



Global Environment Facility

GEF/IS/19
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INTERSESSIONAL WORK PROGRAM
SUBMITTED FOR GEF COUNCIL APPROVAL

Executive Summary

1. This is the seventh work program presented for GEF Council review and approval in GEF-4 and the fifth one to apply the new project cycle that was approved by Council in June 2007. Under the new project cycle, GEF Agencies may submit Project Identification Forms (PIF) to the GEF Secretariat for clearance on a rolling basis. When the number or amount of the cleared PIFs meet the Intersessional Work Program (IWP) criteria, an IWP is constituted. This September IWP is the third IWP in 2008. Subsequent IWPs maybe constituted as and when necessary, at the discretion of the CEO.

2. In this work program cover note¹, descriptions on how the proposed concepts relate to the strategic objectives, programming coherence and collective contribution to the GEF approved strategies are presented. In this September IWP, concepts from biodiversity, climate change, international waters and multi-focal areas were submitted and constituted the work program. Total GEF resources requested in this work program amount to \$69.24 million.²

¹ Due to the planned increased frequency of the intersessional work programs, cover notes for IWPs will be presented in a streamlined format. Work program cover notes for Council meetings will present more comprehensive analysis as has been done previously.

² GEF resources requested in this work program of \$69.24 million includes GEF project grant of \$62.89 million and Agency fee of \$6.35 million.

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Where to send technical comments:

It is requested 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 seventh since the GEF-4 replenishment and since the GEF Resource Allocation Framework became applicable to the biodiversity and climate change focal areas. This is also the third intersessional work program (IWP) in 2008. Subsequent IWPs will be constituted as and when necessary, at the discretion of the CEO.
2. Table 1 shows the total GEF resources requested in this work program totaling \$69.24 million and their overall distribution by focal area. There is a total of 13 projects in this work program which are distributed in three focal areas (biodiversity, climate change and international waters), plus 6 of these are in multi-focal areas.

Table 1. GEF Resources requested in the September 2008 Work Program by Focal Area (\$ million)

Focal Area	Number of Projects	GEF project Grant	Agency Fees*	Total GEF Resources Requested in this WP
Biodiversity	5	25.13	2.59	27.73
Climate Change	1	7.81	0.80	8.61
International Waters	1	1.75	0.18	1.93
Multi-focal Areas	6	28.20	2.79	30.98
Total	13.00	62.89	6.35	69.24

* Agency fees are calculated as 10 percent of the GEF Grant (which is a sum of GEF project grant, amount being requested in this work program, plus the project preparation grants previously approved by the CEO).

Status of the use of GEF-4 Resources

3. Approvals of project preparation grants, full-sized projects, medium-sized projects, and enabling activities amount to \$1,394.77 million (including Agency fees) of GEF-4 resources up to July 31, 2008. When added to the total resources requested in this work program of \$69.24 million, total resources programmed for GEF-4 to date will amount to \$1,464.03 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	Target Allocations in GEF-4		GEF-4 Approvals until July 31, 2008		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%	285.39	27.61	29.01	2.99	314.40	30.60	345.00	36.3%
Climate Change	950.00	31.6%	302.90	29.60	9.37	0.95	312.27	30.55	342.82	36.1%
International Waters	335.00	11.1%	180.63	18.25	14.85	1.42	195.48	19.67	215.15	64.2%
Ozone Depletion	40.00	1.3%	1.58	0.15	-	-	1.58	0.15	1.73	4.3%
Land Degradation	282.00	9.4%	219.16	20.91	9.67	1.00	228.82	21.91	250.73	88.9%
Persistent Organic Pollutants (POPs)	282.00	9.4%	123.14	12.58	-	-	123.14	12.58	135.72	48.1%
Core Corporate Programs	15.00	0.5%	-	-	-	-	-	-	-	0.0%
Corporate Programs	156.00	5.2%	111.77	4.60	-	-	111.77	4.60	116.37	74.6%
Public-Private Partnerships	-		50.19	6.00	-	-	50.19	6.00	56.19	
Total: Resources Programmed	3,010.00	100.0%	1,275.06	119.72	62.89	6.36	1,337.95	126.08	1,464.03	48.6%

* Total GEF-4 resources programmed are inclusive of all the resources approved to-date, given approval of this work program.

- 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.
- 2: Funds for multi-focal area concepts were divided up among the different focal areas in respect of their allocations in the project documents.

GEF Strategies and the Work Program

4. This work program is composed of high quality proposals. The PIF concepts included in the work program were reviewed and considered in conformity with the focal area strategies and strategic programming for GEF-4, and screened for their capacity to deliver the most impact from a portfolio perspective. The PIF concepts also benefited from STAP screening on the technical and scientific aspects, ensuring higher standards of project design. Below are highlights of the proposals which described how they relate to the overall programmatic coherence and collective contributions to the GEF strategic objectives and programs.

Biodiversity(BD)

5. The biodiversity projects presented in this work program all fall under Strategic Objective One of the GEF-4 biodiversity strategy “Catalyzing the Sustainability of Protected Area Systems” and focus on improving financial sustainability of the respective systems and increasing coverage of underrepresented terrestrial ecosystems.

6. Projects that contributed to the specific strategic programs (SP) under strategic objective one are listed in italics:

- (a) *SP 1: Sustainable financing of protected area systems at the National Level: Re-engineering of the Dominican Republic Protected Areas System* (Dominican

Republic); *Strengthening Protected Area Financing and Management Systems* (Egypt)

- (b) SP 3: Strengthening terrestrial protected area networks: *Strengthening the Protected Area Network within the Eastern Montane Forest Hotspot of Kenya* (Kenya)
- (c) SP 1: Sustainable financing of protected area systems at the National Level and SP 3: Strengthening terrestrial protected area networks: *Sustainable Management of Nyika Transfrontier Conservation Area* (Malawi, Zambia); *Development, Empowerment and Conservation in the St. Lucia Wetland Park and Surrounding Region* (South Africa)

7. Linkage with the GEF -4 Strategic Programs: The projects will make the following key contributions to the GEF-4 portfolio-level biodiversity outcome and impact indicators:

- (a) ***Sustainable Management of Nyika Transfrontier Conservation Area*** (Malawi, Zambia): The project will create a new transboundary PA system through expansion and consolidation of the current Nyika National Park and defined protected areas and support interventions that address the three aspects of the long-term sustainability of the system including: a) setting up a sustainable cross-boundary financing mechanism to cover recurrent costs of the Nyika Foundation and the protected areas; b) ensuring coverage of ecologically viable ecosystems and habitats; and c) building institutional and systemic cross-boundary capacity to manage the TFCA to achieve commonly set and agreed objectives.
- (b) ***Re-engineering of the Dominican Republic Protected Areas System*** (Dominican Republic):). The project will consolidate the financial sustainability of the National Protected Areas System resulting in: i) annual Government funding for the national protected area system increasing from \$3.0 m to \$5.1m by project end; ii) diversification of income streams to support PA management costs: \$1.5m received from non-Government sources annually by project end (private sector, (PES) Payment for Ecosystem Services, etc.); and iii) Endowment Fund capital stabilizes at \$10m during the life of the project.
- (c) ***Strengthening Protected Area Financing and Management Systems*** (Egypt): The project will help establish a sustainable protected area financing system, with associated management structures, systems and capacities needed to ensure the effective use of generated revenues for priority biodiversity conservation needs. Key outcomes include: i) By end of project, 50% real increase in annual revenues generated by PA system compared with 2004-2006 annual average of 19.8 million Egyptian Pounds; ii) At least 15 % of revenues are being generated by sources other than user fees; no single site generating more than 50% of PA system revenues; iii) Comprehensive system for accounting and monitoring of revenue generation in place by end of year; and iv) 100% of revenues generated by PA system are retained for spending on PA system management.
- (d) ***Strengthening the Protected Area Network within the Eastern Montane Forest Hotspot of Kenya*** (Kenya): The project will ensure that the biodiversity of the

Eastern Montane Forests is adequately represented and managed within Kenya's PA network. Key outcomes include: i) 20,000 hectares of new PAs established and threatened forest reserves forests reclassified to higher management category: National Reserve (20,000 ha.)/Nature Reserve(25,000 ha); ii) Governance systems provide for the effective administration of the PA system as part of the regional development agenda by effective mainstreaming into local planning; and iii) protected area budget increase of greater than 50 % over baseline of \$5m covering recurrent management costs of forest protected area system.

- (e) ***Development, empowerment and conservation in the St. Lucia Wetland Park and Surrounding Region*** (South Africa): The project will enhance protection of the St Greater St Lucia Wetlands Park and contribute to improved representativeness of the entire PA network, by including habitats and ecosystems (from Maputaland-Pondoland-Albany Biodiversity Hotspot) not represented elsewhere, and by strengthening models for local community benefits and co-management, which will be relevant to other PAs, and in areas where claims on land with high global biodiversity value are still unresolved. Portions of the project will enhance biodiversity conservation outside the proclaimed Wetlands Park while providing livelihood support. This will be promoted together with local government by integrating the Park planning and management with local development plans.

Climate Change (CC)

8. For this IWP, there is only one climate change project: *Standards and Labels for Promoting Energy Efficiency in the Russian Federation*, submitted by UNDP. The project, with \$7.81 million GEF funding, was proposed as part of the *Programmatic Approach to Promote Energy Efficiency in Russia*, which has been previously approved by the Council.

9. Linkage with the GEF-4 Strategic Programs: The project is in line with the Strategic Program (CC-SP1) to Promote Energy Efficient Buildings and Appliances. Through the introduction and enforcement of energy efficiency standards and labels in Russia, the project is expected to reduce 3 million tons of CO₂ a year by 2011 and 12-13 million tons a year by 2020.

International Waters (IW)

10. In this proposed GEF work program, one project concept (PIF) is included under the International Waters (IW) focal area and three other IW-related proposals are presented under "Multi-focal Areas" representing an integrated approach with the land degradation focal area in the TerrAfrica Strategic Investment Program (SIP) and the MENARID Program aimed at improving land and water resources management. The GEF project grant for the global IW project is \$1.75 million while the GEF amount for the two SIP projects in Africa totalled \$8.55 million with co-financing of \$152.7 million.

11. Linkage with the GEF-4 Strategic Programs: The three IW-related projects in this work program address GEF-4 IW Strategic Program 3 on balancing competing uses of water in transboundary freshwater basins, and a fourth project, the World Bank's *Tunisia Land and Water*

Optimization Project, addresses Strategic Program 2 on reducing land-based sources of marine pollution.

12. The IW portion of the *Tunisia* project has already been funded by Council in the GEF/World Bank Partnership Investment Fund for the Mediterranean Sea Large Marine Ecosystem. The innovative operation (described below) will join others aimed at pollution reduction around the Mediterranean Rim.

13. Two World Bank SIP projects: “*SIP-Eastern Nile Transboundary Watershed Management*” project and “*SIP-Lake Victoria Environmental Management Project II*” are both part of the TerrAfrica SIP special strategic program as well as the Nile Basin Initiative Program, where GEF provides the largest amount of grant financing among many development partners. As such, they both seek to catalyze integrated approaches to land and water resources management as part of both programs.

14. Innovative Elements: The *Tunisia* project accompanies a \$50 million loan from the World Bank to pilot an innovative approach of reusing wastewater as a resource for irrigation instead of polluting the sea. As a result, sewage and nutrient pollution will be reduced in the Mediterranean Sea, water supplies will be increased, and natural resources protected. Three focal areas are involved in providing support for this integrated approach.

15. Also worthy of note is the World Bank’s global project entitled “*Groundwater Governance: A Global Framework for Country Action*”. For the second time in the GEF IW focal area (the first time being almost 10 years ago in support of the World Water Vision Process leading to the Second World Water Forum in The Hague in 2000), the World Bank is able to use its convening power calling global attention to an important international waters issue. Groundwater, particularly transboundary groundwater systems, is a little understood but highly valuable resource for supporting human life, water-dependent ecosystems, food security and economic development. Overuse and pollution of the groundwater is starting to cause great worry for the 50 % of the world relying on it for water supplies. Its role will increase dramatically especially in the area of climate change adaptation. The World Bank will work with development agencies globally to support a global process for calling attention to the resource and developing a global framework for action with a notable advisory panel of experts and government officials. Higher political visibility will benefit both GEF recipient and non-recipient countries alike.

16. Resource Programming Implications/Regional Distribution: The four IW-related projects are distributed as follows: two in Sub-Saharan Africa, one in North Africa, and one global. The Lake Victoria basin IW project is a good example of an IW project addressing the IW-Strategic Objective 2 in which on-the-ground action is catalyzed once countries have agreed to work together and made commitments on joint action. The project is also characteristic of the long-term approach GEF must follow in the IW focal area in order to catalyze real action for cooperation on cross-border water issues. An initial capacity building project for the three Lake Victoria countries was funded by GEF and the World Bank in the late 1990s. This was followed by a smaller GEF foundational IW project in the mid 2000s that resulted in country commitments for action and a legal cooperative framework among not just the 3 lake countries but also the two upstream basin countries of Rwanda and Burundi. As a result, this current \$7 million GEF project (\$6 million IW and \$1 million LD), which assists in implementing the

Strategic Action Program for the Basin, is accompanied by about \$100 million in IDA funding, \$20 mil in bilateral assistance, and country contributions.

17. With the many foundational IW projects funded in Africa during GEF-3 and GEF-4 now coming to a close, GEF-5 can be expected to bring follow-up requests for other, larger scale cooperative efforts in Africa on cross-border water issues like those in the Lake Victoria basin. This has important resource implications for GEF-5 and opportunities for donor coherence in fostering sustainable development in transboundary basins.

Multi-Focal Area (MFA)

18. The proposed work program includes six projects pooling resources from more than one focal area, for a total GEF resources estimated at \$28.197 million. The total co-financing directly leveraged through these GEF operations amounts to \$340.038 million. All six projects are linked to already Council approved programmatic approaches: the PRC-GEF Partnership on Land Degradation, the India Country Program for Sustainable Land and Ecosystem Management (SLEM), the program “Integrated NRM in the Middle East and the North Africa Region (MENARID)” and the Strategic Investment Program for Sub-Saharan Africa (SIP).

19. Linkage with the Strategic Programs: The project for China “*Sustainable Management and Biodiversity Conservation of the Lake Aibi Basin*” is supported under the PRC-GEF Partnership and will be implemented by the World Bank. Since the project will mainstream biodiversity concerns in the management strategy for Lake Aibi, it is also in line with the China Biodiversity Program Framework. GEF resources will combine efforts linked to eligible activities in the GEF-4 Land Degradation and Biodiversity strategies. The project will restore the productive and protective functions of Lake Aibi Basin by addressing the interlinked problems of biodiversity loss and land degradation. Substantial co-financing will be provided by the provincial government of the Xinjiang Province. The project will be executed by the Government of the Xinjiang Uyghur Autonomous Region. The project is in line with the land degradation focal area strategy, mainly LD: SO1 on “Mainstreaming SLM practices into regional, national and local levels” and the Biodiversity focal area program priority on “Mainstreaming Biodiversity in Production Landscapes”.

20. The project “*Integrated Land and Ecosystem Management to Combat Land Degradation and Deforestation in Madhya Pradesh*” will be implemented by UNDP under the Sustainable Land and Ecosystem Management (SLEM) partnership program for India and pool GEF resources from the land degradation, biodiversity and climate change focal areas. The project will promote sustainable land and ecosystem management through integration of watershed management, joint forest management and ecosystem approaches in Madhya Pradesh. Co-financing will be provided through significant in-cash and in-kind contributions by the Government of Madhya Pradesh. The project will be executed by the Ministry of Environment and Forests of the State Government of Madhya Pradesh. The project is in line with the land degradation focal area strategy as it is consistent with SO 1 to develop an enabling environment that will place sustainable land management in the mainstream of development policy and practices at the regional, national, and local levels in India. The project will mainstream biodiversity conservation into agricultural activities in the wider landscape surrounding protected areas thereby contributing to the biodiversity focal area’s SP 4 on Strengthening the Policy and Regulatory Framework for Mainstreaming Biodiversity. Through its component on developing

adaptive capacity, the project is also relevant to the Strategic Priority on Adaptation and will contribute to enhanced resilience of land and forest ecosystems and reduced vulnerability of local communities to climate variability and change.

21. The Tunisia “*Land and Water Optimization Project*” is a World Bank supported initiative under the regional program framework for “*Integrated NRM in the Middle East and the North Africa Region (MENARID)*”. The integrative character of this project is demonstrated by the fact that three focal areas will finance the GEF increment: land degradation, international waters and climate change/adaptation. It is noted that Council will approve only the financial contributions from the land degradation and climate change focal areas since the contribution from the international waters focal area has already been approved as part of the “*WB-GEF Investment Fund for the Mediterranean Sea Large Marine Ecosystem Partnership*”. Hence, the project will contribute to the greater objectives of SAP-MED to reduce land-based sources of pollution discharging in the Mediterranean Sea; to optimize the use of Tunisia’s water resources and contribute to the reduction of land degradation and climate vulnerability of key productive sectors in arid agricultural lands. The project is aligned with the Land Degradation focal area by specifically contributing to LD (1) Strategic Objective 1 that supports the enabling environment to improved SLM, through mainstreaming SLM within agricultural sector policy and practice at national and local level; and (2) Strategic Objective 2 that aims at up scaling SLM investments on the ground through the implementation of NRM/irrigation pilots. The project is consistent with the Climate Change/SPA priorities as the project aims to assist Tunisia in addressing the adverse impacts of climate change by building adaptive capacity. Regarding the fit with the GEF-4 International Waters focal area strategy, the project is related to coastal and marine fisheries (Strategic Program 1) and nutrient over-enrichment from land-based pollution (Strategic Program 2) by identifying wastewater reuse investments, necessary policy changes and multi-agency partnerships affecting pollution reduction and coastal fisheries (providing additional linkage with the Biodiversity focal area).

22. Three projects are part of this work program that are supported under the “*Strategic Investment Program for Sub-Saharan Africa (SIP)*” which was approved by the GEF Council in 2007 with a maximum envelope of \$150 million from the Land Degradation focal area. The three projects submitted to this work program will not request additional resources from the Land Degradation focal area since these funds were already approved, but Council approval is needed for the resources requested from other focal areas.

23. The project “*SIP- Lower Usuthu Smallholder Irrigation Project (LUSIP)*” will be implemented by IFAD and executed by the Ministry of Agriculture and Cooperatives. The project will engage resources from three focal areas: Land Degradation, Biodiversity and Climate Change. Co-financing will be provided through some government and beneficiaries’ contributions and an IFAD soft-loan. The project will reduce land degradation and biodiversity loss in the Lower Usuthu River Basin area through the application of sustainable land management practices. The project is in line with the overall objectives of the SIP. The project is consistent with Strategic Objective 2 of the Land Degradation focal area strategy “to upscale sustainable land management investments that generate mutual benefits for the global environment and local livelihoods”. The proposal is also consistent with the Biodiversity focal area strategy, supporting directly Strategic Objective 2, “To mainstream biodiversity conservation in production landscapes/seascapes and sectors”. Regarding the fit with the

Climate Change focal area strategy, the project will contribute to the Strategic Priority on Adaptation by “supporting pilot and demonstration projects for adaptation to climate change”, enhancing resilience and increasing the capacity of local communities within the project area to cope with the adverse impacts of climate change on the land resource.

24. The project “*SIP-Lake Victoria Environmental Management Project IP*” presented by the World Bank has as objectives to: (a) improve the collaborative management of the transboundary natural resources of the Lake Victoria Basin, by building management information base, harmonizing policy and legislation frameworks, and strengthening regional and national institutions; and (b) reduce environmental stress in the Lake Victoria basin, by investing in point and non-point pollution control measures in hotspots, community-driven watershed rehabilitation, and conserving biodiversity and genetic resources of the targeted fish species. The project will support the implementation of the Strategic Action Program (SAP) for the Lake Victoria basin developed to address key transboundary environmental concerns identified in the Regional Transboundary Diagnostic Analysis previously supported by GEF. The project includes collaboration of the two upstream countries, Rwanda and Burundi, that were not able to participate in the first Lake Victoria project and does so under the auspices of the East African Community. This project is consistent with Strategic Objective 2 of the IW focal area and contains an LD component that was previously approved under the SIP.

25. The objective of the World Bank project entitled “*SIP-Eastern Nile Transboundary Watershed Management*” is to reduce land and water degradation and improve the livelihoods of people living in the Eastern Nile Watershed. It will do so by assisting the riparian countries in: (a) implementing successful models of interventions in livelihoods-based catchment management; (b) preparing a management framework for Lake Nasser/Nubia; and c) developing a mechanism for the generation and exchange of information and expertise for decision making on the management of the natural resources of the Eastern Nile as part of collective management of the Nile Basin and this subsidiary basin. This project was presented under the SIP and approved by Council. Only the additional \$2.7 million grant from the International Waters is being requested for approval.

List of PIFs in the September Work Program³

Biodiversity

1. **Regional (Malawi, Zambia)** : Sustainable Management of Nyika Transfrontier Conservation Area (World Bank) (GEF Project Grant : \$ 4.82 m)
2. **Dominican Republic** : Re-engineering of the Dominican Republic Protected Areas System (UNDP) (GEF Project Grant: \$ 3.20 m)
3. **Egypt** : Strengthening Protected Area Financing and Management Systems (UNDP) (GEF Project Grant: \$ 3.62 m)
4. **Kenya** : Strengthening the Protected Area Network within the Eastern Montane Forest Hotspot of Kenya (UNDP) (GEF Project Grant : \$ 4.50 m)
5. **South Africa** : Development, Empowerment and Conservation in the Greater St Lucia Wetland Park and Surrounding Region (World Bank) (GEF Project Grant : \$ 9.00 m)

Climate Change

6. **Russian Federation**: RUS: Standards and Labels for Promoting Energy Efficiency (UNDP) (GEF Project Grant : \$ 7.81 m)

International Waters

7. **Global** : Groundwater Governance: A Global Framework for Country Action (World Bank) (GEF Project Grant : \$ 1.75 m)

Multi-focal Areas

8. **Regional (Ethiopia, Sudan, Egypt)** : SIP-Eastern Nile Transboundary Watershed Management in Support of ENSAP Implementation (World Bank) (GEF Project Grant : \$ 2.70 m)
9. **Regional (Kenya, Uganda, Tanzania, Burundi, Rwanda)**: SIP-Lake Victoria Environmental Management Project II (World Bank) (GEF Project Grant : \$ 5.85 m)
10. **China** : PRC-GEF Partnership: Mainstreaming Biodiversity Protection within the Production Landscapes and Protected Areas of the Lake Aibi Basin (World Bank) (GEF Project Grant : \$ 2.98 m)
11. **India**: SLEM-CPP-Integrated Land Use Management to Combat Land Degradation in Madhya Pradesh (UNDP) (GEF Project Grant : \$ 5.76 m)
12. **Swaziland**: SIP-Lower Usuthu Smallholder Irrigation Project (LUSIP) (IFAD) (GEF Project Grant : \$ 1.18 m)
13. **Tunisia**: MENARID - Land and Water Optimization Project (World Bank) (GEF Project Grant : \$ 9.73 m)

³ The GEF Project Grant is the funding request for the project and does not include project preparation grants nor Agency fees.