



Talking Points

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I. THE GEF COUNCIL MEETING,

MAY 19-21, 2004

The next meeting of the GEF Council will be held May 19-21, 2004 in Washington D.C. An NGO consultation, which will be held on May 18, 2004, will precede the meeting.

The provisional Council Meeting agenda is available in this newsletter. For more information on the upcoming council meeting, including the Council papers, please visit the GEF Website, www.TheGEF.org (click on "Council Documents").

Provisional Agenda GEF Council Meeting, May 19-21, 2004

Opening of the Meeting
Election of a Chairperson
Adoption of the Agenda
Statement by the Chair of STAP
Appointment of Monitoring and Evaluation Director
Report of the Monitoring and Evaluation Unit
Terms of Reference for the Third Overall Performance Study of the GEF
Work Program
Institutional Relations
Performance Based Allocation Framework
Review of Fee System
Corporate Budget FY05
LDC Trust Fund Budget
Principles for Engaging the Private Sector
Proposals to Strengthen National Focal Points and Council Members
Process for Appointment of GEF CEO/Chairman
Other Business
Joint Summary of the Chairs

Council Working Papers

Two of the issues to be discussed at the Council Meeting are highlighted in this edition: engaging the private sector and strengthening support for GEF Council Members and focal points.

Engaging the Private Sector

Through its ability to provide resources and technology transfer, the private sector can play an important role in terms of the global environment. The M&E unit prepared a "*Review of GEF's Engagement with the Private Sector: Final Report*" (GEF/C.23/Inf.4), which recommended that the GEF should prepare a comprehensive strategy for

engaging the private sector, both directly and indirectly. The Secretariat prepared a preliminary issues note at the November 2003 Council Meeting, making use of operational experience and initial findings of the M&E review. Lessons learned from GEF's past engagement with the private sector indicate that GEF's practices need to be improved.

The GEF Secretariat has prepared recommendations for engaging the private sector, which called for the GEF Secretariat and the Implementing Agencies to develop a new strategy and clear operational guidelines to better engage the private sector, taking into account previous practices and policies. After consultations with the private sector and industry groups, the GEF Secretariat has prepared a paper, "*Principles for Engaging the Private Sector*" (GEF/C.23/11).

The paper before the Council at the May 2004 meeting outlines general principles and operational guidelines. If approved by the Council, these principles would be applied to develop strategies for individual sectors.

The paper addresses the following broad principles:

- (a) *Engagement*. The GEF can engage the private sector in several ways:
 - (i) Indirectly by creating market conditions that promote certain categories of activities (for example, renewable energy firms that are able to take advantage of such outputs from a GEF barrier removal project as a more equitable pricing regime);
 - (ii) Directly as eligible project proponents or direct beneficiaries (for example, renewable energy firms that seek incremental cost financing to cover increased costs of their own operations in manufacturing competitive renewable energy equipment); and
 - (iii) Through procurement, which provides private firms with an opportunity to bid on the supply of GEF equipment.
- (b) *Objective*. The primary reason for engaging the private sector in GEF activities is that the private sector can help to achieve global environmental benefits in a sustainable and cost-effective manner. However, it will be necessary to develop goals and indicators to:

- (i) ensure there are proper policies and frameworks conducive to private sector approaches to providing global environmental benefits; create sustainable markets for global environmental goods through innovative private sector approaches;
 - (ii) mobilize private capital that will share the financial risk with the GEF of providing global environment benefits; and
 - (iii) access and transfer innovative technology.
- (c) *Modalities*. Different tools can be used to engage the private sector:
- (i) A communications tool kit providing information on how to work with the GEF and a Web-based system that will allow the private sector to track GEF project activities and advertise procurement opportunities;
 - (ii) The project cycle review criteria that is streamlined and amended to ensure that all GEF projects help to create and maintain sustainable markets and advance innovation (not just private sector projects);
 - (iii) Partnerships to promote policy frameworks conducive to private sector approaches;
 - (iv) Dialogue to help motivated industry groups bring about relevant industry and corporate changes.
 - (v) Timing. There should be an enabling environment in the country through appropriate laws and regulations and policies with global environmental priorities.
 - (vi) Priorities. The GEF will remain open to private sector projects that will help achieve global environmental benefits, but will also pursue strategic approaches to influence the business sectors or markets at a broad level wherever global environmental benefits and private sector interests meet.

The Secretariat will build on the comparative advantages of the GEF Implementing Agencies, and continue to consult with the Implementing Agencies on corporate integration with a focus on indirect and direct engagement and procurement.

Strengthening Support for National Focal Points and Council Members

From November 2003 to January 2004, an independent team evaluated the GEF Council Member and Focal Point Support Program. The evaluation sought to review the support program, to obtain information on lessons learned, and to assess the need for continued support. The evaluation also explored the modalities through which the support was provided and recommended means to strengthen the effectiveness and efficiency of providing support.

To conduct the evaluation, questionnaires were sent to all focal points and Council Members and representatives from the Implementing Agencies, national focal points, Council Members, and GEF staff were interviewed. The evaluation report was completed in February 2004 and the findings were shared with the Implementing Agencies for comments. The final Evaluation Report incorporated these comments and was distributed to Council Members on March 24, 2004. The report is available as an information document (GEF/C.23/Inf.12).

The evaluation report stated that “the GEF Focal Point and Council Member Support Program in its present form is having a positive but limited effect on the capacity of Council Members and focal points to carry out their responsibilities more effectively.” The report further stated that “there is room for improvement in both the design and administration of the program and that there was a continuing need to support focal points and Council Members in the future.” The report concluded that “the GEF Focal Point and Council Member Support Program contributed to improved communication, increased awareness and better coordination with program stakeholders.”

Seventy-five people responded to the questionnaire. The responses show that the Support Program has the highest impact in increasing the flow of GEF information to focal points, interested agencies, and institutions and in improving access to GEF documents and related information. The responses also show that the Support Program has increased the number of stakeholder meetings and helped to improve national stakeholder coordination. Some respondents stated that the Support Program has enabled focal points to raise their profile within the government thus enhancing their capacity to coordinate GEF activities within the country.

The program has also facilitated more interaction with government and private stakeholders by

supporting meetings and workshops on GEF priorities and programs in the countries. In addition, the Support Program has provided a useful vehicle for collaboration among the GEF Secretariat, the Implementing Agencies, the focal points, and Council Members it supports.

Key Recommendations

The paper under consideration by Council at the May 2004 meeting recommends that the Council approve the continuation of the focal point program with the understanding that the support program should be extended for a four-year period, after which Council will review its continuation or modification. The paper proposes that the objectives of the continued support program should be the following:

- (i) to enable focal points to increase awareness of the GEF strategic priorities, policies and programs;
- (ii) to increase coordination among national agencies with a view to ensuring greater country ownership and a cohesive approach across the government to global environmental issues and GEF support;
- (iii) to keep track of GEF portfolios in the country and to promote mainstreaming of global environmental issues into the national sustainable development strategies; and
- (iv) to strengthen stakeholder involvement in global environmental programs.

The paper also suggested that the administration of the program be streamlined by permitting transfers of resources directly to focal points on the basis of an agreed work plan. Guidelines of eligible expenditures will be proposed for Council approval. It is expected that the guidelines will provide greater flexibility for the focal point to determine activities that will help achieve the objectives of the program, while emphasizing the need to enhance coordination and mainstreaming of global environmental aims in the policies and programs of the recipient countries. Accountability for expenditures will be exercised through annual reporting by the focal points in accordance with a standard reporting format that will require reporting on indicators to measure results and impacts. The paper proposes additional funding to allow both the political and operational focal points to participate in two constituency meetings each year. It is suggested that the GEF Secretariat be responsible for approving the annual work plans and

reviewing the reports of the focal points. The GEF Secretariat is working with the Implementing Agencies to identify the most expeditious and cost-effective modalities for facilitating the transfer of these resources and for enhancing fiduciary control. A more detailed proposal will be submitted to the Council for review in November 2004.

Council Information Papers

Information papers on various issues will be available for Council review at the May 2004 meeting. These are posted on the GEF Website, www.TheGEF.org (click on "Council Documents"). Presented below is a summary of the key elements contained in two of the information papers available for review.

Capacity Building on Biosafety

An information paper on GEF efforts to support capacity building in biosafety issues will be available at the Council meeting. The GEF is the financial mechanism of the Convention on Biological Diversity and the Cartagena Protocol on Biosafety. It seeks to ensure an adequate level of protection in the field of safe transfer, handling and use of living modified organisms resulting from modern biotechnology that may adversely impact conservation and sustainable use of biological diversity, taking into account risks to human health and specifically focusing on transboundary movements.

The Council approved a pilot biosafety enabling activity project to assess the biosafety needs of recipient countries, and the level and range of financial support for activities to address those needs. The pilot provided assistance for establishing national biosafety frameworks in 18 countries, including a survey of capacity for both biotechnology and safety assessment, and the organization of eight regional workshops that explored both risk analysis and management of transboundary movement of living modified organisms.

After adoption of the protocol in 2000, the GEF Council approved an initial strategy to assist countries to prepare for entry into force of the Protocol. This strategy proposed activities to be undertaken in the period leading into entry into force of the protocol. The activities were aimed at establishing national biosafety frameworks, strengthening capacity for risk assessment, promoting information sharing and collaboration among countries that share the same ecosystems, and

promoting identification, collaboration, and coordination among other bilateral and multilateral organizations to assist capacity building for the protocol.

A number of activities were proposed to meet these objectives including a project to establish national biosafety frameworks, country-based demonstration projects and pilot activities to address capacity building needs, coordination with other multilateral and bilateral organizations providing assistance in the area of biosafety and support to enable countries to participate in the biosafety clearing house, and enhancement of the scientific and technical advice to the GEF on biosafety issues.

The Council approved a global project on the development of National Biosafety Frameworks (NBF), with UNEP as the implementing agency. The project, which was implemented in June 2001, is currently assisting 120 participating countries to set up their national framework for the management of living modified organisms (LMO), allowing them to meet the requirements of the Cartagena Protocol. Countries participating in the project now have an increased awareness of biosafety, capacity building needs and the institutional mechanisms for the management of biosafety.

Capacity built under the umbrella project for development of the NBF includes making choices on a regulatory regime for biosafety, drafting relevant documents and understanding the administrative and regulatory requirements and management, as well as project financial reporting and increased understanding of biosafety issues and technology capacity to collect and analyze data. Capacity is expected to be built through pilot projects aimed at assisting countries to implement NBFs.

The GEF Council approved an additional project to build capacity for effective participation in the Biosafety Clearing House (BCH) of the Cartagena Protocol. The project, which is an "add on" to the current UNEP-GEF NBF project, will assist those countries that have ratified or acceded to the Protocol by the time of the first conference of the parties, providing they are not already beneficiaries of similar assistance through a GEF project to participate in the Biosafety Clearing House.

This project seeks to strengthen capacity in eligible countries through training activities, creation of an enabling environment for parties to meet the obligations for implementation of the protocol, and support for further capacity building activities

through the development and dissemination of an interactive computer-based training package, including the BCH tool kit.

Action Plan to Respond to Medium-Sized Projects Evaluation

A second council information paper describes the proposed action plan to respond to the recommendations of the medium-sized projects (MSP) evaluation.

In the November 2003 issue of Talking Points, we reported on establishing a MSP Working Group to advise the Secretariat on how best to respond to the recommendations of an evaluation of five years of MSPs. The evaluation report concluded that while MSPs have resulted in more partnerships and improved collaboration with stakeholders, and in increased capacity at the national and local level, MSP procedures are still slow and many MSPs take over two years between project concept and implementation. Although this is quicker than full sized projects, an improvement in MSP procedure time is required.

The working group addressed the recommendations and developed the following plan of action:

- (i) The capacity of project executors can be strengthened through participation in project implementation. The GEF will encourage pairing larger, more experienced NGOs with those without experience to help to develop local NGO capacity during project preparation and implementation. GEF will also consider supportive action to strengthen the capacity of NGOs and other stakeholders within its capacity-building strategy.
- (ii) In response to concerns regarding the value added of incremental cost analyses for smaller-sized MSPs, the GEF will consider qualitative description sufficient.
- (iii) An increase is also proposed in the ceiling for PDF A funding of \$50,000 for all mid- and full-size projects with the possibility of an additional supportive funding of \$50,000 in special cases for projects with many countries and partners. This proposal will be presented to Council for approval at its November 2004 meeting as part of a broader initiative to streamline the project cycle.

- (iv) More information is needed on the time required to meet the objectives of an MSP. GEF MSP procedures will be clarified to explicitly permit follow-on projects after evaluation of the first project, as is the case with full size projects.
- (v) To improve transparency and responsiveness, a tracking system for MSPs should be established to allow the public to access information on the status of a project. GEF and Implementing Agencies will work together to develop a tracking system for MSP projects. The GEF database will be improved to facilitate this, including an analysis of cost implications.
- (vi) To ensure harmonization of the approach to MSPs by Implementing Agencies, broad guidelines will be developed to clarify eligible and ineligible expenditures for GEF financing and a revised information kit will be made available. The information kit will provide information to further improve understanding on MSP project review criteria, and on how to initiate GEF MSPs proposals and agency guidelines for processing MSPs within each Implementing Agency.
- (vii) The comparative roles of the Implementing Agencies in the GEF will be clarified based on the GEF Instrument and Business Plan. This will give project proponents a broader sense of which Implementing Agency has a comparative advantage in which area. Implementing Agencies will ensure that their headquarters and country offices have the necessary background, contact information and capacity to assist in reviewing project concepts and responding to questions about GEF projects.
- (viii) Operational Focal points should be given a clear time limit for endorsing proposals. If an endorsement is not received within a given time period, the project would be deemed endorsed. This proposal will also be brought to the Council for its consideration at its November 2004 Council meeting as part of the project cycle paper.
- (ix) Implementing Agencies will seek to consolidate the project review process to avoid delays, which currently occurs with the two-tier review and approval process by

the Implementing Agencies and the Secretariat. However, the views and discussions at the country level will continue to be an important part of the review process.

- (x) The GEF Secretariat will consider having a designated staff member at the Secretariat to monitor the timely processing of MSP proposals and to act as a contact point for all MSP issues. The GEF Secretariat will consider this proposal in the context of proposals for future staffing needs.
- (xi) MSP proposals should include a log frame, indicating expected objectives, outcomes, and impacts of the project. The GEF Secretariat will work with the M&E unit to develop a clear log frame template, including indicators and guidance on how to use the log frame. These guidelines will be included in the revised MSP information kit.
- (xii) The GEF will take steps to ensure that there is more user-friendly information available for dissemination to a broader audience, thus ensuring that there are more diverse project proponents and executors. revised MSP information kit into local languages.
- (xiii) It is expected that NGOs will play a role in facilitating information dissemination and the NGO network will coordinate with the GEF to include a page dedicated to NGO activities on the GEF website.
- (xiv) The revised MSP information kit, which is currently available in English, French and Spanish, will also be available in more languages to reach a broader audience. National focal points may consider using focal point support funds to translate the revised MSP information kit into local languages.
- (xv) Sharing lessons learned from MSPs will be part of the Project Implementation Review managed by the Monitoring and Evaluation Unit. National focal points and country offices are responsible for sharing such information at the country level.
- (xvi) To resolve some of the issues raised in the Evaluation Report, new ideas were discussed for further streamlining the current project cycle for MSPs which are

less than \$250,000 in GEF financing. The MSP working group continues to explore different modalities and delivery systems for small sized MSPs. New proposals in this regard will be prepared for Council consideration at its meeting in November 2004.

II. GEF NGO NETWORK NEWS

GEF NGO Consultations

The GEF-NGO Consultation will be held on Tuesday, May 18, 2004, in the Eugene R. Black Auditorium at the World Bank, 600 19th Street, N.W, Washington D.C. A preparatory meeting will be held on May 17, at the same location.

Agenda

Opening of the Meeting
Q&A with GEF CEO and Chairman
Performance Based Allocation Framework
Action Plan to Respond to the Recommendations of
the Medium-Sized Projects Evaluation
M&E Issues
Case Study Presentations
Small Grants Programme
Corporate Budget FY05
Review of Fee System
Elements for Strengthening National Focal Points and
Enhancing Constituency Coordination in GEF
Recipient Countries
Local Benefits Study
Rules of Procedure of STAP of the GEF
NGO Concerns on GEF Support on Capacity Building

The Role of Civil Society in Protecting Fresh Waters, International Waters and Coastal Marine Management

Civil society can develop effective frameworks to protect different water systems through partnerships with international organizations such as the GEF and its Implementing and Executing Agencies (World Bank, UNEP, UNDP, FAO, UNIDO, ADB, AfDB, the EBRD, IDB and IFAD). Civil society can also work in partnership with government to address the Millennium Development Goals by urging governments and legislatures to adopt laws and national policies concerning freshwater and sanitation. In addition, civil society can develop small or medium size projects with measurable scientific indicators, which it can directly implement. Or it can work through partnerships with the private sector in such areas as the Nile and Congo Basins, Lake Victoria, the Black Sea, and South China Seas.

Creating an NGO coordination committee at the national level creates synergies, which help develop projects. Experience gained through these projects can be transferred to others projects and other countries. These projects can also help to share benefits with local communities living along rivers or oceans.

In areas where communities work together through a local coordination or other community organization, to share the benefits with the local communities, marine mangroves, lagoons, estuaries, coral reefs and endangered species are protected. For example, in Rwanda, communities who live along the Akagera River protect the quality of water, respect the fishing calendar and protect the bio diversity of plants in the area. However, they also benefit from the products they retrieve from the water for their food and for traditional medicine. A bank account has been created for the community and 10% of the funds from visitors to the regional park are shared with the communities living around this park. The same system is in place in the volcano park, where people are preserving the eco systems by planting trees with the assistance of USAID and the University of Rwanda to protect the grounds, to diminish erosion and limit the loss nutrients from the soil.

However, in the Democratic Republic of Congo, this type of sharing system is not in place, and communities from the three districts of upper Congo bordering the blue lakes of Edward and Albert are using pollutants and chemical products to catch fish. To prevent continuing pollution, neighboring countries such as Rwanda and Sudan have suggested that the country share ten percent of the benefits from the parks with the local communities. In the Niger River area, communities also neglected to protect water resources by destroying water hyacinth and using wood for their necessities. As a result, the quantity of water along the Niger basin has been drastically reduced.

In addition, civil society can encourage countries to adopt appropriate laws and policies, develop projects with indicators which can measure progress, and ensure that projects take into account the dimension of the implementation the Stockholm Convention on the 12 organic pollutants and parameters of sanitation and water quality according to the WSSD programme to assure that clean of water goals as indicated in the Millennium Development goals, are achieved by 2015

Dr. Saidi Asenge JMV, President, the African Foundation (FARMAPU-INTER & CECOTRAP-

RCOGL) contributed to this article, which will form the basis of the official contribution of FARMAPU at the Water Partnership Conference in Cairns, Australia, May10-14, 2004.

III. FOCAL POINT NEWS

Regional Center on Hydrology Established in Central Asia

At a meeting of the National Hydrometeorological Service (NHMS) in Almaty, Kazakhstan on February 23 and 24, 2004, directors of the Aral Sea Basin (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan), the chairman of the Executive Committee of the International Fund for Saving the Aral Sea, representatives of the Swiss Development Cooperation Office for Central Asia (SDC), the Swiss Mission on Aral Sea Problems, and USAID discussed the hydrological problems of the Aral Sea Basin and the necessity for regional collaboration to develop the basin. The regional NHMS directors agreed to establish a Regional Center on Hydrology. Participants also signed an agreement on hydrometeorological information exchange with regard to sustainable water management in Amu-Darya and Syr-Darya river basins (the main rivers feeding into the Aral Sea).

The National Hydrometeorological Services implement many GEF climate change projects. Regional collaboration on hydrology issues will contribute to sustainable water management and lessen ecological consequences in the Aral Sea Basin.

The major goals and tasks of the Regional Center on Hydrology are as follows:

- (i) Providing the on-line hydrological information interchange for the river runoff forecasting of the Aral Sea Basin;
- (ii) Developing and upgrading the hydrological forecasting network;
- (iii) Upgrading and maintaining the hydrological monitoring network;
- (iv) Training NHMS personnel and raising the level of their skill;
- (v) Assisting national enterprises in producing hydrological measuring devices for regional activities;

- (vi) Assisting national institutes in conducting regional hydrological researches;
- (vii) Implementing activities to create and develop capacity for monitoring, and data and information production analysis for all five regional NHMS;
- (viii) Assisting in staff training to raise skills levels;

Carrying out scientific informational and editorial publishing activities.

A working group composed of all NHMS representatives was organized to outline the priority guidelines of the hydrological monitoring development and to coordinate assistance for mitigating ecological after effects of the Aral Sea Crisis with international aid organizations.

The ARAL-HYCOS system supported by the WMO global hydrological observation network will permit maximum efficiency of hydrological monitoring and information exchange for hydrological forecasting through satellite communication.

The Regional Center on Hydrology can serve as an accumulator for sponsor support and a catalyst for promoting regional hydrological projects with international participation, including scientific and research projects.

Dr. Sergey Myagkov, GEF Operational Focal Point in Uzbekistan, Deputy Director of Central Asia, Hydrometeorological Institute (SANIGMI), contributed to this article.

IV. COUNTRY DIALOGUE NEWS

New GEF National Dialogue Initiative: Now Under Implementation

We are pleased to announce that the new GEF National Dialogue Initiative officially began implementation in 2004. The transition between the GEF Country Dialogue Workshops, which ended in December 2003, and this new policy level initiative has been a smooth one. During the first quarter of 2004, the program supported efforts by the respective GEF operational focal points to host GEF national consultations in Bosnia and Herzegovina, Rwanda, and Lao P.D.R. During the second quarter of 2004, consultations are scheduled to take place in Kyrgyzstan, Kenya, and Mongolia.

Representatives from national and local government, nongovernmental organizations, research and academic institutions, the private sector, the multi- and bilateral donor community, the GEF

implementing and executing agencies and the media participated in the national consultations. Each consultation generated priority recommendations and action points for follow-up, forming the basis for each participating countries' involvement with the GEF over the coming months and years. Some of the areas addressed during the dialogue sessions included the identification of (a) national environment and development priority areas, (b) proposed integrated solutions to addressing such priorities, (c) capacity for implementing projects, (d) GEF coordination including synergies among existing and proposed multi- and bilaterally funded projects, (e) the potential role of the private sector, and (f) the potential opportunities available under the GEF Small Grants Programme (SGP) and/or lessons learned in countries where the SGP is under implementation. Documents summarizing these priority areas are available at <http://www.undp.org/gef/workshop/reports/index.htm>

With regard to GEF coordination at the country level, the example outlined in the coordination framework diagram prepared by Rwanda's Environmental Management Authority and contained on page five of their recommendation summary may be of particular interest to those focal points who have established, or who are in the process of establishing, a GEF national committee.

The Ministry of Foreign Trade and Economic Relations organized the GEF National consultation in Bosnia and Herzegovina. About 140 participants attended this multi-stakeholder dialogue, held in Sarajevo from 5-6 February 2004. In Rwanda, the Ministry of Water, Land, Environment, Forests, and Natural Resources organized this consultation. Over 125 multi-stakeholder participants attended this consultation in Kigali from 24-26 February 2003. In Laos PDR, the Science Technology and Environment Agency organized the consultation in Vientiane. More than 100 participants attended this 3-day consultation, which took place from 6-8 April.

New Countries Selected

In April 2004, the GEF Dialogue Initiative Inter-agency Advisory Committee endorsed six additional countries— Armenia, Gambia, Guatemala, Lesotho, Senegal and Timor-Leste— to host national consultations, based on program priorities. The schedule for these consultations—proposed between September 2004 and January 2005—will appear on the Website once specific dates are established with the respective governments.

Stephen Gold, Global Manager for the GEF Dialogue Initiative, submitted this article. UNDP-GEF implements the program on behalf of the GEF partners, in full consultation with participant countries.

V. FOCAL AREA NEWS

GEF Strategic Priorities for Sustainable Land Management

Council considered the GEF strategic business plan at its last meeting in May 2003. All focal areas developed some strategic priorities to enhance the allocation of GEF resources. These priorities reflect lessons learned and are intended to (1) enhance the impact on the global environment and (2) reinforce the synergies between global and local benefits. All new GEF projects must comply with these strategic priorities.

In the last issue of *Talking Points*, we presented the strategic priorities for international waters. In this issue, we highlight the emerging priorities for sustainable land management.

The objective of the operational program for sustainable land management (OP 15) is to provide incremental assistance for sustainable land management to achieve both global environmental and sustainable development benefits. GEF will partner with other organizations working on land management issues, land users, and other stakeholders at the local, national, regional, and global levels to provide coordinated financial and technical support to address sustainable land management in a way that achieves long-term global environmental benefits within the context of sustainable development.

Strategic priorities for sustainable land management outlined below are consistent with the objectives of the UN Convention to Combat Desertification, lessons and innovations on sustainable land management from the GEF and non-GEF projects, and those emerging from the scientific, and technical communities. The GEF will incrementally provide assistance for the following.

- (i) Capacity building: GEF assistance will be provided primarily through medium-sized projects, especially in least developed countries, including mainstreaming of sustainable land management into national development priority frameworks, such as PRSPs, Comprehensive Development

Framework, national development plans for coordinated resource mobilization and implementation, policy and regulatory reforms and institutional strengthening. Capacity building at the local and national level and regional levels will initially focus on country-driven activities aimed at creating the appropriate enabling environment and institutional capacity to support sustainable land management.

The expected outcome of this strategic priority is to strengthen institutional and human resource capacity to improve sustainable land management planning and implementation to achieve global environment benefits within the context of sustainable development. The policy, regulatory, and economic incentive framework is strengthened to facilitate wider adoption of sustainable land management practices across sectors as a country addresses multiple demands on land and forest resources for economic activities, preservation of ecosystem stability, functions, and services, and other activities. It is also expected that economic productivity of land will improve under sustainable management and the preservation or restoration of ecosystem stability, functions, and services.

- (ii) Implementation of innovative and indigenous sustainable land management practices:
 - On-the-ground interventions to address land degradation would comprise packages of interventions to improve both the livelihoods and economic well-being of local people and to preserve or restore ecosystem stability, functions, and services through sustainable land management. Examples may include the following activities.
 - Sustainable and forest agriculture: Sustainable agricultural practices can help to improve and sustain the productivity of rain-fed agriculture. This may involve crop diversification to reduce the risk of failure; introduction of high-yielding and drought resistant crop varieties; adoption of mixed cropping systems; crop rotation to recycle soil nutrients; water harvesting;

and improved access to credit, extension, and marketing services (baseline actions).

- Sustainable rangeland and pasture management: Baseline activities to improve and sustain the economic productivity of rangeland and pasture may include reducing livestock stocking density to ensure that the carrying capacity of a range or pasture is not exceeded; distributing water points to prevent high concentration of livestock in one area; adopting rotational grazing systems; and improving access to credit, veterinary, and marketing services.
- Sustainable forest and woodland management: Baseline activities to improve and sustain the economic productivity of forest or woodland management may include developing community-based management arrangements for multiple use of forest and woodland resources; establishing forests or tree crop farms; and minimizing agricultural expansion, especially shifting cultivation, to forest and woodlands by improving soil fertility through crop rotation using nitrogen fixing crops and crop residue.

Exponential population growth in many developing countries resulting in unprecedented demands on forest resources in the form of encroachment into forest lands for food production, fuel wood for cooking, timber for construction of shelter and increased harvesting of forest plants for medicinal purposes have made deforestation in the humid environments to be the most important cause of land degradation. Promoting sustainable land management in the humid zones was, therefore, a short term priority in this phase of the GEF. Since approval of OP#15, twelve projects out of a total of 25 with a total GEF contribution of US\$86.2 million and total co-financing of US\$535.31 million have a focus or components on sustainable forest management. In addition, most of the countries to be covered by the LDC/SIDS project to be implemented by UNDP are in the humid zone and sustainable forest management will be an important part of the sustainable land management effort. The projects are evenly distributed among Asia, Africa and Latin American countries – Kazakhstan, Brazil, China, Venezuela, Nicaragua, Namibia, Indonesia, Dominican Republic,

Central Asia Republics, Burundi, Ethiopia and Kenya.

GEF Country Pilot Partnerships for Sustainable Land Management

In the last newsletter, we reported on the launch of the above pilot partnership program.¹ We are pleased to announce that three of these pilot partnerships have started implementation in Central Asia, Namibia, and Cuba. (See GEF/C.23/Inf.13/Rev.1)

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VI. NEWS FROM MONITORING AND EVALUATION UNIT

Project Performance Report 2003

The GEF Monitoring and Evaluation (M&E) Unit has completed the 2003 Project Performance Report (PPR), drawing on the findings of the 336 Project Implementation Reviews (PIRs), 8 Specially Managed Project Reviews (SMPRs) and the 18 Terminal Evaluations Reviews. The PPR provides the GEF Council with information and recommendations on the implementation of GEF projects. It also reports on project compliance with project review criteria and progress towards achieving outcomes. However, a more in-depth analysis of GEF project outcomes and impacts is currently under way as part of the program studies that the M&E Unit is conducting this year in the biodiversity, climate change and international waters focal areas.

The PPR report this year assesses progress towards achievement of outcomes and impacts as well as the main challenges in biodiversity, climate change, international waters, ozone depletion, and integrated ecosystem management. In addition, the PPR focuses on three M&E review criteria—sustainability, replication and monitoring and evaluation—discussing cross-focal area issues. Finally, the PPR explores recommendations to address project complexity and overly ambitious objectives, which can negatively affect project performance.

The PPR found that in the biodiversity focal area, projects are increasing and improving the management of areas under protection, contributing to the protection of specific fauna and flora species,

¹ Talking Points Volume 4. No.1, February, 2004 (web link)

fostering enabling policy environment for biodiversity conservation, and mainstreaming conservation into production sectors. In climate change, projects are contributing to reducing or avoiding greenhouse gas (GHG) emissions by supporting policies and catalyzing renewable energy and energy efficiency market transformations. In international waters, projects are achieving environmental stress reductions, increasing country ownership to reduce threats, and fostering enabling policy environments. In the ozone focal area, projects are promoting compliance with the Montreal Protocol by phasing out ozone depleting substances (ODS). Some of the challenges are the need to improve stakeholder involvement in biodiversity, underestimation of market barriers to promote replication in climate change, turning country commitments into action through the investments needed in international waters, and the complete phase out of some ODS, such as methyl bromide, in the ozone focal area.

The PPR is a monitoring, not an evaluation tool. It is mostly based on self-assessments of project success by the Implementing Agencies. The Implementing Agencies rate their projects in the PIR according to two criteria: implementation progress and likelihood of attaining development/global environment objectives. Over 60 percent of the projects were rated “satisfactory” or higher. The PPR found that there is a tendency to overrate projects in the PIRs and that the definitions of “highly satisfactory” and “satisfactory” are not consistent across the three Implementing Agencies. To address this issue, the GEF M&E unit will form a working group, which will include representatives of the Implementing Agencies and the GEF Secretariat, to develop and adopt clearer guidelines and to identify best practices in rating project results.

Some key conclusions and recommendations from this year’s PPR:

The presence of financial sustainability of key project activities and the promotion of appropriate market forces are important to achieve project outcomes, however they are not sufficient. Other important dimensions need to be considered for the sustainability of project benefits, such as institutional capacity, an enabling policy context, and the full ownership of the project’s objectives by governments and other stakeholders.

Replicability is highly relevant for projects in all focal areas, but there are some projects for which it has little relevance. However, the PPR found that generally the development of replication strategies is

often overlooked in project design and implementation. Including replication strategies in the design of projects can increase their replication potential. Future project reviews should base the assessment of this criterion on the expected replicability of the project.

Many projects still lack adequate M&E systems. Weaknesses include absence of baselines and appropriate indicators and insufficient attention to outcomes and impacts. UNDP and UNEP should carry out an assessment of the M&E systems in their GEF projects and devise a plan to address the weaknesses identified in each project. The World Bank has recently completed this exercise. However, the Implementing Agencies reported that they are making progress regarding the development of their projects-at-risk systems.

To prevent overly complex and unrealistically ambitious project designs, the general meeting recommended that the GEF should review the incentive structures to ensure that they encourage the Implementing Agencies, project managers and recipient countries to present projects with clear and realistic objectives and manageable levels of complexity.

VII. OTHER NEWS

New GEF Publications

GEF and Small Island Developing States (SIDS): How the Global Environment Facility is working with SIDS for a Sustainable Future (63 pages)

This report is a “work in progress” compiled for the Preparatory Meeting for the 10-year Review of the Barbados Programme of Action, which was held at U.N. Headquarters in New York in April, 2004. The report focuses on the collaboration between the Global Environment Facility (GEF) and Small Island developing states (SIDS). Since 1991, the GEF has allocated \$365.1 million for 225 projects to address global environmental problems through sustainable development in SIDS. The report highlights GEF’s work with SIDS on key natural resource issues—climate change, biodiversity, international waters and land degradation, and includes a list of GEF SIDS-related projects.

Forests Matter: GEF’s Contribution to Conserving and Sustaining Forest Ecosystems (32 pages)

This report provides an overview of the GEF forest program, focusing on its support for protected areas and mainstreaming biodiversity in forest management systems and landscapes. It also highlights how these

activities have helped enhance the quality of life in communities and contributed to improvements in the management and quality of forest ecosystems. A full list of GEF projects relating to forest environments is provided.

GEF Global Action on Water (Folder and Fact Sheets)

Released to coincide with the 12th Session of the Commission on Sustainable Development, this series focuses on GEF's experience with transboundary waters. Since 1991, GEF has provided funding to 134 developing and transitional countries for 87 transboundary water resource projects. The fact sheets review GEF's contribution to issues that affect nations in transboundary basins, such as the management of transboundary resources and water scarcity, improvement of linkages between rivers and marine ecosystems, and reduction of pollution.

GEF Annual Report 2003: Making a Difference for The Environment and People [May 2004]

(84 pages, French, Spanish, and online versions available - Summer 2004) A review of GEF activity during fiscal year 2003, including financial statements, lists of GEF Council, focal point, and NGO contacts, as well as information on GEF's portfolio and new projects.

GEF Global Action on Renewable Energy (Folder and Fact Sheets) [May 2004]

Published for the Second World Renewable Energy Forum in Bonn, Germany, the folder and fact sheets focus on GEF's work to promote use of renewable energy. Topics such as financing for new technologies and the latest developments in renewable energy are covered. The series highlights several countries, including Sudan and China, and provides a map of GEF renewable energy projects.

**The GEF Secretariat would like to welcome the following new Council Members,
Alternate Members, and Focal Points**

GEF FOCAL POINTS

GEF country Focal Points play a key role in ensuring that GEF projects are country-driven and based on national priorities. There are two types of GEF country Focal Points:

Political Focal Points are responsible for GEF governance issues and policies and communications with their constituencies. All member countries have political focal points.

Operational Focal Points are responsible for in-country program coordination of GEF projects and other operational activities. Only countries eligible for GEF funding are expected to designate operational focal points.

A complete listing of Council Members, Alternates, and focal points can be found on the GEF Web site, www.thegef.org

Council Members

Name	Country	Category	Date of Nomination
Mr. Josceline WHEATLEY	United Kingdom	Council Member	03/08/2004
Ms. Wen Chin POWLES	New Zealand	Council Member	05/03/2004
Mr. Bobby PITTMAN	United States	Council Member	04/19/2004
Mr. M'hamed HILALI	Morocco	Council Member	04/26/2004

Alternate Members

Name	Country	Category	Date of Nomination
Mr. Najeh DALI	Tunisia	Alternate Member	04/26/2004
Mr. Akbar ALI KHAN	Bangladesh	Alternate Member	04/19/2004
Mr. Carlos Luis DUARTE VILLANOVA	Brazil	Alternate Member	04/15/2004
Mr. Roy HATHAWAY	United Kingdom	Alternate Member	03/08/2004
Ms. Sue CONNELL	Australia	Alternate Member Political Focal Point	03/23/2004

Political Focal Points

Name	Country	Category	Date of Nomination
Mr. Su Hon CHOE	Korea DPR	Political Focal Point	03/19/2004
Mr. Rolph PAYET	Seychelles	Political Focal Point	05/06/2004
Mr. Julio PRADO	Ecuador	Political Focal Point	04/19/2004
Mr. Tukabu TEROROKO	Kiribati	Political Focal Point	03/19/2004
His Excellency Temirbek AKMATALIEV	Kyrgyzstan	Political Focal Point	03/04/2004
Dr. Ricardo Sánchez Baker	Mexico	Political Focal Point	04/19/2004
Mr. Cama TUILOMA	Fiji	Political Focal Point Operational Focal Point	05/06/2004

Operational Focal Points

Name	Country	Category	Date of Nomination
Mr. Vaitoti TUPA	Cook Islands	Operational Focal Point	05/06/2004
Dr. Carlos Rene VALENZUELA	Bolivia	Operational Focal Point	04/19/2004
Mr. Fabian VALDIVIESO	Ecuador	Operational Focal Point	04/19/2004
Mr. Abdullahi MAJEED	Maldives	Operational Focal Point	04/19/2004
Mr. Stanley M. DAMANE	Lesotho	Operational Focal Point	03/08/2004
Mr. Bernard KOTO	Madagascar	Operational Focal Point	03/19/2004
Mr. Gonzalo Menéndez	Panama	Operational Focal Point	03/09/2004
Mr. Hung Sik Ri	Korea DPR	Operational Focal Point	03/19/2004
Dr. Truong Manh TIEN	Vietnam	Operational Focal Point	04/19/2004
Mrs. Tererei ABETE-REEMA	Kiribati	Operational Focal Point	03/19/2004
Dr. Erick Fernando Cabrera Castellanos	Guatemala	Operational Focal Point	03/19/2004
Mr. Stephen S.J. Jusu	Sierra Leone	Operational Focal Point	04/23/2004
Mr. Kanat DJANUZAKOV	Kyrgyzstan	Operational Focal Point	03/04/2004
His Excellency Sylvestre RADEGONDE	Seychelles	Operational Focal Point	04/01/2004