



# Global Environment Facility

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INTERSESSIONAL WORK PROGRAM  
SUBMITTED FOR COUNCIL APPROVAL

## ACRONYMS

ADB – Asian Development Bank  
CBD – Convention on Biological Diversity  
CEO – Chief Executive Officer  
EU – European Union  
FSP – Full-sized Project  
FY – Fiscal Year  
GEF – Global Environment Facility  
IA – Implementing Agency  
IABIN – Inter-American Biodiversity Information Network  
IDA – International Development Association  
IFAD – International Fund for Agricultural Development  
IFC – International Finance Corporation  
IWP – Intersessional Work Program  
LME – Large Marine Ecosystem  
MAC – Marine Aquarium Council  
M&E – Monitoring and Evaluation  
MAMTI – Marine Aquarium Market Transformation Initiative  
MPD – Marine Parks Division  
MSP – Medium-sized Project  
NBSAP – National Biodiversity Strategic Action Plan  
NCSA – National Capacity Self Assessment  
NFPS – National Forest Policy and Strategy  
NGO – Non-Government Organization  
OECS – Organization of Eastern Caribbean States  
PDF – Project Development Facility  
POP – Persistent Organic Pollutants  
SADC – South African Development Corporation  
SGP – Small Grants Programme  
STAP – Scientific and Technical Advisory Panel  
TURF – Territorial Users Rights Fisheries  
UNDP – United Nations Development Programme  
WB – World Bank  
WP – Work Program

## Table of Contents

I. Projects in the Proposed Intersessional Work Program.....	1
II. Work Program .....	2
Co-financing and Co-financing Trends.....	3
Fee and Fee Ratios .....	4
Project for replenishment.....	5
III. Work Program Highlights .....	5
Strategic Priorities.....	6
Capacity Building .....	6
Stakeholder Participation .....	7
Replicability.....	8
Sustainability.....	8
Country Ownership.....	9
Science and Technology Issues.....	9
Monitoring and Evaluation .....	9
Private Sector Participation.....	10
Innovation .....	10
Risks.....	10
Inter-agency Cooperation.....	11
Project Logical Frameworks and Indicators.....	11
IV. Approved Projects Under Expedited Procedures (4 <sup>th</sup> Quarter , 2003).....	12
Medium-sized Projects .....	12
Project Development Facility.....	12
Enabling Activities.....	12
Projects Approved Under the Policy of Expanded Opportunities .....	13
Annex A. Project Proposals Submitted for Council Approval, February 2004	
Annex B: Medium-Sized Projects Under Expedited Procedures	
Annex C: Project Development Facility – PDF A	
Annex D: Project Development Facility – PDF B/C	
Annex E: Enabling Activities under Expedited Procedures	

## I. PROJECTS IN THE PROPOSED INTERSESSIONAL WORK PROGRAM

### Biological Diversity

- **Regional (Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago, Uruguay, Venezuela):** Building the Inter-American Biodiversity Information Network (IABIN) (WB)
- **Regional (Indonesia, Philippines):** Marine Aquarium Market Transformation Initiative (MAMTI) WB/IFC
- **Regional (Antigua and Barbuda, the Commonwealth of Dominica, Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines):** OECS Protected Areas and Associated Sustainable Livelihoods (WB)
- **Bulgaria:** Forest Development Project (WB)
- **Guinea:** Coastal Marine and Biodiversity Management (WB)
- **Malaysia:** Conserving Marine Biodiversity through Enhanced Marine Park Management and Inclusive Sustainable Island Development (UNDP)
- **Russian Federation:** Conservation and Sustainable Use of Biodiversity in the Altai-Sayan Montane Eco-region (UNDP)
- **Senegal:** Integrated Marine and Coastal Resource Management (WB)

### Climate Change

- **Botswana:** Renewable Energy-based Electrification Program (UNDP)
- **Pakistan:** Commercialization of Wind Power Production (UNDP)

### International Waters

- **Regional (Botswana, South Africa, Zimbabwe, Mozambique):** Groundwater and Drought Management in SADC (WB)
- **China:** Guangdong - Pearl River Delta Urban Development (WB)
- **Romania:** Hazard Risk Mitigation and Emergency Preparedness Project (WB)

### Multi-focal Area

- **Tajikistan:** Community Watershed Development (WB)
- **Global:** Small Grants Programme (Second Operational Phase – Year 6) (UNDP) (project due for replenishment)

## II. WORK PROGRAM

1. The Chief Executive Officer (CEO), having reviewed the conclusions and recommendations of the project review meetings with the Implementing Agencies, proposes to the Council the approval of this Intersessional Work Program. It consists of 14 new full-sized project (FSP) proposals and one on-going project (the Small Grants Programme) due for replenishment, for a total GEF allocation of \$109.384 million (see Annex A for details on these projects):

Biodiversity	\$	42.204 million	( 8 new projects)
Climate Change	\$	6.780 million	( 2 new projects)
International Waters	\$	24.700 million	( 3 new projects)
Multi-focal Area	\$	4.500 million	( 1 new project)
<u>Multi-focal Area</u>	<u>\$</u>	<u>31.200 million</u>	<u>( 1 on-going project for replenishment)</u>
Total GEF Allocation	\$	109.384 million	(15 projects)
<i>Total project cost</i>	<i>\$</i>	<i>737.682 million</i>	

2. All but two of the project proposals in this work program had utilized project development facility block B (PDF B) grants amounting to \$3.997 million. Two of these proposals have also used project development facility block A (PDF A) grants.

3. The trend in GEF allocations for work programs is presented in Table 1. The cumulative amounts in the last five years including those that had so far been covered under the current fiscal year 2004 (July 2003 – June 2004) show that the biodiversity and climate change focal areas had each received almost equal share of GEF allocation at 34% each. The international waters and multi-focal areas received 18% and 10%, respectively. Focal areas in ozone depletion and persistent organic pollutants (POPs) had almost equal shares at 2% each. Except for fiscal year 2002, GEF's yearly work program submissions had surpassed \$400 million. Total work program allocations for fiscal year 2004 are anticipated to be approximately the same once the May 2004 work program submission is completed.

**Table 1. FSP Trends in the Work Programs of FY 1999 to FY 2004\*  
by Focal Area (\$ million)**

Fiscal Year	Biodiversity	Climate Change	International Waters	Multi-focal Areas	Ozone Depletion	POPs	Totals
FY1999	181.48	125.45	96.28	35.13	34.71		473.05
FY2000	182.75	186.41	47.43	29.12	7.51		453.22
FY2001	185.30	177.52	74.83	26.05		6.19	469.89
FY2002	86.54	133.80	80.11	42.23			342.68
FY2003	122.79	171.65	79.60	75.56	2.09	40.32	492.01
FY2004*	122.91	102.07	90.15	66.70			381.83
Total	881.77	896.90	468.40	274.79	44.31	46.51	2612.68
	34%	34%	18%	10%	2%	2%	100%

Note: Table includes non-expedited MSPs and EAs that were submitted for Council approval

\*The amount includes projects from the July 2003 IWP, November 2003 WP and this proposed February 2004 IWP

## Co-financing and Co-financing Trends

4. The proposed sources of co-financing for this current work program, as shown in Table 2, come from bilateral and multilateral agencies, recipient governments, foundations, local and international non-government organizations (NGOs), the private sectors, and other sources. The total co-financing is \$628.298 million which when added to the total GEF allocation gives a total project cost value of \$737.682 million. Every dollar of GEF allocation is accompanied by 5.74 dollars in co-financing which is significant when compared to the previous fiscal years where the co-financing ratios ranged from 2.13 to 4.39 (see Table 3). However, this assessment has to be tempered by the fact that one project (see para. 5 ) accounts for nearly 68 percent of the co-financing in this work program.

5. In terms of focal areas, the international waters portfolio offer the highest co-financing ratio at 1:18 or 95% of the project cost come from co-financing; however, it is to be noted that this high co-financing ratio is largely due to a single project – *China: Guangdong - Pearl River Delta Urban Development*, where \$10 million of GEF financing is accompanied by \$427.35 million of co-financing.

6. The next highest level of co-financing ratio is the biodiversity portfolio at 1:3.2 or 76% of total project cost. Climate Change and multi-focal areas portfolio offer the least at about 1:1 ratio. On the average, co-financing provided 85% of total project cost in this February IWP.

**Table 2. Proposed FSP Co-financing in the February 2004 Intersessional Work Program (\$ m)**

	Biodiversity	Climate Change	International Waters	Multi-focal Areas	Total
<i>GEF grant</i>	42.20	6.78	24.70	35.70	109.38
<b>Co-financier Type</b>					
Bilateral	4.46		5.47		9.93
Foundation	1.20				1.20
Government	33.06	4.90	268.89	0.90	307.74
Multilateral	60.72	0.01	170.64	10.00	241.36
NGO	15.92				15.92
Private Sector	13.43	1.20			14.63
Others	6.68		0.44	30.40	37.52
<i>Sub-total Co financing</i>	135.47	6.11	445.44	41.30	628.30
<b>Total Project Cost</b>	<b>177.67</b>	<b>12.89</b>	<b>470.13</b>	<b>77.00</b>	<b>737.68</b>
GEF: Co-financing Ratio <sup>1</sup>	1:3.2	1:0.9	1:18	1:1.16	1:5.74
Percentage Co-financing <sup>2</sup>	76%	47%	95%	54%	85%

7. Table 3 shows the trend in total co-financing and co-financing ratios of the past five years including up to the February 2004 IWP. The average co-financing ratio is 3.45. The climate change portfolio accounts for almost half of the total co-financing with the biodiversity following a distant second at 26% and international waters at 17%, respectively.

<sup>1</sup> One dollar of GEF allocation leverages X dollars in co-financing.

<sup>2</sup> Share of co-financing of the total project cost.

**Table 3. FSP Trends in Work Program Co-finance and Co-financing Ratios for FY 1999 to FY 2004**

Fiscal Year	Total GEF Allocation (\$m)	Co-financing Numbers (\$million)							Co-finance Ratio
		Biodiversity	Climate Change	International Waters	Multi-focal Areas	Ozone Depletion	POPs	Totals	
1999	473.05	341.59	436.49	121.99	31.11	77.05		1008.23	1:2.13
2000	453.22	406.13	1309.84	40.31	46.00	1.00		1803.28	1:3.98
2001	469.89	787.25	617.32	95.81	77.39		3.13	1580.9	1:3.36
2002	342.68	198.96	881.27	248.83	173.96			1503.03	1:4.39
2003	492.01	236.24	915.98	367.9	228.05		51.77	1799.93	1:3.66
2004*	381.83	385.78	149.19	642.68	152.28			1329.93	1:3.48
Total	2612.68	2355.94	4310.09	1517.52	708.78	78.05	54.9	9025.29	1:3.45

Note: Table includes non-expedited MSPs and EAs that were submitted for Council approval

\*Cumulative submissions up to February 2004 IWP

### Fee and Fee Ratios

8. Fees are paid to the agencies for GEF project cycle management services. Table 4 shows the fees by focal area. The total IA fees requested for this work program is \$12.618 million, which translates into a fee ratio of 11.54%.

**Table 4. Proposed FSP Implementing Agency Fees for February 2004 IWP**

Focal Area	GEF Grant (\$m)	IA Fee (\$m)	No. of Projects	Fee Ratio (%)
Biodiversity	42.20	6.196	8	14.68%
Climate Change	6.78	0.764	2	11.27%
International Waters	24.70	3.730	3	15.10%
Multi-focal Area	35.70	1.928	2	5.40%
Total	109.38	12.618	15	11.54%

9. As can be observed in Table 5, this IWP's fee ratio is relatively higher than the historical ratios. Since the fees of the projects are flat, the factor that can influence the fee ratio is the grant amount. Indeed, the average grant of this IWP (\$7.29 m) is lower compared to most other periods, which explains the resulting fee ratio. Furthermore, given that an IWP contains a lower number of projects than the usual WPs, some variance in the results were to be expected.

**Table 5. FSP Trends in IA Fees from FY 2000 to February 2004 IWP**

<b>Fiscal Year</b>	<b>GEF Allocation (\$m)</b>	<b>IA Fees (\$m)</b>	<b>Project Count</b>	<b>Fee Ratio<sup>3</sup> %</b>	<b>Average Grant (\$m)</b>
2000	439.11	30.44	41	6.93%	10.71
2001	443.80	33.56	52	7.56%	8.53
2002	334.35	34.19	48	10.23%	6.97
2003	491.01	43.99	67	8.96%	7.33
2003-Aug	43.74	5.85	10	13.38%	4.37
2003-Nov	228.70	20.00	20	8.75%	11.43
2004-Feb	109.38	12.62	15	11.54%	7.29
<i>2004 Cum</i>	381.82	38.48	45	10.08%	8.48

Note: Table excludes non-expedited MSPs, and EAs that were submitted for Council approval

### **Project for Replenishment**

10. The Second Operational Phase of the GEF Small Grants Programme (SGP) was approved by the GEF Council in October 1998. A two-year replenishment for \$31.619 million was granted and it was agreed that a subsequent annual “rolling” financial modality would be adopted to ensure continuity of activities. Since then three yearly replenishments have been approved, the last of which for \$27 million, to cover SGP operations until February 18, 2004 (year 5 of the Second Operational Phase). The submission of the *Global: GEF Small Grants Programme (Second Operational Phase – Year 6)* constitutes the basis for Council deliberations on the replenishment for year 6 (February 19, 2004 to February 18, 2005) for a GEF allocation of \$31.2 million.

11. A strategy for an expanded Small Grants Programme as agreed by the Council at its October 2002 meeting would be submitted for Council consideration at the May 2004 Council meeting.

### **III. WORK PROGRAM HIGHLIGHTS**

12. The 15 projects contained in this work program went through a review process that scrutinized the projects’ compliance with the Project Review Criteria including the analysis of incremental cost, project logical framework and responses to STAP, Implementing agencies and the GEF Secretariat. The projects cited below illustrate the responsiveness to new strategic priorities, capacity building, stakeholder participation, replicability, sustainability, country ownership, science and technology, monitoring and evaluation, private sector participation, innovation, risk, inter-agency cooperation, and requirements of logframes and indicators.

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<sup>3</sup> The fee ratio is defined as IA fee divided by the GEF allocation



## Strategic Priorities

13. Strategic priorities are major themes under which resources are programmed within each of the focal areas. The strategic priorities for each focal area were presented in the GEF Business Plan FY04-06 discussed by the Council at the May 2003 meeting.

14. The *Bulgaria: Forest Development Project* (World Bank) conforms with OP#3, and is responsive to Strategic Priority 2 (Mainstreaming Biodiversity Conservation in Production Systems/Sectors) and Strategic Priority 1 (Catalyzing Sustainability of Protected Areas). This is in the context of transiting the forest sector into the national economy. The Council of Ministers in Bulgaria approved the National Forest Policy and Strategy (NFPS) in October 2003, and this blended operation with the World Bank aims to mainstream biodiversity conservation into the forestry sector, consistent with Strategic Priority 2.

15. The strategic priority in the climate change focal area, "Power Sector Policy Frameworks supportive of Renewable Energy and Energy Efficiency" is manifested in the *Pakistan: Sustainable Development of Utility-Scale Wind Power Production Project* (UNDP). Through this project, the Government of Pakistan intends to improve the conditions for investment of independent power producers into large-scale wind energy projects. Based on preliminary market and resource studies, the project will develop a "policy package" for wind power, including an appropriate tariff regime, a policy and incentives package, and a legal framework applicable to wind power generation. In addition, the project will enhance the capacities of the Private Power Infrastructure Boards, and the Alternative Energy Development Board, to better address the needs of private investors through the establishment of a "one-window" facility for information and regulatory business services for renewable energy projects. Other capacity building efforts support the overall enabling environment, like a wind map for selected areas, and a clearinghouse mechanisms for awareness raising and dissemination of wind power information with the Pakistan Council of Renewable Energy Technology to foster stakeholder involvement and private sector interest, also for the buildup of a wind industry in Pakistan. This project is scheduled to take place in two phases. The first phase, for which \$3.475 million is requested in this work program, is policy-oriented. In the subsequent phase, private engagement is expected to be induced with a large financial leverage - the total project is expected to have a GEF:cofinance ratio of almost 1:9.

16. The *Romania: Hazard Risk Mitigation and Emergency Preparedness Project* (World Bank) addresses the top international waters strategic priority, catalyzing financial resources for implementation of agreed waterbody action programmes and demonstrates a good example of interagency cooperation, country drivenness, and replicability. While other GEF projects reduce the nutrient over-enrichment problem of the Danube basin, this project helps to catalyze finance for pilot remediation of toxic pollution from mining sites in a Danube tributary. The sites were identified as priorities in the Danube Basin Transboundary Diagnostic Analysis undertaken through UNDP.

## Capacity Building

17. The issue of capacity building has become a major priority within the global conventions, the GEF and the international community.

18. The *Regional: Building the Inter-American Biodiversity Information Network (IABIN) Project* (World Bank) is a regional capacity building initiative presented as an enabling activity under the biodiversity focal area. It provides direct support to the national focal points of the Clearinghouse Mechanism of the CBD, and enhances countries in the Latin American and the Caribbean region to exchange information on biodiversity to better implement the Biodiversity Convention. This project is an excellent example of capacity building support and has a very strong replication potential to other regions.

19. The *Malaysia: Conserving Marine Biodiversity through Enhanced Marine Park Management and Inclusive Sustainable Island Development Project* (UNDP), the *Guinea: Coastal Marine and Biodiversity Management Project* (World Bank), the *Senegal: Integrated Marine and Coastal Resource Management* (World Bank), and the *Regional: OECS Protected Areas and Associated Sustainable Livelihoods Project* (World Bank) all include substantive elements on capacity-building. The Malaysia project will address it as a cross cutting issue.

20. The *Regional: Groundwater and Drought Management in SADC Project* (World Bank) is the first project in the GEF portfolio that focuses on groundwater resources management as a way to protect groundwater dependent ecosystems in drought prone areas, and to adapt to the expected increased frequency of extreme climatic events. The project will build the regional capacity to assess and manage the existing large sub-surface water resources, including the establishment within SADC of a Regional Groundwater Drought Management Institution, and will demonstrate in two large pilot areas within the transboundary Limpopo basin, the development and testing of Groundwater Management Plans. These plans will concentrate on the strategic uses of shallow and deep aquifers, including the protection of alluvial plain ecosystems which are largely dependent on shallow groundwater.

21. The goal of the *Regional: Marine Aquarium Market Transformation Initiative (MAMTI)* (World Bank/IFC) is to transform the marine aquarium trade of the Philippines and Indonesia to ecological and economic sustainability using conservation management and rehabilitation to ensure the health of the coral reef ecosystems and their contribution to poverty alleviation and food security. MAMTI aims to shift the behavior of the existing marine aquarium industry towards more responsible behavior through the provision of rewards for such behavior. The reasoning is that incentive creation for fishermen would lead them to seek protecting reefs from all threats (e.g. blasting, poison fishing for live food fish, etc.). The project is expected to build the capacity of more than 150 fishing cooperatives to manage coral reefs in a sustainable manner. It will also build the capacity of a major portion of the supply chain to handle and transport marine ornamentals in a sustainable fashion.

### **Stakeholder Participation**

22. The Malaysia project is a best practice example of stakeholder participation. Consultations and participatory meetings took place at the three proposed project sites. Other biodiversity projects in Guinea, Senegal and OECS countries address the issue of identifying key stakeholders involved in preparation and those involved in project implementation. In preparing the regional MAMTI project proposal, the project sponsors have catalyzed support from an impressive array of stakeholders, including government agencies, private sector companies, local

governments, industry associations, NGOs, and community groups in the Philippines and Indonesia.

### **Replicability**

23. The biodiversity project in Bulgaria on *Forest Development* has several replicable initiatives designed into it, and is expected to be facilitated through regulatory and procedural guidelines and operational plans that will be applied to forest management. Other biodiversity projects in Malaysia, Guinea, Senegal and the OECS countries have also committed resources to support dissemination of lessons learned.

24. The regional project on *Building the Inter-American Biodiversity Information Network (IABIN)*, because of its excellent support for capacity building, has also been cited as having a very strong replication potential in other regions.

25. As part of a larger lending operation reducing the hazard from disasters, the international waters project in Romania on *Hazard Risk Mitigation and Emergency Preparedness* helps leverage a replication commitment from the government through finance in a subsequent loan under early preparation.

26. The regional MAMTI project proposal has high potential for replication for numerous reasons: Firstly, municipalities in the Philippines have already expressed interest in replicating the coral reef conservation and sustainable fishing activities exhibited at the Marine Aquarium Council (MAC) pilot sites. Secondly, some NGOs have already begun examining the potential to establish a MAC-like certification system for the live reef food fish trade. Finally, MAMTI is expected to catalyze sufficient market forces such that industry operators will be compelled to adopt MAC certified practices even after the project ends.

### **Sustainability**

27. The *Russian Federation: Biodiversity Conservation in the Altai-Sayan Mountain Ecoregion Project* (UNDP) will look at some options for innovative economic instruments (including user fees, taxes, fines, ecological services) as well as mobilize funding from regional and federal government budgets. Long-term financial stability and continuity are critical and the financial strategy will be addressed and elaborated upon by the time of CEO endorsement.

28. The biodiversity project in Bulgaria will generate revenue streams from taxation, as well as revenues from EU pre-accession schemes, and this shows that the project objectives will be financially and institutionally sustainable.

29. The biodiversity projects in Malaysia, Guinea, Senegal, and the OECS countries will be addressed through various means: government commitments to cover recurrent cost financing, strong stakeholders participation, constituency support, institutional strengthening and strong capacity-building efforts, sustainable financing schemes through increased visitation to PAs as in the Malaysia and OECS projects. They will also ensure the sustainability of the capacity built. In the case of the OECS and Senegal projects that proposes to manage biological resources for productive purposes, the impacts of extractive activities will be closely monitored so harvesting

levels and methods of extraction can be adjusted as needed to achieve the conservation objectives sought under the projects.

30. The MAMTI proposal is based on a rigorous business plan and multiple market studies which indicate strong potential for MAC-certified practices to offer both environmental and financial benefits; as a result, market forces are expected to sustain the shift towards MAC-certified practices even after the project ends.

### **Country Ownership**

31. Country ownership is assessed in several ways. In the case of the Malaysia project, this is shown through interest in replicating efforts in the larger subset of MPDs, cross-sectoral integration, improved development planning, interest in involving key stakeholders and improving policy and regulatory frameworks. In the case of Senegal and Guinea, country ownership is demonstrated through the strong implementation of the NBSAP for which this project is a priority and the willingness to commit IDA resources for this activity. In addition in Senegal, through strengthening the fishery sector, the government is willing to strengthen local stakeholders participation in managing their resources. In the OECS project, country ownership is shown through the interest to strengthen the institutional framework supporting the national system of protected areas, increased public awareness and the implementation of priorities identified in their NBSAPs, the Cartagena Convention, NEAs, the St. George Declaration of Principles for Sustainability of OECS countries for improving national and regional management strategies for parks and protected area systems.

### **Science and Technology Issues**

32. As emphasized by the STAP reviews for both the *Bulgaria Forest Development Project* and *Russia Altai-Sayan Mountain Ecoregion Project*, linkages of these biodiversity projects with climate change – both from the mitigation and adaptation aspects – will be stressed during further project preparation and implementation.

### **Monitoring and Evaluation**

33. The *Botswana: Renewable Energy-Based Rural Electrification Programme* (UNDP) will supply sustainable energy services to 88 villages in Botswana. More than 5000 households will be given access to clean lighting, and more than 1000 households will be provided with the more extensive supply of electric power from a solar home system. Incorporating lessons learned from past projects, this project tries to bolster the process of rural electrification with a combination of interventions that improve the local technical capacities, the political framework conditions, the access to finance, and the education of consumers on the correct handling and advantages of renewable energy services. The information and awareness campaign will be implemented with a specific project component that deals with the extraction of experiences and lessons learned from this project, and the development of a scale-up and replication strategy. This knowledge-focused approach is part of a new trend among projects in the climate change focal area, and of the larger efforts of UNDP/GEF at knowledge management for solar photovoltaic in Africa within and outside of the GEF family.

## **Private Sector Participation**

34. The *Russia Altai-Sayan* project will mobilize more than \$4.0 million from the private sector through a tourist company (Sayan Ring) with a view to developing green tourism. This is an exciting venture, but needs to be monitored closely with a view to learning lessons and catalyzing replication.

35. Private sector participation is expected particularly in the Malaysia project through tourism development in the key protected areas. This approach seems to have good future as the areas are particularly attractive and in a good biodiversity conservation stage. The government of Malaysia accepts the need to minimize the negative impacts of tourism development.

36. The regional MAMTI project is expected to mobilize over \$8 million in private sector investment as marine ornamental exporters, importers and retailers upgrade their facilities to adopt practices certified by the Marine Aquarium Council.

## **Innovation**

37. An interesting scheme in the Senegal project, which could be considered an innovation is the establishment and strengthening of Territorial Users Rights Fisheries (TURFs). TURFs would allow local fisheries to be managed by local communities with potentially substantive financial benefits to them. TURFs design and implementation could be adjusted as needed in light of socioeconomic and socio-cultural conditions in different parts of the Senegal coast. This system will be applied in 3 sites and, if successful, would be expanded to 12 sites. After the mid-term review, the number of intervention sites would be increased to cover at least 50% of fisheries in the three pilot areas.

## **Risks**

38. The Altai-Sayan ecoregion spans three countries: Russia, Mongolia, and Kazakhstan (the Kazakhstan project is under preparation). It is anticipated that these countries will have transboundary arrangements to ensure the overall conservation management of the ecoregion. While there is good co-operation at the present time from the three sides on the ecoregion, it is critical that close attention be paid to this aspect.

39. The issue of population growth in particularly sensitive coastal/marine areas in Senegal, Guinea and OECS projects has been highlighted by the review. The World Bank will work closely with the governments of these countries to minimize this risk as much as possible. The issue of over-extraction of biological resources in the OECS and Senegal projects has been highlighted and will be addressed through close monitoring (see section on sustainability).

40. In Tajikistan, about twenty percent of the population lives in hilly and mountain areas where access to most government services is limited. Rural poverty, shifts in land management responsibilities, lack of integrated land management, inappropriate agriculture, and poor access to technical support are causing increasing land degradation. The Tajikistan: Community Agriculture and Watershed Development Project (World Bank) takes on project risks by focusing mainly on local stakeholder capacity and motivation for the sustainable management of land

resources. At the national level, old top-down approaches might not allow communities to drive investment choices. For each identified risk, a mitigation strategy has been identified and the M&E system will closely monitor the identified risks in order to adapt the project implementation strategy if needed.

### **Inter-agency Cooperation.**

41. Good examples of inter-agency cooperation are illustrated by the cases of the Senegal and the Guinea projects which will closely coordinate with IW projects on the Large Marine Ecosystem (LME) for the region. The LME is dealing with the larger regional fishery issue. In addition, in the case of Senegal, it will address watershed management coordination with the existing IW project. The OECS projects will support implementation of regional agreement and will work with countries to look into the possibility of ratifying biodiversity-related conventions such as the Bonn Convention on Migratory Species and the Ramsar Convention.

42. The international waters project in China entitled *Guangdong – Pearl River Delta Urban Environment* addresses the main hot-spot of land-based pollution in the South China Sea, as confirmed by the findings of the ongoing GEF project “Reversing Environmental Degradation Trends in the South China Sea”. The World Bank is integrating loans for large water treatment infrastructures with incentives for smaller scale inter-municipal water treatment facilities and for private sector interventions. Inter-municipal collaboration is expected to reduce costs and to be replicated in the Delta area and beyond.

### **Project Logical Frameworks and Indicators**

43. Projects submitted into this work program meet the expected standards for logframes and indicators for projects at this stage of the GEF project cycle. Each project is expected to have clearly identified a hierarchy of objectives, e.g., goals, objectives, outcomes, outputs and inputs, with associated indicators. The GEF M&E Unit has been working on indicators over the last few years and its publications provide some guidance to project managers in this regard. These indicators are identified at the time of work program inclusion and, as the project is further prepared, quantifiable targets are set prior to CEO endorsement.

#### IV. APPROVED PROJECTS UNDER EXPEDITED PROCEDURES (4<sup>TH</sup> QUARTER, 2003)

44. The GEF also finances medium-sized projects, project development facilities (PDFs), and enabling activities under expedited procedures. Expedited approvals by the CEO or Implementing Agencies in the reporting period October to December 2003 comprise:

Medium-sized projects	\$ 6.436 million	(7 projects)	CEO, Annex B
PDF-A	\$ 0.306 million	(12 grants)	IAs, Annex C
PDF-B	\$ 6.008 million	(14 grants)	CEO, Annex D
Enabling activities	\$ 4.586 million	(19 projects)	CEO, Annex E
<i>Total GEF allocation</i>	<i>\$ 17.336 million</i>		

#### Medium-sized Projects

45. During this reporting period, seven medium-sized projects were approved for \$6.436 million with co-financing of \$16.51 million. Four of these projects had also utilized project development facility block A grants (PDF As) amounting to \$ 100,000. The IA fee requested is \$1.02 million. Co-financing ratio is 1:2.56. GEF has up to December 2003, funded 221 MSPs under expedited procedures for a grand total of \$620.20 million.

#### Project Development Facility

46. Twelve PDF A proposals amounting to \$306,000 were approved by the Implementing Agencies to prepare project concepts.

47. Fourteen PDF B proposals were approved by the CEO for \$6 million with a co-financing of \$6.513 million. The total project development facility grant is \$12.521 million. The co-financing ratio is 1:1.1.

#### Enabling Activities

48. No biodiversity enabling activity proposal was submitted during this reporting period.

49. One climate change enabling activity add-on project proposal in capacity building was submitted and approved for \$0.10 million.

50. Three new POPs enabling activity proposals were submitted and approved for \$3.162 million in three countries. This is the first GEF support of this kind in these countries. GEF support for POPs enabling activities now covers 97 countries for a total of \$43.626 million.

51. Fifteen new NCSA enabling activities were submitted and approved for \$3.043 million. GEF support for governments to assess their own national capacity needs for global environmental management now covers 70 countries with grants totalling \$13.436 million.

## **Projects Approved Under the Policy of Expanded Opportunities**

52. During this reporting period, two proposals submitted by Executing Agencies were approved under the policy of expanded opportunities. One was an MSP in biodiversity by the Asian Development Bank (ADB) and the other was a PDF B in land degradation by the International Fund for Agricultural Development (IFAD).