



# Global Environment Facility

GEF/IS/12  
February 25, 2005

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INTERSESSIONAL WORK PROGRAM  
SUBMITTED FOR COUNCIL APPROVAL

## ACRONYMS

ADB	-	Asian Development Bank
BD	-	Biodiversity
CABEI	-	Central American Bank for Economic Integration
CC	-	Climate Change
CEO	-	Chief Executive Officer
CTC	-	Carbon Tetrachloride
EEZ	-	Exclusive Economic Zone
ESCO	-	Energy Service Companies
FSP	-	Full-sized Project
FY	-	Fiscal Year
GEF	-	Global Environment Facility
GISP	-	Global Invasive Species Program
GVEP	-	Global Village Energy Partnership
GWh	-	Gigawatt hour
IA	-	Implementing Agency
IAS	-	Invasive Alien Species
IDA	-	International Development Association
IW	-	International Waters
IWP	-	Intersessional Work Program
KST	-	Knowledge, Science and Technology
LD	-	Land Degradation
LME	-	Large Marine Ecosystem
MBr	-	Methyl Bromide
MFA	-	Multi-focal Area
MPA	-	Marine Protected Area
MNP	-	Ministry of Nature Protection
MSP	-	Medium-sized Project
NCSA	-	National Capacity Self-Assessment for Global Environment
NGO	-	Non-Government Organization
ODS	-	Ozone Depleting Substances
OP	-	Operational Program
PDF A	-	Project Development Facility Block A
PDF B	-	Project Development Facility Block B
PEMSEA	-	Partnerships for Environmental Management of the Seas of East Asia
POI	-	Plan of Implementation
POP	-	Persistent Organic Pollutants
PURE	-	Productive Use of Renewable Energy
QPS	-	Quarantine Pre-Shipment
SAP	-	Strategic Action Program
SAWEP	-	South Africa Wind Energy Program
SMME	-	Micro, Small, and Medium-sized Enterprises
SP	-	Strategic Priorities
STAP	-	Scientific and Technical Advisory Panel

UNDP - United Nations Development Program  
UNEP - United Nations Environment Program  
URT - United Republic of Tanzania  
WSSD - World Summit on Sustainable Development

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](mailto:gcoordination@TheGEF.org)*

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## **I. PROJECTS IN THE PROPOSED WORK PROGRAM**

### **Biological Diversity**

1. **Regional (Ethiopia, Uganda, Zambia, Ghana):** Removing Barriers to Invasive Plant Management in Africa (UNEP)
2. **Regional (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua):** Central American Markets for Biodiversity (CAMBio): Mainstreaming Biodiversity Conservation and Sustainable use within Micro, Small and Medium-sized Enterprise Development and Financing (UNDP)
3. **Azerbaijan:** Rural Environment Project (World Bank)
4. **El Salvador:** Environmental Services Project (World Bank)
5. **Namibia:** Namib Coast Biodiversity Conservation and Management (NACOMA) (World Bank)
6. **Tanzania:** Marine and Coastal Environment Management Project (MACEMP) (World Bank)
7. **Turkmenistan:** Conservation and Sustainable Use of Globally Significant Biological Diversity in Khazar Nature Reserve on the Caspian Sea Coast (UNDP)

### **Climate Change**

8. **Regional (Costa Rica, El Salvador, Nicaragua, Panama):** Energy Efficiency in El Salvador, Nicaragua, Costa Rica and Panama (UNDP)
9. **Guatemala:** Productive Uses of Renewable Energy in Guatemala (UNDP)
10. **Iran:** Removing Barriers to Large Scale Commercial Wind Energy Development (UNDP/World Bank)
11. **Kazakhstan:** Removing Barriers to Energy Efficiency in Municipal Heat and Hot Water Supply (UNDP)
12. **South Africa:** Renewable Energy Market Transformation (REMT) (World Bank)

### **International Waters**

13. **Regional (Bangladesh, India, Indonesia, Malaysia, Maldives, Myanmar, Sri Lanka, Thailand):** Bay of Bengal Large Marine Ecosystem (World Bank)
14. **Regional (Cook Islands, Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tokelau, Tuvalu, Vanuatu):** Pacific Islands Oceanic Fisheries Management Project (UNDP)
15. **Regional (China, Thailand, Vietnam):** Livestock Waste Management in East Asia (World Bank)
16. **Bosnia-Herzegovina:** Strategic Partnership for Nutrient Reduction in the Danube River Basin and the Black Sea: Water Quality Protection Project (World Bank)

### **Ozone Depletion**

17. **Ukraine:** Methyl Bromide Phase-Out Project (World Bank)

## Multi-focal Area

18. **Global:** International Assessment of Agricultural Science and Technology for Development (IAASTD) (World Bank/UNEP)
19. **Albania:** Natural Resource Development (World Bank)

## Land Degradation

20. **Dominican Republic:** Demonstrating Sustainable Land Management in Upper Sabana Yegua Watershed System (UNDP)

## II. WORK PROGRAM

1. The Chief Executive Officer (CEO), having reviewed the conclusions and recommendations of the project review meetings with the Implementing Agencies (IA), proposes to the Council the approval of this Work Program. Twenty new full-sized project (FSP) proposals were submitted for a GEF allocation of \$ 118.238 million (see Work Program Project Summaries for details on these projects and Annex A for their financial breakdown). This figure includes \$ 5.587 million that were previously approved by the CEO for PDF-Bs and \$0.100 million for PDF-As approved by the IAs.

**Table 1. Proposed Allocations for February 2005 WP by Focal Area**

Focal Area	Projects(No)	GEF Amount (\$m)	Cofin Amount (\$m)	Total Project Cost (\$m)
Biodiversity	7	43.644	167.822	211.466
Biodiversity (Biosafety)	-	-	-	-
Climate Change	5	20.457	87.620	108.077
International Waters	4	36.490	123.857	160.348
Land Degradation	1	4.597	25.463	30.060
Multi-focal Areas	2	8.350	22.900	31.250
Ozone Depletion	1	4.700	4.760	9.460
Persistent Organic Pollutants (POPs)	-	-	-	-
<b>Total</b>	<b>20</b>	<b>118.238</b>	<b>432.422</b>	<b>550.660</b>

2. Thirteen projects in the work program have utilized project development facility block B (PDF B) grants to prepare the proposals. These PDF B grants together amount to \$ 5.587 million. Four projects have used project development facility block A (PDF A) grants to prepare project concepts.
3. No projects in this work program have been submitted by Executing Agencies under the policy of expanded opportunities.

## Project Allocation Trends

4. Table 2 contains the cumulative amounts for the work programs since fiscal year 2000. Of the total GEF allocations approved by the Council since FY 2000 plus the present work program, 34 percent is allocated to projects in the Climate Change focal area, 32 percent to Biodiversity/Biosafety, 17 percent to International Waters, 12 percent to Multi-focal Area projects, three percent to Land Degradation, three percent to Persistent Organic Pollutants (POPs), and one percent to Ozone Depleting Substances.

**Table 2. Project Allocation Trends in the Work Programs of FY 2000 to February 2005 by Focal Area (\$million)**

Fiscal Year	BD	BD-BS	CC	IW	LD	MFA	ODS	POP	Total
2000	182.748	-	186.405	47.425	-	29.118	7.511	-	453.207
2001	159.211	26.092	177.522	74.834	-	26.045	-	6.185	469.889
2002	84.967	7.187	134.305	80.414	-	42.227	-	-	349.099
2003	120.791	2.000	171.648	79.726	-	75.561	2.087	40.810	492.623
2004	160.309	9.833	202.133	116.487	34.350	82.623	5.176	4.565	615.475
2004-Sep	67.092	-	23.379	-	17.357	1.884	-	-	109.711
2004-Nov	15.327	11.515	9.315	19.550	13.968	54.550	-	18.636	142.860
2005-Feb	43.644	-	20.457	36.490	4.597	8.350	4.700	-	118.238
Cum. 2005	126.062	11.515	53.151	56.040	35.922	64.784	4.700	18.636	370.809
Total	834.088	56.627	925.163	454.926	70.272	320.357	19.473	70.196	2,751.102
Total %	30%	2%	34%	17%	3%	12%	1%	3%	100%

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

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

5. The proposed sources of co-financing for this current work program, as shown in Table 3, come from beneficiaries, bilateral and multilateral agencies, foundations, recipient governments, non-government organizations (NGOs), the private sectors, and other sources. The total co-financing is \$432.422 million which when added to the total GEF allocation (\$118.238 million) gives a total project cost value of \$550.660 million. Hence, every dollar of GEF allocation is accompanied by 3.66 dollars in co-financing.

6. In terms of focal areas, biodiversity has a co-financing ratio of 1 : 3.85 or 79 percent of the project cost comes from co-financing. Climate change is at 81 percent, international waters at 77 percent, land degradation at 85 percent, multi-focal areas at 73 percent and Ozone Depletion at 50 percent. On the average, co-financing provided 79 percent of total project cost in this work program.

**Table 3. Proposed FSP Co-financing in the February 2005 Work Program (\$million)**

Type	Biodiversity	Climate Change	International Waters	Land Degradation	Multi-focal Areas	Ozone Depletion	Total
GEF Grant	43.644	20.457	36.490	4.597	8.350	4.700	118.238
<i>Co-Financier</i>							
Beneficiaries	3.200	-	-	-	-	4.660	7.860
Bilateral	10.400	-	14.878	-	7.817	-	33.095
Foundation	-	-	-	4.298	-	-	4.298
Government	48.063	47.145	70.055	21.165	3.050	0.100	189.578
Multilateral	71.108	-	17.774	-	12.033	-	100.915
NGO	0.343	0.350	1.010	-	-	-	1.703
Others	17.708	7.065	13.686	-	-	-	38.459
Private Sector	-	33.060	6.455	-	-	-	39.515
<b>Total Co-Financing</b>	<b>167.822</b>	<b>87.620</b>	<b>123.857</b>	<b>25.463</b>	<b>22.900</b>	<b>4.760</b>	<b>432.422</b>
Total Project Cost	211.466	108.077	160.348	30.060	31.250	9.460	550.660
GEF:Co-Financing Ratio	3.85	4.28	3.39	5.54	2.74	1.01	3.66
Percentage Co-Financing	79%	81%	77%	85%	73%	50%	79%

7. Table 4 shows the trend in total co-financing amount and ratios since fiscal year 2000. The co-financing ratio average for FY2005 to date is 3.56 compared to the historical average of 3.72.

**Table 4. Trends in Co-financing Amounts and Ratios for FY 2000 to FY 2005 \***

Approval FY	GEF Allocation (\$m)	Co-financing Amount (\$m)							Total Project Cost (\$m)	Co-Financing Ratio
		BD	CC	IW	LD	MFA	ODS	POP		
2000	453.207	406.127	1,309.841	40.307	-	46.000	1.000	-	2,256.482	3.98
2001	469.889	787.247	617.320	95.814	-	77.390	-	3.130	2,050.790	3.36
2002	349.099	211.212	881.270	286.943	-	173.960	-	-	1,902.484	4.45
2003	492.623	270.414	915.977	367.899	-	228.046	-	51.773	2,326.733	3.72
2004	615.475	658.108	429.109	752.415	67.950	212.850	6.728	7.762	2,750.397	3.47
2004-Sept	109.711	228.030	348.398	-	56.192	0.975	-	-	743.307	5.78
2004-Nov	142.860	23.873	91.235	50.000	18.281	55.914	-	13.175	395.338	1.77
2005-Feb	118.238	167.822	87.620	123.857	25.463	22.900	4.760	-	550.660	3.66
Cum. 2005	370.809	419.725	527.253	173.857	99.935	79.789	4.760	13.175	1,689.304	3.56
Total	2,751.102	2,752.833	4,680.771	1,717.236	167.885	818.035	12.488	75.840	12,976.191	3.72

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



## Fees and Fee Ratios

8. Fees are paid to the agencies for GEF project cycle management services. Table 5 shows the fees by focal area for this Work Program<sup>1</sup>.

**Table 5. Proposed FSP Agency Fees for February 2005 Work Program**

<b>Focal Area</b>	<b>GEF Amount (\$m)</b>	<b>Agency Fees (\$m)</b>	<b>Projects(No)</b>	<b>Fee Ratio (%)</b>
Biodiversity	43.644	3.956	7	9.06%
Biodiversity (Biosafety)				
Climate Change	20.457	2.311	5	11.29%
International Waters	36.490	3.044	4	8.34%
Land Degradation	4.597	0.382	1	8.31%
Multi-focal Areas	8.350	0.752	2	9.01%
Ozone Depletion	4.700	0.423	1	9.00%
Persistent Organic Pollutants (POPs)				
<b>Total</b>	<b>118.238</b>	<b>10.867</b>	<b>20</b>	<b>9.19%</b>

9. The total Agency fees for this Work Program are \$ 10.867 million, which translates into a fee ratio of 9.19 percent.

**Table 6. Trends in IA Fees from FY 2000 to FY2005 Work Programs**

<b>Fiscal Year</b>	<b>GEF Amount (\$m)</b>	<b>Agency Fees (\$m)</b>	<b>Project Count</b>	<b>Fee Ratio</b>
2000	453.207	32.471	52	7.16%
2001	469.889	34.225	57	7.28%
2002	349.099	35.877	61	10.28%
2003	492.623	44.141	68	8.96%
2004	615.475	59.784	70	9.71%
2004-Sept	109.711	9.655	16	8.80%
2004-Nov	142.860	9.470	15	6.63%
2005-Feb	118.238	10.867	20	9.19%
Cum. 2005	370.809	29.993	51	8.09%
<b>Total</b>	<b>2751.102</b>	<b>236.491</b>	<b>359</b>	<b>8.60%</b>

Note: Table includes fees for all projects submitted for Council approval, including non-expedited EAs and MSPs

<sup>1</sup> Table 5 and Table 6 include all projects that were submitted for Council approval, which include FSPs and non-expedited EAs and MSPs.

### III. APPROVED PROJECTS UNDER EXPEDITED PROCEDURES

10. The GEF also finances medium-sized projects, project development facilities (PDFs), and enabling activities under expedited procedures. Expedited approvals by the CEO or Implementing Agencies in the reporting period October 2004 to December 2004 comprise:

Medium-sized projects	\$ 3.997 million	(4 projects)	CEO, Annex B
PDF-A	\$ 0.141 million	(5 grants)	IAs, Annex C
PDF-B	\$ 5.301 million	(15 grants)	CEO, Annex D
<u>Enabling activities</u>	<u>\$ 2.597 million</u>	<u>(11 projects)</u>	<u>CEO, Annex E</u>
<i>Total GEF allocation</i>	<i>\$ 12.036 million</i>		

#### Medium-sized Projects

11. Four medium-sized projects were approved in this period for \$ 3.997 million with co-financing of \$ 5.959 million. Three of these projects have used project development facility block A grants (PDF As) amounting to \$ 0.073 million. The agencies' fee request amounted to \$ 0.584 million. Co-financing ratio is 1:1.49 .

#### Project Development Facility

12. Five PDF A proposals amounting to \$ 0.141 million were approved by the Implementing Agencies to prepare project concepts.

13. Fifteen PDF B proposals were approved by the CEO for \$ 5.301 million with co-financing of \$ 5.433 million. The co-financing ratio is 1:1.02 .

#### Enabling Activities

14. Four biodiversity enabling activity project proposals were submitted and approved for \$0.798 million.

15. Six new NCSA enabling activities were submitted and approved for \$1.348 million. GEF support for governments to assess their own national capacity needs for global environmental management now covers 112 countries with grants totaling \$22.640 million.

16. One new POPs enabling activity was approved for \$0.451 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

##### Biological Diversity

##### **Regional (Ethiopia, Uganda, Zambia, Ghana): Removing Barriers to Invasive Plant Management in Africa (UNEP)**

18. The goal of the project is to protect ecosystem, species and genetic diversity from invasive alien species (IAS), for global, national and community benefit. The project will contribute to this goal through its purpose of removing the barriers to effective prevention and management of IAS in four pilot countries: Ethiopia, Ghana, Uganda and Zambia. The focus will be on invasive plants, as this group poses the greatest current threat, and because a number of invasive plant species have been identified in the four countries requiring immediate attention. Invasive plants in both terrestrial and aquatic ecosystems will be addressed.

19. Four categories of barriers to IAS management have been identified, resulting in four components of the full project, each delivering one outcome:

- a) Enabling Policy and Institutional Environment for Cross-Sectoral Prevention and Management of IAS Strengthened: The activities under this outcome will build on the progress in developing generic action plans and strategies by the Global Invasive Species Program, and Decision VI/23 of the CBD containing guiding principles. An Invasive Species Strategy and Action Plan will be developed in each country and used to guide further activities. A national Coordinating mechanism will be established in each country as well as cost recovering mechanisms.
- b) Appropriate Information on Risks, Impacts and Management of IAS Utilized by Key Stakeholder Groups and Awareness Levels Raised: Information and data currently residing in global databases and websites such as ISSG and GISP will be accessed and adapted to suit local conditions and stakeholders, and repackaged for local dissemination through national IAS information systems. Similarly, national IAS data will be transferred to Global databases.
- c) Strategies for the Prevention and Management of Priority IAS Implemented: Monitoring and reporting systems for early detection of invasive plants will be developed and implemented, including testing of practical control measures in nine pilot sites of high biodiversity importance nationally and globally in the four countries, representing semi-arid, freshwater and forest ecosystems.
- d) Capacity Built for Multi-sectoral Prevention and Management of IAS: The primary focus of the capacity building implemented will be on human resources, with necessary training provided to existing staff. Training will comprise modules on IAS in existing courses, short courses on topics such as IAS awareness, risk analysis, control methods and identification skills, longer post-graduate training in areas such as environmental economics and environmental law and research projects linked to pilot site activities.

**Regional (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua): Central American Markets for Biodiversity (CAMBio): Mainstreaming Biodiversity Conservation and Sustainable Use within Micro, Small, and Medium-sized Enterprise Development and Financing (UNDP)**

20. The project is a new initiative to ensure that micro, small, and medium-sized enterprises (SMME) in Central America to increasingly contribute to sustainable development and environmental protection by incorporating biodiversity concerns in their products and services. The project is designed to remove barriers in banking, business, and enabling environment to catalyze biodiversity-friendly investments to SMMEs in Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. The project targets to transform business practices of approximately 200 small and medium producers and service providers, and several thousand micro-producers by the end of the project.

21. In the past, opportunities for biodiversity conservation in the Mesoamerica region have most often been seen in the form of establishing protected areas. Indeed, countries within the project area have taken great advantage of such opportunities and shown impact and results through these initiatives. However, the realization has gradually taken hold that new instrument for conservation in the region is essential, particularly working in the productive landscapes and sectors, including forestry, agro-forestry, tourism, and aquaculture. Many of the business opportunities associated with transformed productive and service sector practices are associated with newly developing green markets.

22. The project focuses on generating biodiversity benefits by encouraging transformed productive and service sector practices and related investment that can positively impact biodiversity. It will work closely with, and help to bring together three important service provider networks. First, it will work with the region's financial sector network, the Central American Bank for Economic Integration (CABEL) and select members of its extensive network of financial intermediaries to develop and extend new financial products that will generate substantial increased lending to biodiversity friendly SMMEs. Among others, the project will support establishing a risk guarantee facility for this purpose. Second, it will work with potential SMMEs and in partnership with a range of national and international providers of business and technical services to develop their capacity and ensure that the SMME investments are made efficiently and in a manner that maximizes economic, social and biodiversity benefits. Finally, it will work with the multi-sector government and inter-governmental organizations to promote an enabling environment that will encourage SMME growth over the medium and long run, which includes development of related policy, legislative, regulatory and incentive reforms to promote biodiversity-friendly investments.

## **Azerbaijan: Rural Environment Project (World Bank)**

23. Azerbaijan lies on the western coast of the Caspian Sea among the mountain range of the Greater and Lesser Caucasus and the Talish mountains. The Caucasus mountain region is known for its rich biodiversity with one of the temperate world's highest levels of endemism, including more than twice the fauna diversity found in adjacent regions of Europe and Asia. The region also represents one of the world's richest gene banks of plant species useful for agriculture and medicine. However, the threats to biodiversity within the Caucasus mountains have seriously increased, particularly since the country's economy declined following the independence in 1991. Deforestation, overgrazing, and hunting have been identified as three greatest direct threats to biodiversity in the region.

24. In response and to address these increased threats, the project will introduce improved natural resource management and related economic activities in two globally significant mountain biodiversity areas in Caucasus and Zangezur mountains, in order to enhance the ecological quality and the sustainable productivity of high elevation forests and pastures. The project will be financed by a total budget of \$17.23 million, with GEF funding of \$5 million and co-financing of \$11.88 million from IDA, PHRD (Japanese trust fund), and the government. The project builds on the earlier assessment and profile development done by the GEF funded Critical Ecosystem Partnership Fund initiative in the Caucasus hotspot, and ensures coordination with other related ongoing projects.

25. The project introduces and pilots a multiple use protected area model for the first time in Azerbaijan. The key project activities would be to support the restoration, protection, and improved management of economically and biologically important forest and pasture land which is currently poorly managed and heavily degraded. The main instrument for achieving this will be the establishment of two large National Parks - the Shah Dag National Park and the expansion of the Ordubad National Park – and provide a vehicle for developing and implementing ecosystem scale management plans. At the same time, the project aims to promote the development of more sustainable livelihoods and economic activities in the project areas by introducing community-level investment in sustainable agriculture and natural resources management as well as developing small and medium commercial enterprises in the rural area.

26. In the short term, the project focus is on reducing pressure on natural resources and mitigating potential negative socio-economic impacts of increased restrictions on forest and pasture use by assisting local communities to develop alternatives and to improve the productivity and sustainability of their traditional economic activities. The long term objective is to promote a diversification of local economies, making them less dependent on mass consumption of natural resources in and around the national parks.

## **El Salvador: Environmental Services Project (World Bank)**

27. This project supports the creation of a Market for Environmental Services in El Salvador by establishing the policy, institutional and pilot mechanisms necessary for its implementation. Through this market, payments will be made to landowners that produce environmental services, including biodiversity. The incentives provided by this system of payments will allow landowners and individual farmers to adopt land-use practices that generate biodiversity and other environmental benefits over the long term.

28. The project will target at least 12,000 hectares of private and public lands under environmental services contracts that contribute to biodiversity conservation in four pilot sites, resulting in a 10% increase in forest cover in the project area. The project complements well a second project currently under preparation that aims at strengthening the national system of protected areas.

29. A very strong feature of this project is its potential for financial sustainability, by relying on a payments mechanism that can provide funds on a recurrent basis to maintain conservation landscapes in private lands. A major risk of this project relates to institutional and policy weaknesses; these issues will be managed and minimized during implementation through policy development, and institutional and capacity building.

30. Although still in their infancy, Systems of Payments for Environmental Services represent a promising and growing approach to conservation, and opens the doors for private participation in conservation through market-based mechanisms. The present project builds upon similar and successful experiences in Costa Rica, and benefits from the substantial experience on this topic by the World Bank. The project's approach supports well the Second Strategic Priority of the GEF Biodiversity focal area in GEF-3: "Mainstreaming Biodiversity Conservation within Production Landscapes and Sectors."

## **Namibia: Namib Coast Biodiversity Conservation and Management (NACOMA) (World Bank)**

31. The global objective of this project is to strengthen the conservation and mainstreaming of biodiversity in coastal and marine ecosystems in Namibia. Its development objective is to improve the framework for environmentally sustainable coastal zone management.

32. The Project addresses the GEF Biodiversity Conservation Focal Area, OP2 (Coastal, Marine and Freshwater Ecosystems), specifically in the promotion of conservation and sustainable use of the biological diversity of coastal and marine resources under threat, and the promotion of conservation of biodiversity and sustainable use of its components in environmentally vulnerable areas. The Project focuses on the GEF Biodiversity Strategic Priorities (SP) 2 and 1. As regards SP-2, “Mainstreaming Biodiversity in Production Landscapes and Sectors”, the Project will facilitate the mainstreaming of biodiversity conservation within production systems that may threaten biodiversity (mainly tourism, mining and fisheries) by fostering broad-based integration of biodiversity conservation within the country’s development agenda. This integration will be achieved through the development of systemic and institutional capacities of line ministries, regional councils and local authorities, targeted investments in biodiversity conservation and creation of an enabling environment based on a joint national vision for the coast, as well as through the project implementation arrangements. Under SP-1, “Catalyzing Sustainability of Protected Areas”, the Project will facilitate biodiversity conservation by expanding and rationalizing National Protected Areas along the coast, establishing the first Marine Protected Areas and embedding them in national and local legislation, and supporting capacity building and targeted investments for improved management.

33. The project’s expected outputs include:

- a) A policy, legal and institutional framework for sustainable ecosystem management of the Namib Coast;
- b) Enhancement of capacity, knowledge and awareness at national, regional and local level for biodiversity conservation and sustainable use;
- c) Strengthened and mainstreamed network of coastal and marine conservation areas with defined and improved management and implementation plans;
- d) Enhanced biodiversity status in critical ecosystems of Namibia’s coastal and marine area; and
- e) Co-management of conservation areas (including buffer zone) consistent with conservation and sustainable uses objectives.

## **Tanzania: Marine and Coastal Environment Management Project (MACEMP) (World Bank)**

34. The United Republic of Tanzania is endowed with a rich diversity of tropical marine and coastal resources that are critical to the country's economic and social development. These resources underpin the livelihoods of people living in its impoverished coastal communities, who rely on the sea for food and income. However, the sustainability of near-shore and transboundary fish stocks is being undermined by the destruction of critical habitats and inadequate management of fisheries.

35. This project will help improve the management of coastal and marine resources through support for policy planning, investments, and the building and strengthening of partnerships to ensure sustainability. The project incorporates an integrated approach across the GEF biodiversity and international waters focal areas, with specific defined objectives for each focal area. It is proposed that each of the two focal areas fund half of the requested GEF resources.

36. The project's biodiversity objective is to develop an ecologically representative and institutionally and financially sustainable network of marine protected areas. The expected outcome is a shift from de facto open-access to a managed-access regime. In addition to protecting the biodiversity, this comprehensive approach will ensure community involvement in coastal management and provide additional development opportunities for local populations. By involving residents in local resource management decisions, the project is expected to contribute to more sustainable resource use and improved resource quality. This component will implement Zanzibar's and Tanzania's national integrated coastal management strategies and increase the areas of territorial seas under effective management.

37. The international waters objective of the project is to build Tanzania's capacity to measure and manage trans-boundary fish stocks. The expected shift to a managed-access regime will contribute to the long-term sustainability of the marine resource base and help maintain the resilience of fish stocks to controlled levels of utilization. The project's emphasis on sound governance of the EEZ is also expected to contribute to financial sustainability through the improved capture of resource rent supported by strengthened control and enforcement mechanisms and incentives for sustainable use. This will support Tanzania's national contribution to meet specific WSSD targets for the maintenance and restoration of national and trans-boundary fish stocks.

38. The Council is being asked to approve this integrated project in Tanzania as part of the Intercessional Work Program, but the project may become part of a larger strategic partnership with the coastal nations of Sub-Saharan Africa in collaboration with the GEF, World Bank, FAO, and WWF. This strategic partnership is expected to be presented to the Council in December 2005 and has a structure similar to the Council-approved Danube/Black Sea Basin partnership. If the Council does not approve the Sub-Saharan Africa strategic partnership, the Tanzania project will remain as a regular GEF project.



## **Turkmenistan: Conservation and Sustainable Use of Globally Significant Biological Diversity in Khazar Nature Reserve on the Caspian Sea Coast (UNDP)**

39. The goal of the project is the protection of Turkmenistan's globally significant biodiversity by strengthening the sustainability of its National System of Protected Areas.

40. The strategy proposed in this project is intended to demonstrate state-of-the-art methods and practices aimed at addressing these issues at the country's largest protected area – Khazar Natures Reserve – assess the effectiveness of their application and identify best practices, and then replicate these practices and methods at other sites within the National System of Protected Areas.

41. The project is designed to produce four primary outcomes:

- a) Khazar Nature Reserve management capacity and conservation effectiveness are secured: To achieve this outcome, the project will pilot adaptive participatory management practice in the Reserve, strengthen technical knowledge and abilities of Reserve staff, and strengthen the field conservation capacity of the reserve. As such, it will establish a Stakeholder Working Group and develop and implement a protected area management plan. It will conduct a comprehensive capacity-building program for the Reserve.
- b) Cross-sector capacity for integrated coastal management is established and biodiversity conservation objectives are mainstreamed into coastal productive sectors adjacent to the Reserve: The project will assist project stakeholder to define the conservation landscape and seascape more comprehensively on the Caspian Sea Coast, as well as the role of Khazar Nature Reserve within it, strengthen the information baseline on coastal ecosystem health parameters and put in place a Coastal Zone Management framework and planning process.
- c) Khazar Nature Reserve demonstrates how to build trust and goodwill with local communities and strengthens environmental governance over biodiversity resources: The project will demonstrate sustainable natural resource use aimed at generating new options for coastal fisheries and reducing pressures on migratory waterfowl in the coastal area surrounding the Reserve, establish community resource centers in three communities which have the higher number of birds hunters per capita, and provide small grants to support community-based development and the improvement of Reserve-community relations.
- d) Project best practices are mainstreamed into the National Protected Area System of Turkmenistan: The project will provide proposals for new policies within MNP to encourage adaptive management, create a system-wide Protected Area Management Training Program, establish an operational network for nationwide replication of best practices by PAs, strengthen Caspian-wide PA information exchange and sharing of lessons learned, and develop a clear and compelling economic argument for PA contribution to development and for long-term financing of the Khazar Reserve and the National System of Protected Areas.

## Climate Change

### **Regional (Costa Rica, El Salvador, Nicaragua, Panama): Energy Efficiency in El Salvador, Nicaragua, Costa Rica, and Panama (UNDP)**

42. This regional project intends to remove the barriers that inhibit the implementation of energy efficiency measures and the market transformation of energy-efficient products in the industrial and commercial service sectors. The proposed project will target electricity-consuming products of motors, air conditioning, and refrigeration. The project will take place in four core countries in Central America, i.e., El Salvador, Nicaragua, Panama, and Costa Rica, while dissemination and replication activities will also cover Guatemala, Belize, and Honduras.

43. The project will consist of three main components: (i) creating a legal and regulatory base for market transformation of energy-efficient products; (ii) building institutional and technical capacity to implement energy efficiency measures; and (iii) distilling lessons learned and disseminating information and good practices.

44. In order to transform the market of energy-efficient products, the project will promote laws and regulations relating to standards, labels, import controls, and fiscal incentives. Minimum energy-efficiency standards will be introduced to prevent the import and sale of inefficient motors and air-conditioners. Capacity building and awareness-raising programs will be launched and will involve a wide range of stakeholders, including public institutions, private industries (especially small and medium-sized enterprises), and commercial banks. Finally, the project will develop a knowledge exchange platform to disseminate lessons learned and best practices.

45. The project is expected to put in place a set of policy and regulatory frameworks relating to energy efficiency standards in the four countries in Central America while strengthening their institutional and technical capacity to support market development and transformation of energy-efficient motor, air-conditioning, and refrigeration systems used by the industrial and commercial sectors. In turn, the project is expected to lead to the implementation of eight energy-efficient investments as well as financial closure of additional 32 potential investments in the four countries during project life.

## **Guatemala: Productive Uses of Renewable Energy in Guatemala (UNDP)**

46. The northern parts of Guatemala are among the poorest areas in Central America. The Productive Uses of Renewable Energy (PURE) project's objective is to promote the economic development of the area by developing indigenously available renewable energy resources and their integration into local income generation. The main source of income in these areas is linked to agricultural activity, and so the project will focus on the utilization of a limited number of technological options (solar dryers, hydropower-based electricity for cooling, hydro-based shaft power) for processing agricultural produce. The higher value added of processed agricultural output enables the region to grow economically while not increasing the greenhouse gas emissions.

47. In working towards this objective, the project takes a community-oriented approach. In the context of the Global Village Energy Partnership (GVEP), UNDP and a local NGO work with the communities to create local governance structures that can implement energy programs. This approach was piloted in an MSP in the Quiche region, and will now be extended to a larger area. Many of the energy installations implemented under this project will be small hydro power plants. Their productivity is touching on local water management issues, and can be affected by climate change. In order to ensure the sustainability of this intervention, these aspects will be taken into account to fully adapt the project to possible negative consequences of climate change in line with the community-oriented approach of the whole project.

## **Iran: Removing Barriers to Large Scale Commercial Wind Energy Development (UNDP/WB)**

48. While the Iranian economy is largely based on fossil fuels, there has been significant interest in renewable energy in the recent years, culminating in a commitment to the expansion of renewables to 500 MW, and wind power to 250 MW by 2010, as announced at the international conference “Renewables 2004”. Iran has created a renewable energy agency under the national utility and the Ministry of Energy. Around 25 MW of wind power are already installed but operated by the public utility and delivery to the grid and information and its operation is sporadic and often non-existent.

49. Private sector involvement in the power sector is growing in Iran and consortiums of foreign and national companies have won the recent large power generation development projects in Iran, as the Government of Iran moves towards encouraging an active private sector involvement in the power sector. With a recent law and a new PPA for wind energy under development, the conditions for commercial wind energy ventures in Iran are being established. However, there is still a lack of a lot of critical country and region specific information and experience with regards to the commercial operations of on grid wind energy production. In order to ensure the law to achieve larger impact, and trigger the existing investor interest into actual ventures, Iran and UNDP are working towards improving the enabling environment and investment framework for the large-scale commercial development of wind energy.

50. This will be achieved by helping the government to generate and provide data on the wind resources, to develop a national strategy and action plan for the scaling-up of wind energy, to enforce the financial support mechanism for wind power through a competitive business model demonstration, and to strengthen the private and public sector capacities to support wind as a commercial energy source in Iran. By doing so, it is expected that the development of wind energy will move away from public demonstration projects, and towards larger scale private led investments that can achieve the overall deployment target, and sustainable market development beyond.

## **Kazakhstan: Removing Barriers to Energy in Municipal Heat and Hot Water Supply (UNDP)**

51. The objective of the project is to reduce greenhouse gas emissions from the municipal heat and hot water supply systems in Kazakhstan and to lay the foundation for the sustainable development of these services. The project will combine local and national level measures through pilot activities in Almaty and Kokshetau to create awareness, build the capacity, and provide concrete incentives, experiences, and institutional and financing models for implementing and leveraging financing for different energy saving measures while simultaneously addressing country and sector-wide barriers. The project will also support dissemination and effective replication of the project results both at the national and regional level.

52. Specifically, the project will: (i) assist the Government of Kazakhstan in reviewing and improving the legal and regulatory framework dealing with the heat and hot water supply sector, with a specific emphasis on the tariff issues and consumption-based billing to motivate energy efficiency; (ii) build the capacity of the local heat supply companies to develop and manage their services on a commercial basis and to attract financing for the investments needed; (iii) build the capacity of the local tenants and home owner associations to manage the heat and hot water supply services and to implement cost-efficient energy saving measures at the building level; (iv) introduce and gain experience on new institutional and financing arrangements such as Energy Service Companies (ESCOs) and reduce the risks and uncertainties of energy efficiency investments in the heating sector by facilitating the implementation of selected pilot activities; and v) monitor, evaluate, and disseminate the project results and lessons learnt thereby facilitating their effective replication.

53. The project will not focus on specific technical solutions to improve the efficiency of the district heating systems, but instead will emphasize creating a framework for sustainable development of the heat and hot water supply sector as a whole. As a result of the project, it is expected that i) a supportive legal and regulatory framework will be in place to promote and provide incentives for further improvement of the energy efficiency of the heat and hot water supply services in Kazakhstan; ii) the local stakeholders will have new institutional and financing models for leveraging financing for the targeted energy efficiency investments and enhanced capacity to support their further implementation and replication; and iii) the project experiences and lessons learnt have been compiled, analyzed, and disseminated and their effective replication in Kazakhstan and other CIS countries/municipalities with comparable situation has been initiated.

## **South Africa: Renewable Energy Market Transformation (REMT) (World Bank)**

54. South Africa has committed to a deployment of renewable resources to such a degree that at least 10,000 GWh of the national final energy consumption in 2013 will come from renewable resources. In a multi-year process, the government has developed and published a White Paper on Renewable Energy that analyzes the most adequate sources for meeting the target, and the barriers to their deployment. In the follow-up to this process, the World Bank and GEF will support the government in developing the necessary capacities and frameworks for reaching that goal and continuing in more ambitious plans.

55. This WB/GEF project complements other GEF-supported initiatives in important ways. The UNDP/GEF South Africa Wind Energy Program (SAWEP) that intends to establish voluntary schemes for green pricing of wind power will work together closely with this project in order to solidify its market impacts. The policies that are developed by the South African government in the World Bank project will be crucial to the replication and scale-up of SAWEP. On the other hand, this project will also deliver hands-on support to the local solar water heater industry, as solar water heaters were identified as one of the most promising technologies to achieve the renewables target in Iran.

## **International Waters**

### **Regional (Bangladesh, India, Indonesia, Malaysia, Maldives, Myanmar, Sri Lanka, Thailand): Bay of Bengal Large Marine Ecosystem (World Bank)**

56. The Bay of Bengal Large Marine Ecosystem (BOBLME) is a highly diverse tropical area including coastal zones of eight countries, continental shelves and large areas of high seas. There are over 400 million people living in the bay's catchment area, many subsisting at or below the poverty level. The Bay of Bengal supports numerous coastal fisheries, many of which are of significant socio-economic importance to the countries. The key transboundary concerns in the area include the unsustainable harvesting of certain species, continued degradation of highly productive coastal and near-shore marine habitats, and the cumulative effects associated with land-based sources of pollution.

57. One of several major barriers to resolving these issues is the lack of regional institutional arrangements to facilitate a coordinated approach among the countries to address the issues. Other major constraints are weak / inappropriate policies and legal frameworks; lack of alternative livelihoods; weak institutional capacity; insufficient budgetary commitments; and lack of stakeholder involvement.

58. The project's objective is to support the countries in developing and agreeing on a Strategic Action Program (SAP), the implementation of which will lead to enhanced food security, reduced poverty for coastal communities in the Bay of Bengal region, and resolution of the transboundary water concerns. Global benefits will accrue from SAP implementation which over time will lead to a healthier Bay of Bengal that provides the ecosystem goods and services that its people depend upon.

59. The project is expected to achieve changes in the root causes behind transboundary degradation of the region. Specific outcomes include: financially sustainable institutional arrangements that support the continued development and broadening of commitment to a regional approach to BOBLME issues; improved well-being of rural fisher communities through incorporating regional approaches to resolving resource issues and barriers affecting their livelihoods into the SAP and future BOBLME Program activities; a better understanding of the BOBLME's large-scale processes and ecological dynamics; and a long-term commitment from the BOBLME countries to address complex situations.

60. The recent tragic events associated with the tsunami in the area have suddenly changed the conditions in the region, not the least for survivors in coastal communities. The main implication for this project is that the current knowledge about marine ecosystems, socio-economic dependence upon them, and trans-boundary priorities need to be revised; and that new and already present donors and programs in the region must be better coordinated than ever to ensure efficient, long-term use of resources, and impacts on the ground. This project provides the framework for a regional partnership among the countries, the World Bank, and FAO to develop-taking into account the tsunami--and will contribute to achieving the marine-related WSSD POI targets.

**Regional (Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu): Pacific Islands Oceanic Fisheries Management Project (UNDP)**

61. The Pacific Islands region is vast, covering around 40 million km squared. These waters support the most important fisheries in the world for tuna and related species, and this complex marine system also contains an enormous array of diversity. A previous GEF international waters project in the region: Implementation of the Strategic Action Programme of the Pacific Small Island Developing States (UNDP) underpinned successful efforts to conclude and bring into force the Western and Central Pacific Fisheries Convention. The Convention entered into force in June 2004, and it is one of the first regional fisheries agreements under the 1995 UN Fish Stocks Agreement.

62. Consistent with OP 9, GEF assistance is sought to assist the Pacific SIDS as they set up operation of the new Commission for the Convention and implement required legal and institutional reforms to enforce it. The project seeks \$10.9 million in GEF financing, and expects \$78.1 million in co-financing from participating governments, fishing states and regional organizations to produce an outcome of sustainable fisheries management consistent with WSSD POI targets. This was catalyzed in the first project by GEF providing support to SIDS to develop their Strategic Action Program.

63. The goal of the project is to enhance conservation and management of transboundary oceanic fishery resources in the Pacific islands region and protection of the biodiversity of the Western Tropical Pacific Warm Pool Large Marine Ecosystem (LME). The main outcomes will be:

- Scientific assessment and monitoring enhancement to improve management: Improved quality, compatibility and availability of scientific information and knowledge on the oceanic trans-boundary fish stocks and related ecosystem aspects of the LME, including the ecology of seamounts in relation to pelagic fisheries. This information would be used by the Commission and countries to apply measures for the conservation and management of trans-boundary oceanic fishery resources and protection of the LME, and to strengthen national capacities in oceanic fishery monitoring and assessment.
- Law, policy and institutional reform, realignment and strengthening: The establishment of the Commission for it to begin to function effectively. Pacific Island nations are taking a lead role in the functioning and management of the Commission, and in the related management of the fisheries and the LME. National laws, policies, institutions and programs relating to management of trans-boundary oceanic fisheries would be reformed, realigned and strengthened to implement the Convention and other applicable global and regional instruments. National capacities would be strengthened in oceanic fisheries law, fisheries management and compliance with the new convention to sustain the fisheries.



## **Regional (China, Thailand, Vietnam): Livestock Waste Management in East Asia (World Bank)**

64. The proposed project will address one of the most significant and rapidly growing sources of land-based pollution of the South China Sea and East Asia – environmentally unsustainable intensive and geographically-concentrated livestock production in China, Thailand and Vietnam. The South China Sea is a globally significant large marine ecosystem that is surrounded by countries that are experiencing rapid population and economic growth. This region is also one of the world's most biologically diverse shallow-water marine areas. Without large-scale preventive action, industrialized livestock production will become the single most important source of organic and chemical pollution of the main catchments draining into this water body and a source of human health risks from unsustainable manure management practices.

65. The project will address a key trans-boundary concern for the South China Sea and Gulf of Thailand that has been identified with GEF/UNEP assistance and the larger East Asia initiative for the 5 Large Marine Ecosystems (LMEs) led by the GEF/UNDP Partnerships for Environmental Management of the Seas of East Asia (PEMSEA) project. In support of these GEF projects, the World Bank is working with countries in East Asia to develop a Strategic Partnership for a Land-Based Pollution Reduction for the LMEs of East Asia. This livestock project would contribute to the Partnership by removing barriers to more sustainable management of intensive livestock operations by private sector operators. Should the Council approve the Strategic Partnership (expected for Work Program inclusion in December 2005), the present Livestock Waste Management project is expected to become part of it for administrative purposes, coordination and replication strategies. Should the Partnership not be approved, the present project stands on its own merits for eligibility in OP 10. The livestock pollution reduction project also has direct relevance for GEF's contribution to the Global Program of Action for the Protection of the Marine Environment from Land-based Activities under OP 10.

66. The global environment objective of the project is to reduce the discharge of pollution into the South China Sea originating from intensive livestock production. The main outcomes are: measurable pollution load reductions from concentrated livestock operations using better practices in demonstration watersheds (60 % of project finance devoted to these on-the-ground demonstrations); governments and local communities foster policy and legal reforms to facilitate private sector implementation of these more sustainable manure management practices (with a total leveraging of resources of about 10:1 in response to the project); increased awareness of and training about livestock waste management issues; and more common use of tools and guidelines to address water pollution and human health concerns from manure management at intensive livestock farms in Vietnam, Thailand and Guangdong province, China.

## **Bosnia-Herzegovina: Strategic Partnership for Nutrient Reduction in the Danube River Basin and the Black Sea, Water Quality Protection Project (World Bank)**

67. Bosnia and Herzegovina (BiH) has two major rivers, the Bosnia river, which is a tributary to the Danube and the Black Sea, and the Neretva river, which runs through BiH into Croatia where its delta on the Adriatic coast forms one of the few remaining Mediterranean wetlands. BiH has stressed the importance of addressing pollution of its transboundary rivers and has sought assistance to eliminate hot spots by improving cooperation with its neighbors in managing transboundary water resources.

68. The proposed project would address the environmental degradation of the Danube / Black Sea, and the Adriatic / Mediterranean Sea by reducing the pollution of the Bosnia and Neretva Rivers under the GEF-funded Strategic Action Program (SAP) adopted for the Mediterranean and the SAP for the Danube basin. The project would fund pollution reduction measures in four cities along with World Bank lending operations and develop a wastewater improvement plan for BiH. The wastewater plan would clarify and contribute to the reform of the institutional framework for wastewater management, formalize the cooperation with institutions in Croatia and Montenegro, build a network of public and private institutions needed for effective wastewater treatment, and prepare the groundwork for innovative low cost wastewater treatment methods.

69. The overall objective of the project is to reduce pollution from municipal sources into the Neretva and Bosnia Rivers. The sub-objectives are: develop the wastewater improvement plan; establish a joint BiH/Croatian working group, with coordination from Montenegro to implement the plan; develop and implement high-priority, low-cost pollution reduction capital investments; and disseminate information in BiH and the region for replication of project activities at other priority sites in the Balkans.

70. This project is eligible under OP 8 and IW Strategic Priority 1. It is complex in that it should be two projects for two separate basins for GEF purposes. However, for clarity of implementation in BiH it is one project. The Danube portion of the project (\$ 4.15 million) would fall under the Strategic Partnership Investment Fund for the Danube/Black Sea, with the resources already approved by the GEF Council in Tranche 2 of the Investment Fund approved in May 2002. The other portion draining to the Mediterranean (\$ 4.35 million) has not yet been allocated by Council, so this request is for \$4.35 million new funding. The World Bank is waiving expedited review of the Danube portion in this case because the operation is one project. Based on the success of the Strategic Partnership for the Danube/ Black Sea, the World Bank is currently preparing with UNEP at the countries' request a GEF Strategic Partnership for the Mediterranean Sea Large Marine Ecosystem. Should the Council approve this developing partnership (expected for Work Program inclusion during FY 2006), the Mediterranean portion (Neretva Basin) would be placed administratively under that Partnership. Should the Partnership not be approved, the present project is eligible on its own merit under OP 8.

## Ozone Depletion

### Ukraine: Methyl Bromide Phase-Out Project (World Bank)

71. The Ukraine is one of the largest consumers of methyl bromide (MBr), primarily because of the widespread use of MBr to protect stored grain throughout the supply and distribution system. This project will help the Ukrainian government phase out MBr in a sustainable manner, thereby helping the country comply with its obligations under the Montreal Protocol. Although the Ukraine is not currently producing MBr, it retains the capacity to do so. This project will ensure that any renewed production is monitored and that future usage complies with the Montreal Protocol. Finally, the project will permanently close down a carbon tetrachloride (CTC) facility, thereby eliminating the production of ozone depleting substances in the region.

72. The project's specific objectives are as follows:

- a) Permanently eliminate the use of MBr in all applications not permitted under the Montreal Protocol, while at the same time providing assistance to mitigate negative impacts associated with the elimination of MBr consumption, particularly within the national grain storage, distribution and processing system;
- b) Minimize MBr consumption in applications permitted under the Montreal Protocol, specifically for quarantine pre-shipment (QPS) applications, with the ultimate objective of its elimination;
- c) Control and monitor MBr production so that if re-initiated, it will be in strict compliance with the requirements of the Montreal Protocol and the legally binding Monitoring Plans agreed upon by the Government and private enterprise;
- d) Arrange permanent closure of the CTC production capacity in Ukraine in line with the legally binding Closure Plan agreed upon by the Government and private enterprise; and
- e) Strengthen institutional capacity to support the above objectives.

73. Co-financing for this project will be largely provided by the beneficiary enterprises. The project's investment program relies strongly on replication within the grain sector in the country. More broadly, the approach taken has potential application in other CIS countries with similar practices, in particular, the Russian Federation and Kazakhstan.

74. Sustainability is predicated on the project offering a near term and cost effective alternative to MBr. This will be further reinforced by involving and building ownership among all relevant stakeholders, in both the private sector and in government.

## **Multi-Focal Area**

### **Global: International Assessment of Agricultural Science and Technology for Development (IAASTD) (World Bank/UNEP)**

75. The IAASTD is a global assessment to bring together the range of stakeholders concerned with agriculture, hunger, poverty, human health and environmental issues to share views, gain common understanding and vision for the future (present to 2050), to develop new partnerships and to provide robust information pertinent to the needs of decision makers at international, regional, national, and local scales. It will integrate biophysical factors and socioeconomic driving forces and will bring the best available information to bear on analyzing how agricultural knowledge, science and technology (KST) can be used to reduce hunger and poverty, improve rural livelihoods and health, increase incomes and facilitate equitable, environmentally, socially and economically sustainable development at global, regional, national and local scales.

76. At the First Plenary of the IAASTD (September 2004) held with the support of GEF Project Development Facility-B support, it was agreed that the IAASTD would be comprised of a global assessment and five sub-global assessments addressing the role of agricultural KST in development. The global assessment will have three sections: (i) Historical Perspectives; (ii) Plausible Futures; and (iii) Policy and Institutional Issues. Five sub-global assessments (Central and West Asia and North Africa; East and South Asia and the Pacific; Latin America and the Caribbean; North America and Europe; and Sub-Saharan Africa) will be performed at the regional, national or local scales and will complement the Global Assessment by examining context-specific aspects of the Global Assessment.

77. Outputs will include an ensemble of peer-reviewed published sub-global and global assessment reports (printed and web-based) each with a Summary for Decision Makers on the role of agricultural KST in sustainable development. The impact of the expected outputs of the IAASTD will vary as a function of the end user. However, all stakeholders are expected to benefit from access to better information, a greater awareness and a clearer understanding of what is known with confidence and what remains uncertain. Governmental bodies will have access to better information and models for evaluating policy options; the private sector will have better information for evaluating business strategies; civil society will have better information to use in evaluating the decisions of government policy makers, and Contracting Parties to the three Rio Conventions will be able to use this information to more effectively implement these Conventions.

78. Four GEF Implementing agencies are involved as cosponsoring agencies of the IAASTD, i.e., UNEP, UNDP, WB and FAO. The World Bank is the IA for this Project, but will consult extensively with the other cosponsors, all ex-officio members of the Advisory Bureau, and will house the Secretariat along with UNESCO.

## **Albania: Natural Resources Management Project (World Bank)**

### **Situation**

79. The degradation of natural resources due to unsustainable land management now represents the gravest threat to the natural status and dynamics of the ecosystems and biodiversity in Albania. The detrimental impact of the land degradation on ecosystems, including those of the global conservation importance, becomes increasingly significant, affecting their stability, functions, and services such as soil and watershed protection, carbon uptake and storage, water purification, climate regulation, and nutrient retention. Over the recent decade, Albania's seven major watersheds display the alarming trends:

- (i) increase in frequency and magnitude of flooding,
- (ii) increase of sediment deposition and occurrence of saline soils in the lower reaches of the basin, and
- (iii) degrading water quality.

80. Average annual losses of soil from erosion are estimated at 20-40 tones per hectare. Albanian rivers also deposit an estimated 60 million tons of sediment annually into the Adriatic Sea, resulting in trans-boundary impacts on globally significant coastal and marine ecosystems. Therefore, ecosystem degradation linked with unsustainable natural resources management is recognized as a key environmental issue in Albania.

### **The Project**

81. The fully blended GEF and IDA project "Natural Resources Development Project (NRDP)" will establish and maintain sustainable, community-based natural resource management in about 218 communes in upland and mountainous erosion-prone lands of Albania. This will lead to enhanced productivity and incomes derived from sustainable resource management, reduced soil degradation, improved water management, conservation of biodiversity, and strengthened public sector management of these resources.

82. The project will strengthen and scale up the community-based approach to forest and pasture management developed for 138 communes under a successfully completed IDA-financed Albania Forestry Project (AFP). It will cover about 80 additional communes in Albania with significant forest cover, in the context of the continuing transfer of user-rights to additional communes and broader improved management and governance of forest and pasture resources. In addition, the project will support a multi-sectoral approach to natural resource management, addressing ecosystem degradation at the level of micro-water catchments in three out of the seven watersheds of Albania. Micro-catchment development will involve the integration of forest and pasture management, soil and water conservation, crop and livestock production in a mutually reinforcing manner. The project will promote a participatory approach to assisting local communities and support their institutions in implementing these activities.

## **Expected Benefits**

- (i) 676,000 ha of land where sustainable natural resource management by local communities is established (226,000 ha) or strengthened (450,000 ha), supporting indigenous species and habitats; and
- (ii) reduced erosion in project targeted areas to natural habitats performing critical ecosystem functions, as measured by reduced sediment burden in surface runoff and/or water courses.

## **Land Degradation**

### **Dominican Republic: Demonstrating Sustainable Land Management in the Upper Sabana Yegua Watershed System (UNDP)**

83. Land degradation processes hamper the ecosystem structure and services in the upper part of the Sabana Yegua watershed. The disturbed ecosystem balance is not only reflected through the loss of productivity of these lands but also in the damage of the dam capacity, a solid structure that divides the watershed. The dam productivity and safety is affected by sedimentation from erosion processes originating in the upper watershed of the Sabana Yegua and, at the same time, is seriously affecting the downstream users and the private sector company that is managing the dam for producing electricity and clean water.

84. The project will facilitate sustainable land management in the Upper Sabana Yegua watershed through the creation of sound policies, sustainable land management practices, and incentives for financially and environmentally sound activities in harmony with the recommended land use and bio-climatic conditions of the ecosystem.

85. The removal of the barriers for sustainable land management will create the appropriate policies, institutional and human capacities, and financial structures that will ensure the sustainability of project impact and outcomes. With a very innovative sustainability scheme, the project will engage in a long-term public-private sector partnership and will introduce environmental compensation mechanisms such as water-user fees and the payment for electricity. The project will be closely linked to 15-year Master plan for the management of the watershed that in the long-term run will be covered by government resources.