.48
4453	Barbados	42	57,733	43,832	63,113	57,553	-5,167	62,893	280,000				10,000	10,000	290,000.00
4454	Bulgaria	24	126,272	115,571	79,672	-78.66	120,280.08	79.52	441,819.94			19,000		19,000	460,819.94
4455	Chile	54,706	174,081	218,039	49,304			3,869.73	499,999.73				19,000	19,000	518,999.73
4456	Ecuador		148,920	118,208	49,115	88,421.52	32,870.41	2,464.76	439,999.69	5,000		14,000		19,000	458,999.69
4457	Guinea	39,575	139,791	39,967	32,082	68,484	15,637.50	6,465.21	342,000.71			19,000		19,000	361,000.71
4458	Lebanon			47,762	108,507	30,365.28	28,948.95	118,417.21	334,000.44				19,000	19,000	353,000.44
4459	Malaysia			111,510	62,070	153,929.30		71,490.35	398,999.65		19,000			19,000	417,999.65
4460	Mali	20	214,450		28,447	33,655		82,878.05	359,450.05				19,000	19,000	378,450.05
4461	Micronesia			153,646	83,326	22,999.36		110,027.90	370,000.26				19,000	19,000	389,000.26
4462	Papua NG		87,177	89,533	53,890	-20	-23,335.30	79,754.84	286,999.54				19,000	19,000	305,999.54
4463	Slovenia		30,177	55,574		19,328.49	13,334.47	41,585.97	159,999.93				30,000	30,000	189,999.93
4464	Zambia		162,069	72,256	28,181	101,801.86		46,430.97	410,737.83		19,000			19,000	429,737.83
Total		493,141.00	1,511,812.00	1,228,180.00	780,723.00	1,111,408.99	184,375.88	990,366.67	6,300,007.54	44,224.00	177,563.17	189,860.18	270,352.36	681,999.71	6,982,008.25

4. Lessons Learned and Best Practice:

Whereas many of the lessons learned in the projects are related to various operational conditions, which is inherent and usually unavoidable in project implementation the following sections presents some Lessons Learned and a couple of issues that can be considered Best Practice.

An important aspect of Best Practices and Lessons Learnt, which is cutting across the whole portfolio, is South-South corporations and regional coordination, which is in line with UNEP's comparative advantage. Most environmental issues don't recognize country borders and as such facilitating discourse and joint activities between neighboring countries to address transboundary matters are of outmost importance. In relation to the different focal areas this approach is inherent in Biodiversity, Climate Change, International Waters and Land Degradation projects, when projects address for instance watersheds and National Parks in transboundary areas or global issues, but also in the POPs and Ozone Depletion portfolio, where illegal trade or production of phased out substances cannot be addressed consistently by single-country projects.

i. CLO1: Enhancing social impacts through the improved understanding of the causal relationships between environmental management and local community welfare.

a. The ACCESSA project worked with women to both provide training in drought tolerant crop methods and to promote livelihood diversification. This tested approach once again worked well because women are particular susceptible to advice.

b. The Africa Co-generation project learned that approaches are more easily accepted where dual social and environmental benefits can be shown. In this case the stress was on environmental sustainability of co-generation together with improved income.

c. From a technical perspective one of the Lessons Learned from the PEATLANDS project was that achieving local, ground-level results could only be accomplished by cooperating with local communities. Conflict and adversaries will be created by not effectively working with local stakeholders.

d. The PALM project found that involvement of a large portion of community members in resource assessment and land use planning processes and transparent prioritization of proposed SLM interventions are essential for ensuring the social equity and maximizing the social benefits of GEF funded micro-project interventions

e. The PALM project also found that integrating community-based resource assessments and land use planning in broader community-driven development planning processes also contributes to optimizing the social impacts of micro-projects implemented with the support of GEF

f. The Pesticide project reported that the objective of the demo projects is to validate and showcase best farming practices, with special

emphasis on reducing the use of pesticides and as such reduce the pesticides-load running into the Caribbean Sea. A more controlled and reduced use of pesticides, which is possible through Integrated Pest Management Strategies, will have a direct impact on the workers' welfare and benefit also the surrounding communities. Risks for consumers are also reduced as lower levels of pesticides residues are expected in the foodstuff.

g. Experience from the IWCAM project underlined that the project was able to bring together community stakeholders around the common objective of improved environmental management in an integrated manner through support for livelihood improvements. In the case of Jamaica, the Demonstration project provided a grant which allowed a Women's Group to fabricate crafts for sale, utilizing waste paper and other materials. By contributing to recycling and waste diversion, the community was able to enhance income generation. In another instance, in Cuba, farm yields, and by extension, income generation was improved by utilizing improved environmental, farming and watershed management practices (e.g. using bio-fertilizers). By implementing improved practices, the activities of the Cuban demonstration project resulted in a 6 hectare increase in forest cover and in more than 10 hectares with applied soil protection measures. A center for organic matter production was started. There was an increase in the production of meat (800%), milk (67%), fruits and vegetables (130%) from the 2006 baseline level at two farms. The salaries for families at the demonstration farms increased by more than 200 Cuban pesos monthly, as a result of the sale of fruits and vegetables produced on the farm. In the Saint Lucia Demonstration Project, the conversion of the very active Fond D'or Watershed Management Committee into a Community Based Organization, the Trust for the Management of Rivers, at project-end, showed the extent to which the community, as a result of its involvement, accepted that ongoing IWCAM can result in benefits to community wellbeing, and moreover, that they have an active role to play in sustainability.

h.

ii. CLO2: Enhancing the catalytic effect of GEF financing with the aim of: identifying, scaling up and replicating best practices, improving the science evidence base to develop projects, strategies and policies, and capturing learning from demonstrations across all focal areas.

a. The ACCESSA project developed good relations with a sister project in Kenya and many of the approaches tested in the former were applied by the latter

b. In the Africa co-generation project, the team discovered that owners of tea and sugar plantation also own wood enterprises, and the introduction of co-generation in the sugar and tea industry is now being transferred to the wood sector as well.

c. The Zambia renewable energy project re-affirmed that demonstrations are an effective way to promote and transfer technology. This point was made in the context of the promotion of bio-gasification systems.

d. From the PEATLANDS project a similar positive lesson is that a project of modest size and scope, with a broad focus, can achieve meaningful results in raising global awareness of a key issue. Similar projects in the future could learn from the project's example of engaging and focusing the efforts of a large number of technical experts on a single critical issue.

e. The PEATLANDS project also points out an important limitation by modest project financing by the Lesson Learned: Demonstration efforts are valuable for identifying and developing environmental management techniques, but to achieve results of any significant scale requires a sustained source of funding to support ongoing management. Ultimately, large-scale restoration efforts will need a sustained source of financing, either from the government or new innovative mechanisms such as carbon financing.

f. Stimulating Community initiatives in Sustainable Land Management: The design of the project, i.e., its implementation in four African Countries, means that comparisons and deductions of patterns will be done with some degree of confidence. The project has already started to identify where up-scaling will be done. The success of the up-scaling across the four countries will create good confidence of the replicability of the practice.

g. The complex Carbon Benefits Project has identified that an important aspect of project coordination is to foster good integration between the two components of "Modeling" and "Measurement and Monitoring" even though the two project components are designed and executed by two different teams.

h. Another Lesson Learned regarding this CLO2 is provided by the LADA project: The ownership of LADA results by the participating countries is somewhat limited. Three factors seem to contribute to this: (i) with only two PSC meetings, the project management team makes most decisions pertaining to the implementation of LADA. As a result, it prevents the development of a strong ownership of the project by stakeholders; (ii) a greater focus on the establishment of a methodology for assessing land degradation worldwide and not enough oriented towards the implementation of this methodology in the six countries; (iii) a lot of effort has been put in the communication area but more seems to be needed, emphasizing cross communication among partners (network). As a consequence, the project should emphasize a decision-making process that is, as far as possible, transparent and participatory. Investing in a participatory decision-making process for the remaining period of the project will contribute to the objective of increasing the ownership of the project results in pilot countries to help maximize the long-term sustainability of LADA results through these countries but also through the international members of the PSC such as GEF and UNCCD Secretariat.

i. The IWCAM project reports that among the best practices being replicated already is the Watershed Area Management Mechanism (WAMM) developed in Jamaica. It includes a series of Steps:
    1. Strengthening of a Governing Body
    2. Commitment to a Vision

3. Development of Simple ToR
4. Development of a Work Plan
5. Reconnaissance of (Natural) Resources
6. Management Approach
7. Establishment of Sub-Committees
8. Implementation of Grants Programme

The WAMM also identifies a Mechanism for Replication. Three other watersheds in Jamaica are preparing to replicate this model, now that the Demonstration project has ended. It further reported that experiences from one component of the Demonstration project in Cuba are being replicated elsewhere within the same Demonstration project. An example is the re-use of agricultural (sugar cane) wastewater as fertilizer for different crops. The Government of St. Lucia has also signaled its intent to replicate the rainwater harvesting and wetland filtration demonstrations from the Fond D'Or watershed in other parts of the island. In the case of the Haina River Demonstration in the Dominican Republic, the Higuano River, in San Pedro de Macorís Province, in the Eastern part of the country, has been identified for replication of the positive experiences of the GEF-IWCAM demonstration project. These include the industrial survey to determine management of industrial waste and cleaner production practices.

j. The MEDPARTNERSHIP project is designed with a replication strategy to assess and support countries in the replication of good practices during the lifespan of the project. This is an innovative approach that has not been undertaken in previous projects and the replication strategy will support not just this regional component of the MedPartnership but also the World Bank Investment Funds projects.

k. UNEP hosts and has direct linkage to Secretariats for POPs, PIC, Basel, MP, SAICM. The mutual benefit of application of lessons learned through feedback to these Secretariats has resulted in an increased direct involvement of Secretariats during the development of specific initiatives for partners.

iii. CLO3: Enhancing the impact of capacity development support provided across focal areas.

a. The ACCESSA project re-affirms the needs for a highly calibrated understanding of stakeholder capacity gaps and needs to deliver useful training. It pays to do a careful capacity assessment before developing training programs.

b. Experience from the PALM project supports this finding as it has been found that enhancing the impact of capacity development activities at the community level, requires an adequate understanding of capacity gaps, not only as viewed by external experts, but as identified by local communities. Local perceptions of knowledge and capacity gaps may change with the acquisition of new information, thus the design of capacity building programs within GEF-funded projects should ensure sufficient flexibility for incorporating changing perceptions of capacity building needs.

c. Lessons Learned from the PALM project also point out that capacity building activities funded through GEF projects tend to focus on short-term capacity needs. Short-term trainings, however, cannot provide an adequate basis for building capacities necessary to support the implementation of long-term, integrated strategies, which are most often essential for supporting the achievement of the goals of GEF projects. The allocation of GEF regional funds for developing long-term capacity building programs through strategic partnerships between educational, public and private sector institutions should thus be considered.

d. On another note, but also regarding capacity building the PALM points out that the involvement of high ranking political leaders in national steering committees and other project governance structures allows for enhancing the political impacts of the project but also makes project governance highly dependent on political changes and disruptions. This leads to a Lesson Learned that in fragile states with frequent political changes, the engagement of middle-ranking, rather than senior officials, in project governance can help to limit the impacts of political instability on project implementation.

e. Even though the Sustainable Management of Inland Wetlands Project has just started it has already been identified as a Lesson Learned that it has been critical to involve all the key government players. Because of staff turnover in some departments, it is important to maintain regular contact with the stakeholders to maintain institutional memory and ensure successful implementation.

f. Staff turnover has also been identified as a significant challenge in the Biosafety portfolio. The major lesson learned from the biosafety portfolio is that capacity building in projects which have interwoven technical, socio-economic and political issues can represent a significant challenge to Agency and national management capacity. Loss of experienced staff at both levels can lead to a significant decline in project performance.

g. The staff turnover issue has also been highlighted in the Sustainable Management of Inland Wetlands project, which has reported that it was important to establish partnerships with key government departments and other organizations to achieve environmental benefits. A major challenge faced was lack of continuity with partners involved in the countries due to high turnover of staff.

h. From the LADA project a Lesson Learned is that despite capacity development is embedded into the second objective of the project; it has been found not to be really part of the four outcomes. These outcomes are focused mostly on achieving products such as maps, methodology and local assessments, as opposed to a comprehensive capacity being built. The review indicates that capacity development is translated mostly in training of key stakeholders from the pilot countries; including the "train the trainers" approach. The approach does not address the institutional, policy and legal aspects related to land degradation that is part of the required capacity of a country to address problems related to land degradation assessment. Through the

LADA project process, country representatives can acquire skills and knowledge in land degradation assessment. However, at the national levels, the existence of a robust methodology and tools will not be sufficient for changing the way the land as a resource is managed: more in-country capacity development activities would be needed to ensure sustainable changes. The project document includes an activity that is to analyze national and local level policy processes for renewable natural resources information, determining suitable entry points for land degradation information, and making available and operational the information system for national and district level planning and practice. Although some initial work took already place in pilot countries during the PDF-B phase, additional analyses may be required to identify the capacity gaps of how land is managed and how land degradation is controlled in each country.

i. Nigeria-Niger IEM project has identified another aspect of Lessons Learned within capacity building, i.e. the problem of getting scientific experts to work together across the border. This has continued to constitute a serious impediment to the production of sound scientific and technical reports at the sub-regional level. The project has continued to populate its database on the roster of experts towards improving on the use of individuals to form consultancy teams for cross-border scientific work in the implementation of the project.

iv. CLO4 : Improving performance monitoring at project and portfolio level

a. The PEATLANDS project has brought around multiple potential lessons related to the project management and implementation arrangements, but these can be distilled into one key lesson: when it becomes clear that there are problems related to project management, these must be adequately addressed as early as possible in a comprehensive manner and through collaboration between implementing and executing agencies.

b. Another aspect of management and monitoring has been highlighted by the Coral Reefs project, namely that the outputs or outcomes cannot be defined in in generic terms. Instead, the target outcome and desired impacts should have been designed and defined to be (i) achievable within a reasonable and specified timeframe (for example, within five years of project completion); (ii) measurable; and (preferably) (iii) quantifiable. Thus, the criteria or indicators for measuring impacts should be clearly expounded in the project document. Furthermore these criteria and indicators must be consistent throughout the document, and between the document itself and the project logical framework.

c. To facilitate identification and take up of Lessons Learned, the Coral Reefs project also identifies the need for early establishing criteria. Criteria for identifying those projects that demonstrated "uptake" and application of lessons, toolkits and other project outputs should have been applied at the early stage of project implementation. This would have facilitated faster verification of project results and impacts.

v. Other Lessons Learned and Best Practices

a. From the PALM project is has been identified that overly strict interpretation and application of GEF guidelines and rules can limit the potential for innovation. Task managers at the implementing agencies can provide valuable guidance in this respect.

b. The Building Scientific and Technical Capacity for Effective Management and Sustainable Use of Dryland Biodiversity in West African Biosphere Reserves Project has brought around a specific recommendation for the GEF Secretariat to consider revisiting its one language policy. This project took place in solely francophone countries. The country reports were all in French, but the main reports (PIR and evaluations) were in English. While costly and time-consuming translations can be and were done, the evaluator got the impression that the national teams did not always understand the English reports and to some extent, translations failed to pick up the nuances of the original language. Although it goes against current GEF policy, there is a lot to be said for GEF taking a multilingual approach and allowing the exclusive use of one of the other global languages when projects are run in countries where the lingua franca is a language other than English.

c. Continued awareness raising was a Lesson Learned in the Coral Reefs project: It does not necessarily follow that, once people are made aware of a particular coral reef management strategy, they will automatically utilize it in practice. The diffusion and uptake of knowledge takes time. This process is promoted by reinforcement and repetition, which was somewhat lacking in the project.

d. From the Coral Reefs project it is noted that while websites provide a convenient means for disseminating information, they are a passive tool, and need to be backed up by more active efforts to develop greater visibility and "name recognition" among stakeholders. This could include awareness campaigns, workshops and seminars. Such supporting efforts will help to promote greater sustainability and effectiveness of project products.

e. A Lesson Learned from the PEATLANDS project relates to management structure, because the project's institutional arrangements, with one administrative head and one technical lead, proved problematic, as there was insufficient information flow from the ground level of the technical components to the central level for reporting and other purposes. In this sense it would have been helpful if project management functions had been consolidated in one organization, with hierarchical responsibility to a single individual.

f. The Coral Reefs project has had similar experiences and notes that the hiring of project leader/project manager, should have been done at a very early stage. Similarly, agreements with prospective partner institutions should have been forged immediately after the approval of the project to avoid delay.

g. Further to management structures the PEATLANDS project found that Steering committees can be useful in providing oversight and

technical guidance for project implementation, but the utility of such structures must be balanced against the cost of operationalizing them. The constitution of a steering committee can also be structured to involve key stakeholders and constituencies, which can increase cost-effectiveness.

h. A Lesson Learned from the complex Fouta Djallon Highlands Project relates to another aspect of Management Issues and is also related to the above category of capacity in CLO3: The project is institutionally very complex and has been designed in a way that if all goes as planned and if all the stakeholders fulfill their commitments, the real ownership and sustainability can be achieved. The project has been designed to work in 8 countries under the umbrella of the African Union's Fouta Djallon Highland's program to ensure the institutional, social and financial sustainability of the project. In addition, the project is counting on a strong country ownership. The project has certainly benefited from the former experiences of AU in the region and its political connections. However, at the moment, the project is running understaffed due to the lack of permanent International Coordinator at AU, who has a major role to play in this project. The small project team composed of FAO and 1 technical AU staff is making most of the decisions concerning the project, which are partly institutional by nature, especially regarding the 1st component of the project. Project should foster the co-ordination mechanisms to fully benefit of the regional experiences and other institutions in the region. The project is realizing that some institutions operating in the project are not fulfilling their promises, especially the co-financing aspect. The same applies for the 8 countries. There is need to establish functional co-financing mechanisms; this has not been well thought during the project design phase or during the implementation phase. The project is also thinking about how to foster the country ownership and participation of the countries in decision making. The participation of a country culminates in the goodwill of the Focal Point. No matter how motivated the countries maybe have been in the planning phase, this has not shown so far in the implementation. The project has not seen proactive behavior from Focal Points (except Mali and Guinea). Focal points are politically nominated by their ministers, not necessarily the most capable persons to do the job. In implementation phase one lesson learnt is that to be able to operate a complex regional project at country level, the project needs to hire a national coordinator, and not rely on a government officer who is not paid to do this job.

i. The Coastal Tourism project has encountered some similar obstacles and reports that country level 'ownership' remains a challenge with six partner countries making changes to their SCM representation in this second year (i.e. Kenya, Tanzania, Nigeria, Ghana, Gambia and Senegal).

j. Also the WIO-LaB project reports issues with high staff-turnover, which is linked to limited existing capacity in the relevant Ministries of most developing countries. Even if there are highly skilled and committed individuals, they are relatively few in number, and they are having multiple responsibilities. This is often exacerbated by high staff turnover – again because of the high demand for skilled individuals. It is therefore unrealistic to expect them to take on the additional

responsibility of implementing a GEF-funded project (or any other large project) without making provision in the project budget to hire additional staff for this purpose – even if only to provide assistance to existing staff. This was done in, for example, the Globallast project, and was a key factor in the successful implementation of that project.

k. The Coastal tourism project has had the same issues with low capacity and lack of resources to hire in-country staffing support for coordinating demonstration project activities as well as at the regional technical and managerial level. While it has been possible to re-design the project structure to enhance coordination capacity at the demonstration project level, owing to budget constraints it has not been possible to expand the technical staff complement at the regional level. This capacity limitation is likely to cause delays in implementation and may affect the final outcomes of the project if left unresolved.

l. The IWCAM project has had the same experiences regarding funding to in-country staff and in particular attributes its success to the availability of earmarked funding for a Project Manager. This said the project also highlights that in some cases related to especially small countries, even with the necessary funding available for in-country staff, appropriate candidates with the right technical expertise or project management expertise can be hard to come by, due to limited population and experience with international project management.

m. The Fouta Djallon Highlands Project highlights the issue of co-financing. The Project has not established functional co-financing mechanisms yet; this has not been well thought of during the planning phase or during the implementation phase so far. It seems that the countries or AU have not understood their commitments and see the GEF budget as the only budget. However, ¾ of the overall project budget should come from co financing. This is out of FAO's /RPCU's control, but at the same time the RPCU is responsible for gathering the co-financing reports. The countries themselves are responsible for the reporting and of transparent and proper use and management of these funds. A lesson learnt is that there should be more emphasis on this aspect in the design phase of the project, so that the involving institutions and countries really understand their commitments.

n. As usual with Lessons Learned and Best Practices, they depend on the scope and location of the project. In opposition to other projects the Russian Arctic project reports that the success of the project depends on the degree of involvement of top-level stakeholders from governmental institutions at federal and regional level. The project attributes its success to sustained political commitment at federal and regional levels, but also to the broad-based public support including support of indigenous communities ensuring project ownership. Project recommendations have been brought up to the highest level possible (i.e., the Marine Board chaired by the Russian Prime Minister) as to ensure sustainability. SAP actions were taking into account in FTOP "The World Ocean" for 2008-2012 and in other documents related to the Russian Arctic. The Maritime Board at the Russian Federation Government also recommended that all relevant federal and regional authorities and companies be guided by the SAP when preparing

programs related to development of the Arctic zone of the Russian Federation.

o. Lessons Learned from the Biosafety Portfolio are particular important to UNEP, as part of UNEP's comparative advantage and as per UNEP's mandate. UNEP's focus on biosafety support has continued despite the difficult conditions with the dynamic changes due to the RAF allocations and now the STAR allocation. With the field experience and lessons learnt from previous GEF interventions, it is extremely important that attempts are made to develop mechanisms to address the call made by COP/MOP to ensure that the impact of GEF support to the Cartagena Protocol on Biosafety does not end but rather strengthened implementation in the new BS Strategy 2011 – 2020. In that vein, the following are recommended as issues that could enhance the continuous delivery of biosafety support:

1. Measures and efforts should be put in place by UNEP and its collaborative partners to mainstream biosafety issues into the ongoing international environment governance discourse and also sustainable development discussions;
2. State Parties and relevant institutions, should put in place mechanisms to facilitate harmonization of technical measures as per the obligations to the Cartagena Protocol on Biosafety. This would help in handling transboundary movements of Living Modified Organisms and calls for joint cooperative measures. Currently, with the exception of the European Union, the obligations to implement the Protocol lies with State Parties whilst the primary focus is on transboundary movements;
3. All stakeholders should join efforts for strong "championship" and political leadership in domesticating biosafety regulatory instruments and making it operational to meet the Protocol obligations;
4. The GEF Secretariat should consider the options of set aside funding to provide the needed global technical and monitoring support outside of the STAR which can generate tools to strengthen the implementation projects on Biosafety;
5. Future biosafety interventions should focus on:
   - addressing specific thematic issues and regional specific interventions which could facilitate handling of LMOs;
   - Shared resources and expertise in biosafety to facilitate decision making and pre and post approval monitoring and enforcement;
   - Promotion and sustained national/regional support to build biosafety research data which would assist decision making;
   - Collaborative and cooperative support in line with Articles 14 and 22 to sustain the inertia and capacity in implementing the Cartagena Protocol on Biosafety as envisaged in the next ten-year strategy on biosafety by the Convention on Biological Diversity.
   - Some of the potential areas worth considering as shared project interventions could include the following:

- Provision of global tools and studies on harmonized approaches to Risk Assessment/Risk Management;
- Model regulations/guidelines/operational Manuals to support decision making;
- Enhanced capacity and tools on monitoring and enforcement supported by studies on impacts of LMOs on the environment;
- Technical and program management support to assist in the development of tools/toolkits to facilitate the delivery of the Biosafety Strategy 2011 – 2020.

5. Administrative Expenses

This section will be completed as soon as certain clarification is sought from GEFSec.

Appendix 1: UNEP Summary List FY2010

(attached as separate Excell File)