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INTERSESSIONAL WORK PROGRAM
SUBMITTED FOR COUNCIL APPROVAL

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Where to send technical comments:

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

I. PROJECTS IN THE PROPOSED WORK PROGRAM¹

Biodiversity

1. **Regional (Benin, Burkina Faso, Niger):** Enhancing the Effectiveness and Catalyzing the Sustainability of the W-Arly-Pendjari (WAP) Protected Area System (UNDP) (GEF Grant: \$5.15 m)
2. **Belarus:** Catalyzing Sustainability of the Wetland Protected Areas System in Belarusian Polesie through Increased Management Efficiency and Realigned Land Use Practices (UNDP) (GEF Grant: \$2.19 m)
3. **Botswana:** Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta (UNDP) (GEF Grant: \$4.00 m)
4. **Croatia:** Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development (UNDP) (GEF Grant: \$6.99 m)
5. **El Salvador:** Protected Areas Consolidation and Land Administration (World Bank) (GEF Grant: \$5.00 m)
6. **India:** Mainstreaming Conservation and Sustainable Use of Medicinal Plant Diversity in Three Indian States (UNDP) (GEF Grant: \$4.94 m)
7. **Venezuela:** Biodiversity Conservation in the Productive Landscape of the Venezuelan Andes (UNDP) (GEF Grant: \$7.35 m)

Climate Change

8. **Armenia:** Renewable Energy Project (World Bank) (GEF Grant: \$3.00 m)
9. **Brazil:** Second National Communication of Brazil to the UNFCCC (UNDP) (GEF Grant: \$3.40 m)
10. **Burkina Faso:** Transformation of the Rural PV Market (previously Energy Sector Reform) (UNDP) (GEF Grant: \$1.70 m)
11. **Honduras:** Rural Infrastructure (Electrification Sector) (World Bank) (GEF Grant: \$2.35 m)
12. **Indonesia:** Integrated Micro-hydro Development and Application Program (IMIDAP) (UNDP) (GEF Grant: \$2.00 m)
13. **Macedonia:** Sustainable Energy Program (World Bank) (GEF Grant: \$5.50 m)
14. **Peru:** Rural Electrification (World Bank) (GEF Grant: \$10.00 m)

International Waters

15. **Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, United Republic of Tanzania):** Programme for the Agulhas and Somali Current Large Marine Ecosystems: Agulhas and Somali Current Large Marine Ecosystems Project (ASCLMEs) (UNDP) (GEF Grant: \$12.20 m)
16. **Regional (Comoros, Kenya, Mauritius, Mozambique, Seychelles, South Africa, United Republic of Tanzania):** Southwest Indian Ocean Fisheries Project (SWIOFP) (World Bank) (GEF Grant: \$12.00 m)
17. **Regional (Comoros, Kenya, Madagascar, Mauritius, Mozambique, Seychelles, South Africa, United Republic of Tanzania):** Western Indian Ocean Marine

¹ The GEF amount is the funding request for the project and does not include PDFs previously approved.

Highway Development and Coastal and Marine Contamination Prevention Project
(World Bank) (GEF Grant: \$11.00 m)

Land Degradation

18. **Bhutan:** Sustainable Land Management (World Bank) (GEF Grant: \$7.66 m)
19. **Nicaragua :** Sustainable Land Management in Drought Prone Areas of Nicaragua (UNDP) (GEF Grant: \$3.00 m)
20. **Niger:** Sustainable Co-Management of the Natural Resources of the Air-Tenere Complex (UNDP) (GEF Grant: \$4.00 m)

Multi-focal Areas

21. **Regional (Albania, Macedonia):** Integrated Ecosystem Management in the Prespa Lakes Basin of Albania, FYR-Macedonia and Greece (UNDP) (GEF Grant: \$4.14 m)

Persistent Organic Pollutants (POPs)

22. **Moldova:** POPs Management and Destruction Project (World Bank) (GEF Grant: \$7.57 m)

II. WORK PROGRAM

1. The GEF Chief Executive Officer/Chairman of the Facility (CEO), having reviewed the conclusions and recommendations of the project review meetings with the Implementing Agencies (IAs), proposes to the Council the approval of this Work Program consisting of 22 new full-sized project (FSP) proposals for a GEF allocation of \$132.669 million (see Work Program Project Summaries for details on these projects and Annex A for their financial breakdown). This figure includes \$7.435 million for grants of the Project Development Facility block B (PDF-B) that were previously approved by the CEO and \$98,000 for grants of the Project Development Facility block A (PDF-A) approved by the Agencies.

Table 1. Proposed Allocations for July 2005 Work Program by Focal Area

Focal Area	Projects(No)	GEF Amount (\$m)	Cofin Amount (\$m)	Total Project Cost (\$m)
New Projects				
Biodiversity	7	37.947	103.014	140.961
Biodiversity (Biosafety)	-	-	-	-
Climate Change	7	29.431	224.751	254.182
International Waters	3	37.348	55.813	93.161
Land Degradation	3	15.532	30.961	46.493
Multi-focal Areas	1	4.511	9.403	13.914
Ozone Depletion	-	-	-	-
Persistent Organic Pollutants (POPs)	1	7.900	7.400	15.300
Total	22	132.669	431.341	564.010

2. Twenty-one projects in the work program have utilized grants from PDF-B to prepare the proposals. These grants together amount to \$7.435 million. Four projects have used grants from PDF-A to prepare project concepts.
3. No projects were submitted for inclusion in this work program by the Executing Agencies eligible under the policy of expanded opportunities.
4. In this Work Program, three International Waters projects all cover the East African SIDS and coastal nations which are cooperating under the Convention for the Protection, Management and Development of Marine and Coastal Environment of the East African Region and Related Protocols. Two of the projects (*UNDP: Programme for the Agulhas and Somali Current Large Marine Ecosystems (LMEs)* and the *World Bank: Southwest Indian Ocean Fisheries*) are part of a larger, coordinated effort by the Implementing Agencies to help these countries address marine-related WSSD targets through an ecosystem-based approach to management. Also part of this ecosystem-based effort is *UNEP's Regional: Addressing Land-based Activities in the Western Indian Ocean* project, which was approved by the Council in May 2003. The extensive collaboration included in project preparations replicates the highly successful approach piloted by GEF on the western coast of Africa in the *GEF/UNDP: Benguela Current LME Project*. The GEF Management Response to the M & E Program Study on International Waters (p. 85) cited this successful collaborative approach as an alternative to the weak IA field coordination noted in M & E assessments of earlier GEF projects.
5. The third International Waters project (*World Bank: Western Indian Ocean Marine Highway Development and Coastal and Marine Contamination Project.*) builds upon the success of a similar GEF ship-related contaminants project for the region's SIDS completed by the World Bank. It expands the approach to the mainland while building capacity for the use of modern satellite technology to avoid and prevent ship-related pollution releases. Coordination linkages to the 3 ecosystem projects have also been built into this marine transport sector project.

Project Allocation Trends

6. Table 2 contains the cumulative amounts approved through work programs, including the GEF Pilot Phase. Of the total GEF allocations, including the proposed work program, 35 percent is allocated to projects in the Climate Change focal area, 35 percent to Biodiversity/Biosafety, 15 percent to International Waters, 8 percent to Multi-focal Area projects, 2 percent to Land Degradation, 2 percent to Persistent Organic Pollutants (POPs), and 3 percent to Ozone Depleting Substances.

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

GEF Phase	BD	BD-BS	CC	IW	LD	MFA	ODS	POPs	Total
Pilot Phase	323.20	-	280.73	120.36	-	15.60	4.20	-	744.10
GEF - 1	428.36	-	474.67	119.43	-	48.95	121.63	-	1,193.05
GEF - 2	611.31	33.28	623.69	291.46	-	132.52	42.22	13.68	1,748.15
GEF - 3	503.38	23.35	534.70	294.09	98.15	227.48	11.96	96.90	1,790.01
2003	120.79	2.00	171.65	80.08	-	75.56	2.09	40.81	492.97
2004	152.22	9.83	202.13	116.49	34.35	82.62	5.18	4.57	607.39
2005	192.42	11.51	131.49	60.18	48.27	64.78	4.70	43.62	556.98
2006	37.95	-	29.43	37.35	15.53	4.51	-	7.90	132.67
Total	1,866.25	56.63	1,913.79	825.33	98.15	424.55	180.02	110.58	5,475.31
Total %	34%	1%	35%	15%	2%	8%	3%	2%	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

7. 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-governmental organizations (NGOs), the private sector, and other sources. The total co-financing is \$431.341 million which, when added to the total GEF allocation (\$132.67 million) gives a total project cost value of \$564.01 million. Hence, each dollar the GEF allocates is being matched by \$3.25 in co-financing.

8. In terms of focal areas, the co-financing percentage in biodiversity is 73 percent, which means that 73 percent of the project cost comes from co-financing. Climate change is at 88 percent, international waters at 60 percent, land degradation at 67 percent, multi-focal areas at 68 percent and persistent organic pollutants at 48 percent. On the average, co-financing will provide 76 percent of total project costs in this work program.

Table 3. Proposed FSP Co-financing in the July 2005 Work Program (\$ m)

Type	Biodiversity	Climate Change	International Waters	Land Degradation	Multi-focal Areas	Persistent Organic Pollutants (POPs)	Total
GEF Grant	37.95	29.43	37.35	15.53	4.51	7.90	132.67
<i>Co-Financier</i>	-	-	-	-	-	-	-
Beneficiaries	-	6.80	-	0.95	-	-	7.75
Bilateral	13.64	50.50	22.60	22.53	5.00	-	114.27
Foundation	-	3.00	-	-	-	-	3.00
Government	65.69	79.33	24.51	7.27	1.94	4.11	182.85
Multilateral	12.01	31.14	1.45	0.21	1.60	-	46.41
NGO	3.65	-	6.70	-	0.87	-	11.21
Others	0.10	33.50	0.46	-	-	3.29	37.35
Private Sector	7.93	20.48	-	-	-	-	28.41
Total Co-Financing	103.01	224.75	55.81	30.96	9.40	7.40	431.34
Total Project Cost	140.96	254.18	93.16	46.49	13.91	15.30	564.01
GEF:Co-Financing Ratio	2.71	7.64	1.49	1.99	2.08	0.94	3.25
Percentage Co-Financing	73%	88%	60%	67%	68%	48%	76%

9. Table 4 shows the historical trend in total co-financing amounts and ratios. The co-financing ratio average for GEF-3 to date is 3.50 compared to the overall historical average of 3.40.

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

GEF Phase	GEF Allocation (\$m)	Co-financing Amount (\$m)							Total Project Cost (\$m)	Co-Financing Ratio
		BD	CC	IW	LD	MFA	ODS	POPs		
Pilot Phase	744.10	189.40	2,402.89	144.26	-	4.35	1.85	-	3,487.34	3.69
GEF - 1	1,193.05	956.77	2,315.27	217.40	-	54.37	95.20	-	4,832.93	3.05
GEF - 2	1,748.15	1,748.37	3,244.93	538.65	-	328.46	78.05	9.54	7,696.14	3.40
GEF - 3	1,790.01	1,560.33	2,425.35	1,349.96	292.05	529.24	11.49	104.61	8,063.04	3.50
2003	492.97	270.41	915.98	367.88	-	228.05	-	51.77	2,327.06	3.72
2004	607.39	611.40	429.11	752.42	67.95	212.85	6.73	7.76	2,695.60	3.44
2005	556.98	575.50	855.51	173.86	193.14	78.94	4.76	37.67	2,476.36	3.45
2006	132.67	103.01	224.75	55.81	30.96	9.40	-	7.40	564.01	3.25
Total	5,475.31	4,454.87	10,388.43	2,250.27	292.05	916.41	186.59	114.15	24,079.46	3.40

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

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

Agency Fees for the Current Work Program

10. Fees are paid to the Implementing and Executing Agencies for GEF project cycle management services. At the June 2005 Council Meeting, the Council agreed with the proposal

to implement a flat fee of 9 percent of the GEF grant. Table 5 shows the fees amounting to \$11.94 million that Implementing Agencies will receive for the project proposals in the July 2005 Intersessional Work Program.

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

Agency**	Projects(No)	GEF Project Allocation	PDF Amount	Total GEF Allocation	Total Fees
UNDP	13	61.06	3.83	64.88	5.84
World Bank	9	64.08	3.71	67.78	6.10
Total	22	125.14	7.53	132.67	11.94

* All amounts are in \$ million.

** UNEP and the Executing Agencies did not submit any project proposal to the current July Intersessional Work Program.

III. APPROVED PROJECTS UNDER EXPEDITED PROCEDURES (APRIL 2005 – JUNE 2005)

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

Medium-sized projects	\$ 15.143 million	(16 projects)	CEO, Annex B
PDF-A	\$ 0.733 million	(23 grants)	IAs, Annex C
PDF-B	\$ 14.454 million	(38 grants)	CEO, Annex D
<u>Enabling activities</u>	<u>\$ 2.468 million</u>	<u>(11 projects)</u>	<u>CEO, Annex E</u>
<i>Total GEF allocation</i>	<i>\$ 32.797 million</i>		

Medium-sized Projects

12. Sixteen medium-sized projects were approved in this period for \$15.143 million with co-financing of \$72.932 million. Eleven of these projects have used grants from PDF-A amounting to \$0.295 million. Agencies' fees, amounting to \$2.190 million, were approved by the CEO during the reporting period when the old fee system was still applicable. The fees by project are presented in Annex B. Agencies submitting MSPs after July 1, 2005 will receive the new flat fee of 9% as approved at the June 2005 Council meeting. In accordance with the Council decision, the Secretariat will closely monitor the number of MSPs approved under the new fee system to see if there might be any adverse impact on the number of MSP submissions and report this to the Council. The co-financing ratio for the MSPs during this period is 1: 4.82 . Details are in Annex B.

Project Development Facility

13. Twenty-three PDF-A proposals amounting to \$0.733 million were approved by the Implementing Agencies to prepare project concepts.

14. Thirty-eight PDF-B proposals were approved by the CEO for \$14.454 million with co-financing of \$11.452 million. The co-financing ratio is 1: 0.79 .

Enabling Activities

15. A total of 11 enabling activity project proposals were approved during the reporting period for a total amount of \$2.468 million and total fee of \$0.382 million. The fees were approved under the old fee system. Details are in Annex E.

16. Among the enabling activity proposals during this period, four biodiversity enabling activity project proposals were submitted and approved for \$0.998 million.

17. Four project proposals for National Capacity Self Assessment in the multi-focal areas were submitted and approved for \$0.90 million.

18. Three new POPs enabling activity project proposals were approved for \$0.57 million.

Projects Approved under the Policy of Expanded Opportunities

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

IV. WORK PROGRAM PROJECT SUMMARIES

Biodiversity

1. Regional (Benin, Burkina Faso, Niger): Enhancing the Effectiveness and Catalyzing the Sustainability of the W-Arly-Pendjari (WAP) Protected Area System (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP1/SP1
<u>Local executing agency:</u>	UNOPS
<u>Total Cost of the Project:</u>	\$24.212 million
<u>GEF Funding Request:</u>	\$5.155 million (+ \$467,000 PDF-B)
<u>Key Indicators:</u>	3,094,026 ha. of WAP protected area system will be brought under enhanced protection

The W-Arly-Pendjari (WAP) complex is the largest and most important continuum of terrestrial, semi-aquatic and aquatic ecosystems in the West African savannah belt, the most significant range area for elephant conservation in the entire West African subregion. It is also the most viable natural refuge available to most of the vulnerable and/or threatened animal species in Benin, Burkina Faso and Niger. Its 31,000 km² area, or 50,000 km² if riparian areas are included, is divided as follows: 43% in Benin, 36% in Burkina Faso and 21% in Niger. Globally significant biodiversity within WAP is threatened by various factors, such as agricultural encroachment, uncontrolled transhumance, poaching, uncontrolled bush fires, siltation and pollution of surface waters, climate change and variability, and unsustainable non-timber forest product exploitation, woodcutting and fisheries.

The project seeks to achieve the long-term conservation and sustainable use of biodiversity within the WAP complex. GEF support will catalyze its sustainability by supporting three interdependent elements of the System's sustainability: a) supportive communities within buffer and transition zones; b) effective and linked PAs at sub-national levels within the WAP complex; and c) coordinated WAP PA System wide conservation efforts.

The project's expected results include:

- Communities supporting sustainable protected areas management will emerge around the WAP complex. The goals of these partnerships are to: (i) improve synergies, (ii) identify the local institutions most relevant for collaboration with conservation initiatives, (iii) promote inter-community dialogue, (iv) strengthen participatory integrated development planning, and (v) help identify income-generating activities that are more biodiversity friendly than typical industrial cotton production methods or extensive low input agriculture.
- Protected areas will be effectively managed and linked at the national level. In each country, GEF funds will help strengthen protected area management systems within the WAP area. This will include support for: the preparation of PA development and management plans; regularizing the management status of different areas; strengthening stakeholder consultation mechanisms; policy supporting reviews and implementation related to sustainable financing, and; building the capacity of public and private park managers and community groups.

- A sustainable regional level co-ordination mechanism will be set up within the WAP PA system. This regional governance system will engage all stakeholders and facilitate the translation of the long-term vision into a general master plan to be implemented in a coordinated manner.
- Learning, feedback and adaptive management will be ensured at two levels:
 - Internal learning and feedback to ensure annual project adaptation based upon lessons from the field;
 - External learning to ensure wide dissemination of lessons learned, with an emphasis on targeting other shared ecosystems. The project will include monitoring activities at both levels.

2. Belarus: Catalyzing Sustainability of the Wetland Protected Areas System in Belarusian Polesie through Increased Management Efficiency and Realigned Land Use Practices (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP2/ SP1
<u>Local executing agency:</u>	Ministry of Natural Resources and Environmental Protection
<u>Total Cost of the Project:</u>	\$11.505 million
<u>GEF Funding Request:</u>	\$2.192 million (+ \$219,000 PDFs)
<u>Key Indicators:</u>	The project will catalyze increased management effectiveness and sustainability in 129,144 ha of protected areas (wetland reserves). In addition, the project will indirectly influence around 610,000 ha of protected areas through up-scaling of regulatory models and replication of best management practices.

Located almost in the center of Europe, the Polesie region is an important ecological corridor for flora and fauna species and is famous for “hosting” the western-most watershed between the Baltic and the Black seas. It is home to two mass bird migrations: the White-Baltic-Mediterranean seas North-South route and the latitudinal East-West route.

This project will propose practical steps to address existing threats to these areas. Emphasis will be on improving management of the protected areas, as well as integrating biodiversity conservation objectives within the key economic activities – agriculture, forestry, flood defense. Since all of the key Polesie reserves were established without withdrawal of land from local land-users, the project will focus on innovative approaches that balance biodiversity conservation goals with sustainable economic activities in surrounding areas.

The project is expected to produce the following outcomes:

- Reserves will be managed more effectively and local stakeholders will actively participate in design and implementation aspects;
- Agricultural and forestry activities and the flood protection program in and around the reserves will be modified to diminish threats to biodiversity harbored in reserves; and
- Tools and methodologies generated by the project in selected wetland reserves will be institutionalized, enabling replication in other areas within the national protected areas system.

The project will increase management effectiveness and sustainability in 129,144 ha of protected areas (wetland reserves) in Belarus. In addition, the project will indirectly influence 610,000 ha of protected areas through the scaling up of regulatory models and replication of best management practices.

3. Botswana: Building Local Capacity for Conservation and Sustainable Use of Biodiversity in the Okavango Delta (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP2/SP-2
<u>Local executing agency:</u>	Ministry of Wildlife, Environment and Tourism
<u>Total Cost of the Project:</u>	\$12.927 million
<u>GEF Funding Request:</u>	\$4.00 million (+ \$ 275,000 PDF-B)
<u>Key Indicators:</u>	The project aims at mainstreaming' conservation objectives into the tourism, water and fisheries sectors, operating in a globally important wetland. The total area under improved management is: Target: 1,090,000 ha (60% of target area).

The Okavango Delta in northern Botswana, the country's largest wetland with an area of 16,000 km², is a storehouse of globally significant biodiversity. While its ecological integrity is generally good, there are risks from rising anthropogenic pressures. This Project will support the elaboration and implementation of the Okavango Delta Management Plan and ensure that it fully accommodates biodiversity management objectives. The GEF will finance the incremental costs of lifting barriers to mainstreaming biodiversity conservation into three production sectors which pose risks to wetland biodiversity: water, tourism and fisheries. The Project will remove barriers by building capacity within the regulatory authorities and service providers to assimilate and supply biodiversity management objectives in decision making and demonstrating how best to incorporate biodiversity management into production practices. The pilot conservation methods will have relevance to other Botswana wetlands and the Project maintains a strong focus on replication.

The project's expected outcomes include:

- A strengthened enabling environment at both systemic and institutional levels;
- Integration of biodiversity management objectives into the water sector;
- Direct contributions from the tourism sector to biodiversity conservation in the Delta; and
- Inclusion of biodiversity friendly management methods into fisheries production systems.

4. Croatia: Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP2/SP-2
<u>Local executing agency:</u>	Ministry of Environmental Protection, Physical Planning and Construction
<u>Total Cost of the Project:</u>	\$29.564 million
<u>GEF Funding Request:</u>	\$6.988 million (+ \$322,000 PDFs)
<u>Key Indicators:</u>	The project promotes conservation of biodiversity and sustainable use of its components directly on 663,000 hectares of productive landscape and 702,000 hectares of seascape.

In the Mediterranean Basin, the southern half of the Croatian coast (the “Dalmatian coast”) and adjacent parts of the Adriatic Sea and islands are threatened by recent economic development and the collapse of previous management systems. Tourism, fisheries and agriculture are having an increasingly negative impact on biodiversity in the region. This includes habitat destruction, unsustainable consumption of biodiversity and natural resources, and growing waste and pollution.

The project seeks to transform the tourism, agriculture and fisheries industries in the four coastal counties and thereby mainstream biodiversity conservation into these sectors. The project promotes conservation of biodiversity and sustainable use of its components directly on 663,000 hectares of productive landscape and 702,000 hectares of seascape. Not only will the project integrate biodiversity into the tourism, banking, fisheries and agriculture sectoral plans, policies, legislation and regulations, it will stimulate the growth of income generated from biodiversity-friendly businesses. Starting in 2007, this will result in at least a 60% growth (by revenue) of biodiversity-friendly investments in tourism, fisheries and agriculture sectors by project end.

The project’s expected outcomes include:

- Demonstration of biodiversity-friendly development in four globally important small productive landscapes;
- Improved investment climate across the project area for biodiversity-friendly enterprises;
- Increased compliance with biodiversity-related regulations across all sectors in the project area; and
- National-level enabling environment that appreciates, supports, institutionalizes and disseminates biodiversity-friendly development in coastal areas.

5. El Salvador: Protected Areas Consolidation and Land Administration (World Bank)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP3/ SP1
<u>Local executing agency:</u>	El Salvador National Registry Center (CNR), Ministry of Environment and Natural Resources (MARN)
<u>Total Cost of the Project:</u>	\$13.75 million
<u>GEF Funding Request:</u>	\$5.0 million (+ \$350,000 PDF-B)
<u>Key Indicators:</u>	The proposed project would consolidate and improve the management of 37,517 ha, including 35,600 ha of mangrove and associated humid forest, and 1,917 ha of dry tropical forest and associated floodplain forest.

In El Salvador, the most densely populated country in Latin America, population pressures have resulted in significant habitat destruction in protected areas. Key threats include pollution, the conversion of forests, and over-exploitation of natural resources. Some of the smaller protected areas comprising the National Protected Areas System (NPAS) no longer contain sufficient natural or near-natural habitats to warrant special protected status.

This project's objective is to conserve El Salvador's globally significant biodiversity by strengthening the national protected areas system and consolidating two priority protected areas. The project also seeks to improve land tenure security and land transactions by providing efficient, equitable, and accessible land administration services, thereby facilitating better land-related investments and more productive and environmentally sustainable land use.

The project will strengthen the legal and institutional framework for protected areas, and support MARN's development to oversee the national protected areas system. The project will also develop and pilot-test a methodology to consolidate two priority protected areas under different conservation categories. Finally, working with MARN, local governments and NGOs, the project will implement the management plans for the two pilot protected areas.

The expected project outcomes include:

- Development of a strategy and action plan for consolidating national protected areas system;
- Consolidation and effective management of two pilot protected areas (Tracking Tool score of at least 40 for the 35,600 ha in Bahia de Jiquilisco and 1,917 ha in Lago Guija Complex San Diego-La Barra); and
- Expanded biodiversity benefits in at least 37,517 ha (in Bahia de Jiquilisco PA at least 35,600 ha of mangrove or associated humid forest coverage that will have zero deforestation compared to baseline; in Lago Guija Complex San Diego-La Barra at least 1,917 ha of dry tropical forest or associated riparian forest that will have zero deforestation compared to baseline).

6. India: Mainstreaming Conservation and Sustainable Use of Medicinal Plant Diversity in Three Indian States (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP3/SP2
<u>Local executing agency:</u>	Ministry of Environment and Forests
<u>Total Cost of the Project:</u>	\$11.759 million
<u>GEF Funding Request:</u>	\$4.935 million (+ \$345,000 PDF-B)
<u>Key Indicators:</u>	Some 32,000 ha of forests managed primarily for the sustainable use and conservation of medicinal plants and a further nearly 6,000,000 ha actively managed in ways that promote the sustainable use and maintenance of medicinal plant diversity.

India is the world's second largest producer of medicinal plants and medicines with some 8,000 species considered to have medicinal properties. These include numerous globally significant species, many of which are increasingly threatened by overexploitation. Low levels of subsistence-related medicinal plant harvesting generally do not pose a threat to the viability of harvested populations. There is, however, growing concern about the impact of growing national and international demand for herbal products, and increasing commercialization of the medicinal plant economy.

In 1997, a National Consultation on Medicinal Plants organized by the Indian Ministry of Environment and Forests revealed that over 95% of medicinal plants used by the herbal industry were harvested from the wild. Over 200 medicinal plant species in southern and northern India are classified as rare, endangered or threatened. The true number of threatened species, including globally significant species, is likely to be far higher, but the status of many species is insufficiently known.

This project seeks to achieve the long-term conservation and sustainable use of India's medicinal plant diversity, particularly its globally significant species. The project will do this by mainstreaming conservation and sustainable use objectives into forest management policies and practices at the national, state and local level in three states: Arunachal Pradesh in North-East India, Chattisgarh in Central India, and Uttaranchal in North-west India. Together, these states represent a broad complement of India's medicinal and aromatic plant (MAPs) diversity, including numerous globally significant species and populations.

The project's expected outcomes include:

- An enabling environment for mainstreaming the conservation and sustainable use of MAPs into national forest management policies and practices;
- Forest management policies which promote and support the conservation and sustainable use of MAPs;
- Conservation and sustainable use of MAPs mainstreamed into local government and community forest management norms and practices at demonstration sites;
- Materials and methods replicate the successful models of conservation and sustainable use of medicinal plants across other sites; and
- Effective project monitoring and evaluation, lessons learned and adaptive management.

7. Venezuela: Biodiversity Conservation in the Productive Landscape of the Venezuelan Andes (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Biodiversity/OP4/SP2
<u>Local executing agency:</u>	CIARA Foundation of Venezuela's Ministry of Popular Economy (MINEP)
<u>Total Cost of the Project:</u>	\$37.244 million
<u>GEF Funding Request:</u>	\$7.352 million (+ \$348,000 PDF-B)
<u>Key Indicators:</u>	Two million hectares of production landscape (coffee/cattle rearing zone in 7 pilot and 13 replication municipalities) that contribute to biodiversity conservation

The rich ecosystem diversity of the Mérida Cordillera, a mountain range covering 30,732km² in western Venezuela, is being threatened by the loss of shade coffee and other biodiversity-friendly productive systems. This seven-year project, to be executed by the CIARA Foundation of Venezuela's Ministry of Popular Economy (MINEP), will address key barriers impeding the effective mainstreaming of biodiversity into this productive landscape. The project will also focus on halting current trends affecting the area's biodiversity.

The project's expected outcomes include:

- Producers in pilot municipalities will have the necessary capacity to carry out biodiversity-friendly productive systems. This will be achieved by making producers' organizations fully functional; building capacity for use of certification standards, marketing strategies, and environmental service payment schemes; increasing public awareness; and strengthening producer/consumer relations through information management systems.
- Pilot municipalities will adopt enabling policy, planning, and regulatory frameworks which support biodiversity-friendly productive systems. This will be achieved by ensuring participatory decision making in land use planning, zoning, and management; building the capacity of municipal officials; adopting appropriate technical guidelines; and establishing economic incentives and financial mechanisms.
- Pilot municipalities will serve as platforms for the sharing of best practices and lessons learned. This will be achieved by documenting experiences and methodologies; developing targeted knowledge dissemination strategies; and consolidating networks of public, civil society, and community level stakeholders.
- Project implementation and management will be guided by adaptive management principles supported by monitoring and evaluation tools. This will be achieved by developing a monitoring and evaluation strategy and financing plan; identifying methodologies to enable feedback on lessons learned; and strengthening project management.

Climate Change

8. Armenia: Renewable Energy Project (World Bank)

<u>Focal Area/OP/Strategic Priority:</u>	Climate Change/OP6/SP2
<u>Local executing agency:</u>	Ministry of Energy & Energy Resources
<u>Total Cost of the Project:</u>	\$18.75 million
<u>GEF Funding Request:</u>	\$3.0 million (+ \$ 250,000 PDF-B)

Armenia has significant renewable energy resources, but they play a limited role in the country's energy supply. Approximately 740 MWs of small hydro, wind and geothermal resources have been identified, which, if implemented, would represent 25% of the presently installed capacity. Over 250MW of capacity could be added through small hydro power projects (SHPPs) which are competitive with other forms of new generation. Commercially viable grid-connected wind power projects with total capacity of 195MW and annual generation of 0.55 GWh have been identified based on site-specific assessments. Although Armenia's existing legal and regulatory framework is generally supportive to the development of renewables, private investment is impeded by:

- limited access to long-term finance and the limited management capacity of financial institutions;
- unfamiliar risk profiles of borrowers and the related perception that renewable energy projects carry high risks; and
- lack of experience of project sponsors, local financial institutions and the engineering and consulting industry with renewable technologies and appropriate project financing structures.

The Government of Armenia is planning to implement a Renewable Resources and Energy Efficiency Fund (R2E2 Fund), which will serve as a mechanism to leverage financing from other sources, such as the EBRD or the Cafesjian Family Foundation. GEF's support will be used for technical assistance and capacity building for the fund as well as for private developers. Special goals include building knowledge and raising awareness about renewable energy among private investors, financial intermediaries, policy-makers, and other stakeholders. A long-term goal is also phasing out donor support for these attractive investments in Armenia. Over the first five years, the projects expects to result in the addition of about 20 MW renewable capacity.

9. Brazil: Second National Communication of Brazil to the UNFCCC (UNDP)

<u>Focal Area/OP/Strategic Priority:</u>	Climate Change/Enabling Activity
<u>Local executing agency:</u>	Ministry of Science and Technology of Brazil
<u>Total Cost of the Project:</u>	\$7.576 million
<u>GEF Funding Request:</u>	\$3.4 million

This project is to help Brazil prepare its second National Communications to the UN Framework Convention on Climate Change (UNFCCC) as required under Article 12 of the convention. The project will extend the coverage of the annual Brazilian inventory of anthropogenic emissions and removals of greenhouse gases to the 1990 to 2000 period. The inventory will focus on sectors and gases that have a significant share of the greenhouse gas emissions or present a large degree of uncertainty, or both.

The project will also elaborate on Brazil's vulnerability to climate change and propose adaptation measures. This will require the downscaling of global circulation models and development of a regional model of climate and climate change scenarios. The project includes studies on vulnerability and adaptation in the health, energy, water resources, floods and desertification, agriculture, pasture and livestock, coastal zone management and aquatic biodiversity sectors.

The project will also build institutional capacity for implementing the UNFCCC in Brazil, including education and awareness raising about climate change.

This 3-year project will result in publication of Brazil's second National Communication in English and Portuguese and, on approval of the Government, submission to the UNFCCC.

