



Global Environment Facility

GEF/IS/14
February 15, 2006

INTERSESSIONAL WORK PROGRAM
SUBMITTED FOR COUNCIL APPROVAL

Executive Summary

The CEO proposes to the Council the approval of this work program containing thirteen full-sized project (FSP) proposals requesting a total of \$97.76 million.

Total co-financing amounts to \$487.05 million which, when added to the total GEF allocation gives a total project value of \$584.82 million.

This Work Program has been particularly difficult to put together for a number of reasons. Payments from donors have lagged behind the anticipated payment schedule so that, while we anticipate significant available commitment authority for the June 2006 Work Program, the commitment authority for this intersessional program is significantly constrained (and exacerbated by the fact that based on discussion at our November Council meeting, we have created a reserve as protection against the impact of unfavorable exchange rate movements, and other contingencies.) As well, this Work Program had to take into account Council's decision that proposals that were cleared but not included in the November 2005 Work Program be given "due consideration" in this Work Program, and further, that the Small Grants Program (SGP) be financed at the level of \$35 million if "sufficient commitment authority" exists. Beyond these special considerations, this Work Program had to take into account, as is often the case, focal area and geographical balance questions given that the number of high quality projects exceeded the funds available. In short, this Work Program, reflecting extensive discussions with all relevant agencies, is configured in a way which, in our collective view, best deals with the range of constraints under which it was put together.

Given the Council's decisions of last November, perhaps the most notable outcome of dealing with the constraints noted above, is the proposed approach to funding the SGP. As part of the November 2005 work program, the Council approved \$25 million as an installment for Tranche 2 (to cover the March 2006 – February 2007 period) of the Third Operational Phase of the SGP. As noted above, the Council expressed its support, "provided it has sufficient commitment authority, for inclusion of additional financing of \$35,000,000 for the SGP in this work program."¹ The CEO, after taking into account all the constraints referred to in the previous paragraph, and with the strong support of the UNDP (taking into account the actual near term needs of the SGP) proposes to finance the SGP at the level of \$15 million in this Work Program. The CEO expects that "sufficient commitment authority" will be available at the time of the June 2006 work program to provide an additional \$20 million to the SGP.

¹ Joint Summary of the Chairs, GEF Council Meeting, November 30, 2005 (revised)

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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

I. PROJECTS IN THE PROPOSED WORK PROGRAM²

Biodiversity

1. **Global** : Supporting Country Early Action on Protected Areas (UNDP) (GEF Grant: \$11.31 m)
2. **Regional (El Salvador, Guatemala, Honduras)**: Integrated Management of the Montecristo Trinational Protected Area (IADB) (GEF Grant : \$3.50 m)
3. **Chile**: Regional System of Protected Areas for Sustainable Conservation and Use of Valdivian Temperate Rainforest (UNDP) (GEF Grant: \$4.71 m)
4. **China** : Conservation and Sustainable Utilization of Wild Relatives of Crops (UNDP) (GEF Grant: \$7.85 m)
5. **Costa Rica** : Mainstreaming Market-based Instruments for Environmental Management Project (World Bank) (GEF Grant: \$10.00 m)
6. **Cuba** : Mainstreaming and Sustaining Biodiversity Conservation in Three Productive Sectors of the Sabana Camaguey Ecosystem (UNDP) (GEF Grant: \$4.12 m)

Climate Change

7. **Regional (Dominica, St. Lucia, St. Vincent and Grenadines)** : Implementation of Pilot Adaptation Measures in Coastal Areas of Dominica, St. Lucia and St. Vincent & the Grenadines (World Bank) (GEF Grant: \$2.10 m)
8. **Ghana**: Ghana Urban Transport (World Bank) (GEF Grant: \$8.00 m)
9. **Mexico**: Integrated Energy Services for Small Localities of Rural Mexico (World Bank) (GEF Grant: \$15.00 m)

Land Degradation

10. **Argentina**: Sustainable Management of Arid and Semi-arid Ecosystems to Combat Desertification in Patagonia (UNDP) (GEF Grant: \$5.18 m)
11. **Mauritania**: Community-based Watershed Management Project (World Bank) (GEF Grant: \$6.00 m)
12. **Pakistan**: Sustainable Land Management for Combating Desertification (Phase I) (UNDP) (GEF Grant: \$2.00 m)

Multi-focal Areas

13. **Global**: Small Grants Programme (Third Operational Phase) Tranche 2, Installment 2 (UNDP) (GEF Grant: \$15.00 m)

II. WORK PROGRAM

1. The GEF Chief Executive Officer/Chairman of the Facility (CEO), having reviewed the conclusions and recommendations of the project review meetings with the Implementing and Executing Agencies (IAs/ExAs), proposes to the Council the approval of this Intersessional Work Program consisting of 13 new full-sized project (FSP) proposals for a GEF allocation of \$97.763 million (see Work Program Project Summaries for details on these projects and Annex

² The GEF amount is the funding request for the project and does not include PDFs previously approved.

A for their financial breakdown). This figure includes \$2.995 million for grants of the Project Development Facility block B (PDF-B) that were previously approved by the CEO.

Table 1. Proposed Allocations for February 2006 Work Program by Focal Area

Focal Area	Projects(No)	GEF Amount (\$m)	Cofin Amount (\$m)	Total Project Cost (\$m)
Biodiversity	6	42.439	141.751	184.191
Biodiversity (Biosafety)	-	-	-	-
Climate Change	3	26.100	242.000	268.100
International Waters	-	-	-	-
Land Degradation	3	14.224	87.800	102.024
Multi-focal Areas	1	15.000	15.500	30.500
Ozone Depletion	-	-	-	-
Persistent Organic Pollutants (POPs)	-	-	-	-
Total	13	97.763	487.052	584.815

2. Eleven projects in the work program have utilized grants from PDF-B to prepare the proposals. These grants together amount to \$2.995 million. No projects have used grants from PDF-A to prepare project concepts.

3. One project was submitted for inclusion in this work program an Executing Agency eligible under the policy of expanded opportunities.

Project Allocation Trends

4. Table 2 contains the cumulative amounts approved by the Council through work programs, including the GEF Pilot Phase and includes only non-expedited MSPs and EAs that were submitted for Council approval. Of the total GEF allocations, including the proposed work program, 34 percent is allocated to projects in the Climate Change focal area, 35 percent to Biodiversity/Biosafety, 15 percent to International Waters, 8 percent to Multi-focal Area projects, 3 percent to Land Degradation, 2 percent to Persistent Organic Pollutants (POPs), and 3 percent to Ozone Depleting Substances.

Table 2. Project Allocation Trends in the Work Programs (GEF Pilot Phase - GEF 3) by Focal Area (\$ million)*

GEF Phase	BD	BD-BS	CC	IW	LD	MFA	ODS	POPs	Total
Pilot Phase	323.20	-	280.73	120.36	-	15.60	4.20	-	744.10
GEF - 1	413.36	-	474.67	119.43	-	48.95	121.63	-	1,178.04
GEF - 2	603.90	33.28	623.69	294.80	-	132.52	42.22	6.19	1,736.59
GEF - 3	634.40	22.35	599.46	333.46	160.88	284.34	11.96	96.90	2,143.75
2003	120.79	1.00	171.65	80.08	-	75.56	2.09	40.81	491.97
2004	152.22	9.83	199.03	116.49	34.35	82.62	5.18	4.57	604.29
2005	192.42	11.51	131.59	60.18	48.27	64.78	4.70	43.62	557.08
2006	168.97	-	97.19	76.72	78.26	61.38	-	7.90	490.41
Total	1,974.86	55.63	1,978.55	868.05	160.88	481.41	180.02	103.08	5,802.48
Total %	34%	1%	34%	15%	3%	8%	3%	2%	100%

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

5. Table 2(a) provides a more comprehensive picture as it contains cumulative GEF allocations approved by the Council through Work Program submissions as well as those MSPs and EAs approved by the CEO with delegated authority under the expedited procedures.

**Table 2(a). Project Allocation Trends (GEF Pilot Phase - GEF 3)
by Focal Area (\$ million)***

GEF Phase	BD	BD-BS	CC	IW	LD	MFA	ODS	POPs	Total
Pilot Phase	323.20	-	280.73	120.36	-	15.60	4.20	-	744.10
GEF - 1	438.66	2.74	502.62	119.43	-	49.67	122.33	-	1,235.45
GEF - 2	685.34	34.28	667.23	301.29	-	143.41	43.40	26.05	1,901.00
GEF - 3	706.67	25.91	626.74	342.72	171.69	322.58	11.96	130.51	2,338.79
2003	146.18	1.00	176.41	83.57	-	86.54	2.09	59.80	555.59
2004	164.98	9.83	205.20	119.48	38.86	97.71	5.18	13.07	654.30
2005	215.98	11.51	143.23	62.94	53.97	72.87	4.70	46.92	612.14
2006	179.52	3.57	101.90	76.72	78.86	65.46	-	10.73	516.76
Total	2,153.87	62.94	2,077.32	883.80	171.69	531.26	181.89	156.56	6,219.34
Total %	35%	1%	33%	14%	3%	9%	3%	3%	100%

* Note: Table includes all projects approved by the Council as well as those expedited MSPs and EAs that were approved by the CEO with delegated authority.

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

Co-financing Amount and Trends

6. The proposed sources of co-financing for this current work program, as shown in Table 3, come from beneficiaries, bilateral and multilateral agencies, recipient governments, non-governmental organizations (NGOs), the private sector, and other sources. The total co-financing is \$487.05 million which, when added to the total GEF allocation (\$97.76 million) gives a total project cost value of \$584.82 million. Hence, each dollar the GEF allocates is being matched by \$4.98 in co-financing.

7. In terms of focal areas, the co-financing percentage in biodiversity is 77 percent, which means that 77 percent of the project cost comes from co-financing. Climate change is at 90 percent, land degradation at 86 percent and multi-focal area at 51 percent. On the average, co-financing will provide 83 percent of total project costs in this work program.

Table 3. Proposed FSP Co-financing in the February 2006 Work Program (\$ m)

Type	Biodiversity	Climate Change	International Waters	Land Degradation	Multi-focal Areas	Persistent Organic Pollutants (POPs)	Total
GEF Grant	42.44	26.10	-	14.22	15.00	-	97.76
<i>Co-Financier</i>	-	-	-	-	-	-	-
Beneficiaries	2.75	-	-	-	-	-	2.75
Bilateral	0.01	-	-	45.00	-	-	45.01
Government	86.94	98.00	-	31.82	-	-	216.76
Multilateral	34.04	130.00	-	2.45	-	-	166.49
NGO	16.55	-	-	-	-	-	16.55
Others	0.13	6.50	-	8.50	15.50	-	30.63
Private Sector	1.34	7.50	-	-	-	-	8.84
Total Co-Financing	141.75	242.00	-	87.80	15.50	-	487.05
Total Project Cost	184.19	268.10	-	102.02	30.50	-	584.82
GEF:Co-Financing Ratio	3.34	9.27	-	6.17	1.03	-	4.98
Percentage Co-Financing	77%	90%	0%	86%	51%	0%	83%

8. Table 4 shows the historical trend in total co-financing amounts and ratios. The co-financing ratio average for GEF-3 to date is 3.80 compared to the overall historical average of 3.52.

Table 4. Trends in Co-financing Amounts and Ratios (GEF Pilot Phase - GEF 3)*

GEF Phase	GEF Allocation (\$m)	Co-financing Amount (\$m)							Total Project Cost (\$m)	Co-Financing Ratio
		BD	CC	IW	LD	MFA	ODS	POPs		
Pilot Phase	744.10	189.40	2,402.89	144.26	-	4.35	1.85	-	3,486.84	3.69
GEF - 1	1,178.04	943.77	2,315.27	217.40	-	54.37	95.20	-	4,804.05	3.08
GEF - 2	1,736.59	1,742.13	3,244.93	545.06	-	328.46	78.05	3.13	7,678.35	3.42
GEF - 3	2,143.75	2,122.60	2,847.96	2,045.56	709.07	602.61	11.49	104.61	10,282.16	3.80
2003	491.97	268.34	915.98	367.88	-	228.05	-	51.77	2,323.99	3.72
2004	604.29	611.40	430.83	752.42	67.95	212.85	6.73	7.76	2,694.23	3.46
2005	557.08	575.50	855.51	173.86	193.14	78.94	4.76	37.67	2,476.46	3.45
2006	490.41	667.35	645.64	751.41	447.99	82.77	-	7.40	2,787.48	4.68
Total	5,802.48	4,997.90	10,811.05	2,952.28	709.07	989.78	186.59	107.74	26,251.40	3.52

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

* Table includes non-expedited MSPs and EAs that were submitted for Council approval
Note: Cofinancing ratio = Cofinancing/GEF Allocation

Agency Fees for the Current Work Program

9. Fees are paid to the Implementing and Executing Agencies for GEF project cycle management services. At the June 2005 Council Meeting, the Council agreed with the proposal to implement a flat fee of 9 percent of the GEF grant. Table 5 shows the fees amounting to \$8.05

million that the Implementing and Executing Agencies will receive for their project proposals in the February 2006 Intersessional Work Program.

Table 5. Proposed FSP Agency Fees for February 2006 Work Program*

Agency**	Projects(No)	GEF Project Allocation	PDF Amount	Total GEF Allocation	Total Fees
IADB	1	3.50	0.15	3.65	0.33
UNDP	7	50.17	1.50	51.66	3.90
World Bank	5	41.10	1.35	42.45	3.82
Total	13	94.77	3.00	97.76	8.05

* All amounts are in \$ million.

** No UNEP project proposals were approved for inclusion in the current February Intersessional Work Program.

*** Average IA fee for UNDP is below 9% due to the 4% IA fee for SGP.

III. APPROVED PROJECTS UNDER EXPEDITED PROCEDURES (OCTOBER 2005 - DECEMBER 2005)

10. The GEF also finances medium-sized projects, grants from PDF, and enabling activities under expedited procedures. Expedited approvals by the CEO or Implementing Agencies in the reporting period October 2005 - December 2005 comprise:

Medium-sized projects	\$2.152 million	(3 projects)	CEO, Annex B
PDF-A	\$0.817 million	(26 grants)	IAs, Annex C
PDF-B	\$1.400 million	(2 grants)	CEO, Annex D
Enabling activities	\$1.236 million	(5 projects)	CEO, Annex E
<i>Total GEF allocation</i>	<i>\$5.605 million</i>		

Medium-sized Projects

11. Three medium-sized projects were approved in this period for \$2.152 million with co-financing of \$3.303 million. One of these projects has used grants from PDF-A amounting to \$0.025 million. Agencies' fees, amounting to \$0.194 million, were approved by the CEO during the reporting period. The fees by project are presented in Annex B. The co-financing ratio for the MSPs during this period is 1: 1.53 . Details are in Annex B.

Project Development Facility

12. Twenty-six PDF-A proposals amounting to \$0.817 million were approved by the Implementing Agencies to prepare project concepts.

13. Two PDF-B proposals were approved by the CEO for \$1.40 million with co-financing of \$3.201 million. The co-financing ratio is 1: 2.29.

Enabling Activities

14. A total of 5 enabling activity project proposals were approved during the reporting period for a total amount of \$1.236 million and total fee of \$0.111 million. Details are in Annex E.

15. Among the enabling activity proposals during this period, two enabling activity project proposals in the multi-focal area were submitted and approved for \$0.450 million.

16. Three new POPs enabling activity project proposals were approved for \$0.786 million.

Projects Approved under the Policy of Expanded Opportunities

17. No projects were approved under the policy of Expanded Opportunities in this period.

IV. WORK PROGRAM PROJECT SUMMARIES

Biodiversity

1. Global: Supporting Country Early Action on Protected Areas (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/ OP1,2,3, and 4/ SP1
<u>Local executing agency:</u>	UNOPS
<u>Total Cost of the Project:</u>	\$15.414 million
<u>GEF Funding Request:</u>	\$11.308 million (+ PDF-B of \$65,000)

Key Indicators:

- 40 countries show concrete improvements in their capacity to manage their PA systems against baseline scenarios by the end of project.

Project Rationale and Objective:

In direct response to the recent CBD COP7 decision, the project is designed to establish a fast disbursing mechanism to assist eligible countries to undertake country driven early actions in line with the Programme of Work (PoW) on Protected Areas (PA).

The project goal is to assist eligible countries meet their commitment under the Programme of Work on Protected Areas adopted by COP7. The objective of the project is to enable eligible countries in need of assistance to launch early action in response to the COP7 POW on PA's that compliments but will not be addressed by other national programs and projects, including those supported by the GEF, official donors and international NGOs. The project will take a simple and streamlined approach to facilitate rapid disbursement of funds to eligible national governments by adopting a process that draws on the innovative best practice model of the World Bank's Development Marketplace and the GEF Small Grants Programme. Eligible countries, with particular emphasis on Least Developed Countries (LDCs) and Small Island Developing States (SIDS), would submit proposals based on a biannual call for proposals, which would be managed by the UN Office for Project Services (UNOPS).

Project Outcomes:

- (a) Eligible countries receive direct and expedited support for COP7 PoW priority activities and deadlines;
- (b) Capacity barriers to LDCs and SIDS receiving support for early action on PA PoW are overcome; and
- (c) Successful approaches to taking early action on the PA PoW and lessons about the project implementation disseminated and applied by countries.

2. Regional (El Salvador, Guatemala, and Honduras): Integrated Management of the Montecristo Trinational Protected Area (IADB)

Focal Area/OP/Strategic Priority: Biodiversity/OP4/SP1,2 & 4
Local executing agency: Trinational Executive Secretariat
Total Cost of the Project: \$9.25 million
GEF Funding Request: \$3.5 million (+ PDF-B of \$150,000)

Key Indicators:

- The protected areas systems in Guatemala, El Salvador and Honduras will be strengthened by incorporating a functional mechanism for trinational protected area management;
- Approximately 14,000 hectares across the three countries will be conserved under the trinational protected areas; and
- Approximately 15 percent of the Project funding will be directed towards capacity building involving local stakeholders.

Project Rationale & Objective:

The project contributes to the GEF biodiversity program's strategic priority to achieve sustainability of PA systems by facilitating establishment of an innovative trinational transboundary institutional framework to integrate management of natural resources and protect biodiversity for local, regional, and global benefit.

The project is proposed to be implemented in the Montecristo Massif, which is a mountainous area in the center of the Trifino Region where the borders of El Salvador, Guatemala and Honduras meet. This region is in the upper reaches of the three most important watersheds in Central America, the Lempa, Motagua, and Ulua, and known for its unique globally significant biodiversity, serving as home for over 48 endemic species and at least 50 globally threatened species.

The objective of this project is to support the initial implementation of the integrated management plan of the Montecristo Trinational Protected Area (MTPA) in the three countries through a trinational institutional framework, administered by a single management unit, under a single management plan and budget, and operating in a participatory, integrated and effective manner as a means to conserve the biodiversity, natural processes and environmental services and facilitate its integration into the Mesoamerican Biological Corridor.

Project Outcomes:

The project will have four components:

- (a) Legal, Territorial and Institutional Consolidation of the Montecristo Trinational Protected Areas;
- (b) Integrated management of the MTPA for the conservation of biodiversity;
- (c) Sustainable use of natural resources and environmental management in the bufferzone of the MTPA and biological corridors; and
- (d) Monitoring and Research of the ecological and socioeconomic conditions in the MTPA and its bufferzone and biological corridors.

3. Chile : Regional System of Protected Areas for Sustainable Conservation and Use of Valdivian Temperate Rainforest (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/Forest Ecosystems/SP1
<u>Local executing agency:</u>	National Environment Commission (CONAMA)
<u>Total Cost of the Project:</u>	\$20.65 million
<u>GEF Funding Request:</u>	\$4.71 million (+ PDF-B of \$334,000)

Key Indicators:

- Additional new area brought under conservation management is 76,239 hectares; and
- Protected areas under improved management effectiveness is 607,550 hectares.

Project Rationale and Objective:

Chile's natural isolation and topographic diversity result in very high levels of species diversity - some 28,450 native species are known - and one of the highest levels of endemism in the Latin America and Caribbean region. Serious government commitment to biodiversity conservation has resulted in an impressive National System of State Wilderness Protected areas, including 31 national parks, 15 national monuments, and 48 national reserves which cover more than 14 million hectares. In addition, 300 private protected areas cover another 1.1 million hectares.

Despite these efforts, many critical biodiversity areas remain unprotected. One of these is the Valdivian Rainforest Eco-Region, the world's second largest temperate rainforest, recognized for its outstanding globally significant biodiversity by among others, the World Wildlife Fund (WWF), the World Bank, and Bird Life International.

This project will both bring a representative sample of the Valdivian Rainforest Eco-Region under protection, and help Chile commence the extension and decentralization of the national system of protected areas by developing and establishing a model regional system of protected areas mainstreamed within the regional development planning framework in the Valdivian ecoregion. In addition, the project will address institutional, policy, regulatory, operational, and management weaknesses in the national system so that, in addition to launching a new wave of decentralized regional protected area systems, the overall national framework for protected areas is strengthened.

Project Outcomes:

The project's expected outcomes include the establishment of sustainable and replicable:

- Policy, financing, and institutional structures for regional protected areas;
- Models of NGO stewardship of protected areas;
- Models of collaborative buffer zone management; and
- Models of private and indigenous managed protected areas.

The project will also seek to ensure that institutions and individuals involved with the regional protected area system have the necessary knowledge and skills for effective management.

4. China: Conservation and Sustainable Utilization of Wild Relatives of Crops (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP13/SP2
<u>Local executing agency:</u>	Ministry of Agriculture
<u>Total Cost of the Project:</u>	\$20.90 million
<u>GEF Funding Request:</u>	\$7.85 million (+ PDF-B of \$206,000)

Key Indicators:

- Conservation of wild relatives of key food crops (rice, wheat and soybean) mainstreamed into the agricultural production landscape in eight provinces in China;
- Sustainable incentive systems for conservation of wild relatives mainstreamed into the national policy and regulatory environment in China;
- 360 hectares (ha) of landscape directly covered by the project; and
- 5000 hectares (ha) of landscape indirectly covered by the project.

Project Rationale and Objective:

Society's growing consumption of natural resources and increasing populations have led to a rapid loss of biodiversity, eroding the capacity of earth's natural systems to provide essential goods and services on which human communities depend. Human activities have raised the rate of extinction to 1,000 times its usual rate. In China, unmanaged agricultural extension, uncontrolled grazing, new roads, mines, sources of pollution, and desertification all advance and damage sites with wild relatives of crops. The wild relatives become increasingly contaminated by domesticated and semi-wild varieties, increasing the genetic erosion process. Slowly, these threats will degrade and destroy the last remaining deposits of these wild relatives. The result will be a loss for China and the world of this remaining genetic resource.

The goal of the project is to sustainably conserve wild relatives of crop plants in China. In order to achieve this goal, numerous changes are required in terms of policy, regulation and capacity development at a national level. Inevitably, this will require a substantial period of time to effect, and needs to be based on experience and lessons generated at the local level. This project will generate such lessons through addressing threats to populations of wild relatives and their underlying causes at eight sites representing a diverse range of ecological and socio-economic conditions.

As wild relatives of most crop plants tend to grow in small populations in ecological conditions that are closely associated with the agricultural systems that utilize crops derived from the wild relatives, a more viable approach to conservation of the wild relatives is to integrate their conservation into agricultural production systems. Consequently, the objective of the project is to mainstream conservation of wild relatives of crops in agricultural production landscapes in eight provinces of China.

Project Outcomes:

The project will target wild relatives of rice, soybean and wheat in eight provinces across China. These three crops are among the most important staple food plants globally, and are also found in different ecological and socio-economic conditions.

5. Costa Rica: Mainstreaming Market-based Instruments for Environmental Management Project (World Bank)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP3 & 4/SP1, 2 & 4
<u>Local executing agency:</u>	Ministry of Environment and Energy, and National Forestry Financing Fund
<u>Total Cost of the Project:</u>	\$90.3 million
<u>GEF Funding Request:</u>	\$10 million

Key Indicators:

- At least 190,000 hectares of land with environmental service contracts as private protected areas in the buffer zones and biological corridors;
- Effective biodiversity conservation in globally significant areas measured by vegetation cover and indicator species of biological interest; and
- Sustainable financing mechanisms will be put in place for biodiversity conservation.

Rationale & Objective:

Costa Rica has been a pioneer in the development of environmental service programs, and the example has led other Latin American countries as well as countries outside the region to establish similar programs. A strong country ownership and leadership has been demonstrated by the Costa Rican government on the development of payments for environmental services since early 90's. The national program on payments for environment services (PSA), which this proposed project is built on, is recognized by the government as one of the most important instruments for policy implementation to promote the goals identified under the National Environmental Strategy, National Forestry Development Plan, and the National Biodiversity Conservation Strategy.

The government of Costa Rica has requested further support from the World Bank and GEF to: scale up the PSA program and its activities; covering the areas of biodiversity of global significance in the private protected areas in the bufferzone and corridors as part of the protected areas system, where buyers for environmental services do not exists; and provide long term financing for conservation of globally significant biodiversity.

The project will contribute to the GEF biodiversity program strategic priority by creating innovative and sustainable market-based mechanisms to promote biodiversity conservation and generate lessons that can be replicated to other countries. The project will develop new financing mechanisms with targeted approaches based on the characteristics of demand for specific services, e.g. hydrological, biodiversity and carbon.

Project Outcomes:

- (a) Ensuring the long term sustainability of the PSA program by developing sustainable funding sources;
- (b) PSA program implementation increases its efficiency and effectiveness; and
- (c) PSA program increases its contribution to poverty reduction and sustainable development in rural areas.

6. Cuba: Mainstreaming and Sustaining Biodiversity Conservation in Three Productive Sectors of the Sabana Camaguey Ecosystem (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP2/SP2
<u>Local executing agency:</u>	Ministry of Science, Technology and Environment (CITMA), supported by other line ministries
<u>Total Cost of the Project:</u>	\$27.7 million
<u>GEF Funding Request:</u>	\$4.119 million (+ PDF-B of \$200,000)
<u>Key Indicators:</u>	

- Area of seascape within Sabana-Camaguey Ecosystem (SCE) benefiting directly from mainstreaming biodiversity management in the fisheries sector is 2,770 km²;
- area of landscape benefiting from agriculture, livestock and forestry sectors is 482 km²; and
- The area benefiting indirectly over the long term by changed productive sectors (tourism, fisheries and agriculture related) is 22,800 km² of landscape and 8,311 km² of seascape.

Project Rationale & Objective:

The proposed full-sized project (FSP) would be the third and final phase of a long-term commitment by GEF to the project area. Phase 1 identified problems and opportunities, completed bio-geophysical, economic and social characterization of the SCE and developed a Strategic Plan. Phase 2 secured the conservation of particularly sensitive or high biodiversity value areas in a network of protected areas that covers 20 percent of the SCE, and made impressive progress in promoting an ecosystem-based approach within a traditionally centralized and sector-driven development-planning framework. The proposed Phase 3 will promote operational changes within the tourism, fisheries and agriculture sectors to ensure biodiversity conservation across the productive sea and landscape that make up 80 percent of the archipelago. In addition to interventions that directly change productive sector activities, the project also will strengthen the national, regional and local enabling environments for the financial, institutional, environmental and social sustainability of biodiversity conservation in these sectors.

The Project Objective is to promote operational changes within three key productive sectors, i.e., tourism, fisheries, and agriculture to enable biodiversity conservation in the SCE and to support these changes through improvements to the enabling environment

Project Outcomes:

- (a) A strengthened enabling environment for the financial, institutional, environmental and social sustainability of biodiversity conservation in the tourism, fisheries and agriculture-livestock sectors in the SCE;
- (b) The tourism sector develops in accordance with the conservation of marine and terrestrial ecosystems within the SCE;
- (c) Sustainable fisheries are practiced within the SCE so that fish populations and marine ecosystem functions are maintained and/or restored; and
- (d) The declining sugar cane industry transitions into sustainable land use practices, with greatly reduced negative impacts on the coastal region of the SCE.

Climate Change

7. Regional: Implementation of Pilot Adaptation Measures in Coastal Areas of Dominica, St. Lucia and St. Vincent & the Grenadines (World Bank)

<u>Focal Area/OP/Strategic Priority:</u>	Climate Change/SPA
<u>Local Executing Agency:</u>	Caribbean Climate Change Center (CCCC)
<u>Total Cost of the Project:</u>	\$6.4 million
<u>GEF Funding Request:</u>	\$2.1 million (+ PDF-B of \$300,000)

Key Indicators:

- number of pilot adaptation measures successfully implemented (target: no less than 6);
- number of adopted management plans which incorporate climate change risks and adaptation measures in protected areas (target: no less than 3);
- enactment of measures addressing impacts of cc on land degradation (target: no less than 3);
- Development of national Sustainable Development Strategy which integrates cc risks into BD conservation and SLM; and
- global learning value (qualitative indicator): adoption of lessons and replication plans in other island in and outside the Caribbean.

Project Rationale and Objective:

The project is aimed at implementing pilot adaptation measures that address the impacts of climate change on the natural resource base of the region, focused on biodiversity and land degradation along coastal and near-coastal areas in the vulnerable islands of Dominica, Saint Lucia and St. Vincent and the Grenadines. Reducing these impacts will induce economic benefits in the tourism, fisheries, agriculture and forestry sectors, help maintain the resource base upon which these economic activities rely and promote climate resilient sustainable development.

The project complements the goals of the Mainstreaming Adaptation to Climate Change in the Caribbean (MACC) Project and applies the lessons and information gathered through the Caribbean Planning for Adaptation to Climate Change (CPACC) project by piloting the implementation of adaptation measures in countries that have already taken mainstreaming decisions and seek to execute specific measures to address the impacts of climate change on biodiversity and land degradation.

Project Outcomes:

The project will support three components prioritized in national adaptation strategies and refined through a series of regional and national consultations:

- (a) Design of priority adaptation measures addressing impacts of climate change on biodiversity and land degradation;
- (b) Implementation of adaptation measures designed to address climate impacts on biodiversity and land degradation; and
- (c) Strengthen national capacity to implement multiple multi-lateral environmental agreements (MEA) obligations with an integrated operational framework.

8. Ghana: Ghana Urban Transport (World Bank)

Focal Area/OP/Strategic Priority: Climate Change/OP11/SP6
Local executing agency: Ministry of Road Transport, Government of Ghana
Total Cost of the Project: \$164.85 m
GEF Funding Request: \$8.00 m (+ PDF-B of \$350,000)

Key Indicators:

- Potential for at least 22 percent reduction in GHG emissions over the proposed Bus Rapid Transit (BRT) network;
- Increase in share of public transport system from 40 % in 2005 to at least 50 %;
- Reduction in travel time on the bus pilot corridor by about 8 minutes per trip;
- At least 15 percent aged and polluting vehicles retired; and
- Mainstreaming transport related environmental policies into Ministry of Environment guidelines.

Project Rationale & Objective:

Greater Accra Metropolitan Area (GAMA), with a population of over 3 million residents, has a fleet of private motor vehicles and minibuses that is growing faster than the 3 percent annual GDP growth rate. The vast majority of trips are concentrated in the central city, with three radial routes serving over 500,000 daily person trips entering the area. These roads are heavily congested with 200,000 private vehicles, about 10,000 tro-tros (10-15 seat minibuses) and 2,000 shared taxis (5 seats). If nothing is done to check their growth, CO₂ emissions from the transport sector are projected to increase by 50 percent by 2010, an increase of 2 million tons just within the affected area. The project aims to improve operational efficiency of transport modes and influence mode choice in favor of high capacity public transport buses.

The objective of the proposed GEF project is to enhance mobility on less global emissions per unit of travel and savings in travel time and money through creation of an orderly market for public transport services. The project would support the long-term objective of implementing a BRT, with an immediate focus on: (a) strengthening policy, institutional and regulatory framework for managing, coordinating, planning and monitoring urban transport services in GAMA; (b) facilitating person movement on major corridors through a combination of traffic management and implementation of improved bus transport system and creating an environmentally sustainable urban transportation system; and (c) monitoring and evaluation of local and global environmental benefits.

Project Outcomes:

The project is designed to produce the following key outcomes:

- (a) Strengthened policy and institutional framework for managing, coordinating, planning and monitoring urban transport services in Greater Accra;
- (b) Improved capacity of Greater Accra urban transport authority to effectively operate, manage, plan and monitor an efficient delivery of urban transport system;
- (c) Strengthened regulatory environment of the urban transport sector both to raise the standard of service provision (including higher standards of vehicle maintenance) and improve its efficiency and productivity, thereby lowering rates of vehicle emission;

- (d) Introduction of prioritized bus schemes on pilot corridors and feeder bicycle and pedestrian paths, thereby achieving modal shifts to more efficient and less polluting forms of public transport; and
- (e) Development of an integrated urban transport strategy and plan.

9. Mexico: Integrated Energy Services for Small Localities of Rural Mexico (World Bank)

<u>Focal Area/OP/Strategic Priority:</u>	Climate Change/OP6/SP4: Productive Uses of Renewable Energy
<u>Local Executing Agency:</u>	Ministry of Energy (SENER) and Indigenous People Development Commission (CDI)
<u>Total Cost of the Project:</u>	\$96.85 million
<u>GEF Funding Request:</u>	\$15 million (+ PDF-B of \$350,000)
<u>Key Indicators:</u>	<ul style="list-style-type: none">• 4.98 MT of avoided CO₂ emissions; and• 200 new productive uses or microbusinesses.

Project Rationale and Objective:

In the poor Southern States of Mexico, around 10,000 indigenous communities are without access to modern energy services, which severely diminishes their development opportunities. Supported by this blended IBRD/GEF program, the Ministry of Energy will work together with the Indigenous People Development Commission, the States and the indigenous communities, to leverage federal and local funds for the development of access to renewable energy, and the development of local economic activity so that the communities will thrive economically through these productive uses of renewable energy.

Project Outcomes:

The project will achieve outcomes on three levels. On the financial level, it will line up funds from federal, state and municipal levels to make the energy services affordable to the rural population. On the capacity building level, it will build local capacity with the private sector as well as with the communities, to ensure the continuous and sustainable operation of the energy investments, as well as to aid in the development and marketing of the productive activities and their products. On the strategic level, it builds partnerships between government agencies on various levels, which will lead to the continued support for energy services in rural localities after the project's end.

Land Degradation

10. Argentina: Sustainable Management of Arid and Semi-arid Ecosystems to Combat Desertification in Patagonia (UNDP)

Focal Area/OP/Strategic Priority: Land Degradation/OP 15/ SLM-1 and 2
Local executing agency: Government of Argentina/Ministry of Health and Environment/ Secretariat of Environment and Sustainable Development

Total Cost of the Project: \$32.1 million

GEF Funding Request: \$5.2 million (+ PDF-B of \$350,000)

Key Indicators:

- Increase in land under sustainable livestock management from 2,000,000 hectares to 6,000,000 hectares – increase by 4,000,000 hectares

Project Rationale and Objective:

Patagonia is a vast, cold, semi-desertic region, covering more than 780,000 km² of land. The region is made up of a mosaic of arid and semi-arid ecosystems, which are subject to broad-scale land degradation processes due to anthropogenic threats such as unsustainable livestock keeping. Overgrazing leads to the loss of the most palatable and diverse grasslands, in turn causing the expansion of shrubs that are less palatable and of lower grazing value, resulting in simplified ecosystems of reduced species diversity and composition.

The Government of Argentina has developed range management technologies appropriate to small, medium, and large grazing systems in order to sustain production and maintain the diversity and function of the local ecosystems. These practices conform to the extensive nature of the production systems by providing management guidelines that are adaptable to the situation of the individual producer and to the characteristics of the local ecosystem. Unfortunately, only 3 percent of the breeders have adopted these practices so far.

The project's objective is to control desertification in Patagonia through the implementation of sustainable land use management practices. The project will remove capacity-related barriers currently impeding the adoption of sustainable land management in the region and undertake on-the-ground action to complement the Sustainable Sheep Husbandry Development Program.

Project Outcome:

The project's expected outcomes include:

- (a) Mainstreaming sustainable land management principles into regional land-use planning and decision-making processes through cross-cutting actions to be undertaken throughout the project area; and
- (b) Developing site-specific, on-the-ground interventions to halt degradation processes and restore ecosystem integrity.

11. Mauritania: Community Watershed Management (World Bank)

Focal Area/OP/Strategic Priority: Land Degradation/OP 15 /SLM-1and SLM-2

Local executing agency: Ministry of Agriculture and Livestock,

Total Cost of the Project: \$64.95 million

GEF Funding Request: \$6.00 million (+ PDF-B of \$350,000)

Key Indicators:

- Land degradation controlled in two catchment areas to be scaled up to a total of five catchment areas in several regions; and
- The project is aiming to reach as a minimum target, about 10 percent of the targeted watershed area in which SLM techniques have been introduced and adopted by the end of the second year of execution, to a total of 40 percent by project end as new watersheds are added.

Project Rationale and Objective:

Mauritania is the Sahelian country most affected by drought and desertification; repeated cycles of drought and resulting natural resource deterioration seriously affect the population's productive capacities. Land degradation is a major concern in Mauritania where agro-pastoral areas and oases provide the ecosystems which serve as a primary source of water for the cattle population, support agricultural and pastoral production, supply firewood and timber, supply crops, and provide the habitat for fauna and flora. The integrity of the ecosystems is threatened by the following constraints to sustainable management of natural resources: caused by loss of arable land, pastureland, biodiversity and forest land.

The proposed project will address land degradation within the project area, through community interventions to improve the management of natural resources and combat desertification within the frameworks of watersheds and landscapes management. The project is partially-blended with the IDA baseline Community-Based Rural Development (CBRD) Project, which focuses primarily on village-level investments to improve the livelihood of rural communities. The CBWM project would broaden the base and supplement it with natural resources management investments emphasizing sustainable land management (SLM) at the inter-community level.

The project development objective is to lessen the incidence of land degradation at the watershed level within the CBRD project area by promoting SLM practices and assisting rural communities realize benefits through community-driven investments which address land degradation. The global environmental objective is to limit land degradation and to safeguard critical ecosystem functions through community-driven SLM activities that improve agro-silvopastoral management and increase vegetation cover while securing livelihoods and global environmental benefits (i.e., reduced sedimentation of waterways, improved interconnectedness and integrity of ecosystems, enhanced carbon storage rates, and increased opportunities for biodiversity conservation).

12. Pakistan: Sustainable Land Management for Combating Desertification, Phase 1 (UNDP)

Focal Area/OP/Strategic Priority: Land Degradation/OP 15/SLM-1 and 2
Local executing agency: Government of Pakistan/Ministry of Environment
Total Cost of the Project: \$4.94 million
GEF Funding Request: \$2.00 million (Phase 1) (+ PDF-B of \$340,000)

Key Indicators:

- Protection of an estimated area of 375,000 hectares from land degradation, of which at least 8,000 hectares in Phase-1 and 40,000 hectares in Phase-2 will be covered through direct demonstration of SLM practices.

Project Rationale and Objective:

Unsustainable land management practices in Pakistan are causing significant environmental problems, including soil erosion, loss of soil fertility and crop productivity, flash floods, sedimentation of water courses, and deforestation and the associated loss of carbon and biodiversity assets. The northern mountain regions, in particular, are experiencing heavy soil erosion caused by large-scale deforestation in the catchments. This has resulted in the siltation of major water reservoirs, thus reducing power generation capacity and limiting the availability of irrigation water.

The overall goal of the project is to combat land degradation and desertification in Pakistan by protecting and restoring ecosystems and essential ecosystem services which are key to reducing poverty. This will be accomplished by strengthening institutional capacity, creating an enabling environment, and demonstrating good practices which can help remove key barriers to sustainable land management.

Project Outcomes:

The project's expected outcomes include:

- (a) Creation of an enabling environment for mainstreaming sustainable land management principles;
- (b) Development of institutional and individual capacities for sustainable land management;
- (c) Mainstreaming sustainable land management into land use planning processes;
- (d) Completion of participatory feasibility studies which demonstrate sustainable land management practices; and
- (e) Dissemination of lessons learned about adaptive management.

Multi-focal Area

13. Global: Small Grants Programme (Third Operational Phase) Tranche 2 (March 2006 – February 2007), Installment 2 (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Multi-focal Area
<u>Local executing agency:</u>	multiple
<u>Total Cost of the Project:</u>	\$122.00 million (of which Tranche 2 = \$60 million)
<u>GEF Funding Request:</u>	\$15.00 million

The GEF Small Grants Programme (SGP) is an ongoing GEF activity, launched in 1992, and which currently supports community-level initiatives to help protect the global environment in the GEF focal areas of biodiversity, climate change, land degradation, international waters and POPs. To date the programme has funded over 6,000 projects through small grants that do not exceed \$50,000 in 92 recipient countries.

The SGP works on the underlying assumption that path-breaking local environmental initiatives can contribute to securing global environmental benefits. The Third Operational Phase of the Small Grants Programme (March 2006 – February 2009) will be more strategic in supporting similar initiatives and also document the resulting global environmental benefits using specifically developed indicators.

Many of the small-scale initiatives are considered to have the potential of becoming good practices or extending into large-scale activities. These initiatives include promotion of sustainable use activities within the protected areas and buffer zones, conservation in productive landscapes and seascapes, productive uses of renewable energy, innovative demonstrations in international waters, innovative and indigenous sustainable land management practices and targeted capacity building through learning by doing.

The following additional outcomes are to be achieved during Tranche 2 (March 2006 – February 2007) of the Small Grants Programme:

- (a) Extend the programme to 10 new countries, including a minimum of 5 Least Developed Countries (LDCs) and/or Small Island Developing States (SIDS);
- (b) Build the capacity of SGP country teams;
- (c) Establish SGP country project portfolios including in the new GEF focal areas of land degradation and POPs;
- (d) Complete at least two thematic and /or ex-post case studies assessing local and global environmental benefits of the programme; and
- (e) Review how many full-sized projects with IAs/ExAs have SGP components or could use SGP approaches and strategies.

Overall programme management will continue to be with UNDP, maintaining SGP's

decentralized decision-making and country driven character. The grants are to be managed by the national project staff and National Steering Committees with administrative support from UNDP country offices and technical assistance from UNDP-GEF office at headquarters and in the field. The National Steering Committees, where needed, will be further strengthened to include a larger variety of stakeholders, including academic institutions, private sector and indigenous people.

The project comprises a monitoring and evaluation framework that include visits by country programme teams, semi-annual and annual reporting and regular updates through on-line and off-line database. In addition, an independent evaluation will be completed by end-February 2007.