

GEF 2008 ANNUAL REPORT



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET



TABLE OF CONTENTS

Message from Monique Barbut	2	Biodiversity	55
New Momentum for the Resource Allocation Framework	4	Persistent Organic Pollutants	66
Public-Private Partnerships and Private Sector Involvement	8	Ozone Depletion	70
Results-Based Management Framework—What’s New	12	Land Degradation	73
From Projects to Programs—First Results with GEF’s Programmatic Approach	16	International Waters	79
Fruitful Dialogues—GEF’s Relations with Civil Society Organizations	20	GEF Projects and Programs Entering the Work Program in Fiscal Year 2008	83
GEF Country Support Program for GEF Focal Points	24	Independent Bodies	93
Small Grants Program—Crossing the 10,000 Projects Threshold	30	STAP	93
The GEF Portfolio	36	GEF Evaluation Office	96
GEF Focal Areas	36	GEF Contacts	102
Climate Change	43	GEF Council Members and Alternates 2007–08	104
Adaptation Cluster	44	Details of Regional Focal Points of Nongovernmental Organizations in 2007–08	106
Mitigation Cluster	51	STAP Secretariat and Members	108
		GEF New Publications 2007–08	110
		Acronyms and Abbreviations	111
		Financial Statements and Independent Auditor Opinions 2007 (06)–2008 (07)	see enclosed CD



MESSAGE FROM MONIQUE BARBUT

Another eventful year has passed and many of the reforms we planted to strengthen the Global Environment Facility (GEF), are bearing fruit. We have a number of successes detailed in this annual report which offer a snapshot of nearly two decades of joint investment in cross-border environmental challenges. I would like to draw your attention to several outstanding achievements of the GEF since July 2007. Among them:

The parties to the United Nations Framework Convention on Climate Change (UNFCCC) entrusted the GEF with the interim Secretariat for the newly created Adaptation Fund. The Adaptation Fund was established to finance concrete adaptation projects and programs in developing countries that are particularly vulnerable to the adverse effects of climate change.

While Bali attracted a tremendous wave of attention and put climate change and its challenges in the media spotlight, many other pending environmental challenges desperately needed attention including species loss, water and land degradation, illegal trading of toxic pollutants, and deforestation, just to name a few. Luckily, the world's focus on climate change has given us a unique chance to demonstrate the importance and relevance of biological diversity to the long-term health of the planet by linking forest biodiversity conservation and climate mitigation. The new GEF strategy on sustainable forests, approved by the Council in November 2007, reflects these multifocal approaches already.

Internally, we have made progress on restructuring our procedures. A big step forward is the new project cycle, approved by the Council in June 2007 and implemented in fiscal year 2008. The new version of the project cycle simplifies the approval process and documentation requirements for projects and shortens the project cycle to an average of 22 months from approval of project concept to endorsement. Since its introduction, we have already seen positive effects of the shortened process and received supportive comments from many of our partners.

Now in the middle of the GEF's fourth replenishment phase, we realize the enormity of the institutional and financing gaps we face as the GEF helps developing countries address the challenges they encounter at the proper scale.

No one really knows how much investment will be needed to meet these challenges, but we do know what we are doing now is not sufficient. Preliminary estimates are that adaptation to climate change could total \$200 to \$400 billion over the next several years. Current instruments and mechanisms cover a wide range of environmental management issues, but they are not enough.

Here is where I am particularly encouraged with what the GEF can do: building on our unique governance structure as a networked organization, we have launched new financing mechanisms to get the private sector more engaged and encourage green investments.

The Earth Fund is one of the public-private partnerships initiated by the GEF in cooperation with the International Finance Corporation (IFC) during this reporting period. Approved by the GEF Council in June 2007, the Earth Fund is a key pillar in our strategy to tap into the enormous potential that engagement with the private sector represents. The objective of the GEF Earth Fund is to establish a way we can nurture environmental innovation by working with private companies to help accelerate the emergence and replication of projects that will generate global environmental benefits in a sustainable and cost-effective manner in the developing world. The GEF Council has agreed to earmark \$50 million for this initiative, and is expected to raise an additional \$150 million in cofinancing from the private sector and other partners.

Last year's work program also included a series of measures to reach out to our stakeholders and to increase transparency through the coordinated use of new and refined communications tools. In response to the Council's request in 2006 for improved communication with key stakeholders and the media, the Secretariat completed a new Communications and Outreach Strategy. This bold new effort was approved by the Council in November 2007, and is now being put into place. Among the milestones to be reached are an updated Web site and logo, a new set of publications by focal areas, and an expanded public voice through mass media and other public audiences, including civil society. The Secretariat has also revitalized and expanded its role in interagency communication groups such as ClimateCom and Com+, which include GEF agencies and NGO partners. The GEF has also supported joint communications with its networked partners for various international conferences and negotiations.

We also made inroads on the local level, with our small grants program expanding rapidly over the last year. We had 23 new countries join the program, but we also passed the milestone of 10,000 projects since the program's inception in 1992. Altogether, the impressive amount of \$328 million has been granted to community-based projects in 107 participating countries.

The fifth replenishment of the GEF trust fund already looms on the horizon and we are determined to get everybody to agree on a substantial increase in GEF funding. We can always do better from our side, but we depend on strong commitments from our donors. Given the pace at which we are speeding up processes and delivering results, I am confident to say that we are on the right track, and I am happy to see that we are joined by an impressive and growing group of partners that agreed to go all the way with us. I still have to warn you though — it's going to be a rough ride.

Monique Barbut, CEO and Chairperson, GEF

A tropical landscape featuring a tall palm tree with large, fan-shaped fronds. The tree is silhouetted against a bright, hazy sky with scattered white clouds. In the foreground, there is a body of water reflecting the sky and the tree. The water shows ripples and reflections of the surrounding foliage and the sky. The overall scene is peaceful and natural.

As of June 30, 2008, 91 countries had utilized a total of \$289.97 million in biodiversity RAF allocations and \$276.62 million in climate change RAF allocations.

NEW MOMENTUM FOR THE RESOURCE ALLOCATION FRAMEWORK

Taking into account many comments on strengthening and simplifying the Resource Allocation Framework (RAF) process, the GEF Secretariat further improved the RAF throughout fiscal year 2008. One example among the many highlights was the provision of a country profile page on the GEF Web site that allows operational focal points to track the country's RAF allocations and utilization. In addition, operational focal points can enter a secure section of the "country profile page" to check the status of all their Project Identification Forms and projects during various stages of the project cycle.

WHAT IS THE RAF?

In September 2005, the GEF Council adopted the Resource Allocation Framework (RAF), a new system for allocating GEF resources to recipient countries.

Under the RAF, resources are allocated to countries based on their potential to generate global environmental benefits and their capacity, policies, and practices to successfully implement GEF projects. Better targeting of GEF resources is expected to increase the impact of those resources on the global environment. The RAF builds on the GEF's existing country-driven approach.

In July 2007, the new project cycle, adopted at the June 2007 Council meeting, became effective. The new, more streamlined project cycle reduced total project preparation time to 22 months by allowing for project approval shortly after identification, at a much earlier stage of the project cycle than before. Additionally, on October 4, 2007, the GEF Council approved the new "Focal Area Strategies and Strategic Programming for GEF-4." Updated guidelines to help operational focal points deal with these significant changes in GEF's procedures were developed and disseminated through newsletters, communication from the External Communications Team, and the new GEF Operations Manual.

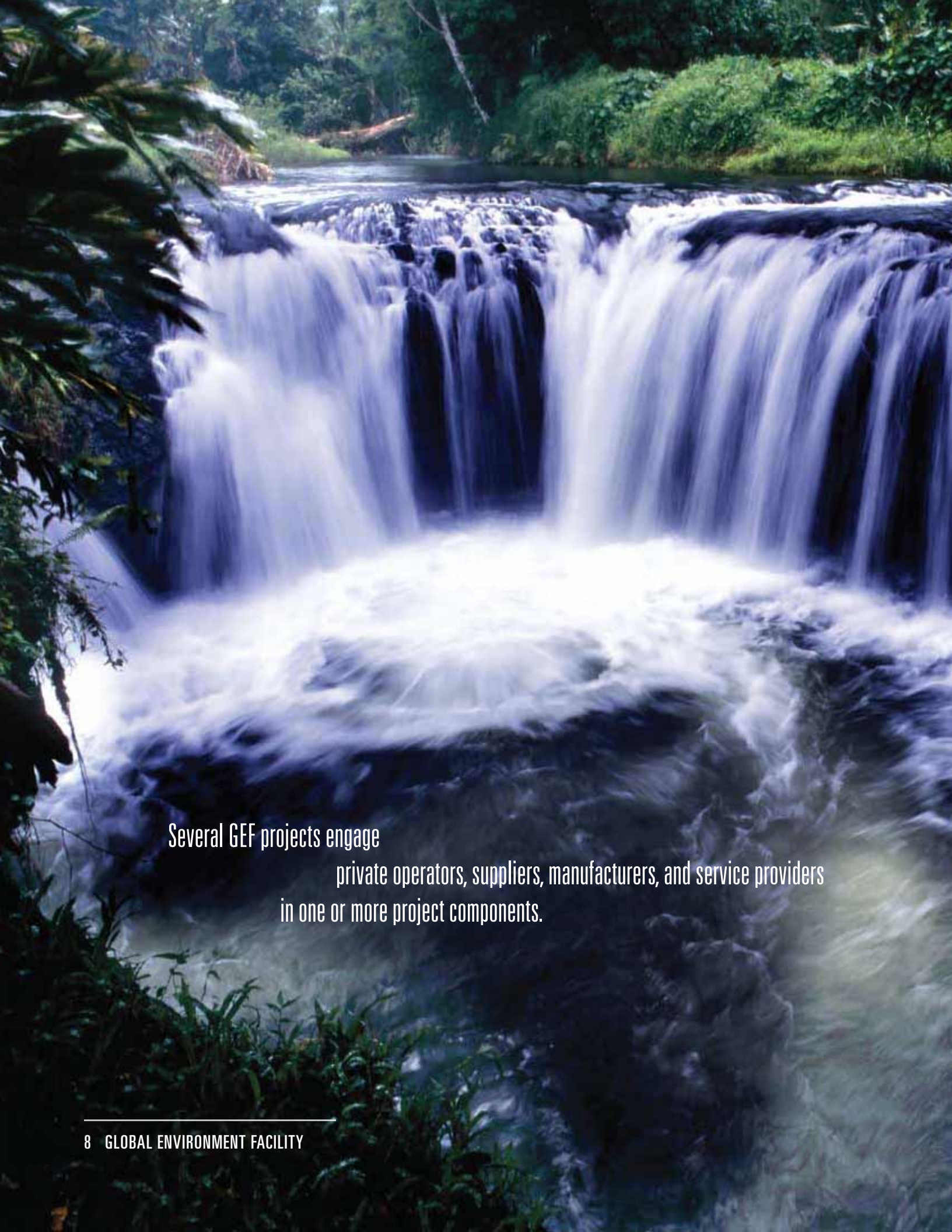
Although the programming rate in the biodiversity and climate change focal areas started slowly, it picked up considerably in fiscal year 2008, with a number of new initiatives being finalized and presented to the Council as programmatic approaches. The Sustainable Forest Management (SFM) Program (see the Biodiversity section of this report), for example, was approved by the Council in November 2007, and a set of new and promising programmatic approaches in the biodiversity and climate change focal areas was approved at the April 2008 Council meeting, including Energy Efficiency in the Russian Federation, a Programmatic Framework for Energy Efficiency in India, the Pacific Alliance for Sustainability, and the Biosafety Program.



During this fiscal year, the GEF Secretariat completed a midterm reassessment and reallocation of resources available under the RAF, in accordance with paragraph 2(d) of the Council's Decision on the Resource Allocation Framework, "Joint Summary of the Chairs' Special Meeting of the Council August 31–September 1, 2005." The reassessment included a recalculation of the GEF Benefits Index and the GEF Performance Index for all eligible countries using updated data and a reallocation of available resources using the RAF model. The midterm reassessment was completed in June 2008, and the updated allocations were made publicly available.

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Several GEF projects engage
private operators, suppliers, manufacturers, and service providers
in one or more project components.

JOINING FORCES: THE GEF AND THE PRIVATE SECTOR

ENGAGING THE PRIVATE SECTOR

The private sector is recognized as an essential stakeholder in GEF activities and has a critical role to play in addressing global environmental challenges in partnership with the GEF. During fiscal year 2008, the GEF has continued to engage the private sector in multiple projects across the range of GEF focal areas. In addition, the GEF Earth Fund was launched as a new initiative in conjunction with IFC in order to engage the private sector through a streamlined process outside the GEF Resource Allocation Framework.



OPERATIONAL EXAMPLES OF PRIVATE SECTOR INVOLVEMENT

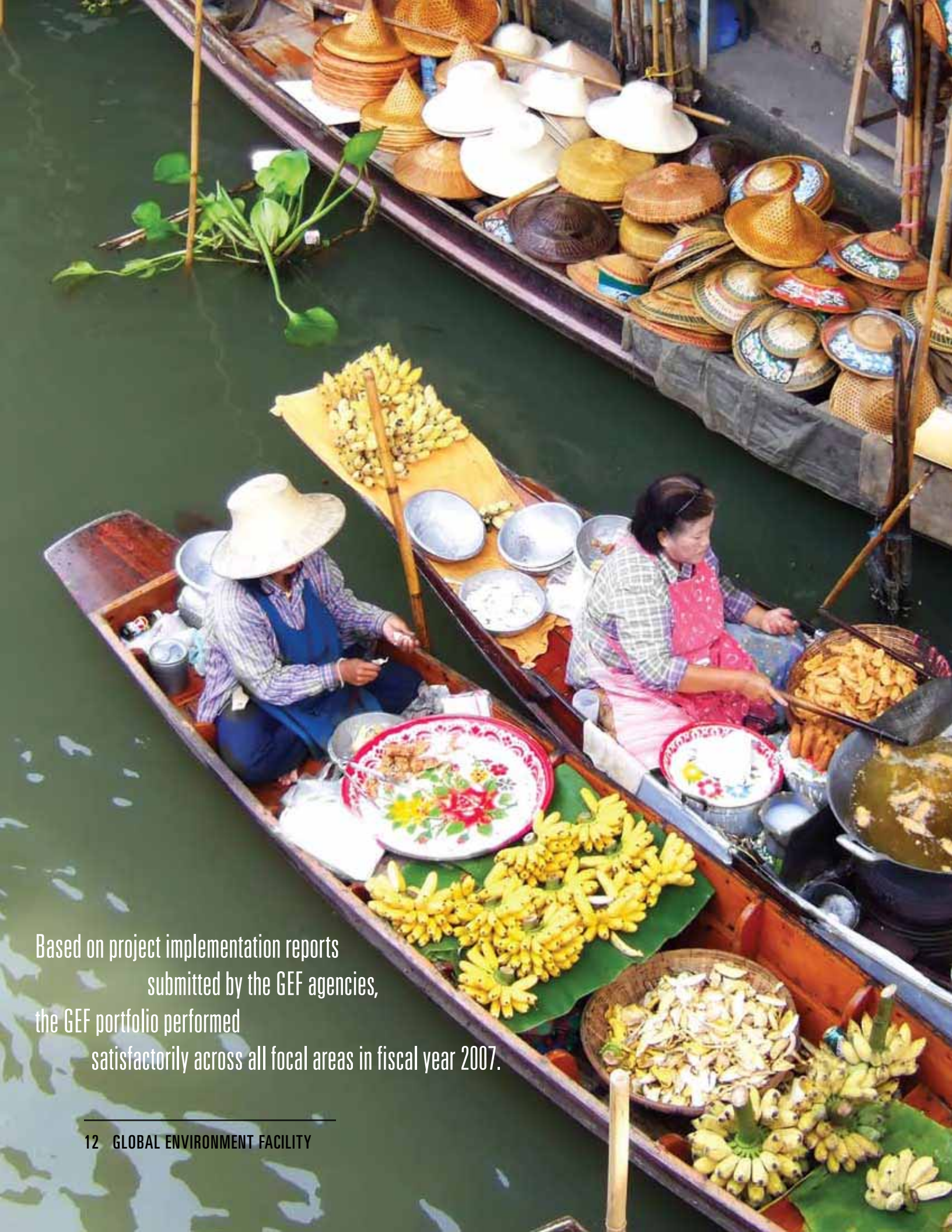
Private sector involvement with the GEF covers a wide range of activities. Enabling activities include strategic and policy advice on GEF-funded projects, along with technical input and studies. Several GEF projects engage private operators, suppliers, manufacturers, and service providers in one or more project components. More than 12 climate change projects funded by the GEF involve participation of energy service companies (or ESCOs) for the delivery and maintenance of electricity in both grid and off-grid systems. Seven rural energy projects make use of local electricity cooperatives, many of which are owned and managed by small-scale entrepreneurs.

A key GEF project involving the private sector is the GEF Earth Fund, which was launched as a pilot project in fiscal year 2008. The development of a GEF private sector strategy in 2006 led to the creation of a GEF public-private partnership initiative approved by the GEF Council in June 2007. IFC then became involved as a strategic partner in the initiative, which was renamed the GEF Earth Fund. The overall objective of the GEF Earth Fund is to establish a mechanism through which private sector initiatives can be implemented in a streamlined manner by GEF agencies, foundations and NGOs with fiduciary standards that meet GEF requirements.

The GEF Earth Fund is based on the concept of “platforms” under which a portfolio of individual projects will be managed. The portfolio of projects within each platform has to be aligned with GEF Focal Areas or their equivalent, while projects within each platform seek to address specific environmental challenges or seek to leverage particular business models or financial instruments with the goal of contributing to the protection of the global environment, thereby promoting environmentally sound and sustainable economic development.

The GEF Council has approved \$50 million for this pilot project with the goal of raising an additional \$150 million in cofinancing. IFC has earmarked an additional \$10 million contribution to the GEF Earth Fund. IFC has also agreed to manage the trust fund account for the GEF Earth Fund, and is managing a \$30 million IFC platform including projects in climate change and biodiversity.

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Based on project implementation reports submitted by the GEF agencies, the GEF portfolio performed satisfactorily across all focal areas in fiscal year 2007.

RESULTS-BASED MANAGEMENT FRAMEWORK: WHAT'S NEW

AMR KEY FINDINGS

The Annual Monitoring Review (AMR) provides a snapshot of the overall status and progress of the GEF's active project portfolio. A key element of the GEF's Results-Based Management Framework, the AMR replaced the Annual Portfolio Performance Review in fiscal year 2007. The AMR tracks and reports project implementation progress and progress toward achieving outcomes and global environmental benefits.

The 2007 annual report provides an overview of key results for GEF projects under implementation on or before June 30, 2006, and still under implementation for at least part of fiscal year 2007. The majority of projects included in the 2007 AMR were approved in GEF-3, with a few remaining under implementation from GEF-2. The AMR 2007 exercise reviewed 464 ongoing full- and medium-sized projects under implementation for at least one year. This number reflects the steady growth in the portfolio from 135 projects in 1999. Biodiversity projects accounted for the greatest portion of projects in the active portfolio in fiscal year 2007— 46 percent — as well as the greatest portion of portfolio grant allocations (37 percent).

Based on project implementation reports submitted by the GEF agencies, the GEF portfolio performed satisfactorily across all focal areas in fiscal year 2007.

TRACKING TOOLS BY FOCAL AREA

The focal area strategies include a results framework consistent with the GEF Results-Based Management Framework. Each focal area strategy outlines the strategic objectives, strategic programs, and expected results for GEF-4. To track progress on achieving results, each focal area relies on a tracking tool to systematically capture both output- and outcome-level results. Progress is continuing on the development of tracking tools in each focal area.







*Between July 1, 2007, and June 30, 2008,
the GEF Council approved 12 new programs.*

FROM PROJECTS TO PROGRAMS: FIRST RESULTS WITH GEF'S PROGRAMMATIC APPROACH

Over the past years, the GEF has increasingly supported a programmatic approach to its investments instead of an isolated project-based approach. In April 2008, the Council approved the policy document on GEFs programmatic approach: "From Projects to Programs: Clarifying the Programmatic Approach in the GEF Portfolio" (GEF/C.33/6).

The overall objective of the GEF programmatic approach is to secure larger-scale and sustained impacts on the global environment through integrating global environmental objectives into national or regional strategies and plans. The programmatic approach has a long-term, strategic orientation and is implemented through individual, yet interlinked, projects. Results are to be monitored at the programmatic level to demonstrate synergies between various focal area objectives and concrete results on the ground. Partnership arrangements are crucial for the success of the development and implementation of a program. By harmonizing the interventions of various stakeholder groups (including NGOs, bi- and multilateral agencies, the scientific community, and the private sector) under one common and agreed-on program framework, transaction costs can be lowered and the comparative advantages of involved groups and institutions can be fully leveraged.

Hence, the programmatic approach provides opportunities for (i) generating synergies across the focal areas of the GEF within the framework of national or regional sustainable development; (ii) catalyzing action, replication, and innovation; (iii) maximizing and scaling up global environmental benefits; and (iv) involving interested donors or other partners to invest additional and focused funding based on the scope of the program.

Between July 1, 2007, and June 30, 2008, the GEF Council approved 12 new programs. Among these programs, the following two examples showcase GEF strategic investment.

SUSTAINABLE LAND AND ECOSYSTEM MANAGEMENT (SLEM) PARTNERSHIP PROGRAM

The SLEM partnership seeks to contribute to poverty alleviation in India by promoting enhanced efficiency of natural resources use, improved land and ecosystem productivity, and reduced vulnerability to extreme weather events, including the effects of climate change. It will mobilize \$150 million of GEF grant financing in 3 tranches over a 10-year period. Through a combination of capital investments, economic instruments, policy and regulatory frameworks, and public participation, this partnership provides a critical mass of financial resources and technical knowledge to support a more integrated and strategic approach to investments. Incremental financing for SLEM is provided through three GEF focal areas: land degradation, biodiversity, and climate change.

The program is managed by the World Bank in partnership with the United Nations Development Programme (UNDP) and the Food and Agriculture Organization (FAO). These three agencies will finance seven projects under the umbrella of the SLEM:

- Sustainable Rural Livelihood Security through Innovations in Land and Ecosystem Management (World Bank)
- Sustainable Land Management in Shifting Cultivation Areas of Nagaland for Ecological and Livelihood Security (UNDP)
- Sustainable Land, Water, and Biodiversity Conservation and Management for Improved Livelihoods in Uttarakhand Watershed Sector (World Bank)
- Integrated Land Use Management to Combat Land Degradation in Madhya Pradesh (UNDP)
- Policy and Institutional Reform for Mainstreaming and Up-Scaling SLM in India (World Bank).

- Sustainable Participatory Management of Natural Resources to Control Land Degradation in the Thar Ecosystem (UNDP)
- Reversing Environmental Degradation and Rural Poverty through Adaptation to Climate Change in Drought-Stricken Areas in Southern India: A Hydrological Unit Pilot Project Approach (FAO)

Among these projects, Policy and Institutional Reform for Mainstreaming and Up-Scaling SLM in India is designed to keep all the projects under the SLEM umbrella coherent. It aims to establish a coordination mechanism to facilitate the policy and institutional reforms required to achieve the planned results, and ensure up-scaling of successful results of the SLEM.

The SLEM will strive for achieving multiple global environmental benefits while simultaneously supporting local and national social and economic development. With this understanding, the program seeks to maintain the integrity of watersheds and landscapes; increase vegetation cover through agroforestry, reforestation, and afforestation; and ensure sustainable practices for extraction of natural resources. An overall decreasing trend in land degradation is expected, as is improved protection of ecosystem functions and processes resulting in an increase in above- and below-ground carbon.

PROGRAMMATIC FRAMEWORK FOR ENERGY EFFICIENCY IN INDIA

The India Energy Efficiency Program requested a total GEF grant of \$40 million and consists of the following five projects:

- Energy Efficiency Improvements in Commercial Buildings (with UNDP), which aims to increase market penetration of energy-efficient technologies, practices, products, and raw materials in the residential and commercial building markets
- Chiller Energy Efficiency Project (with World Bank), which will assist in stimulating the accelerated conversion of chlorofluorocarbon-based chillers to new and more energy-efficient technology through the provision of financial incentives
- Financing Energy Efficiency in Medium Enterprises (with World Bank)
- Promoting Energy Efficiency and Renewable Energy in Selected Micro, Small, and Medium Enterprise Clusters in India (with United Nations Industrial Development Organization [UNIDO])
- Improving Energy Efficiency in the Indian Railways System (with UNDP), which will promote deployment of energy-efficient technologies and adoption of energy-saving practices in the SME industrial sector and Indian railways.

These five projects were designed through a collaborative process involving the three GEF agencies (the World Bank, UNDP, and UNIDO) and relevant line ministries. The projects are a good fit with the Indian Bureau of Energy Efficiency's (BEE's) and the Indian Ministry of Power's national priorities to mainstream energy efficiency measures and stimulate market transformation in favor of energy-efficient products, technologies, and services. They were designed to meet the target in India's 11th Five Year Plan (2007–12) to reduce energy consumption levels by 5 percent.

The BEE will be responsible for overall coordination of the program and seeks to integrate it into the government's national energy conservation and efficiency strategy. Each project will have its own M&E system, but the BEE will ensure synthesis across the projects and other related activities. Moreover, the knowledge management component of the World Bank's SME project will complement the program-level M&E processes. This component will include disseminating good practices and formulating relevant policies.



More than 60 regional and global NGO networks, for example, are involved in the design and implementation of GEF-funded transboundary waters projects.

FRUITFUL DIALOGUES:

GEF'S RELATIONSHIPS

WITH CIVIL SOCIETY

ORGANIZATIONS

Civil society organizations (CSOs) play an active role in GEF activities. From policy design to project development and implementation, CSOs provide independent advice to the GEF Council and the GEF Secretariat. As informed and effective advocates, CSOs, in particular NGOs, strongly advocate for increasing civil society contribution to protect the global environment.



Contributions from CSOs, both local and international, have become an important part of regular GEF operations. Community-based organizations, academic institutions, indigenous people's organizations, and foundations are among the NGO partners that are integral to the GEF's operations. A significant number of GEF-financed projects are executed or co-executed by, or contain contracts or subcontracts with, nongovernmental groups. More than 60 regional and global NGO networks, for example, are involved in the design and implementation of GEF-funded transboundary waters projects. Between July 1, 2007, and June 30, 2008, the Small Grants Program, administered by UNDP, provided grants of up to \$50,000 (\$20,000 on average) to finance more than 1,000 projects executed by community-based organizations, indigenous people's organizations, NGOs, and others.

During fiscal year 2008, the GEF continued to develop its relationships with civil society through the GEF NGO Network. Currently, the GEF NGO Network has more than 600 active members who contribute substantially to the GEF. The network involves civil society groups from various regions. Opportunities for the GEF to work with and partner with CSOs steadily increased as CSOs became more actively involved in defining GEF policies and programs. CSOs are actively involved with the GEF in the following fields:

- Governance and policy development through NGO representation at consultations and Council meetings
- Project preparation and execution in countries
- Advocacy, awareness, and outreach on global environmental issues.

GEF NGO Network partners play a significant role in GEF governance and in policy development at the local, national, and international levels as well as in the GEF Council and GEF Assembly.

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The program focuses on providing support to focal points for activities related to training, outreach, and information sharing.

GEF COUNTRY SUPPORT PROGRAM FOR GEF FOCAL POINTS

The Country Support Program (CSP) for GEF Focal Points is a \$12,134,904, four-year, multi-focal area, global project. This capacity enhancement program was operationalized in June 2006 and is scheduled to end in May 2010.

The primary purpose of the CSP for focal points is to respond to the requests and needs of GEF recipient countries for tools to assist them in responding to their obligations as GEF recipient countries as well as obligations contained within the global conventions (Biodiversity, Climate Change, and Persistent Organic Pollutants) for which the GEF is the financial mechanism, as well as the convention on desertification, for which the GEF is a financial mechanism.

The program focuses on providing support to focal points for activities related to training, outreach, and information sharing. It also strengthens country-level coordination to promote genuine country ownership and facilitate the active involvement of recipient countries and interested government and civil society stakeholders in global environmental activities.

HISTORICAL BACKGROUND

The project comprises three components with the overall objective of enhancing the capacity of focal points to better prioritize, design, implement, coordinate, and monitor global environmental projects:

- Component 1: Direct support for focal points
- Component 2: Knowledge management framework
- Component 3: Subregional information exchange and training and workshops.

Component 1 is implemented jointly by the GEF Secretariat and the United Nations Environment Programme, while components 2 and 3 are implemented by UNDP.

The need for a programmatic approach to capacity building for focal points has become even more urgent as the GEF explores ways to operationalize the second phase of the RAF.

Component 1: Direct support for focal points. Direct support for focal points was operationalized in February 2006 and will be concluded in December 2009. The mechanism and procedures to implement this component were established to facilitate the development of national activities by focal points to carry out capacity-building activities in the country based on annual work plans. These activities contribute to building the capacity of countries to develop global environmental projects in a more strategic manner, and to developing the capacity to coordinate and monitor global environmental activities.

Under this program, each eligible country receives financial support to carry out activities as expressed in the guidelines for the focal point support program based upon national work plans, (for a maximum of \$8,000 per year per country). Focal points prepare, with the guidance of the GEF Secretariat, an annual work plan, outlining the activities expected to be carried out and their anticipated costs.

Activities funded under this component focus on increasing awareness of GEF issues, creating institutional memory within relevant government agencies, supporting the establishment of coordination or resource units in appropriate ministries to increase coordination among agencies, keeping track of global environmental activities, and promoting mainstreaming and integration as well as strengthening stakeholder involvement.

At the end of each year of activities, the focal point submits a report to the GEF Secretariat on the activities carried out and supporting expenditures. The GEF Secretariat reviews the substantive report, while UNEP reviews the financial report. Disbursement of funds for the next year follows the approval of the substantive and financial reports.

During fiscal year 2008, 18 new countries directly accessed the Country Support Program.

Component 2: Knowledge management framework.

The CSP's Knowledge Facility for GEF Focal Points (www.gefcountrysupport.org) aims to address the potential knowledge needs of focal points to assist them in carrying out their roles and responsibilities with respect to managing global environmental issues within their national development contexts.

The design of the Knowledge Facility is based primarily on the needs and priorities identified by focal points themselves in the course of subregional consultations, as well as through written requests and surveys conducted by the CSP. The Knowledge Facility was designed in close collaboration with the GEF Secretariat and agencies, taking advantage of, and ensuring integration with, existing knowledge management structures and available information and data.

The Knowledge Facility is also meant to serve as a constantly accessible resource for acquisition of knowledge, experience, and best practice, targeted to meeting focal points' needs and to facilitate focal point learning through exchange, discussion, research, and action.

The Knowledge Facility includes a GEF information section, targeted knowledge materials for focal points, discussion forums, management tools such as dedicated country and constituency pages, an advanced search facility for targeted searches on key topics of interest, and partnership links that provide information on and links to a number of related organizations and Web sites.

During fiscal year 2008, the online Knowledge Facility was increasingly used by the focal points to stay abreast of the changes in GEF-4 and to share knowledge among countries and constituencies. It is constantly being updated with new information and materials, including from subregional workshops and national dialogues conducted in countries. It will continue to evolve in direct response to needs expressed by focal points.

The facilitation of country-level, multistakeholder policy dialogue on the GEF and related topics by the National Dialogue Initiative has enabled the GEF partners to respond to new country concerns and challenges associated with the RAF and the need for national priority setting and coordinated programming.

Component 3: Subregional workshops for GEF focal points. Beginning in 2007, the CSP organized a series of annual subregional workshops for GEF focal points. These workshops provided an opportunity for focal points to exchange information and share their experiences, to be updated on evolving GEF policies and procedures, and to interact with the GEF Secretariat and GEF agency staff to discuss priority issues.

The design and content of the 2008 subregional workshops were based on the requests and needs expressed by GEF focal points during earlier consultations. The CSP also conducts a survey before each workshop to identify the topics of interest to focal points and specific experiences they would like to present. The survey results indicated that the following are the main topics of interest to focal points:

- Discussing and being updated on GEF policies and procedures
- Establishing national GEF coordination mechanisms
- Developing national GEF strategies and setting priorities
- Integrating the GEF into national plans and programs
- Tracking national GEF portfolios and assessing results
- Taking stock of successful project experiences and results
- Improving communications and outreach to key stakeholders
- Developing regional strategies and projects
- Providing country views and feedback to important GEF evaluations such as the RAF midterm review.

During the workshops, focal points, agencies, and the GEF Secretariat exchange opinions, concerns, and points of view about GEF policies and procedures. Subregional workshops developed during fiscal year 2008 provided unique and transparent forums for knowledge exchange among focal points, and also focused on the RAF midterm review and other emerging GEF issues.

During this period, eight subregional workshops for GEF focal points were conducted, covering all regions: Pacific (Apia, Samoa, September 10–11, 2007); Caribbean (Nassau, The Bahamas, October 9–11, 2007); Latin America (São Paulo, Brazil, October 15–16, 2007); the Middle East and North Africa, South and West Asia (Bali, Indonesia, December 2–3, 2007); Europe and the Commonwealth of Independent States (Belgrade, Serbia, April 1–2, 2008); Asia (Manila, the Philippines, May 15–16, 2008); West and Central Africa (Douala, Cameroon, June 19–20, 2008); and East and Central Africa (Windhoek, Namibia, June 25–27, 2008).

COUNCIL MEMBER SUPPORT PROGRAM

This Council Member Support Program is designed to help Council members of recipient countries convene meetings of their constituency partners to discuss matters of common interest and to define constituency positions for the Council meetings. During fiscal year 2008, 15 constituency meetings were held.

GEF member countries have been grouped into 32 constituencies, 18 of which are composed of recipient countries. Each constituency appoints a Council member to represent the constituency at GEF Council meetings. One of the responsibilities of the Council member is to hold constituency meetings twice a year with focal points from all constituency countries. Constituency meetings provide an opportunity to develop constituency positions on specific Council issues, share information and obtain feedback on the outcome of Council meetings and on Council decisions, review country and constituency coordination issues to enhance communication and outreach efforts, decide upon constituency governance issues such as the order in which countries will assume Council member and alternate seats (rotation

agreements), and discuss implementation of GEF projects and share lessons learned.

Constituency meetings can be held before or after a GEF Council meeting, and sometimes are back-to-back with a subregional workshop. Focal points can receive an airline ticket and a daily support allowance to enable both operational and political focal points (or their representatives) to participate. The Council member can request funds to cover the costs of organizing the meeting, in accordance with the terms and conditions agreed on under the Small-Scale Funding Agreement signed between UNEP and the government.

GEF NATIONAL DIALOGUE INITIATIVE

The GEF National Dialogue Initiative (2004–09), implemented by UNDP, is an integral component of country support activities provided by the GEF Secretariat and GEF partner agencies. The global objective of the national dialogues in GEF-4 is congruent with the new GEF vision and strategic guidance provided by the Inter-Agency Steering Committee: to provide targeted and flexible support for country-level, multistakeholder dialogue and sharing of information and experiences, leading to action on national GEF matters through strategic national priority setting and strengthened coordination and partnerships. Since 2000, 100 dialogues have been held—51 under the ongoing National Dialogue Initiative and 49 under a previous program, the Country Dialogue Workshops (2000–04).

National dialogues provide unique country-level forums for broad, multistakeholder interaction on GEF-related

issues, involving a diversity of government ministries and agencies at the national and local levels, NGOs, community-based organizations, academic and research institutions, the private sector, the media, and other partners and donors in the country.

The facilitation of country-level, multistakeholder policy dialogue on the GEF and related topics by the National Dialogue Initiative has enabled the GEF partners to respond to new country concerns and challenges associated with the RAF and the need for national priority setting and coordinated programming, as well as to help countries understand and implement new GEF policies in GEF-4, such as the revised project cycle and focal area and cross-cutting strategies.

Six national dialogues were held during fiscal year 2008: Turkmenistan GEF National Dialogue, Ashgabad, September 14–16, 2007; Indonesia GEF National Dialogue, Jakarta, September 17–18, 2007; India GEF National Dialogue, Bhubaneswar, October 30 – November 1, 2007; Burkina Faso GEF National Dialogue, Bobo-Dioulasso, January 15–17, 2008; Cambodia GEF National Dialogue, Phnom Penh, March 25–26, 2008; and Cameroon GEF National Dialogue, Yaounde, June 16–17, 2008. Examples of the key results and follow-up actions achieved through these dialogues include the development of a GEF programmatic approach in India; the development of a national strategy document on GEF priority setting in Cameroon; and the strengthening of local capacity at the regional administration and local collectivity level in Burkina Faso to deal with global environmental challenges such as land degradation, biodiversity, climate change, and international waters, in line with new national legislation on decentralization of environmental governance.

A large number of monarch butterflies are shown in flight against a clear, bright blue sky. The butterflies are scattered throughout the frame, with some appearing closer and larger, and others further away and smaller. At the bottom of the image, the tops of green trees and bushes are visible, providing a natural setting for the scene.

In this reporting period,
SGP projects received 15 prestigious national and global awards.

SMALL GRANTS PROGRAM: CROSSING THE 10,000 PROJECTS THRESHOLD

Between July 1, 2007 and June 30, 2008, the GEF Small Grants Program (SGP) supported 1,191 community-based projects. This achievement helped the SGP top the threshold of more than 10,000 projects supported since its inception in 1992, with more than 8,000 completed in 107 participating countries. The total new GEF allocation for SGP country programs during this reporting period was approximately \$35.36 million, significantly supplemented by cash and in-kind cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, local governments, and the private sector, as well as the NGO and community grantees themselves. From inception to the end of this reporting period, the SGP has generated cofinancing totaling **\$328,750,386** (\$177,456,587 in cash; \$151,293,799 in kind) to meet its 1:1 cofinancing target.

BACKGROUND ON THE SMALL GRANTS PROGRAM

Many environmental challenges — whether related to climate change, diminishing biodiversity, water pollution, or other phenomena — are most strongly damaging at the level of the individual community. These communities, often composed of roughly 100–300 households, are directly affected by environmental impacts on traditional sources of food, water, livelihood, and more. In fact, isolated rural communities may be the only human beings immediately confronted with the everyday reality of serious environmental problems. And yet, these communities are generally most in need of the political support and financial resources to fight back.

With this fact in mind, the GEF created the Small Grants Program (SGP) to work with and complement each of its focal areas. With the United Nations UNDP as implementing agency, the SGP reaches out to identify poor and vulnerable communities through a demand-driven process owned and managed by a national decision-making and governance body, the National Steering Committee. SGP proactively helps these communities and their local NGO partners to develop and implement small, highly targeted projects to address specific local challenges linked to GEF focal areas, with grant support of up to \$50,000.

START-UP OF NEW COUNTRIES

The SGP also received the mandate in fiscal year 2008 to rapidly expand to an additional 23 new participating countries within GEF-4. Start-up missions were organized by the SGP with the UNDP country offices for face-to-face meetings with government officials, NGOs and indigenous peoples' leaders, donors, academia, and the private sector. At the end of fiscal year 2008, 12 of these countries were operationally started up.

ALIGNMENT WITH THE GEF RAF POLICY

During fiscal year 2008, part of SGP funding depended on the commitment of RAF funds by countries with individual RAF allocations. The SGP undertook intensive communications and coordination with governments as well as with the GEF agencies on RAF country allocations. In certain countries, the SGP was instrumental in informing governments about RAF processes and policies and helped to communicate on many RAF-related issues. RAF fund endorsements were secured by 46 SGP country programs from their governments in the amount of \$18,312,500 for the first half of GEF-4, a good measure of the strong support by governments and country stakeholders for the program.

SGP PROJECTS IN GEF FOCAL AREAS

Biodiversity. Biodiversity projects represent the SGP's largest portfolio. Given that important biodiversity areas are and could be under the effective management of indigenous peoples and local communities, the SGP initiated its work to support appropriate recognition for Indigenous and Community Conserved Areas, natural sacred sites, and ancestral domains. A total of 323



community-based projects strengthening the management of protected areas and community-conserved areas were supported by the SGP for fiscal year 2008, for a cumulative total of more than 1,500 projects implemented by indigenous peoples since the SGP's inception. Initiatives to consolidate these efforts to promote Indigenous Community Conserved Areas were also started with the aim to bring together a wide range of partners, networks, and organizations. One of these joint ventures is the IUCN Theme on Indigenous and Local Communities, Equity, and Protected Areas (TILCEPA) and the UNEP World Conservation Monitoring Centre (WCMC) project, which will eventually provide effective management to many more than the globally protected areas currently listed under existing national park systems.

The biodiversity focal area of the SGP also continued its focused work on landscape-level protected area management through the Community Management of Protected Areas for Conservation (COMPACT) approach targeted at World Heritage Sites, with cofinancing from the United Nations Foundation. A key challenge was that many natural World Heritage Sites remained better known internationally than locally. In response, COMPACT successfully developed a collaborative governance approach for six World Heritage Sites: the Belize Barrier Reef, the Mornes Trois Pitons National Park in Dominica, the Mount Kenya ecosystem and watershed, the Sian Ka'an Biosphere Reserve in Mexico, the Puerto Princesa Subterranean River National Park in the Philippines, and Mount Kilimanjaro in Tanzania.

As part of its second phase, two additional sites were added to the COMPACT program: the Djoudj/Djawling transboundary Biosphere Reserve between Senegal and Mauritania, and les forêts sèches de l'Andrefana, a landscape in southwest Madagascar, which is on UNESCO's tentative list as a World Heritage Site. Efforts in 2008 for COMPACT Phase II have, therefore,

centered on contributing to the preparation of a collaborative governance model for the "mosaic" World Heritage nomination, which recognizes Indigenous and Community Conserved Areas within the protected area cluster (SGP Madagascar); and on joint planning and programming between two neighboring countries for maximal transboundary biodiversity impact (SGP Senegal and SGP Mauritania).

Other key milestones for COMPACT in 2008 include the launch of the \$2 million World Heritage Local Ecological Entrepreneurship Program in partnership with Conservation International's Verde Ventures program and Daiwa company, Japan; the enhanced sharing of lessons learned and good practices between the "mature" countries from Phase I with the "new" COMPACT countries; and further policy recognition of community conservation by the UNESCO World Heritage Committee in 2007–08.

Climate change. The SGP in the climate change focal area continues to be strong in community-based, mitigation-related work. In recognition of the fact that poor and vulnerable communities are often the most severely affected by climate change, yet also the most poorly equipped to deal with its impacts, the program also initiated involvement in community-based adaptation work. In partnership with UNDP/GEF and with support from GEF's Strategic Priority for Adaptation (SPA) funds, the SGP took the role as the delivery mechanism for the Community-Based Adaptation (CBA) program, a \$5 million pilot effort to help promote adaptation at the community level and disseminate best practices worldwide. The participation of nine pilot countries, representing ecosystem types such as highlands, lowlands, arid, and seaside topographies, began during the period with project and grants-delivery support from SGP country programs in Bolivia, Guatemala, Jamaica, Kazakhstan, Morocco, Namibia, Niger, Samoa, and Vietnam.

The GEF Small Grants Program (SGP) supported 1,191 community-based projects. This achievement helped the SGP top the threshold of more than 10,000 projects supported since its inception in 1992, with more than 8,000 completed in 107 participating countries.

International waters. In the international waters focal area, the SGP complements GEF's large strategic transboundary efforts by enriching on-the-ground, community-based activities. Following this approach, 60 SGP country programs initiated actions to support the implementation of GEF international waters Strategic Action Programmes for specific waterbodies. The SGP also worked with the GEF's ongoing full-sized projects in the Large Marine Ecosystems of East Asia as well as the Nile and Niger River Basins. The SGP implemented the micro-grant component for the Nile Transboundary Environmental Action Project, which so far has benefited more than 190 communities in the Nile River Basin countries. An NGO forum was also established and a regional local government network for building partnership was convened in November 2007 with the UNEP/GEF South China Seas project.

Land degradation and persistent organic pollutants. While projects in the land degradation and persistent organic pollutants (POPs) focal areas constitute the smallest part of SGP's project portfolio, they nonetheless provide important models for replication and scaling up. A land degradation focal area project by SGP Nepal, for example, received the Ryutaro Hashimoto APFED Award 2008 for its outstanding work stabilizing landslide- and erosion-prone sloping lands through a combination of agroforestry, agro-livestock technology, and micro-irrigation systems. In partnership with the International POPs Elimination Network, the SGP reviewed the POPs portfolio, collected some good cases, and established an interactive online training module to disseminate the program's project examples and lessons learned to raise awareness of POPs and promote action worldwide.

SGP AWARDS

In this reporting period, SGP projects received 15 prestigious national and global awards. Two of these awards were for biodiversity conservation in marine ecosystems (Iran, Micronesia) and two in mangrove and wetlands conservation (Iran, Senegal). Awards were received for agrobiodiversity conservation by projects of SGP Peru and SGP Sri Lanka, while projects by SGP Namibia and SGP Sri Lanka received awards for biodiversity conservation through ecotourism. An award for terrestrial biodiversity conservation was given to a project of SGP Kazakhstan. For climate change-related work, projects by SGP Cuba, SGP India, and SGP Chile received awards. Other awards were for preventing land degradation (SGP Nepal), provision of water for energy and energy for water (SGP Tanzania), and for women's empowerment (SGP Cameroon).

SGP IN WOMEN'S EMPOWERMENT

Gender mainstreaming and women's empowerment are important cross-cutting concerns addressed by the SGP. In a survey of 66 SGP country programs covering 1,095 projects with a total amount of \$37,574,725 of funding, 15.5 percent were women-only projects and 71.5 percent integrated gender mainstreaming, benefiting both men and women and promoting gender equality.

To further strengthen the work of the SGP on women's empowerment, activities under a Women's Empowerment Program for the Global Environment were initiated in partnership with the Huairou Commission. SGP experience was shared in publications such as "Mainstreaming Gender at the GEF" and in international meetings such as "The First Asian Grassroots Women's Academy on Resilience" in the Philippines. Contacts were also renewed with the Global Fund for Women and the UNDP/Japan Women in Development Fund.





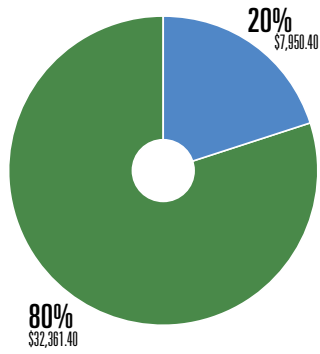
THE GEF PORTFOLIO GEF FOCAL AREAS

During the reporting period July 1, 2007, through June 30, 2008, the GEF financed 185 projects for a total of \$4.05 billion, investing \$634 million in GEF resources and mobilizing an additional \$3.416 billion in cofinancing from development partners. Out of these 185 projects, biodiversity accounts for 59 projects, climate change for 33, POPs for 23, international waters for 22, land degradation for 10, and ozone depletion for 1. Approval was given to 37 multi-focal area projects, which take advantage of particular strengths within each focal area, and are aimed at creating the best synergies possible by combining two or more focal areas.

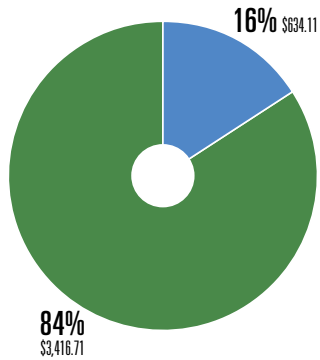
THE GEF PORTFOLIO ALLOCATIONS AND COFINANCING

All amounts in millions of dollars. Totals may not equal 100% due to rounding.

THE LEVERAGING EFFECT OF GEF SUPPORT

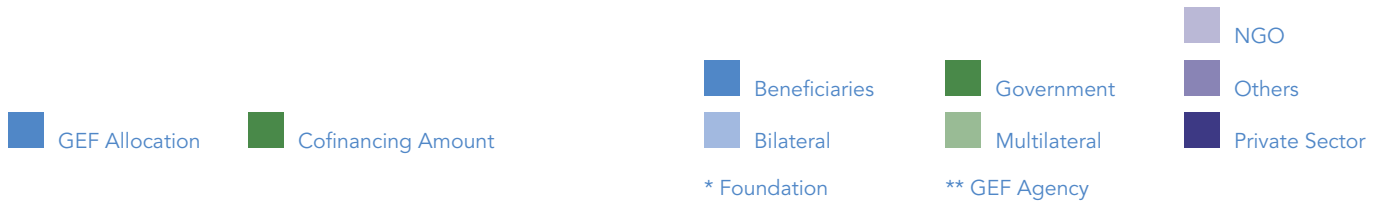
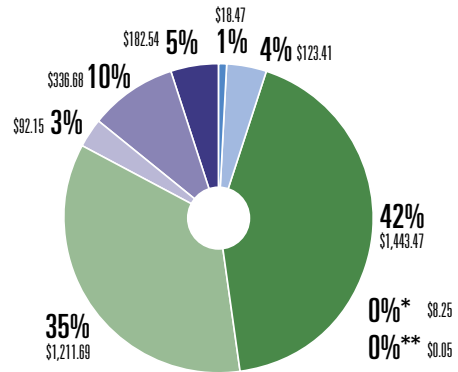
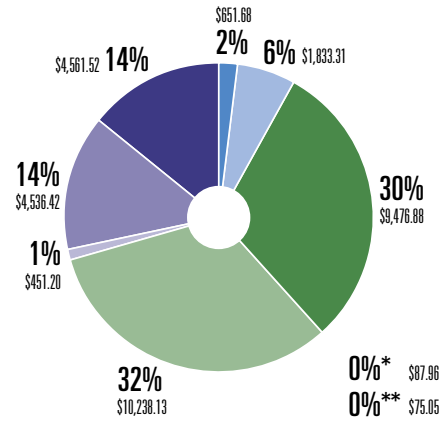


1991-2008



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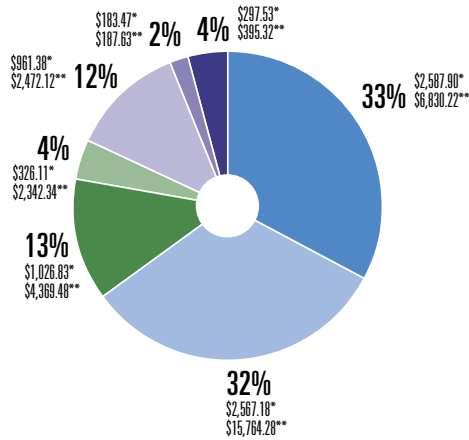
SOURCES OF GEF COFINANCING



THE GEF PORTFOLIO FOCAL AREAS AND REGIONS

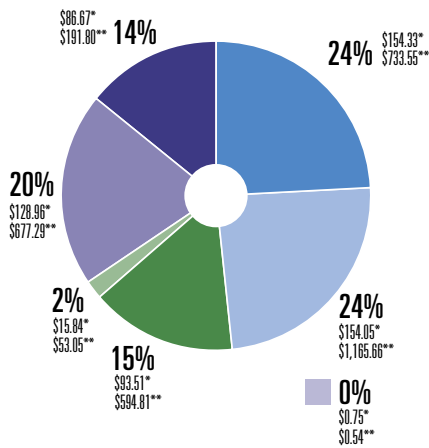
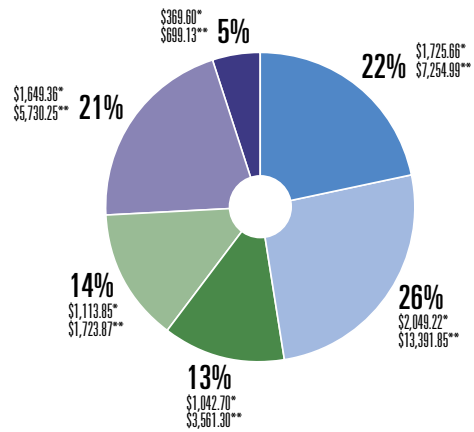
All amounts in millions of dollars. Totals may not equal 100% due to rounding.

TOTAL GEF ALLOCATION BY FOCAL AREA

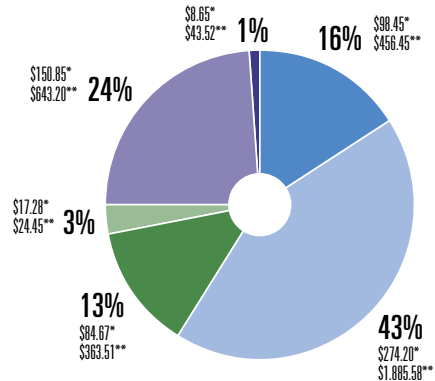


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TOTAL GEF ALLOCATION BY REGION INCLUDING GLOBAL AND REGIONAL PROJECTS



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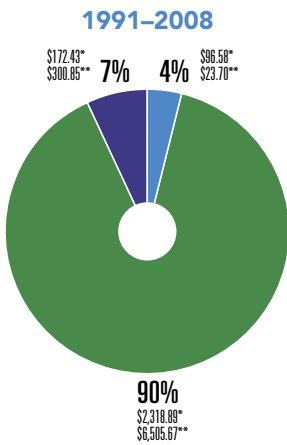
- Biodiversity
 - Climate Change
 - International Waters
 - Land Degradation
 - Multi-Focal Area
 - Ozone-Depleting Substances
 - POPs
- *GEF Amount **Cofinance Amount

- Africa
 - Asia
 - Europe and Central Asia
 - Global
 - Latin American and Caribbean
 - Regional
- *GEF Amount **Cofinance Amount

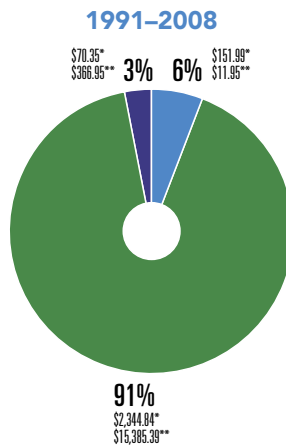
THE GEF PORTFOLIO PROJECT TYPES

All amounts in millions of dollars. Totals may not equal 100% due to rounding.

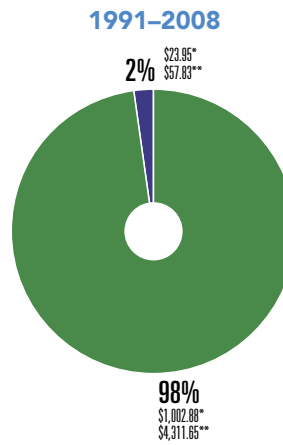
GEF ALLOCATIONS BIODIVERSITY



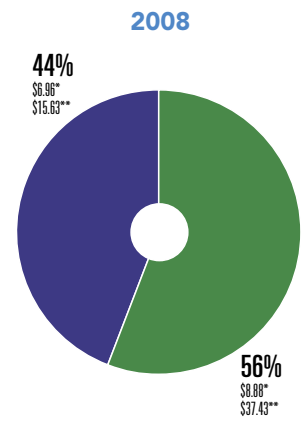
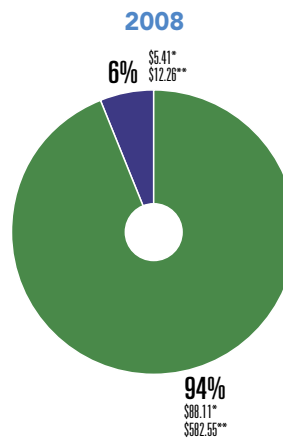
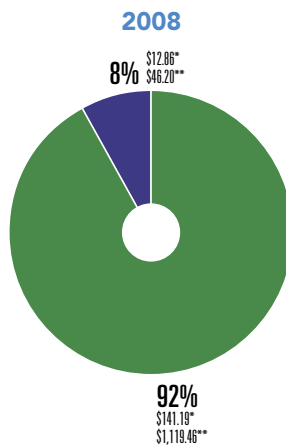
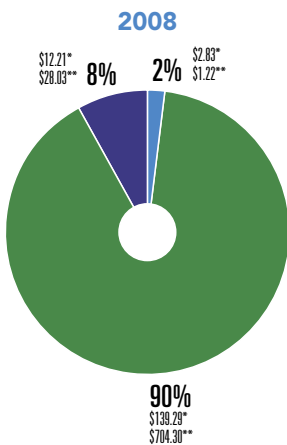
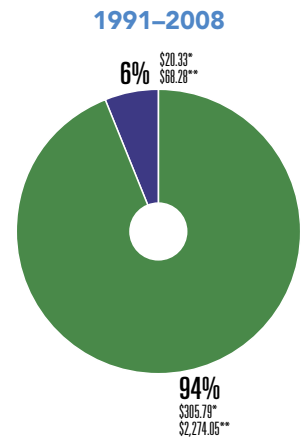
GEF ALLOCATIONS CLIMATE CHANGE



GEF ALLOCATIONS INTERNATIONAL WATERS



GEF ALLOCATIONS LAND DEGRADATION



■ Enabling Activities
 ■ Full-Sized Projects
 ■ Medium-Sized Projects

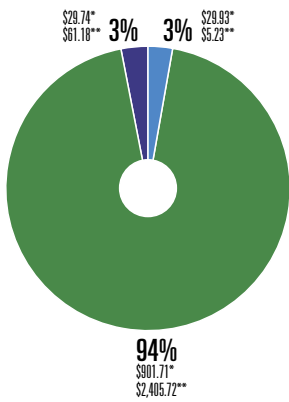
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**GEF ALLOCATIONS
MULTIFOCAL AREA**

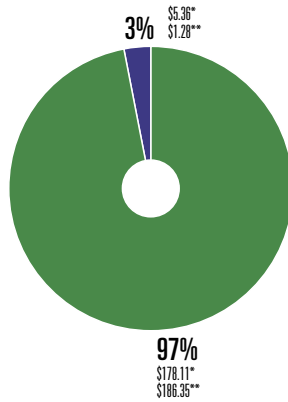
**GEF ALLOCATIONS
OZONE DEPLETION**

**GEF ALLOCATIONS
POPS**

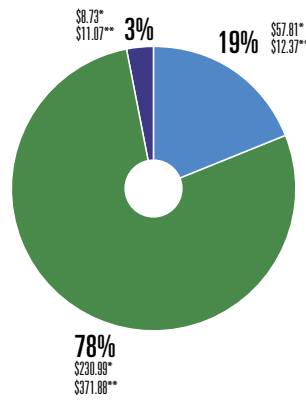
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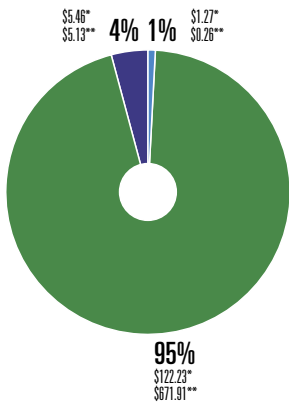
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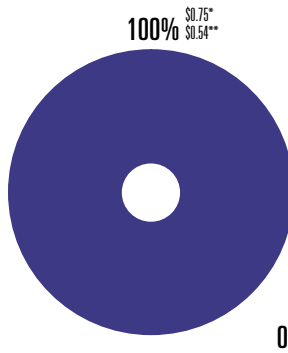
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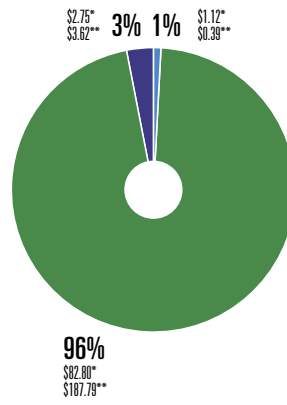
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FOCAL AREA: CLIMATE CHANGE

Between July 1, 2007, and June 30, 2008, the GEF Council approved 33 new efforts in the climate change focal area. The total GEF allocation in the focal area during the reporting period was approximately \$154 million, significantly supplemented by an additional \$1.165 billion generated in cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, NGOs, and the private sector.

Adaptation Cluster. Through the implementation of climate change adaptation strategies, the focal area is helping the most vulnerable developing countries adapt to the adverse impacts of climate change. The GEF has a mandate under the UNFCCC to finance tangible adaptation projects on the ground. Adaptation projects are supported through specifically targeted funds, unlike the mitigation side and the other five GEF focal areas. During the reporting period, the GEF managed three sources of financing related to adaptation strategies: (i) the Strategic Priority on Adaptation (SPA), a pilot program under the GEF Trust Fund; (ii) the Least Developed Countries Fund (LDCF), a UNFCCC fund addressing the special needs of 48 least-developed countries; and (iii) the adaptation window under the Special Climate Change Fund (SCCF), also a UNFCCC fund, which assists all developing countries to address their vulnerability to climate change. At the 13th session of the Conference of the Parties to the UNFCCC, the GEF was also requested to provide secretariat services to the Adaptation Fund (AF) on an interim basis. The AF will be funded through 2 percent of the proceeds of the Clean Development Mechanism projects under the Kyoto Protocol, and is expected to become operational in 2009.

Strategic Priority on Adaptation. The Strategic Priority on Adaptation (SPA) was a groundbreaking initiative, not only within the GEF context, but also worldwide, because until its formation, multilateral and bilateral organizations had mainly focused on research, assessments, and screening tools, rather than on-the-ground adaptation action. Through this program, the GEF has financed the first concrete adaptation projects, implementing measures for the specific purpose of reducing vulnerability and increasing the adaptive capacity of vulnerable communities and the ecosystems on which their lives depend. The following examples illustrate the types of adaptation projects that the GEF has financed through the SPA.

Community-Based Adaptation Project: Helping villagers to define and implement local responses to climate change impacts in their communities (Bangladesh, Bolivia, Guatemala, Jamaica, Kazakhstan, Morocco, Namibia, Niger, Samoa, and Vietnam)

It is increasingly recognized that small communities are likely to be the most severely affected by climate change impacts and yet are the least equipped to cope and adapt. This pilot project is designed to implement community-based projects that seek to enhance the resilience of communities, and the ecosystems on which they rely, to climate change impacts. It will create small-scale “project-policy laboratories” and generate knowledge about how to achieve adaptation at the local level. Lessons learned from these community projects will then be leveraged to promote replication of successful community practices, and to integrate those lessons into policies that encourage increased community adaptive capacity.

Between 8 and 20 small-scale projects will be funded through the Community-Based Adaptation (CBA) project in each of the 10 participating countries. Because the approach is fundamentally bottom up, the funded projects cover a wide spectrum of activities related to climate change adaptation at the junction between biodiversity, land degradation, water resources, and human development, and cannot be described generically. Projects are ultimately defined by specific community needs and priorities, and are developed and implemented directly by community-based organizations.

As an example, the village of Fasitootai in Samoa has experienced rapidly accelerating coastal erosion in recent years, destroying the rich local mangroves (where villagers harvest mud crabs and fish for food), threatening key infrastructure (such as the village school, which is now located only a few meters away from a steep and

advancing coastal cliff), and causing fresh water pools (which provide the main source of drinking and bathing water to the village) to be polluted with sea water. Villagers have clearly identified the source of these recent problems as climate change. Most notably, they have experienced increases in sea levels at high tide; changes in wind patterns; and increased frequency of storm surges, cyclonic activity, and high-intensity rainfall—all of which have aggravated coastal erosion. Through the Samoan part of the CBA program, the villagers of Fasitootai are now receiving funding for a community project to address the impacts of climate change on their coastal resources. The CBA project will assist the village to implement the first steps toward more climate-resilient coastal resources and livelihoods, including (i) developing and implementing a climate-resilient natural resources management plan for the village; (ii) upgrading the existing offshore seawall to better mitigate high-energy wave impacts during storm surges and high tides; (iii) protecting coastal springs from sea water intrusion; and (iv) building mangrove resilience through targeted and climate-resilient mangrove replanting in strategic areas.

Tajikistan: Protecting naturally climate-resilient crop varieties in one of the centers of origin for cultivated plants worldwide

Tajikistan is a major storehouse of globally important agrobiodiversity and is one of the basic centers of origin for cultivated plants worldwide. Presently, 1,880 varieties of global significance are cultivated in Tajikistan for food, forage, technical and medical uses, and decorative purposes. Biodiversity in Tajikistan's agro-ecosystems is significant; nearly 50 percent of cultivated crops are local varieties, including many common cereal and fruit crops. The richness of the agro-ecosystems is complemented by a large concentration of wild relatives of agricultural plants in Tajikistan's mountain ecosystems (barley, almonds, pomegranates, grapes, apples, pears, cherries, and plums). Many of the locally adapted varieties and the wild

relatives in Tajikistan are known to have natural resistance to diseases, harsh climates, and pests, and thus constitute a valuable source of genetic material that may be of great importance for future germplasm enhancement programs around the world. Tajikistan's agricultural biodiversity is therefore not only important to the livelihoods of rural communities, to the local economy, and to local long-term food security in the country, but also to global food security, particularly in light of the global challenges of climate change. These unique agricultural and natural ecosystems in Tajikistan now face numerous threats, including conversion of previously marginal land to agriculture (leading to rapid land degradation), overharvesting of wild species, habitat destruction from overgrazing, and conversion of traditional land-use practices (based on locally adapted crop species) to a modern system dominated by alien species and heavy application of agrochemicals and water. On top of these serious hazards, climate change is now threatening to further exacerbate the stresses faced by these unique agro-ecosystems. Key climate change-related threats include an increasingly arid and warm climate and dwindling water resources in the summer caused by rapid glacial decline in the neighboring high mountains.

Through SPA and biodiversity funding, this project will address both baseline and climate change threats to Tajikistan's agrobiodiversity. The project will provide farmers and local authorities with the knowledge and skills necessary to address climate change and protect important agrobiodiversity. Farm-based adaptation practices will be piloted, including the demonstration of techniques for water harvesting, soil conservation, and flood protection; reintroduction of stress-resistant local varieties; improved cutting practices in forestry; and the like. Also, a seed insurance scheme will be tested in selected communities to promote to farmers the advantages of agrobiodiversity in relation to climate change.

Least Developed Countries Fund. The GEF has mobilized more than \$180 million for the Least Developed Countries Fund (LDCF). This fund applies a streamlined procedure—including principles, modalities, and criteria to access the funds—that meets the needs of the LDCs. The results speak for themselves. Although these countries are some of the poorest in the world, and the least capable of adapting to the adverse impacts of climate change, 39 have developed and submitted their National Adaptation Plans of Action (NAPAs) and 28 have submitted concrete adaptation projects to the GEF under the LDCF. The LDCs have made impressive progress toward reducing their vulnerability to climate change. They are now positioned to provide examples of adaptation experience and lessons learned to other countries around the world.

Niger: Improving the efficiency of dwindling water resources at the edge of the Sahara Desert

The Sahelian eco- and agricultural systems are sensitive to even small changes in climate and climate variability. Rainfall patterns are extremely erratic, and can cause floods one year and drought the next. The projected increase in temperature (leading to increased evapotranspiration) and decrease in rainfall will thus further increase climate vulnerability in a society already heavily dependent on rainfed agriculture and pastoralism for survival. The adaptive capacity of Nigerien farmers and pastoralists to deal with such challenges is at best marginal, and nonclimate-driven problems, such as maladaptive farming practices (for example, overstocking with livestock and plowing of erodible soils), low market access because of poor or nonexistent roads, and rapidly increasing rural populations—leading to expansion of agriculture into previously marginal areas—further exacerbate the situation. Existing problems of periodic food shortages, unsuitable agricultural practices, and recurrent water shortages will undoubtedly only increase

unless climate-resilience strategies are integrated into development efforts in Niger.

Based on top priorities identified in the Nigerien National Action Plan on Adaptation (NAPA), this LDCF project will increase the resilience of food production systems and food-insecure rural communities faced with the impacts of climate change. A wide spectrum of new adaptation initiatives will be implemented in selected pilot communities. Innovative water harvesting measures are being tested for increasing crop productivity and thereby increasing resilience to climate change, for example, the “Zai” technique, which entails digging holes (0.5 meter diameter) at intervals of 1 to 2 meters, and filling these holes with a mixture of compost, manure, and topsoil. Rainwater runs off the bare soil surface between the holes and ultimately drains into the holes. In this way, each Zai hole becomes a biological hotspot, with greater soil-water and nutrient content than the surrounding soil. Crops (for example, millet, sorghum, and maize) are sown in the Zai holes and their productivity is greatly increased relative to plants sown outside of the holes.

A primary goal of the project is the dissemination and testing of more drought-resilient varieties of traditional crops such as millet, sorghum, and maize. The barriers to widespread use of such crop varieties include technical capacity and financial constraints. Seeds need to be bought, and rural poor farmers cannot afford them. The project will be instrumental in establishing mechanisms for the sustainable diffusion of drought-adapted crop varieties to vulnerable communities. Food bank facilitation is another activity that will increase local food security. Food shortages often occur for a brief period at the end of the dry season in rural communities, a phenomenon that is likely to increase with climate change. Food banks are one method of supplying food during critical periods. This activity is sustainable, because once the food bank

is established, a self-sustaining business is generated, whereby food is bought at a discounted rate from the government, stored in the bank, and then sold to the rural communities. A final measure to counter the threat of climate change–induced impacts on crop productivity is improved water management practices. The Niger River is currently underutilized as a source of irrigation water for several reasons. First, rainfall patterns have been predictable, so reliance on more expensive alternative sources of water has not been a priority. Second, utilization of surface water resources through irrigation has been constrained because of a shortage of funds. At present, only 10 percent of the 270,000 hectares of land suitable for irrigation has been developed in Niger.

A second goal of the project focuses on increasing the institutional capacity of the agricultural sector, especially providing information and extension services to farmers. Among other activities, seasonal weather forecasts are distributed and local advice about the design of water and crop management strategies is provided. The project also supports the incorporation of adaptation to climate change issues into provincial and local development and risk management plans.

Democratic Republic of Congo: Helping farmers adapt food production to a shortened rainy season

Climate change is projected to have highly variable impacts in different regions of the large and geographically diverse Democratic Republic of Congo (DRC). Although temperatures in general are expected to increase, annual rainfall will increase in some central regions around the equator, while other regions (for example, the tropical savannah region in the south of the country, where more than 70 percent of the population lives) will experience more frequent and longer-lasting seasonal droughts and shortening of the rainy season. As rainwater availability drops in these regions, harvests will be threatened and



The Special Climate Change Fund (SCCF), a special fund established by the UNFCCC, addresses the special needs of developing countries under the climate regime.

populations rendered vulnerable, both in cities and the countryside. The consequences of climatic changes and variability, through yield changes, have already been felt in some of the agro-ecological zones of the DRC. For example, the end of the 2005–06 rainy season saw many farmers from the city of Moanda, in the Bas Congo province, harvesting barely a basket of maize as rainfall became rarer in the region.

Considering the above impacts on Congolese agriculture, a number of urgent adaptation measures to secure food crop production have been identified in the country's NAPA. Two categories of NAPA priorities will be implemented by this LDCF project: first, the project will improve the capacity for meteorological monitoring and forecasting at the national and subnational levels, which in turn improves the foundation for anticipative planning for climate change. Some of the key outcomes from this category of activities are (i) the provision of updated vulnerability and risk maps and impact maps for use in local and regional planning; (ii) the improvement of seasonal forecasts and agrometeorological bulletins for agricultural services; and (iii) the establishment of an agrohydrometeorological assistance system, which enables the development of dynamic agricultural calendars and calendars to project dates marking the beginning and end of the rainy season. Second, pilot interventions are implemented at the local level (farmers, communities, and agricultural extension services) to ensure improved reactivity and resilience to climate change–induced pressures in the agricultural sector, and to facilitate learning that can later be scaled up to the national level. Some of the key adaptation measures to be piloted under this category include (i) diffusion of climate-tolerant varieties of maize, cassava, and rice; (ii) selected farming techniques and climate-resilient soil, water, and crop management techniques; and (iii) updating of crop calendars and technological packets available to farmers for better coping with climate variability.

Sudan: Helping small-scale farmers and pastoralists maintain national food security in the face of a drying climate

In Sudan, agriculture (including livestock production) provides the primary means of livelihood for more than 80 percent of the population, accounts for almost all of the domestic supply of staple foods (sorghum, millet, and animal production), is responsible for more than 70 percent of the national energy consumption (in the form of fuelwood and other biomass sources), and is overwhelmingly (roughly 90 percent) dependent on rainfed agricultural practices. With projected increases in average temperatures and increasing rainfall variability (particularly during the rainy season), the Sudanese population is extremely vulnerable to the impacts of climate change on the agricultural sector. Agroclimatic zones will shift southward, rendering small-scale farmers and pastoralists living in many parts of the country increasingly unable to sustain current production levels of sorghum, millet, and fodder for livestock. The potential impact of these changes on national food security could be severe, especially for rural livelihoods of small-scale farmers and pastoralists.

The major objective of the first Sudanese NAPA implementation project under the LDCF is therefore to implement an urgent set of measures that will minimize the effects of climate change on national food security through enhancing the adaptive capacity of small-scale farmers and pastoralists. In meeting this objective, the LDCF project will implement key adaptation activities across three key areas identified in the NAPA as urgent and immediate priorities and that are intimately linked to food security: (i) water resource management, (ii) rain-fed agricultural production, and (iii) rangeland productivity. The priority adaptation measures that have emerged from the NAPA consultation for improving food security in the face of climate change include

improved water harvesting techniques, heat-resistant plant varieties, new commercial crops, improved small-scale irrigation techniques, wind barriers, intensification of tree planting along irrigation channels, and rehabilitation of vegetation cover and communal rangelands for enhancing livestock resilience.

Special Climate Change Fund. The Special Climate Change Fund (SCCF), a special fund established by the UNFCCC, addresses the special needs of developing countries under the climate regime. The fund includes four avenues of financing: (i) adaptation, which is the top priority; (ii) technology transfer; (iii) energy, transport, industry, agriculture, forestry, and waste management; and (iv) economic diversification. The resources mobilized for adaptation under the SCCF now amount to about \$110 million.

Pacific Islands Adaptation to Climate Change Project (PACC): A cooperative cross-sectoral approach to adaptation in the Pacific region (Cook Islands, Federated States of Micronesia, Fiji, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu)

Pacific Island States are among the most vulnerable countries in the world to the negative effects of climate change. The potential magnitude of the problem threatens the very existence of some Pacific Island States, as well as the achievement of sustainable development and the Millennium Development Goals. Key impacts include destruction of coastal resources and infrastructure (roads, for instance) caused by sea level rise, storm surges, and the increased frequency of tropical cyclones; diminishing fresh water resources resulting from reduced rainfall and sea water intrusion into aquifers; and reduced agricultural yields because of lower and more variable rainfall patterns leading to more occurrences of both drought and flooding. However,



vulnerabilities and risks associated with climate change are not currently being addressed in any systematic way in the region. Only very few demonstrations of direct adaptation activities in key development sectors have been implemented; as a consequence, there is little to replicate and scale up at the national and regional levels.

The PACC project will remedy this lack of practical experience of adaptation in the Pacific region, and will thus provide the foundation for effective and efficient future investment in climate change adaptation in the Pacific. Because many of the countries in the region face similar issues related to climate change, the project is based on a regional cooperative model in which each of the participating countries focuses on one specific approach to adaptation in one of three key development sectors targeted by the project. The three sectors are coastal management (the Cook Islands, the Federated States of Micronesia, Samoa, Vanuatu), food production and food security (Fiji, Palau, Papua New Guinea, the Solomon Islands), and water (the Marshall Islands, Nauru, Niue, Tonga, Tuvalu). Lessons learned from the individual country pilots will subsequently be captured and disseminated across the region along with more overarching capacity-building activities both nationally and regionally.

The project in Vanuatu, for example, will demonstrate how climate change risks can be taken into consideration when redesigning and relocating local roads. In the Solomon Islands, the project will focus on climate resilience of subsistence food production systems on small, isolated islands. In Nauru, the project will focus on providing alternative water resources and water storage facilities for a raised atoll island. The collective effect of these national pilots will be a comprehensive, cross-cutting set of regionally relevant adaptation pilot experiences.

Mongolia: Managing risks on the steppes, helping Mongolian livestock herders cope with climate change impacts

Livestock herding is the traditional livelihood activity in Mongolia, and contributes about 90 percent of Mongolia's agricultural GDP. Livestock and the nomadic lifestyle are also deeply ingrained in the Mongolian culture, and, until recently, the majority of Mongolian herders lived nomadic lives, traveling with their herds across the vast grass-covered steppes. However, with post-Soviet modernization and the transition to a free market economy, many herders have abandoned their traditional nomadic lives and settled into a more sedentary livestock pattern. The result has been overgrazing and degradation of pastures, permanent occupation of reserve pastures and areas close to water supplies, and destruction of the overall ecological balance upon which herding in Mongolia has relied for centuries. On top of these serious problems, Mongolian farmers are now faced with the impacts of climate change; the primary issue is projected to be decreasing water availability and desertification caused by decreasing rainfall and lower melt-water volumes from mountain glaciers.

Building on existing efforts to improve pasture and livestock management, counter land degradation, and achieve more sustainable livelihoods across rural Mongolia, this SCCF project will add measures to help vulnerable herders adapt to the additional risk of climate change. These measures will include (i) climate-resilient restoration of degraded pastures in selected sites to pilot and demonstrate the techniques and potential benefits to herders (for example, weed control and increased vegetation cover with drought-resistant varieties of perennials); (ii) reintroduction of traditional pasture management techniques and modification of the grazing schedule; (iii) innovative water harvesting

techniques built on solar power; (iv) updated natural resources maps adjusted for projected climate change impacts; (v) climate change training and awareness raising through existing local Rangeland Monitoring and Management Committees; (vi) introduction of an index-based weather insurance product, to complement other insurance products issued in the country, responding more specifically to the need for addressing climate change risks.

Mitigation Cluster. The GEF climate change mitigation projects aim to reduce or avoid greenhouse gas emissions and concentrate on the areas of renewable energy, energy efficiency, and sustainable transport.

China Energy Conservation Project

The China Energy Conservation Project's objectives were to achieve large, sustained, and growing increases in energy efficiency and associated reductions in growth of carbon dioxide (CO²) emissions and other pollutants by introducing, demonstrating, and disseminating new project financing concepts and market-oriented institutions to promote and implement energy efficiency measures in China; and to develop a more efficient national energy conservation information dissemination program. The project works with locally established energy management companies to provide extra financing for particularly attractive energy efficiency projects. The project resulted in energy savings of 5.92 million tons of oil equivalent and reduced emissions by 5.06 million tons of carbon (18.5 tons of CO² equivalent) through the project period. With regard to transforming the market, 63 firms are undertaking 419 energy performance contracting investments, signifying the beginning of a significant ESCO-type industry in China. GEF funding was used not only to leverage about eight times the GEF's contribution in financing, but also to create a sustainable basis for an ESCO industry.

Promotion of ESCO services in India

The project will promote ESCO services in India, funded by a GEF grant of \$5 million, focused on catalyzing an energy efficiency industry in India by addressing market development barriers and helping to develop entrepreneurial initiatives, including the formation of ESCOs. The project strengthened the national energy efficiency program by providing capital for energy efficiency services, equipment, and devices, and promoting business arrangements that lead to reduced transaction costs and risks. Specifically, the project helped overcome some of the barriers to investment in energy efficiency by (i) improving domestic capacity to promote and implement private sector initiatives in energy efficiency; (ii) mitigating the costs and risks of developing and investing in smaller projects; (iii) disseminating information on best practices in implementing energy efficiency services, technologies, and cost-recovery mechanisms; and (iv) providing medium-term loan and lease facilities. More than 25 ESCOs were in operation at the close of the project, up from between 4 and 8 when the project began. The volume of investment in energy efficiency leveraged by the project rose to \$16.93 million against a target of \$20 million. The energy efficiency investments directly resulting from the energy services promoted by the projects are estimated to result in a reduction of more than 9.43 million tonnes of CO² over their lifetimes.

Promoting Small Hydro in Armenia

The Armenia Renewable Energy Project employs \$3.5 million of World Bank funding and about \$3 million of GEF funding. It seeks to stimulate the market for small hydroelectric projects in Armenia by (i) improving the legal and regulatory framework to allow renewable energy to move ahead, and strengthening the capacity of the involved state agencies; (ii) providing support to facilitate

renewable energy investments; and (iii) implementing a long-term strategy for the mobilization of additional financing for developing renewable energy. The project will install 134 megawatts (MW) of renewable energy capacity with an annual generation of 270 megawatt-hours, and almost 175 thousand tonnes of CO² have been avoided.

Harvesting Geothermal Energy in East Africa

The Joint Geophysical Imaging Project in Kenya, funded by the GEF and involving UNEP and the Kenyan power company KenGen, used techniques known as Micro Seismic and Magneto Telluric surveys and studies for identifying promising new drilling sites. The main challenge to geothermal energy expansion in Kenya and elsewhere along the Rift Valley is the risk associated with drilling and the high costs if steam and heat sources are missed. The nearly \$1 million Joint Geophysical Imaging Project aimed to overcome these risks. The project's testing of advanced seismic and drilling techniques in Kenya are complete and they exceeded all expectations. Wells of steam, able to generate 4–5 MW of electricity and one yielding a bumper amount of 8 MW, were hit using the new technology. As a result of the project, the number of wells likely to be needed to achieve 70 MW could be 15 instead of the more than 30 using the previous technology. This could save as much as \$5 million for each well drilled, meaning savings of as much as \$75 million for the developer of a 70 MW installation as well as reduced electricity costs for generators and consumers. These results pave the way for an international effort in 2009 to expand geothermal efforts up and down the Rift, which runs from Mozambique in the south to Djibouti in the north. The work in the Rift Valley is demonstrating that geothermal is not only technologically viable but cost effective for countries in Africa, where the overall potential is at least 7,000 MW.

BACKGROUND ON CLIMATE CHANGE

Renewable Electrification of the Galapagos Islands

The Renewable Electrification of the Galapagos Islands Project aims at supporting sustainable development in Ecuador by reducing energy-related CO² emissions through the introduction of photovoltaic and wind energy as substitutes for fossil fuel (mainly diesel) used in electricity generation, specifically for the Galapagos Archipelago. In addition, the project will substantially decrease the volume of diesel annually shipped to the islands, thereby decreasing the environmental threat of an oil spill that can cause great damage to the biodiversity found in and around the coastal ecosystem of the islands. The project develops local capacity to identify technical and financing options and to formulate the regulatory, institutional, and financial instruments necessary to demonstrate the technical, economic, and financial viability to generate electricity using renewable energy to feed into large grids. The project facilitates investment of at least \$30 million in wind farms and photovoltaic plants, with a total capacity of at least 6.6 MW, thus avoiding emissions of 10,500 tons of CO² annually.

The temperatures and weather patterns of our planet have been changing dramatically over the past few decades, and these changes are detrimentally impacting traditional animal habitats as well as vulnerable human communities, causing farmlands to flood, water sources to evaporate, hunting grounds to disappear, and crops to atrophy. Implicated in climate change is the combustion of fossil fuels, which have added significant amounts of carbon dioxide and other greenhouse gases to the atmosphere, contributing to rising temperatures and affecting long-standing patterns of rainfall and other weather phenomena. Through the climate change focal area, the GEF is helping in two distinct but complementary ways: Through climate change mitigation strategies, the focal area supports projects that reduce or avoid greenhouse gas emissions in the areas of renewable energy, energy efficiency, and sustainable transportation. It is also working to improve land use and forestry management as a means to protect carbon stocks and reduce greenhouse gas emissions.

Through climate change adaptation strategies, the focal area is helping the most vulnerable countries adapt to environments already affected by climate change. Unlike the mitigation side and the other five GEF focal areas, adaptation projects are supported through specifically targeted funds. In the period, the GEF managed three sources of financing related to adaptation strategies: 1) the Strategic Priority on Adaptation (SPA), a pilot program under the GEF Trust Fund; 2) the Least Developed Countries Fund (LDCF), a UNFCCC Convention fund addressing the special needs of these 48 countries; and 3) the adaptation window under the Special Climate Change Fund (SCCF), also a UNFCCC Convention fund, which assists all developing countries.

Since its inception, the climate change focal area has generated \$18.31 billion in assistance, consisting of \$2.57 billion in GEF investment and \$15.76 billion in cofinancing from GEF partners worldwide.







FOCAL AREA: BIODIVERSITY

Between July 1, 2007, and June 30, 2008, the GEF Council approved 59 new projects in the area of biological diversity and biosafety, including two enabling activities. The GEF grants approved in this area during the reporting period totaled approximately \$154 million, significantly supplemented by an additional \$734 million generated in cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, and the private sector.

Biodiversity is defined as “the variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species, and of ecosystems.”¹ As such, biodiversity is life itself, but it also supports all life on the planet, and its functions are responsible for maintaining the ecosystem processes that provide food, water, and materials to human societies.

Biodiversity is under heavy threat and its loss is considered one of the most critical challenges to humankind. Current rates of extinction exceed rates in the fossil record by a factor of up to 1,000 times. The Millennium Ecosystem Assessment identified the most important direct drivers of biodiversity loss and degradation of ecosystem goods and services as habitat change, climate change, invasive alien species, overexploitation, and pollution. These drivers are influenced by a series of indirect drivers of change including demographics, global economic trends, governance, institutions and legal frameworks, science and technology, and cultural and religious values. The interim report of the global study “The Economics of Ecosystems & Biodiversity” reinforces the conclusion of the Millennium Ecosystem Assessment that most ecosystem services are being degraded or used unsustainably with severe socioeconomic consequences for human societies and for the future of all life on the planet.²

The GEF’s strategy to conserve and sustainably use biodiversity focuses on some of the key direct drivers (habitat change, overexploitation, and invasive alien species) and indirect drivers (policy and regulatory frameworks, institutions, and governance) of biodiversity loss and provides support to the highest leverage opportunities to achieve lasting conservation and sustainable use of biodiversity.

The goal of the GEF’s biodiversity program is the conservation and sustainable use of biodiversity and the maintenance of ecosystem goods and services. To achieve this goal, the GEF strategy encompasses four objectives:

- Improve the sustainability of protected area systems
- Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes, and sectors
- Build capacity to implement the Cartagena Protocol on Biosafety
- Build capacity for access to genetic resources and benefit-sharing.

The three projects highlighted below demonstrate the GEF strategy and the incorporation of the principles of sustainability that underpin the portfolio.

1 Convention on Biological Diversity. 1993. Secretariat of the Convention on Biological Diversity, Montreal, Canada.

2 World Bank and UN University Institute of Advanced Studies. 2005. *Ecosystems and Human Well-Being: Synthesis*. Washington, DC: Island Press.

Strengthening the Protected Area Network (SPAN), Namibia

Ongoing (2005–11)	
GEF grant	\$ 8.550 million
Cofinancing	\$ 33.677 million
Project cost	\$ 42.227 million
Web site	www.span.org.na

Overview. Namibia lies at the heart of the species-rich Namib-Karoo-Kaokoveld Desert, one of the WWF's Global 200 Ecoregions. The country has a high level of endemism and is an evolutionary hub for groups of organisms including melons, succulent plants, solifuges (commonly known as false spiders), geckos, and tortoises. Namibia's conservation efforts have also made the country a stronghold for populations of large animals such as black rhinoceros (almost a third of the world's population) and cheetah.

Namibia has established an impressive system of state-managed protected areas (PAs) as a cornerstone of its conservation program. The system comprises 20 national PAs, covering 13.8 percent of the country's 114,000 km² terrestrial area. There is huge potential for these areas to be woven into a tight, cohesive, and effective network of PAs, providing an effective buffer against threats to biodiversity. However, several barriers hinder the improvement of PA management effectiveness, including a fragmented policy framework, weak institutional capacity, weak human capacity for PA operations, incomplete biogeographic coverage, and the absence of tested mechanisms for public-private-community partnerships.

Project description. The SPAN project was designed to address three broad intervention areas: (i) strengthening systemic capacity, that is, creating an enabling legal and policy environment and financial mechanisms for PA management; (ii) strengthening institutional capacity;

and (iii) demonstrating new methods of PA management. Four field demonstration sites — Bwabwata-Mudumu-Mamili complex (Etosha National Park), Skeleton Coast Link, Ai-Ais, and Sperrgebiet — were selected for this component.

Project results.

- SPAN provided technical and financial support for Namibia's new Parks Bill (2008) and provided technical and financial support to finalizing park management-related policies, including the Policy on Tourism and Wildlife Concession on State Land approved by the Cabinet in June 2007; the Human Wildlife Conflict Management policy approved by the government in December 2007; and the Policy on Parks, Neighbors and Resident People finalized in 2008. The project's studies and economic analysis played a catalytic role to dramatically increase government funding for PAs. As a result, the park management budget increased by over 130 percent within two years and a total of \$7.46 million additional funding was sourced for park management and infrastructure consolidation from the European Union, KfW Bankengruppe, the United States Fish and Wildlife Service, and international NGOs.
- Namibia will soon proclaim the 26,000 km² Sperrgebiet National Park, increasing Namibia's PA coverage to about 17 percent of its territory. Much of the Sperrgebiet is in the Succulent Karoo Biome, one of the world's few arid biodiversity hotspots. Sperrgebiet means "forbidden area" in German and, as a national diamond mining concession area, has been off-limits to the public for many years. The SPAN project helped prepare a solid foundation for the new park, including development of park management, business, and tourism plans and the establishment of a comanagement mechanism with stakeholders such as the mining and fishery sectors.

Integrated Silvopastoral Approaches to Ecosystem Management (Colombia, Costa Rica, and Nicaragua)

GEF grant	\$ 4.5 million
Cofinancing	\$ 3.5 million
Project cost	\$ 8.0 million

The Integrated Silvopastoral Approaches Project aimed to improve ecosystem functioning of degraded pasture lands through the development of more intensive silvopastoral systems that generate global environmental benefits while providing socioeconomic benefits.

Silvopastoral systems were successfully introduced in the three participating countries. The project was successful in demonstrating and measuring the effects of the introduction of payment incentives to farmers for the adoption of integrated silvopastoral farming systems, resulting in 12,262 hectares of improved biodiversity status and enhanced carbon sequestration indexes by the end of implementation (the target was 12,000 hectares). Many other environmental benefits of silvopastoral systems were demonstrated, including improvement of water infiltration, soil retention, and soil productivity; reduction of fossil fuel dependence (for example, substitution of nitrogen-fixing plants for inorganic fertilizer); diversification of farm benefits; scenic beauty enhancement; and land rehabilitation.

Perhaps one of the most innovative outcomes of this project was the establishment of a differentiated payment scheme according to the level of environmental service being provided. It eliminated the inefficiencies of paying a flat fee per hectare for conservation on a farm irrespective of the level of conservation effort applied by the farmer. This scheme allowed farmers to decide “how much” conservation they were willing to undertake.

While a flat fee is easier to manage, it is not as economically efficient. Based on their experience in this project of applying the differentiated silvopastoral payments, Costa Rica is now considering a differentiated scheme of payments for other payment-for-ecosystem-service schemes they are currently implementing.

The ability of the silvopastoral project to effectively integrate biodiversity conservation into cattle ranching was innovative. Farmers increased productivity, reclaimed degraded soils, and increased biodiversity conservation. The increased tree cover enhanced habitat for a wide variety of species and facilitated the genetic flow of species by providing a biodiversity-friendly vegetative corridor. Another important outcome was the use of silvopastoral systems to improve productivity and mitigate greenhouse gases. Carbon was sequestered both in the soil and above ground in the trees that were planted through the project. A resource-monitoring methodology was developed to measure carbon sequestration and biodiversity conservation. Carbon stocks measured in silvopastoral habitats were higher than in degraded lands, and emission of greenhouse gases was found to be lower in silvopastoral habitats.

The project was instrumental in increasing awareness of the potential of integrated ecosystem management for providing critical environmental services, including restoration of degraded pasture. This was achieved through extensive training, capacity building, and dissemination of knowledge generated through the project. Finally, based on the results of this project, Colombia is currently developing a national-level sustainable cattle ranching project that will incorporate lessons learned from the regional pilot project.

Control of Invasive Species in the Galapagos Archipelago, Ecuador

(2001–08)

GEF grant	\$ 18,300,000
Cofinancing	\$ 24,832,000
Project cost	\$ 43,132,000
Partners	Ecuadorian Ministry of the Environment, the Galapagos National Park (Parque Nacional Galápagos), Instituto Nacional Galápagos (INGALA), Servicio Ecuatoriano de Sanidad Agropecuaria, and the Charles Darwin Foundation

Overview. The Galapagos Islands make up one of the world’s most ecologically intact and diverse oceanic archipelagos. As much as 95 percent of the islands’ original species composition remains, compared with extinction rates of over 50 percent in many other oceanic archipelagos. This outcome is attributed largely to the late arrival of humans and the fact that in 1959, 97 percent of the islands’ land area was set aside as a National Park by the government. Nevertheless, the islands face pressures.

The most significant current threat to the islands’ biodiversity stems from the introduction and spread of alien invasive species that outcompete, prey on, or smother native fauna and flora. Many alien invasive species were introduced in the past 30 years, corresponding with the growth of the human population, now estimated at more than 20,000, and visitor numbers (some 120,000 per year). Controlling the spiraling bio-invasion requires mainstreaming invasive species management into the main production sectors—trade, tourism, and agriculture—that drive their introduction and propagation. This measure also protects the nature-based tourism that provides the Galapagos with its principal livelihood (77 percent of income, and 61.3 percent of jobs). Complementary action includes reducing and, where practicable and cost effective,

eradicating populations of key invasive species to make future prevention and control more feasible and sustainable.

Project description. The project consists of working with a number of Galapagos institutions, municipalities, and the general public to prevent the introduction of new invasive species and to control the propagation and growth of existing populations.

Project results.

- The project helped introduce policy and regulatory instruments that provide stricter control over species introductions. A legal requirement is now in place for all arriving organic material cargos, passengers, and luggage to be inspected. A list of restricted or forbidden imports has been approved and manuals detailing 28 inspection procedures have been produced. Regulations for the disinfection of arriving commercial airplanes and some ships have been approved, and are enforced by trained inspectors.
- An invasive species control strategy for the agricultural and livestock sector is in the final stage of approval and a similar proposal for the tourist sector is being advanced. The INGALA Council, the main governing body for regional development planning, approved a Total Control Plan in 2007.
- The project helped strengthen local and national institutions and increased community involvement in further improving inspection and quarantine systems. The quarantine system is now estimated to be 95 percent effective for air transport and 60 percent for marine, compared with 5 percent for both services at the start of the project. About 80 percent of inspectors have been trained and 80 percent of the system is judged to be operating according to international standards. Inter-Institutional Management Committees for Introduced Species have been set up in the three inhabited islands and are fully operational in two. A system to coordinate

regional planning on invasive species control measures between INGALA and the national, regional, and local levels has been created. Public participation now forms an integral part of the fight and includes local regulations for pets, increased awareness of the problem, and pilot community monitoring programs to help early detection.

- Individual and institutional capacity building for eradication and control of existing species has helped bring several key aggressive invasive species under control, including goats, cats, donkeys, feral pigs and dogs, black rats, ants, Rock Pigeons, fire ants, and two species of blackberry. The successful eradication of feral goats on Isabela Island, which makes up half of the archipelago's land mass, was the world's largest program of its type. National capacity has been raised so that the Galapagos National Park Service is able to implement the eradication methods developed by the project without outside assistance and complement its mainstreaming work for prevention of new introductions.
- An endowment fund, the Fund for the Control of Invasive Species in the Galapagos Archipelago, was established to ensure that the recurrent costs of bio-invasion control can be met after GEF funding ends. All the legal instruments to operate the fund are ready and its design and structure underwent external evaluation. The fund has already received \$1 million from the Ecuadorian government and another \$2.19 million through the UNESCO World Heritage Center, with support from the UN Foundation and Conservation International. In March 2008, the Galapagos National Park committed \$1 million and a further commitment is expected from the Ecuadorian government in addition to the GEF contribution of \$5 million.

Georgia: Landrace Revival Saves Agricultural Heritage

Duration	2004–2009
GEF grant	\$ 0.98 million
Co-financing	\$ 1.72 million
Partners	Local Biological Farming Association Elkana; EED and Misereor (Germany), OxfamNovib and Avalon (Netherlands), Swiss Development and Cooperation Agency
Web site	www.elkana.org.ge

Georgia lies on the southeastern boundary of Europe, between the Greater and Lesser Caucasus and the Black Sea, an area defined by Conservation International as one of the world's biological hotspots. The country's agriculture is traced back 7,000 years, when first Georgian tribes began to domesticate basic crops such as wheat, barley, oat, rye, grain, legumes and fruit species. With only 69,700 sq km², Georgia has over 350 local species of grain crops; more than 100 species of seed and stone fruit trees, nuts, and wild berries; and 500 local varieties of grapes.

Before the early 20th century, Georgia had diversified agricultural production. But during the times of the Soviet Union, most family plots and collective farms grew introduced varieties; local landraces were generally only cultivated by agricultural research centers. When Soviet funding ceased, the loss of agrobiodiversity intensified as valuable collections and stocks of landraces began to deteriorate in the context of the collapse of the extension services, increased application of agrochemicals, and a vacuum in the natural resource use policies. By the mid-1990s the local varieties were simply not available for planting, and the research centers lacked capacity to assist farmers to reintroduce them.

The project was launched in 2004 in the Samtskhe-Javakheti region in order to remove the institutional,

knowledge, and market barriers that hampered the sustainable use of the region's agrobiodiversity. The project facilitated experience-sharing among farmers and enhanced information access to farmers, authorities, research stations, donors, and other stakeholders.

Results

- The project has established a seed multiplication program to encourage local farmers to pursue agrobiodiversity objectives. Seed material stored in the Institute of Botany has been multiplied on the Institute's demonstration plot and distributed to farmers. A fruit nursery has been also established at the demonstration plot and planting material for further multiplication has been collected in the region.
- The land races that the project has introduced are highly adapted to local conditions and exhibit a higher level of resistance to crop pests. Although their yields are lower, they require fewer inputs, attract a higher price, and provide potential access to international markets. The reintroduction of landraces — particularly a greater range of pulses — has also improved the nutritional intake of the farming community.
- The project has collected and documented traditional ways of using indigenous crops. A recipe book has been published and widely distributed to raise consumer awareness. Dishes prepared from local varieties have also been promoted through food tasting events and the media. As a result, the local demand for indigenous varieties has grown.
- A local farmers' association, Farezi, was established, involving over 150 farmers in on-site conservation activities. The association serves as the main vehicle for the production and distribution of seed and planting material and experience sharing. A seed fund has been created and all members agreed to join the seed multiplication system by returning 1.5 times the original amount of seed distributed to them.

Biodiversity is under heavy threat and its loss is considered one of the most critical challenges to humankind. Current rates of extinction exceed rates in the fossil record by a factor of up to 1,000 times.

FACT BOX

Georgia is a part of the Fertile Crescent, where many modern staple foods originated. Not long ago, the widely cultivated crops in Georgia included millet, rye, endemic wheat varieties, chickpea, lentil, beans, and peavine, as well as plants grown for their oil and fiber content. Today, many of these crops are absent or under-represented in the local farming systems. The project has therefore promoted community-driven, on-farm initiatives supported through supplies of seed and planting materials, knowledge dissemination, marketing, and publicity in order to re-introduce indigenous varieties in Georgia.

- The project has arranged for a local company to market the crops produced by participating farmers. It has carried out a market study and developed five products that use “regional” or “organic” branding systems that are attracting growing demand in local supermarkets. The company pays farmers a 10 percent premium on the existing market price for beans and at the same time buys directly from farmers, skipping the middleman and maximizing returns at the farm level.

GEF Investment in Sustainable Forest Management.

Forests cover about 30 percent of the world’s total land area and offer a wide range of marketable wood and nonwood products, such as timber, fuelwood, fruits, nuts, and medicinal plants. It is estimated that 1.6 billion people — including more than 2,000 indigenous cultures — depend on forests for their livelihoods. In addition, forests provide a wide range of environmental services like biodiversity conservation, water supply, carbon sequestration, flood control, and protection against soil erosion and desertification. Although forests are increasingly being recognized for their environmental, social, cultural, and economic value, global deforestation rates remain high.

Since its inception in 1991, the GEF has supported approximately 300 projects and programs that focus on various actions dealing with forest conservation and management in developing countries. During the same period, the GEF has allocated almost \$1.5 billion to forest initiatives, supplemented by \$4.5 billion in cofinancing.

GEF Investment in FY 2008. Between July 1, 2007, and June 30, 2008, the GEF approved 30 new efforts in the area of sustainable forest management (SFM). These projects were mainly submitted under the GEF program on SFM, which was approved by the GEF Council in November 2007. The total GEF allocation for SFM during



the reporting period was \$135 million, supplemented by an additional \$659 million in cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, NGOs, and the private sector. The SFM portfolio is multifocal area in nature and financial resources are mainly pooled from three focal areas: biodiversity, land degradation, and climate change. Of the 30 approved SFM projects, 13 address forest protected area management, 6 deal with sustainable management aspects of production forests, and 11 manage the interaction of forest ecosystems with other land uses, such as agriculture.

Sustainable Forest Management in the Transboundary Gran Chaco American Ecosystem

The Gran Chaco represents the largest dry forest ecosystem in South America. Deforestation and land conversion have led to increased pressure on biodiversity and to rapid and alarming degradation of the soil resources in the region. The project builds upon the collective commitment of three governments (Argentina, Bolivia, and Paraguay) to reverse land degradation trends in the Gran Chaco region through sustainable forest and land management in the productive landscape. The interventions focus on three components: strengthening of institutional capacity, development and application of SFM and SLM practices as feasible alternatives to clear-cutting, and the establishment of strategies to adopt SFM and SLM practices over time for a total area of about 1 million hectares. The GEF supports this initiative through a \$7.6 million grant that will be supplemented by \$18.6 million in cofinancing.

Forests and Climate Change. The increasing awareness of the role of forests for mitigating climate change and adapting to its impacts has provided a new opportunity and dynamic to counteract forest degradation while promoting sustainable

development. With its program on SFM, the GEF has piloted early action in the field of land use, land-use change, and forestry (LULUCF) with enabling initiatives that will help manage the interaction between competing land uses to reduce deforestation and forest degradation.

The GEF has also invested in a highly ambitious and crucial initiative that will greatly improve the ability to measure carbon-related gains in natural resources management as a global environmental benefit. In November 2007, a \$5.5 million global initiative was approved to develop a methodology to estimate and model carbon stocks and flows in natural resources management projects focusing on forestry and other land-use systems. The project is being implemented by UNEP and provides a new solution to the persistent problem of how to measure terrestrial carbon, particularly in complex landscapes. The project provides a cost-effective system that integrates the latest remote sensing technology and analysis, ground-based measurement, and rigorous statistical analysis. One project component, which will focus on good land management practices, will provide crucial data on practices that can improve the quality of life of rural land users while helping to mitigate climate change.

The results derived from the project will not only address the needs of the GEF and its agencies to assess carbon benefits but also enable developing countries to engage in the emerging carbon markets with LULUCF activities. The initiative is a partnership arrangement and includes organizations and institutions such as Michigan State University, Colorado State University, the World Agroforestry Centre, the Center for International Forestry Research, and the WWF. Other project partners include researchers in Africa, Asia, and South America.

BACKGROUND ON BIODIVERSITY

The current rates of species extinction on our planet in the 21st century exceed the extinction rates experienced over the past hundreds of millions of years of geologic time by factors of 100 to 1,000 times. The environmental cost of this dangerous trend is staggering, as is the impact on the human communities that depend upon these natural plant and animal resources for their sustenance, particularly in the developing world.

Since 1991, the GEF has helped more than 150 countries reduce their rate of biodiversity loss, following the global policy framework of the Convention on Biological Diversity (CBD). As of the end of FY 2008, the GEF has generated \$9.42 billion in assistance, which consists of \$2.59 billion in GEF investment and \$6.83 billion in cofinancing from GEF partners worldwide.



Getting Indigenous Peoples Involved. Indigenous peoples often inhabit or reside in proximity to areas important to biodiversity efforts, and frequently possess significant traditional knowledge that is invaluable in advancing the shared goals of preserving and protecting globally significant flora and fauna. Since its inception, the GEF's biodiversity focal area programs and projects have been promoting the participation of indigenous peoples at all stages of project design, implementation, management, and monitoring. These efforts are sometimes focused specifically on indigenous peoples, and sometimes inclusive of them in larger conservation initiatives at the protected area, landscape, and national policy levels.

Projects approved in the reporting period include a number of examples. In Venezuela, a large-scale project to protect the unique mosaic of ecosystems in the 3-million-hectare Canaima National Park includes a specific emphasis on indigenous organizations as vital stakeholders in the effort. The more targeted global project, Assessment and Recommendations on Improving Access of Indigenous Peoples to Conservation Funding, is specifically focused on indigenous people's effort, working to expand their capacity to access international conservation funding through such mechanisms as creating an active network of indigenous practitioners to share results, ideas, and best practices. And in Brazil, given the indigenous peoples' crucial role in forest conservation, an existing successful protected area management program was expanded in the period to include indigenous lands as part of the protected area estate and as an integral part of the country's National Protected Area Plan.

In April 2008, the GEF Secretariat conducted an initial analysis of its project portfolio related to indigenous peoples and published it as "Indigenous Communities and Biodiversity." The study noted that since its inception, the GEF has supported more than 100 projects that involve indigenous communities. These projects have mainly focused on comanagement of direct participation in protected area management and on mainstreaming biodiversity in production landscapes through activities such as promoting sound agriculture practices using the traditional knowledge of indigenous communities. In addition to the GEF's full- and medium-size projects, the GEF Small Grants Program has also served as a key funding modality for reaching out to indigenous and local communities worldwide; more than 1,600 SGP projects (about 15 percent of the entire SGP portfolio) have targeted and involved indigenous communities with biodiversity and other initiatives.

The contributions of indigenous and local communities will remain crucial to the overall success of GEF projects and to achieving the goals of the GEF biodiversity program. The GEF plans to undertake a series of actions to facilitate more effective involvement of indigenous communities in GEF-financed projects, including establishing appropriate tools, exchanging best practices, and ensuring appropriate funding to promote effective involvement of indigenous communities.







FOCAL AREA: PERSISTENT ORGANIC POLLUTANTS

Between July 1, 2007, and June 30, 2008, the GEF Council approved 23 new projects in the persistent organic pollutants (POPs) focal area. The total GEF allocation in the focal area during the reporting period was approximately \$86.67 million, significantly supplemented by an additional \$191.80 million generated in cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, NGOs, and the private sector.

Stockholm Convention Implementation Gathers Momentum. As the Persistent Organic Pollutants (POPs) focal area has shifted from helping countries prepare National Implementation Plans (NIPs) under the Stockholm Convention to helping countries carry out projects to comply with the treaty, new countries have stepped forward to propose innovative projects. The reporting period is indeed marked by a comparatively large number of new projects to address priority Stockholm Convention issues for on-the-ground impacts and global environmental benefits.

At the same time, countries have continued to sign up to the Convention and to develop their NIPs as required. One example is India, which recently ratified the Convention and has received GEF funding through a full-sized project to prepare its NIP, with significant cofinancing from various levels of government.

In addition, innovative projects for managing POPs have been supported to pilot and demonstrate the implementation of best available techniques (BAT) and best environmental practices (BEP) in key sectors, including taking into consideration potential for synergies with reductions in greenhouse gases. In addition to PCBs, described below, projects addressing the disposal of obsolete pesticides and pesticide-containing wastes continue to be a priority for a number of countries that submitted proposals for funding during the reporting period.

Ridding the World of PCBs

In the focal area overall, a large number of PCB projects were funded during the current period, with PCB management projects now covering a significant number of countries in all regions of the world.

Projects were approved, for example, to build capacity and invest in PCB management, phase-out, and disposal in Belarus, Kazakhstan, Ghana, Mexico, Mongolia, Morocco, Tunisia, and Vietnam. In Morocco, an interesting partnership is at play that builds on the comparative advantage of two GEF Agencies, UNDP and UNIDO. In brief, UNDP is in charge of developing a PCB management plan and of overseeing the export and destruction abroad of pure PCB oils and heavily contaminated oils. UNIDO is in charge of setting up a facility for transformer dismantling and in-country treatment of high volume/low-contamination PCBs. The transformer facility is notable for offering a model of how capacity can be built while ensuring cost-effectiveness in offering local treatment and recycling of the less contaminated waste. The challenge and innovation of the facility involve setting up a sustainable operation for local treatment of some of the PCB wastes.

Applying the Best Available Techniques/Best Environmental Practices (BAT/BEP) to Reduce Releases of Dioxins

Following the GEF-4 strategy, a number of projects received GEF support to demonstrate the implementation of BAT/BEP in various sectors in different countries and regions of the world, so as to set the stage and increase the knowledge base for future implementation of the Convention.

Projects that address dioxins and furans, as well as mercury, from medical waste, were approved for funding in Tunisia and China. The project in Tunisia is proceeding in the framework of a broader effort by the government toward waste management, with World Bank lending. The project in China aims to leverage resources engaged in the country's "Hazardous Waste and Medical Waste Treatment Facility Construction Plan" to carry out the demonstration and promote the replication of best

available techniques and best environmental practices (BAT/BEP) in the management of medical waste to reduce releases of dioxins and furans. Medical waste incineration is a significant source of dioxin and furan emissions in China.

Other projects are addressing BAT/BEP in industrial sectors, for example, in Vietnam and the Philippines, with the latter targeting open-burning sources of hazardous chemicals.

Launching a Systematic Effort to Demonstrate Cost-Effective Alternatives to DDT for Vector Control

The GEF Council approved in February 2008 a programmatic approach on “Demonstrating and Scaling Up of Sustainable Alternatives to DDT in Vector Management.”

This program describes the coherence, scope, and overall objective behind a series of already approved, ongoing, or planned projects supported by UNEP and WHO addressing alternative approaches to DDT in vector control for malaria and other vector-borne diseases.

The objective of these projects is to reduce reliance on DDT without increasing the occurrence of vector-borne illnesses, and to promote alternative vector control management practices while strengthening the capacity of countries to sustainably implement such practices.

Taken as a whole, these projects will provide a unique suite of demonstrated alternatives to DDT for vector control and will constitute a peer-reviewed and stakeholder-endorsed data set of a range of alternatives, with a description of what works and what does not, in various geographical, cultural, social, climatic, and eco-epidemiological regions in the developing world.

BACKGROUND ON PERSISTENT ORGANIC POLLUTANTS

Persistent organic pollutants (POPs) are a group of manufactured chemicals that have been used for decades but have more recently been found to share a number of disturbing characteristics, including the ability to cause damage to the endocrine and nervous systems of humans and animals, to resist degradation and endure in the environment for decades, and to drift extensively, often contaminating areas thousands of miles away from any known source. An initial “Dirty Dozen” of these dangerous chemicals have been identified, including organochlorine pesticides such as DDT, mirex, and chlordane; industrial chemicals such as polychlorinated biphenyls (PCBs); and unwanted chemical byproducts such as dioxins and furans.

Recognizing the dangers of POPs, many countries began limiting or banning their production, use, and release, with these efforts culminating in the Stockholm Convention of 2001, which was signed by 152 countries and has, as of 15 April 2009, 163 Parties.

The GEF is the lead institution helping developing countries and countries in transition to implement the Stockholm Convention. The GEF is helping countries create national inventories of POPs and reduce or eliminate their use and release into the environment, as well as assisting with safe disposal and the development of environmentally sound alternative products, practices, and techniques.

Since its inception in 2002, the GEF’s POPs focal area has generated \$692.85 million in assistance, consisting of \$297.53 million in GEF investment and \$395.32 million in cofinancing from GEF partners worldwide.



OZONE DEPLETION

Between July 1, 2007, and June 30, 2008, the GEF approved one new effort—a medium-sized project—in the ozone depletion focal area. The GEF allocation in the focal area during the reporting period was \$0.74 million, supplemented by an additional \$0.5 million cofinancing from project partners.

Advancing to Reduce HCFCs

Restoring Earth's protective ozone layer became a global priority after discovery that certain compounds were found to deplete this layer, posing substantial risks to human health and the environment. The Vienna Convention for the Protection of the Ozone Layer in 1985 and the Montreal Protocol on Substances that Deplete the Ozone Layer in 1987 have eventually led to the reduction by more than 90 percent of these damaging compounds entering the atmosphere.

With the successful phase-out of the most potent ozone-depleting substances, such as chlorofluorocarbons (CFCs), nearly completed, the international community has turned its attention to the threats to the ozone layer posed by hydrochlorofluorocarbons (HCFCs). These chemicals, although somewhat less harmful to the ozone layer than CFCs, are now being produced in large and increasing quantities, and are also potent greenhouse gases that contribute to climate change.

In September 2007, the Montreal Protocol adopted a resolution to accelerate the phase-out of HCFCs. In response, the Ozone Depletion focal area is funding surveys in countries with economies in transition (CEITs), many in Central Asia, to assess the HCFC situation and to develop specific strategies for the chemicals' progressive elimination. The one project funded during

the current reporting period was a joint effort by UNDP, UNEP, and UNIDO on "Preparing for HCFC Phase-Out in CEITs: Needs, Benefits, and Potential Synergies with other Multilateral Environmental Agreements." The project will not only examine ways to reduce HCFCs, but how doing so will also help meet goals under the Climate Change Convention.

Preliminary results from these assessments show that overall HCFC consumption is increasing in most, if not all, CIS countries, with the majority attributable to rapidly growing refrigeration servicing demand driven by the creation of a relatively new and expanding inventory of HCFC-based, primarily imported equipment over the last five years. As a result, a number of countries are unlikely to meet their 2010 phase-out obligations and most will have difficulty meeting the 2015 phase-out obligations in the absence of GEF-supported rapid action to control HCFC and HCFC-containing equipment imports.

In addition to such assistance, GEF support may also be provided to eligible countries for activities that help restore the ozone layer and reduce GHG releases, for example, addressing destruction of ODS or previously exempted uses.

Background on Ozone Depletion

The dramatic ongoing depletion of the ozone layer, a natural shield around the earth which filters ultraviolet radiation from the sun, is responsible for a number of serious impacts on human health and the environment, notably an increase in cases of skin cancer. The main cause of the damage to the ozone layer was demonstrated to be the human use of several groups of halogenated hydrocarbon chemicals, including chlorofluorocarbons (CFCs), halons, carbon tetrachloride (CTC) and methyl bromide, in varied applications such as refrigerants.

In response to this realization, the international community came together to adapt an unprecedented agreement calling for the phasing out of these chemicals. Adopted in 1987, more than 190 countries have signed the Montreal Protocol on Substances that Deplete the Ozone Layer.

In addition, a Multilateral Fund was established to provide technical and financial assistance to developing countries to help them meet their commitments under the agreement. However, the agreement could not anticipate the needs of the new nations formed after the fall of the Soviet Union, many of them particularly significant producers and consumers of ozone-depleting substances. The GEF has stepped in to complement and help accelerate the work of the Multilateral Fund by helping these nations phase out their use of these chemicals. Since its inception, the GEF Ozone Layer Depletion focal area has generated about \$371 million in support, consisting of \$183.4 million in GEF investment and \$187.6 million in cofinancing from GEF partners, including the GEF agencies, bilateral agencies, recipient countries, and the private sector.





FOCAL AREA: LAND DEGRADATION

Between July 1, 2007, and June 30, 2008, the GEF Council approved 10 new projects in the land degradation focal area. The total GEF allocation in the focal area during the reporting period was approximately \$15.8 million, significantly supplemented by an additional \$53.1 million generated in cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, NGOs, and the private sector.

GEF Investment in Sustainable Land Management under the GEF Land Degradation Focal Area (Desertification and Deforestation)

In recent decades, people have made unprecedented changes to ecosystems to meet growing demands for food, fresh water, fiber, and energy. While sustaining the lives of billions of people, these changes have weakened nature's ability to deliver key ecological services. These services include purification of air and water, protection from natural disasters, and provision of habitats for plants and animals.

At least 90 percent of people living in drylands rely on natural resources for their livelihoods. They are forced to cope with harsh natural environments. Land degradation, induced by unsustainable land management practices and aggravated by climate change, often takes them to the brink of survival and has caused the migration of millions of people toward the cities. About \$42 billion in income is lost each year in areas immediately affected by desertification. The indirect costs, including the influx of "environmental refugees" and lost food production, may be much higher.

There is a disturbing trend toward unsustainable agriculture. The use of chemical fertilizers increases by 3.5 percent each year on average, with serious consequences for freshwater sources. More than 40 million hectares of land are affected by salinization and waterlogging. Annually, 19.5 million hectares of valuable agricultural land are lost to urbanization and industrial use, forcing subsistence farmers onto ever-shrinking and more marginal lands. Meanwhile, 20 percent of the world's pastures and rangelands have been seriously degraded, primarily as a result of expanding cropland, and pastoralists find themselves existing on diminishing rangelands.

The GEF land degradation focal area was approved by the GEF Assembly in 2002 and has shown ever since an increasing demand for funding initiatives to address the root causes of land degradation, desertification, and, in particular, deforestation, through sustainable land management. In GEF-4, the focal area received \$300 million in incremental funding. The focal area is contributing directly to the implementation of the United Nations Convention to Combat Desertification and is informally linked to the non-legally binding instrument on all types of forests supported through the United Nations Forum on Forests.

GEF Investment SLM in Fiscal Year 2008

Between July 1, 2007, and June 30, 2008, the GEF approved 19 new efforts in the area of sustainable land management (SLM). The total GEF allocation for SLM during the reporting period was \$55 million. It is anticipated that the catalytic role of the GEF will leverage \$514 million in cofinancing from partners, including the GEF agencies, bilateral agencies, recipient countries, NGOs, and the private sector. The SLM portfolio is diverse in thematic focus (agriculture, forestry, mixed land uses) and funding sources (56 percent of the projects are pooling resources with other focal areas). In total, SLM investment was pooled with \$29 million in biodiversity resources, \$4 million in climate change resources, and \$9 million from the international waters focal area. Hence, the land degradation focal area is fostering cross-focal area collaboration, striving for multiple global environmental benefits in the wider production landscape. The table that follows presents the investment focus of the cohort of projects approved in fiscal year 2008.

**FOCUS OF SUSTAINABLE LAND MANAGEMENT
PROJECTS IN FISCAL YEAR 2008**

AREA	NUMBER OF PROJECTS	\$ (MILLION)
Agriculture	6	22.1
Forestry	8	22.9
Mixed land uses	5	10.0
TOTAL	19	55.0

INTEGRATED NATURAL RESOURCES MANAGEMENT IN THE MIDDLE EAST AND NORTH AFRICA REGION

In April 2008, the GEF Council approved a regional program — MENARID — led by the International Fund for Agricultural Development on integrated natural resources management in the Middle East and North Africa region. The program has since allocated a total of \$35 million from the land degradation focal area and \$11 million from the international waters focal area; the climate change focal area, under Special Priority on Adaptation, allocated \$4.42 million to the region. So far, \$4.6 million from the biodiversity focal area has been allocated through commitments from country RAF resources to projects under the program framework.

All projects under MENARID are focused on implementation of National Action Plans to combat land degradation and desertification, in particular. The link to climate change adaptation, international waters protection (Nubian aquifer and nonpoint pollution reduction into the Mediterranean Sea), and the protection and sustainable use of biodiversity emphasize the integrated approach to natural resources management and the program's drive for synergies among the involved focal areas. The majority of the projects are country-based, although two projects are regional.

BACKGROUND ON LAND DEGRADATION

Decreases in soil fertility and quality, caused by climatic variations and human activities such as overuse of chemical fertilizers, forest cutting, and improper irrigation and farming methods, greatly affect the food security and livelihoods of millions of people around the world, and can have devastating impacts on wildlife. For example, more than 250 million people are directly affected by desertification of their once useful land, with about 1 billion more at risk, including many of the world's poorest citizens. The GEF's land degradation focal area, initiated in 2002, is working to arrest and reverse current trends in land degradation through sustainable land management. In 2003, the group was designated the financial mechanism for the Convention to Combat Desertification. Since land degradation is associated with a range of other ecological concerns, the focal area is closely linked with most other GEF focal areas, particularly biodiversity, climate change, and international waters. The focal area also works to strategically prioritize projects that have the widest possible applications.

Since its inception in 2002, the land degradation focal area has generated more than \$2.67 billion in assistance, consisting of \$326 million in GEF investment and \$2.34 billion in cofinancing from GEF partners worldwide.



Of the 19 approved SLM projects, 9 address SLM in Asia, 3 in Latin America and the Caribbean, and 5 in the Middle East and North Africa. Two additional projects of a global nature were approved. The next table presents the GEF investment in sustainable land management by focal area.

LOCATIONS OF SUSTAINABLE LAND MANAGEMENT PROJECTS IN FISCAL YEAR 2008					
REGION	NUMBER OF PROJECTS	LAND DEGRADATION (\$ MILLION)	BIODIVERSITY (\$ MILLION)	INTERNATIONAL WATERS (\$ MILLION)	CLIMATE CHANGE (\$ MILLION)
Asia	9	20.3	23.6	0	4.0
Latin America and the Caribbean	3	12.3	2.2	0	2.7
Middle East and North Africa	5	20.4	0.9	3.5	0.6
Global	2	2.0	1.8	0	1.8





FOCAL AREA: INTERNATIONAL WATERS

Between July 1, 2007, and June 30, 2008, the GEF Council approved 22 new projects in the international waters focal area. The total allocation approved by the Council in the reporting period was \$93.5 million, supplemented by an additional \$594.8 million generated in cofinancing from partners such as GEF agencies, recipient countries, bilateral agencies, NGOs, and the private sector. In addition, six multi-focal area projects with strong international waters components were also approved by the GEF Council.

BACKGROUND ON INTERNATIONAL WATERS

Freshwater, saltwater, and their living resources know no borders. With 70 percent of the Earth being ocean and 60 percent of the land mass lying in cross-border surface and groundwater basins, transboundary water systems dominate our planet. These water systems produce food for global trade and domestic use, power industry and economies, quench thirst, and nourish ecosystems that support life. Globally, transboundary waters are overused, overpolluted, and suffer from serious multicountry and national governance failures. Conflicting uses among states create tensions as degradation and depletion expand, and increased climatic variability and change just make matters worse.

The GEF international waters focal area addresses these very complex sustainable development challenges faced by states sharing transboundary surface, groundwater, and marine systems. Challenges range from pollution, loss of habitat, and ship waste to overuse and conflicting uses of surface water and groundwater, overharvesting of fisheries, and adaptation to climatic fluctuations. The GEF international waters focal area serves a unique role in building trust and confidence among states for catalyzing collective management of these large water systems while providing benefits for waters, the environment, health, community security, and regional stability.

As of the end of FY 2008, the GEF has generated more than \$5.396 billion in assistance in the international waters focal area, consisting of \$1.026 billion in GEF investment and \$4.369 billion in cofinancing from GEF partners worldwide.

This one-year period has seen the approval of more projects in international waters than any other period since the inception of the GEF. The number of projects was evenly split between requests for assistance on transboundary freshwater systems and those for coastal and marine waters. The portfolio is maturing, with countries requesting more assistance as water conflicts worsen and situations become more complex for transboundary surface and groundwater basins, as well as for coasts and oceans.

Focus on Large Marine Ecosystems (LMEs)

During the year, seven projects were approved for LMEs, which are natural areas of ocean and coastal space that parallel the continental shelves. LMEs serve as transboundary ecosystem-based units for improved management of coasts and near-coast oceans. They are relatively large areas of marine waters stretching to the seaward boundaries of the continental shelves with similar bathymetry, hydrography, productivity, and trophically related living marine resources. With these 7 additions, the GEF has now supported foundational capacity building for 16 LMEs globally, which is about one-half of all LMEs shared by developing countries. Some 112 countries are working together on these LMEs to improve sustainability of coastal and marine living resources.

The Benguela Current LME project is a particularly good case involving the shared marine waters of Angola, Namibia, and South Africa. Ocean warming results in movement and fluctuation of fish stocks. This project advanced the operation of a permanent ecosystem-based commission for the coastal and marine waters of the LME as well as negotiation of a treaty for sustaining the current political will to collectively manage the fluctuating fisheries that communities and biodiversity alike depend on for survival. This project and its governance reforms and improvements represent a model approach under the GEF international waters strategy.



Marine Coral Triangle Initiative

The Coral Triangle Initiative (CTI) is a programmatic approach approved by the GEF Council in 2008 that covers the marine waters of East Asia and the Pacific, which are the richest in biodiversity on our planet. The multi-agency and multi-focal area program is led by the Asian Development Bank. The program aims to reduce habitat degradation caused by pollution, coastal erosion, and sedimentation and to reorient the social and economic drivers of excessive and destructive fisheries and marine resources extraction to address the goals of improved food security, long-term coral reef conservation, and climate adaptation.

The Philippines, Indonesia, Malaysia, Papua New Guinea, the Solomon Islands, and Timor Leste are working together in the CTI, along with GEF agency partners and NGOs, to support regional, national, and local governance improvements in the Coral Triangle. Three full-size projects were approved in the international waters focal area under the CTI, along with several related to biodiversity. Additionally, approval was received to prepare a medium-sized project on the shared fishery.

Multi-Focal Area International Waters Projects

More and more frequently, countries are experiencing water problems related to increased droughts and floods. Climate change is taking a toll on transboundary water systems and even the oceans, as fisheries move with ocean warming, as in the Benguela Current LME described above. The Council approved two multi-focal area pilot projects under the climate change Special Priority on Adaptation and the international waters focal area. The projects are in the Amazon Basin and the Plata Basin of South America, two enormous river basins. The Amazon Basin experiences increased droughts during El Niño years and the Plata Basin (next to the Amazon)

experiences increased floods during those same years as weather patterns are perturbed and Amazon rains move south. These two situations exemplify the much greater future need for the international waters focal area to assist countries to respond to increased climatic variability and change.

The Council also approved the MENARID programmatic approach (see land degradation focal area) focusing on land degradation but also including multi-focal area projects with the international waters focal area. Only limited sustainability or productivity increases can occur in the drylands without additional use of groundwater. Four multi-focal area land degradation and international waters projects were included to address groundwater protection in this dry region.

Continuing GEF Emphasis on Small Island Developing States

The Council approved the programmatic approach known as the Pacific Alliance for Sustainability during fiscal year 2008. The alliance includes an international waters project focusing on the Pacific Small Island Developing States (SIDS). The GEF/UNDP/UNEP project (Implementing Sustainable, Integrated Water Resources and Wastewater Management in Pacific Island Countries) provides assistance to protect surface water and groundwater supplies of the SIDS as well as to begin reducing land-based pollution of sensitive lagoons and reefs. This second cluster of international waters projects approved for SIDS accompanies the cluster for Caribbean SIDS approved earlier by the Council. A similar project under preparation for the African and Indian Ocean SIDS will help to meet the GEF's international waters objective to assist SIDS with these water-related concerns and will result in a global international waters initiative with assistance to virtually all GEF-recipient SIDS—33 in total for this global approach.



GEF PROJECTS AND PROGRAMS
ENTERING
THE WORK PROGRAM
IN FISCAL YEAR 2008

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
BIODIVERSITY					
Global	Support to GEF Eligible CBD Parties for Carrying Out 2010 Biodiversity Targets National Assessments — Phases I	UNDP/UNEP	1,000,000	752,950	1,752,950
Global	Assessment and Recommendations on Improving Access of Indigenous Peoples to Conservation Funding	World Bank	250,000	360,000	610,000
Regional	Open Africa North-South Tourism Corridor (OANSTC)	World Bank	590,000	632,000	1,222,000
Regional	Latin America: Communication and Public Awareness Capacity Building for Compliance with the Cartagena Protocol on Biosafety	World Bank	900,000	1,020,000	1,920,000
Regional	BS Regional Project for Implementing National Biosafety Frameworks in the Caribbean Sub-region — under the GEF Biosafety Program	UNEP	3,454,545	3,767,950	7,222,495
Regional	Development and Application of Decision-support Tools to Conserve and Sustainably use Genetic Diversity in Indigenous Livestock and Wild Relatives	UNEP	2,432,770	3,781,000	6,213,770
Regional	Conservation and Sustainable Use of Cultivated and Wild Tropical Fruit Diversity: Promoting Sustainable Livelihoods, Food Security and Ecosystem Services	UNEP	3,975,994	6,714,074	10,690,068
Regional	PAS The Micronesia Challenge: Sustainable Finance Systems for Island Protected Area Management — under the GEF Pacific Alliance for Sustainability	UNEP	5,454,545	10,884,000	16,338,545
Regional	Mitigating the Threats of Invasive Alien Species in the Insular Caribbean	UNEP	2,799,887	3,084,247	5,884,134
Bosnia-Herzegovina	Mainstreaming Karst Peatlands Conservation Concerns into Key Economic Sectors	UNDP	1,000,000	1,570,000	2,570,000
Brazil	SFM Catalyzing the Contribution of Indigenous Lands to the Conservation of Brazil's Forest Ecosystems	UNDP	6,100,000	31,700,000	37,800,000
Brazil	Espirito Santo Biodiversity and Watershed Conservation and Restoration Project	World Bank	4,200,000	8,000,000	12,200,000
Brazil	Rio Grande Do Sul Biodiversity Conservation	World Bank	5,349,488	6,100,000	11,449,488
Cameroon	BS Development and Implementation of a National Monitoring and Control System (Framework) for Living Modified Organisms (LMOs) and Invasive Alien Species (IAS) — under the GEF Biosafety Program	UNEP	2,400,000	8,400,000	10,800,000
Chile	Building a Comprehensive National Protected Areas System: A Financial and Operational Framework	UNDP	5,312,000	21,950,000	27,262,000
China	Ningxia Integrated Ecosystem and Agricultural Development Project	ADB	5,350,000	210,730,000	216,080,000
China	CBPF Shaanxi Qinling Mountains Integrated Ecosystem Development	ADB	4,550,000	126,200,000	130,750,000
China	CBPF: Conservation and Sustainable Use of Biodiversity in the Headwaters of the Huaihe River Basin	UNDP	2,727,200	10,355,000	13,082,200
China	CBPF Priority Institutional Strengthening and Capacity Development to Implement the China Biodiversity Partnership and Framework for Action	UNDP	4,890,000	15,100,000	19,990,000
Colombia	Mainstreaming Traditional Knowledge Associated with Agrobiodiversity in Colombian Agroecosystems	UNDP	2,800,000	5,130,000	7,930,000
Colombia	Mainstreaming Biodiversity in the Coffee Sector in Colombia	UNDP	2,230,000	5,270,000	7,500,000
Colombia	Protecting Biodiversity in the Southwestern Caribbean Sea	IADB	3,000,000	4,150,000	7,150,000
Cuba	Application of a Regional Approach to the Management of Marine and Coastal Protected Areas in Cuba's Southern Archipelagos	UNDP	5,770,000	14,150,000	19,920,000
Ecuador	Marine and Coastal Biodiversity Conservation	IADB	4,230,000	6,000,000	10,230,000

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
Ecuador	Management of Chimborazo's Natural Resources	World Bank	4,000,000	7,500,000	11,500,000
Georgia	Assessment of Capacity Building Needs for Biodiversity Conservation and Sustainable Use, Participation in Clearinghouse Mechanism and Preparation of a Second and Third National Report to CBD	UNDP	272,186	10,000	282,186
Guyana	Assessment of Capacity Building Needs, Preparation of Second and Third National Report (CBD) and the Clearinghouse Mechanism — ADD ON	UNDP	272,000	53,000	325,000
Honduras	Conservation of Biodiversity in the Indigenous Productive Landscapes of the Moskitia	UNDP	2,159,300	5,455,000	7,614,300
Indonesia	Citarum Watershed Management and Biodiversity Conservation Project	ADB	3,950,000	69,980,000	73,930,000
Jamaica	Assessment of Capacity-Building Needs, Preparation of the Third National Report (CBD) and the Clearinghouse Mechanism	UNDP	218,620	179,670	398,290
Kazakhstan	Steppe Conservation and Management	UNDP	2,245,000	5,702,400	7,947,400
Kyrgyzstan	Sustainable Management of Endemic Ichthofauna of the Issyk-Kul Lake Basin	UNDP	975,000	3,120,000	4,095,000
Lebanon	Mainstreaming Biodiversity Management into Medicinal and Aromatic Plants Production Processes	UNDP	980,000	1,150,000	2,130,000
Liberia	Consolidation of Liberia's Protected Area Network	World Bank	806,000	6,630,000	7,436,000
Macedonia	Strengthening the Ecological, Institutional and Financial Sustainability of Macedonia's National Protected Areas System	UNDP	1,000,000	4,161,400	5,161,400
Malawi	Development of a National Clearinghouse Mechanism and Assessment of Capacity — Building Needs — Add on	UNEP	130,000	10,000	140,000
Mauritius	Expanding Coverage and Strengthening Management Effectiveness of the Terrestrial Protected Area Network on the Island of Mauritius	UNDP	4,150,000	6,000,000	10,150,000
Mexico	Needs Assessment and Priority Setting for the Conservation and Sustainable Use of Biodiversity EA Add On PMIS 538	UNDP	252,000	350,321	602,321
Mexico	SFM Transforming Management of Biodiversity-Rich Community Production Forests through Building National Capacities for Market-Based Instruments — under the Sustainable Forest Management Program	UNDP	7,000,000	17,371,500	24,371,500
Mexico	Sacred Orchids of Chiapas: Cultural and Religious Values in Conservation	World Bank	887,392	1,173,746	2,061,138
Mongolia	SFM Forest Landscapes Development and Conservation	World Bank	1,730,000	3,200,000	4,930,000
Myanmar	Development of the National Biodiversity Strategy and Action Plan (NBSAP)	UNEP	200,000	50,000	250,000
Peru	Strengthening Biodiversity Conservation through the National Protected Areas Program	World Bank	9,091,000	22,900,000	31,991,000
Romania	Support to Alignment of NBSAP with CBD Obligations and Development of CHM	UNDP	439,000	21,000	460,000
Russian Federation	SFM Strengthening Protected Area System of the Komi Republic to Conserve Virgin Forest Biodiversity in the Pechora River Headwaters Region	UNDP	4,850,000	15,903,450	20,753,450
Russian Federation	Strengthening the Marine and Coastal Protected Areas of Russia	UNDP	4,070,000	8,500,000	12,570,000
St. Kitts And Nevis	Assessment of Capacity-Building Needs and Country-Specific Priorities (add on)	UNDP	175,000		175,000
Tanzania	SFM Extending the Coastal Forests Protected Area Subsystem	UNDP	3,610,000	6,200,000	9,810,000
Thailand	Catalyzing Sustainability of Thailand's Protected Area System	UNDP	3,460,000	8,980,000	12,440,000
Thailand	Support to Alignment of NBSAP with CBD Obligations and to Development of CHM	UNDP	359,090	520,000	879,090

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
Turkey	Enhancing Coverage and Management Effectiveness of the Subsystem of Forest Protected Areas in Turkey's National System of Protected Areas	UNDP	996,500	1,432,000	2,428,500
Turkey	Strengthening Protected Area Network of Turkey — Catalyzing Sustainability of Marine and Coastal Protected Areas	UNDP	2,400,000	4,000,000	6,400,000
Tuvalu	National Biodiversity Strategy Action Plan, First and Third National Reports to the COP and CHM	UNDP	232,000	10,000	242,000
Uganda	Extending Wetland Protected Areas through Community Based Conservation Initiatives	UNDP	825,000	3,033,250	3,858,250
Ukraine	Strengthening Governance and Financial Sustainability of the National Protected Area System	UNDP	2,129,340	4,506,000	6,635,340
Uzbekistan	Strengthening Sustainability of the National Protected Area System by Focusing on Strictly Protected Areas	UNDP	1,000,000	1,240,000	2,240,000
Venezuela	Strengthening the Financial Sustainability and Operational Effectiveness of the Venezuelan National Parks System	UNDP	7,272,727	16,640,000	23,912,727
Yemen	Strengthening Socotra's Policy and Regulatory Framework for Mainstreaming Biodiversity	UNDP	1,000,000	1,750,000	2,750,000
CLIMATE CHANGE					
Global	Global Market Transformation for Efficient Lighting	UNEP/UNDP	5,200,000	12,000,000	17,200,000
Global	Identification and Implementation of Adaptation Response Measures in the Drini-Mati River Deltas	UNDP	999,900	984,525	1,984,425
Regional	Pacific Adaptation to Climate Change Project (PACC)	UNDP	13,475,000	39,200,000	52,675,000
Angola	Enabling Activities for the Preparation of a National Adaptation Plan of Action	UNEP	200,000		200,000
Bangladesh	Community Based Adaptation to Climate Change through Coastal Afforestation	UNDP	3,400,000	6,080,000	9,480,000
Bhutan	Reducing Climate Change-Induced Risks and Vulnerabilities from Glacial Lake Outbursts in the Punakha-Wangdi and Chamkhar Valleys	UNDP	3,625,050	3,486,224	7,111,274
Burkina Faso	Strengthening Adaptation Capacities and Reducing the Vulnerability to Climate Change in Burkina Faso	UNDP	3,000,000	6,300,000	9,300,000
Cape Verde	Building Adaptive Capacity and Resilience to Climate Change in the Water Sector in Cape Verde	UNDP	3,100,000	13,680,000	16,780,000
Chile	Promoting and Strengthening an Energy Efficiency Market in the Industry Sector	IADB	2,637,000	15,810,000	18,447,000
China	Promoting Clean Electric Buses for the Beijing Olympics (CEBBO)	UNDP	1,000,000	12,300,000	13,300,000
China	Mainstreaming Adaptation to Climate Change Into Water Resources Management and Rural Development	World Bank	5,316,000	50,000,000	55,316,000
China	Enabling China to Prepare Its Second National Communication to UNFCCC	UNDP	5,350,000	650,000	6,000,000
China	Market Transformation of Energy-Efficient Bricks and Rural Buildings (MTEBRB)	UNDP	7,138,900	28,000,000	35,138,900
China	Thermal Power Efficiency	World Bank	20,050,000	143,800,000	163,850,000
East Timor	National Adaptation Programme of Action to Climate Change (NAPA) Formulation Project	UNDP	200,000	20,000	220,000
Eritrea	Integrating Climate Change Risks into Community-based Livestock Management in the Northwestern Lowlands	UNDP	3,100,000	3,460,000	6,560,000
India	Energy Conservation in Small Sector Tea Processing Units in South India	UNDP	975,000	1,100,000	2,075,000
India	Sustainable Urban Transport Project	World Bank/ UNDP	22,850,000	352,725,000	375,575,000
India	Energy Efficiency Improvements in the Indian Brick Industry	UNDP	721,448	1,999,000	2,720,448

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
India	Mokshda Green Cremation System for Energy and Environment Conservation	UNDP	1,000,000	2,335,000	3,335,000
India	Chiller Energy Efficiency Project — under the Programmatic Framework for Energy Efficiency	World Bank	6,300,000	93,652,200	99,952,200
India	Achieving Reduction in GHG Emissions through Advanced Energy Efficiency Technology in Electric Motors	UNDP	250,000	1,114,000	1,364,000
Indonesia	Geothermal Power Generation Development Program	World Bank	4,000,000	5,170,500	9,170,500
Indonesia	Micro-turbine Cogeneration Technology Application Project (MCTAP)	UNDP	2,727,300	12,381,000	15,108,300
Iran	Facilitating Sustainable Mobility in Tehran	UNDP	5,475,000	35,425,000	40,900,000
Malaysia	Buildings Sector Energy Efficiency Project (BSEEP)	UNDP	5,000,000	21,466,000	26,466,000
Marshall Islands	Action for the Development of Marshall Islands Renewable Energies (ADMIRE)	UNDP	1,000,000	1,650,000	2,650,000
Mauritius	Removal of Barriers to Energy Efficiency and Energy Conservation in Buildings	UNDP	937,411	5,238,187	6,175,598
Mexico	Mexico Rural Development	World Bank	10,500,000	127,300,000	137,800,000
Montenegro	Power Sector Policy Reform to Promote Small Hydropower Development in the Republic of Montenegro	UNDP	978,393	3,470,000	4,448,393
Namibia	CPP Namibia: Adapting to Climate Change through the Improvement of Traditional Crops and Livestock Farming (SPA)	UNDP	1,000,000	5,795,806	6,795,806
Nepal	National Adaptation Programme of Action to Climate Change	UNDP	200,000	60,000	260,000
Pakistan	Productive Uses of Renewable Energy in Chitral District, Pakistan (PURE-Chitral)	UNDP	1,000,000	4,700,000	5,700,000
Pakistan	Promotion of Energy Efficient Cooking, Heating and Housing Technologies (PEECH)	UNDP	1,000,000	1,488,500	2,488,500
Philippines	Climate Change Adaptation Project, Phase I	World Bank	5,257,000	25,430,000	30,687,000
Russian Federation	RUS Improving Efficiency in Public Buildings in the Russian Federation — under the Energy Efficiency Umbrella Program	EBRD	9,425,000	62,900,000	72,325,000
Russian Federation	RUS Improving Urban Housing Efficiency in the Russian Federation — under the Energy Efficiency Umbrella Program	EBRD	9,835,000	86,700,000	96,535,000
Sudan	Implementing NAPA Priority Interventions to Build Resilience in the Agriculture and Water Sectors to the Adverse Impacts of Climate Change	UNDP	3,100,000	3,000,000	6,100,000
Thailand	Promoting Renewable Energy in Mae Hong Son Province	UNDP	3,083,000	4,000,000	7,083,000
Turkey	Market Transformation of Energy Efficient Appliances in Turkey	UNDP	2,710,000	2,298,500	5,008,500
Turkey	Promote Energy Efficiency in Buildings	UNDP	2,720,000	18,680,000	21,400,000
Ukraine	Creating Markets for Renewable Power in Ukraine	EBRD	8,583,870	82,076,264	90,660,134
Uruguay	Implementing Pilot Climate Change Adaptation Measures in Coastal Areas of Uruguay	UNDP	1,000,000	2,922,900	3,922,900
Uzbekistan	Promoting Energy Efficiency in Public Buildings	UNDP	3,400,000	10,350,000	13,750,000
Yemen	Yemen Geothermal Development Project	UNEP	1,000,000	1,100,000	2,100,000
Yemen	MENARID — Adaptation to Climate Change Using Agrobiodiversity Resources in the Rainfed Highlands of Yemen	World Bank	4,200,000	4,080,000	8,280,000

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
Global	Good Practices and Portfolio Learning in Transboundary Freshwater and Marine Legal and Institutional Frameworks	UNDP	1,000,000	1,207,800	2,207,800
Global	CTI GEF IW: LEARN: Portfolio Learning in International Waters with a Focus on Oceans, Coasts, and Islands and Regional Asia/Pacific and Coral Triangle Learning Processes — under the Coral Triangle Initiative	UNDP	2,935,000	3,082,500	6,017,500
Regional	Reducing and Preventing Land-Based Pollution in the Rio de la Plata/Maritime Front through Implementation of the FrePlata Strategic Action Programme	UNDP	3,000,000	15,020,000	18,020,000
Regional	CTI Arafura and Timor Seas Ecosystem Action Programme (ATSEA) — under the Coral Triangle Initiative	UNDP	2,650,000	5,450,000	8,100,000
Regional	CTI Sulu-Celebes Sea Sustainable Fisheries Management Project (SCS) — under the Coral Triangle Initiative	UNDP	2,975,000	3,420,000	6,395,000
Regional	Development and Adoption of a Strategic Action Program for Balancing Water Uses and Sustainable Natural Resource Management in the Orange-Senqu River Transboundary Basin (RESUBMISSION)	UNDP	7,000,000	30,161,500	37,161,500
Regional	Protection of the Canary Current Large Marine Ecosystem (LME)	FAO/UNEP	8,790,000	17,716,250	26,506,250
Regional	Implementation of The Dnipro Basin Strategic Action Program for the Reduction of Persistent Toxins Pollution	UNDP	2,735,000	6,100,000	8,835,000
Regional	PAS Implementing Sustainable Integrated Water Resource and Wastewater Management in the Pacific Island Countries — under the GEF Pacific Alliance for Sustainability	UNDP/UNEP	9,748,136	58,367,564	68,115,700
Regional	Establishment of a Basin Management Framework for the Integrated Management of the Tisza Transboundary River Basin	UNDP	1,000,000	930,000	1,930,000
Regional	Regional Dialogue and Twinning to Improve Transboundary Water Resources Governance in Africa	UNDP	1,000,000	1,915,000	2,915,000
Regional	Mainstreaming Groundwater Considerations into the Integrated Management of the Nile River Basin	UNDP	1,000,000	2,890,800	3,890,800
Regional	Nile Transboundary Environmental Action Project (NTEAP), Phase II	UNDP	6,700,000	71,990,000	78,690,000
Regional	The Caspian Sea: Restoring Depleted Fisheries and Consolidation of a Permanent Regional Environmental Governance Framework	UNDP	5,000,000	36,520,000	41,520,000
Regional	Sustainable Management of the Shared Marine Resources of the Caribbean Large Marine Ecosystem (CLME) and Adjacent Regions	UNDP	7,798,836	48,300,000	56,098,836
Regional	Joint Actions to Reduce PTS and Nutrients Pollution in Lake Baikal through Integrated Basin Management	UNDP	2,750,000	5,980,000	8,730,000
Regional	Strategic Partnership for a Sustainable Fisheries Investment Fund in the Large Marine Ecosystems of Sub-Saharan Africa (Tranche 1, Installment 2)	World Bank	15,600,000	121,640,000	137,240,000
Regional	Implementation of the Benguela Current LME Action Program for Restoring Depleted Fisheries and Reducing Coastal Resources Degradation	UNDP	5,448,910	62,029,338	67,478,248
Brazil	Integrated Water Resources Management of the Sao Francisco River Basin and Its Coastal Zone	UNEP	1,000,000	4,785,000	5,785,000
Mexico	Integrated Assessment and Management of the Gulf of Mexico Large Marine Ecosystem	UNIDO	4,975,500	96,774,780	101,750,280
Vietnam	Demonstration of Sustainable Management of Coral Reef Resources in the Coastal Waters of Ninh Hai District, Ninh Thuan Province, Viet Nam	UNEP	406,900	528,286	935,186

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
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LAND DEGRADATION

Global	Enabling Sustainable Dryland Management Through Mobile Pastoral Custodianship: World Initiative on Sustainable Pastoralism (add on)	UNDP	300,000		300,000
Cuba	CPP Cuba: Coordination, Monitoring and Evaluation of Cuba Country Pilot Partnership on Sustainable Land Management	UNDP	800,000	2,826,929	3,626,929
Ethiopia	SIP-Community-Based Integrated Natural Resources Management in Lake Tana Watershed	IFAD	4,750,000	21,300,000	26,050,000
Kyrgyzstan	Demonstrating Sustainable Mountain Pasture Management in Susamyr in Kyrgyzstan-under CACILM Patnership Framework Phase I	UNDP	975,000	989,216	1,964,216
Lebanon	SFM Safeguarding and Restoring Lebanon's Woodland Resources	UNDP	980,000	1,275,000	2,255,000
Namibia	CPP Namibia: Enhancing Institutional and Human Resource Capacity through Local-Level Coordination of Integrated Rangeland Management and Support (CALLC)	UNDP	1,000,000	5,795,806	6,795,806
Peru	Promoting Sustainable Land Management in Las Bambas	UNDP	4,126,575	16,127,788	20,254,363
Senegal	SIP-Innovations in Micro Irrigation for Dryland Farmers	UNDP	910,000	1,000,000	1,910,000
Turkmenistan	Capacity Building and On-the-Ground Investments for Integrated and Sustainable Land Management — under CACILM Partnership Framework, Phase 1	UNDP	1,000,000	1,074,000	2,074,000
Uzbekistan	Achieving Ecosystem Stability on the Exposed Aral Seabed and the Kyzylkum Desert, Uzbekistan — under CACILM Partnership Framework, Phase 1	UNDP	1,000,000	2,665,050	3,665,050

MULTI FOCAL AREA

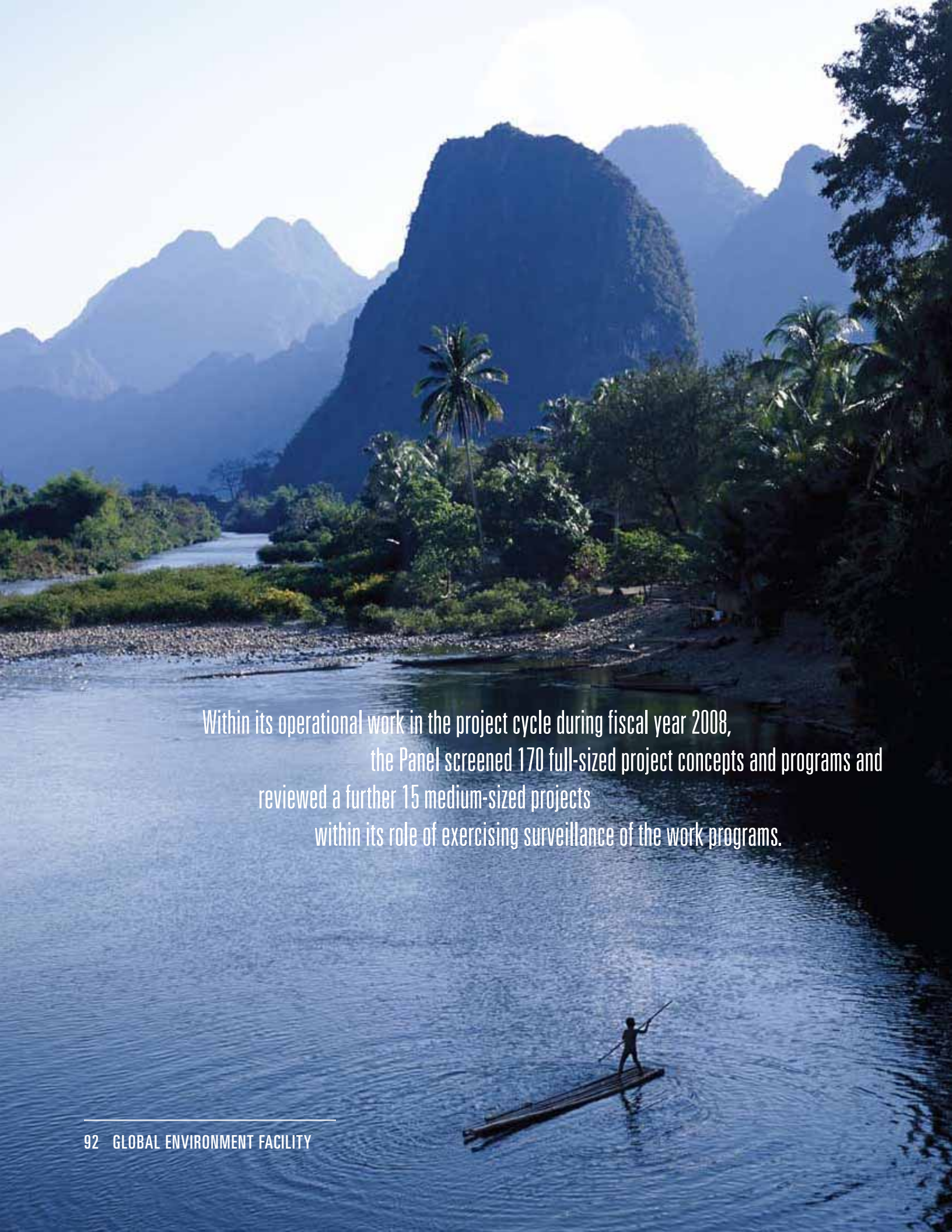
Global	National Communications Programme for Climate Change (Add-on)	UNEP	1,600,000	1,546,966	3,146,966
Global	SFM: Carbon Benefits Project (CBP): Modeling, Measurement and Monitoring	UNEP/ World Bank	4,996,265	5,496,793	10,493,058
Regional	PAS Coastal and Marine Resources Management in the Coral Triangle of the Pacific - under the Pacific Alliance for Sustainability Program	ADB	8,636,450	16,350,000	24,986,450
Regional	SFM Sustainable Forest Management in the Transboundary Gran Chaco American Ecosystem — under the Sustainable Forest Management Program	UNEP/UNDP	7,363,636	18,600,000	25,963,636
Regional	CTI Coastal and Marine Resources Management in the Coral Triangle: Southeast Asia under Coral Triangle Initiative	ADB	10,810,000	76,000,000	86,810,000
Regional	SFM Rehabilitation and Sustainable Use of Peatland Forests in South-East Asia	IFAD	4,853,144	12,577,167	17,430,311
Regional	Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin Considering Climate Variability and Change	UNEP	7,700,000	43,780,090	51,480,090
Armenia	Developing Institutional and Legal Capacity to Optimize Information and Monitoring System for Global Environmental Management in Armenia	UNDP	500,000	130,000	630,000
Belize	Strengthening Institutional Capacities for Coordinating Multi-Sectoral Environmental Policies and Programmes	UNDP	497,500	152,400	649,900
Bhutan	Enhancing Global Environmental Management in Bhutan's Local Governance System	UNDP	500,000	222,692	722,692
China	PRC-GEF An IEM Approach to the Conservation of Biodiversity in Dryland Ecosystems — under the PRC-GEF Partnership on Land Degradation in Dryland Ecosystem program	IFAD	4,895,000	25,023,580	29,918,580
Colombia	Mainstreaming Biodiversity in Sustainable Cattle Ranching	World Bank	7,220,000	33,000,000	40,220,000
Comoros	SIP-Integrated Ecological Planning and Sustainable Land Management in Coastal Ecosystems in the Comoros in the Three Islands of Grand Comore, Anjouan, and Moheli	IFAD	1,000,000	1,872,000	2,872,000

COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
Croatia	Common Data Flow System and Indicators to Enhance Integrated Management of Global Environmental Issues in Croatia	UNEP	477,000	477,000	954,000
Egypt, Arab Rep. of	Mainstreaming Global Environment in National Plans and Policies by Strengthening the Monitoring and Reporting System for Multilateral Environmental Agreements	UNDP	500,000	812,000	1,312,000
Gambia	Adoption of Ecosystem Approach for Integrated Implementation of MEAs at National and Divisional Level	UNEP	493,000	168,000	661,000
Ghana	Establishing an Effective and Sustainable Structure for Implementing Multilateral Environmental Agreements	UNDP	500,000	284,300	784,300
Guinea-Bissau	National Capacity Self-Assessment (NCSA) for Global Environment Management	UNDP	225,000	50,000	275,000
India	SLEM/PPP-Sustainable Land Management in Shifting Cultivation Areas of Nagaland for Ecological and Livelihood Security	UNDP	3,600,000	20,000,000	23,600,000
India	SLEM/PPP-Sustainable Rural Livelihood Security through Innovations in Land and Ecosystem Management	World Bank	10,000,000	100,000,000	110,000,000
Indonesia	SFM Strengthening Community-Based Forest and Watershed Management (SCBFWM)	UNDP	7,095,000	41,000,000	48,095,000
Iran	MENARID Institutional Strengthening and Coherence for Integrated Natural Resources Management	UNDP	4,445,000	14,946,000	19,391,000
Iran	SFM Rehabilitation of Forest Landscapes and Degraded Land with Particular Attention to Saline Soils and Areas Prone to Wind Erosion	FAO	2,868,300	4,600,000	7,468,300
Jordan	MENARID Mainstreaming Sustainable Land and Water Management Practices	IFAD	6,795,000	23,139,000	29,934,000
Kenya	Enhanced Regulatory and Information Systems for Integrated Implementation of Multilateral Environmental Agreements (MEAs)	UNEP	487,500	277,000	764,500
Madagascar	National Capacity Self-Assessment (NCSA) for Environmental Management	UNDP	225,000	20,000	245,000
Morocco	MENARID Participatory Control of Desertification and Poverty Reduction in the Arid and Semi-Arid High Plateau Ecosystems of Eastern Morocco	IFAD/UNIDO	6,350,000	19,035,165	25,385,165
Paraguay	SFM Improving the Conservation of Biodiversity in Atlantic Forest of Eastern Paraguay	World Bank	4,813,000	15,500,000	20,313,000
Philippines	Mindanao Rural Development Program Phase II — Coastal and Marine Ecosystem Conservation Component	World Bank	6,621,363	123,828,000	130,449,363
Romania	Strengthening Capacity to Integrate Environment and Natural Resource Management for Global Environmental Benefits	UNDP	500,000	730,000	1,230,000
Russian Federation	National Capacity Needs Self-Assessment for Global Environmental Management (NCSA)	UNEP	200,000	50,000	250,000
Senegal	National Capacity Self-Assessment (NCSA) for Global Environment Management	UNDP	225,000	50,000	275,000
Tajikistan	Sustaining Agricultural Biodiversity in the Face of Climate Change	UNDP	2,025,000	4,800,000	6,825,000
Thailand	National Capacity Self-Assessment (NCSA)	UNDP	200,000	36,800	236,800
Tunisia	MENARID Support to Sustainable Land Management in the Siliana Governorate	IFAD	5,350,000	22,684,000	28,034,000
Turkey	National Capacity Self Assessment for Global Environmental Management (NCSA)	UNEP	199,500	55,200	254,700
Vietnam	SFM Sustainable Forest Land Management — under the Country Program Framework for Sustainable Forest Land Management	World Bank	4,195,000	50,000,000	54,195,000

OZONE DEPLETING SUBSTANCES

Regional	Preparing for HCFC Phase-out in CEITs: Needs, Benefits and Potential Synergies with other MEAs	UNDP/UNEP	745,000	535,000	1,280,000
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COUNTRY	PROJECT NAME	AGENCY	GEF AMOUNT	COFIN AMOUNT	TOTAL PROJECT COST
POPS					
Regional	DSSA Demonstrating and Scaling Up Sustainable Alternatives to DDT for the Control of Vector-borne Diseases in Southern Caucasus and Central Asia	UNEP	2,239,975	3,740,400	5,980,375
Angola	Enabling Activities to Facilitate Early Action on the Implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs) in Angola	UNIDO	471,600	136,000	607,600
Belarus	Persistent Organic Pollutant Stockpile Management and Technical/Institutional Capacity Upgrading	World Bank	5,785,000	11,375,000	17,160,000
Brazil	Establishment of PCB Waste Management and Disposal System	UNDP	4,895,000	9,463,000	14,358,000
China	Improvement of DDT-Based Production of Dicofol and Introduction of Alternative Technologies Including IPM for Leaf Mites Control in China	UNDP	6,295,000	11,650,000	17,945,000
China	Environmentally Sound Management and Disposal of Obsolete POPs Pesticides and Other POPs Wastes	UNIDO	10,190,000	31,470,000	41,660,000
Cook Islands	Initial Assistance to Enable the Cook Islands to Fulfill Its Obligations under the Stockholm Convention on Persistent Organic Pollutants (POPS). (NIP for Cook Islands)	UNDP	290,750	183,000	473,750
Ghana	Capacity Building for PCB Elimination	UNDP	3,850,000	4,653,000	8,503,000
Kazakhstan	Design and Execution of a Comprehensive PCB Management Plan for Kazakhstan	UNDP	3,445,000	10,600,000	14,045,000
Mauritius	Sustainable Management of POPs in Mauritius	UNDP	950,250	930,000	1,880,250
Mexico	Environmentally Sound Management and Destruction of PCBs	UNDP	4,800,000	10,810,000	15,610,000
Mongolia	Capacity Building For Environmentally Sound PCBs Management And Disposal	UNIDO	2,780,000	5,250,000	8,030,000
Morocco	Safe Management and Disposal of PCBs	UNDP	2,532,900	5,173,200	7,706,100
Morocco	Safe PCB Management Programme in Morocco, Pillar II	UNIDO	2,437,600	4,856,000	7,293,600
Philippines	Integrated POPs Management Project: Dioxins and Furans, PCB and Contaminated Sites Management	World Bank	8,880,000	17,725,000	26,605,000
Russian Federation	Building the Capacity of the Russian Federation to Implement the Stockholm Convention on POPs and Develop a National Implementation Plan	UNEP	1,818,000	1,635,000	3,453,000
Swaziland	Enabling Activities for the Development of a National Implementation Plan as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants (POPs)	UNIDO	356,000	74,000	430,000
Tunisia	Demonstrating and Promoting Best Techniques and Practices for Managing Healthcare Waste and PCBs	World Bank	5,840,000	17,000,000	22,840,000
Uruguay	Development of the National Capacities for the Environmental Sound Management of PCBs in Uruguay	UNDP	999,550	1,098,850	2,098,400
Vietnam	Building Capacity to Eliminate POPs Pesticides Stockpiles	UNDP/FAO	4,650,800	6,540,109	11,190,909
Vietnam	Introduction of BAT and BEP Methodology to Demonstrate Reduction or Elimination of Unintentionally Produced POPs Releases from Industry in Vietnam	UNIDO	800,000	1,590,000	2,390,000
Vietnam	Environmental Remediation of Dioxin Contaminated Hotspots in Vietnam	UNDP	5,002,273	25,350,000	30,352,273
Vietnam	PCB Management Demonstration Project	World Bank	7,350,000	10,500,000	17,850,000
			677,645,069	3,567,406,883	4,245,051,952



Within its operational work in the project cycle during fiscal year 2008,
the Panel screened 170 full-sized project concepts and programs and
reviewed a further 15 medium-sized projects
within its role of exercising surveillance of the work programs.

INDEPENDENT BODIES

MEETING THE CHALLENGE OF REFORM AND THE NEW PROJECT CYCLE THROUGH THE WORK OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP)

In July 2007, one year into GEF-4, the Scientific and Technical Advisory Panel (STAP) was partly reconstituted, resulting in a shift away from a loosely organized panel of 15 members, toward a more focused, committed, and smaller Panel. By January 2008, the reformed Panel consisted of 6 members including a chairperson, each with individual focal area responsibilities, supported by a professionally strengthened secretariat. At the same time, the GEF's new project cycle came into effect, marking a major shift away from an end-of-pipe project approval culture toward an enabling culture that invites review of early-stage concepts. The STAP responded by redefining its role as a provider to the GEF of primarily upstream strategic advice and operational advice, which in many ways realigned its role with the original intentions of the GEF partnership when the STAP was created.

Within its operational work in the project cycle during fiscal year 2008, the panel screened 170 full-sized project concepts and programs and reviewed a further 15 medium-sized projects within its role of exercising surveillance of the work programs. During its screening work across all focal areas, the panel found that there is a need to support the GEF partnership with helpful best practice guidance for project development, for example in energy efficiency, community forestry, or payments for environmental services; accordingly the panel commissioned work to provide this support.

STAP published its guidance paper on the implementation of the new Sustainable Forest Management (SFM) Framework Strategy for GEF-4. The SFM strategy is innovative and challenging, requiring careful attention to scientific and technical issues. Mitigation activities in land use, land-use change, and forestry (LULUCF) are one of the most effective means of offsetting emissions and increasing the sequestration of greenhouse gases (GHG). STAP recommended that the GEF's contribution to land-use change and forest conservation should be recognizably different from that of other agencies, focusing on global environmental benefits, the contributions of forest conservation to ecosystem and landscape functions, and the synergies between forests, the fixing of carbon, the control of land degradation, and the conservation of biodiversity.

STAP worked closely with the Evaluation Office in the scientific screening of papers submitted by authors for presentation at the International Workshop on Evaluating Climate Change and Development. Work on experimental and quasi-experimental impact evaluations led to collaboration on guidance to the GEF. Exploratory work toward a GEF knowledge base, including the user needs of STAP and the Evaluation Office, were developed and provided to the GEF Secretariat for implementation within the new Project Management Information System.

In accordance with GEF partners' views that STAP should engage at the thematic strategic level, well upstream of the project cycle, through the April 2008 Meeting of the Science Panel, the panel responded to an invitation from the CEO to contribute a Science Vision toward the development of strategic directions for GEF-5. The panel convened working groups, including sessions on a GEF science stock-take, achievements, and current challenges within GEF-4, and science drivers of a vision for GEF-5, which resulted in a Science Vision.

In the Land Degradation Focal Area, STAP has been actively engaged with other agencies in developing output and impact indicators for the portfolio and for projects on sustainable land management. As part of the Expert Advisory Group to an interagency Targeted Research project led by UNDP and UNU, STAP assists in reviewing the types of indicators appropriate for the GEF and determining suitable sources of scientific information in order to quantify the impact of projects in the land degradation focal area.

Responding to a request from the 11th Session of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC), STAP convened an expert meeting to assist the GEF to examine its possible role in relation to carbon capture and storage (CCS). STAP recommended that GEF develop a small programmatic effort to enable appropriate specialists in relevant developing countries to inform themselves about CCS.

The main priorities drawn to STAP's attention by partners in fiscal year 2008 are reflected partly in the above actions and results; however, STAP notes the considerable challenges of creating synergies related to the focal areas supported by the GEF, for example among food security, climate change, and bioenergy (STAP attended an FAO, IFAD, and World Food

GEF CAPACITY DEVELOPMENT ACTIVITIES IN VIETNAM AND THE PHILIPPINES

The country case studies found that the GEF portfolios in the Philippines and Vietnam include extensive capacity development activity. The results are generally positive and, in some areas, significant.

The effectiveness of capacity development activities has varied. In Vietnam, some activities were effective in providing new skills and institutional capacities that showed direct and immediate results in the targeted sector; in other cases, the activities had less immediate results, although benefits may develop in the longer term. In many cases in the Philippines, institutions have been unable to provide appropriate incentives for trained staff, and opportunities to use new skills have proved limited.

Doubts exist about the sustainability of a number of capacity development outcomes. In the Philippines, several project designs lacked clarity about how the improved capacity would be used, and there are limited incentives available within the government system to retain and reward motivated and trained staff. In Vietnam, the positive results reflect the substantial efforts put into individual-level capacity development activities in many projects.

Neither in the Philippines nor in Vietnam has there been systematic monitoring or evaluation of overall capacity development performance at the country level, which could promote improvements in coverage or approach. The case studies revealed an underlying weakness in the training programs undertaken by GEF projects, that is, a tendency to plan and execute training as a “one-shot” solution.

One-shot training inputs by international consultants should be a strategy of last resort, when it is evident that the required expertise is not yet available in the region. In the countries reviewed, the international waters program has been most effective in utilizing and developing regional training capacity.

Based on the country case studies, the GEF Evaluation Office delineated further work to help explain the impact of capacity development activities across the GEF portfolio.

GEF EVALUATION OFFICE

During fiscal year 2008 the GEF Evaluation Office submitted three reports to the GEF Council:

- The Annual Performance Report—which included an overview of the performance of the Global Environment Facility, its agencies, and its portfolio of finished projects—piloted a methodology to verify the findings of the terminal evaluations in the field.
- For the first time, the Evaluation Office presented an Annual Country Portfolio Evaluation Report to the GEF Council.
- In addition, it initiated a program of impact evaluation, the Annual Report on Impact, aimed at identifying the long-term results, sustainability, replicability, and lessons learned from GEF interventions.

Annual Performance Report. The Annual Performance Report, prepared each year by the Evaluation Office, presents an account of several aspects of project results, of processes that may affect project results, and of monitoring and evaluation (M&E) arrangements in completed projects.

The Annual Performance Report 2007 found that the overall quality of terminal evaluation reports improved. Furthermore, while the projects’ M&E plans improved significantly from fiscal year 2006 to fiscal year 2007, further improvement is needed in reporting financial information.

This year the Evaluation Office also piloted a methodology to verify the findings of the terminal evaluations in the field. In addition, the 2007 report reviews the carbon footprint policies and guidelines of GEF institutions and agencies, and, for the first time, presents a performance matrix summarizing the performance of GEF agencies and the Secretariat on various parameters tracked by the Evaluation Office.

The findings presented in the Annual Performance Report 2007 include the following:

- The percentage of completed projects with outcome ratings in the satisfactory range is close to the 75 percent target agreed on in the GEF-4 (2006–10) replenishment agreement.
- The materialization of cofinancing reported by the implementing agencies was about three-fourths of that promised at project approval.
- Results of capacity development activities in completed GEF projects are generally positive and sometimes significant; however, many gains are not sustained. A common underlying weakness of the projects is the tendency to plan and execute training as a “one-shot” solution, with little consideration for national or regional context.
- The overall quality of terminal evaluation reports has significantly improved, but further improvement is needed in reporting financial information.
- The GEF agencies are on the right track in addressing the greenhouse gas emissions of their internal operations; however, most are in the early stages of developing and adopting a comprehensive management strategy on greenhouse gases.
- All 41 verified Council decisions in the Management Action Record show a medium and higher level of adoption.

Annual Country Portfolio Evaluation Report. The first-ever Annual Country Portfolio Evaluation Report 2007 is a synthesis of a series of country portfolio evaluations focused on Sub-Saharan Africa produced by the GEF Evaluation Office. Using the country as the unit of analysis, these evaluations examine the totality of GEF support across all GEF agencies and programs.

In 2007, Benin, Madagascar, and South Africa were selected as the countries to be evaluated in this way, based on several criteria, including their long history with the GEF,

their importance as global hotspots for biodiversity, and the role of the environmental sector in their sustainable development agendas, as well as on their representativeness of the specific problems that the least developed countries are facing in Sub-Saharan Africa.

The Annual Country Portfolio Evaluation Report focuses on three key areas:

- The relevance of GEF support to the GEF mandate (that is, the generation of global benefits) and to national sustainable and environmental policies and priorities
- The efficiency of GEF support as reflected by the time and effort it takes to prepare and implement a GEF project and the roles and responsibilities of, as well as the synergies among, GEF stakeholders
- The results and sustainability of GEF support, particularly at the global environmental benefits level.

One of the conclusions of the Annual Country Portfolio Evaluation Report 2007 states that in the countries studied in Africa, GEF support was found to be relevant to national environmental and sustainable development priorities and also to international and regional processes. GEF support, particularly through enabling activities, has assisted the countries in determining their environmental priorities.

Country ownership of the GEF portfolio varies by focal area, but overall ownership of the portfolio needs to be enhanced. Most projects were conceptualized, developed, and guided by national interest, but capacity to manage projects varies across the three countries: it has increased in South Africa, while exhibiting significant constraints in Benin and Madagascar. In contrast to South Africa, which devoted considerable funds to cofinance GEF interventions, Benin and Madagascar depend greatly on overseas development assistance.

Although examples of catalytic effect and replication exist, the long-term sustainability of the global benefits achieved so far is uncertain. For example, GEF support catalyzed harmonization of policy and management across the Benguela Current Large Marine Ecosystem in South Africa and helped introduce participatory management of protected areas in Madagascar; however, all three country program evaluations note that such gains are at risk because of weak financial, institutional, and economic sustainability.

The focal point mechanisms were found to be weak, particularly regarding strategic guidance, promoting coordination, monitoring and evaluation, information sharing, and learning and synergies. Several coordinating and learning opportunities were missed because of a weak or absent focal point mechanism. For example, in Benin, the operational coordination structure has been absent since 2005; in South Africa, there were missed opportunities for information sharing and learning that could have improved synergies. A key problem is that reporting at the project and other levels does not routinely include the focal point. In addition, focal points find it difficult to provide strategic support given the modest funding available to them.

The evaluation found that success in the generation of global environmental benefits has been mixed for some focal areas, and land degradation and climate change adaptation suffer from important gaps in GEF support.

- The GEF has concentrated its support in Benin, Madagascar, and South Africa primarily in the biodiversity focal area and much less in the climate change, international waters, land degradation, and POPs focal areas. Consequently, the results in these areas have been modest when compared with those for biodiversity.
- In the international waters focal area, the GEF has taken a regional approach, which has been successful in dealing with reducing threats to fish

populations. For example, in South Africa, GEF support to international waters projects has resulted in strengthening that country's commitment to global and regional cooperation to reduce overexploitation of fish stocks and land-based coastal pollution in the region. GEF support has also contributed to the establishment of agreements to coordinate regional and international management of marine resources (for example, the Benguela Current Large Marine Ecosystem Commission represents the interests of Angola, Namibia, and South Africa) and to the signing of the International Maritime Organization Convention for the Control and Management of Ships' Ballast Water and Sediments.

- In climate change, results so far have mostly concentrated on creating capacity, with limited impact on the mitigation of greenhouse gas emissions. GEF support to this focal area has been limited in these three countries, with the greatest investment in South Africa and Benin. In South Africa, GEF support has been targeted to renewable energy (solar and wind) to improve enabling conditions, such as policy and regulatory framework development, but conditions are still judged to be difficult. In Benin, the project Village-Based Management of Woody Savanna and the Establishment of Woodlots for Carbon Sequestration (GEF ID 389) achieved impressive results through the adoption and implementation of participatory forest development plans, and its activities continue to date even though the project was completed 10 years ago.
- In the POPs focal area, GEF support has helped Benin finalize its National Implementation Plan and is helping Madagascar and South Africa develop theirs. These plans and the POPs inventories they contain will play a role in helping the Africa Stockpiles Program (GEF ID 1348) identify POPs across Africa. No on-the-ground results have yet been reported for this focal area.

RESULTS AND IMPACTS OF THE ANJOZOROBE FOREST CORRIDOR

- The GEF has served as a catalytic agent in several ways. In South Africa, the GEF provided the initial support necessary to develop ideas and then galvanized financial and political support from the government and other relevant players. Specifically, it catalyzed the National Environmental Management: Biodiversity and National Environmental Management: Protected Areas acts, and several approaches and concepts (bioregional approaches, systematic conservation planning, protected area planning and management systems, and biodiversity mainstreaming) have been replicated within and beyond the South African GEF portfolio.

However, these gains are at risk because of weak financial, institutional, and economic sustainability. The state of the environment in Benin, Madagascar, and South Africa is declining, and sustainable development is consequently more challenging. Securing and sustaining benefits is directly linked to the eradication of poverty, and environmental gains are bound up with progress in social and economic development in ways that pose specific dilemmas that must be recognized in all forms of GEF support.

The two main recommendations that came out of the evaluation follow

- The GEF should increase support to and strengthen the concept of integrated multi-focal area and cross-sectoral approaches, going beyond national boundaries, to ensure maximization of global benefits.
- The GEF should develop a specific and proactive approach to engagement with countries in Africa, particularly least developed countries that have limited capacity for accessing and implementing GEF projects.

The Anjozorobe Forest Corridor project serves as a living example of the participatory approach. Although problems persist, this simple, small-scale program, which was implemented in the field by the Malagasy NGO Fanamby, makes local residents the key component by placing confidence in them, and is establishing solid foundations for sustainable development of the communities and conservation of the area's natural resources.

Giving priority to the principle of subsidiarity, this is the first regional forest reserve in Madagascar. It promotes a three-tier management structure by focusing on the following at the grassroots level:

- The fokontany (local village) committees outline their local management, development, and protection decisions.
- The natural space management committees work at the level of intercommunal or inter-fokontany resource units.
- The corridor's management committee manages and coordinates conservation and development actions within and outside the corridor.

One specific objective is pursued: the equitable distribution of costs and benefits associated with sustainable natural resources management.

The results of this program were deemed "satisfactory" by the evaluators who conducted the midterm review. In fact, although most of the objectives have not been achieved, they are at least in the process of being achieved, and the ongoing quest to ensure the participation and sustainability of the structures in place offers further hope for success. One example is the major and fundamental task of zoning the protected area. Zoning is being carried out with the local communities and authorities, through mutual consultation and agreement among the residents, using modern methods while respecting current land and resources use.

These favorable results are attributable to three factors:

- The confidence, respect, and commitment that Fanamby clearly demonstrates by having the fokontany and communes assume their responsibilities pertaining to the future of their natural resources
- The exercise of self-determination
- GEF confidence in the ability of national NGOs and local structures to implement sustainable natural resources management.

Although it is too early to assess impact, certain visible signs of future impact are nevertheless evident. Site visits have led to widespread acceptance of the project and a strong sense of ownership among the population and elected officials for actions designed to protect the forest. The local organizations in place (forest and environment committee, communal commissions, and the Public Organization for Intercommunal Cooperation) have assumed responsibility for certain sensitive management initiatives, such as the introduction of local taxes or the prosecution and imprisonment of people who use slash-and-burn techniques in restricted areas. These initial examples of ownership and local responsibility suggest that the communities along the Anjozorobe Corridor are learning about their future duties for managing the natural area. (GEF Country Portfolio Evaluation Report: Madagascar (1994-2007), p. 45, 2008).



LOCALLY BASED PROJECT IMPLEMENTATION AGENCIES WITH A LONG-TERM COMMITMENT TO THE TARGET AREA ARE MORE LIKELY TO DELIVER IMPACT

For biodiversity projects that aim to work with local communities, project implementing organizations that have a long and positive history and commitment to the target area and that have already built up the trust and confidence of the neighboring communities are best positioned to successfully introduce new community conservation initiatives and, with a relatively small amount of GEF funding, can achieve significant impact.

The Lewa Wildlife Conservancy was such an institution. Because of its evolution from a cattle ranch, it had a long history in the target area and had established a good level of trust with the neighboring communities. As a result, it was in a strong position to successfully introduce the community conservation initiatives essential to achieving the impact of the project in the wider ecosystem. In addition, as a private organization dependent on generating income to support itself, it had a strong interest in ensuring the continuation and geographical expansion of activities given the existence of external funding opportunities.

Annual Report on Impact. The first GEF Annual Report on Impact deals with protected areas and includes two major evaluation approaches:

- Theory-based approach. This methodology was used to develop detailed case studies of three protected area projects in East Africa—the Bwindi Impenetrable National Park and Mating Gorilla National Park Conservation Project in Uganda (implemented by the World Bank); the Lewa Wildlife Conservancy Project in Kenya (implemented by the World Bank); and the regional project based in Kenya, Tanzania, and Uganda on Reducing Biodiversity Loss at Cross-Border Sites in East Africa (implemented by the UNDP).
- Quasi-experimental review. This approach consisted of a statistical analysis of existing time-series data, applied to deforestation and protected areas in Costa Rica. Comparisons were made between protected and unprotected areas over several years to determine differences in the extent of their deforestation. Within the protected areas, additional comparisons were also made between GEF-assisted projects and those supported through other sources.

The impact evaluation report found that measurable and recorded improvements were discovered in the status of two key threatened species in Bwindi and Lewa—the mountain gorilla and black rhino, respectively. The GEF Bwindi-Mgahinga project contributed to the stabilization and later increase of a globally significant mountain gorilla population. The Lewa Conservancy project has had similarly substantial impacts on the black rhino population of East Africa, reversing a dramatic historical decline and promoting an increase of the population within its area to such an extent that it has been able to relocate rhinos to other sites.



In addition, two of the three GEF East Africa protected area projects evaluated have contributed to a sustained reduction in threats to key conservation targets. Furthermore, impact was achieved there because an explicit plan for institutional continuity was built into the projects from the start. The above-noted achievement of stable gorilla and rhino populations is a major impact in view of their substantial historical decline and the well-publicized poaching in neighboring regions. The Lewa Conservancy is a private organization, which must generate income to support its activities and has a strong interest in ensuring the continuation and geographical expansion of improvements made with the existence of external funding. The Bwindi-Mgahinga Conservation Trust was established as a mechanism to continue funding for activities to secure the support of local communities for protection of forests and their animal populations, as well as to conduct research, which is an important contribution to monitoring intervention outcomes and impacts.

The Bwindi and Lewa projects both contributed to substantial additional benefits through catalytic effects. In the Bwindi-Mgahinga Conservation Trust project, the GEF inputs contributed to a much larger intervention involving the government of Uganda, international and national donors, and several NGOs. The Lewa Wildlife Conservancy had great success in disseminating the concepts and practices of conservation to neighboring community-owned land, enabling and supporting the creation of several community protected areas and game lodges. However, the Bwindi project has not yet satisfactorily resolved certain negative impacts of its protected areas on the indigenous Batwa. An element of the Bwindi-Mgahinga Conservation Trust's work specifically funded by the GEF was the reorientation of Batwa livelihoods and lifestyle. Fieldwork showed that this initiative was only partially successful.

In Costa Rica, a measurable impact was achieved by avoiding deforestation of about 110,000 hectares between 1960 and 1997, even though its protected area policy was not primarily focused on avoiding deforestation within a specified time frame. GEF-supported protected areas in Costa Rica were between 2 and 7 percent more effective in achieving avoided deforestation than were similar projects funded by other sources. The evaluative experience in Costa Rica demonstrates that opportunistic analysis of existing data sets can produce a general assessment of the GEF contribution to specific environmental trends at the national level. More precise results would require the incorporation of evaluation data needs into project design, implementation, and monitoring.

The evaluation also found that the most cost-effective and realistic approach to impact evaluation for the GEF Evaluation Office is a combination of opportunistic quasi-experimental analysis, using available data, with targeted case studies utilizing a theory-based approach. At a scaled-up level, the most cost-effective and realistic approach is a combination of opportunistic counterfactual analysis, using available data, with targeted case studies utilizing a theory-based approach. This would enable the strengths of one approach to be used to offset the weaknesses of another.



GEF CONTACTS

GEF COUNCIL MEMBERS AND ALTERNATES, 2007–08

COUNCIL MEMBER	DATE OF APPOINTMENT	ALTERNATE MEMBER	DATE OF APPOINTMENT	CONSTITUENCY
Aboul Azm, Mawaheb (Egypt, Arab Rep. of)	07/23/2007	Echirk, Djamel (Algeria)	06/30/2007	Algeria, Egypt, Morocco, Tunisia
Nieto, Alejandro (Spain)	10/13/2005	Mota Pinto, Nuno (Portugal)	11/06/2003	Greece, Ireland, Portugal, Spain
Jortikka-Laitinen, Tiina (Finland)	06/05/2007	Miller, Elin Rabe, Patrick (Sweden)	10/11/2007 10/25/2007	Estonia, Finland, Sweden
Alhabib, Eshagh (Iran)	09/27/2006	Rahaghi, Massoud R. (Iran)	11/01/2006	Iran
Berardi, Gisella (Italy)	05/26/2008	Mordini, Claudia (Italy)	11/15/2006	Italy
Bjornebye, Erik (Norway)	10/17/2006	Andersen, Geert Aagaard (Denmark)	10/17/2006	Denmark, Latvia, Lithuania, Norway
Buys, Jozef (Belgium)	03/17/2008	Pastvinsky, Michal (Czech Republic) Ferjancic, Emil (Slovenia)	02/07/2007 03/17/2008	Austria, Belgium, Czech Republic, Hungary, Luxembourg, Slovak Republic, Slovenia, Turkey
Kumar, Dhanendra (India)	11/28/2005	Ahmed Khan, Zakir (Bangladesh)	11/14/2005	Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka
de Jong, Gerben (Netherlands)	09/02/2005	Sips, Herman (Netherlands)	10/05/2007	The Netherlands
Fass-Metz, Frank (Germany)	04/22/2008	von Kleist, Rudiger Wilhelm	02/27/2007	Germany
Grayeb Bayata, Claudia (Mexico)	06/01/2005	Mendoza, Lamed (Panama)	03/19/2008	Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Venezuela
Henderson, Jan (New Zealand)	02/12/2008 (Australia)	Fulton, Deborah	02/12/2008	Australia, New Zealand, Republic of Korea
Ivanov, Violeta (Moldova)	01/22/2007	Stoica, Silviu (Romania)	01/22/2007	Albania, Bulgaria, Bosnia-Herzegovina, Croatia, Georgia, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Ukraine
Corneau, Helene (Canada)	11/01/2006	Guthrie, Tina (Canada)	08/30/2005	Canada
Kolly, Thomas (Switzerland)	09/01/2006	Hilber, Anton (Switzerland)	04/07/2005	Azerbaijan, Kazakhstan, Kyrgyz Republic, Switzerland, Tajikistan, Turkmenistan, Uzbekistan
Minga, Alexis (Congo, Dem. Rep. of)	09/25/2007			Burundi, Cameroon, Central African Republic, Congo, Dem. Rep. of, Equatorial Guinea, Gabon, Sao Tome and Principe

COUNCIL MEMBER	DATE OF APPOINTMENT	ALTERNATE MEMBER	DATE OF APPOINTMENT	CONSTITUENCY
Napica, Policarpo (Mozambique)	10/25/2007	Fakir, Zaheer (South Africa)	10/26/2007	Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia, Zimbabwe
Odenbreit Carvalho, Andre (Brazil)	01/29/2008 (Colombia)	Alban, Andrea	05/15/2007	Brazil, Colombia, Ecuador
Oteng-Yeboah, Alfred (Ghana)	02/18/2008			Benin, Cote d'Ivoire, Ghana, Guinea, Liberia, Nigeria, Sierra Leone, Togo
Peel, Kenneth L. (United States)	03/20/2006	Reifsnnyder, Daniel (United States)	05/25/2006	United States
Purnomo, Agus (Indonesia)	03/25/2008	TBA (Papua New Guinea)		Cook Islands, Fiji, Indonesia, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu
Rencki, Julien (France)	07/26/2007 (France)	Martin, Marc-Antoine	09/01/2002	France
Sapag, Alvaro (Chile)	10/04/2007			Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay
Sarr, Momodou (Gambia)	05/20/2004			Burkina Faso, Cape Verde, Chad, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, The Gambia
Tai, Nguyen Van (Vietnam)	03/17/2008	Rithrak, Long (Cambodia)	03/19/2008	Cambodia, Korea DPR, Lao PDR, Malaysia, Mongolia, Myanmar, Thailand, Vietnam
Onishi, Yasushi (Japan)	07/23/2007 (Japan)	Kato, Kikuko	08/20/2007	Japan
Shah, Shuja (Pakistan)	08/25/2005 (Jordan)	Lutfi, Sultan (Syria, Yemen)	02/01/2001	Afghanistan, Jordan, Lebanon, Pakistan,
Totskiy, Anatoly (Russian Federation)	09/21/2006 (Armenia)	Davtyan, Ruzanna	08/17/2006	Armenia, Belarus, Russian Federation
Weech, Phillip (Bahamas)	02/13/2008	Ward, Rickardo (Barbados)	02/15/2007	Antigua and Barbuda, Bahamas, Barbados, Belize, Cuba, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and Grenadines, Suriname, Trinidad and Tobago
Wheatley, Josceline (United Kingdom)	03/08/2004	Whaley, Christopher (United Kingdom)	05/23/2006	United Kingdom
Woldeyohannes, Mogos (Eritrea)	03/14/2007	Gebre Egziabher, Tewolde Berhan (Ethiopia)	04/10/2007	Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Sudan, Tanzania, Uganda
Zou, Jiayi (China)	03/09/2005	Yang, Yingming (China)	10/03/2007	China

DETAILS OF REGIONAL FOCAL POINTS OF NONGOVERNMENTAL ORGANIZATIONS, 2007–08

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GEF NEW PUBLICATIONS 2007–2008

New in 2007

- Rules of Procedure for the GEF Council — October 2007
In English, Arabic, Chinese, French, Spanish, and Russian
- GEF: Financing Adaptation Action — November 2007
In English and French

New in 2008

- *Instrument for the Establishment of the Restructured Global Environment Facility (as amended by the Second and Third GEF Assemblies)* — March 2008
In English, Arabic, Chinese, French, Spanish, and Russian
- Indigenous Communities and Biodiversity — April 2008
In English, French, and Spanish
- Financing the Stewardship of Global Biodiversity — April 2008
In English, French, and Spanish

ACRONYMS AND ABBREVIATIONS

AF	Adaptation Fund
AMR	Annual Monitoring Review
BAT/BEP	best available techniques and best environmental practices
BEE	Bureau of Energy Efficiency (India)
CBA	Community-Based Adaptation
CO ₂	carbon dioxide
COMPACT	Community Management of Protected Areas for Conservation
CSO	civil society organization
CSP	Country Support Program
DRC	Democratic Republic of Congo
ESCO	energy service company
FAO	Food and Agriculture Organization of the United Nations
GDP	gross domestic product
GEF	Global Environment Facility
IFC	International Finance Corporation
km ²	square kilometer
LDC	least developed country
LDCF	Least Developed Countries Fund
LME	large marine ecosystem
LULUCF	land use, land-use change and forestry
MW	megawatt
NAPA	National Adaptation Plans of Action
NGO	nongovernmental organization
NIP	national implementation plan
PA	Protected Area
PACC	Pacific Islands Adaptation to Climate Change
POP	persistent organic pollutant
RAF	Resource Allocation Framework
SCCF	Special Climate Change Fund
SFM	Sustainable Forestry Management
SGP	Small Grants Program
SLEM	Sustainable Land and Ecosystem Management
SPA	Strategic Priority for Adaptation
SPAN	Strengthening the Protected Area Network
TILCEPA	Theme on Indigenous and Local Communities, Equity, and Protected Areas
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UN FCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization

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**Financial Statements
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ABOUT THE GEF

The Global Environment Facility (GEF) unites 178 member governments — in partnership with international institutions, nongovernmental organizations, and the private sector — to address global environmental issues. An independent financial organization, the GEF provides grants to developing countries and countries with economies in transition for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. These projects benefit the global environment, linking local, national, and global environmental challenges, and promoting sustainable livelihoods.

Established in 1991, the GEF is today the largest funder of projects to improve the global environment. The GEF has allocated \$7.95 billion, supplemented by more than \$32.36 billion in cofinancing, for more

than 2,225 projects in more than 165 developing countries and countries with economies in transition. Through its Small Grants Programme (SGP), the GEF has also made more than 10,000 small grants directly to nongovernmental and community organizations.

The GEF partnership includes 10 agencies: the UN Development Programme; the UN Environment Programme; the World Bank; the UN Food and Agriculture Organization; the UN Industrial Development Organization; the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the International Fund for Agricultural Development. The Scientific and Technical Advisory Panel provides technical and scientific advice on the GEF's policies and projects.

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