



Global Environment Facility

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INTERSESSIONAL WORK PROGRAM
SUBMITTED FOR GEF COUNCIL APPROVAL

Executive Summary

1. This is the second work program presented for GEF Council review and approval in GEF-4. The proposed work program contains five project proposals and requests \$30.92 million in financing from GEF Trust Fund. Co-financing associated with these proposals amount to \$403.93 million – each dollar of GEF grant is matched by \$13.56 in co-financing as compared to the historical average of \$4.

2. The 5 new full-sized project (FSP) proposals request GEF project grants totaling \$27.94 million (see Annex A for the financial details of proposals and Work Program Project Summaries in Annex C for details regarding project objectives). Associated with these projects are requests for fees totaling \$2.98 million for the GEF Agencies to meet their project cycle management costs, resulting in a total GEF Trust Fund financing of \$30.92 million requested through this work program.

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Where to send technical comments:

It is suggested that Council members send their technical comments electronically (in Word file) to the GEF Secretariat's program coordination registry at: gcoordination@TheGEF.org

Main features of the proposed work program

1. The work program presented by the Secretariat for GEF Council review and approval is the second since the GEF-4 replenishment and the GEF Resource Allocation Framework became applicable to the biodiversity and climate change focal areas. The proposed work program consists of 5 new full-sized project (FSP) proposals requesting GEF project grants totaling \$ 27.94 million (see Annex A for the financial details of proposals and Annex C for details regarding project objectives). Associated with these projects are requests for fees totaling \$2.98 million for the GEF Agencies to meet their project cycle management costs, resulting in a total request of \$30.92 million from the GEF Trust Fund.
2. Note that this work program contains proposals only in the biodiversity and international waters focal areas. Table 1 shows the total GEF resources requested in this work program totaling \$30.92 million and its distribution by focal area.

Table 1. GEF Resources requested in the July 2007 Work Program by Focal Area (\$ million)

Focal Area	Number of Projects	GEF project Grant	Agency Fees	Total GEF Resources Requested in this WP
Biodiversity	2	8.65	0.93	9.58
International Waters	3	19.29	2.05	21.34
Total	5	27.94	2.98	30.92

Status of the use of GEF-4 Resources

3. Approvals of project preparation grants, full-sized projects, medium-sized projects, and enabling activities amounted to \$587.11 million of GEF-4 resources until June 30, 2007. When added to the total resources requested in this work program of \$30.92 million, total resources programmed for GEF-4 to-date amount to \$618.03 million, including agency fees, as shown in Table 2.

Table 2. Status of Resources Programmed under GEF-4 by Focal Area and Corporate Program (\$ million)

GEF Focal Area and Corporate Program	Targeted Allocations in GEF-4		GEF-4 approvals until June 30, 2007		Resources requested through this work program, including agency fees		Total GEF-4 resources programmed			% of GEF-4 Resources used
	Amount	%	Grant	Fees	Grant	Fees	Grant	Fees	Total	
Biodiversity	950.00	31.6%	59.49	5.22	8.65	0.93	68.14	6.15	74.29	7.8%
Climate Change	950.00	31.6%	83.54	7.44	-	-	83.54	7.44	90.98	9.6%
International Waters	335.00	11.1%	73.42	6.97	19.29	2.05	92.71	9.01	101.73	30.4%
Ozone Depletion	40.00	1.3%	0.84	0.08	-	-	0.84	0.08	0.91	2.3%
Land Degradation	282.00	9.4%	138.25	12.79	-	-	138.25	12.79	151.04	53.6%
Persistent Organic Pollutants (POPs)	282.00	9.4%	30.08	3.04	-	-	30.08	3.04	33.12	11.7%
Multi-focal Areas	-	0.0%	-	-	-	-	-	-	-	N/A
Core Corporate Programs	15.00	0.5%	-	-	-	-	-	-	-	0.0%
Corporate Programs	156.00	5.2%	111.57	4.21	-	-	111.57	4.21	115.78	74.2%
Public-Private Partnerships	-	0.0%	50.19	-	-	-	50.19	-	50.19	N/A
Total: Resources Programmed	3,010.00	100.0%	547.37	39.74	27.94	2.98	575.32	42.72	618.03	20.5%

Note 1: The Small Grants Program, which is a corporate program, is programmed from resources directly made available to the program under the replenishment plus resources earmarked by countries under the RAF in the biodiversity and climate change focal areas.

Note 2: Multi-focal area projects were shared among the different focal areas

Distribution of GEF Project Grants by Region

4. Table 3 shows the regional distribution of project grants in the proposed work program. Of the total project grant of \$27.94 million requested in this work program, the Africa region gets over half of the resources while Asia receives around a third, and the remaining 16 percent goes to Latin America and Caribbean.

Table 3. Distribution of GEF Project Grants in the July 2007 Work Program by Region and Focal Area (\$ million)

Focal Area	Africa	Asia	Latin America and Caribbean	Total
Biodiversity	-	8.65	-	8.65
International Waters	14.79	-	4.50	19.29
Total	14.79	8.65	4.50	27.94
% resources programmed for Region	53%	31%	16%	100%

Distribution of Proposals by GEF Agency

5. Table 4 shows distribution of proposals by GEF agencies. Four out of the five project proposals in this work program are submitted by different GEF Agencies individually; in addition, UNEP partnered with FAO in a fifth proposal. Total agency fees requested in this work program amount to \$2.98 million, based on the latest fee policy approved by the Council in December 2006.

Table 4. Distribution of Proposals by Agency in the July 2007 Work Program

(\$ million)

Agency	Number of Projects	GEF Project Grant	PDF/PPG Amount	Total GEF Project Grant	Agency Fees
ADB	1	5.00	0.35	5.35	0.54
FAO/UNEP	1	8.09	0.70	8.79	0.88
UNDP	1	6.70	-	6.70	0.67
UNEP	1	3.65	0.33	3.98	0.40
UNIDO	1	4.50	0.47	4.98	0.50
Total	5	27.94	1.85	29.79	2.98

Co-financing

6. Co-financing associated with the proposed work program amounts to \$403.93 million, which brings the total project value to \$433.72 million. Each dollar of GEF grant is matched by \$13.56 in co-financing as compared to the historical average of \$4.¹

7. Table 5 shows the distribution of co-financing levels in the projects proposed in this work program by co-financier and focal area. The major co-financiers in this work program are the governments which will provide 54 percent of co-financing and the Multilateral agencies will provide 43 percent of the co-financing. Between the two focal areas in this work program, biodiversity projects will provide 96 percent of co-financing while international waters projects will provide 90 percent. On average, co-financing will provide 93 percent of total project costs in this work program.

¹ For details on co-financing, please refer to Table 5 and Table B.1 in Annex B

Table 5. Distribution of Co-financing in the July 2007 Work Program by Co-financiers (\$ million)

Type	Biodiversity	International Waters	Total
GEF Project Grant	8.65	19.29	27.94
PDF/PPG	0.68	1.17	1.85
Total GEF Project Grant	9.33	20.47	29.79
<i>Co-Financier</i>	-	-	-
Bilateral	0.42	5.12	5.54
Foundation	-	7.00	7.00
Government	115.04	101.83	216.87
Multilateral	101.98	72.38	174.36
NGO	-	-	-
Others	-	0.15	0.15
Total Co-Financing	217.44	186.48	403.93
Total Project Cost	226.77	206.95	433.72
GEF:Co-Financing Ratio	23.32	9.11	13.56
Percentage Co-Financing	96%	90%	93%

GEF Strategies and the Work Program

8. The proposals included in the work program were reviewed and considered in conformity with the focal area strategies and strategic programming for GEF-4. Below are highlights of the project proposals as they relate to their respective focal area strategies.

Biodiversity (BD)

9. The regional project, **India, Indonesia, Malaysia, and Thailand: Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services** addresses one aspect of the GEF-4 biodiversity strategy: mainstreaming agricultural biodiversity in production landscapes. The project seeks to improve the conservation and use of tropical fruit genetic diversity in Asia by strengthening the capacity of farmers, local communities and institutions. Through this project, agro-biodiversity will be conserved in situ and on-farm through improved knowledge of its value, use and sustainable management practices. In addition, the project will develop benefit sharing mechanisms developed among national and local institutions and farming communities.

10. The national project, **China: Ningxia Integrated Ecosystem and Agricultural Development Project**, also proposes to mainstream biodiversity into broader land management issues. The goal of the project is to contribute to restoring the productive and protective functions of the ecosystem resources of the Helan Mountains/Yinchuan area. The project purpose is to introduce an integrated ecosystem management (IEM) approach for the sustainable and commercial utilization of natural resources (soils, water, vegetation and biodiversity) for agriculture, livestock production and eco-tourism purposes. The project will also contribute to the results being sought through the China Biodiversity Partnership Framework particularly with regards to the national policy and legal framework for biodiversity conservation.

International Waters (IW)

11. The Intersessional Work Program includes two IW projects which required lengthy preparation, and a third project that is the phase II of a project originally “trached” in 2001 because of the temporary shortage of GEF funding at that time. All IW projects are consistent with the revised IW Focal Area Strategy for GEF-4 currently being considered by Council for approval.

12. The regional project, *Protection of the Canary Current Large Marine Ecosystem (LME) Project* with UNEP and FAO in West Africa called for an extensive and broad based participatory approach as well as a number of national and regional studies to ensure the design of a fully owned and focused multi-country regional project. This project and the *Gulf of Mexico LME Project* with UNIDO, both contribute to Strategic Programs 1 and 2 in IW. Both projects are initial foundational capacity building projects that intend to achieve multi-country agreement on priority transboundary water-related concerns. They also aim to develop action programs of multi-country reforms into national frameworks and to demonstrate practical solutions to the transboundary concerns.

13. The third IW project is a Phase II environment project that is part of a much larger Nile Basin Initiative (over \$100 million) involving the World Bank, UNDP, and many bilateral assistance organizations. This regional project, *Nile Transboundary Environmental Action Project, Phase II* which contributes to IW Strategic Program 3, is implemented by UNDP. An independent evaluation (Mid-term Review) was conducted of the first “tranche”—as referred to in 2001 when approved by the GEF Council. The Review found good progress being made by the 9 participating states in the basin and the Phase II project being presented in this work program reflects mid-course corrections stemming from recommendations of the Review. This project addresses a critical need of many transboundary basins globally-- sustainable development progress requires additional water use in basins and this use may stress the water resources and climatic fluctuations that make conflicts in water use more apparent.

Project Proposals in the Work Program²

Biodiversity

1. **Regional (India, Indonesia, Malaysia, Thailand):** Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services (UNEP) (GEF Grant: \$3.65 m)
2. **China:** Ningxia Integrated Ecosystem and Agricultural Development Project (ADB) (GEF Grant: \$5.00 m)

International Waters

3. **Regional (Burundi, Congo DR, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, Uganda):** Nile Transboundary Environmental Action Project, Phase II (UNDP) (GEF Grant: \$6.7 m)
4. **Regional (Cape Verde, Gambia, Guinea, Guinea-Bissau, Mauritania, Morocco, Senegal):** Protection of the Canary Current Large Marine Ecosystem (LME) (UNEP/FAO) (GEF Grant: \$8.09 m)
5. **Mexico:** Integrated Assessment and Management of the Gulf of Mexico Large Marine Ecosystem (UNIDO) (GEF Grant: \$4.503 m)

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

PROJECT PROPOSALS SUBMITTED FOR COUNCIL APPROVAL

July 2007

All amounts in US\$ million.

GEF #	ID	OP Country	IA	Project Title	PDF A	PDF + PPG	GEF Project Grant	Total GEF Grant*	Cofin.	Agency Fees	Total Project Cost **	
<u>Biodiversity</u>												
1	2430	13 Regional (India, Indonesia, Malaysia, Thailand)	UNEP	Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services		0.326	3.650	3.976	6.714	0.398	10.690	
2	2788	1 China	ADB	Ningxia Integrated Ecosystem and Agricultural Development Project		0.350	5.000	5.350	210.730	0.535	216.080	
Sub total for Biodiversity						0.676	8.650	9.326	217.444	0.933	226.770	
<u>International Waters</u>												
3	2584	9 Regional (Burundi, Congo DR, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, Uganda)	UNDP	Nile Transboundary Environmental Action Project (NTEAP), Phase II			6.700	6.700	71.990	0.670	78.690	
4	1909	8 Regional (Cape Verde, Gambia, Guinea, Guinea-Bissau, Mauritania, Morocco, Senegal)	FAO/UNEP	Protection of the Canary Current Large Marine Ecosystem (LME)		0.700	8.090	8.790	17.716	0.879	26.506	
5	1346	9 Mexico	UNIDO	Integrated Assessment and Management of the Gulf of Mexico Large Marine Ecosystem		0.473	4.503	4.976	96.775	0.498	101.750	
Sub total for International Waters						1.173	19.293	20.466	186.481	2.047	206.947	
Total for Work Program						1.849	27.942	29.791	403.925	2.979	433.717	

* "Total GEF Grant" is the GEF Project Grant plus previously approved project preparation grant(PDF A, PDF B, PDF C and PPG).

** "Total Project Cost" includes Total GEF Grant and cofinancing.

ANNEX B. HISTORICAL TREND ANALYSIS

Historical Cofinancing Trends

1. Table B.1 shows the historical trend in total co-financing amounts and ratios. Co-financing performance has steadily increased over the history of the GEF. The co-financing ratio average for GEF-4 to date is 6.66 compared to the overall historical average of 3.91 .

Table B.1: Distribution of Proposals by Agency in the July 2007 Work Program*

GEF Phase	GEF Grant (\$m)	Co-financing Amount (\$m)							Total Project Cost (\$m)	Co-Financing Ratio
		BD	CC	IW	LD	MFA	ODS	POPs		
Pilot Phase	739.55	189.05	2,402.89	144.26	-	4.35	1.85	-	3,481.95	3.71
GEF - 1	1,254.85	966.03	2,322.10	217.40	-	55.21	95.24	-	4,910.83	2.91
GEF - 2	1,912.41	1,852.22	3,403.40	568.67	-	345.29	78.11	5.49	8,165.59	3.27
GEF - 3	2,891.76	2,992.03	4,609.69	2,636.44	1,036.97	894.52	11.49	143.33	15,216.22	4.26
GEF - 4	576.20	353.96	1,651.82	396.31	986.22	387.17	0.41	59.53	4,411.61	6.66
2007	546.41	136.52	1,651.82	209.83	986.22	387.17	0.41	59.53	3,977.90	6.28
2008	29.79	217.44	-	186.48	-	-	-	-	433.72	13.56
Total	7,374.77	6,353.29	14,389.91	3,963.07	2,023.19	1,686.53	187.10	208.34	36,186.21	3.91

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 associates project preparation grants with the project grants for those periods when the project grants are approved
 Note: Cofinancing ratio = Cofinancing/GEF Grant

Project Grants

2. Table B.2 contains the cumulative GEF project grants approved by the Council through work programs as well as project preparation grants, medium-sized projects, and enabling activities approved by the CEO.

Table B.2: Project Grant Trends (GEF Pilot Phase - GEF 4) by Focal Area (\$ million)*

GEF Phase	Biodiversity		Climate Change		International Waters		Land Degradation		Multi-Focal Area		Ozone Depletion		Persistent Organic Pollutants (POPs)		Total
	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	
Pilot Phase	331.72	43%	284.80	37%	125.46	16%	-	0%	15.70	2%	5.54	1%	-	0%	763.22
GEF - 1	459.75	36%	509.89	40%	120.89	10%	-	0%	50.59	4%	121.10	10%	-	0%	1,262.23
GEF - 2	746.44	38%	680.73	35%	301.31	15%	1.47	0%	148.09	8%	43.47	2%	29.06	1%	1,950.58
GEF - 3	878.46	30%	877.72	30%	343.68	12%	216.30	7%	412.15	14%	12.15	0%	163.74	6%	2,904.20
GEF - 4	54.98	10%	76.35	13%	70.97	13%	138.25	24%	197.46	35%	0.84	0%	27.18	5%	566.03
2007	46.33	9%	76.35	14%	51.68	10%	138.25	26%	197.46	37%	0.84	0%	27.18	5%	538.08
2008	8.65	31%	-	0%	19.29	69%	-	0%	-	0%	-	0%	-	0%	27.94
Total	2,471.36		2,429.49		962.31		356.01		823.99		183.10		219.99		7,446.26
Total %	33%		33%		13%		5%		11%		2%		3%		100%

* 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.

ANNEX C. WORK PROGRAM PROJECT SUMMARIES

Biodiversity

1. **Regional (India, Indonesia, Malaysia, Thailand):** Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services (UNEP)

Focal Area/Strategic Objective: Biodiversity/SO2

Local executing agency: **India:** Indian Council of Agricultural Research (ICAR), India;
Indonesia: Indonesian Centre for Horticulture Research and Development (ICHORD);
Malaysia: Malaysian Agriculture Research and Development Institute (MARDI);
Thailand: Department of Agriculture (DOA);
Italy: Bioversity International.

Total Cost of the Project: \$10.69 million

GEF Funding Request: \$ 3.65 million (+ \$326,000 of PDF previously approved)

Key Indicators:

- Genetic and species diversity of target tropical fruit trees conserved on 30,000 hectares of the farmer fields and in 50,000 hectares in forest areas.
- At least 10% of farming families and users from 36 local communities (equal to 15,000 families) show a 10% increase in the income derived from tropical fruit trees associated with the adoption of good practices by the project by year 5.
- Twenty percent of the households in 36 local communities attest to increased consumption of tropical fruits through additions to their diets by year 5.
- At least 10 representatives of user groups in each country trained in the development of environmental certification schemes to link decentralized management and community-level planning with livelihood security and improved environmental management by the end of year 5.

Rationale & Objective:

The overall development goal of the project is to strengthen sustainable livelihoods through improved management and utilization of tropical fruit genetic diversity. The project objective is to improve the conservation and use of tropical fruit genetic diversity in Asia by strengthening the capacity of farmers, local communities and institutions.

The project will bring together local and scientific knowledge about the diversity of key tropical fruit trees to identify, develop and test good practices that will contribute to the conservation of this diversity and associated ecosystems services while improving the livelihoods of farmers and users. In addition, the methods and good practices resulting from the project will provide the scientific and practical foundations necessary for the development of environmental certification schemes to promote the marketability and mainstreaming of tropical fruit diversity. These practices will be disseminated and their adoption fostered in project countries and in other regions. Capacity will be enhanced in project countries to carry out the processes of identification and development, dissemination and adoption of these good practices leading to

improved livelihoods and food security of target beneficiaries through the conservation and use of tropical fruit tree genetic resources.

The project will focus on four commercially important tropical fruit species with high diversity levels in the region, both at intraspecific level as well as at species level: citrus (*Citrus* spp.), mango (*Mangifera indica*), mangosteen (*Garcinia mangostana*), and rambutan (*Nephelium lappaceum*) as well as their wild relatives. The four countries participating in this project, India, Indonesia, Malaysia and Thailand, are located in the centers of diversity of these species.

Project Outcomes:

1. Diversity of tropical fruit tree genetic resources is conserved in situ and on-farm through improved knowledge of its value, use and sustainable management practices.
2. Rural communities benefit by using methodologies and good practices for the management and conservation of tropical fruit tree species and intra-specific diversity.
3. Stakeholders have the capacity and leadership skills to apply good practices for managing tropical fruit tree diversity for sustainable livelihoods, food security and ecosystem health.

Project Outputs:

- 1.1. Enhanced documentation of farmers' and users' knowledge and practices on in situ conservation and on-farm management of tropical fruit tree genetic resources.
- 1.2. Diversity rich populations of tropical fruit trees, populations under threat, and populations with key traits of potential development value are identified and documented.
- 1.3. Market and non-market values of tropical fruit tree diversity for rural communities identified and used to promote good practices.
- 1.4. Methodologies and good practices that use tropical fruit tree genetic resources are identified and/or developed.
- 2.1. Tropical fruit tree genetic material are improved.
- 2.2. Increased demand for tropical fruit tree genetic resources in local and national markets.
- 2.3. Benefit sharing mechanisms developed among national and local institutions and farming communities.
- 2.4. Supply of tropical fruit tree genetic materials is improved.
- 2.5. Mechanisms developed for increasing the value of sustainable management of forest species/wild relatives of target crops.
- 3.1. Farmers and local communities are capable of assessing, valuing and implementing good practices to increase the value of tropical fruit tree genetic resources.
- 3.2. Communities and local institutions organized to participate in decision-making processes regarding the conservation and sustainable use of tropical fruit tree genetic resources.
- 3.3. Local and national research and extension organizations have the capacity to assess the diversity and its value of tropical fruit tree genetic resources.
- 3.4. National and local educational institutes have the capacity to train staff in participatory assessment, conservation, valuation and enhanced use of tropical fruit tree resources.
- 3.5. A regional network established on the conservation and use of tropical fruit tree species and linked to other forest and agricultural tropical tree networks.

2. **China** : Ningxia Integrated Ecosystem and Agricultural Development Project (ADB)

<u>Focal Area/Strategic Objective:</u>	Biodiversity/SO1/SO2/SLM1/SLM2
<u>Local executing agency:</u>	Foreign Debt Management Office of the Ningxia Hui
<u>Total Cost of the Project:</u>	\$ 216.08 million
<u>GEF Funding Request:</u>	\$ 5.00 million (+ \$350,000 of PDF previously approved)

Key Indicators:

For Biodiversity

1. Helan Piedmont Conservation Management Areas established (53,150 ha.).
2. Integrated lake and wetland conservation and tourism enterprises for up to 4,670 ha. for migratory and resident birdlife, in place.
3. Yinchuan Wetlands of up to 3,275 ha. for recreation & tourism, and 8,000 ha. of natural grasslands restored in the Yinxi wetlands.

For Sustainable Land Management

1. Harmonized policy and regulatory framework for the water law and wetland management covering the Project area (3,655 Km²), in place. Relevant provisions included in: a) the proposed regulations for wetland management, b) the new implementation provisions for the Water Law, or 3) in an Integrated Ecological Management policy to be issued by the regional government for the project area.
2. Conservation agriculture adopted in 44,600 ha. (38,000 in State Farm Group Enterprises and 6,600 ha. in the Ningxia Administration Bureau).
3. Income of up to 27,700 households (hh) increased by producing beef, dairy and grapes (7,500 hh in State Farm Group Enterprises), sustainable land use and perennial crops (12,000 hh in the Yinchuan Municipality), and through cattle and fodder (8,200 hh in the Ningxia Administration Bureau).

Rationale & Objective:

The pressures of intensified use and rapid economic growth in recent decades have adversely impacted the quality of most farmlands, grasslands, forests, wetlands and mountain areas of the western region of China (PRC). To respond to the increasing threat, the PRC Government significantly expanded its programs to combat land degradation and conserve biodiversity under the 9th (1996–2000) and 10th (2001–2005) Five-Year Plans (FYP), including re-forestation, closure and protection of natural forests, grassland improvement, soil and water conservation, biodiversity protection, and strengthening of nature reserves and renewable rural energy.

Ningxia Hui Autonomous Region (NHAR) is the smallest of the PRC's provinces, with a land area of 66,400 km², and a population of 5.8 million people. It is one of the five ethnic minority regions of the PRC, with approximately 2.1 million Hui people, most of whom maintain Muslim traditions. The oasis of the Yinchuan plain has the best natural resource endowment in NHAR, with the Yellow River flowing through it, and has areas of good soils in the alluvial plain and irrigation canals dating back over 2,000 years. It is protected from the prevailing winds and large deserts to the north by the Helan Mountains.

The goal of the project is to contribute to restoring the productive and protective functions of the ecosystem resources of the Helan Mountains/Yinchuan area. The project purpose is to introduce

an integrated ecosystem management (IEM) approach for the sustainable and commercial utilization of natural resources (soils, water, vegetation and biodiversity) for agriculture, livestock production and eco-tourism purposes.

Project Outcomes:

1. An increased number of smallholders and poor rural communities linked to enterprises in conservation-oriented industries, so as to provide alternatives to the current agricultural practices that are damaging to the ecosystems of the Project area. Livelihood improvement for small farmers and 20 enterprises will have increased incomes through a transition to higher value and more resource-efficient industries.
2. Demonstration of the IEM approach through policy, regulatory and institutional reforms, capacity building through training, studies, and exposure of leaders and local officials to IEM concepts and other projects, and practical demonstrations of conservation agriculture, reduced agro-chemicals and water use per unit of cultivated area.
3. Nine (9) lakes and wetland systems will receive increased water allocations and less runoff from agriculture, and 15 globally threatened wild species will be protected.
4. The current trends in degradation of farmland and wetlands will be stopped, and ecosystem rehabilitation will have commenced. Wetlands, grasslands and natural forests will offer improved habitats for wildlife, and tourism numbers will have increased.

Project Outputs:

1. Integrated Ecosystem Management capacity and Project Coordination established.
2. Land and water resources management in place, by means of spatial- and integrated water resource management plans, conservation agriculture and improved water resource efficiency.
3. Rural livelihoods under State Farms, the Yinchuan Municipality and Ningxia Administrative Bureau, improved.
4. Conservation and tourism in Shahu & Yuehai Lakes in place, Helan Nature Reserve in operation, and the Yinxi & Yinchuan Wetland Conservation Programs, completed.
5. Restoration and conservation of the Xixia tombs, Jiangjun Tower, Helankou rock carvings, and the Yinchuan Botanic garden, completed.

International Waters

3. Regional (Burundi, Congo DR, Egypt, Ethiopia, Kenya, Rwanda, Sudan, Tanzania, Uganda): Nile Transboundary Environmental Action Project (NTEAP), Phase II (UNDP)

Focal Area/Strategic Objective: IW/SP3

Project executing agency:

Total Cost of the Project: \$78.69 million

GEF Funding Request: \$ 6.7 million

Key Indicators:

- successful agreement among countries on the basin cooperative framework;
- a permanent basin institution established with mainstreamed environment functions, including for sustaining basin wetlands); functioning national inter-ministry committees.

Rationale & Objective:

This project is the phase II of a project approved by the GEF Council in 2001 which was divided into tranches due to constraints on availability of GEF resources at that time. The Nile Transboundary Environmental Action Project is the environment component of the \$111 million multi donor regional program known as the Nile Basin Initiative (NBI) covering 9 Nile basin countries. It is executed by the Nile Basin Initiative Secretariat through the UN Office of Project Services and aims at achieving socio-economic development through equitable utilization of the Nile basin resources. Its objective is to engage an entire spectrum of stakeholders on sustainable management of the basin common natural resources and enhance their understanding of the principles of sustainable management of these resources. The UNDP project document was signed in February 2003 and its component is completed. The project grant agreement with the World Bank was signed in April 2003 and is presently at its mid-term review. The mid-term review found the project well advanced in achievement of its goals and objectives. As a result, this second phase is now being submitted for Council approval.

The objectives of the Project are: to develop a framework of actions to address high priority transboundary environmental issues in the Nile basin through, (a) provision of a forum to discuss development paths for the Nile; (b) improvement in the understanding of the relationship between water resources management and the environment; (c) enhancement of basin-wide cooperation among NBI Countries, and added for phase II: (d) protection of critical Nile Basin ecosystems from transboundary threats through the provision of a strategic environmental framework and the engagement of stakeholders according to the principles of Integrated Water Resources Management.

Project Outcomes:

- Regional and national institutions strengthened in addressing transboundary threats to Nile ecosystem resources.
- Improved capacity of Nile Basin countries for integrated natural resources management across relevant GEF focal areas.
- Enhanced environmental education and public awareness targeting Nile Basin transboundary issues.

- Enhanced conservation and management of Nile Basin wetlands and their biodiversity through application of IWRM approaches.
- Negotiated cooperative framework and permanent basin institution.

4. Regional (Cape Verde, Gambia, Guinea, Guinea-Bissau, Mauritania, Morocco, Senegal): Protection of the Canary Current Large Marine Ecosystem (LME) (UNEP/FAO)

Focal Area/OP/Strategic Objective: IW/SP1

Project executing agency:

Total Cost of the Project: \$26.506 million

GEF Funding Request: \$8.09 million (+ \$700,000 of PDF previously approved)

Key Indicators:

- A regional knowledge and information management system has been established and survey results and baseline assessments carried out as part of the TDA process are accessible for decision-makers and researchers in CCLME countries.
- Baseline and target values for the next 10 years in relation to 5 LME modules identified and included in 1st periodic LME Assessment.
- Strengthened institutional framework for cooperation on trans-boundary water-related issues and development of the SAP established linking CSRP, OMVS, OMVG, Abidjan Convention, ATLAFCO, CECAF, ICCAT, AGC, pertinent national sectoral institutions.
- LME Modular assessments of Productivity & Fish/fisheries (with cross-cutting socioeconomics & governance analyses and taking account of climate change).
- 5 New multi-country policy and management instruments for trans-boundary fisheries management developed by PY03, adopted by PY04, and implementation started by PY05:
 - Shared small pelagic stocks agreement for the northern CCLME (Morocco to Senegal/Gambia)
 - Regional agreement on regulation of by-catch in industrial shrimp trawling
- Trans-boundary management plan for coastal pelagics targeted by artisanal fishery (Mauritania-Senegal-Gambia).
 - Ecosystem-based regional plan for the management and conservation of elasmobranchs
- Concerted sub-regional fisheries minimum access policy
- LME Modular assessment of Pollution & Ecosystem Health (with cross-cutting socioeconomic & governance analyses, taking account of climate change).
- 4 New multi-country policy and management instruments for trans-boundary management of critical habitat & biodiversity and maintaining water quality developed by PY04 and adopted in SAP by PY05:
 - Regional MPA network management plan,
 - Regional plan for critical habitat conservation,
 - Regional mangrove management instrument,
- Regional management framework for water flow regimes of regulated river basins.

Rationale & Objective:

The CCLME has the highest fisheries production of any African LME. The CCLME coastal zone also provides important goods and services to coastal states including critical fish habitat, fresh water from coastal estuaries, wood from mangroves and coastal and marine space for agriculture, aquaculture, urban development, tourism and transport. Sustainable stewardship of the CCLME is essential for achievement of Millennium Development Goals in Africa.

The project objective is to strengthen the knowledge base, human capacity and regional institutional framework to enable countries of the Canary Current Large Marine Ecosystem to identify, analyze impacts and causes of, and address trans-boundary concerns of depleted fisheries and degradation of habitat, biodiversity and water quality critical to fisheries through governance reforms, investments and management programs.

Project Outcomes:

- a Trans-boundary Diagnostic Analysis (TDA) and first periodic LME Assessment adopted by the CCLME Steering Committee following approval and support by the countries via national and regional forums;
- a Strategic Action Plan (SAP) adopted at ministerial level;
- stakeholder participation in priority-setting and planning as part of the TDA/SAP process has been systematic and substantial;
- a financially sustainable inter-governmental coordination mechanism for CCLME stewardship has been chosen and adopted by the countries;
- the capacities of institutions concerned with trans-boundary waters has been strengthened in readiness for SAP implementation and
- five (5) demonstration projects have achieved process and stress reduction outcomes in relation to initial trans-boundary concerns and the costs & potential benefits thereof have been analyzed.

5. Mexico: Integrated Assessment and Management of the Gulf of Mexico Large Marine Ecosystem (UNIDO)

<u>Focal Area/Strategic Objective:</u>	Strategic Programs 1 and 2
<u>Project executing agency:</u>	International Maritime Organization
<u>Total Cost of the Project:</u>	\$101.75 million
<u>GEF Funding Request:</u>	\$4.503 million (+ \$473,000 of PDF previously approved)

Key Indicators:

- Revised TDA available and agreed upon by both countries
- SAP endorsed at ministerial level in both countries
- Pilot Projects all implemented and delivering on schedule
- Gulf of Mexico LME Data and Information Management System established
- The project team is effectively coordinating the project and meeting the objective. All outputs completed within budget and according to the agreed work plan.

Rationale & Objective:

The *long-term development/environmental goal* of the project is the enhanced sustainable development of the Gulf of Mexico LME through ecosystem-based management approaches. The *project objective* is: to set the foundations for LME-wide ecosystem-based management approaches to rehabilitate marine and coastal ecosystems, recover depleted fish stocks, and reduce nutrient overloading.

The Project will make an important contribution by providing the needed building blocks such as information systems and exchange, reinforced capacity and mechanisms for stakeholder participation. An enhanced knowledge of the oceanography of the Gulf of Mexico LME will assist the countries in addressing uncertainty regarding ocean-atmosphere links.

Project Outcomes:

Outcome 1: transboundary issues analysed and priorities defined

An objective, scientific and technical Transboundary Diagnostic Analysis (TDA) defining the transboundary environmental problems affecting the goods and services of the LME from an ecosystems perspective will be revised and disseminated.

Outcome 2: The SAP and associated NAPS are formulated and adopted at ministerial level

Nationally endorsed SAP and NAPs with accompanying sustainable financing plans will pave the way towards continued incremental improvement in the GOM LME based on a solid foundation of regional commitment and consensus.

Outcome 3: demonstration projects successfully implemented

Three priority pilot projects were jointly identified by participating countries to advance SAP implementation and to set the basis for its long-term sustainability. The pilot projects are fully incremental, will leverage significant co-financing and will contribute to the adoption of ecosystem-based management of the LME by assisting Mexico and the US to coordinate conservation, fisheries and monitoring activities

Outcome 4: Monitoring and Evaluation System for the Project and the GOM LME established
Effective monitoring and evaluation (M&E) is recognized as an indispensable tool in project and program management.

Outcome 5: Effective project coordination

The GEF alternative proposes improved regional mechanisms to meet and address the coordination needs and gaps that currently inhibit the carrying out of system-wide interventions in the LME. By the end of the project, it is expected that an appropriate long-term regional coordination mechanism will be defined by both countries.