



Global Environment Facility

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**INTERSESSIONAL WORK PROGRAM  
PROPOSED FOR  
COUNCIL APPROVAL**

Recommended Council Decision

The Council reviewed the proposed work program sent to Council Members by mail on June 23, 1998, and approves it subject to the technical comments submitted to the Secretariat within the review period.

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### PROPOSED WORK PROGRAM

#### A. Biodiversity

1. Georgia Integrated Coastal Management Project (World Bank)  
GEF: \$1.30 m; Total: \$8.10 m
2. Global Biodiversity Planning Support Programme (UNDP/UNEP)  
GEF: \$3.43 m; Total: \$4.23 m

#### B. Climate Change

3. Kenya Removal of Barriers to Energy Conservation and Energy Efficiency  
in Small and Medium Scale Enterprises (UNDP)  
GEF: \$3.19 m; Total: \$8.64 m
4. Multi-country Efficient Lighting Initiative (World Bank/IFC)  
GEF: \$15.23 m; Total: \$50.23 m
5. Tunisia Experimental Validation of Building Codes and Removal of  
Barriers to their Adoption (UNDP)  
GEF: \$4.36 m; Total: \$8.13 m

### C. International Waters

6. Brazil Integrated Watershed Management Program for the Pantanal and Upper Paraguay River Basin (UNEP)  
GEF: \$6.62 m; Total: \$16.40 m
7. Brazil Integrated Management of Land-Based Activities in the Sao Francisco Basin (UNEP)  
GEF: \$4.77 m; Total: \$20.21 m
8. Global Strengthening capacity for Global Knowledge-Sharing in International Waters (UNDP/UNEP/World Bank)  
GEF: \$5.25 m; Total: \$10.05 m
9. Poland Rural Environmental Project (World Bank)  
GEF: \$3.00 m; Total: \$14.40 m
10. Regional<sup>1</sup> Implementation of the Strategic Action Programme (SAP) of the Pacific Small Island developing States (UNDP)  
GEF: \$12.29 m; Total: \$20.35m
11. Regional<sup>2</sup> Western Indian Ocean Islands Oil Spill Contingency Planning (World Bank)  
GEF: \$3.16 m; Total: \$4.29 m

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<sup>1</sup> Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

<sup>2</sup> Comoros, Seychelles, Madagascar, Mauritius.

## COMPOSITION OF THE PROPOSED WORK PROGRAM

1. This cover note addresses the work program proposed for approval by mail.
2. The Chief Executive Officer (CEO/Chairman), after reviewing the conclusions and recommendations of the review meetings with the Implementing Agencies, recommends to the Council, for its consideration and approval, the proposed work program presented in this document. It contains eleven projects with a total of \$62.60 million in GEF financing and \$165.03 million in total project costs. The composition of the proposed work program by focal areas is as follows:
  - (a) Biodiversity: \$4.73 m (2 projects)
  - (b) Climate Change: \$22.78 m (3 projects)
  - (c) International Waters: \$35.09 m (6 projects)
3. The proposed work program presented herein does not include any project proposal that raises new or significant policy issues.

## PROGRAMMING OF RESOURCES

4. Annex A provides summary information on the proposed work program and requested level of financing. Annex B presents a cumulative account of GEF financing requested in the work programs presented to Council and other projects (Enabling Activities and Medium-Sized Projects) approved by the CEO and Chairman to date. Annex C sets out the status, as of June, 1998, of the enabling activities approved by the CEO under the expedited procedures approved by Council. Annex D provides an overview of Medium-Sized Projects approved by the CEO.
5. The Implementing Agencies developed and presented fifteen project proposals for inclusion in the proposed work program. Eleven were recommended for further development as part of this work program. One was also recommended for approval but will be submitted only when the country endorsement is received. Another project was withdrawn by the country.
6. If the Council approves this proposed work program, the GEF would have allocated approximately \$1.25 billion since the restructuring and replenishment of the GEF in March 1994. This would bring the total GEF allocation (including the pilot phase) to about \$2.03 billion (Annex B).

## ENABLING ACTIVITIES

7. Since the last summary prepared for the March, 1998 work program, 26 new enabling activity projects in the biodiversity focal area and 5 in the climate change focal area have been approved (Annex C) for a commitment of \$4.57 million. With these, the total number of enabling activity projects approved using expedited procedures is 110 for biodiversity and 69 for climate change, accounting for a total commitment of \$37.66 million (Annex B).

## MEDIUM SIZED PROJECTS

8. Nine new projects have been approved (Annex D) in biodiversity, climate change and ozone focal areas, accounting for a total commitment of \$6.04 million. Co-financing for these projects is about \$11 million towards a total projects cost of \$17 million.

## SUMMARIES OF PROPOSED PROJECTS

### A. Biological Diversity

#### **Georgia: Integrated Coastal Management Project (World Bank)** **GEF: \$1.30 m; Total: \$8.10 m**

9. This proposal emerges out of a GEF-funded Strategic Action Program for the Black Sea Environment funded under the International Waters focal area: this initiative will capture distinct global environmental benefits under OP #2 on coastal, marine and freshwater ecosystems. This project has scope for replicability by the other countries in the region which would ensure that the concerns are addressed holistically, and in the GEF context to enhance the global environmental benefits.

10. The GEF would finance one component of a Learning and Innovation Loan (LIL). The objective of the project is to strengthen institutions in Georgia to plan and manage the coastal resources of the Black Sea in an environmentally sustainable way, consistent with Georgia's regional commitments under the Black Sea Environmental Program. Project activities include establishment of a legal and institutional framework for planning at the national and local levels, support for environmental quality monitoring system and information network of Integrated Coastal Zone Management (ICZM), identification of cost-effective solutions for coastal erosion, and national oil spill contingency planning. The GEF-financed component will establish the Kolkheti National Park and Kobuleti Nature Reserve, and implement their management plans. These parks represent globally significant wetlands (Ramsar sites) and were identified as priority areas for action in the Georgia Biodiversity Strategy.

*Expected project outputs of the GEF component: (a) establishment of the Kolkheti National Park and Kobuleti Nature Reserve; (b) establishment of park and reserve infrastructure; (c) creation of management structures; (d) preparation of management plans; (e) development of socio-economic activities; (f) establishment of monitoring and information systems; and (g) training and public awareness.*

**Global: Biodiversity Planning Support Program (UNDP/UNEP)**  
**GEF: \$3.43 m; Total: \$4.23 m**

11. The project addresses global benefits indirectly by strengthening national biodiversity planning capacity and focuses on addressing knowledge and information gaps to the implementation of enabling activities. These will be removed through information exchange especially at the regional and global levels.

12. The project would strengthen the ability of recipient countries to develop and implement multi-sectoral National Biodiversity Strategies and Action Plans (NBSAPs) and complement existing national, regional and global efforts through global and regional activities. The project would draw on the full range of national and global experience to develop and provide information, tools, training and communication needed to develop and implement comprehensive, multi-sectoral, and timely NBSAPs, and to ensure a smooth transition between the development and implementation stages.

*Expected project outputs: (a) specialized information on biodiversity planning easily accessible to countries planning teams and decision makers; (b) lessons, guidelines, training modules, and materials on the subject developed and delivered; and (c) establishment of a dynamic, ongoing exchange of NBSAP experience and ideas through regional networks.*

**B. Climate Change**

**Kenya: Removal of Barriers to Energy Conservation and Energy Efficiency in Small and Medium Scale Enterprises (UNDP)**  
**GEF: \$3.19 m; Total: \$8.64 m**

13. Increasing energy savings potentials in Africa are addressed by this proposal. It is the first GEF project in this region directly targeting small and medium sized private enterprises (SME). Introducing a number of demand side energy management measures to Kenyan SMEs and helping to remove relevant private sector barriers, it would help to establish a self sustaining energy efficiency market in Kenya. If proven successful, this approach could be replicated at lower cost in other African countries, using lessons of this first intervention.

14. The project aims to achieve a sustainable reduction of GHG emissions through energy efficiency improvements. It will build national capacity for the provision of training, as well as technical and financial advisory services to Kenyan small and medium scale enterprises(SME). This would remove information and risk barriers to energy conservation in accordance with GEF programming criteria outlined in OP #5 on removal of barriers to energy efficiency and energy conservation. The project's demonstration activities would help to expedite initial energy conservation measures in competitively selected SMEs, which would serve as models for replication. GEF incremental cost financing of barrier removal and demonstration activities are expected to result in annual GHG abatements of up to 280,000 tones per year once energy efficiency improvements are replicated market wide.

*Expected project outputs: (a) increased awareness of win/win energy conservation opportunities among Kenyan SMEs; (b) feasibility of win/win energy investments demonstrated; (c) financial and technical advisory services to overcome perceived-risk barriers established.*

#### **Multi-country: Efficient Lighting Initiative (World Bank/IFC)**

**GEF: \$15.23 m; Total: \$50.23 m**

15. Proven barrier removal tools would be used in IFC's Energy Efficient Lighting Initiative. The experience gained in earlier GEF sponsored lighting projects (Mexico, Poland) forms the basis for this proposed multi-country effort to reduce GHG emissions by addressing win/ win energy savings potentials at the household and the commercial level. Replication of standard barrier removal activities in emerging markets offers a highly cost effective opportunity to achieve country-wide GHG abatement and to leverage private sources of financing for investments in energy efficiency. The GEF grant of \$15.23 million is expected to help mobilize up to \$80 million in private sector co-financing to enable the introduction of compact fluorescent lamps.

16. This project would help to achieve sustainable reductions of GHG emissions through energy efficiency improvements in the lighting sector. It aims to accelerate the penetration of energy efficient lighting technologies in the economies of participating countries by removing market development barriers. A key objective is to leverage private sector resources through a variety of competitive mechanisms to make high quality efficient lighting products more widely available and affordable in the target markets. The barrier removal is expected to result in total CO<sub>2</sub> reductions of more than 14 million tonnes over the next decade.

*Expected project outputs: (a) sustainable financial mechanisms to overcome first cost barriers; (b) increased consumer awareness of life cycle costs, energy efficiency and*



*climate change issues; and (c) sustainable long term increase in sales of energy efficient lightning.*

**Tunisia: Experimental Validation of Building Codes and Removal of Barriers to their Adoption (UNDP)**

**GEF: \$4.36 m; Total: \$8.13 m**

17. The Tunisia Energy Efficient Buildings Project would be the first GEF project addressing win/ win energy conservation opportunities in the housing sector in Africa. Innovative project activities to remove information, regulatory and transaction cost barriers would serve as a model for similar activities in other countries. Further replication of the proposed activities may be feasible with only little or no further GEF support, given the short payback period of investments in building energy efficiency once markets for relevant technological solutions have directly been established. A modest GEF contribution of \$4.36 million is expected to directly influence decisions on energy efficiency improvements in buildings construction activities valued at \$90 million.

18. The project will help to achieve sustainable GHG emission reductions by removing barriers to energy efficiency in the commercial and residential building sectors. It will assist the Government of Tunisia in validating energy efficient building codes. This is to verify the economic viability of energy efficient investments and to facilitate the early adoption of advanced regulatory measures, .i.e. energy efficient building standards at maximum levels. These activities will be accompanied by capacity building and awareness raising measures to inform relevant stakeholders about economic and environmental aspects energy efficient enhancements in the building sector and to facilitate consensus on necessary regulatory improvements. The GEF incremental cost financing of these barrier removal activities is expected to result in annual CO<sub>2</sub> abatements of up to 430,000 tones once advanced energy efficient standards will be applied country/ market wide.

*Expected project outputs: (a) energy efficient standards introduced and approved by the government of Tunisia; (b) market for energy efficient building materials and related services created; and (c) consumer information barriers removed.*

**C. International Waters**

**Brazil: Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin (UNEP)**

**GEF: \$6.62 m; Total: \$16.40 m**

19. This project, the Bermejo Project, and the Plata Maritime Front Project, are components of a comprehensive strategic approach which is being progressively

developed for the wider Parana-Plata Basin under OP #9 on integrated land and water multiple focal area Operational Program.

20. The project addresses issues related to the protection of the world's largest wetland and catalyzes implementation of a detailed watershed management program for the Pantanal and the Upper Paraguay River basin draining to the Pantanal. The project would implement strategic activities identified in the diagnostic work of the PCBAP program (World Bank) and is aimed at restoring environmental functioning of the system and protecting endemic species by addressing root causes of degradation (soil loss due to agricultural practices in upstream highlands, contamination due to mining and agriculture, untreated wastes). Strengthening of the Basin's institutions, building of agency and organizational capacity, and integration of environmental concerns into economic development activities on a sustainable basis are the key elements of the project.

*Expected project outputs: (a) quantitative evaluation of priority issues: agricultural and mining contamination, decline of endemic fish, impact of meander cuts, water uses patterns; (b) creation of conservation units within the Pantanal as means of preserving best remaining areas of natural habitats; (c) demonstration of environmentally sound practices within the agricultural, mining and urban economic sector; (d) identification of alternative means of economic production or alternative economic activities benefiting from community insight and experience; (e) increased ability of the Basin Committee to carry out its mandates; (f) refined Watershed Management Program incorporating methods and procedures for the solution of transboundary environmental problems into regional development plans.*

### **Brazil: Integrated Management of Land-Based Activities in the Sao Francisco Basin (UNEP)**

**GEF: \$4.77 m; Total: \$20.21 m**

21. This project would be the Latin American demonstration project under the Global Program of Action for the protection of marine environment from land based activities (UNEP, Washington Declaration, 1995), and is the first of possible five demonstration projects (one for each development regions) envisaged under the contaminant-based Operational Program (OP #10).

22. The objective of the project is to develop a Watershed Management Programme (WMP) for the Sao Francisco River Basin (SFRB) (640,000 km<sup>2</sup>), to address environmental concerns in the coastal area of the South West Atlantic and Brazil Current Large Marine Ecosystems. The WMP will address the physical, biological, chemical and institutional root causes of the progressive degradation which is affecting the basin and its associated coastal ecosystems by addressing root causes in the basin. The project would focus on the development and use of economic instruments and

activities designed to facilitate sustainable development within the basin while resolving key problems in its coastal zone. It would complement basin-wide interventions financed by the Government of Brazil, the World Bank, and other donors through the PROAGUA program.

*Expected project outputs: (a) river basin and coastal zone diagnostic analysis; (b) strengthened community land management programs; (c) framework for water use allocation system; (d) pilot scale demonstrations for degraded lands and riparian areas stabilization; (e) framework for creating a financially-sustainable basin management agency; (f) established river basin committee; (g) a program of legislative initiatives to optimize water resources management and protection in the Basin; (h) a documented strategy and program of action for the integrated management of the SFRB and its coastal zone.*

**Global: Strengthening Capacity for Global Knowledge-Sharing in International Waters (UNDP/UNEP/World Bank)**

**GEF: \$5.25 m; Total: \$10.05 m**

23. This “Knowledge-Sharing” proposal under the contaminant-based operational program (OP #10) is anchored on the collaboration among all three Implementing Agencies. From the initial group of selected demonstration projects, this effort would grow progressively to include most International Waters projects.

24. The objective of the project is to strengthen countries’ capacities to integrate sustainable water resources management into their national planning processes, to comply with relevant national, regional, and international agreements and conventions in the area of international waters and to improve performance on the ground of IW projects. The proposal builds upon the knowledge base and institutional relationships created from the experiences of GEF-funded international waters projects. The project would enable governments, international agencies, NGOs, and other stakeholders involved in GEF IW projects to: (a) share critical knowledge and collaborate more effectively across boundaries, using a wide array of new tools and learning methods; (b) develop training opportunities tailored to the strategic needs of countries and the IW focal area special topics, building upon an ongoing global training program (UNDP's TRAIN-SEA-COAST); and (c) hold two portfolio-wide strategic planning and assessment meetings that will include international waters project directors, implementing agencies, NGOs, and other key stakeholders.

*Expected project outputs: (a) a trained implementation team working in an integrated internet learning environment involving at least eight GEF funded international waters projects; (b) internet-based knowledge sharing within and among projects, including on-the-ground demonstrations, piloting, and evaluation; (c) formation of effective course development units, 12 standard training packages, and 300 to 500 trained project*

*personnel; (d) development of 36 GEF/Train-Sea-Coast course developers; and (e) two GEF International Waters strategic planning meetings and exchange of lessons learned.*

**Poland: Rural Environmental Protection Project (World Bank)**

**GEF: \$3.00 m; Total: \$14.40 m**

25. This project, under the integrated land and water multiple focal area Operational Program, would be a first example of the implementation of priority preventive measures based on the results of a Transboundary Diagnostic Analysis and Strategic Action Program process (completed within the framework of the Helsinki Commission for the Protection of the Baltic Sea). It would address the globally significant concerns of nitrogen and phosphorous pollution of the Baltic. Lessons from Poland could be applied to many other areas (e.g.: Danube Basin/Black Sea) where the same transboundary problem of non point sources of agricultural pollution exist just as it has been in Europe and North America.

26. The objective of the project is to demonstrate how to improve the quality of the water in the Baltic Sea by decreasing non-point source pollution from agriculture. The Baltic Sea Strategic Action Program contains estimates that 30-40 percent of the nitrogen and 10 percent of the phosphorous entering the Baltic Sea come from agriculture. The project would be directed to Polish small farmers and would assist them to adopt innovative waste management techniques and land use practices. GEF funds would be used to reduce the local cost of adopting these technical innovations in agricultural practices and waste management and to help move from demonstrations to full-scale projects for agricultural non point source pollution. Participating farmers would be expected to pay approximately one-third of the cost. The GEF contribution would complement a Learning and Innovation Loan (LIL), which emphasizes testing and learning with the aim of scaling up the project into a larger program in the future.

*Expected project outputs: (a) on-farm environmental improvements; (b) slurry and manure storage facilities and other practices for pollution reduction; (c) wider understanding of the importance of agriculture and environment issues in Poland including economic benefits of improved practices and savings obtainable from substitution of chemical fertilizers.*

**Regional: Southern Pacific (Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu): Implementation of the Strategic Action Programme of the Pacific Small Islands Developing States (UNDP)**

**GEF: \$12.29 m; Total: \$20.35m**

27. This project would be the first main GEF effort in Small Island Developing States and the follow up of a SAP process conducted during the preparatory work under the integrated land and water multiple focal area Operational Program. It addresses a wide region of global relevance, which includes the world's largest tuna fishery. Its results could be replicated throughout the many island states through mechanisms of sustainability and self-financing which would be developed in the project.

28. Based on SAP results, the project would focus on two components: (a) coastal and freshwater basins issues (such as freshwater supplies including groundwater), marine protected area enhancement and development, sustainable coastal fisheries, integrated coastal management and waste reduction strategies; (b) oceanic fisheries management targeting the Western Pacific Warm Pool Ecosystem (tuna fishery). The project would aim for sustainable development of ocean fisheries and explore options to increase domestic benefits from tuna fishery and divert fishing pressure from overexploited coastal resources.

*Expected project outputs: (a) established Transboundary Management Regime; (b) workplan for regionwide implementation of SAP; (c) communications workshop to define communication, education, awareness strategy; (d) demonstration projects in selected countries to develop techniques to protect freshwater resources; (e) creation of a minimum of three Marine Protected Areas fostering community based approach; (f) three demonstration projects to test creation of long term sustainability of coastal fisheries; (g) three community centered demonstration projects for waste reduction activities; (h) technical assistance to Forum Fisheries Agency and to South Pacific Commission and support for fishery monitoring and regional surveillance.*

**Regional: Western Indian Ocean (Comoros, Seychelles, Madagascar, Mauritius):  
Western Indian Ocean Islands Oil Spill Contingency Planning (World Bank)  
GEF: \$3.16 m; Total: \$4.29 m**

29. This proposal addresses oil spill response measures under the contaminant-based Operational Program. It has high priority because of the significant biodiversity in vulnerable ecosystems of the region, including the Aldabra Atoll (a World Heritage Site).

30. The objective of the project is to help protect the environmental integrity of the coastal and marine ecosystems of a large, biologically rich and relatively pristine part of the Western Indian Ocean from the risk of oil spills. The project would achieve this by helping the island states of Comoros, Mauritius, Madagascar, and Seychelles comply with the International Convention on Oil Pollution Preparedness, Response and Cooperation (OPRC). Specific project objectives are to: (a) ensure compliance with relevant international maritime conventions; (b) develop national and regional contingency planning processes; (c) set up appropriate national and regional oil spill

response capacity; and (d) establish sustainable financial and institutional agreements and synergy through regional cooperation arrangements.

*Expected project outputs: (a) strengthened capacity of the countries to upgrade the national legal framework and comply with international conventions; (b) national oil spill contingency plans and strengthened human and technical structures (c) regional plan for response to a major oil spill; (d) sustainable financial and institutional agreements.*