



# Global Environment Facility

GEF/IS/7  
July 24, 2000

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## INTERSESSIONAL WORK PROGRAM PROPOSED FOR COUNCIL APPROVAL

## SECRETARIAT SUMMARY OF THE PROPOSED WORK PROGRAM

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## PROPOSED WORK PROGRAM

### A. Biodiversity

1. Global Critical Ecosystems Partnership Fund (WB) \$25.000 m
2. Regional\* Conservation and Sustainable Use of the Mesoamerican Barrier Reef (WB) \$10.616 m
3. Kazakhstan Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat (UNDP) \$8.847 m
4. Mexico Integrated Ecosystem Management in Three Priority Ecoregions (UNDP) \$15.650 m

### B. Climate Change

5. Regional\*\* Caribbean Renewable Energy Development Programme (UNDP) \$4.426 m
6. Chile Removal of Barriers to Rural Electrification with Renewable Energy (UNDP) \$6.067 m
7. China Barrier Removal for Efficient Lighting Products and Systems (UNDP) \$8.136 m
8. Hungary Public Sector Energy Efficiency Programme (UNDP) \$4.200 m

### C. Land and Water

9. Regional\*\*\* Environmental Protection and Sustainable Management of the Okavango River Basin (UNDP) \$5.766 m

\* Belize, Guatemala, Honduras, Mexico

\*\* Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Cuba, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos

\*\*\* Angola, Botswana, Namibia

## WORK PROGRAM

1. The Chief Executive Officer (CEO), after reviewing the conclusions and recommendations of the bilateral review meetings with the Implementing Agencies, proposes to the Council for its consideration and approval a Work Program consisting of 9 new project proposals:

- a) Biodiversity \$60.113 million (4 Projects)
- b) Climate Change \$22.829 million (4 Projects)
- c) International Waters \$5.766 million (1 Project)

2. The proposed Work Program has a proposed allocation of \$88.708 million in GEF financing out of a total cost of \$333.646 million (see Annex A for details).

## CUMULATIVE WORK PROGRAM

3. GEF finances full projects, Medium Sized Projects (MSPs), and Enabling Activities. If the Council approves this Work Program, the cumulative GEF financing would amount to \$3.115 billion while the cumulative GEF financing for full projects would amount to \$2.947 billion (see Annex B for details). With respect to MSPs approved by the CEO under expedited procedures, 5 biodiversity and 1 climate change project were approved for a total allocation of \$3.505 million and \$0.691 million respectively during this reporting period of April- June 2000 (see Annex C). These approvals bring to 85 the total number of MSPs approved to date, with a total GEF allocation of \$56.452 million.

4. From April to June 2000, the Project Preparation and Development Facility (PDF) supported 12 PDF Block As amounting to \$0.285 million approved by the Implementing Agencies for a cumulative total of \$4.860 million. During this same period the CEO approved 26 PDF Block Bs for a total of \$8.004 million for a cumulative total of \$56.811 million (see Annexes B, D and E for details).

5. As of July 15, 2000, GEF support for Enabling Activities covered 127 countries for biodiversity and 134 countries for climate change (activities for 102 countries were approved under the expedited procedures). The most recent activities approved by the CEO during this reporting period (April – June 2000) were 14 projects with a total GEF financing of \$1.953 million (see Annex F for details). Eighty-two of the recipient countries had submitted national biodiversity reports as of July 15, 2000. Twenty-seven non-Annex I countries had submitted their first national communication under the UN Framework Convention on Climate Change. GEF has funded one non-Annex I country for their second national communication and nine for capacity building in priority areas.

6. No targeted research projects are included in this work program.

7. At its meeting in May 2000, the Council welcomed the progress that had been achieved in implementing a fee-based system, while recognizing that this is a new and dynamic system still in evolution. The Council requested the Secretariat to continue to work with the Implementing Agencies to further enhance the basic principles of the fee system agreed to by the Council. The Council also agreed that the Secretariat should seek to apply a revised fee formula to the work programs beginning in FY01.

8. The Secretariat has been working with the Implementing Agencies on proposed revisions to the fee formula. These deliberations are on-going, and it is expected that agreement will be reached on a revised formula that will be used in determining fees for the project proposals included in the work program to be presented to the Council in November 2000.

9. For purposes of the present Intersessional Work Program, the Secretariat and the Implementing Agencies have continued to adhere to the system that was used in FY00. For these project proposals, the GEF Secretariat negotiated fees with each of the Implementing Agencies in accordance with agreed reference fee levels and project cost variables. The fees associated with the present work program are listed in Annex A. The medium-sized projects and enabling activities approved under expedited procedures from April to June 2000 are identified in Annex C and Annex F respectively, together with the applicable fees. No fees have been included for supplemental funding of enabling activity projects (consistent with policies approved by the Council in May 1999) as this matter is still under discussion with the Implementing Agencies.

10. When agreement is reached on a revised fee formula for FY01, the fees associated with the project proposals in this Intersessional Work Program will be reviewed and, if necessary, will be adjusted in accordance with the revised formula.

11. A retreat for senior GEF staff from the Secretariat and the Implementing Agencies was held on June 8-9, 2000 with a view to a greater emphasis on managing for results in the GEF. The outcomes of the retreat included ways to streamline the submission and review of projects submitted to the Work Program so that more project resources remain available for project implementation. This streamlining effort will also place more responsibility on the Implementing Agencies to ensure that projects conform with GEF policies, programs and criteria.

#### OPERATIONAL SUMMARY

12. The current Work Program includes several innovative projects but raises no policy issues, consistent with procedures for Intersessional Work Programs. The projects proposed have been developed in accordance with the principles and programs set out in the Operational Strategy. This section highlights how these operational principles and programmatic requirements have been reflected in project development and how cross-cutting issues have been addressed in project design.

## CONFORMITY WITH PROJECT REVIEW CRITERIA

### **Evidence of Country Ownership**

13. Evidence of country ownership is demonstrated in variety of ways. The biodiversity projects are specifically designed to respond to country priorities established through the national biodiversity action plans. Moreover, most of the projects will be implemented in partnership with government departments. In many projects, governments have already committed substantial resources to fund baseline activities. For example, in the *Mexico: Integrated Ecosystem Management in Three Priority Ecoregions* project, the government would finance more than three quarters of the total project cost.

### **Replicability**

14. Building replicability into the design of GEF projects responds to an important GEF principle. In this Work Program, there are several examples of innovative approaches and technologies with potential for replication in a country or region. For example, the *Regional: Caribbean Renewable Energy Development Programme* proposes a coordinated regional effort that includes many small countries and provides a platform both for high-quality enabling abilities as well as for attracting financing by aggregating similar projects. This collaboration could lead to similar energy policies being developed in all these countries and possibly others in the region. It could also provide insights as to how such a regional approach can be replicated in other regions.

### **Sustainability of Projects**

15. In biodiversity, recurrent cost financing is essential for project sustainability beyond the GEF financed project. In this Work Program, in the climate change area, barrier removal projects, such as the *Chile: Removal of Barriers to Rural Electrification with Renewable Energy* project, addresses sustainability through support for the creation of financing mechanisms, new institutions, and demonstrations. Moreover, in the biodiversity area, the *Kazakhstan: Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat* project aims to achieve sustainability through alternative livelihood activities, such as the development of user group savings accounts, partnership and capacity building of key stakeholder groups (government departments, village institutions, and NGOs), and training through demonstration initiatives.

### **Conformity with GEF Public Involvement Policy**

16. In this Work Program, several of the proposed projects have emphasized participation of key stakeholders, and have completed information dissemination as well as consultations during preparation. Descriptions of these activities are contained in the proposals, with some projects, such as the *Mexico: Integrated Ecosystem Management in Three Priority Ecoregions* project, providing a detailed list of participant institutions. In particular, the climate change projects have engaged the private sector in consultations, including some financial institutions.

17. Some of the projects in this Work Program include mechanisms for sustaining stakeholder participation in biodiversity projects, especially since these

projects contain many community-based activities. Notable examples are user rights agreements and memorandums of agreement with local government agencies in the *Kazakhstan: Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat* project, formation of site level multisectoral committees (or COBIDES) and site management committees in the *Mexico: Integrated Ecosystem Management in Three Priority Ecoregions* project, and use of national reef committees in the cooperating countries in the *Regional: Conservation and Sustainable Use of the Mesoamerican Barrier Reef* project.

18. Concerns for indigenous communities are fully integrated into the regional and Mexico biodiversity projects which may include indigenous villages as beneficiaries and stakeholders. In addition, the *Chile: Removal of Barriers to Rural Electrification with Renewable Energy* project is expected to affect some 12,500 poor rural households who will be represented on local committees with decision making authority in the project.

### **Indicators, Monitoring, and Evaluation**

19. The identification of relevant indicators of impact, and the establishment of an appropriate monitoring and evaluation plan at the project level will ensure that global environmental benefits from GEF investments will be achieved. Projects in this Work Program have been scrutinized for conformity to the GEF monitoring and evaluation guidelines and the inclusion of best practices from previous and ongoing GEF projects. For example, in the *Global: Critical Ecosystems Partnership Fund*, comprehensive monitoring and evaluation plans will be developed for projects supported by the fund, based on selected indicators. Moreover, the fund's monitoring system will be closely linked with its knowledge management framework so that data derived from monitoring at the site level will be able to flow to national and international levels, and vice versa.

### **Private Sector Involvement**

20. Almost all the projects in this Work Program involve the private sector as providers of technology, goods and services - typically awarded in competitive bidding processes where they respond to requests for proposals or where they co-finance specific components of project activities. This is specifically the case with the climate change projects in China and Chile. In both the *Chile: Removal of Barriers to Rural Electrification with Renewable Energy* project, and the *China: Barrier Removal for Efficient Lighting Products and Systems* project, private sector financing amounts to about a quarter of the total project cost. Moreover, in most of the climate change projects, as in the case of the *Regional: Caribbean Renewable Energy Development Programme*, the main objective is to engage the private sector in the development and commercialization of renewable energy in the region.

### **Coordination and Cooperation**

21. This Work Program contains several projects that exemplify various forms of collaboration among different stakeholders.

22. The *Global: Critical Ecosystem Partnership Fund (CEPF)* is an example of international cooperation and coordination. CEPF will set up a partnership between the GEF, the World Bank, Conservation International (CI), as well as bilateral organizations,

private donors, governments and local communities. It will be targeted to assist conservation and sustainable use activities in 21 of the 25 most important "hot spots" on the planet. These areas harbor a disproportionately large amount of terrestrial biodiversity (potentially up to 70 percent of the total) in relation to their size, are under substantive threat, and require urgent attention.

23. The CEPF will have a total initial capitalization of \$75 million which will consist of \$25 million each from the GEF, World Bank and Conservation International. The GEF support for this partnership would be phased in 1:1 matching contributions. The World Bank has approved the first \$5 million tranche of their support, and on approval of this proposal, the GEF would likewise release its first contribution of \$5 million for the first year of the fund's operations. Subsequent annual \$5 million tranches of GEF's overall \$25 million multi-year allocation would be released by the CEO as and when the 1:1 matching funds are approved by the World Bank and provided that progress reports show continued satisfactory progress in the partnership's funded activities.

24. Through the support of this partnership, the GEF will be furthering its global environmental objectives by increasing its funding leverage; leveraging further action of other players such as international NGOs (CI); increasing GEF presence on particular regions of the world that harbor some of the highest levels of biodiversity in the planet; collaborating with key stakeholders such as small, local NGOs and community members representatives; assisting in further mainstreaming global environmental concerns in the World Bank agenda in the regions addressed by the project; increasing awareness of biodiversity and its importance on sustaining life in the planet in key regions of the world; and increasing agility in the delivery of funds with increased accountability.

25. Similarly, the three regional projects included in this Work Program, the *Conservation and Sustainable Use of the Mesoamerican Barrier Reef* project, the *Caribbean Renewable Energy Development Programme* and the *Environmental Protection and Sustainable Management of the Okavango River Basin* project all demonstrate cooperation and coordination between several countries in different regions. The *Regional: Environmental Protection and Sustainable Management of the Okavango River Basin*<sup>1</sup> project is particularly noteworthy in that it not only brings together three countries toward joint management of the basin's resources, but also supports the implementation of both the 1995 SADC Protocol on Shared Watercourse Systems and the 1997 UN Convention on the Law of the Non-navigational Uses of International Watercourses.

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<sup>1</sup> This international waters project was recommended for inclusion in the Council Work Program in late 1998 subject to a final focal point endorsement being received. That final GEF focal point endorsement was received this Spring and the project brief is now ready for consideration by Council in this Work Program. Because it was reviewed under previous criteria, it was not subject to the new criteria and consequently does not have the new cover note prepared by the Implementing Agency.



## APPROPRIATENESS OF GEF FINANCING

### Incremental Costs

26. This Work Program has mobilized significant resources from non-GEF and non-Implementing Agency financing sources, including government agencies, NGOs, and the private sector. In this Work Program, the GEF contribution of \$88 million has leveraged contributions of about \$245 million. Such inputs help to spread project risks across several actors, leverage clear commitments from beneficiaries, strengthen the basis of project ownership and improve the prospects for replication.

### INTEGRATED ECOSYSTEM MANAGEMENT

27. A new operational program, *OP 12 on Integrated Ecosystem Management*, was circulated to the GEF Council for its final approval on April 20, 2000. OP 12 provides a comprehensive framework to support cross-sectoral projects that address ecosystem management in a way that optimizes ecosystem services - ecological, social, and economic - within the context of sustainable development. These services encompass biodiversity, carbon sequestration, land and water conservation, food production, sustainable livelihoods, and the production of marketable goods and services. OP 12 across sectors, and political or administrative boundaries within the context of sustainable development. In this Work Program, the *Mexico: Integrated Ecosystem Management in Three Priority Ecoregions* project is included as an OP 12 project.

### CLIMATE CHANGE PORTFOLIO

28. This Work Program includes four full-sized and one medium-sized climate projects. Two of the full-sized projects focus on renewable energy while the rest are related to energy efficiency. In addition, a medium-sized project, *Global: Fuel Bus and Distributed Power Generation Market Prospects and Intervention Strategy Options*, will help clarify a strategy for further GEF support for fuel cell projects.

### OZONE DEPLETION PORTFOLIO

29. All GEF activities in the ozone focal area are near completion and no further additions to the Work Program are expected. The GEF project experience in the ozone focal area illustrates that it is possible to achieve the objectives of the Montreal Protocol while advancing the objectives of the UN Framework Convention on Climate Change by combining the elimination of ozone depleting substances (ODS) with the promotion of energy efficiency and the use of most environmentally sound ODS substitutes.

30. The countries (Kazakhstan and Armenia) that have recently requested PDF support for the preparation of their ODS phase-out country programs are expected to be reclassified to Article 5 under the Montreal Protocol at the next Council meeting. Therefore, the funding required for these ODS phase-out projects is expected to be provided by the Multilateral Fund of the Protocol.

## SUMMARIES OF PROPOSED PROJECTS

### BIOLOGICAL DIVERSITY

#### **Global: Critical Ecosystems Partnership Fund (World Bank) GEF: \$25.00m; Total: \$100.00m**

The proposed project will support a partnership (the Critical Ecosystem Partnership Fund, CEPF) between the GEF, the World Bank, Conservation International (CI), bilateral organizations, private donors, governments and local communities. It will be targeted to assist conservation and sustainable use activities in 21 of the 25 most important "hot spots" in the planet. These areas harbor a disproportionately large amount of terrestrial biodiversity (potentially up to 70% of total) in relation to their size, are under substantive threat, and require urgent attention.

The CEPF will have a total initial capitalization of \$75 million which will consist of \$25 million from each of the GEF, World Bank and Conservation International. The GEF support for this partnership would be phased in 1:1 matching contributions. The World Bank has approved the first \$5 million tranche of their support, and on approval of this proposal the GEF would likewise release its first contribution of \$5 million for the first year of the fund's operations. Subsequent annual \$5 million tranches of GEF's overall \$25 million multi-year allocation would be released by the CEO as and when the 1:1 matching funds are approved by the World Bank and provided that progress reports show continued satisfactory progress in the partnership's funded activities.

*Expected project outputs:* (a) Biodiversity conservation at specific "Hot Spots" will be increased significantly due to increased and more effective action at the ground level; (b) Due to adjustment of policies and practices, the role of other players (e.g., donors, lending institutions, government, and private sector) will be more compatible with biodiversity conservation objectives; (c) Capacity of recipient organizations will be increased due to increased training in strategic planning, project management, and project monitoring; (d) Significant levels of funding will be provided to organizations within targeted ecosystems; (e) An information and knowledge management system will be developed and will be operational.

#### **Regional (Belize, Guatemala, Honduras, Mexico): Conservation and Sustainable Use of the Mesoamerican Barrier Reef (WB) GEF: \$10.616m; Total: \$17.776m**

The global objective of the Mesoamerican Barrier Reef Project (MBRS) is to enhance protection of the ecologically unique and vulnerable marine ecosystems comprising the MBRS, by assisting the littoral states to strengthen and coordinate national policies, regulations and institutional arrangements for the conservation and sustainable use of this global public good. The GEF Project will, therefore, assist Mexico, Belize, Guatemala and Honduras to: (i) strengthen existing MPAs and establish new protected areas in transboundary locations; (ii) develop and implement a standardized regional monitoring and environmental information system for the MBRS; (iii) promote measures to reduce non-sustainable patterns of resource use in the MBRS, focusing initially on the fisheries and tourism sectors; (iv) increase local and national capacity for environmental

management through education, information sharing and training; and (v) strengthen and coordinate national policies, regulations, and institutional arrangements for marine ecosystem conservation and sustainable use.

*Expected project outputs:* (a) A regional network of MPAs ensuring geographical and ecosystem representation will be established and/or strengthened throughout the MBRs; (b) Knowledge and dissemination of information relating to coastal and marine ecosystem health will be increased in the MBRs; (c) Opportunities for sustainable use of coastal and marine resources will be increased; (d) Public awareness of the importance of and demand for the conservation of the MBRs at regional and international levels will be increased; (e) Regional coordination and sustained collaboration among MBRs countries in management of a shared transboundary ecosystem will be increased.

**Kazakhstan: Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat (UNDP) GEF: \$8.847m Total: \$38.542m**

In Kazakhstan, social and economic reforms present new challenges and opportunities for wetland conservation. New property rights in water and land are being formed and tested, providing an opportunity to integrate sustainable land and water resource management regimes. Protected areas require a re-orientation in management, strengthened financing mechanisms and new relationships with the stakeholders living around them. A lack of experience in how to meet these challenges in recent years has resulted in the neglect and unsustainable use of Kazakhstan's globally significant wetland areas and their attendant biodiversity. This project is designed to demonstrate the integrated conservation and sustainable use of biological diversity in three priority wetland sites. The three sites lie along different migratory flyways and each enables the project to demonstrate solutions to different pressing issues affecting Kazakhstan's wetland biodiversity resources.

*Expected project outputs:* (a) A national integrated institutional, policy and regulatory framework for wetland biodiversity conservation and management will be established; (b) Protected area operations in three protected wetland sites will be strengthened; (c) Stakeholder awareness and support will be increased; (d) Stakeholders will be empowered to sustainably utilize the productive landscape around priority sites; (e) A Migratory Bird Wetland Conservation Fund will be set up.

**Mexico: Integrated Ecosystem Management in Three Priority Ecoregions (UNDP) GEF: \$15.650m; Total: \$77.365m**

The project will protect biodiversity and sustain vital ecological functions within three globally significant ecoregions: the Tehuantepec Moist Forest, the Pacific Dry Tropical Forests, and the Sierra Madre del Sur Pine-Oak Forest. These ecoregions contain a range of forest communities including pine forest, pine-oak forests, cloud forest, tropical rain forest, tropical dry forest and mangroves, which provide habitat for native fauna, act as carbon reservoirs, and protect watersheds. Yet, they face growing anthropogenic pressures that imperil their ecological integrity and functions. This situation is mirrored

in other parts of Mexico and the Government has responded by founding the Sustainable Regional Development Program (PRODERS), which aims at integrating biodiversity conservation and development objectives in 24 discrete regions. Working at three sites: Chinantla in Oaxaca State, Montaña in Guerrero and Los Tuxtlas in Veracruz, the project will strengthen and cross-fertilize PRODERS by piloting integrated and replicable ecosystem-management models that conserve biodiversity and sequester carbon, while reducing land degradation. The objective is to establish the institutional framework and local capacities to manage biodiversity-friendly land and resource uses, including set-asides for biodiversity protection, compatible agro-forestry and silvo-pastoral systems, and ecological restoration. A number of cross-sectoral interventions are advanced to remove barriers to integrated ecosystem management. The Government of Mexico will then replicate the management paradigm at other PRODERS sites.

*Expected project outputs:* (a) Institutional frameworks for integrated ecosystem management will be strengthened to function effectively; (b) Participatory planning and monitoring systems for adaptive and integrated ecosystem management will be established; (c) Enabling policy, legal and financial mechanisms will be instituted, providing incentives for replicating and sustaining management; (d) Sustainable and integrated land use management models will be piloted and promising approaches will be replicated bioregionally; (e) Conservation set asides will be established and basic conservation functions within them will be fully operationalized.

#### CLIMATE CHANGE

**Regional (Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Cuba, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos): Caribbean Renewable Energy Development Programme (UNDP) GEF: \$4.426m; Total: \$16.876m**

This project aims at removing barriers to renewable energy utilization in the Caribbean. Through specific actions to overcome policy, finance, capacity and awareness barriers it is estimated that the contribution of renewable energy sources to the region's energy balance will be significantly increased. Currently, renewable energy provides less than 2% of the region's commercial electricity. It is estimated that due to the planned barrier removal activities, the share of renewable energy could reach 5% by 2015. This would imply annual reductions of CO<sub>2</sub> emissions by some 680,000 tons. Part of the GEF funding will be used through non-grant instruments to remove incremental risks related to renewable energy investments, improving the cost-effectiveness of the GEF resource utilization.

*Expected project outputs:* (a) All participating territories will have planned and carried out at least one, and perhaps several renewable energy projects; (b) A number of demonstration projects that show the commercial viability of renewable energy in selected applications will be undertaken; (c) Staff of utility companies as well as local banks will be strengthened in their capability to evaluate and assess renewable energy technologies (RET); (d) Questions from the target group can be answered correctly and

quickly and an assessment of RET options can be carried out to determine whether an in-depth feasibility study is justified; (e) A regional initiative to introduce SWH into the hotel business of the Region will be commenced; (f) Public awareness regarding renewable energy, and availability of and access to renewable energy information will be improved; (g) One virtual location for all regional renewable energy information will be created.

**Chile: Removal of Barriers to Rural Electrification with Renewable Energy (UNDP) GEF: \$6.067m; Total: \$32.397m**

The objective of the proposed project is to remove the existing barriers to the use of renewable energy for rural electrification in Chile by developing a set of activities that will allow for a decrease in the greenhouse gas emissions produced by energy sources in rural areas. By means of co-financing, or guarantee funds, approximately 10,370 households out of a total household market of 74,000 will be supplied with electricity. This project also aims to generate, within rural electrification, the market conditions that will allow for the reduction of emissions produced by diesel-fueled electricity systems. The desired effect is to establish the market conditions for renewable energy to develop in rural and urban areas.

*Expected project outputs:* (a) A portfolio of rural electrification projects using renewables will be developed; (b) A technical framework will be developed as a collection of norms for PV systems, mini- or small-hydro, wind and hybrids, and biomass gasification systems; (c) A system of certification procedures for electrical systems with renewables will be developed; (d) A promotional campaign for renewables will be implemented; (e) A training model that may be replicated by formal educational institutions will be generated; (f) A large-scale PV demonstration project will be designed and executed; (g) A financial mechanism for investment risk mitigation of renewable energy projects (a guarantee fund) will be developed; (h) Hybrid projects will be executed through state and private sector financing, and the investment of the guarantee fund; (i) Capacity to evaluate wind resource in Chile will be improved.

**China: Barrier Removal for Efficient Lighting Products and Systems (UNDP) GEF: \$8.136m; Total: \$26.200m**

The goal of the project is to address identified market barriers by broadening the China Green Lights start-up efforts into a major national effort. A more specific goal of this project is to save energy and protect the environment by reducing lighting energy use in China in 2010 by 10% relative to a constant efficiency scenario. A secondary goal is to increase exports of efficient, quality lighting products in order to bring down greenhouse gas emissions in China and help reduce energy use and greenhouse gas emissions worldwide. Specific objectives for the project include: upgrade the quality of Chinese lighting products; increase consumer awareness of, and comfort with, efficient lighting products; make quality, efficient lighting products more affordable to consumers; increase sales of efficient lighting products and services; establish a vibrant, self-sustaining market in efficient lighting products and services and associated supporting policies and services in order to maintain and expand upon the gains achieved during the

project period; and, regularly monitor, evaluate and refine project activities in pursuit of the above objectives.

*Expected project outputs:* (a) Product and design standards will be issued and implemented; (b) High-quality products will be certified and a labeling program will be implemented; (c) A conference on problems and potential solutions will be organized and manufacturers will undertake efforts to address specific problems identified; (d) Market aggregation activities will be implemented to increase sales of quality products; (e) Consumer education, information dissemination and training for professionals will be undertaken to increase public awareness; (f) Financing programs will be successfully implemented and replicated; (g) Project reporting, program evaluations and surveys will be completed.

**Hungary: Public Sector Energy Efficiency Programme (UNDP) GEF: \$4.20m;  
Total: \$16.3.00m**

The proposed project will help Hungary to improve the energy efficiency of its public sector thus mitigating the emissions of greenhouse gases, mainly CO<sub>2</sub>. The project seeks to remove the barriers for a sustained market of energy efficiency services and promote the implementation of energy efficiency projects in municipalities, hospitals and other public institutions. It is estimated that the project will directly help generate 60 to 90 projects which will result in mitigating carbon emissions between 0.6 – 1.2 MtC during a 20-year lifetime of the projects. Furthermore, it is estimated that conditions to implement a substantial share of the 2.5 MtC medium-term reduction potential in the public sector will be created, leading to additional local and global benefits.

*Expected project outputs:* (a) A National Energy Efficiency Agency (EEA) will be established; (b) Outreach to municipalities will be strengthened through a specific initiative; (c) The Energy Efficiency Audit Cost-Sharing Program will provide support to at least 100 audits; (d) Contingent loans for feasibility studies will be provided; (e) Training courses/events, especially in energy services marketing, finance and project implementation will be implemented.

INTERNATIONAL WATERS

**Regional (Angola, Botswana, Namibia): Environmental Protection And Sustainable Management of the Okavango River Basin (UNDP) GEF: \$5.766m; Total: \$8.190m**

The Okavango River Basin (ORB) remains one of the least human impacted basins on the African continent. Mounting socio-economic pressures in the riparian countries, namely Angola, Botswana and Namibia, threaten to change the basin's present character. It is anticipated that in the long run, this may result in irreversible environmental breakdown and consequent loss of domestic and global benefits. Maintaining these benefits requires agreement over the sharing of both the benefits and associated liabilities (including those of an environmental and ecological nature) through joint management of the basin's water resources. The 1994 OKACOM Agreement, 1995 SADC Protocol on Shared Watercourse Systems and the 1997 UN Convention on the Law of the Non-navigational



Uses of International Watercourses provide a framework for such an agreement. Under the OKACOM Agreement, the riparian countries are working toward the implementation of an Integrated Management Plan for the basin on the basis of an Environmental Assessment. Stage I GEF support will build on this effort and enable the formulation of the Strategic Action Programme (SAP). The SAP formulation will, as an early activity, include completion of the draft transboundary diagnostic analysis and launching of policy initiatives to enable the implementation of the Environmental Assessment, and the preparation of an Integrated Management Plan in all riparian countries. Subsequently, stage II of GEF will support the implementation of the SAP. The project provides for a process of formal endorsement of the SAP by the participating governments, translation of SAP provisions into national policy and legislation, mobilisation of institutional and investment resources for SAP implementation, as well as monitoring and evaluation of SAP implementation.

*Expected project outputs:* (a) Expertise in the riparian countries will be strengthened to drive both inter-governmental and intra-governmental technical and policy initiatives in river basin planning and management for the ORB; (b) Basin-wide mechanisms for stakeholder participation in basin management will be established and tested to ensure consensus, and replicability; (c) Policy, legal, institutional and human resource initiatives will be launched and linked to national policy reviews to coordinate river basin resource management approaches across the basin; (d) Monitoring and evaluation procedures for SAP implementation will be developed; (e) Water resource assessment and analysis will be completed to determine hydro-environmental processes, characteristics and limits; (f) Socio-economic analysis will be completed to establish current and future patterns of water resource use and levels of demand; (g) Water resource and socio-economic analysis will be super-imposed to define environmental system limits and parameters; (h) Environmental assets of the ORB will be described and valued in order to facilitate development of models; (i) Water resource development alternatives for the ORB will be assessed and tested (at pilot level) to structure model scenarios; (j) Water resource development and management models will be used to produce water resource management options; (k) Economic and environmental criteria will be produced to guide water resource development and allocation decisions; (l) Technical and policy implications of water resources management options will be evaluated; (m) Integrated management plan will be negotiated and designed; (n) Legal, financial and other arrangements necessary for SAP implementation will be defined; (o) SAP documents will be produced and endorsed in a collaborative process among SAP partners; (p) SAP funding will be mobilised in preparation for implementation through a World Bank led donor conference.

ANNEX A  
PROJECT PROPOSALS SUBMITTED FOR COUNCIL APPROVAL  
Intersessional Work Program, July 2000

Country	IA	Project Title	PDF A	PDF B	PDF C	IA Fee	GEF Allocation (\$ million) <sup>a</sup>	Total Cost (\$ million) <sup>b</sup>
<b>A. BIODIVERSITY</b>								
1 Global	WB	Critical Ecosystems Partnership Fund					25.000	100.000
2 Regional (Belize,	WB	Conservation and Sustainable Use of the Mesoamerican Barrier Reef	0.025	0.491		1.180	10.616	17.776
3 Kazakhstan	UNDP	Integrated Conservation of Priority Globally Significant Migratory Bird Wetland Habitat		0.137		0.777	8.847	38.542
4 Mexico	UNDP	Integrated Ecosystem Management in 3 Priority Ecoregions		0.350		1.080	15.650	77.365
		<b>Sub-Total</b>	<b>0.025</b>	<b>0.978</b>		<b>3.037</b>	<b>60.113</b>	<b>233.683</b>
<b>B. CLIMATE CHANGE</b>								
5 Regional (Antigua and Barbuda, Bahamas, Barbados, Belize, British Virgin Islands, Cuba, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Turks and Caicos)	UNDP	Caribbean Renewable Energy Development Programme		0.350		0.382	4.426	16.876
6 Chile	UNDP	Removal of Barriers to Rural Electrification with Renewable Energy		0.084		0.382	6.067	32.397
7 China	UNDP	Barrier Removal for Efficient Lighting Products and Systems				0.513	8.136	26.200
8 Hungary	UNDP	Public Sector Energy Efficiency Programme				0.382	4.200	16.300
		<b>Sub-Total</b>		<b>0.434</b>		<b>1.659</b>	<b>22.829</b>	<b>91.773</b>
<b>C. INTERNATIONAL WATERS</b>								
9 Regional (Angola, Botswana, Namibia)	UNDP	Environmental Protection and Sustainable Management of the Okavango River Basin	0.025	0.349		0.513	5.766	8.190
		<b>Sub-Total</b>	<b>0.025</b>	<b>0.349</b>		<b>0.513</b>	<b>5.766</b>	<b>8.190</b>
		<b>Total</b>	<b>0.050</b>	<b>1.761</b>		<b>5.209</b>	<b>88.708</b>	<b>333.646</b>

a) "GEF Allocation" includes previous grants for project preparation (PDF A, B & Cs) but not the IA Fee.

b) "Total Cost" includes GEF Allocation and all project cofinancing



**ANNEX B**  
**CUMULATIVE GEF ALLOCATIONS TO WORK PROGRAMS AND OTHER PROJECTS**  
**Intersessional Work Program - July 2000 (April 1, 2000 - June 30, 2000)**

**A: WORK PROGRAMS**

Focal Area	FY 95 - FY 98		FY 99								Proposed July 2000	Subtotal excluding pilot phase	Total (Pilot Phase, GEF Feb 95- Feb 2000)
	Pilot Phase	Approved 1995/1998 <sup>a</sup>	Approved Jul 1998	Approved Oct 1998	Approved Dec 1998	Approved May 1999	Approved Dec 1999	Approved Feb 2000	Approved May 200				
Biodiversity	331.810	390.170	4.730	70.610 <sup>b</sup>	23.930 <sup>b</sup>	82.090 <sup>b</sup>	45.143	39.980	99.496	60.113	816.262	1,148.072	
Climate Change	258.820	470.640	19.590	17.960	1.500	75.220	105.483	11.000	69.366	22.829	793.588	1,052.408	
International Waters	117.960	115.930	35.090	24.570	6.010	49.210	3.000	9.947	34.132	5.766	283.655	401.615	
Ozone Depletion	4.200	121.800		3.320		31.300	0.989	6.519			163.928	168.128	
Multi-Focal	19.900	93.270		35.130					29.123		157.523	177.423	
<b>Sub-Total</b>	<b>732.690</b>	<b>1,191.810</b>	<b>59.410</b>	<b>151.590</b>	<b>31.440</b>	<b>237.820</b>	<b>154.615</b>	<b>67.446</b>	<b>232.117</b>	<b>88.708</b>	<b>2,214.956</b>	<b>2,947.646</b>	
<b>B. OTHER PROJECTS</b>							<b>3Q-99</b>	<b>4Q-99</b>	<b>1Q-00</b>	<b>2Q-00</b>			
Enabling Activities - Expedited		33.090	4.570	1.740	2.910	0.972	2.123	1.100	1.026	1.953	49.484	49.484	
Medium-Sized Projects - Expedited			6.040	4.120 <sup>c</sup>	4.960	2.958	18.080	5.626	10.472	4.196	56.452	56.452	
PDF A				2.500 <sup>d</sup>	0.390	0.372	0.681	0.382	0.250	0.285	4.860	4.860	
PDF B/C				22.280 <sup>e</sup>	3.140	4.180	8.556	5.073	5.578	8.004	56.811	56.811	
<b>Sub-Total</b>	<b>0.000</b>	<b>33.090</b>	<b>10.610</b>	<b>30.640</b>	<b>11.400</b>	<b>8.482</b>	<b>29.440</b>	<b>12.181</b>	<b>17.326</b>	<b>14.438</b>	<b>167.607</b>	<b>167.607</b>	
<b>Total</b>	<b>732.690</b>	<b>1,224.900</b>	<b>70.020</b>	<b>182.230</b>	<b>42.840</b>	<b>246.302</b>	<b>184.055</b>	<b>79.627</b>	<b>249.443</b>	<b>103.146</b>	<b>2,382.563</b>	<b>3,115.253</b>	

<sup>a</sup> Excluding PDFs; starting March 1997, PDFs included in GEF allocation

<sup>b</sup> Includes one medium-sized project exceeding \$750,000 ceiling for which Council approval is needed

<sup>c</sup> Cumulative allocation to medium-sized projects from August 1997 to June 1998

<sup>d</sup> Cumulative PDF A allocation from 1995 to August 1998

<sup>e</sup> Cumulative PDF B and C allocations from 1995 to June 1998

## ANNEX C

**MEDIUM-SIZED PROJECTS UNDER EXPEDITED PROCEDURES**  
(for the reporting period April to June, 2000)

Country	IA	Approval Date	Project Title	IA Fee	GEF Allocation (\$ million)
<b>A. Biodiversity</b>					
Regional	WB	4/12/00	Coral Reef Monitoring Network in Member States of the Indian Ocean Commission (COI), within the Global Reef Monitoring Network (GCRMN)	0.196	0.737
Grenada	WB	6/30/00	Dry Forest Biodiversity Conservation	0.146	0.748
Mauritius	WB	5/18/00	Restoration of Round Island	0.146	0.750
Ghana	UNDP	5/18/00	Biodiversity Conservation of Lake Bosomtwe Basin	0.146	0.520
Sri Lanka	UNDP	4/19/00	Conservation of Globally Threatened Species in the Rainforests of Southwest Sri Lanka	0.146	0.750
			<b>Sub-Total</b>	<b>0.780</b>	<b>3.505</b>
<b>B. Climate Change</b>					
Global	UNEP	4/6/00	Fuel Bus and Distributed Power Generation Market Prospects and Intervention Strategy Options	0.146	0.691
			<b>Sub-Total</b>	<b>0.146</b>	<b>0.691</b>
			<b>Total</b>	<b>0.926</b>	<b>4.196</b>

a) IA Fee applies to only those projects approved after July 1, 1999. The Standard Fee of \$146,000 was applied to each of these eight MSPs. The GEF Allocation does not include the fee, but does include PDF A if any had been granted.

\* additional MSPs approved after the reporting period

**ANNEX D**  
**PROJECT DEVELOPMENT FACILITY - PDF A**  
**April to June, 2000**

Country	Approval Date	Project Title	GEF Allocation (\$ million)
<b>UNDP</b>			
Tanzania	12-Apr-00	Conservation of the Selous Game Reserve - Nissa Game Reserve Corridor through Community-based Conservation	0.015
West Africa	21-Apr-00	In-situ Conservation of Endemic Livestock in West Africa	0.025
Russian Federation	1-May-00	Conserving Taimyr's Globally Significant Biodiversity Including its Keystone Population of Wild Reindeer: A Demonstration	0.025
Vietnam	8-May-00	Conservation of Coastal Wetlands in the Red River Delta	0.020
Swaziland	24-May-00	Energy Efficient Housing in Swaziland	0.025
China	23-Jun-00	Strategic Partnership to Support GOC Energy Efficiency Program	0.025
<b>Sub-Total</b>			<b>0.135</b>
<b>UNEP</b>			
Global	Jun-00	Dryland Land Degradation Assessment (LADA)	0.025
<b>Sub-Total</b>			<b>0.025</b>
<b>World Bank</b>			
Seychelles	25-May-00	Improving Sustainability of Private NGO and Managed Nature Reserves	0.025
Regional (Burkina Faso, Ghana, Nigeria)	25-May-00	Shallow Aquifers in West Africa	0.025
Regional (Botswana, Chad, Tanzania, Zimbabwe)	9-Jun-00	Multi-donor Regional Project on Livestock and Wildlife Interaction	0.025
Namibia	12-Jun-00	Coastal Biodiversity Conservation and Management Project	0.025
Bolivia	14-Jun-00	Private Protected Areas (PPAs) in Bolivia	0.025
<b>Sub-Total</b>			<b>0.125</b>
<b>Total</b>			<b>0.285</b>

## ANNEX E

Project Development Facility - PDF B  
April to June, 2000

Country	GEF IA	Approval Date	Project Title	GEF Allocation (\$ million)
<b>Biodiversity</b>				
Regional (Cameroon, Congo, Gabon)	UNDP	20-Jun-00	Conservation of Transboundary Biodiversity in the Minkebe-Odzala-Dja Interzone	0.346
Regional (Kazakhstan, Russian Federation)	UNDP	16-May-00	Bioregional Biodiversity Conservation in the Altai-Sayan Mountain Ecoregion: Phase I	0.350
Regional (Armenia, Bolivia, Madagascar, Sri Lanka, Uzbekistan)	UNEP	7-Apr-00	In-situ Conservation of Wild Relatives	0.335
Regional (Eritrea, Hungary, Lithuania, Mauritania, Niger, Nigeria, Senegal, Gambia, South Africa, Tanzania, Turkey)	UNEP	7-Apr-00	Enhancing Conservation of the Critical Network of Wetlands Required by Migratory Waterbirds on the African/Eurasian Flyways	0.350
Burkina Faso	WB	4-May-00	Sahel Integrated Lowland Ecosystem Management (SILEM) Program	0.340
Chile	WB	25-Apr-00	Water Resources and Biodiversity Management	0.330
China	UNDP	25-Apr-00	Biodiversity Management in the Coastal Area of the China's South Sea	0.320
El Salvador	WB	25-Apr-00	Natural Resources Management through Conservation and Restoration of Environmental Services	0.350
India	UNDP	4-May-00	Demonstration Project for the Conservation and Sustainable Use of Medicinal Plants Biodiversity	0.345
Jamaica	IDB/UNDP	20-Jun-00	Demonstration Project: Coastal Zone Management in Portland Bight	0.330
Kazakhstan	UNDP	6-Apr-00	In-situ Conservation of Kazakhstan's Mountain Agrobiodiversity	0.231
Malaysia	UNDP	29-Jun-00	Conservation of Biological Diversity through Sustainable Forest Management Practices	0.196
Mongolia	UNDP	28-Jun-00	Conservation and Sustainable Use of Biodiversity in the Altai-Sayan Ecoregion of Mongolia	0.350
Nepal	UNDP	4-May-00	Linking Biodiversity Conservation in Protected Areas and Productive Landscapes in Nepal's Lowland Terai and Eastern Himalayas	0.237
Peru	WB	9-Jun-00	Strengthening Biodiversity Conservation and Protected Area Management through Increased Civil Society and Private Sector Participation	0.348
Zambia	WB	25-Apr-00	Community-based Natural Resources Management and Biodiversity Conservation in the Lukanga Swamps Watershed Area	0.240
<b>Sub-Total Biodiversity</b>				<b>4.998</b>
<b>Climate Change</b>				
Global	UNEP	6-Jun-00	Assessments of Impacts of and Adaptation to Climate Change in Multiple Regions and Sectors in Coordination with the IPCC	0.350
El Salvador	UNDP	24-Apr-00	Electrification Based on Renewable Energy Resources	0.227
Georgia	UNDP	24-Apr-00	Removing Barriers to the Development of Small Hydropower Sector for the Mitigation of GHG Emissions	0.200
Honduras	UNDP	24-Apr-00	Renewable Energy Development Programme for Electricity Generation	0.310
Mauritania	WB	25-Apr-00	Sustainable Energy Management Program	0.350
Russian Federation	EBRD/UNDP	19-Jun-00	Mutnovksy Geothermal Project	0.223
<b>Sub-Total Climate Change</b>				<b>1.660</b>
<b>International Waters</b>				
Regional (Antigua and Barbuda, Bahamas, Barbados, Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Trinidad and Tobago)	UNEP	4-May-00	Integrated Management of Watersheds and Coastal Areas in Small Island Developing States in the Caribbean	0.316
Regional (Mexico, Guatemala, Honduras, Nicaragua, El Salvador, Costa Rica, Belize, Panama)	UNEP	19-May-00	Comprehensive Action Program to Phase Out DDT and Reduce the Long-term Effects of Exposure in Mexico and Central America	0.330
Regional (Argentina, Brazil, Paraguay, Uruguay)	WB	4-May-00	Environmental Protection and Sustainable Integrated Management of the Guarani Aquifer	0.350
Regional (Angola, Benin, Cameroon, Congo, DR Congo, Cote d'Ivoire, Gabon, Ghana, Equatorial Guinea, Guinea, Guinea-Bissau, Liberia, Nigeria, Sao Tome and Principe, Sierra Leone, Togo)	UNEP/UNDP	2-Jun-00	Guinea Current Large Marine Ecosystem	0.350
<b>Sub-Total International Waters</b>				<b>1.346</b>
<b>Grand Total</b>				<b>8.004</b>

ANNEX F  
 ENABLING ACTIVITIES UNDER EXPEDITED PROCEDURES  
 April to June, 2000

Country	IA	IA Fee	GEF Allocation (\$ million)	Approval Date
<b>Biodiversity</b>				
Kiribati	UNDP		0.013	5/2/00
Nicaragua*	UNDP	0.054	0.304	6/29/00
Sao Tome and Principe	WB	0.054	0.163	4/10/00
Turkmenistan	UNDP	0.054	0.304	6/29/00
<b>Sub-Total</b>		<b>0.162</b>	<b>0.783</b>	
<b>Climate Change</b>				
Antigua and Barbuda	UNDP		0.100	4/19/00
Azerbaijan Republic	UNDP		0.098	4/19/00
Bolivia	UNDP		0.100	6/9/00
Egypt	UNDP		0.048	6/9/00
El Salvador	UNDP		0.100	4/14/00
Georgia	UNDP		0.100	6/1/00
Sudan	UNDP		0.100	4/19/00
Tajikistan	UNDP	0.054	0.327	6/26/00
Uzbekistan	UNDP		0.098	6/1/00
Yemen	UNDP		0.100	4/19/00
<b>Sub-Total</b>		<b>0.054</b>	<b>1.171</b>	
<b>Total</b>		<b>0.216</b>	<b>1.953</b>	

\* includes funding for Clearing House Mechanism component