



# Global Environment Facility

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GEF Council  
November 14 - 16, 2007

Agenda Item 12

## WORK PROGRAM SUBMITTED FOR GEF COUNCIL APPROVAL

## **Recommended Council Decision**

The Council reviewed the proposed work program submitted to Council in document GEF/C.32/6 and approves it (with a total in GEF financing of \$259.51 million), subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by November 30, 2007.

The approved work program is comprised of 27 free-standing Project Identification Forms (PIF) and three programmatic approaches, which contain 12 PIFs as follows:

[List of free standing PIFs and PIFs from within programmatic approaches approved by Council]

For the following programmatic approach, the Council authorizes the CEO to approve all PIFs to be financed under the programmatic approach provided that the total GEF financing for this programmatic approach does not exceed the ceiling agreed by the Council:

[List the programmatic approach with agreed overall financing approved by Council (SLEM/PPP)]

For the following programmatic approaches, the Council requests that future PIFs to be financed under these programmatic approaches are included in work programs submitted to the Council for approval:

[List of other programmatic approaches approved by Council (SFM & CBPF)]

With respect to any PIF approved in this work program, either under one of the programmatic approaches or as a stand alone PIF, the Council requests the Secretariat to arrange for Council Members to receive a copy of the draft final project document that is submitted to the CEO for endorsement. Council Members may transmit to the CEO within four weeks any concern they may have prior to the CEO endorsing a project document for final approval by a GEF agency.

## Executive Summary

1. This is the third work program presented for GEF Council review and approval in GEF-4 and the first to apply the new project cycle that was approved by Council in June 2007. The work program cover note describes how the proposed concepts relate to the strategic objectives, programming coherence and collective contribution to the GEF approved strategies. Three programmatic approaches are being submitted to Council, reflecting a new approach designed for broader impact and each includes a number of Project Identification Forms (PIFs). In addition, several free-standing project concepts contained in Project Identification Forms (PIFs) are also being presented to the Council.

2. The proposed work program has been designed to inaugurate a new era for GEF in the achievement of environmental impacts that goes beyond the summation of individual projects. In addition to the proposed financing of concepts for free-standing full-sized projects, the current work program reflects a change in the way GEF finances projects, from programming funds for individual initiatives on to financing programmatic approaches that achieve stated aims by means of projects within an overarching framework. We believe this increased diversity will help deliver the strategic objectives of GEF-4 in a more effective way. The three initial programmatic approaches submitted for Council review under this expanded framework include the following two Country-level Programs and one overarching Strategic Program (see Annexes C, D and E):

- (a) China Biodiversity Partnership Framework for Action (CBPF)
- (b) India: The Sustainable Land and Ecosystem Management Partnership Program (SLEM)
- (c) Sustainable Forest Management (SFM)

3. Together, the two Programmatic Approaches<sup>1</sup> for which the total funding envelope is not specified (comprising 12 project concepts) and the India SLEM Programmatic Approach as well as the 27 free-standing full-sized project concepts in this work program lead to a request for \$259.51 million in financing from GEF Trust Fund to cover these 40 proposals. Co-financing associated with these concepts amount to \$1,522.58 million – each dollar of GEF grant is matched by \$6.22 in co-financing as compared to the historical average of \$4.

4. The approval of the India SLEM programmatic approach<sup>2</sup> and 39 new PIFs for full-sized project (FSP) concepts (free-standing and programmatic) leads to a request for GEF project grants totaling \$235.03 million (see Annex A for the financial details of the concepts). Associated with these concepts are requests for fees totaling \$24.48 million<sup>3</sup> for the GEF Agencies to meet their project cycle management costs, resulting in a total GEF Trust Fund financing of \$259.51 million requested through this work program.

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<sup>1</sup> The two Programmatic Approaches for China Biodiversity Partnership Program( CBPF) and for Sustainable Forest Management (SFM) are submitted with 12 project PIFs for approval.

<sup>2</sup> The India SLEM programmatic approach is submitted with two sample project PIFs attached to the Program Document.

<sup>3</sup> Agency fee of \$24.48 million is calculated based on the total GEF project grant of \$244.82 million (\$235.03 million of new project grant plus \$9.79 million of project preparation grants approved previously by the CEO).

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Where to send technical comments:

*It is requested that Council members send their technical comments electronically (in Word file) to the GEF Secretariat's program coordination registry at: [gcoordination@TheGEF.org](mailto:gcoordination@TheGEF.org)*

## Main features of the proposed work program

1. The work program presented by the Secretariat for GEF Council review and approval is the third since the GEF-4 replenishment and since the GEF Resource Allocation Framework became applicable to the biodiversity and climate change focal areas. It also reflects the expansion in the way GEF pursues global environmental benefits by screening projects that provide the best fit to the approved Council strategies, and that provide an overall portfolio effect for the work program. The portfolio effect, while already noticeable, will become more evident over the course of GEF-4 when additional projects enter the work program to complement the ones already approved.
2. The proposed work program consists of the country programmatic approach for India and 39 new full-sized project concepts (12 from two programmatic approaches and 27 free-standing projects). Each concept is documented in Project Identification Forms (PIFs) and the total work program leads to a request for GEF project grants totaling \$235.03 million (see Annex A for the financial details of these free-standing concepts and Annexes A-1 and A-2 for Programmatic Approaches and their constituent concepts). Associated with these concepts are requests for fees totaling \$24.48 million for the GEF Agencies to meet their project cycle management costs, resulting in a total request of \$259.51 million from the GEF Trust Fund.
3. Table 1 shows the total GEF resources requested in this work program totaling \$259.51 million and their overall distribution by focal area. This time, the land degradation and ozone depletion focal areas did not have project concepts in this work program specifically dedicated to those issues. Land degradation, however, significantly contributed to six PIFs under the *Sustainable Forest Management Program* and the *India Country Partnership Program*. Table 1 shows the distribution of individual project concepts by focal area while Table 2 shows all the resources charged to each focal area.

**Table 1. GEF Resources requested in the November 2007 Work Program by Focal Area (\$ million)**

Focal Area	Number of Projects	GEF project Grant	Agency Fees*	Total GEF Resources Requested in this WP
Biodiversity	15	61.64	6.46	68.10
Climate Change	9	72.78	7.46	80.24
International Waters	3	18.52	2.02	20.54
Land Degradation	-	-	-	-
Ozone Depletion	-	-	-	-
Persistent Organic Pollutants (POPs)	6	24.13	2.61	26.74
Multi-focal Areas**	7	57.96	5.93	63.89
<b>Total</b>	<b>40</b>	<b>235.03</b>	<b>24.48</b>	<b>259.51</b>

\* Agency fees are calculated as 10 percent of the GEF Project Grant (now being requested in this work program) plus the project preparation grants previously approved by the CEO.

\*\* "Multi-focal areas" includes six multi-focal area concepts under two programmatic approaches and one multi-focal area concept with IW and SPA funding

## Status of the use of GEF-4 Resources

4. Approvals of project preparation grants, full-sized projects, medium-sized projects, and enabling activities amount to \$624.94 million (including Agency fees) of GEF-4 resources up to September 30, 2007. When added to the total resources requested in this work program of \$259.51 million, total resources programmed for GEF-4 to-date will amount to \$884.45 million, including agency fees, as shown in Table 2. This work program represents about a third of total resources so far committed in GEF-4. Overall, the current work program funding request represents about 81 percent of resources currently available in the GEF Trust Fund.

**Table 2. Status of Resources Programmed under GEF-4 by Focal Area and Corporate Program (\$ million)**

GEF Focal Area and Corporate Program	Target Allocations in GEF-4		GEF-4 approvals until Sept. 30, 2007		Resources requested through this work program, including agency fees		Total GEF-4 resources programmed*			% of GEF-4 Resources used
	Amount	%	Grant	Fees	Grant	Fees	Grant	Fees	Total	
Biodiversity	950.00	31.6%	73.85	6.35	80.52	8.37	154.37	14.72	169.09	17.8%
Climate Change	950.00	31.6%	87.77	7.76	80.99	8.28	168.77	16.04	184.81	19.5%
International Waters	335.00	11.1%	94.63	9.21	23.52	2.59	118.15	11.81	129.96	38.8%
Ozone Depletion	40.00	1.3%	0.84	0.08	-	-	0.84	0.08	0.91	2.3%
Land Degradation	282.00	9.4%	138.31	12.79	25.86	2.63	164.17	15.42	179.59	63.7%
Persistent Organic Pollutants (POPs)	282.00	9.4%	30.12	3.04	24.13	2.61	54.26	5.65	59.90	21.2%
Multi-focal Areas	-	0.0%	-	-	-	-	-	-	-	N/A
Core Corporate Programs	15.00	0.5%	-	-	-	-	-	-	-	0.0%
Corporate Programs	156.00	5.2%	106.00	4.00	-	-	106.00	4.00	110.00	70.5%
Public-Private Partnerships	-	0.0%	50.19	-	-	-	50.19	-	50.19	N/A
<b>Total: Resources Programmed</b>	<b>3,010.00</b>	<b>100.0%</b>	<b>581.71</b>	<b>43.23</b>	<b>235.03</b>	<b>24.48</b>	<b>816.74</b>	<b>67.71</b>	<b>884.45</b>	<b>29.4%</b>

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

- 1: The Small Grants Program, which is a corporate program, is programmed from resources directly made available to the program under the replenishment plus resources earmarked by countries under the RAF in the biodiversity and climate change focal areas.
- 2: Funds for multi-focal area concepts were divided up among the different focal areas in respect of their allocations in the project documents.

## Distribution of GEF Project Grants by Region

5. Table 3 shows the regional distribution of project concepts in the proposed work program. Of the total project concept grants of \$235.03 million requested in this work program, the Asia region would receive over half of the resources while Latin America and Caribbean would receive 21 percent, Africa would receive 12 percent, Europe and Central Asia would receive 8 percent, and the remaining 5 percent are global and regional concepts.

**Table 3. Distribution of GEF Project Grants in the November 2007 Work Program by Region and Focal Area (\$ million)**

<b>Focal Area</b>	<b>Africa</b>	<b>Asia</b>	<b>Europe and Central Asia</b>	<b>Latin America and Caribbean</b>	<b>Global</b>	<b>Regional</b>	<b>Total</b>
Biodiversity	3.55	35.22	6.30	33.79	1.67	-	80.52
Climate Change	-	68.33	-	-	12.67	-	80.99
International Waters	11.44	-	-	7.08	-	5.00	23.52
Land Degradation	-	18.70	-	3.50	3.67	-	25.86
Ozone Depletion	-	-	-	-	-	-	-
Persistent Organic Pollutants (POPs)	13.76	4.30	1.44	4.63	-	-	24.13
<b>Total</b>	<b>28.75</b>	<b>126.54</b>	<b>7.74</b>	<b>49.00</b>	<b>18.00</b>	<b>5.00</b>	<b>235.03</b>
<b>% resources programmed for Region</b>	<b>12%</b>	<b>54%</b>	<b>3%</b>	<b>21%</b>	<b>8%</b>	<b>2%</b>	<b>100%</b>

### **Distribution of Proposals by GEF Agency**

6. Table 4 shows distribution of project concepts by GEF agencies. Thirty-six out of 40 project concepts in this work program are submitted by six GEF Agencies individually while the remaining four project concepts are submitted jointly by various combinations of GEF Agencies. Total agency fees requested in this work program amount to \$24.48 million, based on the latest fee policy approved by the Council in December 2006.

**Table 4. Distribution of Proposals by Agency in the November 2007 Work Program (\$ million)**

<b>Agency</b>	<b>Number of Projects</b>	<b>GEF Project Grant</b>	<b>PDF/PPG Amount</b>	<b>Total GEF Project Grant</b>	<b>Agency Fees</b>
ADB	2	8.02	0.28	8.30	0.830
FAO	1	2.67	-	2.67	0.267
IFAD	1	4.51	0.34	4.85	0.485
UNDP	18	83.65	4.68	88.33	8.833
UNDP/UNIDO	1	4.76	0.33	5.10	0.510
UNEP	3	10.43	1.53	11.95	1.195
UNEP/UNDP	1	5.00	-	5.00	0.500
UNEP/World Bank	1	5.00	-	5.00	0.500
World Bank Group	11	88.50	2.05	90.55	9.055
World Bank/UNDP	1	22.50	0.58	23.08	2.308
<b>Total</b>	<b>40</b>	<b>235.03</b>	<b>9.79</b>	<b>244.82</b>	<b>24.482</b>

### **Co-financing**

7. Co-financing associated with the proposed work program is remarkable, amounting to \$1,522.58 million, which when added to the project grant amount of \$244.824 million brings the

total work program value to \$1,767.40 million. Each dollar of GEF grant is matched by \$6.22 in co-financing as compared to the historical average of \$4.<sup>4</sup>

8. Table 5 shows the distribution of co-financing levels in the concepts proposed in this work program by co-financier and focal area. The major co-financiers in this work program are the governments which will provide 45 percent of co-financing and the multilateral agencies which will provide 33 percent of the co-financing. For the focal areas in this work program, climate change and land degradation concepts will each provide 88 percent, international waters concepts will provide 87 percent, biodiversity concepts will provide 85 percent, while persistent organic pollutants concepts will provide 65 percent of co-financing. On average, co-financing will provide 86 percent of total project costs in this work program. While Table 1 shows that there are no individual project concepts submitted to this work program financed fully under the land degradation focal area, Table 5 reflects the contribution of the land degradation focal area to this work program through resources contributed to six concepts within the programmatic approaches of the *SFM Program* and to the *India Country Partnership Program*, totalling \$26.28 million.

**Table 5. Distribution of Co-financing in the November 2007 Work Program by Co-financiers (\$ million)**

Type	Biodiversity	Climate Change	International Waters	Land Degradation	Persistent Organic Pollutants (POPs)	Total
GEF Project Grant	80.44	80.99	23.52	25.94	24.13	235.03
PDF/PPG	3.23	2.00	2.28	0.34	1.94	9.79
Total GEF Project Grant	83.68	82.99	25.80	26.28	26.08	244.82
<i>Co-Financier</i>	-	-	-	-	-	-
Beneficiaries	-	-	-	-	-	-
Bilateral	30.45	11.50	7.95	25.63	-	75.53
Foundation	-	-	-	-	-	-
Government	239.41	204.10	144.07	77.80	25.17	690.57
Multilateral	174.00	233.44	5.20	86.32	10.37	509.32
NGO	9.40	0.94	1.36	0.54	-	12.24
Others	21.40	152.04	6.92	1.60	-	181.96
Private Sector	13.72	24.94	0.79	0.85	12.65	52.95
Total Co-Financing	488.39	626.96	166.29	192.74	48.19	1,522.58
Total Project Cost	572.07	709.95	192.09	219.03	74.27	1,767.40
GEF:Co-Financing Ratio	5.84	7.55	6.45	7.33	1.85	6.22
Percentage Co-Financing	85%	88%	87%	88%	65%	86%

### GEF Strategies and the Work Program

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

<sup>4</sup> For details on co-financing, please refer to Table 5 and Table B.1 in Annex B



highlights of the proposals which described how they relate to the overall programmatic coherence and collective contributions to the GEF strategic objectives and programs.

### *Programmatic Approaches*

10. Two Programmatic Approaches, for which the total funding envelope is not specified are included for Council review. These two Programmatic Approaches comprise 12 project concepts submitted for Council approval and are as follows: *China Biodiversity Partnership Framework for Action* (CBPF)<sup>5</sup> consisting of the first 3 PIFs; and the *Sustainable Forest Management Strategy* (SFM)<sup>6</sup> covering multiple countries and focal areas, which contains the first 9 full-sized project PIFs and separately one medium-sized project PIF submitted for CEO approval. The financial ceiling for requesting GEF resources in GEF-4 will be determined by the availability of resources under the RAF for the focal areas biodiversity and climate change; and the set aside from the land degradation focal area for sustainable forest management activities in GEF-4 (\$50 million).

11. *China Biodiversity Partnership Framework for Action* (CBPF): Addressing global environmental benefits in a country like China presents a significant challenge that goes much beyond GEF's capacity to address them solely via individual projects. As a consequence, in the work program, a Biodiversity Partnership Framework is being proposed to pursue a coherent set of results on mainstreaming biodiversity conservation into the socio-economic development process of China. Under this country program, there are three associated project concepts (PIFs) submitted for a total GEF project grant of \$11.54 million. The entire GEF-4 Resource Allocation Framework under the biodiversity focal area to China, amounting \$44.3 million, will be invested under this multi-stakeholder program. This is a first case of a programmatic, country level strategic program that is presented under the biodiversity focal area. The details regarding the CBPF and the associated project concepts are described in the attached Annex C.

12. *Sustainable Forest Management Program* (SFM). This program will implement the GEF strategy on the SFM approved by the GEF Council, and will run throughout GEF-4. As one of the evolving programmatic approaches to the delivery of higher impact results, the SFM program will allow the GEF to direct its resources in a more structured and focused way by addressing multiple threats to forest ecosystems. It will also allow the GEF to report to Council, by the end of GEF-4, on the overall impact of its investments in a much more coherent and inclusive manner. The program document was jointly developed by FAO, UNEP and the GEF Secretariat in close collaboration with all GEF Agencies.

13. The rationale for the SFM strategy derives from the fact that threats to forest ecosystems and opportunities for conservation and sustainable management of forests arise from a multitude of sectors. These include agriculture expansion, shifts in global commodity markets, infrastructure development, and energy. This is true for all types of forest ecosystems, but particularly apparent in the tropics. Therefore, the effective implementation of the SFM strategy

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<sup>5</sup> A description of the Program is presented in Annex C and additional details could be found in the Program Document published on the GEF website under the November Work Program.

<sup>6</sup> A description of the Program is presented in Annex D and additional details could be found in the Program Document published on the GEF website under the November Work Program.

will require a more holistic approach. To cope with impacts from the agriculture, livestock and energy sectors in particular, close collaboration with these and other related sectors will be essential. Hence, the program will be multi-focal in nature, drawing on the knowledge, experiences and finances from the GEF focal areas of biodiversity, land degradation and climate change.

14. Seven GEF agencies have presented proposals for consideration under the program and these agencies have leveraged substantive additional investments from multiple partners under the program. It is anticipated that during GEF-4, more partnerships between GEF Agencies and non-GEF entities will develop, resulting in more leveraged resources, increased innovation and impact.

15. Since GEF resources are limited and the demand will be high, this program is being constructed on a competitive platform, with selection based on a rigorous review process and close engagement with project proponents. Countries are encouraged to consider applying resources from their RAF allocations in the focal areas of biodiversity and climate change toward the objectives of the SFM strategy. In addition, \$50 million will be invested from the focal area of land degradation (desertification and deforestation). The use of this money will be further defined. To foster this interest, over the next months, the GEF Secretariat will develop an innovative leveraging mechanism to provide incentives for countries to direct part of their RAF resources to SFM. Close collaboration will be sought with STAP on scientific issues important to SFM and new mechanisms will be put in place as needed. The details regarding the SFM program are described in the attached Annex D.

16. The other Programmatic Approach, which is submitted for Council approval, and for which the total funding envelope is specified is the *India Country Partnership Program: The Sustainable Land and Ecosystem Management Partnership Program (SLEM)*<sup>7</sup>.

17. The India Country Partnership Program: *The Sustainable Land and Ecosystem Management (SLEM) Program* is an innovative programmatic approach specifically developed to become more inclusive in addressing the sustainable ecosystem and land management agendas. The cross-sectoral nature of this program is also reflected in the financial set-up since resources from three GEF focal areas are requested, and objectives are defined that include combating land degradation, conserving biodiversity and adapting to climate change. The lead program implementing agency is the World Bank. Individual projects will be implemented by the World Bank, UNDP, IFAD and FAO.

18. The total cost of the program is \$330.5 million, of which \$30 million (inclusive of Agency fees and preparation grants) is requested from the GEF as follows:

- \$15 million from Biodiversity (RAF allocation)
- \$ 5 million from Climate Change/SPA
- \$10 million from Land Degradation

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<sup>7</sup> A description of the Program is presented in Annex E and additional details could be found in the Program Document published on the GEF website under the November Work Program.

19. The program will be implemented through eight individual projects, two of which are included as sample projects in the program document. All PIFs will be submitted to the GEF Secretariat for CEO approval on a rolling basis and the fully prepared project documents will be posted at the GEF website for Council comments before final endorsement by CEO.

#### *Biodiversity (BD)*

20. In this work program, the biodiversity focal area includes eight free-standing project concepts (PIFs) and one country-level program document. The program consists of three project concepts in China under the *China Biodiversity Partnership Framework for Action* (CBPF). In addition, four concepts in the biodiversity focal area provided substantial contribution to the strategic objective of sustainable forestry under the *Sustainable Forest Management Program* (SFM). Altogether, there are twelve biodiversity concepts that contribute to the objectives of the GEF-4 strategies in this work program.

21. Linkage with the Strategic Objectives. GEF has a very strong and demonstrable track record on protected area management, but needs to ensure that country investments in protected areas systems have lasting impact. Among the 11 concepts in the biodiversity focal area, two concepts relate to Strategic Objective One (SO1) on Catalyzing Sustainability of Protected Area Systems. Furthermore, efforts to conserve key habitats of global significance need to be strengthened and complemented by investments in the larger landscape. As such, four concepts on Strategic Objective Two (SO2), which promotes mainstreaming of biodiversity in productive landscapes and seascapes are being recommended, along with five concepts that address both strategic objectives. Overall, there are more concepts addressing the mainstreaming of biodiversity in productive landscapes as compared to the national protected area systems. This reflects the need to adequately balance the biodiversity portfolio between site-based conservation and action at the ecosystem and landscape level. Five concepts were linked to both Strategic Objectives One and Two as the concepts have taken an integrated landscape or watershed level approach on biodiversity conservation and sustainable use.

22. Linkage with the Strategic Programs. The same way that GEF is now promoting programmatic approaches, it is also fostering linkages between the different strategic programs contained in the Biodiversity focal area for maximum impact out of the available investment. Thus, in this work program, six concepts are linked to SP1 Sustainable Financing of PA System; two concepts to SP2 Marine PA System; three concepts to SP3 Terrestrial PA System; nine concepts to SP4 Strengthening Policy and Legislation for Mainstreaming; and seven concepts to SP5 Fostering Markets for Biodiversity Goods and Services. Almost all concepts are linked to multiple strategic programs. For example, the projects under the Strategic Objective Two, including the Brazil's Espirito Santo Project, China's Huaihe River Basin Project, and Ecuador's Chimborazo Project cover both SP 4 and 5, which focus on strengthening policy and legislation to mainstream biodiversity in productive sectors as well as fostering markets for biodiversity goods and services, using tools such as payment for ecosystem services.

23. Regional Distribution: The eleven projects are distributed as follows: five concepts in the Latin America and Caribbean Region; five concepts in the Asia and Pacific Region; and one concept in Europe and Central Asia. There are no biodiversity concepts submitted for Africa

region in this work program, although several PIFs will start to be submitted under the SIP Program already approved by Council, many containing activities that support biodiversity objectives in addition to land degradation. The concepts in Latin America and Caribbean region consist of a balanced portfolio in both protected areas system and mainstreaming concepts from Brazil, Chile, Ecuador, and Peru. The Asia and Pacific region includes concepts from China and Indonesia, which focus on biodiversity conservation and sustainable use through landscape and watershed management. The one concept from Europe and Central Asia region is from Ukraine, which focuses its initiative to ensure financial and institutional sustainability of the national protected areas system.

24. Biodiversity Contributions to the Sustainable Forest Management Program: In addition to the China Country Program where all project concepts were in the biodiversity focal area, the biodiversity focal area has also made substantial contribution to the *Sustainable Forest Management Program* (SFM) for this November 2007 Work Program. The SFM has identified clear linkages with the biodiversity focal area strategic programs, particularly under the Strategic Objectives One and Two on protected areas system and mainstreaming biodiversity.

#### *Climate Change (CC)*

25. The work program in the climate change focal area contains 9 projects utilizing approximately \$70 million. In addition, three projects listed as multi-focal areas draw also upon climate change resources. Eight of the climate change projects focus on the mitigation of climate change. Although only one project listed under the climate change work program makes use of the resources from the SPA, two other multi-focal area projects (*India Sustainable Land and Ecosystem Management Partnership* and the *Amazon Basin Project*) utilize SPA resources to deal with the anticipated adverse impacts of climate change. Finally, the *Global: SFM - Carbon Benefits Project (CBP): Modeling, Measurement, and Monitoring Project* makes use of resources from the biodiversity, land degradation, and climate change focal areas.

26. Three ideas shaped the composition of the work program in the climate change focal area. First, with two exceptions, all approved concepts are fully consistent with the newly-approved GEF-4 climate change strategy. The two exceptions are included as they were recently developed and are consistent with the interim GEF-4 strategy. Second, two strategically important projects that will serve as keystones for broader GEF-4 programming (either through separate programs or individual countries using their resources to “buy-into” a new initiative) are included in order to lay the foundation for the achievement of concrete results during GEF-4 and beyond. Third, priority has been given to ensuring a mixture of both mitigation projects and adaptation projects funded under the Strategic Pilot on Adaptation (SPA).

27. GEF Strategy: Among the mitigation projects supported in the climate change focal area, all but two are consistent with the new GEF-4 programming strategy. The two exceptions are included as “grandfathers”: *China: Thermal Power Efficiency* and *Indonesia: Micro-turbine Cogeneration Technology Application Project*. With respect to the latter, it was prepared and approved for pipeline entry consistent with GEF Operational Program 7 designed to reduce the long-term costs of low-GHG emitting energy technologies. However, since the interim strategy no longer includes this program, it will not likely spawn other similar projects unless the strategy

is reconsidered. With respect to the former concept, it was developed very quickly and will provide an interesting contrast to the *India Power Plant Rehabilitation Project* approved in June 2007. Both the China and India concepts were approved under the GEF-4 interim programming strategy even though this strategic objective was eliminated from the final GEF-4 strategy.

28. Two projects set the stage for future multi-country programming interventions. The first is the "*Global Lighting Initiative: to Phase-Out Inefficient Lighting*" which will lay the foundation for the GEF through UNEP and UNDP, to coordinate a global effort to shift from inefficient, incandescent lighting to next generation and beyond energy-efficient lighting. It also builds upon past GEF initiatives supported through the World Bank, IFC, and UNDP to stimulate markets for more efficient lighting products. Future work programs will contain individual country proposals that will help countries engage in the phaseout of inefficient lighting using the global information regarding standards and practices to be developed in this project.

29. The second very innovative concept in this work program is the project entitled "*Global: SFM - Carbon Benefits Project (CBP): Modeling, Measurement, and Monitoring Project*". It will establish a methodology that can be used by all future GEF-supported projects to effectively measure and monitor biological carbon sequestration through biodiversity, land degradation or climate change projects supported under the objective to reduce GHG emissions from land-use, land-use changes and forestry (LULUCF). It is anticipated that other countries not included in the current proposal, will use their allocations to "buy-into" the program and calibrate the model and measurements for their own sustainable forest management projects. As a result, this project will form the basis for work to reduce emissions from deforestation during GEF-4, but it should also enable the GEF to support a much more ambitious program of *Reducing Emissions from Deforestation and Land Degradation* (REDD) into GEF-5. Both of these global, programmatic projects will make use of the Regional/Global set aside established as part of the resource allocation framework (RAF).

30. The work program also contains three climate change projects for China. The first is the enabling activity to help China prepare its second national communication which is essential to help China fulfill its obligations to the UNFCCC. The second project focuses on transforming the market for bricks in China and is implemented by UNDP. This project will also link up to energy-efficient brick projects already implemented by UNDP elsewhere in south and southeast Asia. The third project for China focuses on Thermal Power Efficiency, and it is the second of two projects being approved under the interim strategic objective on improving the efficiency of existing power plants, as explained above.

31. Strategic Pilot on Adaptation (SPA). One project listed under the climate change Work Program (*Yemen: Adaptation to Climate Change Using Agrobiodiversity Resources in the Rainfed Highlands of Yemen*) builds upon a larger agricultural sector support program based in Yemen. It utilizes SPA resources to respond to the threat of climate change to Yemen's agrobiodiversity resources. Two other multi-focal area projects also utilize SPA resources to address adaptation needs: "*India: Sustainable Land and Ecosystem Management*" and "*Regional: Amazon Basin Management Project*" will both utilize resources from the SPA to address the anticipated effects of climate change.

### *International Waters (IW)*

32. The three International Waters (IW) PIFs plus one multi-focal area PIF with IW and SPA components in this work program represent four fully prepared projects, three of which have already benefited from Block B preparation financing in GEF 3. A total of 32 different countries are working together with their neighbors in the four IW-related projects, which total \$23.5 million in GEF grants with \$176 million in co-financing for an impressive 1:7 co-financing ratio.

33. Strategic Objectives and Programs. Three of the IW projects represent an initial GEF foundational capacity building effort to foster multi-country cooperation on a shared water system (IW Strategic Objective 1), while the *Benguela Current Large Marine Ecosystem* project represents an IW project that assists the countries in implementing their agreed Strategic Action Program consistent with Strategic Objective 2. The two Large Marine Ecosystem (LME) projects are part of IW Strategic Program 1 for restoring and sustaining marine fish stocks. The two transboundary freshwater basin projects in the work program are part of Strategic Program 3 in balancing overuse and conflicting uses of water resources in surface and in groundwater basins. The *Amazon River Basin* project is included in the multi-focal project section because it includes funding under IW as well as a small amount under the SPA.

34. Portfolio Balance. With the addition of the *Benguela Current LME* project and the *Caribbean LME* project, the GEF 4 Replenishment target related to LMEs is almost met. As a result, 15 LMEs shared by developing countries (toward the target of 16) will now have developed ministerially-adopted Strategic Action Programs addressing their priority coastal and marine concerns. This represents over one-half of all LMEs on the planet shared by developing countries with a total of 112 different developing countries and those in economic transition having worked together through GEF to address sustainability of their shared coastal/marine LMEs. With the addition to the *Orange-Senque River Basin* project in Africa and the *Amazon River Basin* project in South America, 9 of the largest river basins in Africa have committed to produce Strategic Action Programs to address their priority transboundary freshwater concerns while the 2 largest river basin of South America have now done so as well.

35. Innovative Elements. The four IW projects in the work program each pursue innovative elements. The *Benguela Current LME* project assists in implementing the Strategic Action Program adopted by ministers from Angola, Namibia, and South Africa. It catalyzes operations of a permanent ecosystem-based commission for the coastal and marine LME as well as the negotiations of the treaty for sustaining the political will to act jointly in managing the changing fisheries that communities and biological diversity like penguins, seals, and birds depend on for survival. This would be the second such ecosystem-based marine commission established by treaty in the world, preceded by the GEF-assisted effort of the Pacific Island countries and their recently negotiated treaty.

36. The *Orange-Senque River Basin* project links with the *Benguela Current LME* project in that the river flows into the LME through a coastal Ramsar wetland site located in Namibia and South Africa. Both projects have specific linkage components to ensure coherence and collaboration. Moreover, the 4-country basin is short on water and this project is essential to ensure that uses of the water can be balanced among sectors and countries so that the Ramsar

wetland will have sufficient water flowing through it to sustain its water-dependent biological diversity as well as a range of human and economic activities. The Government of Germany and the French GEF are important partners in the project.

37. The *Caribbean LME* project is unique in that 23 developing countries and the U. S. all share this water system, the highest number of countries to collaborate in a GEF IW project. The system is very complex along with the plethora of institutions established for managing the living resources and habitat of the LME. Sorting out the institutional arrangements for sustaining the living resources and habitat will be a challenge in this GEF project, but success is essential to sustain the fisheries and biodiversity as well as the communities and economies that are dependent on them.

38. In South America, over 100 years of record have documented increased rainfall in some areas and decreased rainfall in other areas associated with the El Niño and La Niña oscillations. In the last intersessional work program, the GEF Council approved the *Plata River Basin IW* project, where a series of billion dollar floods in the Plata River basin have been associated with increases in rainfall during El Niño years. That project had \$1 million of funding from the Special Priority on Adaptation (SPA). During these El Niño years, the rain from the Amazon moves south to the Plata Basin, while the Amazon often suffers drought. In this work program, the *Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin Considering Climate Variability and Change Project* receives \$2 million from the SPA in addition to funding from the IW focal area. These two projects are the only ones in the IW focal area through the years that have received SPA funding.

39. Further Portfolio Development and Programming Implications. The Amazon and Plata River Basins are the two largest basins in South America. With the small amount of GEF funding that can now be devoted to first steps in addressing the transboundary concerns from climatic variability, additional operations will be needed in GEF 5 to further develop adaptive management for the basins and catalyze national reforms and investments. However, any national projects that are designed to adjust to the changing climate without downstream and upstream collaborative action will most likely make the water and economic problems worse.

40. Additionally, the continent of Africa has been given special attention by IW during GEF 3 and 4. Every coastal country of Africa has had an opportunity to work with its neighbors with GEF assistance on its shared coastal and marine LMEs. On the transboundary freshwater basin side, 9 large transboundary basins have received funding as well 3 large transboundary groundwater basins for initial, foundational capacity building projects that are the equivalent of enabling activities in the IW focal area, as described in the GEF 4 strategic programming document. Every African country has had the opportunity to collaborate with neighbors in these strategic projects, which means that a significant demand for implementation projects for Africa can be expected in GEF 5.

41. As noted in the GEF 4 programming document, future work programs are expected to contain multi-focal umbrella programs with IW and biodiversity for East Asia/Pacific as well as LD and IW projects for the Middle East and North Africa, with IW focusing on the important issue of groundwater in the dry region.

### *Persistent Organic Pollutants (POPs)*

42. This work program includes six projects in the persistent organic pollutants focal area (POPs), for a total GEF grant of \$26 million (including project preparation) that leverage an additional \$48 million in co-financing. The projects are spread amongst most developing regions, covering North and Sub-Saharan Africa, Asia, Latin America, and Eastern Europe and Central Asia.

43. This set of projects under consideration exemplifies the shift in the GEF-4 POPs strategy from preparation of national implementation plans (NIP) to NIP implementation. Indeed, most of these projects offer a balance of capacity development for NIP implementation, and on the ground POPs reduction through phaseout programs and destruction of POPs-related wastes. The NIP development project under consideration will support the Russian Federation in its efforts to ratify the Stockholm Convention.

44. The projects address all types of POPs, from obsolete POPs pesticides (Vietnam), to industrial chemicals such as polychlorinated biphenyls - PCBs (Ghana, Mexico, Morocco, Tunisia, Vietnam), and un-intentionally produced POPs such as dioxins (Tunisia).

45. Finally, of noteworthiness is the relatively high co-financing ratio achieved in this work program. This is somewhat to be expected as the GEF implements the strategy shift to NIP implementation. It is achieved in part due to private sector involvement in the “PCB management” cluster of projects. Also contributing, and significant, is the co-financing from a World Bank loan to Tunisia to support baseline solid waste disposal activities.

### **Reporting on Approvals of Medium-Sized Projects, Enabling Activities and Project Preparation Grants**

46. As suggested in the June 2007 work program cover note, the Secretariat will report every six months (period ending June 30, and period ending December 31) on all approvals and cancellations during the preceding six months. The reports will include: (i) proposals approved by Council as part of work programs; (ii) project preparation grants, medium-sized projects, and enabling activities approved by the CEO under delegated authority; (iii) CEO endorsements; (iv) resources utilized under country and group allocations in the RAF applicable to the biodiversity and climate change focal areas; and (v) proposals approved by the Council and cancelled from the pipeline. The first such report was sent to Council in July 2007. The next report will be sent in January 2008, covering period from July to December 2007.



## Summary of Free-Standing and Programmatic PIFs for November 2007 Work Program\*

### Free-Standing PIFs

#### Biodiversity

1. **Regional (Pakistan, Sri Lanka, Vietnam)** : Development and Application of Decision-support Tools to Conserve and Sustainably use Genetic Diversity in Indigenous Livestock and Wild Relatives (UNEP) (GEF Grant : \$ 1.98 m)
2. **Brazil** : Rio Grande Do Sul Biodiversity Conservation (World Bank) (GEF Grant : \$ 5.00 m)
3. **Brazil** : Espirito Santo Biodiversity and Watershed Conservation and Restoration Project (World Bank) (GEF Grant : \$ 4.00 m)
4. **Chile** : Building a Comprehensive National Protected Areas System: A Financial and Operational Framework (UNDP) (GEF Grant : \$ 5.00 m)
5. **Ecuador** : Management of Chimborazo's Natural Resources (World Bank) (GEF Grant : \$ 3.90 m)
6. **Indonesia** : Citarum Watershed Management and Biodiversity Conservation Project (ADB) (GEF Grant : \$ 3.75 m)
7. **Peru** : Strengthening Biodiversity Conservation through the National Protected Areas Program (World Bank) (GEF Grant : \$ 8.89 m)
8. **Ukraine** : Strengthening Governance and Financial Sustainability of the National Protected Area System (UNDP) (GEF Grant : \$ 1.80 m)

#### Climate Change

9. **Global** : Global Market Transformation for Efficient Lighting (UNEP/UNDP) (GEF Grant : \$ 5.00 m)
10. **China** : Enabling China to Prepare Its Second National Communications to UNFCCC (UNDP) (GEF Grant : \$ 5.00 m)
11. **China** : Market Transformation of Energy-Efficient Bricks and Rural Buildings (MTEBRB) (UNDP) (GEF Grant : \$ 7.00 m)
12. **China** : Thermal Power Efficiency (World Bank) (GEF Grant : \$ 19.70 m)
13. **India** : Sustainable Urban Transport Project (World Bank/UNDP) (GEF Grant : \$ 22.50 m)
14. **Indonesia** : Geothermal Power Generation Development Program (World Bank) (GEF Grant : \$ 4.00 m)
15. **Indonesia** : Micro-turbine Cogeneration Technology Application Project (MCTAP) (UNDP) (GEF Grant : \$ 2.59 m)
16. **Thailand** : Promoting Renewable Energy in Mae Hong Son Province (UNDP) (GEF Grant : \$ 2.99 m)
17. **Global (Yemen)** : Adaptation to Climate Change Using Agrobiodiversity Resources in the Rainfed Highlands of Yemen (World Bank) (GEF Grant : \$ 4.00 m)

\* The GEF Grant is the funding request for the project and does not include project preparation grants previously approved or Agency fees.

## **International Waters**

18. **Regional (Botswana, Lesotho, Namibia, South Africa)** : Development and Adoption of a Strategic Action Program for Balancing Water Uses and Sustainable Natural Resource Management in the Orange-Senqu River Transboundary Basin (UNDP) (GEF Grant : \$ 6.30 m)
19. **Regional (Angola, Namibia, South Africa)** : Implementation of the Benguela Current LME Action Program for Restoring Depleted Fisheries and Reducing Coastal Resources Degradation (UNDP) (GEF Grant : \$ 5.14 m)
20. **Regional (Antigua And Barbuda, Bahamas, Barbados, Belize, Brazil, Colombia, Costa Rica, Dominica, Dominican Republic, Guatemala, Grenada, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, St. Kitts And Nevis, St. Lucia, St. Vincent and Grenadines, Suriname, Trinidad and Tobago)** : Sustainable Management of the Shared Marine Resources of the Caribbean Large Marine Ecosystem (CLME) and Adjacent Regions (UNDP) (GEF Grant : \$ 7.08 m)
21. **Regional (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, Venezuela)**: Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin Considering Climate Variability and Change (UNEP) (GEF Grant : \$ 7.00 m)

## **Persistent Organic Pollutants (POPs)**

22. **Ghana** : Capacity Building for PCB Elimination (UNDP) (GEF Grant : \$ 3.50 m)
23. **Mexico** : Environmentally Sound Management and Destruction of PCBs (UNDP) (GEF Grant : \$ 4.63 m)
24. **Morocco** : Safe Management and Disposal of PCBs (UNDP/UNIDO) (GEF Grant : \$ 4.76 m)
25. **Russian Federation** : Building the Capacity of the Russian Federation to Implement the Stockholm Convention on POPs and Develop a National Implementation Plan (UNEP) (GEF Grant : \$ 1.44 m)
26. **Tunisia** : Demonstrating and Promoting Best Techniques and Practices for Managing Healthcare Waste and PCBs (World Bank) (GEF Grant : \$ 5.50 m)
27. **Vietnam** : Building Capacity to Eliminate POPs Pesticides Stockpiles (UNDP) (GEF Grant : \$ 4.30 m)

## **Programmatic Approaches**

### **China Biodiversity Partnership Framework for Action**

28. **China** : CBPF Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin (UNDP) (GEF Grant : \$ 2.73 m)
29. **China** : CBPF Priority Institutional Strengthening and Capacity Development to Implement the China Biodiversity Partnership and Framework for Action (UNDP) (GEF Grant : \$ 4.54 m)
30. **China** : CBPF Shaanxi Qinling Mountains Integrated Ecosystem Development (ADB) (GEF Grant : \$ 4.27 m)

### **Sustainable Forest Management (SFM)**

31. **Brazil** : SFM Catalyzing the Contribution of Indigenous Lands to the Conservation of Brazil's Forest Ecosystems (UNDP) (GEF Grant: \$ 6.00 m)
32. **Mongolia**: SFM Forest Landscapes Development and Conservation (World Bank) (GEF Grant: \$ 1.73 m)
33. **Russian Federation** : SFM - Strengthening Protected Area System of the Komi Republic to Conserve Virgin Forest Biodiversity in the Pechora River Headwaters Region (UNDP) (GEF Grant: \$ 4.50 m)
34. **Tanzania**: SFM Extending the Coastal Forest Protected Area Subsystem (UNDP) (GEF Grant: \$ 3.55 m)
35. **Global** : SFM Carbon Benefits Project (CBP): Modeling, Measurement, and Monitoring (UNEP/World Bank) (GEF Grant: \$ 5.00 m)
36. **Regional (Indonesia, Malaysia, Philippines, Thailand, Vietnam, Singapore, Brunei)** : SFM Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia (IFAD) (GEF Grant: \$ 4.51 m)
37. **Indonesia** : SFM Strengthening Community Based Forest and Watershed Management (SCBFWM) (UNDP) (GEF Grant: \$ 7.00 m)
38. **Iran** : SFM Rehabilitation of Forest Landscapes and Degraded Land with Particular Attention to Saline Soils and Areas Prone to Wind Erosion (FAO) (GEF Grant : \$ 2.67 m)
39. **Paraguay**: SFM Improving the Conservation of Biodiversity in Atlantic Forest of Eastern Paraguay (World Bank) (GEF Grant: \$ 4.50 m)

### **India Country Partnership Program**

40. **India Country Partnership Program: Sustainable Land and Ecosystem Management** (World Bank) (GEF Grant: \$27.28 m)

## Annex B: Historical Trend Analysis

### Historical Cofinancing Trends

1. Table B.1 shows the historical trend in total co-financing amounts and ratios. Co-financing performance has steadily increased over the history of the GEF. The co-financing ratio average for GEF-4 to date is 6.50 compared to the overall historical average of 4.

**Table B.1 Historical Trends of Co-financing Amounts and Ratios \***

GEF Phase	GEF Grant (\$m)	Co-financing Amount (\$m)							Total Project Cost (\$m)	Co-Financing Ratio
		BD	CC	IW	LD	MFA	ODS	POPs		
Pilot Phase	739.55	189.05	2,402.89	144.26	-	4.35	1.85	-	3,481.95	3.71
GEF - 1	1,254.85	966.03	2,322.10	217.40	-	55.21	95.24	-	4,910.83	2.91
GEF - 2	1,912.41	1,852.22	3,403.40	614.81	-	345.29	78.11	5.49	8,211.74	3.29
GEF - 3	2,893.98	2,996.94	4,609.69	2,636.44	1,088.34	894.52	11.49	143.33	15,274.72	4.28
GEF - 4	821.03	703.99	2,214.63	531.06	986.22	813.97	0.41	107.72	6,179.01	6.53
2007	546.41	133.17	1,651.82	209.83	986.22	390.52	0.41	59.53	3,977.90	6.28
2008	274.62	570.82	562.81	321.23	-	423.45	-	48.19	2,201.12	7.02
<b>Total</b>	<b>7,621.82</b>	<b>6,708.22</b>	<b>14,952.71</b>	<b>4,143.96</b>	<b>2,074.56</b>	<b>2,113.34</b>	<b>187.10</b>	<b>256.53</b>	<b>38,058.24</b>	<b>3.99</b>

*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 associates project preparation grants with the project grants for those periods when the project grants are approved

Note: Cofinancing ratio = Cofinancing/GEF Grant

### Project Grants

2. Table B.2 contains the cumulative GEF project grants approved by the Council through work programs as well as project preparation grants, medium-sized projects, and enabling activities approved by the CEO.

**Table B.2: Project Grant Trends (GEF Pilot Phase - GEF 4) by Focal Area (\$ million)\***

GEF Phase	Biodiversity		Climate Change		International Waters		Land Degradation		Multi-Focal Area		Ozone Depletion		Persistent Organic Pollutants (POPs)		Total
	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	Grant	%	
Pilot Phase	331.72	43%	284.80	37%	125.46	16%	-	0%	15.70	2%	5.54	1%	-	0%	<b>763.22</b>
GEF - 1	459.75	36%	509.89	40%	120.89	10%	-	0%	50.59	4%	121.10	10%	-	0%	<b>1,262.23</b>
GEF - 2	746.44	38%	680.73	35%	301.31	15%	1.47	0%	148.09	8%	43.47	2%	29.06	1%	<b>1,950.58</b>
GEF - 3	880.68	30%	877.72	30%	343.68	12%	215.03	7%	413.23	14%	12.15	0%	163.74	6%	<b>2,906.23</b>
GEF - 4	115.65	14%	149.13	19%	89.49	11%	138.25	17%	256.39	32%	0.84	0%	51.34	6%	<b>801.08</b>
2007	45.36	8%	76.35	14%	51.68	10%	138.25	26%	198.43	37%	0.84	0%	27.21	5%	<b>538.11</b>
2008	70.29	27%	72.78	28%	37.81	14%	-	0%	57.96	22%	-	0%	24.13	9%	<b>262.97</b>
<b>Total</b>	<b>2,534.24</b>		<b>2,502.27</b>		<b>980.83</b>		<b>354.75</b>		<b>884.00</b>		<b>183.10</b>		<b>244.15</b>		<b>7,683.34</b>
Total %	33%		33%		13%		5%		12%		2%		3%		<b>100%</b>

\* Table includes all projects approved by the Council as well as those expedited MSPs and EAs that were approved by the CEO with delegated authority.

**ANNEX C: CHINA COUNTRY PROGRAM:  
CHINA BIODIVERSITY PARTNERSHIP FRAMEWORK FOR ACTION (CBPF)**

**Background and Summary**

1. The Government of China, in partnership with key donors including the GEF, has initiated a new approach to biodiversity conservation, which is called the China Biodiversity Partnership Framework for Action (CBPF). This new approach aims to coordinate the actions of all stakeholders involved in biodiversity conservation and sustainable use – line agencies, investors, national institutions, provincial and local governments, biodiversity managers, communities, women, international partners and NGOs. The approach is strategic – focusing on achieving a coherent set of results and on mainstreaming biodiversity conservation into the socio-economic development process.

2. The CBPF is comprised of two main components: a) a partnership mechanism of key stakeholders of China's biodiversity conservation community; and b) a result-oriented "Framework for Action." The overall goal of the framework is defined as a significant reduction of the rate of biodiversity loss as a contribution to China's sustainable development. To achieve this ambitious goal, the following five key themes have been identified, with 27 corresponding results:

- (a) Improving biodiversity governance;
- (b) Mainstreaming biodiversity into socio-economic sectors, plans and investment decision-making;
- (c) Investing effectively in reducing biodiversity loss in protected areas;
- (d) Investing effectively in reducing biodiversity loss outside protected areas; and
- (e) Cross-cutting and CBD emerging issues.

3. Under the GEF-4, the entire GEF investment to China under the biodiversity focal area will be linked to the CBPF. GEF has indicated a Resource Allocation Framework of up to \$44.3 million for the China during GEF-4. Priorities for GEF investment in biodiversity conservation will be based on lessons learnt from the past GEF projects, gaps to be filled and those that also link directly to both the CBPF and GEF's Strategic Objectives for biodiversity conservation. The CBPF Results Framework is generally coherent with the GEF biodiversity focal area strategy and will guide future GEF investment on biodiversity conservation in China. This programmatic approach will ensure GEF's increased catalytic and strategic investment to China, and this could enable increased leverage, relevance, and coherence in GEF's investment.

**Project Concepts (PIFs) submitted in the November 2007 Work Program**

4. Total GEF project grant requested in the November 2007 work program, amounting to \$11.54 million, include the following three project concepts, with detailed financial breakdown presented in Annex A-1 of the Work Program Cover Note:

- (a) Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin (UNDP) (GEF Grant: \$2.73 m)

- (b) Priority Institutional Strengthening and Capacity Development to Implement the China Biodiversity Partnership and Framework for Action (UNDP) (GEF Grant: \$4.54 m)
- (c) Shaanxi Qinling Mountains Integrated Ecosystem Development (ADB) (GEF Grant: \$4.27 m)

**Projects Approved under the July 2007 Intersessional Work Program**

5. During the previous work program, the following two projects that are linked to the CBPF were approved. The total GEF project grant amounted to \$5.5 million.

- (d) Ningxia Integrated Ecosystem and Agricultural Development Project (ADB) (GEF Grant: \$5 m)
- (e) Conservation and Adaptive Management of Globally Important Agricultural Heritage Systems – GIAHS (FAO) (GEF Grant: \$0.5 m)

6. Additional projects under the CBPF are expected to be developed and submitted for Council approval in future work programs during GEF-4. More detailed description of the CBPF is presented in the Program document published on the GEF website under the November 2007 Work Program.

## **ANNEX D: PROGRAM FOR SUSTAINABLE FOREST MANAGEMENT**

### **Launching the GEF Program on Sustainable Forest Management (SFM)**

1. As part of the Council work program, the GEF is launching a program on sustainable forest management (SFM), which will run throughout GEF-4. The program, which was developed jointly by FAO, UNEP and the GEF Secretariat in collaboration with other GEF Agencies, will implement the GEF strategy on SFM approved by the GEF Council. As one of the evolving programmatic approaches to the delivery of results, the SFM program will allow the GEF to direct its resources in a more structured and focused way by addressing multiple threats to forest ecosystems. It will also allow the GEF to report to Council, by the end of GEF-4, on the overall impact of its investments in a much more coherent and encompassing manner.

2. The rationale for the SFM strategy derives from the fact that threats to forest ecosystems and opportunities for conservation and sustainable management of forests arise from a multitude of sectors. These include agriculture expansion, shifts in global commodity markets, infrastructure development, and energy. This is true for all types of forest ecosystems, but specifically apparent in the tropics. Therefore, the effective implementation of the SFM strategy will require a more holistic approach. To cope with impacts from the agriculture, livestock and energy sectors in particular, close collaboration with these and other related sectors will be essential. Hence, the program will be multi-focal in nature, drawing on the knowledge, experiences and finances from the GEF focal areas of biodiversity, land degradation and climate change.

3. Seven GEF agencies have presented proposals for consideration under the program and agencies have leveraged substantive additional investments from multiple partners under the program. It is anticipated that during GEF-4, more partnerships between GEF agencies and non-GEF entities will develop resulting in more leveraged resources, increased innovation and impact.

4. Since GEF resources are limited and the demand will be high, this program is being constructed on a competitive platform, clearly dependent on a rigorous review process and close engagement with project proponents. Countries are encouraged to consider applying resources from their RAF allocations in the focal areas biodiversity and climate change toward the objectives of the SFM strategy. In addition, US\$50million will be invested from the focal area land degradation (desertification and deforestation). The use of this money will be further defined. To foster this interest, over the next months, the GEF Secretariat will develop an innovative leveraging mechanism to provide incentives for countries to direct part of their RAF resources to SFM. Close collaboration will be sought with STAP on scientific issues important to SFM and the new mechanisms to be put in place.

### **November 2007 Project Concepts**

5. Nine project concepts submitted as PIFs for consideration to be included in the GEF SFM program as part of the November work program were reviewed as technically sound, strategic, viable regarding the use of GEF resources and with the required documentation. In addition,



similar review has been undertaken for a medium-sized project under the SFM that was submitted for CEO approval. All in all, ten proposals were submitted under the SFM.

6. The following nine proposals are included into the work program<sup>8</sup>:

- (a) Regional: SFM - Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia (IFAD) (Total GEF Grant: \$4.85 m)
- (b) Iran: SFM - Rehabilitation of forest Landscapes and degraded land with particular attention to saline soils and areas prone to wind erosion (FAO)(Total GEF Grant: \$2.67 m)
- (c) Tanzania: SFM - Extending the Coastal Forest Protected Area Subsystem (UNDP) (Total GEF Grant: \$3.55 m)
- (d) Indonesia: SFM - Strengthening Community Based Forest and Watershed Management (SCBFWM) (UNDP) (Total GEF Grant: \$7.0 m)
- (e) Russia: SFM - Conservation of Virgin Forest Biodiversity in the Pechora River Headwater Region, Republic of Komi (UNDP) (Total GEF Grant: \$4.85 m)
- (f) Brazil: SFM - Catalyzing the Contribution of Indigenous Lands to the Conservation of Brazil's Forest Ecosystems (UNDP) ) (Total GEF Grant: \$6.0 m)
- (g) Mongolia: SFM - Forest Landscapes Development and Conservation (World Bank) (Total GEF Grant: \$1.73 m)
- (h) Global: SFM - Carbon Benefits Project (CBP): Modeling, Measurement, and Monitoring (UNEP, World Bank) (Total GEF Grant: \$5.0 m)
- (i) Paraguay: SFM - Improving the Conservation of Biodiversity in Atlantic Forest of Eastern Paraguay (World Bank) (Total GEF Grant: \$4.81 m)

7. The MSP submitted for CEO approval under SFM:

- (j) Lebanon: SFM - Safeguarding and Restoring Lebanon's Woodland Resources (UNDP) (Total GEF Grant: \$0.98 m)

8. The SFM portfolio features ten projects (FSPs and MSP) of which five are of multi-focal nature engaging GEF resources from more than one focal area. Four projects address biodiversity concerns in forest ecosystems and one project addresses wider landscape management issues in woodland ecosystems, and hence requests money from the land degradation focal area.

9. Projects cover all regions of the globe and will be implemented by five GEF agencies: World Bank, UNDP, UNEP, FAO and IFAD. GEF resources<sup>9</sup> will be drawn from three GEF focal areas as follows:

- \$28.38 million from Biodiversity
- \$1.83 million from Climate Change

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<sup>8</sup> The amount indicated includes project grant plus preparation grants previously approved.

<sup>9</sup> GEF Resources represent all resources used which include project grant, preparation fund and Agency fees.

- \$14.52 million from Land Degradation

10. The total request for GEF funding is \$44.73 million for all ten proposals (FSPs and MSP) with a leverage of co-financing to the amount of \$137.28 million.

11. The submitted projects cover almost all aspects of the SFM strategy, including forest protected areas, production forests and woodland management in the wider landscape.

12. One project is of special strategic importance for the GEF: the “Carbon Benefits Project (CBP): Modeling, Measurement, and Monitoring”, proposed by UNEP in collaboration with the World Bank. This project will develop a simple but rigorous carbon estimation and modeling tool which will allow the GEF to report on carbon-related benefits from NRM interventions. This tool, including a protocol will be applied from GEF-5 onwards and will be mandatory for all projects engaged in NRM, incl. SFM.

### **Potential Future Initiatives under the SFM Program**

13. Throughout GEF-4, GEF agencies may present to the GEF Council new SFM proposals for consideration during the upcoming work programs.

14. GEF will develop an initiative to support the sustainable management and conservation of the Congo Basin. Contacts have been made with various Congo Basin initiatives and donors that have expressed interest in co-financing such an initiative. Other more programmatic initiatives will focus on the Amazon basin and tropical forest ecosystems in South-East Asia and the Pacific.

15. GEF will also welcome a revised proposal for the "Sustainable Forest Management in the Transboundary Gran Chaco American Ecosystem" which will address the management of the *Gran Chaco Americano* biome in an integrated and sustainable way. Global environmental benefits will be expected consistent with the focal areas biodiversity, land degradation and climate change through which the incremental costs for this project will be shared. This project will be jointly implemented by UNEP and UNDP. The project will mainstream sustainable land and forest management into the Subregional Action Program for the Chaco within the framework of the UNCCD as well as into national policy frameworks; formulate and implement integrated local and transboundary land use planning frameworks; and build community capacity in sustainable natural resources management, including forest resources.

16. There are also crucial strategic interventions to be supported which will strengthen and advance the knowledge and methodological basis of the GEF work in SFM, for example the development of sustainability criteria for biomass production for projects promoting the use or technologies related to biofuels. A project proposal for the sustainability criteria for biomass production is forthcoming.

**ANNEX E: INDIA COUNTRY PARTNERSHIP PROGRAM:  
SUSTAINABLE LAND AND ECOSYSTEM MANAGEMENT PARTNERSHIP**

**Background and Summary:**

1. India faces multiple challenges to the sustainable management of its natural resources and the protection of globally important ecosystem goods and services. The livelihood of the majority of the Indian population depends directly on the use of natural resources. The Government of India (federal and states) faces the difficult task to address multiple threats to the sustainability of the rural landscape since resources are finite and land use pressure is mounting. Land degradation induced by human activities and exaggerated by climate change greatly affects the integrity of India's ecosystems to an extent that rural livelihoods are jeopardized.
2. At the heart of the proposed India country program is therefore an effort to find innovative win-win combinations for sustainable ecosystem and resource management that take account of traditional techniques and approaches to natural resource management but at the same time, seek to adapt them to current challenges by incorporating new elements. The program will hence embark in a multi-sectoral approach to land management.
3. The India Sustainable Land and Ecosystem Management (SLEM) Country Partnership Program is in itself an innovative programmatic operation specifically developed to become more inclusive in addressing the sustainable ecosystem and land management agenda. The cross-sectoral nature of this program is also reflected in the financial set-up since resources from three GEF focal areas are requested, and objectives are defined that include combating land degradation, conserving biodiversity and adaptation to climate change. The lead program implementing agency is the World Bank. Individual projects will be implemented by the World Bank, UNDP, IFAD and FAO.
4. The SLEM Partnership is designed as a country program framework supporting the commitment of the Government of India to a long term effort for achieving sustainability of land and ecosystem management that has taken account of the consequences of climate variability as well as includes concerns for safeguarding globally and locally important biodiversity. By putting in place a comprehensive implementation and financing framework, the Partnership will provide a vehicle for mainstreaming SLEM into the governance and policy reforms in national and state development priorities. The Partnership will also provide a mechanism for enhanced cooperation among a diverse group of donor and NGO partners, many with considerable and valuable experience in different aspects of natural resource management as well as in related capacity building and institutional strengthening.
5. The expected impact of the program is an overall decreasing trend in land degradation as well as an improved protection of ecosystem functions and processes resulting in an increase in carbon stocks in the soil as well as in the vegetative cover. Through enhanced conservation and sustainable use of biodiversity incorporated in the production landscape, an impact is expected, in particular, on the conservation and sustainable use of agro-biodiversity through agro-ecosystems managed as habitats for indigenous species and through sustainable management of vulnerable habitats such as wetlands, drylands and mountains. Through the integration of

climate variability and change as a factor in the planning and implementation of SLEM, the global and local impacts will be better safeguarded against climate factors.

6. The total cost of the program is \$330.5 million of which \$30million are requested from the GEF as follows:

- \$15 million from Biodiversity
- \$ 5 million from Climate Change/SPA
- \$10 million from Land Degradation

7. The program will be implemented through eight individual projects, two of which are included as sample projects in the program document. All PIFs will be submitted to the GEF Secretariat for CEO approval on a rolling basis and the fully prepared project documents will be posted at the GEF website for Council comments before final endorsement by CEO.

8. Council is requested to approve the full program amount. The amount will be endorsed through the eight individual projects.

#### **Project concepts (PIFs) included in the SLEM Partnership Program Document**

9. The following two concepts were included in the SLEM Program Document as sample projects:

- (a) NAIP - Sustainable rural livelihood security through innovations in land and ecosystem management (World Bank)
- (b) Sustainable Land Management in Shifting Cultivation Areas of Nagaland for ecological and livelihood security (UNDP)

10. Projects to follow on a rolling basis :

- (c) Uttaranchal Watershed Project (World Bank)
- (d) Integrated Land Use Management to combat land degradation in Madja Pradesh (UNDP)
- (e) Policy and Institutional Reform for Mainstreaming and Upscaling SLM in India (World Bank)
- (f) Sustainable Participatory Management of Natural Resources to Control Land Degradation in the Thar Ecosystem (UNDP)
- (g) Enabling opportunities for resource poor farming communities in sustainable land management with eco-system as a basis (FAO)
- (h) Sustainable production and collection of medicinal, aromatic and nutraceutical plants for sustainable rural livelihoods and adaptation of cropping systems to climate variability in India (FAO -IFAD)