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INTERSESSIONAL WORK PROGRAM
SUBMITTED FOR COUNCIL APPROVAL

Acronyms

ADB	-	Asian Development Bank
APL	-	Adaptable Program Loan
BD	-	Biodiversity
CC	-	Climate Change
CEO	-	Chief Executive Officer
DSM	-	Demand Side Management
FEER	-	Financing Energy Efficiency in the Russian Federation project
FSP	-	Full-sized Project
FY	-	Fiscal Year
GEF	-	Global Environment Facility
IA	-	Implementing Agency
IDA	-	International Development Association
IFC	-	International Finance Corporation
IW	-	International Waters
IWP	-	Intersessional Work Program
IUCN	-	World Conservation Union
LD	-	Land Degradation
LDC	-	Least Developed Countries
MDG	-	Millenium Development Goal
MFA	-	Multi-focal Area
MPA	-	Marine Protected Area
MSP	-	Medium-sized Project
NCSA	-	National Capacity Self-Assessment for Global Environment
NEPAD	-	New Partnership for African Development
NGO	-	Non-Government Organization
ODS	-	Ozone Depleting Substances
OP	-	Operational Program
PDF A	-	Project Development Facility Block A
PDF B	-	Project Development Facility Block B
PECSME	-	Promoting Energy Conservation in Small and Medium Scale Enterprises
POP	-	Persistent Organic Pollutants
SIDS	-	Small Island Developing States
SLM	-	Sustainable Land Management
SPRE	-	Southern Provinces Rural Electrification
STAP	-	Scientific and Technical Advisory Panel
UNDP	-	United Nations Development Programme
UNEP	-	United Nations Environment Programme
UNIDO	-	United Nations Industrial Development Organization

Where to send technical comments:

Council members are urged to send their technical comments electronically (in Word file) to the GEF Secretariat's program coordination registry at: gcoordination@theGEF.org

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I. PROJECTS IN THE PROPOSED WORK PROGRAM

Biological Diversity

- 1) **Regional (Gambia, Guinea, Mali, Senegal):** In-situ Conservation of Endemic Ruminant Livestock in West Africa (UNDP)
- 2) **China:** Sanjiang Plain Wetlands Protection Project (ADB)
- 3) **Iran:** Conservation of Biodiversity in the Central Zagros Landscape Conservation Zone (UNDP)
- 4) **Mozambique:** Transfrontier Conservation Areas and Tourism Development Project (World Bank)
- 5) **Nepal:** Conservation and Sustainable Use of Wetlands (UNDP)
- 6) **Philippines:** Integrated Coastal Resources Management Project (ADB)
- 7) **Russian Federation:** Fire Management in High Biodiversity Value Forests of Amur-Sikhote-Alin Ecoregion (World Bank)
- 8) **Uganda:** Conservation of Biodiversity in the Albertine Rift Forest Protected Areas (UNDP)
- 9) **Zambia:** Effective Management of the National Protected Areas System (UNDP)

Climate Change

- 10) **Lao PDR:** Southern Provinces Rural Electrification (SPRE) II Program (World Bank)
- 11) **Russian Federation:** Financing Energy Efficiency in the Russian Federation (FEER) (World Bank/IFC)
- 12) **Vietnam:** Promoting Energy Conservation in Small and Medium Scale Enterprises (PECSME) (UNDP)
- 13) **Vietnam:** Rural Energy II (World Bank)

Multi-focal Area

- 14) **Global:** Support Programme for National Capacity Self Assessments (UNDP/UNEP)

Land Degradation

- 15) **Brazil:** Ecosystem Restoration of Riparian Forests in Sao Paulo (World Bank)
- 16) **Nigeria:** National Fadama Development Program II (World Bank)

II. WORK PROGRAM

1. The Chief Executive Officer (CEO), having reviewed the conclusions and recommendations of the project review meetings with the Implementing and Executing Agencies, proposes to the Council the approval of this Intersessional Work Program (IWP). It consists of 15 full-sized project (FSP) proposals and one non-expedited enabling activity proposal requesting a total GEF support of \$ 109.711 million (see Annex A for details on these projects):

Table 1. Proposed Allocations in the July 2004 IWP by Focal Area

Focal Area	GEF Amount (\$ million)	Projects (No.)
Biodiversity	67.092	9
Climate Change	23.379	4
Multi-focal Area	1.884	1
Land Degradation	17.357	2
Total	109.711	16
<i>Total Project Cost</i>	<i>743.307</i>	

2. Twelve of the projects in the present work program have utilized project development facility block B (PDF B) grants to prepare the proposals. These PDF B grants together amount to \$ 3.790 million. Two projects have used project development facility block A (PDF A) grants to prepare project concepts.

3. The 16 proposed projects will address four different focal areas with Biodiversity having the highest representation in terms of number of projects as well as GEF allocation. Trends in GEF allocations per year are presented in Table 2. Of the total GEF allocations approved by the Council since FY 1999 plus the present work program, 35% is allocated to projects in the Climate Change focal area, 34% to Biodiversity, 17% to International Waters, 9% to Multi-focal Area projects, 2% to projects addressing Land Degradation, 2% to projects addressing Ozone Depleting Substances, and 2% to projects addressing Persistent Organic Pollutants (POPs).

**Table 2. Project Allocation Trends in Work Programs from FY1999 to July 2004
IWP by Focal Area (\$ million)***

	CC	IW	LD	MFA	ODS	POPs	
.48	125.45	96.28		35.13	34.71		
.75	186.41	47.43		29.12	7.51		
.30	177.52	74.83		26.05		6.19	
.54	134.36	80.11		42.23			
.79	171.65	79.60	18.25	57.31	2.09	40.72	
.14	202.03	116.49	34.35	82.42	5.18	4.57	
.09	23.38		17.36	1.88			
.09	1020.80	494.74	69.96	274.14	49.49	51.48	
%	35%	17%	2%	9%	2%	2%	

Legend: BD – Biodiversity; CC – Climate Change; IW – International Waters; LD – Land Degradation; MFA – Multi-focal Area; ODS – Ozone Depleting Substances; POPs – Persistent Organic Pollutants *Note: The table includes full-sized projects, non-expedited MSPs and EAs that were submitted for Council approval.

Co-finance Amount and Trends

3. The proposed sources of co-financing for the current work program, as shown in Table 3, come from bilateral and multilateral agencies, recipient governments, local and international non-governmental organizations, the private sector, beneficiaries, and other sources. The total co-financing is \$ 633.60 million, which, when added to the proposed GEF allocation gives a total project cost of \$ 743.31 million. Hence, every dollar of GEF allocation is accompanied by 5.77 dollars in co-financing.

4. In the present work program, the highest co-financing is provided in the Climate Change focal area, where 94% of the project costs will be met by co-financing. . However, it is to be noted that this high co-financing ratio is largely due to the *Vietnam: Rural Energy II Project* where \$5.25 million of GEF financing is accompanied by \$273.84 million of co-financing.

5. Projects addressing Biodiversity, and Land Degradation are co-financed to a level of 77% and 76% respectively. Twenty-four percent of the Multi-focal Area project cost will be provided by co-financing.

Table 3. Proposed FSP Co-financing in the July 2004 IWP (\$ million)

	Biodiversity	Climate Change	Land Degradation	Multi-focal Area	Total
GEF Grant	67.09	23.38	17.36	1.88	109.71
<i>Co-financier</i>					
Beneficiaries	15.44		1.15		16.59
Bilateral	19.93	1.10			21.03
Government	85.58	65.42	9.05		160.05
Multilateral	102.31	262.15	46.00	0.98	411.43
NGO	4.71				4.71
Private Sector	0.06	19.10			19.16
Others		0.63			0.63
Sub-total Co-financing	228.03	348.40	56.19	0.98	633.60
Total Project Cost	295.12	371.78	73.55	2.86	743.31
Co-financing Ratio	3.40	14.90	3.24	0.52	5.78
Percentage Co-financing	0.77	0.94	0.76	0.34	0.85

6. The trend in co-financing (Table 4) shows that the present work program clearly has a higher co-financing ratio than the annual averages over the last six years. The total co-financing ratio over the same period, including the present work program, is 3.52. During this period, 47% of the total co-financing amount has been for projects in the

Climate Change focal area, 27% for Biodiversity, and 16% for International Waters projects.

Table 4. Trends in Co-financing Amounts and Ratios for Work Programs from FY1999 to July 2004 IWP *

Approval FY	Total GEF Allocation	Co-financing Amount (\$ million)								Co-financing Ratio
		BD	CC	IW	LD	MFA	ODS	POPs	Total	
1999	473.06	341.59	436.49	121.99		31.11	77.05		1008.23	2.13
2000	453.20	406.13	1309.84	40.31		46.00	1.00		1803.28	3.98
2001	469.89	787.25	617.32	95.81		77.39		3.13	1580.90	3.36
2002	343.24	198.96	881.27	248.83		173.96			1503.02	4.38
2003	492.41	236.24	915.98	367.90	33.09	194.96		51.77	1799.94	3.66
2004	615.17	600.52	429.11	752.42	67.95	212.85	6.73	7.76	2077.33	3.38
July 2004 IWP	109.71	228.03	348.40		56.19	0.98			633.60	5.77
Total	2956.68	2798.72	4938.41	1627.26	157.23	737.25	84.78	62.66	10406.30	3.52
Share by focal area		27%	47%	16%	2%	7%	1%	1%	100%	

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

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

Fee and Fee Ratios

7. Fees are paid to the Agencies implementing GEF projects for GEF project cycle management services. Table 5 shows the fees by focal area for the July 2004 IWP.

Table 5. Proposed FSP Implementing Agency Fees for July 2004 IWP

Focal Area	GEF Grant (\$ million)	IA Fee (\$ million)	Projects (No.)	Fee Ratio (%)
Biodiversity	67.092	5.996	9	8.94%
Climate Change	23.379	1.965	4	8.40%
Multi-focal Area	1.884	0.132	1	7.01%
Land Degradation	17.357	1.563	2	9.01%
Total	109.712	9.656	16	8.80%

8. The total fee requested for the inter-sessional is \$ 9.656 million, corresponding to an overall fee ratio of 8.80%. This fee ratio is lower than previous inter-sessionals (11.85% in February 04 and 13.53% in July 03). The IA fees from FY 00 to the present work program are shown in Table 6.

Table 6. Trends in IA Fees from Work Programs FY2000 to July 2004 IWP

Fiscal Year	GEF Amount (\$ million)	IA Fees (\$ million)	Projects (No.)	Fee Ratio (%)	Average Grant per Project (\$ million)
2000	439.11	30.44	41	6.93%	10.71
2001	443.80	33.56	56	7.56%	7.93
2002	334.91	34.19	48	10.21%	6.98
2003	491.41	43.99	67	8.95%	7.33
2004	615.17	59.78	70	9.72%	8.79
July 2004 IWP	109.71	9.65	16	8.80%	6.86
Total	2434.11	211.61	298	8.69%	8.17

*Note: Table includes only fees for FSPs submitted for Council approval.

The GEF Pipeline

9. The latest update to the GEF pipeline has been posted on the GEF website. The pipeline is currently being reviewed by the IAs through the different focal area taskforces to assess the current status of projects particularly those that have become dormant for the last several years. The pipeline currently lists 193 projects with 12 new entries as of July 26, 2004.

GEF Engagement with NEPAD

10. The Cover Note that accompanied the workprogram submitted for Council review at the May 2004 meeting, provided an outline of the proposed approach for GEF engagement with New Plan for African Development (NEPAD) to provide support for capacity building for the Action Plan of the Environment Initiative of NEPAD. As a first step, a medium-sized project proposal, “ Regional: Capacity-building program for the Development of Sub-regional Environmental Action Plans of the New Partnership for Africa’s Development” was approved by the CEO on June 30, 2004, and is now being jointly implemented by UNDP, UNEP, and the World Bank.

III. WORK PROGRAM HIGHLIGHTS

11. The 16 projects presented in this work program have been reviewed according to the GEF Project Review Criteria including analyses of incremental costs, logical frameworks, and responses to reviews from STAP, Implementing Agencies and the GEF Secretariat. The projects highlighted below illustrate responsiveness with strategic priorities, capacity building, stakeholder participation, replicability, country drivenness, private sector participation, risks, inter-agency cooperation, financing and co-financing, and projects submitted under the policy of expanded opportunities for Executing Agencies.

Strategic Priorities

12. The *Iran: Conservation of Biodiversity in the Central Zagros Landscape Conservation Zone* (UNDP) is responsive to biodiversity strategic priority two, “Mainstreaming biodiversity in production landscapes and sectors”. Biodiversity friendly management practices will be put into place within the Central Zagros Landscape Conservation Zone, a productive landscape stretching across large parts of four provinces of Iran and covering an area of about 25,000 sqkm. Biodiversity mainstreaming will be demonstrated and integrated into plans, programmes and practices in key sectors, including agriculture, forestry, rangelands, water, and tourism.

13. The *Nepal: Conservation and Sustainable Use of Wetlands* project (UNDP) is consistent with the biodiversity strategic priority two “Mainstreaming biodiversity in productive landscapes”. The reason for the focus on this strategic priority is that most wetlands in Nepal fall outside protected areas and within productive landscapes. The project is also consistent with strategic priority one “Catalyzing sustainability of Protected Areas” as one of the proposed demonstration sites (the Koshi Tappu Area) includes a protected area and its buffer zone, where the project will support the development of a sustainable financing strategy as well as stakeholders’ support to the Reserve’s activities. In addition, the project also addresses the strategic priority on capacity building.

14. The *Russia: Fire Management in High Biodiversity Value Forests of the Amur-Sikhote-Alin Ecoregion* project (World Bank) addresses the biodiversity strategic priority one “Catalyzing sustainability of protected areas”, as well as strategic priority two “Mainstreaming biodiversity in production landscapes and sectors”. The project will foster establishment of an eco-region-wide integrated forest fire management system, increased effectiveness of fire management in high biodiversity value forests, and raise public awareness.

15. The *Uganda: Conservation of Biodiversity in the Albertine Rift Forest Protected Areas* project (UNDP) fits the first strategic priority of the Biodiversity focal area, “Catalyzing sustainability of protected areas”. GEF will have a catalytic role, bringing together a number of donors already present in the country into a long-term, comprehensive program to support an entire system of protected areas. The project will

develop a strategic program of action that will directly reduce deforestation of critical ungazetted forest patches, strengthen implementation of the national Forest Conservation Master Plan in the Albertine Rift, and link to other donor funded forest conservation activities in the national parks.

16. The *Zambia: Effective Management of the National Protected Areas System* project (UNDP) seeks to remove critical barriers to catalyzing sustainability of a protected area system and is hence consistent with the biodiversity strategic priority one. It will also seek to demonstrate good practice at two sites with good potential for replication. This project if well executed based on its thorough analysis and implementation plan could be exemplary for this strategic priority.

17. Two of the proposals submitted under the Climate Change focal area primarily fit with the second strategic priority of the focal area, “Increased access to local sources of financing”. Both the *Russian Federation: Financing Energy Efficiency in the Russian Federation* (FEER) (World Bank/IFC)” and the *Vietnam: Promoting Energy Conservation in Small and Medium Scale Enterprises* (PECSME) (UNDP) focus on assisting local financial entities to evaluate and invest in energy efficiency improvements, largely among industrial installations.

18. The other two projects submitted within the climate change focal area, *Lao PDR: Southern Provinces Rural Electrification (SPRE) II* (World Bank) and the *Vietnam: Rural Energy II* (World Bank) are designed to assist the electricity authorities to finance energy-efficient expansion through World Bank-financed loans and local investment sources. As these projects also contain elements designed to support power sector reform, they also contribute to the climate change strategic priority three, “Power sector policy frameworks supportive of renewable energy and energy efficiency”.

Country Drivenness

19. The project *Nepal: Conservation and Sustainable Use of Wetlands* (UNDP) will strengthen national and local capacity in ecosystem management and sustainable uses of wetland biodiversity in Nepal. In Nepal's Biodiversity Strategy (2002) wetlands have been identified as key ecosystems that need significant conservation efforts in the country. The project builds as well on the National Wetland Policy (2003) which promotes management of wetlands through participation of local people, and the Water Resources Strategy of Nepal (2002) which advocates aquatic biodiversity conservation . Country drivenness is also shown by: i) the Government's interest to modify or update the policy regulatory frameworks as needed; ii) the extensive consultations conducted with key stakeholders during project preparation and the involvement of these and other groups during project implementation; iii) co-financing provided for the project.

20. Fire management is a critical issue for forest management in Russia, and the government commitment to this issue is witnessed by the substantial co-financing provided to the project *Russia: Fire Management in High Biodiversity Value Forests of the Amur-Sikhote-Alin Ecoregion* (World Bank), but is also indicated by the fact that there is a significant component for fire management as part of the Sustainable Forestry

Loan through the World Bank. The GEF support will, among other things, seek to put in place an ecoregion-wide integrated forest fire management system to include high biodiversity value forests currently without proper fire management regime.

21. The project *Lao PDF: Southern Provinces Rural Electrification II* builds upon the Government of Lao PDR's project commitment to use the rural electrification to advance economic and social development. The connection rate increased from 120,000 households having access to electricity in 1995 to over 370,000 by the end of 2003. The current stated goal of the government is to connect 60% of all households by 2005, 70% by 2010 and 90% by 2020. GEF support to this two-phase APL is intended to make electricity use on the grid more efficient while expanding the use of renewable energy sources to generate power in the remote areas where grid extension and conventional power are expensive options.

Risks

22. The *China: Sanjiang Plain Wetlands Protection Project* (ADB) includes responses to key risks that the project could face. Strategies to address institutional and inter-sectoral coordination risks and co-financing will be addressed. The project will, for example, nurture good cooperation between agencies by establishing working groups at the county level for effective geographical and institutional distance from the target wetlands. To secure counterpart financing, the Heilongjiang Provincial Government has confirmed the earmarking of funds in its annual budget program for the wetland restoration program. Furthermore, innovative approaches to alternative livelihoods for forest workers and the adoption of Village Development Funds as an investment alternative have been introduced.

23. Some of the risks cited in the *Zambia: Effective Management of the National Protected Areas System* project (UNDP) (e.g. the continued over-harvest/hunting of wildlife despite the conservation measures/approaches) need to be monitored closely, and have clear strategies of mitigation. The projects proposes risk mitigation measures, such as, a strong monitoring and evaluation system, a policy framework for private/public/community partnerships clarifying rights and responsibilities, and integration of private sector investors into legal and policy reforms and planning processes.

Sustainability

24. The *Nepal: Conservation and Sustainable Use of Wetlands* project (UNDP) strengthens existing institutional arrangements and emphasizes human and institutional capacity building at all levels and will secure allocation of Government funds for wetland conservation. At the demonstration sites the project will foster financial sustainability through its focus on economically viable income generation activities and market based incentives.

25. The *Zambia: Effective Management of the National Protected Areas System* project (UNDP) has been realistic in recognizing that the potential for tourism to deliver on sustainability (especially financial) is not likely to happen within 15 years. The project aims to address transitional arrangements for sustainability during the implementation phase in view of the long gestation period. This is critical if the

continued commitment of communities to conservation is to be assured. The project will enhance sustainability of protected area management through a strong focus on business management, and on development and testing of new forms of public/private/civil society/community partnerships.

26. The *Brazil: Ecosystem Restoration of Riparian Forests in São Paulo* project (World Bank) will foster development of adequate methods for each region in the State of São Paulo, aiming to facilitate future large scale restoration of riparian forests. It will improve the institutional, legal, financial and technical capacity to provide for sustainable land management (SLM), create an enabling environment to foster preservation and restoration of ecosystem functions, stability and services related to global benefits and increase the awareness in society about the local, national and global relevance of riparian forests and their restoration on rural lands of the Atlantic Forest and Cerrado in the State of São Paulo. The project will pursue funding strategies employing long-term incentive system for promoting the adoption of sustainable land management through payment mechanisms for environmental services rendered by riparian forests. These mechanisms will finance adoption of sustainable land management activities that would not only provide communities with alternative livelihoods and additional income generation but also support biodiversity conservation, watershed protection and greenhouse gas absorption and fixation. Furthermore, the project has a strong capacity building component that will strengthen the capacity for SLM of relevant institutions at state and local levels.

Capacity Building

27. The *Global: Support Programme for National Capacity Self-Assessments* project (UNDP/UNEP) is in response to the GEF Council's request in its 22nd session for a technical support programme for capacity building. This project will support countries to ensure timely completion of high quality National Capacity Self-Assessments by providing technical backstopping in a timely manner and sharing of lessons learned. The project will also contribute to the implementation of GEF's Strategic Approach to Enhance Capacity Building (GEF/C.22.8) by creating synergies with the international environment conventions, conducting analytical work to propose the modality for country capacity building programmes for LDCs and SIDS, and developing options for a country focused technical support programme for all GEF enabling activities. In addition, the project will develop linkages with the GEF-funded project "Capacity Building Programme for the Development of Sub-Regional Environmental Action Plans for the New Partnership for Africa's Development (NEPAD)", and UNDP's Capacity 2015 Programme, which is aimed at helping countries to develop capacity to achieve Millennium Development Goals (MDGs).

Replicability

28. The *China: Sanjiang Plain Wetlands Protection Project* (ADB) has substantive potential for replicability. The project will assist the Government of China and the Heilongjiang Province to establish mechanisms for restoring and protecting biodiversity and natural resources at the watershed scale while integrating the needs of all stakeholders. There is a large number of wetlands in China, and they face similar issues

such as lack of institutional capacity, over-harvesting, and pollution. If successful, the project could have a major impact on management of other wetlands in China.

29. The *Nepal: Conservation and Sustainable Use of Wetlands* project (UNDP) will facilitate replicability of its ecosystem approach to biodiversity management through various initiatives creating a supportive legal framework and enabling policy environment for wetland planning and through strengthened institutions and mechanisms for integrated planning in Nepal. The project also incorporates activities, methodologies and actions through a specific output to test the applicability of project lessons by fostering close working relationships with other projects and organizations firstly in other Terai wetlands, secondly in the mid-hills and mountains wetlands and thirdly in Terai wetland protected areas that share similar ecological zones in India.

30. The potential for replication and scaling up in the project *Zambia: Effective Management of the National Protected Areas System* project (UNDP) based on its pilot and demonstration efforts is significant. The project has identified ways and means for replication to be stimulated through the project, and it is critical that continued and timely attention to awareness, dissemination and learning takes place during implementation. The project will use field demonstration sites to test, improve and develop new legislation, policies, strategies and tools into forms ready for replication across the protected area system.

Stakeholder Participation

31. The *Regional (Gambia, Guinea, Mali, Senegal): In-situ Conservation of Endemic Ruminant Livestock in West Africa* project (UNDP) is a good example of a project that builds on participation of key stakeholders. The project will remove barriers to conservation of three endemic livestock species and develop and implement models for community-based conservation and management of critical habitat for these species. The project will form local steering committees, which will include public representatives such as farmers, herders, traditional and elected local leaders, representatives of resource users, and production and marketing associations. During the design phase of the project, the role played by women in livestock production and use was documented extensively. This information will be used when composing different groups at the sites, while taking care to respect gender roles in local communities. At the national level, government policy makers, resource managers, researchers, and livestock industry representatives will take part in the project implementation, primarily through national steering committees. Similarly, a regional steering committee will incorporate the interests and experiences of key stakeholders from other countries and international agencies. The key stakeholders at different levels will fully participate in the project implementation process.

32. The Biodiversity project *Nepal: Conservation and Sustainable Use of Wetlands* (UNDP) is another project that is built on the principle of participation and stakeholder ownership (at national and local level) of outcomes. Numerous workshops and events are planned to share project outcomes and seek inputs as well. The project is supporting several activities that will facilitate inter-sectoral participation and establishment of wetland dependent communities network at the national level. Additionally, there are

several activities at the proposed demonstration sites promoting inter-sectoral coordination and bringing together local communities to plan conservation and livelihood strategies.

33. The *Philippines: Integrated Coastal Resources Management Project* (ADB) will establish networks of marine protected areas (MPAs) in the priority marine biodiversity corridors that serve as pathways for migration of flagship species and facilitate dispersal of coral larvae and other organisms to depleted areas. The project includes livelihood options as incentives that address social development and environmental management. These positive incentives will be performance-based and closely linked to achieve project biodiversity conservation and sustainable use objectives.

Private Sector Participation

34. The project *Russia: Financing Energy Efficiency in the Russian Federation* (WB/IFC) is building on the lessons and experiences of earlier IFC projects that supported the same purpose in Eastern Europe. A project in Hungary set the stage for a successful stream of engagements with the private sector. In this model, IFC works with the local retail banks, to help them discover lending options that are commercially viable because of cost savings that are caused by increased energy efficiency. After many years of collecting experiences in Hungary, the concept was expanded into the Czech Republic, Slovakia, and the three Baltic states. The original concept mainly rested on technical assistance to the commercial banks, and partial credit guarantees to give some additional comfort to the private sector participants. The current proposal now demonstrates how these vast experiences can be used to refine the concept for a new market. The lessons are intensively discussed in the project document, and integrated in some structural changes of the concept for the Russian case: instead of a lending product approach, the project now works on a portfolio-oriented credit line with each of the private sector banks. For these credit lines, mainstream IFC financing is contributing to the cofinancing of this project. It is expected, that one of the impacts of this project will be a more energy-conscious lending investment behavior of the private sector in the three pilot regions in Russia. The GEF contribution to this \$ 30 million project is \$ 7 million, mainly for technical assistance and a GEF partial credit guarantee.

Monitoring and Evaluation

35. The *Philippines: Integrated Coastal Resources Management Project* (ADB) is designing important management tools for the sustainable use of biological resources through certification schemes. The resources will be closely monitored to ensure that natural populations are not severely impacted, threatening the objectives that the project is trying to secure.

Financing and Co-financing

36. The *Philippines: Integrated Coastal Resources Management Project* (ADB) includes substantive co-financing for natural resource management schemes. The project will significantly increase the number of MPAs, a major gap highlighted recently at the IUCN World Park Congress. By funding this project, the GEF would be making a major contribution to MPAs in what from a biodiversity perspective is seen as one of the most

important coastal and marine areas in the world. The \$ 9.3 million dollars from GEF will be co-financed with \$ 54.0 million from ADB, national and local governments and other sources. This results in a co-financing ratio of 1 : 5.8.

37. The *Zambia: Effective Management of the National Protected Areas System* (UNDP) will leverage a ratio of 1 : 5.7 in co-financing (\$ 6.3 million from GEF and a further \$ 36.0 million in co-financing) from a variety of sources including the government, bilateral and non-governmental agencies.

38. The *Vietnam: Rural Energy II* project (World Bank) proposes GEF support of \$ 5.3 million, which will be complemented by \$ 53.8 million in co-financing from the Government of Vietnam, and \$ 220.0 million in IDA loan. This corresponds to a co-financing ratio of 1 : 52.

Inter-Agency Cooperation

39. UNDP and UNEP have jointly submitted the *Global: Support Programme for National Capacity Self-Assessments* project. The two agencies are involved in implementation of the National Capacity Self Assessments, and have jointly proposed this programme to provide technical support to country level capacity assessment, create synergies with other related in-country activities and to establish linkages and partnerships with ongoing agency programs as well as programs involving other international organizations.

Integration between Focal Areas

40. Although it focuses on Operational Program (OP) 2, Coastal, Marine, and Freshwater Ecosystems, the *China: Sanjiang Plain Wetlands Protection Project* (ADB) strongly emphasizes approaches and methodologies of substantive use under OP 3, Forest Ecosystems, OP12, Integrated Ecosystem Management, and on OP15, Sustainable Land Management.

41. In the case of the *Philippines: Integrated Coastal Resources Management Project* (ADB), the project will address specific issues related to adaptation to climate change, as the proposal highlights that one of the key threats facing coral reefs relates to climate change and the need to find measures to adapt to this threat. Key measures to address this are presented in the proposal.

Projects Submitted from Executing Agencies under the Policy of Expanded Opportunities

42. Two projects submitted by the Asian Development Bank (ADB) in the Biodiversity focal area are proposed for inclusion in the present work program: *China: Sanjiang Plain Wetlands Protection Project*, and *Philippines: Integrated Coastal Resources Management Project*. Both these projects are associated with natural resource management loans from the ADB. During the preparation of the proposals, the ADB has interacted closely with the GEF Secretariat.

IV. APPROVED PROJECTS UNDER EXPEDITED PROCEDURES (2ND QUARTER, 2004)

43. 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 April to June 2004 comprise:

Table 7. Approved Projects under Expedited Procedures (2nd Quarter, 2004)

Type of Approval	GEF Allocation (\$ million)	Projects (No.)	Approved by	Reference
Medium-sized Projects	9.216	10	CEO	Annex B
PDF A	0.200	8	IAs	Annex C
PDF B	5.663	16	CEO	Annex D
Enabling Activities	6.702	29	CEO	Annex E
Total GEF Allocation	21.781			

Medium-sized Projects

44. During the reporting period April-June 2004, 10 medium-sized projects were approved for \$ 9.216 million. The co-financing totals \$ 24.492 million, and hence the co-financing ratio is 1 : 2.66. Three of these medium-sized projects had used PDF A grants amounting to \$ 62,000. The IA fee requested for these projects is \$ 1.460 million.

Project Development Facility

45. Eight PDF A proposals amounting to \$ 200,000 were approved by an Implementing Agency to prepare project concepts.

46. Sixteen PDF B proposals were approved by the CEO for \$ 5.663 million, with co-financing of \$ 4.485 million. The total co-financing ratio was 1 : 0.79.

Enabling Activities

47. Seven Biodiversity enabling activity proposals were submitted and approved for \$ 1.509 million.

48. Twenty NCSA enabling activity proposals were approved in the Multi-focal Area, for a total of \$ 4.194 million.

49. Two POPs enabling activity proposals were submitted and approved for a total of \$ 0.999 million.

49. The total fees requested for the 29 Enabling Activities are \$0.961 million.

Projects Approved under the Policy of Expanded Opportunities

50. During April to June 2004, one PDF B submitted by IFAD in collaboration with FAO was approved.