Project Performance Report

2003

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Acronyms

Bio	Biodiversity
CBD	Convention on Biological Diversity
CC	Climate Change
CEIT	Countries with Economies in Transition
CFC	Chlorinated Fluorocarbons
COP	Conference of the Parties
EA	Enabling Activities
ESCO	Energy Service Companies
EQO	Environmental Quality Objectives
FSP	Full Size Project
GEF	Global Environment Facility
GEFME	Global Environment Facility Monitoring & Evaluation Unit
GHG	Greenhouse Gas
IA	Implementing Agencies
IFC	International Finance Corporation
IBA	Import Bird Areas
IW	International Waters
LD	Land Degradation
MP	Montreal Protocol
MSP	Medium Size Project
NCAP	National Caspian Action Plans
ODS	Ozone Depleting Substances
OPS	Overall Performance Studies
PAD	Project Appraisal Document
PIR	Project Implementation Review
POPs	Persistent Organic Pollutants
PPR	Project Performance Review
PSR	Project Status Report
PV	Photovoltaics
SAP	Strategic Actions Programs
SBSTTA	Subsidiary Body on Scientific, Technical, and Technological Advice
SHS	Solar Home Systems
SMPR	Secretariat Managed Project Review
STAP	Scientific and Technical Advisory Panel
STRM	Short Term Measurements Results
TDA	Transboundary Diagnostic Analysis
TE	Terminal Evaluation
TER	Terminal Evaluation Reviews
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WB	World Bank

INTRODUCTION

1. The GEF Project Performance Report (PPR) draws on the findings of the Project Implementation Review (PIR), the Specially Managed Project Reviews (SMPRs) and Terminal Evaluations Reviews (TERs). The PIR is a monitoring process based upon reporting by the GEF Implementing Agencies (IAs) on 336 projects that were completed in 2003 or that were ongoing and have been under implementation for at least one year.

2. SMPRs assess whether projects are implemented in conformity with project objectives and GEF policies, and whether they have incorporated lessons learned to improve portfolio quality. The M&E Unit coordinates the implementation of the SMPR with the participation of the GEF Secretariat, the IAs, and independent consultants. This year's SMPRs included five projects in biodiversity, two in climate change, one in international waters, and one in Persistent Organic Pollutants (POPs). TERs examine the terminal evaluations completed by the IAs to assess performance related to project objectives and compliance with the eight GEF review criteria. Terminal Evaluation Reviews are a major tool for generating lessons, and account for resource use. The 2003 PPR included 17 TERs, 9 in biodiversity, 7 in climate change, and 1 in international waters.

3. The IAs prepared focal area review reports addressing progress toward accomplishments and compliance with review criteria and lessons. In addition, the IAs rated all projects on two grounds: implementation progress and the likelihood that the project's global environmental objective would be reached. IA focal area reports, which were more extensive than for previous years, drew on the PIRs, Terminal Evaluations (TEs), and the knowledge of IA focal area specialists of their portfolio. These reports, together with summaries of SMPRs and TERs findings developed by the M&E Unit, served as the basis for focal area task force meetings, and the 2003 PPR general review meeting which was held at the United Nations Development Programme (UNDP) headquarters in New York in January of 2004. This meeting was attended by 58 participants from all IAs, the GEF Secretariat, STAP, and the M&E Unit. The main purpose of these meetings was to identify lessons and recommendations in general and for each focal area.

4. Three topics were discussed in the general review meeting: 1) the different ways in which the GEF review criteria are interpreted and applied within each focal area; 2) complexity of project design and overambitious objectives; 3) inconsistent and inflated ratings. The IAs also gave progress reports on implementation of projects-at-risks system as a distinctive management tool.

5. Following this introduction, Chapter II of this report presents the trends and overall characteristics of the portfolio, and disbursements as of June 30, 2003. Chapter II also addresses project ratings. Chapter III summarizes progress toward the achievement of objectives in the various focal areas. Chapter IV assesses compliance with three GEF review criteria that were most prominent in the focal area task force meetings: sustainability, replication, and monitoring and evaluation practices. Chapter V presents the findings and recommendations identified during

focal area task forces and the general review meeting on project design complexity and overambitious objectives. Chapter VI reports on the status of the projects-at-risk system in the IAs.

I. GEF PORTFOLIO TRENDS

A. Overall GEF Portfolio

6. As of June 30, 2003, a total of 722 full and medium-sized projects have been allocated funding in approved GEF work programs, compared to 621 projects by June 30, 2002, representing an increase of around 14 percent. As shown in figure 1, 42 percent of the projects are implemented by the World Bank (WB), 39 percent by the United Nations Development Programme (UNDP), and 11 percent by United Nations Environment Programme (UNEP), while 8 percent have more than one implementing agency (IA). Figure 2 shows the funding distribution among IAs: 52 percent was allocated to WB projects, 29 percent to UNDP projects, 5 percent to UNEP projects, and 14 percent to projects with multiple IAs. Additionally, 619 enabling activities (EAs) projects for a total of 217 million had been approved. Of these activities 401 were implemented by UNDP, 144 by UNEP, 35 by the WB, and 39 by multiple IAs (Tables 1 & 2, Appendix A).

Figure 1.
Percentage of Number of Projects by Implementing Agencies

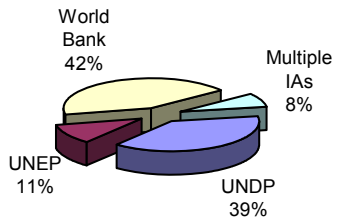
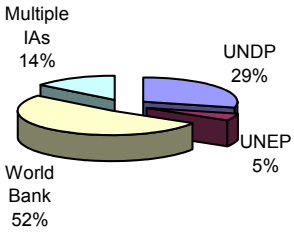
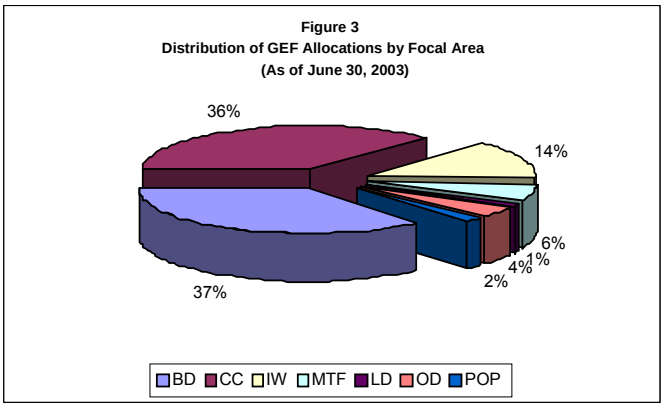


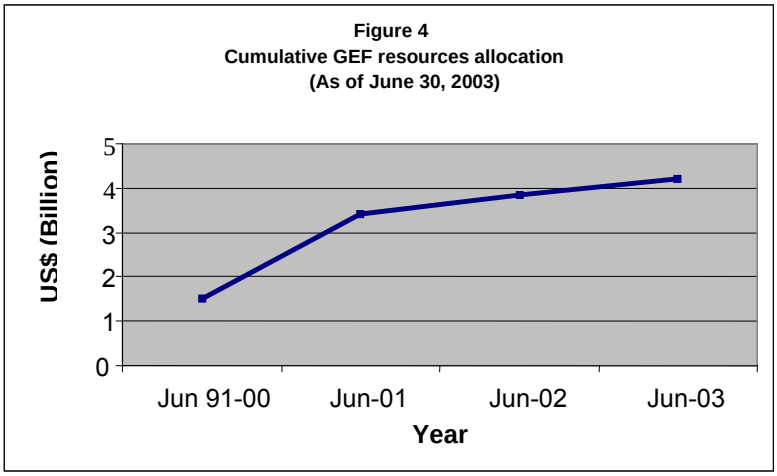
Figure 2
Percentage of Total GEF Funding by Implementing Agencies



7. The distribution of GEF allocations for full and medium-sized projects in the portfolio as of June 30, 2003, among focal areas are: 37 percent to biodiversity, 36 percent to climate change, 14 percent to international waters, 4 percent to ozone, 6 percent to projects with multiple focal areas, and 2 percent to Persistent Organics Pollutants. The PIR 2003 shows the first inclusion in the portfolio of projects within Integrated Ecosystems Management (OP12) and Short-Term Response Measures (STRM), which represent 1 percent of the GEF allocation in the portfolio (figure 3).



8. The growth of the overall GEF portfolio continued in the upward trend of the last two years (including EAs and project development funds). During 2003, 67 full-sized projects (FSP), 39 medium-sized projects (MSP), and 121 enabling activities (EA) were approved, for a total of US$555.62 million in GEF funding. The total GEF allocation at the end of FY03 was US$4.205 billion (Figure 4 and Appendix A, tables 1 and 2).

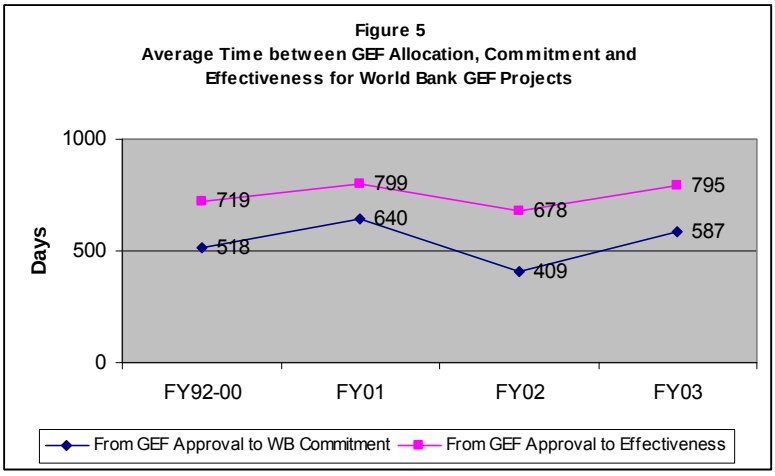


B. Time from Allocation to Implementation

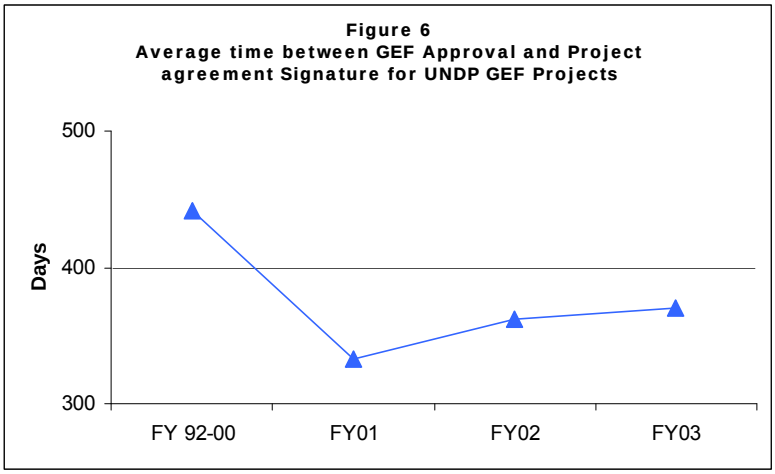
9. Over the years, GEF Council members and other stakeholders and potential partners have expressed concern about the long preparation time for GEF projects. UNDP and the World Bank report that over the last few years they have been looking for ways to reduce the elapsed time from allocation of GEF funds to implementation.

10. During FY 2003, the elapsed time between GEF Council approval and the World Bank effectiveness for full size projects reached 795 days, compared to 678 days in FY 2002 representing an increase of 17% (Figure 5). The World Bank states in its PIR overview report that it seems inevitable for GEF projects to require longer processing times, as there are several features that take lengthy periods. For example, biodiversity projects averaged 622 days from GEF Council approval to World Bank commitment because they involve complex social issues such as indigenous people's rights, community participation and creation or strengthening of appropriate institutional frameworks to support conservation. Although climate change projects consistently take less time to prepare (521 days) they sometimes involve complex financing arrangements, the identification of appropriate technologies and creation of innovative institutional arrangements.

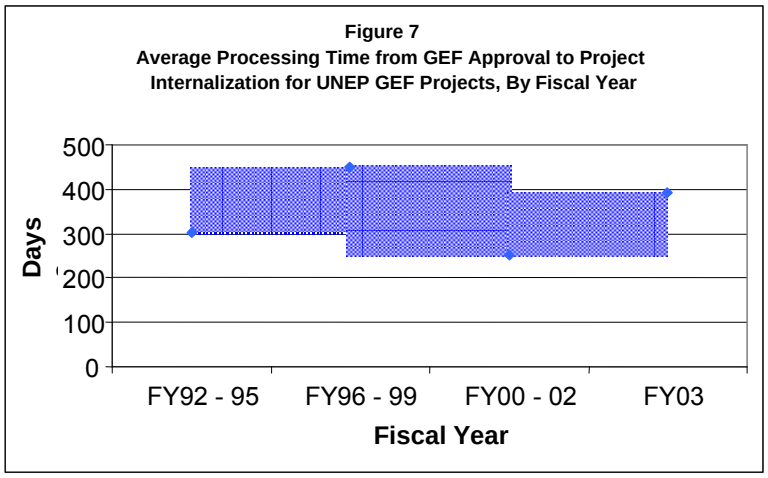
Figure 5
Average Time between GEF Allocation, Commitment and Effectiveness for World Bank GEF Projects



11. In the case of UNDP, the average elapsed time from GEF Council approval to the beginning of implementation (by fiscal year of project agreement signature) increased from 362 days in FY2002 to 370 days in FY2003 (Figure 6). UNDP also finds that it is unlikely that it will be able to decrease the elapsed time because of the phases that projects must go through internally after Council approval.



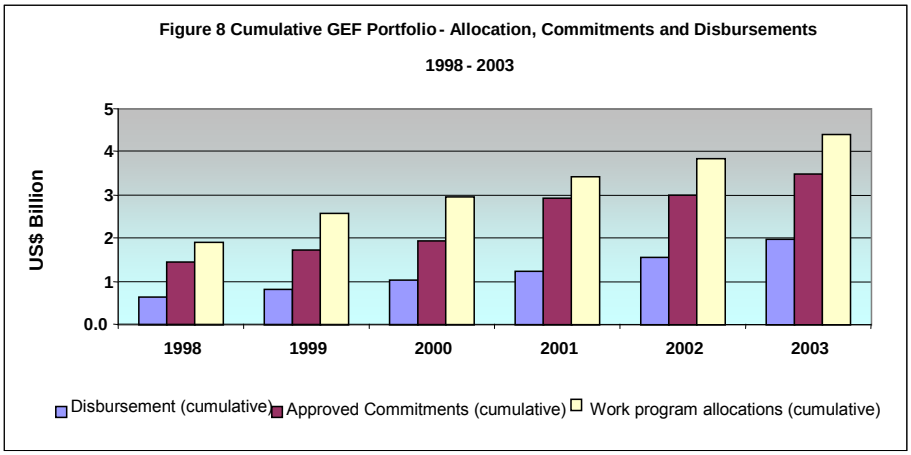
12. For FY2003, UNEP reported that the average elapsed time from GEF approval to project internalization for four full size projects that entered in 2003 was 391 days an increase of 70% from 230 days in 2002 (Figure 7). UNEP explains the hike in the average elapsed time by the impact of one project in Africa that was exceptionally delayed due to problems in the region. However, UNEP reports that the trend shows an improvement in the turnaround time of MSPs.



13. *Recommendation*. The GEF M&E Unit will conduct a special review with the participation of the IAs of the factors that lie behind the long time required for project preparation and initiation.

C. Gaps Between Approved Commitments and IA Project Disbursements

14. Figure 8 shows GEF allocations, commitments, and disbursements as of June 30, 2003. The cumulative work program allocation from the start of the GEF is US$ 4.205 billion. During FY03, 67 full size projects (FSP), 39 medium size projects (MSP) and 121 Enabling Activities were approved totaling US$555.63 million. Cumulative disbursement for the entire GEF portfolio, increased during FY 03 to US$1.987 billion, up from US$1.54 billion in FY02. The gap between the approved commitments and the actual disbursements was 57 percent in 2001 but has been decreasing since then and was 43 percent in 2003. Figure 8 shows that the level of disbursements in 2003 is approximately the same as the level of approved commitments in 2000.



15. ***Recommendation***. The GEF M&E Unit will conduct further analysis of the trends in approved commitments and project disbursements together with the analysis of "elapsed time" between project allocation and start of implementation.

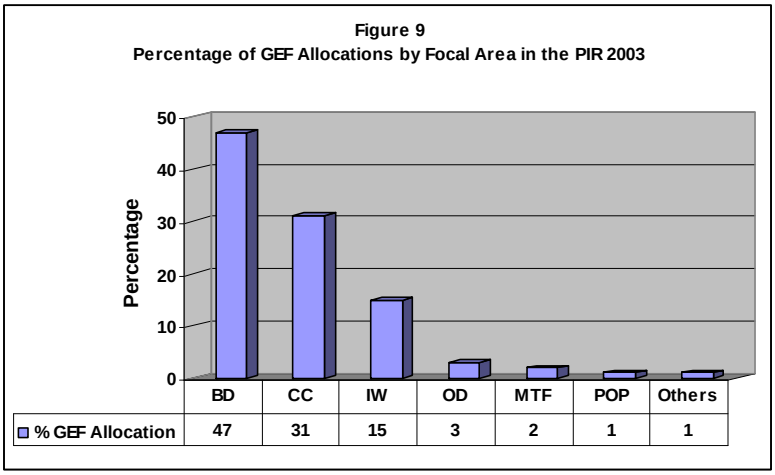
D. Overview of Projects Covered in the PIR 2003

16. The 2003 PIR includes 336 ongoing projects that had been under implementation for at least one year by June 30, 2003. This number reflects the steadily growing portfolio of projects under implementation, from 135 projects in 1999. As the GEF portfolio matures, more projects enter the PIR process (see Appendix A, table 3). As in previous years, projects in the Biodiversity focal area (BD) represent 53 percent of the portfolio. Climate Change (CC) is the second largest focal area in the 2003 PIR, with 92 active projects, or 27 percent of the total. There was no change in the number of projects for International Waters (IW) during FY 2003,

which remained at 10 percent of the portfolio. Two new focal areas appear for the first time in this year's PIR. These are Persistent Organic Pollutants and Integrated Ecosystem Management (OP12). There are two POPs projects under UNEP implementation, three OP12 projects, and two Short-Term Response Measures (STRM) under UNDP implementation. These new focal areas represent 3 percent of the portfolio for FY03.

17. In FY 2003, 47 percent of the total GEF funds was allocated to Biodiversity, 31 percent to Climate Change and 15 percent to International Waters. The rest of the focal areas, Ozone Depletion (OD), Multifocal (MTF), Persistent Organic Pollutants (POPs), and others, combined were allocated 7% percent of the GEF funds. The GEF funding allocations by IA is: the World Bank 62 percent, UNDP 28 percent, UNEP 7 percent, and multiple IAs 3 percent (Figure 9).

Figure 9
Percentage of GEF Allocations by Focal Area in the PIR 2003



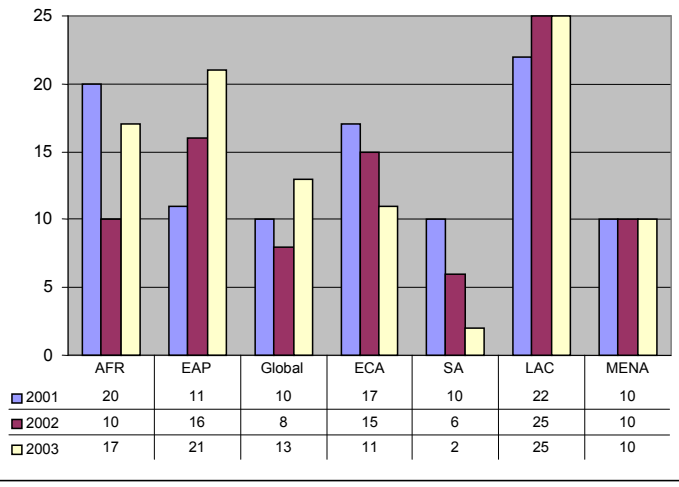
Overall, 64 projects are included in the PIR for the first time in 2003 (table 1) compared to 67 in 2002. Thirty-four projects were completed during FY 2003.

Table 1
New and Completed Projects in the PIR 2003 (As of June 30, 2003)

FOCAL AREAS	NUMBER OF ACTIVE PROJECTS	NEW IN 2003 PIR	NUMBER COMPLETED
Biodiversity	179	35	22
Climate Change	92	17	8
International Waters	35	0	3
Multiple	13	8	1
Ozone	10		
POPs	2	2	
Ecosystem Management	3	0	
STRM	2	2	
Total	336	64	34

18. The percentage distribution of projects by region in the 2003 PIR was: LAC region (25), EAP (21), AFR (17), ECA (11), MENA (10), SA (2), and global/regional projects (13). Figure 10 presents a comparison with previous years.

Figure 10
Percentage Distribution of Projects by Region in the 2003 PIR



	AFR	EAP	Global	ECA	SA	LAC	MENA
2001	20	11	10	17	10	22	10
2002	10	16	8	15	6	25	10
2003	17	21	13	11	2	25	10

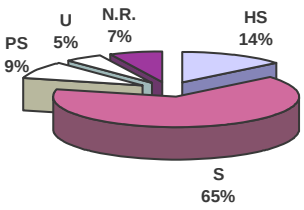
E. Ratings

19. The PIR is a monitoring tool that relies on each IA to report on and rate project performance. The IAs rated their projects according to two criteria: implementation progress and

likelihood of attaining development/global environment objectives. The World Bank rated its projects as highly satisfactory (HS), Satisfactory (S), Unsatisfactory (U) and Highly Unsatisfactory (HU). Partially satisfactory (PS) is included as a rating for IFC projects. The two UN agencies also use the additional category of partially satisfactory (PS).

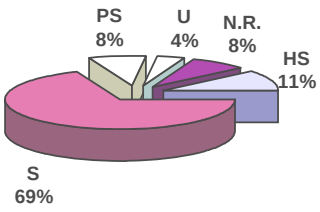
20. On Implementation Progress 47 projects (14 percent) were rated highly satisfactory on Implementation Progress, 217 projects (65 percent) were rated satisfactory, 31 partially satisfactory (9 percent), and 16 (5 percent) unsatisfactory. Twenty-four projects (7 percent) did not provide ratings in their PIRs. Figure 11 and table 5 in Appendix A, provide more detailed information on Implementation Progress ratings.

Figure 11
Ratings on Implementation Progress



21. The ratings on development/global environment objectives are very close to the numbers on IP ratings. 11 percent (37 projects) were rated highly satisfactory, 70 percent (235 projects) were rated satisfactory, 7 percent (25 projects) were rated partially satisfactory, 4 percent (12 projects) were rated unsatisfactory, and 8 percent (26 projects) were not rated (Figure 12 and Table 5).

Figure 12
Ratings on Development/Global Environmental Objectives



Projects Rated Highly Satisfactory

22. The IAs' rated 24 projects highly satisfactory on both their implementation progress and likelihood of achieving their development/global environmental objectives. The distribution of projects was: Biodiversity 14, Climate Change 7, International Waters 1, and Persistent Organic Pollutants 2. Biodiversity projects rated highly satisfactory had some characteristics in common, such as on-schedule implementation of activities, establishment of strategic alliances with other organizations, and considerable progress achieved in all project deliverables. Other projects rated as highly satisfactory had protected area management plans, including financial sustainability, agreed on by all major stakeholders. In some cases, the projects have been successful in producing alternative income for the local communities through improved farming and pasture management techniques consistent with conservation.

23. In Climate Change, projects with highly satisfactory ratings had good financial management and good working arrangements among the implementing agencies and partners. In addition, they were generating economic benefits for those affected by the project and were decreasing GHG emissions and/or were contributing to market transformations toward more energy friendly technologies

24. In International Waters, only one project was rated highly satisfactory on both its implementation progress and the likelihood of achieving its development/environmental objectives. This project had initiated terrestrial and aquatic data collection and monitoring programs necessary to provide information for management decisions, and was developing tools to undertake the management of the lake basin in one of the riparian countries.

25. In the Persistent Organic Pollutants focal area, the two projects rated highly satisfactory were implementing project activities as scheduled, and were said to be on their way to achieving their objectives. For example, one project was effectively assisting countries to prepare their national inventories of POPs and creating global guidelines for the development of these national inventories for other countries.

Projects Rated Unsatisfactory

26. This year, six projects were rated as unsatisfactory on both their implementation progress and in the likelihood of achieving their development/environmental objectives. Four of those projects were in Biodiversity, one in Climate Change, and one in International Waters. According to the reports, the Biodiversity projects with unsatisfactory ratings had serious conflicts between project stakeholders, particularly between the project's conservation objectives and national development objectives. One project experienced problems of sociopolitical instability in the project region, dysfunctional management committees, and delays in project activities. Another had poor financial management, unsatisfactory reporting of project expenses with subsequent delays in fund disbursements, high turnover of project staff in the field and an absence of government ownership. This project is currently under investigation for allegations of corruption.

27. The Climate Change project with unsatisfactory ratings had characteristics like narrow focus on technical issues (that is, installation of PV systems), insufficient attention to regulatory, financial, and institutional issues (for example, capacity building) and failure to address informational issues said to be central to the achievement of project objectives. Other characteristics of the project were lack of systematic attempts to draw lessons from the first phase and limited public and private stakeholders' participation. In addition, disbursement rates for the project were low.

28. The discerning issue for the project rated unsatisfactory in the International Waters area was inadequate government ownership, which contributed to considerable delays in implementation, including the collection of scientific data. Such data were critical for establishing a sensible and cost-effective natural resource management plan, particularly to address point and non-point pollution and sustainable management of natural resources. The IA is now addressing these problems.

The Need for More Consistent Ratings

29. In practice, the way in which the three Implementing Agencies define "satisfactory" seems to vary considerably. These differences were discussed during the general meeting in New York. One issue is that the IAs sometimes takes into account the context in which the project is implemented; that is, implementation progress is rated satisfactory given the circumstances. In other words, when the context of project implementation becomes difficult, the agencies may accept an outcome less ambitious than the one originally proposed as satisfactory.

30. Furthermore, there is a lack of detailed explanations and appropriate justification of "Highly Satisfactory" ratings. Around two-thirds of the 24 projects rated "Highly Satisfactory" in terms of both implementation progress and likelihood of achieving their development/environmental objectives did not provide sufficient evidence that project achievements were beyond those that would have merited only a "Satisfactory" rating, that is to say, projects that are performing as expected. This pattern was common to all the IAs and was found across all focal areas.

31. Most IAs have acknowledged the problem of project managers overrating their projects and have already put in place internal review processes to remedy this situation. The World Bank, for example, developed its project-at-risk system as a way to overcome the possibility of over optimism in the rating by task managers (this is discussed in more detail in chapter VI). When requested to reconsider project ratings, moreover, IAs usually respond positively. For example, the International Waters task force recommended in its December 2003 meeting that IAs revise the rating of 7 of the 35 IW projects included in this year's PIR. Two agencies undertook the revised assessments of a total of five projects and downgraded their ratings.

32. Despite the general trend toward downward revisions of ratings after consideration by Task Forces, IAs continue to believe that some flexibility is needed to take into account

particular factors that bear on what can reasonably be expected from a given project. They observed that the formal project ratings system does not take into account wide differences in the ambition as well as in the complexity of projects, which should be reflected in some way in the ratings.

Conclusion

33. There is a tendency to overrate projects in the PIRs. In many cases, the narrative assessments did not provide adequate reasons for relatively high ratings. Furthermore, the definitions of "highly satisfactory" and "satisfactory" are not consistent across the three IAs.

34. ***Recommendation.*** The M&E unit will form a working group, which will include representatives of the IAs and the GEF Secretariat, to develop and adopt clearer guidelines and to identify best practices in rating project results.

II. PROGRESS TOWARD ACHIEVING PROJECT OBJECTIVES

35. This chapter presents a summary of the progress toward achieving results, as reported by the IA and the GEF M&E team. This review does not reflect a comprehensive and systematic assessment of outcomes, which is now being carried out under the program studies in Biodiversity, Climate Change, and International Waters, and which will be completed in July 2004.

A. Biodiversity

Establishing and Expanding the Areas Under Protection, and Improving Their Management

36. The primary criteria for measuring of impacts of protected area projects are firstly the establishment or expansion of protected areas and secondly improvements in their management quality. The Implementing Agencies have attempted to quantify project outcomes in regard to these two measures using the program indicators developed by the biodiversity task force.[1]

37. UNDP calculates that more than half of the ongoing projects under Forest Ecosystems (OP3) and Conservation and Sustainable Use of Biological Diversity Important to Agriculture (OP13) have established new or expanded protected areas averaging 50,000 ha in size. Of those projects that have not yet expanded protected area coverage, moreover, one-third have plans to do so. UNDP anticipates that its current portfolio of GEF protected areas projects will expand protected areas globally by nearly 2 million hectares and will improve the management in approximately 6 million hectares of protected areas.

38. The World Bank reports that the degree of expansion varies considerably between projects; in some cases the expansion has been a few thousand ha, whereas in others it has been much greater. In the case of the Russia Biodiversity Conservation project, for example, the expansion of biodiversity conservation in protected areas has already achieved an estimate of more than 1.5 million ha. The World Bank estimates that in 14 projects for which the Bank had information available, these projects will expand protected areas by approximately four million ha and improve the management of an additional two million ha of protected areas. The Biodiversity program study will provide a more comprehensive picture of the accomplishments of the GEF biodiversity portfolio.

Contributions to the Protection of Ecosystems and Species

39. Several recently completed terminal evaluations reported on direct effects on biodiversity conservation by GEF projects. An example of such an effect is the World Bank China Nature Reserves Management project, which enhanced the conservation of biodiversity at the

[1] See "*Measuring Results of the GEF Biodiversity Program.*" Monitoring and Evaluation Working Paper 12. August 2003.

participating nature reserves. There are measurable increases in vegetation and in key species such as the panda bear. A biodiversity corridor was successfully established linking two formerly separate core zones, and two timber industries were relocated outside this corridor. The World Bank Mauritius Biodiversity Restoration project restored the native ecosystems in several islands, making the habitats viable for native fauna. The successful propagation of some plant species has led to their downlisting from the endangered species list. In addition, the project has increased local capacity to carry out these conservation programs. The World Bank Seychelles Management of Avian Ecosystems project restored the ecosystems in several islands and reintroduced several bird species, which established viable populations in the restored habitats. UNDP reports that in Guatemala the Integrated Biodiversity Protection in the Sarstun project has established and strengthened protected areas and has aided in the conservation of a corridor that has contributed to the comeback of the highly endangered quetzal. Other examples are UNDP's Landscape-scale Conservation of Endangered Tiger and Rhinoceros Populations in and Around the Chitwan National Park in Nepal, which reported increases in numbers of tigers and rhinos. UNDP also reports its project Madagascar Environment Program Support (Phase II), by involving community and regional actors in conservation, has contributed to a significant reduction of mangrove destruction in two sites, mangrove reforestation in two other sites and reduction of coral reef destruction in two additional sites.

Fostering an Enabling Policy Environment for Biodiversity Conservation

40. All IAs report that many of their projects are fostering enabling environments for biodiversity conservation by helping to put in place or strengthen policies, legal, or regulatory frameworks and institutions for biodiversity conservation. For example, UNEP reports that COP 6 Decision VI/23 on invasive alien species (IAS) was approved due in large part to awareness-raising activities carried out by the Invasive Alien Species project. Also, the World Bank reports that the Romania Biodiversity Conservation Management project established new institutional arrangements for protected areas, and that the Central Asia Transboundary Biodiversity project harmonized biodiversity laws among Kyrgyzstan, Kazakhstan and Uzbekistan. Along the same lines, the terminal evaluation of the UNDP African NGO-Government Partnership for Sustainable Biodiversity Action project indicates that as a result of this project, national NGOs in Africa have expanded their networks; increased their technical, managerial, and administrative capacity; and strengthened their relations with governments in regard to work on conservation of Important Bird Areas (IBAs) designated by Bird Life International. The IBA approach has contributed to biodiversity planning and action in all countries, influencing the development of National Biodiversity Strategic Action Plans. Government bodies and international NGOs increasingly rely on partner NGOs in the country for technical support related to conservation. More than 500 IBAs have been identified in the 10 countries covered by the project, and bird conservation is now on the national agenda of a number of countries in which it was previously ignored as a policy issue. A large number of small subprojects of IBAs identified through the project have already secured their funding.

Mainstreaming Conservation Into Production Sectors

41. An increasing number of GEF biodiversity projects include components that support the mainstreaming of biodiversity protection in production sectors or sustainable use of biodiversity -- such as sustainable tourism, biodiversity friendly agroforestry, and improved forest management. The nature of most of the activities, however, makes quantification of outcomes difficult or impossible. In order to address this problem, the GEF Biodiversity task force has decided to develop a set of criteria and indicators to monitor the mainstreaming activities. An example of mainstreaming biodiversity into production sectors is provided by several UNEP projects. According to the final evaluation of UNEP's People, Land Management and Environmental Change (PLEC) project, the technical and policy recommendations from the project have been incorporated into national development and conservation planning processes. (Examples include Ghana Strategic Plan for Conservation and Use of Genetic Resources, Brazilian State of Amapa Sustainable Development Plan and KARI strategy in Kenya). In other cases, PLEC methods have been picked up by other projects (SRMP in Ghana, Pro-Varzea and Pro-Manejo programs in Brazil and the GEF project involving FAO and IPGRI on National Land Use Policy and Biodiversity Conservation Strategies in Uganda). UNEP reports that the Biodiversity Conservation and Integration of Traditional Knowledge on Medicinal Plants in National Primary Health Care Policy in Central America and the Caribbean (TRAMIL) has introduced its research results to the curriculum of health and natural sciences programs for new health professionals. UNEP also reports that rigorous scientific evaluation of medicinal plants within TRAMIL has been key in gaining credibility among health professionals and policy-makers (for example, Nicaragua, Honduras and the Dominican Republic) and has provided health ministries with cost-effective primary care alternatives that were previously viewed as substandard.

Biodiversity Conservation Project Challenges

42. Although the biodiversity portfolio is producing a number of significant results, some evaluation reports state that some projects failed to produce any tangible impacts or even had negative impacts on biodiversity. For example, according to the final evaluation of the World Bank Kenya Conservation of the Tana River Primate National Reserve, the project tried to relocate communities to reduce the pressure on the habitat that sustains primate populations. But opposition from the local communities caused the project to be canceled. In the absence of transitional arrangements and further interventions after project cancellation, it is unknown how many families in the reserve will relocate to reduce pressure on forest resources. In the meantime, human activities that threaten the long-term survival of the primates and their forest habitats have increased, causing a decline in the quality and extension of viable habitats. This has increased the level of vulnerability of at least one of the target species. Further efforts to work with the communities in the future may be more difficult given the failure of this project and the ensuing community distrust.

43. The final evaluation of the UNDP, Belize—Creating A Co-Managed Protected Areas System, concluded that a weak or absent analysis of barriers to effective PA management during

the design phase resulted in a project that was subject to changing perceptions of what needed to be done. Therefore the project failed to produce tangible impacts on conservation of protected areas in the country.

B. Climate Change

44. Projects in the climate change focal area intend to achieve the goal of Greenhouse Gas (GHG) emission reductions. The strategy includes demonstrating cleaner energy technologies for productive uses, encouraging energy efficiency measures, contributing to transform energy markets, increasing access to local sources of financing for alternative energy projects, developing policies favorable for energy efficiency and renewable energy, and improving awareness and understanding of target technologies. Seven GEF indicators encompassing the approaches mentioned above have been developed and proposed by the GEF Secretariat to reflect measurable outcomes of GEF projects in the three climate change operational programs. However, reporting of these indicators has been inconsistent so far, making it difficult to aggregate the outcomes. This section presents the progress toward some of the indicators and GHG emissions reductions that have been reported. The ongoing Program Study is expected to provide a more thorough reporting of outcomes and impacts of the GEF Climate Change portfolio.

Reducing or Avoiding GHG Emissions

45. Measurement of GHG emissions is currently in progress, so a portfolio-wide assessment is difficult at this time. Nevertheless, three out of seven final evaluations reported achievements on avoided GHG emissions. For example, the final evaluation of the World Bank Sri Lanka - Energy Services Delivery project states that the project will result in a reduction of 514,000 tons of carbon emissions over the life of the subprojects while installing 35.3 MW of renewable energy capacity and serving more than 22,500 off-grid customers. Also the UNEP Global Project Redirecting Commercial Investment Decisions to Cleaner Technology final evaluation concludes that the project promoted an enabling environment for private sector participation in grid-connected renewable energy projects in a few countries. This enabling environment has contributed to five investments in renewable energy that will reduce CO_2 emissions by an estimated 2,842,720 tons over the 20-year lifetime of these investments—nearly three times more than the 1 million metric tons of GHG reductions initially expected from this GEF project. According to the SMPR and the final evaluation, in three years the Cuba Producing Energy Efficient Refrigerators without Making Use of Ozone Depleting Substances project (UNDP) has produced and sold 18,000 units, which will contribute to reducing a total of 74,504 tons of CO2 over the 15-year life of the units (although the SMPR found that the sustainability of the production was not satisfactory). The final evaluation of the UNDP Regional Project Creation and Strengthening of the Capacity for Sustainable Renewable Energy (RE) Development in Central America (FOCER) reports that the GEF project resulted in eight demonstration subprojects being implemented in seven countries to service off-grid communities with different renewable alternatives. In Honduras, as a result of the GEF project activities it was possible to activate 14 power purchase agreements, by removing policy and regulatory barriers to market

transformation. The implementation of the eight subprojects is expected to result in a reduction of 20,000 tons of CO2 annually, of which 82 percent is accounted for by subprojects implemented in Honduras. UNEP estimates that the project Promoting Industrial Energy Efficiency through a Cleaner Production/Environmental Management System Framework will avoid 225,000 tons of CO2 annually as a result of energy efficiency improvements at industrial facilities. Similarly the World Bank's Energy Conservation Project in China will reduce 580,000 tons of carbon as a result of energy performance contracts implemented by Energy Service Companies (ESCOs) assisted by the project.

Contributing to Energy Efficiency and Renewable Energy Market Transformations

46. One of the most important indicators of the impacts of UNDP's Climate Change projects is the shift in national policies from the business-as-usual approach to one that supports more sustainable energy markets. Some of the projects have reported major accomplishments in regard to policy and regulatory reform. The UNDP Barrier Removal for the Widespread Commercialization of Energy-Efficient CFC-Free Refrigerators in China, for example, contributed to lasting changes in the structure and functioning of the refrigerator market—not only in China but also in the Asian export market—by working with refrigerator manufacturers to promote minimum efficiency standards and labels.

47. UNDP OP5 projects employ policy and regulatory reforms and standard setting—and capacity development to implement them—to achieve the market transformation of energy efficient products. These can be cost-effective measures that achieve impacts within a short time span. UNDP projects have induced producers to accept minimum energy efficiency standards voluntarily. In the China Barrier Removal for Efficient Lighting Products and Systems project, for example, UNDP contributed to the National Greenlights Program by working with some major manufacturers to adopt national minimum efficiency standards for compact and double capped fluorescent lamps, and participated in developing the National Certification Label for these products. According to the UNDP PIR overview report, the Egypt Energy Efficiency Improvements and Greenhouse Gas Reduction project had significant impacts on energy efficiency through the development of energy labels and standards and the design of a building energy code. It also facilitated public-private partnership contracts, supported creation of ESCOs to promote the use of energy audits, and developed a new mechanism for loan guarantees.

48. The promotion of ESCOs has also had an important role in energy efficiency market transformation. For example, through the World Bank Energy Conservation Project in China, several pilot ESCOs have been developed in three provinces—Beijing, Shandong, and Liaoning—and have demonstrated the commercial viability of the market-oriented energy service company concept. New laws and regulations necessary for such businesses to survive were also developed. By early 2002, the three companies had implemented 209 energy performance contracts with a wide variety of customers.

49. Other projects have contributed to renewable energy market transformations by supporting an increase in the numbers of developers and dealers (in Indonesia, Sri Lanka) and

energy efficiency businesses (in China and India) as well as developing new financing for both kinds of alternative energy businesses. For example, the World Bank reports that the most discernable impact of its GEF cofinanced operations has been the establishment of a large number of businesses in developing countries, which provide renewable energy products and associated services such as credit and maintenance. The social, economic, and employment impacts of these renewable energy businesses are now engendering a growing constituency for renewable energy markets. For example, village hydro development under the World Bank Sri Lanka Energy Services Delivery (ESD) project credit program surged in 2001; by June 30, 2002, 56 projects, with an aggregate capacity of 594 kilowatts, had been commissioned or were under implementation—far exceeding the project target of 20 systems. Provincial authorities are in the process of incorporating village hydros in their rural electrification plans, and rural banks have lent to this sector for the first time.

Climate Change Project Challenges

50. Some Climate Change projects' outcomes have been limited by the small size of the market affected, by failing to respond to the real energy needs of the market, by failing to ensure replication of outcomes or by underestimating the market barriers. For example, isolated rural PV projects do not lead to significant direct CO2 emission reductions, given the limited number of households directly equipped by the projects and the failure to properly address replication barriers. One example is the UNDP Uganda Photovoltaic Pilot Project for Rural Electrification Project, where the final evaluation estimates that the project installed 2389 PV systems that could reduce CO2 emissions by 36.5 kilotons over the next 10 years—an order of magnitude smaller than the reductions in other GEF climate projects. The UNDP Guatemala - Renewable Energy-Based Small Enterprise Development in the Quiche Region and the Ghana - Renewable energy-based electricity for rural social and economic development, with 1,800 systems installed, will also make a very limited contribution to GHG reductions.

C. International Waters

Increasing Country Ownership to Reduce Threats

51. The IW program is helping riparian countries develop both a common understanding of major threats to transboundary ecosystems, and measures to reduce those threats through the adoption and implementation of agreed-upon programs. A critical factor for success is the commitment of participating governments to multilateral processes of identifying problems and agreeing on solutions. One of the indicators of that commitment is adequate financial and policy support to those processes. UNDP reports that out of the six projects dedicated to Strategic Action Program (SAP) implementation, five report that all participating governments have provided the necessary staff and funding for the country's SAP-related activities. UNEP also reports that the TDA and the national reports used to prepare the Project Reversing Environmental Degradation trends in the South China Sea and the Gulf of Thailand, which were completed during the PDF-B phase, have been reviewed, updated, and greatly enlarged with respect to the components and subcomponents of the project. Significant progress has also been

made in UNEP's Formulation of a Strategic Action Program for the *Integrated Management of Water Resources and the Sustainable Development of the San Juan River Basin and its Coastal Zone*. The governments of Costa Rica and Nicaragua are integrating this project into their national development plans as well as into their bilateral planning processes for water use and development of the region. The Vice Ministers of Environment have taken political responsibility for the project, giving it high priority. UNEP reports that the SAP could be drafted by December 2003, and that a project brief to implement the SAP could be completed by June 2004. The terminal evaluation of the project Addressing Transboundary Environmental Issues in the Caspian Environment Programme (UNDP, UNEP, WB) reports that the Transboundary Diagnostics Analysis (TDA) developed by the project has also been used by participating countries to prepare their own National Caspian Action Plans (NCAPs). The latter plans comprise interventions to achieve environmental quality objectives (EQOs). However, the terminal evaluation states that all of the NCAPs need more work in order to provide adequate input to the identification of Priority Investment Projects to be funded by the World Bank during the next phase.

52. Some projects are working to obtain funding also from other sources to implement activities identified through the GEF project. For example, the UNEP Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa project, in cooperation with other national and regional partners, will help leverage more funding for GEF-relevant activities through the environmental component of the New Partnership for Africa's Development (NEPAD).

Fostering of Enabling Policy Environments

53. GEF projects have been supportive and sometimes central in getting countries to agree to work together and setting up instruments for cooperation to address environmental transboundary water issues. Examples of such conventions are the Caspian Sea Framework Convention and the Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. GEF projects also contributed to the adoption of conventions to protect Lake Victoria and Lake Tanganyika in Africa.

54. Several projects have reported contributions to the development of legal frameworks to address environmental issues related to transboundary water bodies. The UNDP Black Sea Project reported that the riparian governments signed the Landscape Biological Diversity protocol to the Bucharest Convention in 2002. The protocol calls for the identification of fishery free zones and marine protected areas. UNDP also reports that all six countries participating in GloBallast have completed environmental reviews and have identified the ways in which they intend to develop and implement national ballast water legislation and regulations. Three pilot countries (Brazil, China, and Ukraine) have passed interim legislation, and South Africa has developed a draft policy on ballast water management that will be used as a model by other countries. UNDP reports that activities implemented by the GloBallast project have been partly responsible for the adoption by the Nordic Council of Ministers, North Sea Ministers Conference, and OSPAR members of ballast water resolutions, and for the national ballast water

legislation passed in Norway and Belgium. In the Water and Environmental Management in the Aral Sea Basin project, according to the World Bank, participating countries are developing water-sharing agreements as a means of reducing common threats to the Aral Sea. The World Bank also reported that most of its IW projects have made progress in aligning the policies and regulatory schemes of participating governments with international best practices. Examples are the three Oil Spill Conventions ratified by riparian states in the Indian Ocean and Romania's Code of Good Agricultural Practices.

Achieving and Measuring Environmental Stress Reductions

55. Most IW projects are supporting the finalization of TDAs and SAPs. Even though GEF IW projects are not generally expected to achieve stress reduction during the timeframe of the project, some of the SAP implementation and investment projects reported progress toward reduction on environmental stress. The World Bank reports that the threat from oil spills off the Eastern Coast of Africa has been reduced since the completion of the Oil Spill Contingency Planning project. Other examples of stress reduction in World Bank projects are the control of water hyacinth in the Lake Victoria project and the reduction of nitrate run-off into the Baltic Sea in the Poland Agricultural Pollution Control project. Other projects have set in place systems that should result in the reduction of environmental stresses. The jointly implemented *Implementation of the Strategic Action Programme (SAP) for the Red Sea and Gulf of Aden project* (UNEP, UNDP, WB) reported that new Red Sea navigation charts have been published, to reduce risks of oil spills due to navigation errors. In the same project, a new traffic separation scheme adopted by IMO for the Southern Red Sea was expected to come into force on July 1, 2003. It is expected that the project will also establish a system for traffic monitoring to assess the impact of the scheme on transit traffic in the main section of this region. However, financial sustainability and deliverables of the project remain uncertain, as described under the IW challenges.

56. Another achievement of GEF IW projects has been the establishment of baselines for future measurement of improvements in the status of environmental problems addressed by the project. The UNEP Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand project is setting up baselines against which future change in environmental status can be evaluated. This project is also providing important information, such as the first internationally available data relating to seagrass habitats in China, and data on species diversity, productivity, the importance of areas as migratory species habitats, and environmental threats at the site level. The reviews leading to the baseline studies have also identified and analyzed hot spots of land-based pollution and have determined priorities for contaminant reductions at the regional level.

International Waters Project Challenges

57. The GEF is now facing the challenge of assisting countries in turning commitments into action. The main challenge is the uncertainty of countries' financial commitment to implementing the investments identified in the SAP as needed to reduce stress in the water

bodies. For example, while incentives exist in some basins through mainstreaming of project activities, or (for EU accession countries) by the requirements to enter the EU—according to the World Bank's report, such incentives are absent in many African countries participating in GEF IW projects. The PIR of the Implementation of the Strategic Action Programme (SAP) for the Red Sea and Gulf of Aden project (UNEP, UNDP, and WB) indicates that the midterm review recognized the progress made on the SAP implementation. However it shows concerns regarding financial sustainability and deliverables. The sustainability of the project depends to a large extent on PERSGA's (Regional Organisation for the Conservation of the Environment of Red Sea and Gulf of Aden's) ability to leverage additional financial resources to implement activities complementary to the SAP. Countries' commitment to the SAP can be measured by their contribution to the PERSGA core budget. These two factors remain the main challenges for the project, for PERGSA, and for the region. To address the sustainability issues, a draft sustainability strategy has been prepared.

D. Ozone Depletion

58. Since 1991, GEF has assisted 17 countries with economies in transition (CEITs) in phasing out production and use of ozone-depleting substances (ODS). A number of the GEF projects are now completed. Currently, there are eight ongoing Ozone Programmes, jointly implemented by UNDP and UNEP, in the CEIT region. UNDP reports that except for the institutional strengthening and training activities, the investment components have been completed in Azerbaijan, Estonia, Latvia, Lithuania, Tajikistan, and Uzbekistan. PIRs were submitted for all eight countries in 2003 except Azerbaijan and Turkmenistan. All subprojects in all countries should be completed by the end of 2004. In addition, two ODS projects were completed in 2003 by the World Bank in Ukraine and Russia.

Promoting Compliance With the Montreal Protocol

59. UNEP reports the achievements of its ODS phase-out relative to the deadlines set under the Montreal Protocol. As late as 1999, the Implementation Committee of the Montreal Protocol reported that some 10 CEITs were in non-compliance with the Montreal Protocol. In mid-2003, however, the Implementation Committee reported that only three CEITs were out of compliance.

60. According to UNEP's overview report, ODS consumption in CEITs peaked at 272,933 tons in 1989. The 2001 data, which are the most recent complete set, indicate that consumption had fallen to 2,801.6 tons. As of December 2003, the data received by the Ozone Secretariat indicated that the CEIT regional consumption figure had fallen by more than two-thirds to 916.7 tons.

61. According to the UNEP PIR review report, the direct support of regional activities under the GEF Promoting Compliance with the Trade & Licensing Provisions of the Montreal Protocol (MP) in Countries with Economies in Transition project and the country phase-out programs have helped countries establish legislation and regulations to control the movement and consumption of ODS. All CEITs except one now have Import/Export Licensing Systems, often

going beyond the minimum required by the treaty. Of the 15 CEITs, 9 use import quotas for at least some substances, and 10 countries use economic instruments, such as taxes, fees, or charges on substances waste disposal. Furthermore, the early regional training component of the project on Promoting Compliance with Trade & Licensing Provisions of the Montreal Protocol has yielded dividends by supporting customs training exercises to control the trade of substances in the CEITs.

62. UNDP reports that the ODS phase-out projects in Tajikistan, Kazakhstan, Latvia, Lithuania, Estonia, and Uzbekistan are also achieving their objectives, and specifically their reduction in consumption benchmarks. For example, Latvia, Lithuania, Estonia, and Uzbekistan have completely eliminated all consumption of CFCs, halons, CTCs, and MeCl since 2001. The projects in these countries still have institutional training components taking place. In Kazakhstan and Tajikistan, consumption of CFCs was still taking place in 2002 and 2003. However, consumption has been decreasing dramatically every year since 1997.

63. The World Bank reports that Ukraine has eliminated primary ODS consumption and that the country is now fully compliant with its obligations under the Montreal Protocol, having instituted a ban on ODS imports and exports. The World Bank also reports that in Russia, the primary consumption of ODS has been phased out. Given the status of Russia as one of the world's largest traditional consumers of ODS, this constitutes a major contribution to global ODS emissions reduction. According to the World Bank, Russia is now in compliance with its international obligations under the Montreal Protocol. The consumption phase-out achieved to date is estimated to be approximately 12,000 MT. However, the Russian government has failed to follow through with its commitment to establish long-term capacity in support of the ongoing evolution of international measures to deal with new substances. Furthermore it apparently has withdrawn its initial commitment to pursue future phase-out measures with respect to transitional substances.

ODS Phase-Out Program Challenges

64. In some countries, methyl bromide (MeBr) continues to pose a challenge. For example, UNDP reports that in Kazakhstan the consumption of methyl bromide is much higher than stipulated in the project benchmark and is increasing. Since the Copenhagen Amendment was not ratified, the GEF was unable to include Kazakhstan in its recently approved MeBr program. UNDP also reports that in Lithuania, consumption of methyl bromide has remained unchanged since 2001. To address these issues, UNDP reports that a new funding window was opened to address the phase-out needs of MeBr and HCFCs. A PDF-B GEF project is already underway for the MeBr sector, while initial discussions to address the HCFC phase-out are being planned.

E. Integrated Ecosystem Management

65. The PIR 2003 included for the first time two projects in this focal area: the Senegal Integrated Ecosystems Management and the Mexico Integrated Ecosystems Management, both UNDP projects. According to UNDP's focal area report, the two projects are quite different. The

Mexico project appears to focus more on biodiversity and natural resource management. The Senegal project, in contrast, integrates both biodiversity and climate change benefits, and encourages a balanced approach among all forms of land use by promoting an "eco-regional approach" that includes sustainable uses of ecosystems, pastoral and wildlife migration corridors, and other integrated benefits.

III. COMPLIANCE WITH THE GEF REVIEW CRITERIA

A. Sustainability

66. Sustainability refers to the likelihood that project benefits (outcomes and impacts) will continue, within or outside the project domain, after GEF assistance has come to an end. Dimensions of sustainability normally considered in GEF projects include: financial and economic instruments to ensure ongoing flow of benefits, development of suitable organizational arrangements and institutional capacities, policy and regulatory frameworks that further the project objectives, identification and involvement of champions, achieving social sustainability, and achieving stakeholders' consensus regarding courses of action on project activities. Although projects that address the multiple dimensions of sustainability have greater chances of success, few projects in this year's PPR addressed all the dimensions mentioned above.

Financial Sustainability: Not Sufficient but Critical

67. Although the dimensions for sustainability will vary from one project to another, this year's Terminal Evaluations, SMPRs, and PIRs continue to affirm previous PPR findings that financial sustainability, while a critical factor, is not sufficient for the continuation of project benefits. For example, the terminal evaluation of the World Bank Seychelles Management of Avian Ecosystems Project attracted the interest of BirdLife International to provide financial support for continued monitoring. But it has also enlisted the support of governments, bird scientists, and private island owners in habitat maintenance, without which sustainability may have been compromised. The presence of these dimensions together with other project accomplishments has increased the likelihood of project sustainability of project benefits; specifically, it has allowed the bird populations that have been translocated to the islands to become well established.

68. In other projects, the lack of financial sustainability has compromised project outcomes. For example, at project completion, the World Bank Egyptian Red Sea Coastal and Marine Resource Management project has good prospects for continuing institutional capacity building, legal strengthening, and information system improvements to promote sustainable development beyond the life of the project. However, the financial sustainability of the environmental protection and monitoring and evaluation programs remain in doubt. For example, only international donors such as USAID have been identified to cover the future recurring costs of project activities such as ranger monitoring and enforcement activities. More permanent country-driven arrangements must be found to carry out these essential activities.

69. The SMPR of the World Bank-Central Asia Transboundary Biodiversity Project also found that certain key elements of the project, and development of monitoring systems, appear sustainable beyond the GEF project. However, it also concluded that it would be very optimistic to assume that governments will absorb the recurring costs of regional activities after project completion. It is not immediately evident how or whether these activities will be financed. Only

the Uzbekistan government has decided on substantial future funding. There, 100 percent of the revenues from the reserve as well as from fines on polluting industries—an estimated US$1 million annually—will go to the management of the protected areas.

70. In the IW focal area, GEF projects have often been successful in getting riparian countries to cooperate in the definition of programs that address key governance and technical issues. However, sustaining commitment to the phase of stress reduction and environmental improvements will often require continued support in the form of external investment. In the case of the Danube and Black Sea, the World Bank has successfully leveraged GEF resources to mobilize these investments in a series of partnerships. For EU accession countries, sustainability of such interventions beyond the life of GEF projects is anticipated in the context of meeting EU Directives in Water and Natural Habitats. In the UNDP GloBallast project, incentives for continued funding of the needed activities have been created in part by mainstreaming project objectives into the International Maritime Organization.

71. The UNEP Implementation of the Strategic Action Program for the Bermejo Binational Basin Project presents another example that has been quite successful in mainstreaming project outcomes to regional policies and institutions, particularly in the Bolivian side of the basin. Nevertheless, the project continues to search for additional funding beyond the GEF project. In the Nile Basin Initiative, the World Bank proposes to meet the financial need for stress reduction and SAP implementation by a strategic coupling of transboundary water resource management with mainstream economic development plans though other Bank instruments such as Country Assistance Strategies.

Government Ownership and Support: A Critical Factor

72. A central issue in ensuring the sustainability of project benefits is the degree of government ownership and support for project results. The UNEP Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand project has addressed this issue by developing a financial sustainability strategy early on in the project and by seeking strong political commitments to the objectives by participating governments and other stakeholders. In the World Bank Kenya Lake Victoria Environmental Management project, on the other hand, low government commitment has contributed to delay in the achievement of regional efforts.

73. In the UNDP Belize Creating a Co-Managed Protected Areas (PA) System project, insufficient attention was given to ensuring sustainability by, for example, finding ways of making activities self-supporting. In addition, even project benefits that are irreversible in most cases appear less so in this project, because Belizean law allows for uncontrolled withdrawal of protected areas from their protected status and allows the extraction of resources from certain PAs upon government approval. For example, ministers have authorized the clearing of sections of PAs to plant sugar cane and extract timber. Economic development policies were therefore not in line with the conservation goals. As a result of the lack of government commitment, UNDP canceled this project after only 10 percent disbursement.

74. Some projects that have done quite well in other aspects of sustainability are seeing that sustainability is still at risk because of low government commitment. In Bolivia, the SMPR of the Sustainability of Protected Areas project concludes that the World Bank has achieved important accomplishments in the financial, institutional, and technical strengthening of the National Secretariat of Protected Areas (SERNAP). But the weak link in this project is that the government of Bolivia has not met its financial counterpart commitments, which has caused lengthy delays in the payment of protected area guards and other important project costs. The previous government had also made political appointments to key technical positions in SERNAP, which weakened SERNAP's technical teams and credibility. This problem has been remedied by the current government, which has again strengthened SERNAP's credibility. The World Bank reports that most protected areas will always require some form of government support. The Bank's report indicates that making a strong case for such support will increasingly depend on emphasizing various benefits from protected areas to surrounding communities and the country as a whole, including ecosystem services, research, recreation, and spiritual uplift. The World Bank sees the creation of markets for environmental services outside protected areas, as illustrated in the Costa Rica Ecomarkets project, as a particularly promising way of providing incentives for conservation of biodiversity, but it requires a political commitment by the government that few countries have yet demonstrated.

Market Factors are Central to the Sustainability of Climate Change Projects

75. For the Climate Change portfolio, which frequently addresses market transformation and the introduction of new technologies, four factors were found to be essential for sustainability of benefits: strong market supply and demand, supportive government policies, capable institutions, and adequate financing. Some projects failed to address all four factors, which reduced the sustainability of the outcomes. For example, the sustainability strategy of the World Bank Sri Lanka Energy Services Delivery project included strengthening the financial sector for financing renewable energy projects, development of suitable organizational arrangements, development of institutional capacity, and involvement of champions. However, the notable efforts of the project to promote the likelihood of sustainability are influenced by two areas needing improvement. These are matching renewable energy supply with demand for productive uses and strengthening power sector policies, which have been lagging behind the growth in renewable energy use. A follow-up project, Renewable Energy for Rural Economic Development Project (RERED) will pursue both of those approaches to enhance sustainability.

76. A large part of the Climate Change portfolio aims to remove barriers to renewable energy and energy efficiency, through alternative technologies competing successfully against conventional energy technologies in each country context. In particular, high market penetration of an energy-efficient product is dependent on its cost compared to a conventional energy product. It is important therefore to make sure that energy efficiency initiatives are marketable and commercially viable by the time the GEF project closes to ensure sustainability. Contingent financing and temporary subsidies to reach sustainability may also be effective for energy efficient products. This is particularly true in markets in which the energy-efficient product is potentially commercially viable, but in which demand must be stimulated through a project

intervention such as in the Efficient Lighting Initiative Projects (WB). Projects may also need to address nonfinancial dimensions of sustainability, such as policies, awareness, capacity, and consumer behaviors, depending on local circumstances.

77. In renewable energy, solar photovoltaics (PV) in particular have required subsidies from governments and donors, either to compete with grid-based alternatives or to make the product affordable to the rural poor. Often the subsidy is provided to communities with no electricity supply at all. In the absence of a larger market transformation context, sustainability is compromised by the inability of users to pay for maintenance and replacement costs. For example, the final evaluations of the UNDP Ghana Renewable Energy-based Electricity for Rural Social and Economic Development project suggest that the sustainability of competitiveness for solar PV technologies is unlikely without international support. This is because the high initial costs for solar home systems often puts them beyond the reach of low-income households. The evaluation indicated that the involvement of the private sector did not materialize effectively and that the project demonstrated the limited ability of the target beneficiaries to pay for the PV services on a full cost-recovery basis. The final evaluation concluded, therefore, that PV projects should focus on applications that are nearly commercially viable to increase the likelihood of sustainability and replication. Expansion of PV systems may only be sustainable if (a) the community willingness to pay for systems is high, because the power is needed for social investments (schools, health care services, productive uses, etc.); (b) the supplemental costs are close to those of traditional energies; or (c) there is commitment to continue local subsidies (by government or other donors).

Conclusions

78. Financial sustainability of key project activities and the promotion of appropriate market forces are critical factors, and their absence may compromise project outcomes, but they are not sufficient for the continuation of project benefits. Other dimensions of sustainability of project benefits, such as market competitiveness, institutional strength, an enabling policy context, and the full ownership of the project's objectives by governments, are essential.
Recommendation. In consultation with the GEF Secretariat and the IAs, the M&E Unit will develop a methodology and framework for a better assessment of sustainability.

B. Replication

79. Replication in the context of GEF projects is defined as using the lessons and experiences of a project in the design and implementation of other projects. Replication proper takes place in a different geographic area, whereas "scaling up" of a particular lesson or experience occurs within the same geographic area but with other sources of funding.

80. All 2003 PIR task forces raised the question of the need to adapt GEF review criteria to the specific focal area activities and recognized the need in particular to clarify the relationship of replicability to each focal area. It should be recognized that replicability is not equally applicable to all projects in the GEF portfolio. However, many GEF projects have replication as one of their objectives or activities or have implicit strategies or benefits that lead to their

replication by other parties after GEF project closing. This is illustrated in the following examples.

81. Some biodiversity projects had as a specific objective to develop a replicable model. For example, the final evaluation of the World Bank Mauritius - Biodiversity Restoration project stated that the project had as one of its outcomes the development of an ecosystem restoration model. The Mauritius Forestry Service established a Biodiversity Unit to carry out conservation in areas not conserved at the time, and the government has decided to involve NGOs in the project management in some of the islets. The government and local NGOs undertook the replication of the successful project approach after project closing.

82. In the African NGO-Government Partnership for Sustainable Biodiversity Action (UNDP), replication was one of the project components. The final evaluation did not include an explicit discussion on the replication strategy, but it found that the project supported the development of the Council for African Partnership (CAP) and that 38 African countries consequently had some involvement in the partnership and in the conservation of Important Bird Areas.

83. Certain GEF umbrella projects in the IW portfolio are also explicitly designed to generate replication based on demonstration activities. The UNDP Building Partnerships in Environmental Protection and Management for the East Asian Seas (PEMSEA) project, for example, has six national Integrated Coastal Management demonstration projects and three subregional sea area/pollution hotspot management sites. With the support of the region-wide strategy and action program, these are supposed to transfer lessons learned across the entire region.

84. Similarly, the Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries Project (GloBallast) is carrying out demonstrations of programs for implementation of the ballast water convention in country-based pilot demonstration sites at ports in six developing countries, one in each global development region. Interest in replicating its demonstration site experiences has been documented by UNDP. The project's Coordination Unit is frequently asked to provide expert advice, guidance, templates, and models by other bodies involved in the issue. These bodies include the International Maritime Organization's own Ballast Water Working Group, the International Council for the Exploration of the Seas (ICES), International Council for the Exploration of the Mediterranean Sea (CIESM), the Australian Ballast Water Treatment Consortium (ABWTC), Fisheries and Oceans Canada and others. As a result, other organizations around the world are adopting methodologies applying the activities developed through GloBallast.

85. Another way in which GEF projects may achieve replication is illustrated by UNEP's Reversing Degradation Trends in the South China Sea and Gulf of Thailand project. This project's steering committee, including all participating governments, has agreed to expand the network of demonstration sites from the original 9 to a total target of 24, with additional support coming from the governments themselves and others. Also, at the national level, UNEP's Brazil

Integrated Management of Land-Based Activities in the Sao Francisco Basin project, under the leadership of the National Water Agency, has been instrumental in strengthening and empowering the Basin Committee for the Sao Francisco River Basin to coordinate the management of the water resources in the basin. The successful experience of the project has served as an institutional model in other sub-basins in Brazil.

86. Some projects in the climate focal area also have encouraged replication through the use of demonstration sites. For example, the current project site of the Jordan Methane Capture and Utilization Demonstration project (UNDP) is being used as a demonstration facility to showcase the landfill gas and biomethanation technologies for other parts of Jordan and neighboring countries. These technologies have demonstrated that they can enhance local sustainable development while reducing GHG gas emissions in a very cost-effective manner. As many as 50 potential sites to replicate the technology have been identified in Jordan and are being further elaborated as part of the development of a master plan.

87. Other climate projects have identified replication as a specific objective, even though they are not based on the demonstration site mechanism. For example, both the World Bank India Energy Efficiency and Sri Lanka Energy Services Delivery projects were oriented toward encouraging replication, through a market transformation for energy efficiency and renewable energy respectively. The final evaluation of the project in Sri Lanka did not have a discussion on whether the project had an explicit replication strategy. As a result of the project activities in Sri Lanka, however, the private sector undertook more renewable energy subprojects after closure of the GEF project. For example, about six serious private-sector mini-hydro developers are planning more subprojects and the pilot wind farm has generated considerable private sector interest in wind projects.

88. Most climate change projects that involve approaches to engaging the private sector and transforming energy markets lend themselves to replication. In the climate focal area in particular, however, replicability depends heavily on the degree to which the objective of market transformation or barrier removal has been achieved. For these projects, an assessment of replicability is difficult to separate from the assessment of project results and impacts.

89. In all focal areas, however, when replication is an important factor to accomplish the project's objective, having a strategy for replication built into the project design enhances the likelihood of replication. Whether a project that should be replicable has such a strategy for replication is therefore a primary issue. The World Bank and UNDP reports suggest that replication strategies are not yet an integral part of planning and implementation in most projects. This conclusion is also supported by terminal evaluations and SMPRs. Eleven of the eighteen final project evaluations reviewed did not discuss whether the project had a strategy to replicate or scale up the project approach in other areas or regions. In addition, some SMPRs also show that the projects did not have an explicit replication strategy or plan. In some cases the SMPR found that a replication plan was not required at the time of project design. Some opportunities for replication may therefore have been lost.

Conclusions

90. Participants in the review process are in broad agreement that the criterion of replicability has been applied to the assessment of project performance too indiscriminately in the past. Using the criterion of replicability more flexibly is not so much a matter of distinguishing among the three focal areas, as it is a matter of taking into account the nature of the project in question. It should be related to the degree to which the project was intended to be a model for achieving the environmental benefit that may be useful to others in the same region or in other regions in seeking to accomplish the same or similar goals. All three focal areas have projects for which replicability is highly relevant, as well as those for which it has little or no relevance.

91. Including replication strategies in the design of the project can increase the replication potential of a project. However, the development of replication strategies is often overlooked in project design and implementation.

92. ***Recommendation.*** The GEF Secretariat should develop specific guidelines for replication strategies in each focal area.

C. Monitoring and Evaluation

93. An important criterion for reviewing projects is the quality of monitoring and evaluation (M&E) systems. Monitoring is the periodic oversight of a process, or the implementation of an activity, that seeks to establish the extent to which inputs, work schedules, other required actions, and outputs are proceeding according to plan, and the extent to which desired outcomes are achieved. This may facilitate timely action to correct any deficiencies detected. Evaluation is a process by which program inputs, activities, and results are analyzed and judged explicitly against benchmarks or baseline conditions using performance indicators. This will allow project managers and planners to make decisions based on the evidence of information on the project implementation stage, performance indicators, level of funding still available, etc., building on the project's logical framework.

94. Monitoring and evaluation includes activities to measure the project's achievements such as identification of performance indicators, measurement procedures, and determination of baseline conditions. Projects are required to implement plans for monitoring and evaluation with adequate funding and appropriate staff and to report on such aspects as the M&E systems, data sources, and methods for data collection covering all project objectives, as well as stakeholder participation. Given the long-term nature of many GEF projects, projects are also encouraged to include long-term monitoring plans that are sustainable after project completion. However, the GEF projects are not subject to systematic ex-post monitoring of results. Some IAs indicated that their evaluation departments conduct select ex-post project impact evaluations (World Bank), thematic/sectoral studies (World Bank and UNDP) outcome evaluations (UNDP), and country evaluations (World Bank and UNDP) that cover, in part, GEF projects.

95. As in last year's PPR, effective monitoring and evaluation systems were generally associated with the most successful projects. A few examples are the World Bank China Nature Reserves Management project, where the final evaluation indicated that the nature reserve management plans were based on M&E systems that involved baseline scientific data collection and systematic data analysis, and ongoing monitoring of environmental and socioeconomic factors, which enabled the project to carry out iterative updating of plans, action priorities, and goals. In the World Bank Seychelles Management of Avian Ecosystems project, the final evaluation indicated that the project had strong monitoring plans with clear indicators. In the World Bank Sri Lanka - Energy Services Delivery project, the logical framework was used as a tool for creating a robust M&E system that included an adaptive management approach during implementation to better achieve the objectives under changing circumstances. UNEP's South China Sea project, which at mid-term is a high performer, has also given careful attention to ensuring that the information base for decision-making was sound, that baselines have been developed early on in the project, and that monitoring indicators are well defined.

Lack of Baselines and Use of Indicators to Measure Outputs Instead of Outcomes and Impacts

96. Weak impact indicators and lack of baseline data were two of the most common weaknesses of M&E systems. The IAs report weaknesses in the M&E systems in all focal areas. UNDP reports that although positive impacts on the state of biodiversity are reported by projects, it is often difficult to verify these objectively. A high proportion of the projects continue to struggle with the reporting on impacts on biodiversity, because of poor or poorly implemented monitoring systems. The need to focus on results was also identified for the UNDP Implementation of the Strategic Action Programme (SAP) of the Pacific Small Island Developing States project. UNDP reports that the draft M&E plan for this project needs to put more emphasis on impact indicators and to focus more on results in each participating country, by developing indicators of success for the pilot activities with clear links back to the SAP and project objectives. The M&E plan for this project is to be revised in line with these observations.

97. A World Bank review of M&E in project design and supervision was undertaken based on 45 project appraisal documents (PAD) and 24 project supervision reports. The review found that most project designs did not adequately address M&E arrangements. Only one-third of projects were making good use of M&E during supervision, whereas two-thirds exhibited at least one of the common M&E problems found. These common M&E problems found by the study were (a) an absence of an M&E plan with adequate financial and human resources; (b) inadequate collection of data, including baseline data; (c) inappropriate indicators to assess project impact; (d) continued focus on monitoring inputs and outputs rather than outcomes and impacts; and (e) inconsistent linkage of indicators to higher level objectives. The Kenya Conservation of the Tana River Primate National Reserve is an example of a project in which no M&E plan covering all project activities was prepared until six months before project closing. Even then, according to the final evaluation report, it was only partially implemented.

98. The World Bank also found that most M&E plans were using neither outcome nor output indicators regularly to assess progress towards development objectives. A common problem, according to the report, was the use of completed deliverables (activities) as a proxy for progress toward objectives. The World Bank also found weaknesses in the formulation of development and/or global environment objectives, observing that many projects have multiple objectives, which prevents project teams from focusing on the key results, thus making it difficult to measure project impacts.

99. UNEP's assessment of M&E systems was based on the general internal monitoring and evaluation process within the agency, and not M&E issues in GEF projects, as those of the World Bank and UNDP mentioned above. However, UNEP indicated that it is in the process of developing an enhanced M&E Framework, which will allow for knowledge management at the project, program and strategy levels. The UNEP overview report on biodiversity indicated, however, that a logframe tracking tool and specific project operation manuals were introduced in one biodiversity project, and that these will be extended to other UNEP GEF biodiversity projects as appropriate during FY 2004.

100. Final evaluations and SMPRs also point out that weaknesses in the measurement of impacts are common to all implementing agencies. Multiple weaknesses in project M&E systems were reported in 8 of the 18 final evaluation reports, including lack of baseline conditions, lack of or inappropriate indicators to measure progress, and M&E systems prepared late during project implementation. Three of the evaluation reports, including Addressing Transboundary Environmental Issues in the Caspian Environment Programme and the Uganda Photovoltaic Pilot Project for Rural Electrification, omitted any discussion of the M&E systems altogether. Six of the eight SMPRs found very similar problems with M&E systems. The final evaluation of the Global Redirecting Commercial Investment Decisions to Cleaner Technology project found that the project was not able to assess the institutional changes that have been leveraged as requested in the SMPR, because the indicators provided did not facilitate any measurement of this project impact. In addition, no follow-up beyond project progress reports and project implementation reviews was provided to assess GHG reductions. Also, the SMPR of the UNDP-UNEP Senegal and Mauritania Biological Diversity Conservation through Participatory Rehabilitation of the Degraded Land of the Arid and Semi-Arid Areas project states that adequate performance indicators are lacking, as reporting is presently focused on output and activities rather than outcomes and impacts.

Inconsistent Data collection and Data Availability

101. UNDP reports that the climate change impact indicators developed in this year's PIR caused some difficulties in evaluating the projects' actual impact because projects had not collected all necessary information and data throughout the year. Therefore the consistency in reporting—and thus usefulness of the information—varied substantially. Nevertheless, the information demonstrated some of the outcomes and impacts of UNDP/GEF projects, and it is expected that these indicators will be incorporated in the projects' monitoring and evaluation process more fully in the coming years.

102. UNDP reports that availability of information was the main challenge for progress in two projects. In the Environmental Protection of the Rio de La Plata and its Maritime Front: Pollution Prevention and Control and Uruguay Habitat Restoration projects, the compilation, systematization and handling of environmental information constitute the major obstacles that the project has had to address. In the Control of Eutrophication, Hazardous Substances and Related Measures for Rehabilitating the Black Sea Ecosystem project, unavailability of data and information is also a major constraint, as this limits the capacity to conduct analysis/assessments and planning.

Need to Better Incorporate M&E Data and Systems Into Management Decisions

103. The use of M&E systems to better inform management decisions and project implementation was another issue found by final evaluations, SMPRs and the Implementing Agency overview reports. For example, the African NGO-Government Partnership for Sustainable Biodiversity Action project (UNDP) final evaluation found that targets and indicators were not clearly articulated for most sites, and that there appeared to be no clear mechanism for analyzing and feeding back findings into site management. The SMPR for the World Bank India Energy Efficiency Project found that there was no M&E plan and no systematic feedback into the decision-making process.

104. UNDP also reports that all but one of its projects in International Waters have established monitoring systems that systematically gather, report, and analyze data related to the baseline conditions. It further reports that some projects have established collaboration agreements with similar projects and research institutions to conduct M&E activities. For example, in the Danube Basin regional project, appropriate methodologies for the monitoring of nutrient reduction in wetlands are being assessed and guidelines prepared as the basis for establishing pilot monitoring programs. UNDP did not report, however, on how this information is being incorporated into management decisions and project implementation.

Steps to Improve M&E Systems in the GEF Portfolio

105. Despite the shortcomings mentioned above, IAs are aware of the need to improve M&E systems and are taking steps in that direction. The emphasis on program and outcome indicators by the M&E unit in 2003 is requiring the IAs to focus more on outcomes and on the quality of information generated by projects. Also the IAs have developed a clear understanding of where the weaknesses lie and of appropriate remedial actions. UNDP reports that the overall quality and usefulness of the data generated by biodiversity projects have significantly improved over the last years. It notes the projects with poor impact indicators tend to be the oldest ones in implementation, and that a higher proportion of new projects have good indicators. Several of the projects with poor or no indicators, moreover, are reported to have initiated plans to rectify the situation. Finally, UNDP has developed a plan of action to assist in retrofitting impact indicators for priority projects. In climate change, UNDP also states that the impacts of capacity development activities have been a particularly difficult problem. The indicators used to report

capacity development have been quantitative and often do not provide a clear understanding of the impact of related activities. This shortcoming could be overcome in the future with the development of the new capacity development indicator framework under way.

106. The World Bank has developed a plan to address the weaknesses it has identified in M&E systems, recommending that its internal GEF team review M&E plans at work program entry and at CEO endorsement, and that it enforces stricter standards for frequency of data collection, provide lists of appropriate outcomes and output level indicators agreed by the GEF Focal Area Task Forces, monitor their use in projects and report to management on trends.

Conclusions

107. Reports by the IAs as well as other evaluation reports show that many projects still lack adequate M&E systems. Many still suffer from slow establishment and implementation of M&E plans, the absence of baselines and appropriate indicators and too little focus on outcomes and impacts. There is some evidence that newer projects represent an improvement over older ones, and that project staff is increasingly aware of the deficiencies and the need to remedy them.

108. ***Recommendation.*** UNDP and UNEP should also carry out an assessment of the M&E systems in their GEF projects similar to the one carried out by the World Bank and devise a plan to address the weaknesses identified in each project.

IV. PROJECT DESIGN COMPLEXITY AND OVERLY AMBITIOUS OBJECTIVES

108. IA overview reports and PPR review meetings highlighted project complexity and overambitious objectives as factors that reduce the likelihood of achieving project objectives and substantial environmental benefits. The same two issues were identified in two SMPRs and 9 of the 18 project final evaluations submitted by the IAs in 2003. Three of the projects in which these problems were noted were in Climate Change, five in Biodiversity, and one in International Waters. Project complexity and overambitious objectives have also been raised in previous PPRs.

109. One reason for these problems in GEF projects is that there are often multiple, cross-sectoral, and multilayered causes of excessive greenhouse gas emissions, loss of biodiversity, and damage to transboundary marine and freshwater ecosystems. Nonetheless, and despite the inherently complex nature of these issues, GEF must find solutions that are manageable and ensure that its projects have clear and realistic objectives and sound assumptions.

Overly Complex Project Designs

110. GEF operates with both very limited resources and within relatively short time horizons for achieving results in its projects. Those constraints have imposed a requirement for realism in designing projects, as regards the number of activities and actors supported. GEF projects tend to include too many separate activities, resulting in lack of clarity about what the project objective actually is. Sometimes projects include activities whose relationship to the project objective is at best indirect or tangential.

111. Although the factors leading to project complexity are not entirely clear, one cause may be the unrealistic expectations about the need for projects to be all-inclusive and deal with every possible aspect of the problem. Another may be an incentive structure that leads IA staffs to design large all-inclusive projects with components that are quite diverse.

112. Such complex projects with highly diverse components often involve several local organizational partners whose goals are not necessarily the same. These circumstances magnify the problem of project supervision and complicate the achievement of the project goals. The World Bank biodiversity focal area report states that this is particularly a problem with integrated conservation and development projects, in which the multiple institutions involved often have different and conflicting agendas. The final evaluations of the Addressing Transboundary Environmental Issues in the Caspian Environment program, which is jointly implemented by UNDP, UNEP, and the World Bank, show that it involved too many local organizational counterparts, creating difficulties for the management of the project.

113. The final evaluation of the Egypt Red Sea Coastal and Marine Resource Management project provides another example of an overly complex project. The evaluation indicates that the project components were quite diverse and not consistently related to one another or to the

overall project objectives and that the project lacked an overall coastal zone management framework.

114. Those projects with final evaluations in which complexity was not an issue had concise objectives, and the activities supported under the project were clearly and directly linked to those objectives. The scale of these projects, their technical complexity, and their implementation schedules were consistent with the capacities of local executing agencies.

Unrealistic Project Objectives and Targets

115. Closely related to the problem of complex projects is the problem of objectives that are overambitious in relation to the available resources and the time frames for implementation. Objectives may be unrealistic in terms of the capacities of local partners, assumptions about initial conditions or the resources, and time required to achieve the desired results—or in all of these. The final evaluation of the Addressing Transboundary Environmental Issues in the Caspian Environment Program (CEP) (UNEP, UNDP, WB) indicates that the "end of project situation" includes some overambitious targets, a few of which could not possibly be achieved, given the scope of activities and the time and resources allocated. Such outcomes as improved coastal zone management protection for fish stocks and conservation of habitats were beyond the scope of the existing project activities, according to the evaluation, and therefore should have been left for future phases of the CEP. Similarly, the Implementation of the Strategic Action Programme (SAP) for the Red Sea and Gulf of Aden (UNEP, UNDP, WB) PIR indicated that the GEF should attempt to be more realistic within future project work plans and logical frameworks with respect to what can be achieved over a defined period of time. Specifically, it indicates that for regional projects of this nature, it may be necessary to be either less ambitious with respect to outputs and deliveries, or more generous vis-à-vis timescale and length of work plans (realizing that this will almost certainly have implications for budget requirements). Also the UNEP Determination of Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Sea project mid-term review indicated that some of the assumptions were too optimistic. For example, they include the expectation that countries would be fully engaged in the preparation of national action plans and pre-investment studies already in the second year of the project, and that pre-investment studies would be prepared to satisfy donor requirements while the donors had not yet been identified.

116. The Biodiversity Task Force indicated that many projects have defined unrealistic objectives in terms of sustainability within a relatively few years. The issue of unrealistic timeframes was raised, for example, in the UNDP Comoros Conservation of Biodiversity and Sustainable Development project, the UNDP African NGO-Government Partnership for Sustainable Biodiversity Action project, the Ghana Renewable Energy-based Electricity for Rural Social and Economic Development project, and the Egypt Red Sea project. In all four cases, final evaluations pointed out that that there was a mismatch between the short time span and scope of activities involved and the ambitious changes to be achieved at the end of the project.

117. The Climate Change Task Force pointed out that the objectives of some projects involving market transformation within a relatively short time frame may be unrealistic, driven by the GEF mandate to promote innovation, new technologies, and removal of barriers. At its meeting it noted, however, that at least three projects have recognized that the objective of completely transforming the energy market in the few years of the project's duration is unrealistic, given real market conditions and other constraints. Thus such projects as the UNDP Tunisia Barrier Removal to Encourage Market Transformation and Labeling of Refrigerators project and the World Bank Thailand Building Chiller Replacement project have defined more modest objectives than total market transformation. The Tunisia project expects only to begin the transformation, and claims a 20 percent achievement of that goal, whereas the Thailand project expects to achieve only 30 percent replacement of chillers.

118. Along similar lines, the UNEP Global - Redirecting Commercial Investment Decisions to Cleaner Technology, a technology transfer clearing house, had as an objective to remove information barriers to the adoption of highly energy-efficient and/or renewable energy technologies, thus shifting pending investment decisions (in conventional energy projects) toward cleaner technologies. This objective proved to be unrealistic and was changed during implementation from a contingent grant mechanism, which was not accepted by financial institutions, to a grant modality.

119. In some cases, the constraints on the capacities of local partners were insufficiently assessed during the project design. The final evaluations of the Egypt Red Sea project and the African NGO-Government Partnership show that implementation schedules were unrealistic, because they failed to take account of the low initial capacities of some national partners. Projects are sometimes exceedingly ambitious in the definition of objectives, even in countries with extremely limited capacities. For example, some projects have tried to set up an entire PA network, despite the fact that there were at the time only a handful of PA staff countrywide, or that headquarters staff were unable to visit many field sites. More realistic objectives under these conditions would require starting with smaller efforts focused on very few sites.

Unrealistic Assumptions About Problems and Solution

120. Another problem covered throughout the review is unrealistic assumptions about either project problems or solutions. The mid-term review of the World Bank project Water and Environmental Management in the Aral Sea Basin, for example, determined that there were some flawed assumptions underlying the project, such as the assumption that public awareness alone, without economic incentives, could influence rates of water use. Similarly, the mid-term review found that the UNEP Determination of Priority Actions for the Mediterranean Sea project wrongly assumed that participating governments would quickly adopt economic instruments, even though adoption of such policy tools tends to be a slow and difficult process. The mid-term review also found that the assumption that countries would be fully engaged in the preparation of national action plans and pre-investment studies already in the second year of the project was too optimistic.

121. The World Bank biodiversity focal area report notes that a whole generation of projects has been designed and implemented on the often flawed assumption that poverty and lack of alternative livelihoods is the primary, if not the only, driving factor behind biodiversity loss and threats to protected areas. Often it has turned out that national policies, and government-supported economic activities such as allocation of logging concessions, new transport infrastructure, or dams, posed greater threats to biodiversity in protected areas than the small-scale illegal activities of local communities. UNDP's biodiversity focal area report points to a different problem about initial assumptions—the failure to anticipate significant changes in government policy and regulatory structure. In the Paraguay Wildlands Protection Initiative project, for example, the legal status of the project areas had been downgraded between the completion of the design phase and beginning of implementation.

Conclusions

122. During the last few years there has been growing evidence that GEF projects have sometimes been overloaded with too many activities, and that a higher awareness of simpler project design with clearer and more realistic objectives is needed. It is further agreed that projects sometimes adopt objectives that cannot be achieved within the constraints of capacity, resources and short timeframes.

123. It is likely that the pursuance of overly complex projects is related to the incentive structure in the IAs . It would be desirable that OPS3 reviews the incentive structures to ensure that they encourage the IAs, project managers and recipient countries to present projects with clear and realistic objectives, as well as manageable levels of complexity.

124. ***Good Practice***. The General Review Meeting proposed a set of good practices for project preparation and project review for the IAs and the GEF Secretariat, respectively:

- Analyze and break down complex causes of environmental problems to arrive at actions that address key aspects of the problem.

- Adopt, when appropriate, a "phased" or "benchmark" approach. For example, in the initial phase the emphasis can be on capacity building and other preparatory activities including a few minor investments to reduce risks and test assumptions, with follow-on investments in a second phase as the project context is more ready to assimilate these.
- Conduct thorough country capacity assessments early in project preparation, to ensure that key organizations to be involved in project implementation are either already fully capable or can be strengthened to reach the required level of capacity to effectively implement the project.
- Clearly define partner responsibilities and establish legally binding contracts when appropriate.

V. PROJECT-AT-RISK SYSTEMS

125. The success of GEF projects is sometimes affected by factors such as military conflicts, political instability or economic turmoil. In addition, many of the projects are large, multi-country or highly innovative making their implementation more difficult. Other times self-assessment of project performance by task managers is over-optimistic. Aware of this situation, the GEF Council requested at its November 2003 meeting for IAs to provide information on their systems for identifying projects-at-risk. The IAs have developed or are in the process of developing such systems to identify problems proactively. These systems differ on their scope, however they all seek to establish an early warning system to identify problems early. The World Bank has a system in place for several years. UNDP and UNEP expect to have their systems in place in FY 2005.

World Bank's Project-At-Risk System

126. The Bank's projects at-risk system, introduced in 1996, is a tool used for early identification of projects where self-assessment (of project performance) by task managers may be too optimistic. Historically, less than 10% of the ongoing portfolio was rated as unlikely to achieve its development objectives. The evidence from OED's evaluations, however, was that up to one-third (now 20%) of projects at exit failed to meet their development objectives. There was a need, therefore, to address this gap without necessarily replacing the self-rating system. The concept tries to go below current, and visible ratings, to uncover the picture underneath.

127. Projects at risk comprise two types of projects: actual problem projects based on the latest Project Status Report (PSR) ratings, which are projects rated unsatisfactory, and potential problem projects which are associated with at least three of 12 leading indicators of future problems. These indicators are financial performance (counterpart funds, cofinancing, etc.), financial management (audit compliance), safeguards, legal covenants, procurement compliance, M&E, project management, critical risks, effectiveness delays, disbursement delays, country record (weak ratings in any OED country assistance evaluations); and country environment (since 2002 includes in/post conflict situations). Each of the 12 indicators is a "flag" pointing toward final outcomes. Being "at risk" does not ordain a negative outcome, although the system is considered to be a fair indicator of probable outcome. Indeed the primary purpose of this classification is to bring added managerial attention to such projects to help prevent unsatisfactory outcomes.

128. One of the virtues of the project at-risk concept is that it can be used for different purposes. Task Managers can use it to verify their own assessment of operations. A project self-rated satisfactory in IP/DO but simultaneously receiving three or more risk flags, at least warrants a second look to be certain the self-assessment is not overly optimistic. For Sector and Country Directors, the concept can help identify projects, which warrant additional supervision resources or especially close attention. At the Regional level, the concept can help manage overall risk by pointing to types of operations or countries which are vulnerable to failure, and where, therefore, the Region might wish to shift the balance of interventions. Finally, the

Networks can use the concept to identify systemic problems facing operations in their areas, which are unrelated to country specific constraints.

129. A complementary measure is the proactivity index, which is a measure of whether corrective action has been initiated on self-identified problem projects in the last 12 months. It is calculated by dividing the number of projects upgraded, restructured, closed, suspended, or partially cancelled (cancellations of 20% or more of the original loan/credit amount), by the total number of problem projects 12 months ago.

UNDP's Risk Management Strategy

130. UNDP reported that it is in the process of finalizing its risk management strategy and expects to begin its implementation in June 2005. UNDP risk management strategy intends to identify and mitigate risks as early as possible as part of project design. During project implementation the strategy will monitor risks as well as changes in external circumstances and any other issues that might affect the project progress towards its objectives. UNDP risk management strategy will reinforce current and new mechanisms to ensure achievement of results and impacts. The strategy rests on three pillars:

131. *Project risk classification.* The strategy focuses on identifying priority projects for enhanced supervision. All projects will be classified in one of four possible categories: a) standard; b) potential problem project; c) problem project: d) in danger. Project classification will take into consideration inherent level of complexity, risks, implementation difficulties and progress towards objectives.

132. *Strengthened monitoring system.* Enhanced supervision will be achieved through strengthening the existing monitoring tools, adding new ones, or both. For those projects that so require, reporting and field visits will be applied more rigorously or frequently. The quality of reporting will be improved by developing appropriate indicators, baselines, milestones and targets. UNDP/GEF has recently produced the *Measuring and Demonstrating Impact M&E Resource Kit* that provides guidance in this regard. In addition, new tools such as internal reviews may be a pre-requisite for potential problem projects.

133. *Early and effective management response.* The third -and most critical- pillar will ensure early and effective management responses. It will provide a set of parameters and responsibilities for adaptive management so that project supervisors at different levels can provide a tailor-made response to the different challenges faced by projects. For potential problem projects the emphasis is placed on exploring all possible risk mitigation options before putting the project under closer supervision. Once they start implementation, after two years of problem-free implementation they can "graduate" to standard projects.

134. For problem projects, as soon as an intervention is classified in this category, a response management plan will be required. The plan will either provide recommendations to address challenges or will request an immediate evaluation/supervision mission. Quarterly reports on

progress of management response and a more complete PIR will ensure enhanced supervision. Similarly, a project in danger will generate an automatic response to bring the project back on track, either through the preparation of a response management plan or the review and update of an existing one. It is expected that the early warnings provided through an improved monitoring system will significantly reduce the number of projects reaching this stage.

UNEP's Enhanced Monitoring and Evaluation Framework

135. UNEP recognizes that the growth of its GEF portfolio requires a more systematic approach to risk identification and management, and that risk management should be imbedded in a cohesive framework to allow for knowledge management at the project, program and strategy levels. UNEP reported that it is currently developing an Enhanced M&E Framework - which will aim at improving UNEP's decision-making through achievement, learning, measurement and accountability. UNEP expects to have a first draft of the Framework ready by October 2004 and to begin its implementation on January 2005. The Framework will comprise the five following processes:

- Risk Management process, defined as the systematic identification, analysis and response to risk.
- Monitoring and Control process (M&C), defined as the capture, analysis and report on project performance as compared to plan, which will allow to take corrective action.
- Review process, defined as the identification of best practices and lessons learned.
- Evaluation process (internal), defined as the measurement and further identification of indicators involving the definition of appropriate standards.
- Planning process, defined as the development of a formal, approved document used to guide execution and control.

136. The objective of UNEP's risk management process is to identify risks before they become problems and to incorporate this information into the management process. Because it is an early warning management tool to allow for corrective action to take place, the process happens at the project level. UNEP Risk Management Process will encompass risk management, risk mitigation and contingency planning and will include identification, analysis, handling, tracking and controlling project risks.

137. The UNEP/DGEF expect its Enhanced M&E Framework to allow for systemic knowledge management by providing the adequate input to continuously improve projects, programs and strategies. The knowledge management process will represents the UNEP's actual ability to learn through functioning feedback loops.

Table No. 1
GEF Project Allocations by Implementing Agencies
(As of June 30, 2003)

Implementing Agency	FSPs		MSPs		Totals	
	# Projects	US$ Million	# Projects	US$ Million	# Projects	US$ Million
UNDP	203	1155.32	75	61.41	278	1216.73
UNEP	29	165.01	50	35.85	79	200.86
World Bank	231	2122.41	79	62.95	310	2185.36
Multiple IAs	49	593.76	6	8.24	55	602.00
Total	512	4036.50	210	168.45	722	4204.95

Table No. 2
GEF Project Allocations by Focal Area
(As of June 30, 2003)

Focal Area	FSPs		MSPs		Total
	No. of Projects	US$ Million	No. of Projects	US$ Million	US$ Million
Biodiversity	212	1,451.53	127	106.26	1557.79
Climate Change	180	1,479.01	42	31.68	1510.69
International Waters	68	618.04	12	9.99	628.03
Ozone Depletion	18	168.23	5	3.77	172.00
Multiple Focal Areas	27	254.94	20	14.76	269.70
Persistent Organic Pollutants	4	46.50	3	1.88	48.39
Ecosystem Management	3	18.25	1	0.11	18.36
Total	512	4,036.50	210	168.45	4204.95

Table No. 3
PIR 2003 Portfolio by Focal Area
(As of June 30, 2003)

Focal Area	UNDP	UNEP	World Bank	Multi IAs	Total	(%)
	No.	No.	No.	No.	No.	No. (%)
Biodiversity	69	19	87	4	179	53
Climate Change	52	4	36		92	27
International Waters	11	11	9	4	35	10
Multiple	4	5	4		13	4
Ozone	6	2	2		10	3
POPs		2			2	1
Ecosystem Management	2		1		3	1
STRM	2				2	1
Total	146	43	139	8	336	100

Table No. 4
PIR 2003 Regional Distribution of Projects
(As of June 30, 2003)

Region	BD	CC	IW	OD	MTF	POPs	OP12	STRM	Total	(%)
Africa	51	7	5		2		1	1	67	20
East Asia & Pacific	33	30	4		2				69	20
Europe & Central Asia	14	14	8	10					46	14
Global	12	11	6		5	2	1		37	11
Latin America & Caribbean	60	14	7		4		1	1	87	25
Middle East & North Africa	5	14	4						23	7
South Asia	4	2	1						7	2
Total	179	92	35	10	13	2	3	2	336	100

Table No. 5
Ratings

Ratings on Implementation Progress												
	Highly Satisfactory		Satisfactory		Partially Satisfactory		Unsatisfactory		Not Rated		Total	
	No.	%		%	No.	%	No.	%	No.	%	No.	%
Biodiversity	21	12	117	65	17	9	9	5	15	8	179	100
Climate Change	13	14	58	63	12	13	6	7	3	3	92	100
Int'l Waters	7	20	26	74	1	3	1	3		0	35	100
Multiple	2	15	7	54	1	8		0	3	23	13	100
Ozone		0	8	80		0		0	2	20	10	100
POPs	2	100		0		0		0		0	2	100
OP12	1	33	1	33		0		0	1	33	3	100
STRM	1	50			1						2	100
Total	**47**	14	**217**	65	**31**	9	**16**	5	**24**	7	**336**	**100**
UNDP	21	14	87	58	26	17	4	3	11	7	149	100
UNEP	10	23	26	60	5	12		0	2	5	43	100
World Bank	15	10	106	74		0	12	8	11	8	144	100
Total	**46**	**14**	**219**	**65**	**31**	**9**	**16**	**5**	**24**	**7**	**336**	**100**

Ratings on Development/Global Environmental Objective												
	Highly Satisfactory		Satisfactory		Partially Satisfactory		Unsatisfactory		Not Rated		Total	
	No.	%		%	No.	%	No.	%	No.	%	No.	%
Biodiversity	19	11	124	69	12	7	8	4	16	9	179	100
Climate Change	8	9	68	74	11	12	3	3	2	2	92	100
Int'l Waters	7	20	25	71		0	1	3	2	6	35	100
Multiple	1	8	7	54	2	15		0	3	23	13	100
Ozone		0	8	80		0		0	2	20	10	100
POPs	2	100		0		0		0		0	2	100
OP12		0	2	67		0		0	1	33	3	100
STRM			1		1						2	100
Total	**37**	11	**235**	70	**25**	7	**12**	4	**26**	8	**336**	**100**
UNDP	15	10	100	67	22	15	3	2	9	6	149	100
UNEP	10	23	29	67	2	5		0	2	5	43	100
World Bank	12	8	107	74	2	1	9	6	14	10	144	100
Total	**37**	**11**	**236**	**70**	**26**	**8**	**12**	**4**	**25**	**7**	**336**	**100**

APPENDIX B

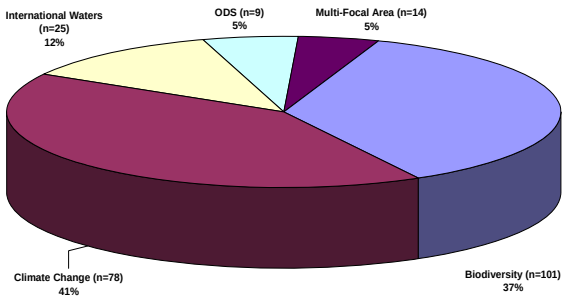
World Bank PIR Overview Report

Portfolio Overview

The World Bank Group's GEF approved portfolio[2] at the end of FY03 consisted of 310 projects representing grant commitments of US$2.36 billion that are associated with an additional US$11.12 billion in cofinancing. Commitments increased by 10% in nominal terms over FY02 and have grown at an average annual rate of 12% since 1991. In contrast the Bank's overall lending portfolio declined by 4% in FY02 and by 19% since 1996. The total number of GEF projects increased by 13.5% from FY02 and comprise 227 full-sized projects (US$2.29 billion) and 83 medium-sized projects (US$65 million). In addition there are 32 Enabling Activities (US$64 million).

There have been modest changes from FY02 in the distribution of full-sized projects (FSP) by focal area based on GEF grant commitments (Figure 1). Climate change with 41% of commitments and biodiversity with 37% continue to dominate the portfolio, though the latter fell three percentage points. The shares of international waters, 12 %, and multi-focal area, 5%, increased while as expected ODS Phase-Out declined. Though biodiversity projects (101) continue to outnumber climate change projects (78) they are smaller on average. Biodiversity also dominates the medium-sized portfolio (MSP) in commitments with 77%, as well as the number of projects, 73%. Climate change projects comprised 13% of MSP commitments, international waters two percent and multi-focal area seven percent.

Figure 1.a
GEF Approved Portfolio for Full Sized Projects by Focal Area
(by GEF Amount ~ Total GEF Amount =$2,298.81 mil)

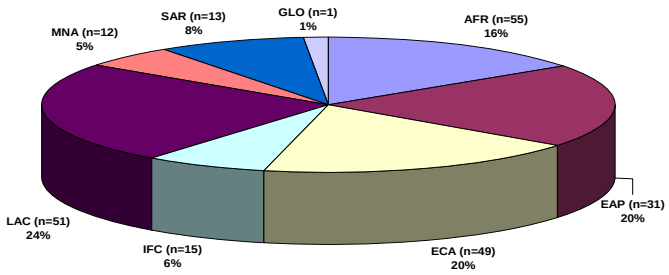


The distribution of the FSP portfolio by region[3] (Figure 2) shows minor changes over the past three years. Latin America and the Caribbean Region (LCR) retains the highest share with 24%. Europe and Central Asia (ECA) and East Asia and the Pacific (EAP) both have 20%, while Africa's (AFR) share increased by one percentage point to 16%. South Asia (SAR), 8%, the International Finance Corporation (IFC) 7% and MNA, 5% continue to have smaller shares. The MSP portfolio is dominated by LCR (43%), AFR (24%) and EAP (18%).

[2] All projects approved by the GEF Council through FY03 and directly managed by the World Bank Group.
[3] IFC is included in this distribution although its projects are in different regions.

The Bank's active portfolio[4] in FY03 included 190 projects with total GEF commitment of US$1.35 billion – 130 FSPs and 60 MSPs (as well as 15 Enabling Activities). This was a 3.4% increase over FY02, which is half the rate of the previous year's increase. The pattern of entries and exists defines the portfolio. The decline in average size of new projects together with the higher number of larger (older) FSPs now exiting the portfolio was responsible for this slow down in growth. During the year 22 FSPs were approved by the Bank's Board and 11 MSPs were approved by Regional Management, while 25 FSPs and 11 MSPs became effective. Twenty three projects closed and exited the portfolio, 13 FSPs and 10 MSPs resulting in a net increase of 10 projects. By contrast, in FY02, only five FSPs exited the portfolio. Up to June 30, 2003, 57 FSP and 15 MSPS have been completed, which shows how the GEF portfolio has now matured. Of the combined total of 72 closed projects, thirty nine were biodiversity, seventeen climate change, seven international waters and eight ODS phase out. This distribution is noticeably different to the much higher share of climate change projects presently in implementation.

Figure 2.a
GEF Approved Portfolio for Full Sized Projects by Regions
(by GEF Amount ~ Total GEF Amount =$2,298.81 mil)



Portfolio Performance[5]

On several key indicators - implementation progress, global/development objectives, outcomes, projects at risk and net disconnect – the Bank-GEF portfolio performed at least as well as FY02 and the overall IBRD portfolio. However, there are clear divergences between assessments during implementation, based on PSR ratings and those made at project completion by ICRs and OED. The proportion of GEF projects rated at least satisfactory on outcomes by the Operations Evaluation Department (OED) increased appreciably over the past three years to 80%. The Bank's Management and Board have made staff aware that the Bank is in a risky business and that some calculated chances have to be taken, thus satisfactory outcomes in the 80% to 85% range are appropriate. [6] Moreover, GEF projects are expected to be innovative and pioneering while addressing global environment externalities in areas that are often riskier than some of the more traditional sectors in which the Bank invests. The results for sustainability of outcomes are less encouraging. They have declined but are at the overall IBRD level. There continues to

[4] All projects approved by the GEF Council and Bank Management through FY03, excluding those cancelled.

[5] Ratings for implementation progress and achievement of objectives were assessed based on the PIR portfolio, which comprised 128 projects – 84 FSP and 44 MSP. Total GEF grant commitment for these projects was US$984 million with LCR having the largest share (24%) and projects (37), followed by AFR and EAP each with 25 projects and ECA with 20 (see Table for the full distribution).
[6] ARPP, 2003, Quality Assurance Group, page 21

be a long elapsed time for preparation which seems inevitable given the complications of GEF projects, but should be avoidable for effectiveness. Table 1 below summarizes some of these indicators.

Implementation Progress.[7]

The stability in the level of performance noted in FY02 has been maintained. Table 2 below provides a summary of ratings for the past seven years, while Table 3 gives the regional breakdown[8]. ECA has again achieved the highest ratings, followed by EAP and AFR. The performances of LCR and IFC fell slightly.[9] It is worth noting the improvement in the ECA portfolio from FY01 when 20% of its project were rated unsatisfactory, as well as a higher standard of supervision and reporting discussed in Section 4 below. In LCR there has been a decline in country economic conditions during the past few years which is now affecting portfolio performance. In FY03, LCR management undertook a review of realism ratings resulting in downgrading a number of projects across the portfolio (not only GEF). Although overall performance of the portfolio has remained stable the inter year changes among regions reflect the impact of actions taken to improve performance, changes in the performance of individual projects as well as non-project factors such as occurred in LCR.

Table 1 Summary of Key Portfolio Performance Indicators

Indicator	GEF FY02	GEF FY03	Bankwide FY02	GEF Average FY01 - 03
OED Satisfactory Outcomes	Few projects	80	80	60
Net disconnect	0	0	10	na
Projects at Risk[10]	10	10	15	na
Commitments at Risk	10	11	14	na
Realism[11]	100	90	72	na
Proactivity[12]			84	na
OED Sustainability at least likely	75 (FY01)	70	73 (FY00 – 02)	72
Elapsed time – Council to Bank Board	409	587	na	na
Elapsed time - Bank Board to Effectiveness	269	208	na	na

Note: all figures are percentages except elapsed time which is presented in days.

[7] Results for implementation progress and achievement of development objectives are based on the PSR self rating system.
[8] The small number of projects in MNA and SAR make comparisons with larger regions less meaningful.
[9] A number of LCR projects were downgraded in response to reviews of PSRs by the GEF Anchor.
[10] Projects at risk of not meeting their development objectives. Includes both actual problem projects and potential problem projects.
[11] *Realism Index:* The ratio of actual problem projects to total projects at risk.
[12] *Proactivity Index*: The proportion of projects rated as actual problem projects twelve months earlier that have been upgraded, restructured, suspended, closed, partially or fully canceled, or located in a *post-conflict* country with a Board-approved transition strategy.

Global/Development Objectives

The overall ratings for progress towards achieving global/development objectives were little changed from FY02. ECA was also ahead in this category followed by LCR which had the highest proportion of highly satisfactory projects. IFC again had the lowest proportion of at least satisfactory projects, EAP's performance declined and AFR's improved slightly. See Table 2 and 3 below for a summary of ratings by year and by region.

Table 2: Summary of Ratings by Implementation Progress and Development/Global Objective

Rating	FY97 (49)*	FY98 (62)	FY99 (56)	FY00 (84)	FY01 (96)	FY02 (125)	FY03 (130)
Implementation Progress							
Highly Satisfactory	20	18	12	12	14	14	10
Satisfactory	67	66	79	77	77	75	78
Partially Satisfactory					1	2	1
Unsatisfactory	12	16	9	11	8	10	10
Highly Unsatisfactory							1
Total	100	100	100	100	100	100	100
Development/Global Objective							
Highly Satisfactory	28	18	16	17	12	12	9
Satisfactory	65	74	80	76	83	80	83
Partially Satisfactory					1	2	1
Unsatisfactory	6	8	4	7	4	7	7
Highly Unsatisfactory							
Total	100	100	100	100	100	100	100

*Figures in () are the number of projects

TABLE 3: Implementation Progress and Development/Global Objective Ratings by Region

Region	Number of Projects	GEF Amount (US$ mil)	Implementation Progress %					Global/Development Objectives %			
			HS	S	PS	U	HU	HS	S	PS	U
AFR*	25	128.99	4%	84%		12%			88%		12%
EAP	25	234.06	8%	84%		8%		4%	84%		12%
ECA	21	203.56	10%	86%		5%		14%	86%		
IFC	7	111.50	29%	29%	14	14%	14%	14%	43%	14	29%
Global	1	25.00		100%					100%		
LCR	41	238.49	15%	71%		15%		17%	80%		2%
MNA**	6	22.33		100%					83%		
SAR	4	34.60		100%					100%		
Total :	**130**	**998.53**									

*Lake Victoria project is listed by country, and hence it is counted as three different projects.

**Syria Conservation of Biodiversity and Protected Areas Management (MSP) has not been rated for G/DO.

Outcomes at Project Exit

Performance evaluations by OED provide an independent assessment that can be compared with the self rating system of project status reports (PSR). Assessments of 10 projects for which terminal evaluations were completed in FY03 found eight, 80%, at least satisfactory on outcomes, which was identical to

OED's result for the overall IBRD portfolio in FY02 (OED's report for FY03 is not yet completed). This is a marked improvement when compared with the trend over a three year period. The OED GEF average for projects exiting the portfolio in FY01 was 42% and for the three years, FY01 – 03 it was 60% (for a total of 25 projects).[13] Although there are several factors which affect project outcomes, one of the notable differentiating characteristics of the portfolio is between freestanding and blended projects. For the three year average, the OED assessments found 64% of freestanding projects to have at least satisfactory outcomes compared with 54% for blended (fully or partially) projects. As mentioned below this finding will be investigated further.

The net disconnect ratio was zero for the FY03 projects, which means there was no difference between the percentage of projects rated unsatisfactory by OED and those rated unsatisfactory by the regions in the final PSR, which suggests improved realism. But for the three years combined, there was a significant divergence between the ICR ratings by the regions and OED's assessments. The ICRs rated 74% of projects at least satisfactory for outcomes compared with OED's rating for the same projects which was only 60%.[14] The issue of realism is complicated and is discussed further below.

Projects at Risk

The Bank's projects at risk system is intended to be an early warning for those operations where task manager's assessments might be too optimistic. The proportion of projects at risk was the same as in FY02 while the realism index fell slightly (See Table 1 above). Comparing the former with OED's assessments of about 80% satisfactory outcomes suggests that there might have been some under-recording of risks.

There were ten projects at risk, five were in LCR, two each in AFR and EAP, and one in ECA. There was a significant increase in risky projects in LCR due do the decline in economic conditions mentioned above, particularly in Argentina, which accounted for three projects. The result for the overall GEF portfolio is better than the Bankwide average (See Table 1 above). Again there is a difference between stand alone GEF projects where 8% of the portfolio was at risk, and blended projects where the corresponding figure was 14%. Lists of the projects at risk and distribution of risk flags are presented in a separate annex.

The proactivity index for the Bank-GEF portfolio was higher than in FY02 which signifies that a larger number of problem projects (rated unsatisfactory in FY02) have been addressed through upgrading, restructuring, cancellation etc., compared with the previous year. These results are also above the Bank's standards, which means that regions have been proactively monitoring and addressing potential or actual risks, although a number of these risks, such as counterpart funding, poor economic climate and political turmoil are exogenous factors. A list of affected projects is also available on file.

Sustainability

From Table 1 above, the likelihood of sustainability declined in FY03 compared with FY01, but is almost at the Bankwide level. Although the Bankwide comparison is favorable it will be important to see whether the GEF decline in FY03 is an anomaly or is reversed in the future. The ICR ratings were more optimistic than OED's assessment. There was also a difference between freestanding and blended projects

[13] The FY02 result is not given separately as only three projects exited the portfolio.
[14] What accounts for this difference is that a number of projects rated satisfactory in the ICR were rated only marginally satisfactory by OED. The data were also weighted by region.

in the results for the FY01 to FY03 cohort of 25 projects, the former being rated by OED 80% likely to be sustainable and the latter 72%.

Common threats to sustainability include weak institutional frameworks such as lagging power sector reform in Sri Lanka where the outcome and likelihood of sustainability of the Energy Services Delivery Project were otherwise favorable. In many biodiversity projects sustainability is also threatened where establishing sustainable systems for financing protected areas still presents challenges. Furthermore, sustainability is less likely where there are weak linkages between GEF project objectives and national development or sector priorities and where country ownership is fragile. Another question is whether objectives are realistic and whether sustainability can be expected from three to five year projects with limited funding for incremental costs.

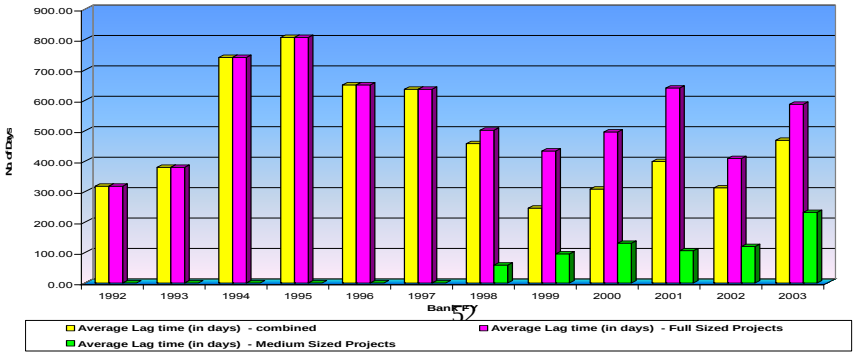
Elapsed Time Between Project Processing Steps

From GEF Council Approval to Bank Management Approval. There was a significant reversal in the gains achieved in FY02 for FSP as the averaged elapsed time between GEF Council approval and Bank Management approval increased by 41% to 587 days. There had been an increasing trend since1998, the result for 2002 being the exception. But the FY03 result is even higher than the average of the previous four years which was 495 days. Reduction of the elapsed time from GEF Council approval to Bank Management approval toward a target of 365 days was one of the actions included in the Bank-GEF portfolio improvement plan.

Is it inevitable that GEF projects require longer processing time? It seems likely, as there are several features that require a lengthy period to address. For example, biodiversity projects averaged 622 days for this processing step because they involve complex social issues such as indigenous people's rights, community participation and creation or strengthening of appropriate institutional frameworks to support conservation. Although climate change projects consistently take less time to prepare (521 days) they sometimes involve complex financing arrangements, the identification of appropriate technologies and creation of innovative institutional arrangements. There are also no significant regional differences. All regions had average elapsed times that were higher than the Bank target though the problem is greatest in AFR, which again had the highest average, 652 days (597 days in FY02). There was a considerable reversal in LCR from the lowest result in 2002, 266 days, to 571 days in FY03. Only the regions with small numbers of projects, MNA (481 days) and SAR (441 days) averaged less than 500 days.

A worrying trend is that the processing time for MSPs nearly doubled from 102 days in FY02 to 232 days for FY03.

Figure 3
Average Elapse Time (in Days) between GEF Approval to Bank Management Approval

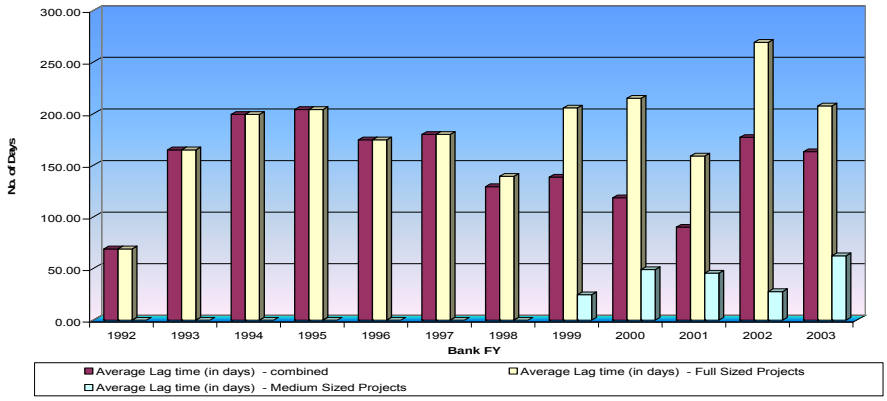


From Bank Management Approval to Effectiveness. The average processing time between Bank management approval and effectiveness improved by 23%, falling to 208 days from 269 in FY02, but still well above the Bank standard of 120 days (See Figure 4). It was also close to the average for the previous four years of 212 days. Seventy six per cent of projects took longer than the Bank's standard of 120 days compared with QAG's finding of 40% for the overall IBRD portfolio. Delay in this processing step is also a persistent GEF problem. One reason could be that projects are presented to the Bank's Board with a number of unresolved institutional or policy issues that are then set as effectiveness conditions. With the additional time being used for preparation and fewer effectiveness conditions, as seen above, this problem should not arise.

Slow Maturing Projects

These projects fall into two categories: (i) those approved by the GEF Council prior to June 30, 2001 for inclusion in the work program but not yet approved by Bank Management; and (ii) those that have become effective but are not yet disbursing. A list of the first category is presented in a separate Annex, but data for the second were not yet available due to database problems. There are twenty three projects in the first category many of which are expected to receive Bank Management approval shortly. The reasons for delay were varied but are similar to the complexities discussed in the previous section as well as lengthy local legislative processes and the Bank's procurement requirements.

Figure 4
Average Elapse Time (in Days) between Bank Management Approval to Effectiveness



Issues to be Followed Up

On several portfolio indicators there was a small difference in performance between blended and freestanding projects. By itself this statistic is not conclusive but requires follow-up by controlling for other variables in examining a range of possible explanations of results, and to see the effect of complexity in project design (for either freestanding or blended projects) in affecting outcomes. Another

follow-up will be to examine the extent to which lessons learned from earlier GEF projects are contributing to improving the performance of projects now in implementation. These and other issues will be included in a portfolio improvement plan to be prepared once the PPR exercise is completed.

Portfolio Improvement Plan[15]

This section discusses the results of actions taken to implement the portfolio improvement plan (PIP), which was expected to guide implementation of some of the recommendations from the FY02 PIR.

PSR Quality

In response to concerns about the quality and realism of supervision reporting raised by QAG in relation to the overall IBRD portfolio and by the GEF M&E regarding the Bank-GEF portfolio, the PIP called for a detailed assessment of the quality of PSRs. The assessment found that the overall quality of reporting is still problematical as information was often missing or incomplete. The Regions were generally responsive to the findings of the assessment. LCR, for example, downgraded a number of projects as a result. ECA had the highest overall quality of PSRs.

Coverage of GEF project Review Criteria in Implementation[16]

The PIP called for increased efforts on the part of task teams to rate those indicators tracked in the PSR that are equivalent to the GEF project review criteria. These are: financial management, financial performance, project management, M&E, public involvement, and government commitment.[17] In addition to compliance we also sought to measure project performance

The rate of non-compliance varied from 22% for public involvement to 7% for financial management. This trend seems to reflect the degree of importance given by task teams to these issues irrespective of whether they are GEF project review criteria. For example, Bank Management has raised the importance of clent compliance with the Bank's financial management requirements such as audits, and task teams responsibility for monitoring, hence this is nearly always addressed. The performance of project management is in most cases a significant factor in implementation progress. On the other hand, public involvement, an important GEF strategy, is often overlooked during implementation once stakeholder participation has been included in project design.[18] Similarly, unless explicitly critical to project implementation, government commitment is not routinely assessed as a part of supervision. Problems associated with M&E are discussed below.

According to the PSR assessments there was a narrow range in the level of performance (excluding cases of non-compliance), from 77% at least satisfactory for government commitment to 86% for financial management. Table 4 below provides the detailed results. The results at this level are below the overall rating for implementation progress. However, from a separate study, we know that the assessment for M&E is less than candid. Also, as reported in QAG's Annual Report of Portfolio Performance, M&E was found to be satisfactory in only 42% of projects for the IBRD portfolio. We suspect, therefore, that some of the other ratings might be similarly over optimistic. They are also not usually discussed in the PSR

[15] As a result of the FY02 PIR a portfolio implementation plan was prepared aimed at addressing the key issues raised.
[16] Also see Focal Areas Review sections for an assessment requested by GEFME of four GEF project review criteria.
[17] Financial management and financial planning are taken as representative of the GEF review criterion financial planning, while project management is equivalent to implementation approach. Sustainability and replicability are not included.
[18] GEF guidance on this topic is inadequate. It needs to recognize different levels of participation and differentiate approaches among focal areas.

which implies they are probably not taken into account in assessing project performance and it is possible that their effect on project outcomes is being overlooked.

Table 2. Ratings and Compliance for GEF Project Review Criteria

Region	FM		FP		PM		M&E		PI		GC	
	S or better	Blank	S or better	Blank	S or better	Blank	S or better	Blank	S or better	Blank	S or better	Blank
AFR	92%	0%	92%	0%	92%	0%	88%	0%	84%	16%	84%	12%
EAP	76%	8%	72%	16%	80%	4%	84%	8%	72%	28%	76%	16%
ECA	90%	5%	81%	10%	90%	0%	81%	14%	76%	24%	71%	14%
Global	100%		100%		100%		100%		100%		100%	
IFC	71%	14%	29%	71%	0%	100%	29%	57%	100%	0%	100%	0%
LCR	95%	5%	83%	12%	93%	2%	88%	10%	80%	20%	76%	24%
MNA	50%	50%	33%	67%	67%	33%	17%	83%	50%	50%	50%	33%
SAR	75%	0%	100%	0%	100%	0%	100%	0%	75%	25%	75%	25%
Total:	**86%**	**7%**	**78%**	**15%**	**84%**	**8%**	**80%**	**14%**	**78%**	**22%**	**77%**	**18%**

Notes: Blank denotes non-compliance; FM – Financial Management; FP – Financial Performance; PM – Project Management; PI- Public Involvement; GC – Government Commitment

Explanation of Ratings in Project Status Reports (PSR)

To the extent that the ratings for implementation progress and achievement of objectives were consistent with the explanation provided in the text of PSRs and aide memoire, realism was generally acceptable, although the ratings still seem to be perhaps 10% to 15% too high when compared with the results for projects exiting the portfolio. Furthermore, in many cases there was inadequate or inappropriate explanation of the development objective or global objective rating in the PSR (a related issue was poor formulation of the objective at project design). On the other hand there was better quality of reporting on overall implementation progress, where detailed descritptions were often provided on the status of each project component. There was a tendency to focus on discussing deliverables and implementation issues in the PSR, and not on results and outcomes, even in cases where implementation was far advanced. Linked to this was a widespread neglect to measure and update outcome indicators and to use them in explaining progress towards achievement of project objectives. In general there was limited use of M&E in supervision. (Also see next Section on M&E). By also reading the aide memoire it was possible to make a better assessment of the realism of the ratings, but it meant that in several cases, the PSR alone could not be relied on as an early warning of projects in danger of not achieving their development objectives. A number of the recommendations made last year for improving PSR quality will have to be reinforced during the coming year.

Monitoring Risks

There was also little mention of critical project risks in the assessment of project progress towards achieving objectives. Compliance in completing the risk section of the PSR was mixed. For example, ECA had a compliance, rate of 71%, while AFR had 96%.[19]

[19] Others were: EAP – 76%; LCR – 76%; with small numbers of projects: SAR – 50%; MNA – 67%; IFC – 100%

Monitoring and Evaluation

A review of monitoring and evaluation (M&E) in project design and supervision was undertaken[20] based on forty five project appraisal documents (PAD) and 24 PSRs. The review found that M&E arrangements were mostly not adequately addressed during project design.[21] Only one-third of projects were making good use of M&E during supervision while two-thirds exhibited at least one of the common M&E problems found.

Main Findings

The Main findings of the M&E review were:

Project Design

- Absence of an M&E plan or arrangements to prepare one which translates into inadequate preparation to collect data;
- Inadequate resource provision for M&E;
- Over reliance on the log frame as a substitute for an M&E system;
- Inappropriate indicators to assess project impact (often qualitative) - absence of SMART indicators (specific, measurable, attributable, realistic and targeted);
- Inconsistency in linking indicators with the appropriate level (higher objective, global/development objective, outputs);
- M&E specialists not included in project design teams

Project Supervision[22]

- Key performance indicator tables are often incomplete or the indicators are not tracked annually while baseline data are frequently missing;
- For the majority of projects neither outcome nor output indicators are regularly used to assess progress towards development objectives and to substantiate the ratings;.
- A common problem was the use of completed deliverables (activities) as proxy for progress toward DO/GO
- In some cases it would appear that project M&E systems are not operational therefore data are not being provided to measure results. On the other hand, it is also possible that data generated by the projects are not being reported through the Bank's supervision system;
- Continued focus on monitoring inputs and outputs rather than on outcomes and results
- There are weaknesses in the formulation of development and/or global environment objectives, many projects having multiple objectives. This prevents project teams form focusing on the key results and makes it difficult to measure the project's impact.

[20] Detailed report available on file.
[21] QAG's 2003 ARPP found only 42% of projects had satisfactory M&E systems in place.
[22] The best examples were two projects in Poland: Rural Environment and Geothermal respectively, the Costa Rica Biodiversity Project, Peru Indigenous Management, and the Turkey Biodiversity Project.

Recommendations to be Implemented by GEF Team[23]

- ENV to review M&E plans at work program entry and CEO endorsement and enforce stricter standards for M&E to be monitored by the ENV thematic teams;
- ENV to provide lists of appropriate outcome and output level indicators agreed by the GEF Focal Area Task Forces which would be attachments to PSRs, and monitor their use through periodic assessments of PSR, (with due regard to legal constraints).
- These KPI targets should be set at appropriate annual or biannual frequency for collection which would allow more frequent tracking than at mid-term and project closure
- ENV to monitor how M&E is used in project supervision (by assessing PSRs) and provide reports to management on trends

Focal Area Results and Lessons[24]

Biodiversity

The GEF Approved biodiversity portfolio comprises 164 projects with GEF commitment of US$889 million that are associated with US$2.0 billion in co-financing. The co-financing ratio of 2.4:1 is lower than the average for the overall portfolio, which is 3.7:1. The majority of projects (64%) are in OP3 (Forest Ecosystems), followed by OP2 (Coastal, marine and Freshwater) OP2 (Coastal, marine and Freshwater) with 18%, OP1 (Arid and semi-srid Zone Ecosystems), 12% and OP 4 (Mountain Ecosystems), 8%.. By the end of FY03, 39 projects had been completed (27 FSPs and 12 MSPs), while 78 were included in the FY03 PIR analysis.

Performance

Biodiversity projects performed slightly better in FY03 than the overall GEF average in terms of implementation progress and achievement of global/development objectives but slightly worse on outcomes and sustainability measured at project completion. Based on PSR assessments, 97% of projects were rated at least satisfactory on implementation progress and 93% were satisfactory in progressing toward meeting their global and development objectives, compared with the Bank-GEF averages of 89% and 93% respectively. Terminal evaluations were completed for five full-sized and seven medium-sized projects that exited the portfolio in FY03. Two full-sized projects were found unsatisfactory in outcomes and likelihood of sustainability by both the ICR and OED's Performance Evaluation, while only one of the seven MSPs was found unsatisfactory by the ICR (MSPs are not subject to OED's evaluation). Overall, based on ICR assessments for the twelve projects, 75% had satisfactory outcomes and were likely to be sustainable, which again confirms that PSR assessments are too positive.

[23] There are several recommendations that are Bank-wide but beyond the scope of the GEF team to implement. Nevertheless, specific GEF recommendations cannot be fully effective without some of these broader recommendations being also considered. These include the following: An M&E specialist should be included as part of the design team and in MTR missions, Management to consider appropriate incentives to task teams for improving M&E; The recipient's responsibility for M&E should be explicitly agreed and local capacity considered; adequate resources should then be allocated in the project budget for this purpose; Project teams should make better use of the guidance already provided at the OPCS M&E website take advantage of M&E training available in the Bank; Task teams should make better use of the existing guidelines for completing the PSR, including making better use of project M&E systems and reflect this in PSRs

[24] Detailed reports for each Focal Area are available on file.

Impacts

To assess impacts, data were sought from a potential universe of 39 projects which had been in operation for at least three years (i.e. close to or beyond mid-point), using five indicators[25] identified by the GEF Inter-agency task force. Responses were received from 22 projects.[26] However, the general absence of baseline information restricted the scope of the analysis in some cases. Data obtained from 14 projects with objectives of expanding protected areas showed a considerable range in results, from the medium sized Mexico El Triunfo project which achieved an increase of 2,050 hectares to the Russia Biodiversity Conservation project which had expanded the protected area by 1.6 million hectares, which was equivalent to 8% of the national total. In between there were successful cases such as the Conservation and Sustainable Development of the Mataven in Colombia, which expanded the area protected by 0.9 million hectares and the Madagascar Environment Support Programe which was responsible for a 300,000 hectare increase. Overall, these thirteen projects were responsible for expansion of Protected Areas by some 4.1 million hectares.

The above projects were also responsible for more effective management of some six million hectares of Protected Areas, while eight other projects which did not include expansion of protected areas as an objective, contributed to the effective management of an additional two million hectares of Protected Areas. These projects cover all types of ecosystems, including the most threatened ones such as the Atlantic Forests of Brazil and Mediterranean ecosystems in Chile, Turkey and South Africa.

The impact on sustainable use of biodiversity is difficult to aggregate and even assessment of impact at project level is limited by data constraints. Projects that included this objective addressed a wide range of issues such as: sustainable tourism and development of new products based on sustainable use of biodiversity (INBio, Costa Rica); ecosystem health and fisheries through training fishers and dive operators (Caribbean Archipelago and Biosphere Reserve Project in Colombia); small grants programs for biodiversity friendly economic activities (Moldova Biodiversity Conservations); biodiversity friendly agroforestry products (El Triunfo, Mexico); and improved forestry management (Romania Biodiverstity Conservation Project). The GEF task force intends to develop a tool to monitor sustainable use.

A significant number of projects also put in place or strengthened sectoral policies, legal and regulatory frameworks, and institutions which contributed to improving the framework for biodiversity conservation. For example, new protected area laws were passed and institutional arrangements were established in Romania. Biodiversity conservation laws were improved and harmonized in the three countries covered by the Central Asia Biodiversity Project. Outputs from the Regional Environment Information Management Project (REIMP) have been incorporated into policies, laws and regulations in the Congo basin and used by decision makers. The Cameroon Biodiversity Conservation Project introduced Forestry laws where a percentage of logging fees go directly to communities. Frameworks for Protected Area declaration and management regulations were created in Panama. Further follow up will be made to identify the effects of these changes, which were not captured by the indicators.

[25] (i)expansion of protected areas; (ii) management effectiveness of protected areas; (iii) improving sustainable use of biodiversity; (iv) changes in sectoral laws, policies and institutions; and (v) sharing between or in countries in the benefits from the use of genetic resources

[26] The reason for the limited response was a late decision by the task force to use these indicators which in some cases gave task teams insufficient time to obtain the data. This was the case for each Focal Area.

Lessons Learned

Notwithstanding the positive impacts of projects presented above, there remains considerable scope for improving the conditions that lead to successful project outcomes:

Sustainability. For protected areas to be viable in the long term sustainability needs to be achieved ecologically (linkages in the landscape), institutionally (capacity), socially (national and local support) and financially. Endowment funds and other financing mechanisms have helped to cover recurrent operational costs but it is clear that few protected areas can be self-sustaining from tourism or other direct revenues and that most protected areas will always require some government support. Making the case for that support will increasingly depend on emphasizing the whole suite of benefits from protected areas: ecosystem services, research, recreation and spiritual uplift.

Stakeholder participation. Results from a Bank study of sixty five and thirty five percent respectively of full-sized and medium-sized projects in the portfolio provided the following lessons:
The document trail for social assessments and participation activities is very weak. Fifty percent of projects did not mention social assessments at all in their project documentation.
Gender analysis is not systematically used. Only one document mentioned that gender analysis was done.
Practitioners skilled in social science and participation are not being consistently sought
In recent years, projects have become more participatory

Monitoring and evaluation: The two main ongoing monitoring activities are PA management effectiveness and biological and ecological monitoring. The Bank/WWF Alliance has recently developed a very simple monitoring tool for protected area management effectiveness, based on the IUCN framework. Its primary users are intended to be park managers, as part of regular monitoring to identify management needs. The tool is most useful for showing progress over time in particular aspects of PA management and in identifying problem areas and necessary next steps. It has been tested and used at several parks in a number of Bank-GEF projects. Initial results are the following:

- Little direct correlation between size of budget/levels of investment (or numbers of PA staff) and overall score.
- Strong correlation between law enforcement and overall score.
- Some correlation between active education/outreach activities and overall score.
- No clear correlation between local communities involvement and overall score

Projects are using a fairly standard set of indicators to monitor the biological and ecological status of biodiversity in the project areas. The emerging lesson is the need to share more lessons among project implementers and attempt to standardize the methodology and protocol to carry out biological monitoring more systematically. It is critical that the design of monitoring systems are affordable so that these activities become part of the recurrent costs of managing parks and other project areas.

Project complexity: Projects are often too complex, with too many activities and many institutions involved (something for everyone – the Christmas tree approach). Although the Bank espouses the principle of KISS (keep it simple) few projects focus on one key objective and a few simple activities. One lesson is to design projects that have Phased programs.

Decentralized institutional support is critical when protecting a vulnerable resource base. The decentralization of the decision-making process from headquarters to the field, can empower the field-base staff and allow some autonomy for each protected area.

Setting clear and achievable objectives is especially important where the enthusiasm to build alliances and merge conservation and social agendas often leads to loosely defined objectives, with different, and sometimes conflicting, expectations among stakeholders.

Comprehensive analysis of threats. It is important to look beyond the influence of poverty and lack of alternative livelihood options on biodiversity loss and threats to protected areas and to also give attention to the role of national policies and fully legal, and government-supported, activities (e.g. allocation of logging concessions, new transport infrastructure or dams).

Project Duration. Most biodiversity projects, even projects over five to six years, are too short to achieve biodiversity objectives. It is often clear that it will require a long time frame to achieve real institutional capacity, support and sustainability for a protected area, yet few projects are designed with multiple - phases or develop any real strategy to ensure that local/national institutions could sustain integrated activities beyond the project lifetime.

Governance. Conservation cannot work in a situation where there is no effective enforcement and governance. However, when supporting enforcement in projects, it is important that other incentives are in place for community members.

Climate Change

The Bank has committed US$0.9 billion in GEF grants for climate change since 1992, which are associated with US$7.7 billion in co-financing. The co-financing ratio of 8:1 is much higher than for the overall portfolio. The portfolio comprises 78 FSP,12 MSPS and four Enabling Activities. The majority of projects, 51%, are in OP6, followed by OP5, 32%. EAP region with 32% had the largest share of commitments, followed by LCR, 23%, ECA, 13%, IFC and SAR, 11% each and MNA and AFR, 5% each. By June 30, 2003, 15 full-size and one medium-sized climate change projects were completed, as well as three Enabling Activities.

Performance

Climate change projects are generally performing at about the average Bank-wide level for GEF projects in terms of implementation progress and achievement of objectives, but there are concerns about sustainability. Of the 34 climate change projects included in the FY03 PIR portfolio, two IFC managed projects were rated highly satisfactory, ELI for implementation progress and HEECP for progress towards achievement of global objectives. Only one project was rated less than satisfactory on either implementation progress or achievement of global/development objectives. Three projects exited the portfolio in FY03, all had satisfactory outcomes according to both the ICR and OED evaluation, while OED rated one project as unlikely to be sustainable. Of nine projects for which ICRs were available since FY01, two were rated unsatisfactory by both the ICR and OED, while three were considered unlikely to be sustainable and one non-evaluative by OED. This is a small universe of projects but the fact that only five out of nine projects were considered likely to be sustainable raises concerns (see discussion below on sustainability).

Impact

Responses were received from only six of the ten projects that have reached mid-term and could provide information on seven indicators identified by the GEF climate change task force. Additional information is available from PSRs, MTRs and terminal evaluations. Some examples of results from these projects are presented below.

Reduction in greenhouse gas emissions beyond targeted levels has been reported by several projects such as the Poland Geothermal Project, from consumers switching to renewable energy sources, and from the Senegal Sustainable Participatory Energy Management Project through modernization of the urban charcoal trade. Renewable energy capacity was increased in Indonesia through the Solar Homes Systems Project which has installed 6,000 SHS systems, and in Sri Lanka under the Energy Services Delivery Project through installation of 35.3 MW capacity and serving 22,685 off-grid customers. Energy efficiency savings have been achieved by the Beijing Environment Project through coal to natural gas conversion and by the India IREDA II project through promotion of energy service companies (ESCOs). Some of these projects have also contributed to expansion of RE developers and dealers (Indonesia, Sri Lanka) and energy efficiency businesses (China and India) as well as developing new financing for RE and EE businesses.

Lessons from the Portfolio

At present, the Bank's climate change team is reviewing two work program areas that are considered to be strategic priorities of the GEF: financing energy efficiency and productive uses of energy. Reports on these studies will be available early in 2004. A summary of some of the key lessons emerging from the energy efficiency review is presented below.

Over the past twelve years the Bank has implemented 29 energy efficiency projects and eleven are in the pipeline. The projects have covered energy efficiency products, utility demand side management, standards and codes, gas distribution loss reduction, ESCOs and energy efficiency financing. There has been a general focus on financing as a major barrier to the promotion of energy efficiency.

- Policy: The need for a supportive policy framework for energy efficiency programs, the need for energy prices to reflect true costs and thus provide sufficient incentives for efficiency investments, systematic removal of price distortions for equipment (e.g., import tariffs), consideration of legal/taxation issues for ESCOs and proper coordination with parallel energy efficiency programs to avoid potential overlaps and conflicts.
- Institutional: The need for strong ownership of programs to help ensure success, adequate institutional arrangements and capabilities for implementation - including centralized planning and decentralized implementation and monitoring, and addressing potential business conflicts with utility DSM programs.
- Program Design: Maintaining a critical look at program sustainability early in project preparation, ensuring program models adequately take into account expected reforms in energy, banking and other relevant sectors, establishing credibility of technologies through development and enforcement of minimum program equipment performance standards, introducing technologies using market principles, adapting international models to account for local conditions, initiating marketing campaigns to generate public awareness and energy-efficient product uptake.

- Sustainability. Four key factors affecting sustainability were observed from the portfolio. The first is the negative effect of competition from suppliers selling poor quality products at lower prices. Both the Sri Lanka Energy Services Project and the China Renewable Energy Development Project addressed this issue by educating consumers and suppliers on the importance of good quality. The IFC EELI project established quality standards to help in easily identifying efficiency lighting products in the market with a specific logo.

Second, a conducive institutional and regulatory framework must exist, including local institutional capacity and project ownership, which can be facilitated by for example involving existing manufacturers of relevant products rather than creating new ones.

Thirdly, affordability of products by consumers as well as development of financing sources are important barriers to overcome in both renewable energy technologies and energy services. Financial returns to various investment stakeholders must be robust.

Finally, demand for the project's services or products must also be strong. For example, the demand for solar home systems is enhanced because of the broader local benefits that can be attained. The Thailand Building Chiller Replacement project helped create a market and generate demand for replacing CFC chillers. On the other hand, the Poland Geothermal project has been slow in implementation due to lower than expected demand for heat.

Replicability. Replicability will also be affected by the above factors, in particular by the level of financial returns and sustainability. It is especially important that financing sources exist outside the GEF project. For example, in the Sri Lanka project mentioned above, manufacturers sold to higher income households. In order to expand to lower income ones, either lower cost products would have to be developed or alternative financing provided.. A well developed credit system would be favorable.

Stakeholder participation. Stakeholder participation in climate change projects is often overlooked by project principals though it is important. Most energy efficiency projects involved some consultation with stakeholders during the design phase, typically new or existing ESCOs, industrial or trade associations, financial institutions, utilities and government. During implementation, informal consultations often occur once or twice per year, but in some cases only at mid-term or at the end of the project. The Sri Lanka project provides a good example of how a multi-stakeholder approach has helped in overcoming the traditional institutional, financial and market barriers that typically are associated with the implementation of small-scale RE.

Monitoring and Evaluation. The M&E experience for climate change projects typifies many of the problems mentioned above in the discussion of M&E for the overall portfolio. For example, a rating for M&E was included in only 70% of PSRs which suggests that the M&E system was not even being considered during supervision. This could be a result of poor supervision or the presence of a poor M&E system. In any case, a major problem is the absence of appropriate indicators and coupled with this, incomplete or not updated key performance indicator tables, which makes it difficult to assess project impact. There were two good examples that showed the importance of surveys in evaluating project impact. The Indonesia Solar Home Systems Project undertook a detailed study of the household effect of SHS, while a dedicated study was carried out to measure emissions reductions and changes in pollution levels under the Poland Geothermal Project. Surveys are particularly important for example in assessing improved awareness rather than simply reporting the number of workshops held.

International Waters

The Bank's portfolio of IW projects reflects two basic models to improve governance of trans-boundary water resources: (1) River drainage basin model which finances national and sub-national projects in riparian countries through an investment facility (Black Sea/Danube Nutrient Reduction Model) and (2) Regional programs consisting of highly coordinated and jointly implemented activities among riparian or littoral states aimed at protecting or rehabilitating trans-boundary aquatic ecosystems.

Performance

The GEF IW portfolio consists of twenty seven projects, only two of which are MSPs, with GEF commitment of US$280 million associated with US$890 million in cofinancing. At present there are sixteen projects under implementation. The bulk of projects continue to be in ECA and AFR, with only a couple of projects under implementation in MNA and LAC, two in advanced stages of preparation in EAP and none in South Asia. The pipelines for both ECA and Africa continue to grow, fueled by the Strategic Partnership for Nutrient Reduction of the Black Sea/ Danube and it investment fund in ECA, and by an institutional commitment to improve the focus on Africa, with its rich natural endowment of transboundary lakes, river basins and LMEs.

Within the current portfolio, implementation overall is quite satisfactory. While several projects have been granted extensions to disburse remaining funds to allow for completion of key studies critical to sustainability and scale up (e.g., Georgia Agricultural Research Extension and Training, Lake Ohrid, and Lake Victoria Projects), only one (the Kenya Lake Victoria Project) was rated as unsatisfactory, due to lack of Government Support. However, the Tanzania component has been quite successful with strong government commitment.

Results

Most projects demonstrated significant progress on Process Indicators designed to align stakeholders with international good practice (as in the three Oil Spill Conventions ratified by littoral states in the Indian Ocean and Romania's Code of Good Agricultural Practices), or with an agreed mode of mutual cooperation to address common problems, such as water sharing agreements among riparians in the Aral Sea. The threat of significant damage from oil spills occurring off the Eastern Africa Coast, has been reduced since completion of the Oil Spill Contingency Planning project. Examples of stress reduction are the control of water hyacinth under the Lake Victoria project and nitrate reduction, which has limited run-off into the Baltic Sea under the Poland Agricultural Pollution Control Project. At present there is little evidence of change in environmental status indicators as it will take some time for the results of interventions in stress reduction to be realized.

Issues

The main portfolio issues are the following:

- Slow disbursements, often because of failure of the Governments to provide counterpart funds in a timely way (Georgia, Uganda and Kenya, Red Sea), resulting in the need to extend project closing dates

- Differences in government and key stakeholder commitment/ability to contribute to regional efforts, which delayed achievement of regional project objectives (Aral Sea, Red Sea SAP, Lake Victoria)
- Changes/inconsistency in performance of Project Coordination Unit, resulting in implementation delays (Red Sea SAP and Kenya/Lake Victoria). In both these cases, the situation has been turned around and the projects are now on track to be completed within the extension period.

Lessons Learned

- Governance of Transboundary Water Resources is a complex undertaking in which political and economic considerations appear to weigh more heavily than technical issues.
- As countries enter the implementation stage of their stress reduction programs continued support in the form of external investments will be required to sustain the level of commitment required to see projects through this critical next phase,.
- There is a need for a deliberate and strategic coupling of Transboundary Water Resources Management with mainstream economic development plans. The Nile Basin Initiative is an ambitious attempt to follow this approach, and it will be instructive to see how this develops on the ground.
- Given the success of the investment fund model for the Danube/Black Sea Nutrient Reduction Partnership in getting country buy-in, it may be worth incorporating a similar investment facility in other water-body based, regional projects which run the risk of some countries lagging behind others in terms of their readiness/willingness to act.

Special Topics[27]

Capacity Building

Application of Skills and Knowledge

Training is perhaps the most common activities implemented by projects. Typically, the number of trainees or courses held are reported, but some projects have provided information on the application of skills and knowledge. For example, the China Energy Conservation Project has trained over 500 professional energy efficiency specialists of whom 200 now apply these skills for three Energy Management Companies formed through the project. Under the China Efficient Boilers Project, modern, efficient coal-fired industrial boiler designs have been developed and transferred to Chinese boiler makers who now market them nationwide. In Latvia, training and education provided for potential ESCO staff and their clients has led to the ESCOs developing efficient lighting products. The Philippines CPPAP imparted skills in conservation planning and management and provided practical experience for conservation specialists enabling them to implement the NIPAS law. The IFC HEECP has helped ESCOs and energy related SMEs develop skills in marketing, project development, and energy monitoring and created interest in EE financing which has led to the participation of several FIs in the EE market including one which has established its own ESCO.

[27] GEF M&E requested reports on special topics for this year's PIR. Information on co-financing and enabling activities are presented separately.

Institutional Strengthening

Another common activity in projects is to strengthen institutions at national, local and community institutions levles. A number of projects in LCR focused on building capacity at the community level. The Guatemala Laguna del Tigre National Park Project promoted establishment of a municipal Environment and Natural Resources Commission that has created the first opportunity for municipalities to participate in conservation. The Ecuador Wetlands Project enabled the NGO executing the project to be seen as having the prime capacity on wetlands issues in the country to the extent of influencing policy. This resulted in the insertion of relevant chapters on wetlands management in the national draft forest and biodiversity management laws. The China Energy Conservation Project established three profitable and rapidly-growing Energy Management Companies that together employ 200 people and signed over 300 energy performance contracts worth more than US$70 million. The project has also established a China Energy Efficient Information Center which now plays an important role in information dissemination.

The IFC Efficient Lighting Initiative helped the National Technological University in Argentina to launch its first distance learning course on energy efficient lighting. In the Philippines the same project has helped the Department of Energy and the Development Bank develop and implement a model ESCO transaction that can now be used as a guide for other ESCOs and FIs. The Indonesia COREMAP created local level multi-agency coastal zone management committees that have prepared community-based management plans with villages that are now implementing these plans. The strengthening of NGOs and local government conservation partnerships, capacities and awareness was instrumental in the prevention of new roads and mining within the national park.

Developing and Strengthening Policy, Legal and Regulatory Frameworks

Several projects have brought about changes in the policy, legal and regulatory frameworks in the relevant sectors. The China Efficient Boilers Project developed new industrial boiler efficiency standards for China. The Indonesia Solar Home Systems Project helped pilot the first product-specific consumer credit schem in the country. The Indonesia COREMAP contributed to the drafting of a new Fisheries Act and a Law for Coastal Zone Management of Small Islands. The Indonesia Kerinci Seblat Integrated Conservation and Development Project facilitated estabishement of the largets terrestrial park on Sumatra, the third largest in Indonesia and the first to be gazetted. The Ecuador Wetlands Project mentioned above has directly contributed to strengthening environmental laws.

Issues

Although GEF projects have made great strides in building capacity many institutional weaknesses remain in both government institutions and NGOs, while increasingly, private sector capacity is also relevant but is often overestimated. The message from the portfolio review is to re-emphasize the importance of accurate institutional assessments during project design and to ensure that relevant institutional frameworks are in place and conducive. Key organizations to be involved in project implementation either should be already capable or should be strengthened as a project activity. Furthermore, assessments of projects exiting the portfolio show that a conducive institutional framework is one of the keys for achieving sustainability.

PIR Follow Up

A number of issues to be followed up have been raised in the above discussions. For example, the longer processing time for GEF projects still needs closer examination to determine the scope for reduction although there seems to be some inevitability about this outcome. Further improvements are also needed in the quality of reporting. The start made in FY03 in assessing project impacts that can be aggregated to the Focal Area level needs to be continued by ensuring that key indicators are measured. All of these activities will be incorporated in a Portfolio Improvement Plan to be prepared once the PPR discussions are concluded. In addition, a number of knowledge management activities will be undertaken, including a study of post implementation impact of GEF projects.

APPENDIX C

UNEP PIR OVERVIEW REPORT

I. Portfolio overview

The UNEP PIR FY03 portfolio comprises 43 full size projects (FP) and medium sized projects (MSP) as of 30 June 2003. This excludes co-implemented projects for which UNEP is not the lead agency. This report provides a review of the portfolio, based on the PIR individual reports, focal area summary reports and other evaluation reports following the guidelines provided by the GEF secretariat.

Composition of the portfolio
The total size of this year's portfolio is 43 projects representing an increase of 60% from last year. The total cost of the projects amounts to US$269 million, of which the GEF allocation is US$143 million. The portfolio consists of projects in all focal areas including biodiversity, land degradation, international waters, persistent organic pollutants, climate change and ozone depletion. The bulk of the projects (43%) are within the biodiversity focal area. In terms of GEF allocations US$64.8 million (45%) of the total is allotted to the projects in international waters.

Geographical distribution
Seventeen (17) projects are implemented at the global level and an additional 17 at the regional level. Of the 17 regional projects, seven projects are in Africa and five in Latin America. In Africa, five projects out of seven are in the biodiversity focal area. Twenty (20) projects are single country projects implemented at the national level, of which four are implemented as multi-country project at the national level in 14 countries.

Co-financing and leverage
Actual levels of co-financing and leverage for the five projects that have been subject to mid-term review or terminal review during FY03 have in total been US$ 37.829 million about 89% of proposed co-financing levels. Overall grants were leveraged at 89% and in-kind support at 135% compared to proposed levels. Actual Government grants stand out by achieving US$10.987 million, which is US$ 2.246 million (26%) more than proposed.[28]

Enabling activities
UNEP is implementing enabling activities in 68 countries. The number of countries that have received grants for enabling activities in climate change, biodiversity, persistent organic pollutants (POPs) and for National Capacity Needs Self-Assessment for Global Environmental Management (NCSA) are respectively 24, 28, 30 and 15. The first UNEP/GEF Climate Change enabling activities for the preparation of initial national communications to the Climate Convention started in 1996. Many of these activities have been completed and follow-up activities (expedited financing for (interim) measures for capacity building in priority areas) are underway in eleven of the twenty-four countries as at the end of FY03. Although some biodiversity enabling activities have experienced delays during implementation, at the end of FY03, fourteen of the twenty-eight countries are implementing "add-on" activities (assessment of capacity-building needs for biodiversity, participation in the Clearing House Mechanism and consultation for the preparation of a Second National Report), having already prepared their first National Reports to the CBD. Though in some cases still at the first phase of implementation, the preparation of National Implementation Plans for the management of POPs are underway and implementation proceeding according to the phased schedule in 29 of the 30 countries. The project for the remaining

[28] FY03 co-financing and leverage figures are contained in Annex 2.

country is still in its appraisal phase. Implementation of six of the NCSAs, the newest portfolio, has commenced in six of the fifteen countries. The others are still in their appraisal phase.

II. Portfolio performance

Rating trend
In 2002, PIR ratings for all projects were either satisfactory or highly satisfactory. This year, five projects have been rated only as partially satisfactory. The ratio of the portfolio rated as highly satisfactory has increased slightly from 20% to 24%. Among projects that were reviewed last year, three projects have been upgraded from satisfactory to highly satisfactory. Two projects are downgraded from highly satisfactory to satisfactory. Two projects are downgraded from satisfactory to partially satisfactory.

In terms of meeting objectives, more than 90% of projects are rated as satisfactory or highly satisfactory. Among projects that were assessed last year, the ratings of four projects have improved from satisfactory to highly satisfactory. One project rated partially satisfactory in PIR 2002 is, this year, rated as satisfactory.

Risk identification
All projects have been reviewed systematically for the first time to identify risks based on conceivable assumptions to each objective of the project. Of the total of 164 assumptions, 108 (66%) were evaluated as low risk, 44 (27%) as moderate, 10 (6%) as substantial and 2 (1%) as high risk.

The holistic approach in the Technology Transfer Network (TTN) project (Phase 1) was identified as high risk. The rating is based on the conviction that with the limited budget and man power in the TTN team, it is very ambitious to change the world of investment decision making from both the point of view of technology development and the individual decision making process. The socio-political situation in one of the pilot sites of the Arun Valley Sustainable Resource Use and Management Pilot Demonstration project was also identified as high risk. For example, metal used in parts of the microhydro has been stolen to make weapons, which is a result of the Maoist uprising in Nepal and the government reactions. The project had stopped work at this site to see how things develop before progressing further.

Among the ten assumptions identified with “substantial risk”, two ratings concern are associated with the difficulty in promoting investment for cleaner technologies in the focal area of climate change like the TTN project. Like the Arun Valley project, two other projects also mention socio-political environment as an element of substantial risk (the global biosafety project and the medium-sized project, “Persistent Toxic Substances (PTS), Food Security and Indigenous Peoples of the Russian North”). Two other ratings relate to difficulties in measuring impact on the environment. It is difficult to obtain conclusive evidence in some projects (“Reduction of Environmental Impact from Tropical Shrimp Trawling through the Introduction of By-catch Reduction Technologies and Change of Management”) or to ensure immediate benefits to local people (“Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa”). Shortage of expertise and experience are mentioned as “substantial risk” in two other projects.

Elapsed Time
The elapsed time between the inclusion of a project in the work programme and IA approval has improved substantially[29]. Whilst some projects that entered into work programme before 1998 spent more than one year, most projects that entered in 2002 or later have spent less than one year. The average elapsed time of four MSP projects that received GEF CEO approval in 2002 and became effective in FY03 is 56 days. One MSP, which received GEF CEO approval in 2001 and became effective in FY03 had an elapsed time of 30 days only. The elapsed time of FPs is generally always longer due to the nature and complexity of this type of project. The average elapsed time for FPs in FY03 was 391.[30] One full size project, a land degradation project in Africa, was exceptionally delayed for political reasons in the region. However, the trend shows an improvement in the turnaround time of MSPs and FPs.

III. Portfolio management

Establishment of DROC and ARM
Two important initiatives related to the management of the UNEP/GEF portfolio were established during FY03.[31] These are the establishment of the Divisional Review and Oversight Committee and Annual Review Meetings. With the growth in UNEP/GEF activities, it has become necessary to develop a more effective system through which the lessons learned from project implementation can feed into a coherent knowledge management framework for UNEP/GEF projects not only at the programme and portfolio level, but also at the project design stage. To this end, and in response to the Policy Recommendations associated with the third phase of the GEF, the Executive Director of UNEP established, on 15 June 2003, a UNEP/GEF Divisional Review and Oversight Committee (DROC), to strengthen the existing project monitoring and supervision mechanism. The role of the Committee is to review all intended UNEP/GEF submissions with the exception of enabling activities; act as an oversight mechanism for the management of UNEP/GEF portfolio of projects; and conduct an annual portfolio review in conjunction with the Project Implementation Review process. The DROC reviews new proposals for PDF-As, PDF-Bs, medium-sized projects and full-size projects before they are submitted to the Senior Management Group of UNEP for approval.

In the Annual Review Meeting held from 22nd to 25th September, 47 participants including almost all project task managers gathered to review the UNEP/GEF portfolio, exchange experiences and lessons learnt and discuss about how to improve the project management including monitoring and evaluation.[32] As a result, 52 recommendations aimed at enhancing the efficient management of UNEP/GEF work programme including on M&E related issues were adopted. Reflecting these activities, the individual PIR reports give more realistic self-examination than last year. Based on the first experience of this meeting, next year's meeting will be held after an analysis of the portfolio by focal areas has been completed.

M&E issues raised in evaluations

[29] Elapsed time is the difference between GEF CEO approval and UNEP approval for MSPs and between GEF Council approval and UNEP approval for full size projects.
[30] FY03 FP average elapsed time based on four FPs.
[31] These initiatives have been described in detail in the "Note on UNEP/GEF Enhanced Monitoring and Evaluation Framework" forwarded to the GEF Secretariat November 2003.
[32] UNEP/GEF M&E system ensures that all UNEP/GEF projects complete an annual self-evaluation report, mid-term review and terminal evaluation. The identification of projects at risk system is done through self-evaluations, spot checks and supervision missions. An integrated projects-at-risk system is under preparation and will be implemented before the end of 2004.

Mid-term reviews and terminal evaluations of five projects were completed in FY03 and thirteen evaluations are on-going as of December 2003.[33] Findings of evaluations of UNEP/GEF projects have found that many projects are not able to fulfill all their reporting and monitoring requirements and that executing partners often find UNEP/GEF reporting requirements very time consuming. There is also a lack of available data collected on indicators during implementation and a general lack of useful quantitative indicators that are able establish impact over a long-term period. In terms of project design and time management the five projects that were completed during FY03 had all been extended according to the original plan of work in order to complete activities. Evaluations have established that underestimating the time required to implement activities is a reoccurring issue.

IV. Portfolio management by focal areas

Biodiversity

Of the twenty-one biodiversity projects[34] subject to PIR FY03 the bulk of projects promotes specific technologies and demonstrate methodologies and policy tools that could be replicated on a large scale (45%) and to a lesser extent carrying out assessments, research, methodology development, programme learning (28%) and promoting regional and multi-country cooperation (20%). A few projects focus on activities to implement global and regional conventions (5%) and catalyzing response to environmental emergencies (2%).

Eight projects (38%) are addressing land degradation as a cross-cutting issue impacting biodiversity. These projects have improved scientific understanding of land degradation problems, e.g. the interlinkages between land degradation and biodiversity loss; created awareness and enhanced the sharing of information on land degradation indicators; and contributed to the rehabilitation of degraded land.

The total budget size of the biodiversity portfolio in PIR FY03 is US$115.68 million with GEF commitment of US$58.52 million. Approximately 75% (15 projects) of the portfolio is composed of MSPs, however the trend is going towards more full-sized projects. Two biodiversity projects, the Millennium Assessment and the Biosafety Frameworks Project account for almost 75% of the total funds allocated for UNEP/GEF global projects. Africa is the most active region accounting for 22% of total funding. [35]

1. Performance

The majority of biodiversity projects reviewed during the PIR FY03 were rated satisfactory or highly satisfactory (83%) in implementation progress and contributions to achieving project objectives. Four projects received partially satisfactory rating in implementation progress and one project was rated partially satisfactory in achieving project objectives. One project was under review at the time of rating.

2. Impacts

A summary of outcomes and impacts in the UNEP/GEF biodiversity portfolio found significant contributions towards expanding protected areas such 70,000 hectares of new areas, and 17,000 hectares

[33] Annex 1, tables 3-4 provide lists of completed and on-going evaluations.
[34] Projects applicable to PIR FY2003.
[35] For further detail, please see UNEP/DGEF Biodiversity Focal Areas Summary Report FY 2003.

of newly classified Ramsar Site at Lake Baringo in Kenya and establishment of the 7,800,000 hectares Lop Nur National Nature Reserve in China. Improvement of management effectiveness of protected areas was achieved in two state nature reserves (Xishuangbanna and Gaoligonshan in Yunnan, China). Four projects made contributions to improving sustainable use of biodiversity resources. Most projects (6 i.e. 35%) contributed to changes in sectoral policies, laws, regulations and institutional strengthening.

Other impacts were identified in behaviour and scientific understanding, identification of best practices, awareness creation and gathering and sharing of information. Three projects helped develop management tools, analytical methods and assessment methodologies.

A general problem has been the lack of quantitative information of changes, which reflects the need for valid and reliable quantitative data and project management tools. The development of new monitoring tools can serve to catalyze active data collection among stakeholders and establish commitments to longer-term monitoring and data collection processes. An important lessons that emerged is that harmonizing indicators among several countries is challenging when the indicators must reflect diverse local cultural, social and economic variables. To ensure long-term impact of the portfolio, outputs (best practices, tools, methods and processes) from some of these projects will have to be more systematically integrated into and applied in other GEF and non-GEF interventions that seek to mitigate or eliminate the proximate and root causes of biodiversity loss. Concerted efforts to achieve this have been undertaken in 2003, however, more effective dissemination strategies that encourage uptake and application are still required, a process that could be assisted by Biodiversity Learn.

3. Lessons learned and challenges

Sustainability and replicability
All projects reviewed in the UNEP biodiversity PIR FY03 include strategies for sustaining and replicating project outputs and outcomes with particular focus on sustaining awareness and understanding (100%), capacity (100%) and science and information (81%). Sustainability and replication of tool development and methodology were found to rely on the production of high quality tools and methods that are user-friendly and that meet a felt need by end-users. Tool development/methodology projects have produced quality outputs that are valued by end-users and project participants, but often the tools and methodologies have not been as effectively disseminated to those outside the project boundary as they could have been. This is due in part to limitations of the budget and time frame allowed within an MSP, the most common funding modality for this type of projects, as well as weaknesses in project design, and the fact that project teams tend to focus on the development of a quality output to the detriment of developing and executing a strategic dissemination plan. Best practices projects have made better progress in accommodating dissemination strategies within and after the projects' lifespan compared with the tool development projects in FY03.

Stakeholder participation
Strategies for the participation of project partners and stakeholders can be found in all the projects reviewed in the biodiversity PIR FY03. Different approaches are used by UNEP/GEF biodiversity projects for example through knowledge sharing and development of guidelines engaging scientists, technical staff, local people, farmers, plantation owners and communities as well as facilitating multi-stakeholder governance, engagement and outreach through bottom-up sub-global assessments, involvement and engagement of scientific organizations and academies of science.

Monitoring and evaluation

Seven biodiversity projects were evaluated by UNEP/EOU by December, 2003. During FY03, a log-frame tracking tool and standardizing project operations through the development of specific project operation manuals were introduced in one biodiversity project and these will be extended to other UNEP/GEF biodiversity projects as appropriate during FY04.

International Waters

The UNEP/GEF international waters portfolio comprises 12 on-going full size projects (57%) (10 under implementation and 2 in the appraisal phase), 4 on-going and one completed MSPs (19%) and five projects in PDF-B phase (24%). The portfolio is valued at US$198,516 million. The African and Latin American regions account for 39% and 28% of the projects.

1. Performance

The UNEP/GEF international waters PIR FY03 includes eight full projects and one MSP[36], which focus on the following three categories: (i) management of trans-boundary and critical ecosystems (6), (ii) assessment and knowledge management (2), (iii) development and application of tools and methodologies (1). Relevance to new GEF international waters strategic priorities can be well tracked in all projects despite the fact that the reviewed projects were designed before the new strategic priorities were established. For example, five projects match the priority to expand global coverage with capacity building foundational work (IW-2).

Out of the nine projects, which were reviewed for PIR FY03, all projects were rated at least satisfactory in terms of contributions to achieving project objectives. The implementation progress were rated at least satisfactory in eight out of nine projects. One project on reducing environmental impact from tropical shrimp trawling was rated partially satisfactory in implementation progress.

2. Impacts

Examples of specific project impacts can be summarized as follows:

- The results of the GIWA will have fundamental international impacts (GIWA has successfully established Network and the Task Teams in 40 out of 42 GEF-eligible sub-regions. The originally 66 sub-regions have increased to 70. The Scaling and Scoping Methodology translated into Chinese, French, Portuguese, Russian and Spanish, has been applied in 46 sub-regions. 12 regional assessment reports have been completed). Lessons learnt through the implementation of this global project will have the key value added for similar global assessments.

- The Mediterranean project provides essential inputs for the implementation of the Strategic Action Programme for the Mediterranean Sea (SAP MED) in anticipation of the entry into force of the revised Protocol on Land-based Sources of Pollution. It also addresses the core objectives of the Barcelona Convention and its implementation. Recently the countries have also endorsed the Strategic Action Plan for the Conservation of Coastal and Marine Biodiversity in the Mediterranean Sea (SAP BIO) and are initiating steps for its implementation.

[36] This excludes jointly implemented projects, in which UNEP is not the lead agency.

- The San Juan project demonstrates successful public participation that has been responsible for most of the project achievements to date. A true public participation process, with direct involvement of the stakeholders through various means, is key to effective ownership and long-term sustainability.

- In the South China Sea project the issue of sustainability and replicability of the demonstration site activities has already been addressed and a preliminary framework for sharing of experiences between sites and across countries established. Already a number of governments have included financial support to their national demonstration sites for extended periods in the operational budgets of the line ministries concerned. In addition, the Project Steering Committee agreed in December 2002 to expand the network of demonstration sites from the originally envisaged nine to a target total of 24 with the balance being supported by government and other sources of co-financing.

- The Sub-Saharan Africa project promoted the coastal and marine resources development issues through its strong links to the New Partnership for Africa's Development (NEPAD), the African Union and the World Summit on Sustainable Development (WSSD). Outcomes of the project have been incorporated into the Environmental Initiatives of NEPAD and the project's portfolio is under implementation.

3. Lessons learned

Sustainability and replicability
A pertinent concern addressed by the projects is the need to secure financial sustainability. This has been done by developing a strategy for securing co-financing and a business plan, obtaining support by government and other sources of co-financing. A high degree of participation and use of demonstration sites are viewed as key to sustainability. The Sub-Saharan project has great potential for success in generating the required funding for the implementation of the African Process.[37] Three projects were successful to leverage additional resources such as the Mediterranean project, South China Sea project and Sub-Sub-Saharan Africa project. The leveraged resources helped to create new and/or advanced types of partnerships. However, the lesson learned is that co-financing issues should be based on stronger commitment at the work programme entry. Involvement of donors as partners would facilitate this process and establish strong foundation for sustainability.

Replicability is sought through exchanges of results and experiences, building of partnerships, linking of stakeholders and the involvement of the private sector. In the shrimp trawling project the private sector are expected to contribute significantly towards the work-plan in the participating countries.

Stakeholder participation
All the projects have activities directly targeting stakeholder participation. [38] Institutionalized processes for the active involvement of stakeholders at all levels have been or are under creation in most of the projects. Early and well organized stakeholder involvement at both regional and national levels have achieved in the South China Sea project in a relatively short time period. To date the number of specialized executing agencies has established institutional sub-contracts with other organizations, such that the network of institutions directly linked to the project has expanded, to in excess of 100.

Mixed results have been achieved in participation of the private sector. It seems that best results in attracting the private sector's involvement are achieved in projects, which provide financial incentives in

[37] See terminal evaluation of project.
[38] See IW Focal Area Summary Report

terms of investment studies, mobilization of partners and project preparation tools. The challenge is to facilitate a true public participation process with direct involvement of the stakeholders through various means, which creates effective ownership and long-term sustainability.

Monitoring and evaluation
During PIR FY03 one project has been subject to terminal evaluation and three projects to mid-term reviews. All the reviewed projects produced progress reports of very satisfactory quality. Close interactions between task managers, fund management officers and executing agencies have assisted in producing objective reports, which have been used as important project management tools. Recently established GEF international waters performance indicators (process indicators are already in use by five of nine projects) have been found to be a helpful monitoring tool and providing valuable qualitative information. The expectation is to be able to apply these for all international waters projects in PIR FY04.

Climate Change

UNEP has a climate change portfolio of US$29 million of which US$14 million (48%) is GEF funding and US$15 million (52%) leveraged through co-financing. Fifty country level activities are executed in 23 GEF eligible countries. GEF Operational Program 6 dominates the portfolio. Climate change priority power sector reform remains the most prominent priority of the portfolio. The majority of the projects in the portfolio are global or multi-country projects focusing on testing new modalities and interventions for GEF. Fifteen projects are in the pipeline including two MSPs that are closing and six PDF-Bs underway.

1. Performance
Overall the four (4) climate change projects in PIR FY03 are rated satisfactory on both implementation and achieving project objectives except one project (Technology Transfer Networks project), which is rated partially satisfactory.

2. Impacts
The ultimate objective in the climate change projects is to reduce emissions of greenhouse gases (GHG). The Redirecting Commercial Investments project engaged twelve studies that contributed partially to outcomes of five investments that have reduced CO_2 emissions by more than 2,842,720 tons over an estimated 20-year lifetime. The project is now closed but UNEP has been tracking the conversions to investments that benefited from the investment advisory facility of the project.

The energy efficiency through the project “Promoting Industrial Energy Efficiency through a Cleaner Production / Environmental Management System Framework” is at an earlier stage but seems on track to achieve the GHG emission reductions target.

The Solar and Wind Energy Resource Assessment project has trained people and built capacity in thirteen developing countries with some interesting outcomes appearing as they are able to influence wind energy project development. The GHG impact of such an assessment project will depend on downstream action.

In the National Cleaner Productions Centres related, UNEP Promoting Industrial Energy Efficiency through a Cleaner Production and Environmental Management System Framework, UNEP provides technical assistance to an independent agency that then provides services through an industry association or a fee for service basis. Impacts are to be assessed and evaluated at a later stage during implementation.

The study prepared by the Fuel Cell Market Prospects and Intervention Strategies project39 appears to have had impact on the GEF portfolio and contributed to the OP7 debate on future directions for similar technologies.

Assessments, markets studies and capacity building activities mature over time to generate positive outcomes through follow-up projects but are difficult to evaluate based on quantitative climate change indicators. Two projects have created plausible linkages between impact on specific investments and outcomes associated with GHG emission reductions, however under the current business plan UNEP/GEF climate change projects are increasingly seeking to establish and create impacts in terms of direct GHG emission reductions.

3. Lessons learned

Sustainability and replicability
Training is the most used form of creating sustainability and replicability. An example of this is the wind assessment project in which training has resulted in a sustainable capacity within the organizations. Another example is the Redirecting Commercial Investment Decision project, which managed with relatively small funds to provide training to 130 bank officers. This project is now seeking to exploit public and private replenishment mechanisms for subsidizing loans.

Replicability is enhanced by providing cost-effective up-scaling in the Solar and Wind Resource project. The project engages 13 countries (and several more supported from parallel efforts) in broad scale resource assessment. The global assessments of solar and wind energy resource potentials will be tested within these countries and similar parallel projects resulting in a sample size of about 25 countries.

Stakeholder participation
Stakeholder engagement is strongest in the National Cleaner Production Centres related project and the Solar and Wind Energy Resource Assessment project targeting local industry, market stakeholders and government.

Monitoring and evaluation
The Redirecting Commercial Investment to Cleaner Technology project was reviewed by GEF Sec (SMPR) in FY03 and evaluated in an evaluation by UNEP/EOU. The different approaches used in the two exercises produced different conclusions with regards to the overall successfulness of project implementation.

Ozone

The UNEP/GEF ozone portfolio consists of twelve (12) country projects of which ten (10) are on-going, three regional projects of which one project is on-going and a PDF-A and a PDF-B totaling some US$5,2 million.[40]

The Ozone portfolio seeks to assist Countries with Economies in Transition (CEITs) , which are ineligible for funding from the Multilateral Fund to the Montreal Protocol to phase out Ozone Depleting Substances. The UNEP/GEF portfolio consists of regional projects, PDFs and country phase out programmes. The country programmes are jointly implemented with UNDP, the lead agency for these

[39] Project has received a terminal evaluation and is now closed.
[40] Some of the projects are completed but not yet closed.

projects. UNEP is responsible for the implementation of institutional strengthening and training components of the country programmes.

1. Performance

Two regional MSPs on trade and licensing provisions and phase out of methyl bromide are included in the UNEP/GEF PIR FY03.[41] The two projects were rated satisfactory with regard to implementation progress and achievement of project objectives. A terminal evaluation was carried out in FY03 of the methyl bromide project and received "very good" ratings for sustainability and impact created by the project.

2. Impacts

The Montreal Protocol on Substances that Deplete the Ozone Layer acts as the time-targeted compliance schedule that guides the Ozone Focal Area. As late as 1999, the Implementation Committee of the Montreal Protocol reported that some ten CEITs were in non- compliance with the Montreal Protocol. In mid-2003, the Implementation Committee reported that only three CEITs were now out of compliance (i.e. Tajikistan, Kazakhstan and Azerbaijan), a result achieved through the assistance provided by the Ozone projects.

With the direct support of regional activities such as the trade and licensing project and Country Phase Out Programmes, countries have been successful in putting legislation and regulations in place to control the movement and consumption of ODS. All CEITs, save one, now have Import/Export Licensing Systems. Of the fifteen CEITs, nine use import quotas for some ODS (policies vary). Ten countries also use economic instruments (e.g. Import duties, taxes, fees, charges on ODS waste disposal. Thus the early regional training project on Compliance with Trade & Licensing Provisions of the MP has yielded dividends, and provided the support for the other country-specific projects (particularly the Customs Training exercises).

The consumption of ODS has also dropped in the countries. ODS consumption of CEITs peaked at 272, 933 ODP t in 1989. The 2001 data (last complete data set) indicates that consumption had fallen to 2,801.6 ODP t. As of December 2003, the data received by the Ozone Secretariat indicated a regional consumption figure of 916.7 ODP t. A significant part of the reduction in ODS can be attributed to the successful implementation of non-investment activities such as policy implementation, licensing mechanisms and training.[42]

3. Lessons learned

Sustainability and replicability
There seem to be real capacity for self-sufficiency with the CEITs. Countries have shown great ownership of activities and the national ozone units have been very active and effective in the implementation of activities.

[41] The sub-projects of the country phase out programmes are not included in UNEP/GEF PIR FY03 exercise, as UNDP is the lead agency for the jointly implemented country programmes. Instead UNEP/DTIE OzonAction Programme participates in the UNDP PIR exercise of these programmes.
[42] According to GEF Evaluation Report (1999): Study of Impacts of GEF Activities on Phase Out of Ozone Depleting Substances only about 36.5% of ODS phase out between the consumption baselines set for these countries and 1997 can be directly attributed to investment projects: the rest is largely due to non-investment activities.

Countries such as Poland, Hungary, Lithuania and Estonia are able to fund between 20 and 30% of environmental projects. Latvia and Lithuania have been able to carry out national activities without direct GEF funding and Estonia is in the process of using national funds for the purchase of equipment for expanded training as a follow-up to UNEP/GEF activities. But there are little government and private funding available for research and applied research. Follow-up activities are therefore deemed necessary to sustain research in methyl bromide replacement. A UNEP/GEF PDF-B has already been initiated to develop a follow-up project.

The e-mail forum set up during the methyl bromide project assisted in the circulation and exchange of information on alternatives thereby raising awareness of stakeholder and contributing towards replication of methyl bromide replacement applications such as already demonstrated by the agricultural institute RIVC in Poland.

Stakeholder participation
The substantial training aspect of these projects has targeted government representatives, NGOs, research and growers' organizations. Partnerships have been established with national institutions, training bodies, government partners and private sector in countries which assist in the execution of projects. The linking of policy making, government, scientific and private sector is found to be key to project success in methyl bromide phase out. National Ozone Units ensure that suitable stakeholders are identified to participate in the activities. Many national bodies have been strengthened in their capacity as a direct result of their participation in project activities and country project development teams are participating in the PDF-B effort to develop a project which will ensure total sector methyl bromide phase out in CEITS.

Monitoring and evaluation
New projects under development including PDFs will follow the latest GEF guidance on monitoring and evaluation. However, there will not likely be a re-tooling of indicators of the current on-going projects as these have less that 1.5 years left.

The weakness of these countries has been in understanding the reporting requirements of the UNEP/DGEF. This has in some cases led to delays in fund disbursements to countries.

V. Achievements in capacity-building[43]

1. Development of skills and knowledge

Learning and sharing through networks
Establishing networks is a very common and often successful capacity-building approach. The People, Land Management and Environmental Change project is largely a farmer-driven demonstration project. Establishing national and regional networks for capacity strengthening with participating institutions is one of the objectives of the project. The terminal evaluation of the project found that the PLEC process had helped "…to constitute or strengthen farmers' associations, which have been found more successful in giving farmers negotiating power with banks and governments, and in enabling fruitful exchanges of information and genetic material, and in the management of biodiversity in neighboring protected land as well as their own productive land (e.g. in China)". The choice of executing agency for "Involving National Legislators in International Environmental Decision-making through Participation in the

[43] Capacity building achievements were evaluated in twelve projects during FY03 as of December 2003.

Preparations for the World Summit on Sustainable Development Proceedings and the Second GEF Assembly" project was pivotal in building capacity as stated in the terminal evaluation: "…no other more general policy oriented non-governmental organization would have had the appropriate contacts and networks already in place". Regional networks proved to be successful in improving engagement and electronic delivery of briefing materials and provided a highly efficient mechanism for sharing of pre-world summit briefing documents. Through this project, a high level of participation of southern legislators at the WSSD was achieved, and several legislators were engaged as session chairs, and had other significant involvement. There have been difficulties establishing satisfactory working networks in "Regionally-Based Assessment of Persistent Toxic Substances" in most of the regions and in practice personal contacts of the Regional Coordinators have proved more fruitful. The evaluator concluded in the mid-term review "that the regional networks are working as well as can be expected at this stage". The project has "…succeeded in stimulating cooperation at a regional level where none existed previously".

Scientific networks are used to build capacity to assess environmental conditions and changes
In implementing the sub-regional assessment, GIWA is collaborating closely with several national and regional organizations, including government agencies and academia. As noted in the mid-term review a valuable GIWA by-product is its extensive network of experts, stakeholders, governmental bodies and collaborating institutions. Links with various parts of the UNEP family, for example to the Mediterranean Action Plan (Athens) and to academia (University of Kalmar, Sweden), have been developed and strengthened.

As noted in the mid-term review, "The sub-global assessments of the Millennium Ecosystem represent the single largest potential for capacity building within the MA process." The individuals involved in these assessments develop skills and knowledge of assessment processes both through interactions with their peers in other sub-global assessments and through interactions with the global component of the assessment. MA's efforts in capacity-building respond to the critical need to build capacity to build relationships among scientists, citizens, and policymakers and to link scientific research to the conduct of assessments and their integration into policy formulation, risk communication, and processes for securing public trust. Given the nature of these processes, the potential for capacity building is expected through long-term building of relationships and skills. Overall, capacity-building through the MA activities will inevitably be a long-term process dependent on continued support for these activities among participants and donors. It is thus too early to evaluate the full impact of these activities.

2. Institutional Changes

Sharing of environmental knowledge management instruments
A number of projects have shown that training is key to put new tools and knowledge into good use which then will create changes at institutional level. In the project: "Redirecting Commercial Investment Decisions to Cleaner Technologies – A Technology Transfer Clearinghouse" training was provided to a total of 120 loan and investment officers in financial institutions. The terminal review found that "…the Investment Advisory Facility support was regarded as critical for the investment projects in some cases because the banks or developers did not have the capacity to carry out feasibility studies themselves or had very limited access to seed money for project development."
The Fuel Cell Market Prospects and Intervention Strategy Options project was a collaborative effort bringing together UNEP, UNDP, International Finance Cooperation (IFC), industry experts. The process facilitated by the project was highlighted in the terminal review as effective in pulling together input from agencies, industry and developing countries users into a cohesive whole. It brought the agencies together and produced useful results, which were considered to be very helpful in presenting a comprehensive

strategy to GEF. In particular, interviewees commented that the IFC stationary fuel cell program concept could not have been developed and accepted without the process provided by this project. The Fuel Cell Bus Strategy note was described as critical to getting GEF Council approvals for several fuel cell bus projects. Knowledge sharing on a broader level as in raising awareness was a successful approach used in creating an enabling environment. A multi-targeted approach was used in Lop Nur nature reserve project to raise public awareness. Public awareness activities proved to be very successful and films, publications, brochures and exhibition boards of very high quality have been prepared with help from the Wild Camel Protection Foundation (WCPF). Discussions of the evaluator with local people for the terminal review reflected that local people have raised their understanding of protecting wild camel trough these public awareness campaigns.

3. Contextual Capacity Changes

Support to developing and implementing legislation and other regulatory frameworks
The approach used by UNEP in this type of projects has very good replicability. The "Initiating Early Phase Out of Methyl bromide in Countries with Economies in Transition (CEITs) through Awareness Raising, Policy Development and Demonstration/Training Activities" project was significantly successful in assisting the countries in a series of parameters: meeting their methyl bromide reduction targets; building reliable databases and specific information on the methyl bromide consumption complex and reduction targets; creating awareness of a primary nucleus of significant stakeholders; networking with stakeholders, and feeding them with updates and information; developing a phase out policy and building the capacity of focal points and of the pertinent systems to generate strategies and react to any future developments concerning methyl bromide phase out. The terminal review also stated that "the project contributed to the formulation and enforcement of regulatory measures addressing methyl bromide phase out". Using a country-driven process, the "Development of National Biosafety Frameworks (NBFs)" project helps the 120 participating countries to set up their national framework for the management of living modified organisms and prepare them for the entry into force of the Catagena Protocol. For many countries, the opportunity to strengthen national capacities is their primary reason for joining this initiative. Of the 497 participants that have attended sub-regional workshops; 42 per cent were from the national executing agencies, 6 per cent from non-governmental organizations and the remainder from different line ministries and other participating institutions. The evaluators in the midterm review found "…that the project has played an important catalyzing function by facilitating cross-sectoral coordination and linkages that might not otherwise have occurred. In most countries, the creation of national coordinating committees has provided an effective tool for multi-stakeholder dialogue and consensus-building on biosafety issues".

Providing support for the implementation of regional conventions
The UNEP Regional Seas Programme began in 1974. Today, there are seventeen Regional Seas and partner programmes, and thirteen regional action plans have been established under UNEP auspices. In this context capacity-building has taken place in "Determination of Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Sea" project through regional and national training courses on the management of wastewater treatment plants, environmental impact assessment, environmental inspections and cleaner production. Several other courses are planned at the national level in the areas of management of wastewater treatment plants and environmental inspections. To assist the countries in the preparation of national action plans, baseline budgets, guidelines for national diagnostic analyses and baseline budgets were prepared and disseminated and five sub-regional meetings were organized in order to train national experts on how to prepare national action plans and baseline budgets. UNEP cooperated with UNDP, the World Bank, EU/Tacis and PCU and worked locally through a supporting organization, Centre for International Projects (Moscow)

and with local partners for the implementation of the component for “Strengthened Institutional, Legal, Regulatory and Economic Frameworks for Strategic Action Programme Implementation” of the project on Addressing Transboundary Environmental Issues in the Caspian Environment Programme (CEP). The objectives of the project are to enhance national legal institutional capacities, including the harmonization of national legal regimes, and to create an effective institutional legal framework for environmental cooperation in the Caspian region. The evaluation found that activities had contributed toward capacity building and preparation for the development and implementation of relevant legal and economic instruments at national level.

Annex 1 List of projects

Table 1. Full and Medium-sized Projects (FY2003)[44]

	PROJECT TITLE	GEF OP	Project type	WP entry	IA Approval	Effective Date	GEF Allocation	Disbursement as of 6/30/03	% of Disbuirse-ment
	Biodiversity								
1	Lop Nur Nature Sanctuary Biodiverstiy Conservation	1	MSP	Nov-98	Jul-99	Jul-99	0.725	0.725	100.0%
2	Promoting Best Practices for Conservation and Sustainable Use of Biodiversity of Global Significance in Arid and Semi-Arid Zones	1	MSP	Aug-99	Oct-99	Oct-99	0.750	0.468	62.4%
3	An Indicator Model for Dryland Ecosystems in Latin America	1	MSP	Dec-99	May-00	May-00	0.750	0.750	100.0%
4	Lake Baringo Community Based Land and Water Management Project	1	MSP	Feb-00	May-00	May-00	0.750	0.745	99.4%
5	Conservation of Gramineae and Associated Arthropods for Sustainable Agricultural Development in Africa	1	MSP	Jul-01	Sep-01	Oct-01	0.972	0.525	54.0%
6	Land Use Change Analysis as an Approach for Investigating Biodiversity Loss and Land Degradation (LUCID)	1	MSP	Nov-00	Feb-01	Nov-00	0.796	0.600	75.4%
7	Desert Margin Program	1	FP	Dec-01	Aug-02	Aug-02	4.985	1.000	20.1%
8	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa	1	FP	Oct-98	Aug-02	Aug-02	1.393	0.287	20.6%
9	Development of Best Practices and Dissemination of Lessons Learned for dealing with the Global Problems of Alien Species that Threaten Biological Diversity	2	MSP	Mar-98	May-98	May-98	0.750	0.737	98.3%

[44] Full and medium-sezed projects which began implementation on or before June 30, 2002, and were in implementation at least some part of FY2003.

	PROJECT TITLE	GEF OP	Project type	WP entry	IA Approval	Effective Date	GEF Allocation	Disbursement as of 6/30/03	% of Disbuirse-ment
10	Catalyzing Conservation Action in Latin America: Identifying Priority Sites and Best Management Alternatives in five Globally significant Ecoregions	3	MSP	Mar-00	Sep-00	Sep-00	0.750	0.710	94.7%
11	Millennium Ecosystem Assessment	3	FP	May-00	Jun-01	Jun-01	6.960	1.716	24.7%
12	Biodiversity Conservation and Integration of Traditional Knowledge on Medicinal Plants in National Primary Health Care Policy in Central America and the Caribbean	3	MSP	Sep-01	Oct-01	Nov-01	0.750	0.400	53.3%
13	People, Land Management and Environmental Change (PLEC)	1,3, 4	FP	May-97	Mar-98	Mar-98	6.2	6.200	100.0%
14	Global Biodiversity Forum (GBF): Multistakeholder	1, 2, 3, 4	MSP	Jan-02	Feb-02	Mar-02	0.997	0.551	55.2%
15	Biodiversity Indicators for National Use	2, 3, 4	MSP	Mar-02	Jul-02	Jul-02	0.848	0.236	27.9%
16	Arun Valley Sustainable Resource Use and Management Pilot Demonstration Project	3,4	MSP	Nov-00	Jan-01	Jan-01	0.625	0.480	76.8%
17	Community Based Management of On-Farm Plant Genetic Resources in Arid and Semi-Arid Areas of Sub-Saharan Africa	13	MSP	Jan-01	Nov-01	Nov-01	0.750	0.302	40.3%
18	Development of National Biosafety Frameworks	EA	FP	Nov-00	May-01	May-01	26.092	16.010	61.4%
19	Emergency Response to Combat Forest Fires in Indonesia to Prevent Haze in South East Asia	STRM	MSP	Jul-98	Jul-98	Jul-98	0.750	0.725	96.6%
	Climate Change								
20	Redirecting Commercial Investment Decisions to Cleaner Technologies - A Technology Transfer Clearinghouse	5	MSP	Mar-99	Jul-99	Jul-99	0.750	0.655	87.3%
21	Promoting Industrial Energy Efficiency through a Cleaner Production / Environmental Management System Framework.	5	MSP	Oct-01	Nov-01	Nov-01	0.950	0.505	53.2%
22	Solar and Wind Energy Resource Assessment	6	FP	Nov-00	Jun-01	Jun-02	6.512	2.769	42.5%

	PROJECT TITLE	GEF OP	Project type	WP entry	IA Approval	Effective Date	GEF Allocation	Disbursement as of 6/30/03	% of Disbuirse-ment
23	Assessment of Impacts of and Adaptation to Climate Change in Multiple Regions and Sectors (AIACC)	EA	FP	Nov-00	Jun-01	Jun-01	7.500	3.532	47.1%
	International Waters								
24	Determination of Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Region	8	FP	Mar-98	Mar-00	Mar-00	6.290	1.537	24.4%
25	Formulation of a Strategic Action Programme for the Integrated Management of the San Juan River Basin and its Coastal Zone	8	FP	Dec-00	Jan-01	Jan-01	3.930	3.133	79.7%
26	Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand	8	FP	Nov-00	Jan-02	Jan-02	16.749	3.315	19.8%
27	Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin.	9	FP	Jul-98	Oct-99	Oct-99	6.615	6.088	92.0%
28	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa (MSP)	9	MSP	Jul-00	Aug-00	Aug-00	0.750	0.750	100.0%
29	Implementation of the Strategic Action Program for the Bermejo River Binational Basin	9	FP	Nov-00	May-01	May-01	11.040	4.898	44.4%
30	Reduction of Environmental Impact from Tropical Shrimp Trawling through the Introduction of By-catch Reduction Technologies and Change of Management	9	FP	Nov-00	Apr-02	Apr-02	4.780	1.050	22.0%
31	Global International Waters Assessment (GIWA)	10	FP	Sep-97	Mar-99	Mar-99	6.495	3.958	60.9%
32	Integrated Management of Land Based Activities in the Sao Francisco Basin	10	FP	Jul-98	Sep-99	Sep-99	4.771	4.121	86.4%
33	Regionally Based Assessment of Persistent Toxic Substances	10	FP	Dec-99	Aug-00	Aug-00	2.662	0.682	25.6%
34	Persistent Toxic Substances (PTS), Food Security and Indigenous Peoples of the Russian North	10	MSP	Feb-00	Feb-01	Feb-01	0.750	0.676	90.2%
	POPs								

	PROJECT TITLE	GEF OP	Project type	WP entry	IA Approval	Effective Date	GEF Allocation	Disbursement as of 6/30/03	% of Disbuirse-ment
35	Support for the Implementation of the Stockholm Convention on Persistant Organic Pollutants	14	MSP	Sep-01	Oct-01	Oct-01	0.884	0.518	58.6%
36	Development of National Implementation Plans for the Management of Persistent Organic Pollutants in 12 Pilot Countries	10, 14	FP	May-01	May-02	May-02	5.835	1.814	31.1%
	Ozone Layer								
37	Promoting Compliance with the Trade & Licensing Provisions of the Montreal Protocol in Countries with Economies in Transition	STRM	MSP	Jan-98	Feb-98	Feb-98	0.694	0.511	73.6%
38	Initiating Early Phaseout of Methyl Bromide through Awareness Raising, Policy Development and Demonstration/Training Activities	STRM	MSP	Sep-99	Mar-00	Mar-00	0.663	0.605	91.3%
	Multi-focal Area								
39	Assessment of Soil Organic Carbon Stocks and Change at National Scale	12	MSP	Dec-01	Jan-02	Jan-02	0.978	0.343	35.0%
40	Barriers and Best Practices in Integrated Management of Mountain Ecosystems	4, 9, 12	MSP	Mar-02	May-02	N/A	0.900	0.570	63.4%
41	Technology Transfer Networks Phase I: Prototype Set-up and Testing	6, 7, 10, 11, 12, 13	FP	May-01	Sep-01	Sep-01	1.275	1.275	100.0%
42	Development and Integration of the Environmental Component in the “New Partnership for Africa Renewal” (NEPAD) Programme.	STRM	MSP	Jul-01	Sep-01	N/A	0.600	0.622	103.7%
43	Involving National Legislators in International Environmental Decision-Making	STRM	MSP	Feb-02	Feb-02	Mar-02	0.250	0.250	100.0%
	Total						143.015	77.342	54.08%

Table 2. Completed projects during FY2003

	PROJECT TITLE	GEF OP	Project type	WP entry	Date of completion
1	Lopnur Nature Sanctuary Biodiversity Conservation	1	MSP	Nov-98	Sep-02
3	An Indicator Model for Dryland Ecosystems in Latin America	1	MSP	Dec-99	Apr-03
13	People, Land Management, and Environmental Change (PLEC)	1,3, 4	FP	May-97	Mar-02
28	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	9	MSP	Jul-00	Dec-02
43	Involving National Legislators in International Environmental Decision-making through Participation in the preparations for the World Summit on Sustainable Development Proceedings and the Second GEF Assembly.	STRM	MSP	Feb-02	Dec-02

Table 3. Completed evaluation reports during FY2003[45]

	PROJECT TITLE	Mid-term Review	Terminal Review	Project type
11	Millennium Ecosystem Assessment	Completed June 2003		FP
13	People, Land Management, and Environmental Change (PLEC)		Completed Mar 2003	FP
20	Redirecting Commercial Investment Decisions to Cleaner Technologies - A Technology Transfer Clearinghouse	Completed Dec 2002		
24	Determination of the Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Sea.	Completed Mar 2003		FP
43	Involving National Legislators in International Environmental Decision-making through Participation in the preparations for the World Summit on Sustainable Development Proceedings and the Second GEF Assembly.		Completed June 2003	MSP

Note: Sven projects have completed evaluation reports as of 1st December 2003 since 1st July 2003.

[45] The submission of self evaluation fact sheet is mandatory every year for all the projects in UNEP.

Table 4. Evaluation reports that are underway as of June 30, 2003 or planned through June 2004[46]

	PROJECT TITLE	Mid-term Review	Terminal Review
	Biodiversity		
1	Lopnur Nature Sanctuary Biodiversity Conservation		Ongoing*
2	Promoting Best Practices for Conservation and Sustainable Use of Biodiversity of Global Significance in Arid and Semi-Arid Zones.		Ongoing
3	An Indicator Model for Dryland Ecosystems in Latin America		Ongoing*
4	Lake Baringo Community Based Land and Water Management.		Scheduled 2003
8	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa.	Scheduled 2004	
9	Development of the Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity		Ongoing*
10	Catalyzing Conservation Action in Latin America: Identifying Priority Sites and Best management Alternatives in five Globally Significant Ecoregions.		Scheduled 2003
12	Biodiversity Conservation and Integration of Traditional Knowledge on Medicinal Plants in National Primary Health Care Policy in Central America and Caribbean.		Scheduled 2004
14	Global Biodiversity Forum (GBF): Multi-stakeholder Support for the Implementation of the Convention on Biological Diversity - Phase III		Scheduled 2004
16	Arun Valley Sustainable Resource Use and Management Pilot Demonstration Project.		Scheduled 2003
18	Development of National Biosafety Frameworks	Ongoing*	
19	Emergency Response to Combat Forest Fires in Indonesia to Prevent Haze in South East Asia		Ongoing
	Climate Change		
23	Assessment of Impacts of and Adaptation to Climate Change in Multiple Regions and Sectors (AIACC)	Scheduled 2003	
	International Waters		
25	Formulation of Strategic Action Programme for the Integrated Management of Water Resources and the Sustainable Development of the San Juan River Basin and its Coastal Zone.	Scheduled 2004	
26	Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.	Scheduled 2003	
27	Integrated Management of Land-based Activities in the Sao Francisco Basin.	Ongoing	
28	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa		Ongoing
29	Implementation of the Strategic Action Programme for the Bermejo River Binational Basin	Scheduled 2004	
30	Reduction of Environmental Impact from Tropical Shrimp Trawling, through the introduction on By-catch Reduction Technologies and Change of Management	Scheduled 2004	
31	Global International Waters Assessment (GIWA)		Scheduled 2004

[46] The submission of self evaluation fact sheet is mandatory every year for all the projects in UNEP.

	PROJECT TITLE	Mid-term Review	Terminal Review
32	Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin	Ongoing	
33	Regionally Based Assessment of Persistent Toxic Substances		Ongoing*
34	Persistent Toxic Substances (PTS), Food Security and Indigenous Peoples of the Russian North.		Scheduled 2003
	POPs		
35	Support for the Implementation of the Stockholm Convention on POPs.		Ongoing
36	Development of National Implementation plans for Management of POPs	Scheduled 2003	
	Ozone		
37	Promoting Compliance with the Trade and Licensing Provisions of the Montreal Protocol in CEITs		Scheduled 2003
38	Initiating early Phase Out of Methyl Bromide in Countries with Economies in Transition (CEITs) Through Awareness Raising, Policy development and Demonstration (in Georgia and Moldova)		Ongoing*
	Multi-focal Area		
40	Barriers and Best practices in Integrated Management of Mountains Ecosystems		Ongoing*
41	Technology Transfer Networks - Phase I: Prototype Set-Up & Testing and Phase II: Prototype Verification & Expansion (SANET)		Scheduled 2004

*) Evaluation is completed after June 30, 2003.

Table 5. The projects for which funding was allocated in GEF Work Programs before June 30, 2002, but which have not been approved formally by the IA by June 30, 2003 in UNEP

Project Title	Status
Support to the National Plan of Action for the Protection of the Arctic Marine Environment from Anthropogenic Pollution in the Russian Federation (Phase 1)	Appraisal completed. Project endorsed by GEF CEO in 2003. Project document signed by Ministry of Natural Resources on 20 August 2003, by the Ministry of Economic Development and Trade and UNEP. Disbursement of funds has not been started.
Reducing Pesticide Runoff to the Caribbean Sea	Project in appraisal phase. Awaiting confirmation of national co-financing from Costa Rica and Nicaragua. Dialogue ongoing.
Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America	Appraisal complete. Project endorsed by GEF CEO on 10 April 2003. Project document signed by executing agency (Pan American Health Organization, PAHO) on 5 September 2003 and by UNEP on 11 September 2003. First cash advance effected 18 September 2003. Project inception meeting involving PAHO, UNEP, and representatives of participating countries, scheduled to take place mid-November 2003.

Annex 2. Co-financing and leverage (Millennium Ecosystem Assessment (MA), PLEC, Cleaner Technologies, Mediterranean and GLOBE)

Co financing (Type/Source)	IA own Financing (mill US$)		Government (mill US$)		Other* (mill US$)		Total (mill US$)		Total Disbursement (mill US$)	
	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual	Proposed	Actual
Grant	19.409	17.809	0.885	1.231	2.271	0.945	22.565	19.985	3.863	3.863
Loans / Concessional / Market rate										
Credits										
Equity investments										
Committed in-kinds support	0.290	0.373	7.856	9.356	1.152	2.846	9.298	12.575		
Other				0.400	10.570	4.869	10.570	5.269	3.300	3.300
Totals	19.699	18.182	8.741	10.987	13.993	8.660	42.433	37.829	7.163	7.163

Note: 63 million dollars provided to approved investments for RE and EE projects in Cleaner Technologies project is not included in this table since this project intends to redirect commercial investment decisions.

APPENDIX D

UNDP PIR OVERVIEW REPORT

December 2003

Introduction

1. The annual GEF Project Implementation Review (PIR) complements the regular UNDP Monitoring and Evaluation procedures employed during project implementation.

2. The PIR covers only a subset of the UNDP/GEF's portfolio. According to the PIR selection criteria individual project information was collected for all full and medium-sized projects under implementation for a minimum of one year, as of June 30, 2003. This also includes the Country Dialogue Workshop (CDW) Programme, a joint initiative of the GEF Secretariat, UNDP, UNEP, and the World Bank, that UNDP implements on behalf of Member States. Projects that were operationally completed before June 30, 2002, were not included in this year's review. A total of 148 projects qualified for the 2003 PIR – a 24 % increase compared to 119 projects last year and more than double in relation to 72 projects in PIR 2000.

3. In addition to reporting on the general performance of GEF projects, implementation progress and impact achievements, the PPR overview report – now in its ninth year – has been restructured to better inform the discussions between the GEF Secretariat and the Agencies within the Focal Area Taskforces as part of the overall PPR review.

Outcomes and progress towards impacts

Biodiversity

Analysis of the PIR's indicates that most projects report satisfactory progress in terms of implementing planned interventions, and some projects are clearly achieving outstanding results. One example is the OP2 Tubbataha reef conservation project in the Philippines. This conclusion is based upon the three main indicators of the project:

- Management instruments were developed by year 2002,
- Target resource managers were aware of their role in the conservation of biodiversity in Tubbataha reef National Marine Park and associated marine areas by the year 2002, and
- Management structures were in place by the year 2002.

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There is solid supporting evidence to indicate that all these were met. Consequently, UNDP will be using Tubbataha as an example of good practice coral reef conservation project within the UNDP/GEF SHARK (Sharing Reef Knowledge) knowledge management network.

Another example of a highly successful project is the OP1 project Lebanon Protected Areas. It has succeeded in introducing effective management at three protected areas that previously had none. It has also been able to address some of the enabling conditions successfully and has created a permanent unit for protected areas in the Ministry of Environment and has helped develop the necessary capacity for it to sustain its functions.

Other projects report success in reducing pressures on biodiversity. This seems to be substantiated in projects such as OP2 Madagascar Programme Support, which claims that loss of mangrove cover is significantly reduced in two sites and reforestation achieved at two other sites and that destructive practices on coral reefs are significantly reduced at two sites.

A compilation of results from the supplemental questionnaires completed for OP3 and OP13 projects show the following impacts achieved by UNDP/GEF biodiversity conservation projects:

- More than half of the projects have established new or expanded protected areas, averaging 50,000ha in size. Of those that have not yet expanded protected area coverage, one third have plans to do so. It is estimated that the current portfolio of UNDP/GEF projects will expand protected areas globally by 1.9 million hectares;
- The same proportion of projects has already improved or have plans to improve the management effectiveness of protected areas. The average area affected is 160,000ha, and it is expected that the current portfolio of UNDP/GEF projects will improve management effectiveness of protected areas globally on more than 6 million hectares;
- Virtually all UNDP/GEF biodiversity conservation projects are already, or have plans to improve practices of sustainable use of biodiversity resources. On average, each project improves management on over 190,000ha, for a global total of 7.2 million hectares;
- All UNDP/GEF biodiversity conservation projects have already, or have plans to effect changes in sectoral policies, laws, and regulations; all forms of regulatory control are targeted, depending on the circumstances of individual countries;
- Surprisingly, given the low level of attention the issue has received under the CBD to date, 40% of the projects address the sharing of benefits arising from the use of genetic resources; this figure may be biased by the inclusion of OP13 projects, all of which address this issue.

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Climate Change

An analysis of this year's PIRs in the CC Cluster gives many examples of progress towards impacts. One of the most important indicators of the OP6 projects' impact is how far they have been able to shift or influence national policies from the business-as-usual to one in tune with sustainable development. Some of the projects have been able to report great success in this respect. For example, the OP6 Philippine (*Palawan New and Renewable Energy and Livelihood Support Project*) played a major role in the formulation and adoption of the Philippine Energy Plan, which outlines the energy blueprint for supporting the total electrification of all villages in the country by 2006. The OP5 China CFC Free Refrigerators project is an example of lasting changes in the structure and functioning of the refrigerators market beyond China into the Asian export market. The project's emissions reduction target is expected to be significantly exceeded. The group of OP5 projects confirms that for win–win energy efficiency options, effective market transformation can be led by policy regulations and standards setting – and most importantly – capacity development to implement them. These are cost effective measures that show impacts within a short time span.

There were several significant impacts attributed to specific activities of the Energy Efficiency Improvements and Greenhouse Gas Reduction project in Egypt. The project is making use of ESCOs in the conduct of energy audits, development of energy labels and standards, and design of a building energy code. This was facilitated through the public private partnership contracts that were established by the project. To financially support the development and implementation of energy efficiency initiatives, the project developed a new mechanism for loan guarantees.

To illustrate some of the findings from one of the seven indicators in this year's supplementary questionnaire, "Development of sectoral policies, laws and regulation that support project goals", some of the responses are summarized below. The findings confirm that the UNDP/GEF climate change projects,

often innovative in their design and implemented through means of "learning by doing", do have concrete impacts on sectoral policies, laws and regulation.

- Increasing number of state governments incorporated PV applications in sectoral development plans and earmarked funds. A Solar Act is being amended to accommodate new plans and approaches of Ministry of Electricity: Rural Electrification Board, A Renewable Energy Master plan is under preparation to assure proper role for RETs. (Sudan)
- Energy policy and the Rural electrification Strategy and Plan that recognize the role of PV are in place. Taxes removed on solar modules and reduced on other PV specific components. Subsidies on PV provided. (Uganda)
- Contribution to Law of Rural Electrification, Law of Private Sector Promotion in Rural Electrification, Standard PV equipment technical specification code established. (Peru)
- The project supported the development Supreme Decree No. 26998 that reduces import tax rates on PV panels from 10% to 0%, and the Supreme Decree No. 26252 that authorizes transfer of resources to micro-credit NGOs. (Bolivia)
- New model laws supported by the project are being tested, which allow heating systems to be installed in residential buildings (health and safety); the private sector to operate heating systems (allowing municipalities to remunerate private sector for providing heating services); and consumers to be billed for heating services, by the private sector, based on consumption. (Russian Federation)
- Support of development of Energy and Energy Efficiency Act (1999): municipal energy efficiency programmes, municipal energy efficiency offices and information database; the National Energy Efficiency Programme (2002): municipal priority energy efficiency projects; and the Draft Energy Efficiency Act (2003): role of local authorities, ESCO mechanism, financing. (Bulgaria)
- The Government adopted the design principals for monitoring and evaluating the National Energy Savings Programme designed by the project. (Hungary)
- The project developed Energy Efficiency productions standards for refrigerators and freezers. (Lithuania)
- Development of Draft Standards and Codes for Building Integrated SWH Systems (CREIA with Ministry of Construction), Four New National SWH Standards (Approved); Wind National Debt Program: 80 MW (Completed); National Action Plan for Industrial Biogas (Initiated) (China)
- National minimum efficiency standards prepared and implemented for Compact and Double Capped Fluorescent lamps; Draft National minimum efficiency standards prepared for High Pressure Sodium Lamps and Ballasts; National Certification Label for Compact and Double Capped Fluorescent lamps approved and adopted by a number of major manufacturers; (China)

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International Waters

All projects developing and implementing Strategic Action Programmes (SAPs) have been endorsed by chiefs of state of all participating governments. Out of the 6 projects dedicated to SAP implementation 5 report that all governments have provided necessary staff and funding for the country's SAP-related activities.

Stress reduction (pollution, over-fishing, habitat loss, excessive water withdrawals, land degradation, and invasive species) is one of key impacts of the GEF IW portfolio. Most projects in this year's PIR report that progress in achieving stress reduction is on target. Three projects acknowledge being behind target.

The environmental benefits achieved by implementing the Danube TEST project's identified CP/EST measures were significant in terms of reduced consumption of natural resources (including fresh water consumption and energy), reduced wastewater discharges and pollution loads into the Danube River and its tributaries, as well as reduction of waste generation and air emissions. The range of reduction varied between 2 and 89% of the initial value, leading already by the end of 2003 to a total reduction in wastewater discharges into the Danube river basin of 4,590,104 m3/year.

The nearly completed Lake Manzala Engineered Wetland facility is expected to have many impacts. First, the project introduces a new low-cost technique for treatment of large amounts of low quality water, thus it can provide a feasible and practical means for complying with the Egyptian Environmental Laws in terms of water quality standards for effluents discharged to the Egyptian Northern Lakes. Second, the treatment of large amounts of drainage water creates the potential for the safe reuse of the treated effluents in agriculture, thus increasing the overall water use efficiency in Egypt. Third, this technique provides a possibility for closed systems operation of fish farms, thus providing clean water for fish growing and eliminating pollution due to effluent discharge to the water bodies. Fourth, the engineered wetland technology has a large potential for application in Egypt as a decentralized wastewater treatment technique for remote communities.

Significant achievements are reported regarding influences on national policies and legislation The Black Sea project reported that the Landscape and Biological Diversity Protocol to the Bucharest Convention was signed by the riparian governments in 2002. The Dnipro project studied general and environmental legislation of the Dnipro countries relating to biodiversity conservation, with special emphasis on the legal instruments regulating the use and protection of individual natural systems, nature reserves and the protection and preservation of endangered species and critical ecosystems. Based on the findings of this review, recommendations were developed concerning the harmonization of the national legislation of the three Dnipro countries as related to biodiversity; these will be integrated into the SAP and NAPs currently in preparation.

PEMSEA project reported that multi-sectoral stakeholder consultations on the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA) at the national level were initiated and substantial progress has been achieved on building consensus for SDS-SEA at the national, regional and international levels. The Strategy is a strategic framework for sustainable development in the region's coastal and marine areas. A regional Declaration of Principles was drafted for consultation leading to the adoption of the SDS-SEA. The Declaration will be submitted for consideration and signature by the Ministers of PEMSEA participating countries at the Ministerial Forum scheduled for December 2003. Agencies agreeing to collaborate on the development and adoption of the SDS-SEA include the World Fish Center, UNEP-GPA, World Bank, IMO, UNDP, GEF and Ship and Ocean Foundation

Completion and adoption of management plans is another significant achievement in the IW portfolio. All GloBallast Pilot Countries have now completed the foundational activities necessary for developing National Ballast Water Management Plans (NBWMP), including designation of Lead Agencies and establishment of institutional and management arrangements, communication and awareness campaigns, port biological baseline surveys and ballast water risk assessments. All countries have completed legislative reviews and have identified the best way forward for developing and implementing national ballast water legislation and regulations. Three Pilot Countries (Brazil, China and Ukraine) have passed interim regulations while the others are awaiting the new IMO Convention before proceeding. One country (South Africa) has developed a draft policy on Ballast Water Management, which will be used as a model by the other countries and will provide the framework of NBWMP. Finally, due in part to the efforts of GloBallast, the Nordic Council of Minister's, North Sea Ministers Conference and OSPAR

members have all adopted ballast water resolutions, and Norway and Belgium have proceeded with national BW legislation.

Following the conclusion of the Convention for the management and conservation of western and central Pacific migratory fish stocks, Pacific Island Countries (PIC), with support from the Pacific SIDS project, have been actively participating in the development of institutional arrangements provided for in the Convention. At the sub-regional level the Programme has contributed to the review and restructuring of management of the purse seine fishery in the western and central Pacific. At the national level the Programme has continued to promote the development of national tuna management plans that are essential to the ongoing sustainability of the tuna fishery in the western and central Pacific. The development of national tuna management plans also requires some legislative changes to give effect to the plans in each country.

Also in the Pacific SIDS Oceanic Fisheries Management component, regional stock assessments have been refined to incorporate modern reference-point-based evaluation of stock status. Stock assessment methodology has been subjected to rigorous simulation testing and the robustness of various biological reference points evaluated. Work characterizing the Western Pacific Warm Pool LME has continued, particularly in characterizing the trophic relationships among important ecosystem components. Sampling programmes have been designed and implemented and sample analysis using traditional and cutting-edge methodologies is ongoing. A preliminary ecosystem model incorporating preliminary trophic data has been developed (using both GEF and co-financing) and is in the final stages of publication.

In the Red Sea, preparation of site-specific Marine Protected Area (MPA) management plans has been initiated through conducting comprehensive resource and socio-economic assessment of the proposed protected areas. Comprehensive ecological, resource use and socio-economic surveys have been completed in 3 proposed MPAs and one declared MPA. MPA authorities in each country accomplished execution of the survey and government commitment to support the legal process of establishing such MPAs has been mobilized.

The Red Sea project also reported that seven new Navigation Charts have been published under Component 2 Reducing Navigation Risk. The proposed new traffic separation scheme for the southern Red Sea was adopted by the IMO Maritime Safety Committee in December 2002 and will come into force on 01 July 2003. This will separate northbound and southbound traffic passing east and west of the Hanish Islands. Component 2 plans to introduce traffic monitoring to verify the impact of the scheme on traffic transit through the main section of this region.

SIDSnet reported that significant progress has been made on increasing Internet connectivity in AOSIS member States. However, high Internet connection costs and poor infrastructure still result in low Internet usage from SIDS. Internet access has been limited to those who can afford it or who can dial the capital city. Introduction of progressive telecoms policies is required before SIDSnet and other applications could make an impact at a national level. Therefore, SIDSnet has acquired an advocacy role in promoting awareness of the Internet and related applications as development tools and as catalyst promoting relevant advances in applications for health, education and business. SIDSnet has formulated strategies of involving both the public and private sector in continuing to address this challenge.

Train-Sea-Coast reported that between 2002 and July 2003 6 courses were completed and validated by CDUs. There are now 12 courses in the network including 8 associated with the GEF projects. Three courses have been requested for adaptation and delivery: Angola is interested in the TSC/Benguela course

on marine pollution control, while Sri Lanka and the FAO are interested in the TSC/South Pacific course on fisheries code of conduct; adaptation and delivery of several other courses is also anticipated.

Participation

Biodiversity

Almost all projects have established partnerships with a wide range of NGO and governmental partners, regional organizations, and national and international institutions. Few clear lessons emerge from these partnerships, namely that (at least in some countries) when NGOs are playing a significant role in project implementation, there is potential for conflict with governmental agencies, or at least a tendency for perceptions of mandates to become blurred. Academic institutions are also frequently reported as partners in projects.

In contrast with previous years, there are now more examples of partnerships with the private sector. Some examples include:

- The OP 2 Philippine Tubbataha Reef National Marine Park k project which works with the tourism industry so that they support the no-take zones and bring in much needed income to the communities and MPA management. The project hosts annual meetings for the dive boat operators to engage them in continuous improvement of the Tourism Code of Conduct and other park rules and regulations. The dive boat operators also help with monitoring of infringements by reporting them to Park guards during the dive season.
- The OP2 Madagascar Program Support project has partnered a number of companies to help promote its alternative livelihood activities in essential oil production, plant-based medicines, ornamental plant export, wild silk production and tourism development. Some companies have been brought into steering committees for specific project components such as the one for the development of essential oil products.
- The OP2 Venezuela Orinoco the project has partnered with the national oil company, Corporacion Venezolana de Guayana for hydrological studies.
- In the OP3 Brazil Cerrado project the establishment of private reserves is the main thrust of the project strategy;
- The OP3 Brazil Mato Grosso project has a strong focus on developing or modifying markets for forest-related products, and has facilitated certification of a forest estate.

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IPGRI is a critical partner for UNDP/GEF agrobiodiversity conservation projects. It is the executing agency for date palms, a key cooperating agency in the drylands project (for which its CGIAR sister institution, ICARDA, is the executing agency), and has been contracted to provide networking functions for Vietnam.

UNDP is also working closely with the International Model Forests Network on an increasing number of projects and is exploring a similar cooperative partnership with The Ecotourism Society (TIES).

While partnerships prove significant benefits to UNDP/GEF projects, partnerships-related issues are also by far the most frequent form of implementation problem. For example nearly two-thirds of all OP3 projects report problems with partnerships. The problems take a number of forms including relationships between:

- different government agencies
- national and local levels of government
- NGO's and governments
- different competing NGOs
- project institutions and government agencies
- project institutions and NGOs
- project institutions and local stakeholders

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The nature of partnership problems is varied, but too many projects report that there are differences of opinion among key agencies concerning the role of other partners. A typical situation occurs where the executing agency (usually governmental) does not trust an NGO assigned to be a local implementing agency.

Frequently there is also a lack of trust, especially in the beginning of project implementation, between the project and the communities – and this can be the cause of slow implementation progress. Also, often the expectations in the communities of benefits that the project will generate are unrealistically high. The participatory approach, preached by many GEF-funded projects, often turns out to be fraught with difficulties during implementation and is a major reason for delay in implementation.

Lessons:

- The need to focus strongly on alternative sustainable livelihoods as a means to engage communities;
- The value of respect for traditional practices;
- The value of regular planning meetings, involving stakeholders;
- Multi-stakeholder Management Committees at local, MPA and coastal scales have aided in involving local stakeholders in project activities;
- Hiring guards from the local community can improve the effectiveness of management and reduce conflicts.
- Community based management is often not appreciated by government;
- The development of effective tools related to participatory approach is essential for facilitating community involvement

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Climate Change

Nearly all projects work in close partnerships with NGOs and government officials as well as the private sector. Outreach to communities and consumers are other important aspects. To give an illustration, the Pakistan Fuel Efficiency in the Road Transport Sector (FERTS) project has contributed to important policy and legislative changes in the country. To realize these achievements, significant stakeholder consultations and outreach have been required and the project has successfully brought together national NGOs, government officials, international automotive manufacturers, and national transport companies. The project seeks to continue its focus on this sector through operationalizing a fund for financing the purchase of tune-up equipment by private sector entrepreneurs.

Some lessons of the projects' experiences can be identified:

- Partnerships, whether they be public-public; private-private; or public-private, are essential to the implementation and sustainability of biomass energy projects of all kinds. Partnerships may be formal agreements between commercial partners, informal agreements for cooperation between

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public and private entities, or merely agreements to cooperate (or not, as the case may be) between several ministries;

- Contracts between the various partners must be clear, explicit, and prepared well in advance of project implementation for these activities to succeed;
- Public-private sector partnership is an effective means of promoting energy conservation and energy efficiency applications. The establishment of networks in both sectors (including the banking/financing institutions) is very useful in the acquisition and dissemination of information about energy utilization in the various industrial sub-sectors, energy efficiency in industries, and energy conservation and energy efficiency project financing;
- Creation of a strong partnership with the private sector often lay the foundation of the sustainability of all energy projects, as well as increases local ownership.

International Waters

According to information collected through the supplemental questionnaires stakeholder analysis has been carried out in the large majority of projects developing and implementing SAPs, TDAs, JIAs and Inter-Ministerial Committee processes. All or most significant stakeholders have been identified. Public stakeholder participation is fully implemented and/or documented and all or most stakeholders fell they have been adequately consulted.

The International Waters portfolio provides various examples of collaboration and partnerships with a wide range of stakeholders including bilateral donors, government agencies, academic institutions as well as with other projects. Examples of collaboration in the specific area of Monitoring and Evaluation will be described in the chapter dedicated to M&E.

Caribbean Bays/Havana project described collaboration with bilateral assistance from Japan, Belgium and Italy also targeting the rehabilitation of Havana Bay.

A Memorandum concerning cooperation between the Black Sea and Danube Commissions was signed in November 2001. A task force (DABLAS Task Force) was established as a platform for common decision making and encouraging investments for environmental protection, in particular for reduction of eutrophication. BSERP participates in the process. In addition, a Joint Technical Working Group was established with the mandate to develop harmonized monitoring systems, common assessment of the ecological status of inputs of nutrients and other hazardous substances, compatible reporting formats for input loads and the assessed ecological status, and formulate appropriate measures to limit discharge of nutrients.

The TRAIN:SEA:COAST Programme, implemented through the UN Division of Ocean Affairs and Law of the Sea, was cited by the Pacific SIDS IWP as the best example of the IWP's collaborative arrangements to date. Participating institutions have included the Food and Agriculture Organization (FAO), the University of the South Pacific (USP), the Australian National University (ANU) and SPC and FFA. One activity, a 2-week course on the FAO Code of Conduct for Responsible Fisheries was designed and delivered in 2002. A second course, focusing on community-based resource economics, is currently being designed.

SIDSnet has forged partnerships with regional organizations in the establishment of regional presence. SIDSnet Officer for the Caribbean will start on 23 September 2003. The University of West Indies Centre for Environment and Development (UWICED) will host the officer. The South Pacific Regional

Environment Programme (SPREP) is conducting the second round of recruitment for the Pacific officer. L' organization internationale de la Francophonie facilitated the recruitment of the third regional officer for the AIMS region – Atlantic, Indian Ocean, Mediterranean, and the South China Sea.

During 2003, the Train-Sea-Coast programme, in collaboration with the GE-UNDP-IMO GLOBALLAST project, developed a course on the management of ballast water. This course was developed with the assistance of the TSC CDU in Brazil with full involvement of IMO. This is an example of synergy where one GEF project (GLOBALLAST) looked for its training needs to another GEF project (TSC programme). The course, which was validated in May 2003, is expected to be delivered in other pilot sites such as South Africa and Iran etc. Another example of cooperation or synergy is the newly signed memorandum of understanding between the UNEP/GPA and the UN/DOALOS TSC programme for the delivery of a course on sewage management. Other CDUs such as TSC/South Pacific (Fiji) and TSC/Philippines have already expressed their interest in the future new course.

Sustainability

Biodiversity

Securing sustainability of project impacts remains a concern. For biodiversity conservation projects, sustainability is a challenge for various reasons:

- As noted in previous sections, weak government commitment, combined with problems associated with poor inter-agency cooperation threaten the sustainability of institutions created or strengthened by the project;
- Economic measures to promote financial sustainability, such as the introduction of new livelihood options, supported by the creation of new markets, are difficult to effect during the short times-scale of GEF-funded projects;
- Those projects that adopted trust funds as a financial sustainability strategy face greater challenges in the current global economic and political climate.
- A number of projects seem to have neglected issues of sustainability until very late in project implementation, undermining prospects for sustainability

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Despite these challenges, which are long-standing, and widely recognized, there are promising indications of progress in the current UNDP/GEF portfolio of projects. Firstly, as noted in section 1, the average project life is increasing, reflecting the need for longer time periods to address economic and institutional sustainability issues. Secondly, the increasing frequency of partnerships with the private sector reflects both recognition of the role that the private sector can play in biodiversity conservation and an increasing willingness on the part of the private sector to consider biodiversity conservation in their activities (reflected, for example, in interest in certification). Finally, innovative financial tools, such as environmental service payments are being investigated and adopted by many projects, indicating that they are looking beyond the typical and problematic approaches to financial sustainability adopted in the past.

Climate Change

The analysis of the CC portfolio provides several examples of sustainable impacts. In particular, undertakings in capacity development seem to have an indisputable role to play, in both institutional and individual level (e.g. consumers, costumers). Systematic capacity development activities and networking also have shown to influence the establishment of a favorable environment for local investment.

For example, the Supply-Side Efficiency and Energy Conservation and Planning project in Syria has contributed significantly to the enhancement of awareness of energy professionals and to the technical capacity development of relevant entities involved in the power and industry sectors. After the project created the National Energy Service Center the UNDP country office has committed itself to provide funds to support continued training and capacity development.

One of the issues that hamper sustainability is unrealized commitment of governments or cooperating institutions due to economic and political changes. For example, recent economic reforms in China have led to many provinces and counties eliminating their local Township and Village Enterprise offices (under the Energy Conservation and GHG Emissions Reduction in Chinese TVEs project) or merging these into other government entities. The Latvian project (Economic and Cost-effective use of wood waste for municipal heating system in Latvia) seeks to remove barriers to the widespread and sustainable use of wood waste for heat and hot water delivery at municipal levels in Latvia. The changes in local government contributed to complications in the contractual arrangements between local authorities and the heating company. The improved timber exports from Latvia have compounded this problem; less wood waste is being generated locally which, in-turn, has increased prices for wood waste thereby affecting its competitiveness as an alternative fuel.

The off-grid RE projects are in general very difficult to sustain and replicate financially. Especially in cases where the projects rely mainly on government or donor subsidies, the sustainability is not guaranteed as the projects become very vulnerable to political and institutional changes. A good example is the Peru PV project (Photovoltaic-based Rural Electrification in Peru), which encountered a lot of delays even in commencing implementation and providing the counterpart funding. Redoubled efforts are required to ensure that both existing and new projects learn these lessons in sustainability and effectiveness. Also changes in corporate directions by private-sector entities have undermined planned project activities. For example, in the case of the Fiji project (Promoting Sustainability of Renewable Energy Technologies and Rural Renewable Energy Service Companies in Fiji), a change of heart by a private-sector partner and the Fiji Electricity Authority has resulted in some of the project components becoming infeasible and thus impeding the project's sustainability.

A lesson learned is that the appointment of dynamic government focal points is an indicator of commitment of governments and is a major step towards ensuring sustainability of the project. Another approach is to encourage horizontal learning between similar type of projects to shorten the "trail and error" period through which some projects have to go due to the flexibility in their approach to innovative and tailor-made financing mechanisms. Horizontal learning about financing for PV markets has been facilitated by UNDP/GEF through a workshop, a publication on PV financing and the establishment of an electronic PV network (undertaken as part of UNDP's knowledge management activities).

International Waters

The midterm review of the Red Sea project recognized the progress made on the SAP implementation, however it identified concerns regarding financial sustainability and concrete deliveries. Remedial actions to these issues focused on increasing the ownership of countries of the SAP and to facilitate leverage of resources either during the donor conference in 2004 or bilaterally. The sustainability of the project depends to a large extent on PERSGA's ability to leverage additional financial resources to implement activities complimentary to the SAP. Countries' commitment to the SAP can be measured in part by their contribution to the PERSGA core budget. These factors remain the main challenge for the project, PERGSA and the region. To address the sustainability issue, a draft sustainability strategy has been

prepared in-house, an operational programme is being developed to implement this strategy, and an outreach programme has been developed and partially implemented by PERSGA as part of this strategy.

Replicability

Biodiversity

Replication efforts are described by BD projects in different areas. In relation to improving management effectiveness of protected areas the Jigme Dorji project in Bhutan reports national replication of its "operational planning concept".

As far as improving practices of sustainable use of biodiversity resources Chiloe Model Forest in Chile the Conservation of Tiger and Rhino project in Nepal are relying on informal or formal associations of those who use resources sustainably to promote replication.

In agro biodiversity, the Date Palm Resources regional project specifically targets cross-project replication among the participating countries

Climate Change

The potential for replicability have been identified by several projects. Important aspects to promote replicability are extensive networking activities and increased awareness of win-win potentials among governments and consumers. Some key lessons are:

- The implementation of demonstration projects significantly encourages private and public sector to obtain energy efficient equipment and can create an energy efficiency behavioral trend;
- Model Heat Supply Agreements minimize the transactions costs of future projects;
- The establishment of a tri-partite committee involving the community, the power producer, and environmental experts to solve oppositions between stakeholders is now being followed as a best practice throughout other project activities in the Thailand biomass project;
- The cooperation with GEF SGP is encouraging NGOs in implementing Energy Conservation and Energy Efficiency projects has also been very successful in disseminating Energy Conservation and Energy Efficiency principles;
- The development of a Master Plan is seen as a key to the widespread replication of a particular technology. This is clearly a role for Government, but it must be done realistically and with full awareness of the risks associated with the proposed activities.

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Landfill gas and biomethanation are technologies that support the enhancement of local sustainable development while reducing GHG gas emissions in a very cost-effective manner as demonstrated by the UNDP/GEF project. The current project site in Jordan (Jordan Methane Capture and Utilization Demonstration Project) is being used as a demonstration facility to showcase the technology for the rest of Jordan and the surrounding vicinity. As many as 50 potential sites to replicate the technology have been identified in Jordan and are being further elaborated as part of the development of a Master Plan. As part of its knowledge management activities, UNDP has begun to focus on how the Clean Development Mechanism (CDM) can provide even greater incentives for countries to adopt these technologies and promote them widely through their national master plans and CDM programmes.
Also as part of its knowledge management efforts, UNDP/GEF will be assembling draft or model contracts from existing successful projects and sharing them and the experiences of those using them

between countries and project teams. This is intended to be part of a biomass-power developer's information package.

To further support its district heating and hot water portfolio, UNDP is funding, as part of the knowledge management initiative, a study of heating projects in the Eastern Europe and CIS region. The goals of the study are to distill and disseminate lessons learned from the sector; communicate with other donors active in the region (an activity that could lead to future partnerships with bilateral/multilateral donors); and to communicate UNDP/GEF's contributions within the field.

To support networking activities associated with the Fuel Cell Bus Programmes, UNDP/GEF is undertaking a knowledge management initiative focusing on: (i) establishment of a network to increase sharing of information on FCB projects under implementation; and, (ii) setting up a "twinning" arrangement between FCB cities to foster exchange of experience between projects under implementation and other demonstration projects around the world. Two of the projects have also participated in the California Fuel Cell Partnership Summit Meeting.

International Waters

According to the information collected through the supplemental questionnaires the majority of the projects have a replication strategy or plan in place and elicits interest by stakeholders in replication, but minimal or no replication has actually taken place.

Through PEMSEA, six National ICM demonstration projects are currently operational in Sihanoukville (Cambodia), Nampo (DPR Korea), Bali (Indonesia), Klang (Malaysia), Chonburi (Thailand) and Danang (Vietnam). Three local governments have also been identified as parallel sites, and accepted the ICM working model as a tool for enhancing the management of marine and coastal resources and identifying opportunities for environmental investments. The three sites include, Sukabumi, Indonesia; Bataan Philippines; and Shihwa, RO Korea. 15 environmental investment opportunities have been identified for Public-Private Partnerships (PPP) in different ICM sites and pollution hot spots covered by the PEMSEA programme, with an investment potential of over $600 million. A total of 9,678 km of coastline and 557,638 km2 sea area are now covered by the PEMSEA Regional Programme for integrated /environmental management planning.

The GloBallast PCU is frequently requested to provide expert advice, guidance, templates and models by other bodies involved in the issue, including IMO's own MEPC Ballast Water Working Group, the International Council for the Exploration of the Seas (ICES), International Council for the Exploration of the Mediterranean Sea (CIESM), Asia Pacific Economic Cooperation (APEC), the EU MARTOB Project, Nordic Council of Ministers, World Conservation Union (IUCN), Global Invasive Species Programme (GISP), the Australian Ballast Water Treatment Consortium (ABWTC), Fisheries and Oceans Canada and others. As a result standardised methodologies developed through GloBallast are being adopted by other groups around the world, GloBallast activities are being replicated by these groups, and synergies and greater cooperation, collaboration, communication and coordination is occurring between these groups.

The Dnipro River project has had an impact on how a regional TACIS project will develop monitoring activities on the Prypiat river (a tributary of the Dnipro). Specialists from the Dnipro project have attended key TACIS workshops, and this has led to a common understanding of basin wide monitoring objectives. Based on a proposed information exchange the UNDP-GEF project has persuaded the TACIS project to target its funding to areas not previously covered by the GEF and in so doing produce an enhanced set of monitoring information for the benefit of both projects.

The Caribbean Bays/Havana project has already been able to facilitate a wide exchange of experiences with Cuban specialists and international experts on technologies for the removal of nutrients and the reuse of sludge.

The Black Sea Regional project organized a workshop in order to transfer the knowledge and lessons gathered outside the region (US, Danube, UK. Pacific) for modelling of contribution of point and diffuse pollution (including through atmosphere) sources to overall nutrient budgets which will eventually be used for elaboration of reduction strategies and river basin management plans. A demonstration project is under preparation.

Monitoring and Evaluation

Biodiversity

While positive impacts on the state of biodiversity are reported, it is often difficult to verify these objectively. A high proportion of the projects continue to struggle to report on impacts on biodiversity as a consequence of weak impact indicators, poor or poorly implemented monitoring systems, and/or lack of baseline data. However, overall the quality and usefulness of the data is significantly improved over last years. As far as indicators are concerned, three points need to be borne in mind: a) there is a tendency for the older projects to be the ones with poor impact indicators – a higher proportion of new projects have good indicators; b) several of the projects with poor or absent indicators are already aware of the shortcoming, and have initiated plans to rectify the situation; and c) UNDP has developed a plan of action to assist in retrofitting impact indicators for priority projects

A project in Philippines provides a good example of engaging in partnerships to strengthen its monitoring. The Tubbataha Reef project works closely with the tourism industry so that they support the no-take zones and bring in much needed income to the communities and MPA management. In addition to engaging them in continuous improvement of the Tourism Code of Conduct and other park rules and regulations the dive boat operators also help with monitoring of infringements by reporting them to Park guards during the dive season.

Climate Change

There is difficulty reporting on impacts of capacity development activities. Reported indicators are quantitative and often do not provide a clear vision of the impact of related activities with the exception of general statements. This shortcoming should be improved in the future with the development of the new capacity development indicator framework.

The supplementary impact indicators for this year's PIR caused some difficulties in evaluation of the projects' actual impact. Since the projects had not collected all necessary information and data throughout the year, the consistency in reporting - and thus usefulness of the information - varied substantially. Yet, the information demonstrate some of the outcomes and impacts from the UNDP/GEF projects and it is expected that these indicators will better incorporated in the projects' monitoring and evaluation process in coming years.

International Waters

Analysis of supplemental questionnaires reveal that most projects have established a monitoring function that systematically gathers, reports and analyzes data related to the baseline. Only one project reports not having a plan for monitoring environmental status.

The IW portfolio provides several examples of benefits derived from collaboration agreements with similar projects and research institutions. In the Danube Regional Project, appropriate methodologies for the monitoring of nutrient reduction in wetlands are being assessed and guidelines prepared as the basis for establishing pilot monitoring programmes in phase 2. Collaboration has been established with the World Bank/GEF projects related to wetlands (Bulgarian Wetlands Project, Romania Agriculture Pollution Control Project and the Proposed Hungarian Reduction of Nutrient Discharges project).

There has been strong interaction and linkages between BCLME and the regional fisheries research and training programme BENEFIT at all phases of development and implementation. BCLME and BENEFIT have formed a liaison committee, which will oversee issues such as contracts, implementation of projects, and monitoring of progress and deliverables.

The scientific activities of the Pacific SIDS/OFM in the areas of fisheries monitoring and stock assessment have benefited considerably from complementary projects implemented by SPC. The EU-funded PROCFish project is the most important of these, with components of this project in the fisheries monitoring area dovetailing with the OFM.

A Memorandum concerning cooperation between the Black Sea and Danube Commissions was signed in November 2001. A Joint Technical Working Group was established with the mandate to develop harmonized monitoring systems, common assessment of the ecological status of inputs of nutrients and other hazardous substances, compatible reporting formats for input loads and the assessed ecological status, and formulate appropriate measures to limit discharge of nutrients.

Two projects refer to information availability as a main challenge for project advancement. The Rio de la Plata project observed that the compilation, systematization and handling of environmental information constitute one of the major obstacles that the project had to address. Information comes from many different sources, which are dispersed and presented with different formats and methods. There is no uniformity of criteria and preferences in the use of tools for the input of that information by different users and institutions participating in the Project. In addition, there is lack of confidence to exchange data and scientific information before it is published, and there are no trained personnel in the main tools within the environmental institutions of both countries. Finally, the great diversity of information generated by the Project requires different levels of content and treatment in order to be useful for scientists, decision makers and public in general.

To address these information management and access issues, the Project has compiled in its Information System, data, maps, news, satellite images, laws, instruments and rules which are important for Plata/Maritime Front environmental management, and started to standardize formats and scales in the Project GIS with different input inter-phases through Internet (in web platforms), including input protocols directly from the institutions and semi-automatic data migration from other software. 52 technicians from 23 institutions from both countries have been trained by the Project in the use of the ArcExplorer software. The design of the Information System allows storage and presentation of data to

scientists working on environmental issues, simplified maps for decision takers and environmental news for the public in general.

In the Black Sea, unavailability of data and information has been a major constraint, which limits the capacity of the BSERP to conduct the analysis/assessments and planning referred to in objectives 2, 4, 5, 7 and 8. Data and information gathered in earlier phases of BSEP are inaccessible in general. Data and information gathered in the past and to be collated by PIU during Phase 1 of BSERP or by the BSC PS have to be stored in inter-relational data-bases, and used for management. A strategy has been proposed by the BSERP and submitted to the attention of the BSC organs. Agreement on the data and information exchange strategy and action plan by the Project Steering Committee and BSC, and instructions as appropriate are required.

The Pacific SIDS draft M&E Plan was criticized in the MTE Report. The June 2003 MPR meeting emphasized the importance of impact indicators and a need to focus on results. The MPR also emphasized the need for each participating country to develop indicators of success for the pilot activities, with clear links back to the SAP and IWP objectives. The M&E Plan will be revised accordingly as a priority action in the remainder of 2003.

List of Projects with Final Evaluations

Focal Area	Project Name	Country/ Region	IA	Implementation Period	Project Costs at completion (million USD)
Biodiversity	People, Land Management and Environmental Change (PLEC)	Global	UNEP	1998 – 2001 (orig.) 1998 – 2002 (rev.)	GEF: Not available Total: Not available
Biodiversity	African NGO-Government Partnerships for Sustainable Biodiversity Action	Regional - Africa	UNDP	1998 – 2003	GEF: Not available Total: Not available
Biodiversity	Creating A Co-Managed Protected Areas (PA) System	Belize	UNDP	1998 – 2002	GEF: Not available Total: Not available
Biodiversity	Conservation of biodiversity and sustainable development	Comoros	UNDP	1997 – 2002	GEF: 2.35 Total: 2.72
Biodiversity	Nature Reserves Management	China	World Bank	1995 – 2002	GEF: 16.24 Total: 24.69
Biodiversity	Conservation of the Tana River Primate National Reserve (TRNPR)	Kenya	World Bank	1997 – 2001	GEF: 1.36 Total: 1.91
Biodiversity	Biodiversity Restoration	Mauritius	World Bank	1996 – 2001	GEF: 1.09 Total: 1.49
Biodiversity	Management of avian ecosystems	Seychelles	World Bank	1998 – 2002	GEF: 0.74 Total: Not available
Biodiversity	Red Sea coastal and marine resource management project	Egypt	World Bank	1994 – 1996 (orig.) 1994 – 2002 (rev.)	GEF: 4.75 Total: 5.31
Climate Change	Renewable Energy-Based Electricity for Rural, Social and Economic Development	Ghana	UNDP	1998 – 2001	GEF: Not available Total: Not available
Climate Change	Renewable Energy-Based Small Enterprise Development in the Quiche Region	Guatemala	UNDP	2000 – 2002	GEF: Not available Total: Not available
Climate Change	Creation and Strengthening of the Capacity for Sustainable Renewable Energy (RE) Development in Central America (FOCER)	Regional – Central America	UNDP	2000 – 2002	GEF: Not available Total: Not available
Climate Change	Photovoltaic pilot project for rural electrification (UPPPRE)	Uganda	UNDP	1997 – 2000 (orig.) 1997 – 2002 (rev.)	GEF: Not available Total: Not available
Climate Change	Redirecting commercial investment decisions to cleaner technology - a technology transfer clearing house	Global	UNEP	1999 – 2000 (orig.) 1999 – 2002 (rev.)	GEF: 0.75 Total: 0.98

Climate Change	Fuel Cell Bus and Distributed Power Generation Market Prospects and Intervention Strategy Options	Global	UNEP	2000 (orig.) 2000 – 2001 (rev.)	GEF: Not available Total: Not available
Climate Change	Energy Services Delivery (ESD)	Sri Lanka	World Bank	1997 – 2002	GEF: 5.7 Total: 38.9
International Waters	Addressing Transboundary Environmental Issues in the Caspian Environment Programme (CEP)	Regional – Caspian Sea	UNDP, UNEP, World Bank	1998 – 2003	GEF: Not available Total: Not available

List of SMPR Projects

Focal Area	***Project Name***	***Country/ Region***	***IA***	***Implementation Period***	***Project Costs (million USD)***
Biodiversity	Biodiversity Conservation through Participatory Rehabilitation of the Degraded Land of the Arid and Semi-Arid areas	Senegal and Mauritania (Africa)	UNDP	2000-2004	GEF: 7.916 Total: 12.286
Biodiversity	A Highly Decentralized Approach to Biodiversity Protection and Use: The Bangassou Dense Forest**	Central African Republic (Africa)	UNDP	1997-	GEF: 2.5 Total: 3.47
Biodiversity	Sustainable Forest Management by Communities in the Bamenda Highlands**	Cameroon (Africa)	UNDP	2000-	GEF: 1 Total: 3.09
Biodiversity	Development of National Biosafety Frameworks	Global	UNEP	2000-2004	GEF: 26.192 Total: 38.533
Biodiversity	Central Asia Transboundary Biodiversity	Uzbekistan, Kazakhstan and Kyrgyzstan (Eastern Europe/Central Asia)	WB	1999-	GEF: 10.495 Total: 13.6
Biodiversity	Sustainability of Protected Area	Bolivia (LA and Caribbean)	WB	2001-2006	GEF: 15.3 Total: 55.3
Biodiversity	Central European Grasslands: Conservation and Sustainable Use	Slovakia (Eastern Europe and Central Asia)	WB	2000-2005	GEF: 0.750 Total: 1.995
Climate Change	Producing Energy Efficient refrigerators without making use of Ozone Depleting Substances	Cuba (Latin America and Caribbean)	UNDP	2000-2003	GEF: 0.750 Total: 7.7
Climate Change	Photovoltaic-based Rural Electrification **	Peru (Latin America and Caribbean)	UNDP	1999-2003	GEF: 3.955 Total: 10.97
Climate Change	Energy Efficiency	India (Asia and Pacific)	WB	2001-2006	GEF: 5.0 Total: 37.0
Climate Change	Methane Capture & Use at Landfill**	Mexico (LA and Caribbean)	WB	2002-2006	GEF: 6.27 Total: 13.25

International Waters	Lake Manzala Engineered Wetlands	Egypt (Middle East and Northern Africa)	UNDP	1992-	GEF: 4.5 Total: 4.86
International Waters	South Pacific Strategic Action Plan*	Regional (Asia and Pacific)	UNDP	2000-2004	GEF: 12.29 Total: 20.40
International Waters	OECS Ship-Generated Waste Management**	Regional (LA and Caribbean)	WB	1996-	GEF: 13 Total: 50.5
POPs	Regionally Based Assessment of Persistent Toxic Substances*	Global	UNEP	2000-2002	GEF: 3 Total: 4.69

* Review not included in the current analysis

** Review cancelled

APPENDIX E

List of Completed Projects During FY 2003

World Bank

Focal Area	Region	Country	Project Name	GEF Amount (US mill)	GEF Council or CEO Approval	Effectiveness
BD	AFR	Mauritius	Biodiversity Restoration	1.20	May-95	Feb-96
BD	AFR	Uganda	Institutional Capacity Building for Protected Areas Management and Sustainable Use (ICB-PAMSU)	2.00	May-97	Mar-99
BD	AFR	Uganda	Kibale Forest Wild Coffee Project (MSP)	0.75	Dec-98	Feb-99
BD	AFR	Zimbabwe	Park Rehabilitation and Conservation	4.80	Apr-92	Mar-99
BD	EAP	China	Nature Reserves Management	17.90	Feb-95	Aug-95
BD	EAP	Indonesia	Kerinci Seblat Integrated Conservation and Development	15.00	May-95	Aug-96
CC	ECA	Lithuania	Klaipeda Geothermal Demonstration	6.90	May-95	Oct-96
IW	ECA	Regional	Water and Environmental Management of the Aral Sea Basin	12.22	May-97	Sep-98
BD	LCR	Belize	Northern Belize Biological Corridors Consolidation and Maintenance (MSP)	0.72	Nov-98	Apr-99
BD	LCR	Colombia	Conservation and Sustainable Use of the Serrania del Baudo (MSP)	0.73	Apr-99	Jul-99
BD	LCR	Ecuador	Monitoring System for the Galapagos Islands (MSP)	0.94	Oct-98	Feb-99
BD	LCR	Ecuador	Wetland Priorities for Conservation	0.72	Feb-99	Apr-99
BD	LCR	El Salvador	Promotion of Biodiversity Conservation within Coffee Landscapes (MSP)	0.73	May-98	Jul-98
BD	LCR	Guatemala	Management and Protection of Laguna del Tigre National Park (MSP)	0.72	Jul-99	Sep-99
BD	LCR	Mexico	Protected Areas Program (FANP)	16.30	May-91	Jul-97
BD	LCR	Peru	Collaborative Management for the Conservation and Sustainable Development of the (Tumbes) Noroeste Biosphere Reserve (MSP)	0.73	Jun-99	Oct-99
BD	LCR	Peru	Vilcabamba - Participatory Conservation and Sustainable development with Indigenous Communities (MSP)	0.73	Jun-99	Oct-99
CC	LCR	Regional (Caribbean)	Planning for Adaptation to Climate Change (CARICOM)	6.30	May-95	Apr-97
BD	SAR	Bangladesh	Biodiversity Conservation in the Sundarbans Reserved Forest	12.20	Mar-98	Oct-99
CC	SAR	India	Alternate Energy	26.00	Dec-91	Apr-93
CC	SAR	Sri Lanka	Energy Services Delivery	5.90	Apr-96	Jul-97

UNEP

Focal Area	Region	Country	Project Name	GEF Amount (US mill)	GEF Council or CEO Approval	Effectiveness
BD	EAP	China	Lopnur Nature Sanctuary Biodiversity Conservation	725.00		
BD	LAC	Regional	An Indicator Model for Dryland Ecosystems in Latin America	725.00		
BD	Global	Global	People, Land Management, and Environmental Change (PLEC)	6,176.00	Feb-98	
IW	AFR	Regional	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	750.00	Aug-00	
MTF	Global	Global	Involving National Legislators in International Environmental Decision-making through Participation in the preparations for the World Summit on Sustainable Development Proceedings and the Second GEF Assembly	250.00		

UNDP

Focal Area	Region	Country	Project Name	GEF Amount (US mill)	GEF Council or CEO Approval	Effectiveness
BD	RBA	GHANA	Conservation priority setting for the Upper Guinea Forest ecosystem, West Africa -MEDIUM < 750	750.00		
BD	RBA	BURKINA FA	African NGO-Government Partnerships for Sustainable Biodiversity Action	4,330.00	Feb-98	
CC	RBAP	INDIA	Development of High Rate BioMethanation Processes as Means of Reducing Greenhouse Gas Emissions	5,500.00	May-92	
CC	RBAP	INDIA	Selected Options for Stablizing Greenhouse Gas (GHG) Emissions for Sustainable Development	1,500.00	Apr-98	
CC	RBAP	INDIA	Optimizing Development of Small Hydel Resources in Hilly Areas	7,500.00	Dec-91	
IW	RBEC	HUNGARY	Building Environmental Citizenship to support transboundary pollution reduction in the Danube: A pilot Project in Hungary and Slovenia -MEDIUM < 750	750.00	Mar-00	
BD	RBA	Comoros	Conservation of Biodiversity and Sustainable Development in the Federal Islamic Republic of the Comoros	2,442.00	Aug-97	
CC	RBA	Ghana	Renewable Energy-based Electricity for Rural, Social and Economic Development	2,472.00	Mar-98	

APPENDIX F

List of Projects Included in 2003 PIR

Biodiversity

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	WB	BD	LCR	Argentina	Biodiversity Conservation	10.39
2	WB	BD	SAR	Bangladesh	Aquatic Biodiversity Conservation	5.00
3	WB	BD	SAR	Bangladesh	Biodiversity Conservation in the Sundarbans Reserved Forest	12.20
4	WB	BD	LCR	Belize	Northern Belize Biological Corridors Consolidation and Maintenance (MSP)	0.75
5	WB	BD	AFR	Benin	National Parks Conservation and Management	6.24
6	WB	BD	LCR	Bolivia	Achieving the Sustainability of the Bolivian Protected Area System	10.00
7	WB	BD	LCR	Brazil	Brazilian Biodiversity Fund (FUNBIO)	15.30
8	WB	BD	LCR	Brazil	National Biodiversity Project (PROBIO)	20.00
9	WB	BD	EAP	Cambodia	Biodiversity and Protected Areas Management	10.28
10	WB	BD	AFR	Cameroon	Biodiversity Conservation and Management	2.75
11	WB	BD	LCR	Chile	Conservation of the Santiago Foothills (MSP)	6.10
12	WB	BD	LCR	Chile	Valdivian Forest Zone: Private Public Mechanisms for Biodiversity Conservation (MSP)	0.75
13	WB	BD	LCR	Colombia	Archipelago of San Andres: Conservation and Sustainable Use of the Marine Reserves (MSP)	1.00
14	WB	BD	LCR	Colombia	Mataven Forest - Conservation and Sustainable Development (MSP)	0.75
15	WB	BD	LCR	Colombia	Conservation and Sustainable use of the Serrania del Baudo (MSP)	0.75
16	WB	BD	LCR	Costa Rica	Biodiversity Resources Development	15.35
17	WB	BD	LCR	Costa Rica	Eco-Markets	1.00
18	WB	BD	LCR	Costa Rica	Sustainable Cacao Production in Southeastern Costa Rica (MSP)	0.75
19	WB	BD	ECA	Croatia	Kopachi Rit Wetlands Management (MSP)	7.28
20	WB	BD	LCR	Ecuador	Monitoring System for the Galapagos Islands (MSP)	8.33
21	WB	BD	LCR	Ecuador	Wetland Priorities for Conservation Action (MSP)	0.75
22	WB	BD	LCR	Ecuador	Choco-Andean Corridor (MSP)	0.74
23	WB	BD	LCR	Ecuador	Coastal Albarradas: Rescuing Ancient KNowledge and Sustainable Use of Biodiversity (MSP)	1.00
24	WB	BD	MNA	Egypt	Red Sea Coastal and Marine Resource Management	0.75
25	WB	BD	AFR	Ethiopia	Conservation and Sustainable Use of Medicinal Plants	0.94
26	WB	BD	ECA	Georgia	Integrated Coastal Zone Management	4.75
27	WB	BD	ECA	Georgia	Protected Areas Development	1.91
28	WB	BD	AFR	Ghana	Natural Resource Management	9.05

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
29	WB	BD	GLO	Global	Critical Ecosystems Partnership Fund (CEPF)	1.30
30	WB	BD	LCR	Grenada	Dry Forest Biodiversity Conservation (MSP)	8.93
31	WB	BD	LCR	Guatemala	Management and Protection of Laguna del Tigre National Park (MSP)	25.00
32	WB/UNDP	BD	LCR	Honduras	Biodiversity Conservation in Priority Protected Areas	0.75
33	WB/UNDP	BD	SAR	India	Ecodevelopment	0.75
34	WB	BD	EAP	Indonesia	Berbak-Sembilang Ecosystem Conservation (MSP)	7.30
35	WB	BD	EAP	Indonesia	Conservation of Elephant Landscape in Aceh Province, Sumatra (MSP)	20.21
36	WB	BD	EAP	Indonesia	Coral Reef Rehabilitation and Management Project (COREMAP)	0.73
37	WB	BD	EAP	Indonesia	Kerinci Seblat Integrated Conservation and Development	0.74
38	WB	BD	EAP	Indonesia	Sangihe-Talaud Forest Conservation (MSP)	14.40
39	WB	BD	AFR	Kenya	Lewa Wildlife Conservancy and Community Conservation (MSP)	7.50
40	WB/UNDP	BD	AFR	Madagascar	Environment Program Support	0.84
41	WB	BD	AFR	Malawi	Mulanje Mountain Biodiversity	0.01
42	WB	BD	AFR	Mauritius	Biodiversity Restoration	4.38
43	WB	BD	AFR	Mauritius	Restoration of Round Island (MSP)	0.75
44	WB	BD	LCR	Mexico	Biodiversity Conservation through Habitat Enhancement in Productive Landscapes (El Triunfo) (MSP)	21.30
45	WB	BD	LCR	Mexico	COINBIO - IndigeNous and Community Conservation of Biodiversity	5.30
46	WB	BD	LCR	Mexico	Consolidation of the Protected Area System (SINAP II)	1.20
47	WB	BD	LCR	Mexico	Mesoamerican Biological Corridor	0.75
48	WB	BD	LCR	Mexico	Protected Areas Program (FANP)	0.75
49	WB	BD	LCR	Mexico	Private Land Conservation Mechanisms (MSP)	2.21
50	WB	BD	ECA	Moldova	Biodiversity Conservation in the Lower Dniester Delta Ecosystem (MSP)	0.75
51	WB	BD	MNA	Morocco	Protected Areas Management	15.20
52	WB	BD	AFR	Mozambique	Coastal and Marine Biodiversity Management	7.58
53	WB	BD	AFR	Mozambique	Transfrontier Conservation Areas Pilot and Institutional Strengthening	25.00
54	WB	BD	LCR	Nicaragua	Atlantic Biological Corridor	1.00
55	WB	BD	LCR	Panama	Atlantic Mesoamerican Biological Corridor	10.35
56	WB	BD	LCR	Panama	Effective Protection with Community Participation of the New Protected Area of San Lorenzo (MSP)	4.08
57	WB	BD	EAP	Papua New Guinea	Forestry and Conservation	7.43
58	WB	BD	LCR	Peru	Biodiversity Conservation in the Nanay River Basin (MSP)	0.75
59	WB	BD	LCR	Peru	Collaborative Management for the Conserv. and Sust. Devt. of the (Tumbes) Noroeste Biosphere Reserve (MSP)	8.59

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
60	WB	BD	LCR	Peru	Indigenous Management of Protected Areas in the Amazon	17.30
61	WB	BD	LCR	Peru	Vilcabamba - Participatory Conservation and Sustainable Development with Indigenous Communities (MSP)	10.35
62	WB	BD	EAP	Philippines	Conservation of Priority Protected Areas	0.75
63	WB	BD	EAP	Philippines	Mindanao Rural Development/Coastal Resource Conservation	0.75
64	WB	BD	AFR	Reg. (Comoros, Mauritius, Madagascar, Seychelles)	Western Indian Ocean Oil Spill Contingency Planning	20.00
65	WB	BD	AFR	Regional	Regional Environment Information Management Project (REIMP)	1.25
66	WB	BD	AFR	Regional (Burkina Faso, Cote d'Ivoire)	West Africa Pilot Community-Based Natural Resource and Wildlife Management (GEPRENAF)	4.50
67	WB	BD	AFR	Regional (Comoros, Mauritius, Seychelles, Madagascar)	Coral Reef Monitoring Network in member states of the Indian Ocean Commission (COI), within the Global Coral Reef Monitoring Network (GCRMN) (MSP)	10.62
68	WB	BD	ECA	Regional (Kyrgyzstan, Kazakhstan, Uzbekistan)	Central Asia Transboundary Biodiversity	7.90
69	WB/IFC	BD	LAC	Regional (Latin America)	Terra Capital Biodiversity Fund (IFC)	4.38
70	WB	BD	LCR	Regional (Mexico, Guatemala, Belize, Honduras)	Conservation and Sustainable use of the Mesoamerican Barrier Reef	0.74
71	WB	BD	ECA	Romania	Biodiversity Conservation Management	10.50
72	WB	BD	ECA	Russian Federation	Biodiversity Conservation Management	5.00
73	WB	BD	ECA	Russian Federation	Khabarovsky Krai Protected Areas Network for Sikhote-Alin Mountain Forest Ecosystems Conservation (MSP)	5.33
74	WB	BD	EAP	Samoa	Marine Biodiversity Protection and Management (MSP)	0.75
75	WB	BD	AFR	Seychelles	Marine Ecosystems Management (MSP)	20.90
76	WB	BD	ECA	Slovak Republic	Conservation and Sustainable Use of Central European Grasslands (MSP)	0.92
77	WB	BD	AFR	South Africa	Cape Peninsula Biodiversity	6.22
78	WB	BD	AFR	South Africa	Conservation of Biodiversity in Agricultural Landscapes through Conservation Farming (MSP)	0.75
79	WB	BD	AFR	South Africa	Conservation Planning for Biodiversity in the Thicket Biome (MSP)	12.39
80	WB	BD	AFR	South Africa	Sustainable Protected Area Development in Namaqualand (MSP)	0.75
81	WB	BD	SAR	Sri Lanka	Conservation and Sustainable Use of Medicinal Plants	11.32
82	WB	BD	MNA	Syria	Conservation of Biodiversity and Protected Areas Management (MSP)	0.74

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
83	WB	BD	ECA	Turkey	Biodiversity and Natural Resource Management Project	4.92
84	WB	BD	AFR	Uganda	Institutional Capacity Building for Protected Areas Management and Sustainable Use (ICB-PAMSU)	0.75
85	WB	BD	LCR	Venezuela	Conservation & Sustainable Use of the Llanos Ecoregion (MSP)	8.55
86	WB	BD	EAP	Viet Nam	Pu-Luong/Cuc Phuong Limestone Landscape (MSP)	2.29
87	WB	BD	EAP	Viet Nam	Hon Mun Marine Protected Area Pilot (MSP)	0.96
88	WB	BD	MNA	Yemen	Coastal Zone Management along the Gulf of Aden (MSP)	0.75
89	WB	BD	MNA	Yemen	Protected Areas Management (MSP)	1.00
90	WB	BD	AFR	Zambia	Sustainable Land Management in the Zambian Miombo Woodland Ecosystem (MSP)	0.77
91	UNDP	BD	RBA	BURKINA FASO	Optimization of BD in game ranching systems; a pilot experiment in a semi arid area	1157.00
92	UNDP	BD	RBA	CENTRAL AFRICAN REPUBLIC	A Highly Decentralized Approach to BD Protection and Use: The Bangassou Dense Forest.	2500.00
93	UNDP	BD	RBA	SOUTH AFRICA	Capacity building network for southern African Botanical diversity	
94	UNDP	BD	RBA	ERITREA	Conservation management of Eritrea's coastal, marine and island BD	4986.00
95	UNDP	BD	RBA	ETHIOPIA	A Dynamic farmer-based approach to the conservation of African Plant Genetic Resources	2475.00
96	UNDP	BD	RBA	COTE d'IVOIRE	Control of Aquatic Weeds to enhance and restore BD	3000.00
97	UNDP	BD	RBA	LESOTHO	Conserving Mountain BD in southern Lesotho	2485.00
98	UNDP	BD	RBA	MALAWI (Regional)	Southern African BD Support Programme	4500.00
99	UNDP	BD	RBA	SEN MAUR (Regional)	Biological Diversity Conversation through Participatory Rehabilitation of Degraded Mauritania an Senegal	8390.00
100	UNDP	BD	RBA	REGIONAL	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa	8664.00
101	UNDP	BD	RBA	Tanzania	Development of Jozani-Chwaka Bay National Park, Zanzibar Island.	748.00
102	UNDP	BD	RBA	Tanzania	New approaches to reducing BD loss at cross-border sites in East Africa	12655.00
103	UNDP	BD	RBA	Tanzania	DEVELOPMENT OF MNAZI BAY–RUVUMA ESTUARY MARINE PARK	1495.00
104	UNDP	BD	RBA	GHANA	BD Conservation of Lake Bosumtwe Basin	
105	UNDP	BD	RBA	CAMEROON	Sustainable Forest Management by Communities in the Bamenda Highlands, Cameroon.	1000.00
106	UNDP	BD	RBAP	BANGLADESH	Coastal and Wetland BD Management	
107	UNDP	BD	RBAP	BHUTAN	Integrated Management of Jigme Dorji National Park	1500.00
108	UNDP	BD	RBAP	CHINA	Wetlands BD Conservation and Sustainable Use	11689.00
109	UNDP	BD	RBAP	MALAYSIA	Conservation and Sustainable Use of Tropical Peat Swamp Forests and Associated Wetland Ecosystems	5985.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
110	UNDP	BD	RBAP	MONGOLIA	BD Conservation and Sustainable Livelihood Options in the Grasslands of Eastern Mongolia	5164.00
111	UNDP	BD	RBAP	VIET NAM	Vietnam PARC - Creating Protected Areas for Resources Conservation (PARC) in Vietnam Using a Landscape Ecology Approach	6190.00
112	UNDP	BD	RBAP	PHILIPPINES	Samar Island BD Project (SIBP) Conservation and Sustainable Use of the BD of a Forested Protected Area -FULL	5759.00
113	UNDP	BD	RBAP	PAKISTAN	Mountain Areas Conservancy Project	8100.00
114	UNDP	BD	RBAP	CHINA	Multi-Agency And Local Participatory Cooperation in BD Conservation in Yunnan's Upland Mountain Ecosystems	725.00
115	UNDP	BD	RBAP	PHILIPPINES	Conservation of the Tubbataha Reef National Marine Park	725.00
116	UNDP	BD	RBAP	DPR KOREA	Conservation of BD Mt. Myonghan in the DPRK.	
117	UNDP	BD	RBAP	IRAN	Conservation of the Asiatic cheetah, its Natural Habitat and Associated Biota in the I.R. of Iran	725.00
118	UNDP	BD	RBAP	MICRONESIA	Community Conservation and Compatible Enterprise development in Pohnpei, Federated States of Micronesia	748.00
119	UNDP	BD	RBAP	NEPAL	Upper Mustang BD Conservation Project	750.00
120	UNDP	BD	RBAP	SRI LANKA	Conservation of BD through Integrated Collaboration Management in the Rekawa, Usangoda and Kalametiya Coastal Ecosytem	730.00
121	UNDP	BD	RBAP	SRI LANKA	Project name: Contributing to the Conservation of the Unique BD in the Threatened Rain Forests of Southwest Sri Lanka	725.00
122	UNDP	BD	RBAP	PHILIPPINES	BD Conservation and Management of the Bohol Islands (Pamilacan-Balicasag-Panglao Islands) Marine Triangle	718.00
123	UNDP	BD	RBAP	PHILIPPINES	Sustainable management of Mount Isarogs Territories	750.00
124	UNDP	BD	RBAP	CAMBODIA	Management of the Cardamom Mountain Protected Forest and Wildlife Sanctuaries- Cambodia	998.00
125	UNDP	BD	RBAP	VIET NAM	*In situ* Conservation of Native Landraces and their Wild Relatives in Vietnam	904.00
126	UNDP	BD	RBAP	NEPAL	Landscape-scale Conservation of Endangered Tiger and Rhinoceros Populations in and around the Chitwan National Park.	750.00
127	UNDP	BD	RBAS	LEBANON	Lebanon - Strengthening of National Capacity & Grassroots In-Situ Conservation for Sustainable BD Protection	2500.00
128	UNDP	BD	RBAS	YEMEN	Yemen - Conservation and Sustainable Use of the BD of Socotra Archipelago	4995.00
129	UNDP	BD	RBAS	SYRIAN ARAB REPUBLIC	Regional: Conservation and Sustainable Use of Dryland Agro-BD of the Fertile Crescent	8124.00
130	UNDP	BD	RBAS	ALGERIA	Strengthening of National Capacity & Grassroots In-Situ Conservation for Sustainable Biodiversity Protection	725.00
131	UNDP	BD	RBAS	REGIONAL	Regional - Conservation of Wetland and Coastal Ecosystems in the Mediterranean Region	2650.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
132	UNDP	BD	RBAS	TUNISIA	Regional - Participatory Management of Plant Genetic Resources in Date Palm Oases of the Maghreb	2780.00
133	UNDP	BD	RBAS	MOROCCO	Transhumance for BD Conservation in the southern High Atlas	4369.00
134	UNDP	BD	RBAS	SUDAN	Sudan - Conservation and Management of Habitats and Species, and Sustainable Community Use of BD in Dinder National Park	750.00
135	UNDP	BD	RBEC	GEORGIA	Conservation of Arid and Semi-arid Ecosystems in the Caucasus	750.00
136	UNDP	BD	RBEC	UZBEKISTAN	Establishment of Naratau-Kyzylkum Biosphere Reserve as a Model for BD Conservation in Uzbekistan. MEDIUM < 750	725.00
137	UNDP	BD	RBEC	RUSSIAN FEDERATION	Demonstrating Sustainable Conservation of Biological Diversity in Four Protected Areas of Russia's Kamchatka Oblast. Phase 1.	2100.00
138	UNDP	BD	RBLAC	BRAZIL	Promoting BD Conservation and Sustainable Use in the Frontier Forest Mato-Grosso	6700.00
139	UNDP	BD	RBLAC	REGIONAL	Conservation of BD in the Lake Titicaca Basin	3110.00
140	UNDP	BD	RBLAC	ARGENTINA	Consolidation and Implementation of the Patagonian Coastal Zone Management Programme and BD Conservation	5200.00
141	UNDP	BD	RBLAC	URUGUAY	Consolidation of the Banados del Este Biosphere Reserve	2500.00
142	UNDP	BD	RBLAC	MEXICO	Integrated Ecosystem Management in Three Priority Ecoregions	15650.00
143	UNDP	BD	RBLAC	BRAZIL	MSP Establishment of Private Reserve Heritage Reserves (RPPNs) in the Brazilian Cerrado Biome	750.00
144	UNDP	BD	RBLAC	BELIZE	Conservation and Sustainable Use of the Belize Barrier Reef Complex	5355.00
145	UNDP	BD	RBLAC	VENEZUELA	Protection and Sustainable Use of Biological Diversity in the Orinoco Delta Wetlands. PDF B -FULL	9499.00
146	UNDP	BD	RBLAC	CUBA	Priority Actions to Consolidate BD Protection in the Sabana-Camaguey Ecosystem -FULL	3889.00
147	UNDP	BD	RBLAC	GUATEMALA	Integrated BD Protection in the Sarstun-Motagua Region. -FULL	4000.00
148	UNDP	BD	RBLAC	SURINAME	Conservation of Globally Significant Forest Ecosystems in the Suriname's Guyana Shields-FULL	9240.00
149	UNDP	BD	RBLAC	ECUADOR	Integrated Programme for the Control of Introduced Species in Galapagos Archipelago	18300.00
150	UNDP	BD	RBLAC	PARAGUAY	Paraguayan Wildlands Protection Initiative -FULL	9201.00
151	UNDP	BD	RBLAC	PERU	In situ conservation of Native Cultivars and Wild relatives	5049.00
152	UNDP	BD	RBLAC	NICARAGUA	Establishment of a programme for the Consolidation of the Mesoamerican Biological Corridor -FULL	
153	UNDP	BD	RBLAC	COSTA RICA	MSP: Conservation of BD in the Talamanca-Caribbean Biological Corridor	750.00
154	UNDP	BD	RBLAC	CHILE	MSP: Conservation and Sustainable Use of Chiloe Globally Significant Biodiversity	1000.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
155	UNDP	BD	RBLAC	MEXICO	Biodiversity conservation in the Sierra Gorda Biosphere Reserve	6730.00
156	UNDP	BD	RBLAC	ECUADOR	Galapagos Oil Spill - Environmental Rehabilitation and Conservation	530.00
157	UNDP	BD	RBLAC	MEXICO	Capacity Building for Implementation of the Cartagena Protocol	1461.00
158	UNDP	BD	RBLAC	CHILE	Biodiversity Conservation in Salar del Huasco	835.00
159	UNEP	BD	LAC	Regional	An Indicator Model for Dryland Ecosystems in Latin America	750.00
160	UNEP	BD		Regional	Promoting Best Practices for Conservation and Sustainable Use of Biodiversity of Global Significance in Arid and Semi-Arid Zones.	750.00
161	UNEP	BD		Regional	Land Use Change Analysis as an Approach for Investigating Biodiversity Loss and Land Degradation.	771.00
162	UNEP	BD		Global	People, Land Management, and Environmental Change (PLEC)	6200.00
163	UNEP	BD	AFR	Kenya	Lake Baringo Community Based Land and Water Management.	750.00
164	UNEP	BD		Global	Development of National Biosafety Frameworks	26092.00
165	UNEP	BD		Global	Global Biodiversity Forum (GBF): Multi-stakeholder Support for the Implementation of the Convention on Biological Diversity - Phase III	997.00
166	UNEP	BD	AFR	Regional	Conservation of Gramineae and Associated Arthropods for Sustainable Agricultural Development in Africa.	972.00
167	UNEP	BD	AFR	Regional	Community-Based Management of On-farm Plant Genetic Resources in Arid and Semi-Arid Areas of Sub-Saharan Africa.	750.00
168	UNEP	BD	AFR	Regional	Management of Indigenous Vegetation for the Rehabilitation of Degraded Rangelands in the Arid Zone of Africa.	1393.00
169	UNEP	BD		Global	Development of the Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity	750.00
170	UNEP	BD		Global	Millennium Ecosystem Assessment	6960.00
171	UNEP	BD		Regional	Catalyzing Conservation Action in Latin America: Identifying Priority Sites and Best management Alternatives in five Globally Significant Ecoregions.	750.00
172	UNEP	BD		China	Lopnur Nature Sanctuary Biodiversity Conservation	725.00
173	UNEP	BD		Nepal	Arun Valley Sustainable Resource Use and Management Pilot Demonstration Project.	625.00
174	UNEP	BD		Regional	Biodiversity Conservation and Integration of Traditional Knowledge on Medicinal Plants in National Primary Health Care Policy in Central America and Caribbean.	725.00
175	UNEP	BD		Global	Biodiversity Indicators for National Use	848.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
176	UNEP	BD			Barriers and Best practices in Integrated Management of Mountains Ecosystems	
177	UNEP	BD	Africa	Regional	Desert Margins Programme (phase 1)	4985.00
178	WB	BD	ECA	Poland	Rural Environmental Protection	
179	UNDP	BD	RBA	SENEGAL	Integrated Ecosystem Management of Four Representative Landscapes of Senegal	10070.00

Climate Change

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	WB	CC	LCR	Argentina	Renewable Energy in Rural Markets	13.62
2	WB	CC	LCR	Brazil	Energy Efficiency	20.00
3	WB	CC	AFR	Cape Verde	Energy & Water Sector Reform and Development	4.93
4	WB	CC	EAP	China	Energy Conservation	26.00
5	WB	CC	EAP	China	Beijing Environment II	0.78
6	WB	CC	EAP	China	Fuel Efficient Industrial Boilers	11.40
7	WB	CC	EAP	China	Passive Solar Rural Health Clinics (MSP)	32.81
8	WB	CC	EAP	China	Renewable Energy Development	35.73
9	WB	CC	EAP	China	Sichuan Gas Transmission and Distribution Rehabilitation/Sichuan Gas Development & Conservation	0.70
10	WB	CC	AFR	Cote d'Ivoire	Energy efficiency service market (MSP)	10.00
11	WB	CC	IFC	Global	Efficient Lighting Initiative (IFC) Tranche I	30.00
12	WB	CC	IFC	Global	Efficient Lighting Initiative (IFC) -Tranche II	9.58
13	WB	CC	IFC	Global	Renewable Energy and Energy Efficiency Fund (IFC)	5.65
14	WB	CC	IFC	Global	Solar Development Group (IFC)	30.38
15	WB	CC	IFC	Global (Kenya, India, Morocco)	Photovoltaic Market Transformation Initiative (IFC)	5.00
16	WB	CC	IFC	Hungary	Energy-Efficiency Co-Financing Program (IFC)	0.70
17	WB	CC	IFC	Hungary	Hungary Energy Efficiency Co-Financing Program 2 (IFC) (MSP)	5.00
18	WB	CC	SAR	India	Energy Efficiency	24.30
19	WB	CC	EAP	Indonesia	Solar Home Systems (SHS)	10.00
20	WB	CC	EAP	Indonesia	Western Java Environmental Management	5.00
21	WB	CC	EAP	Lao PDR	Southern Provinces Renewable Energy (MSP)	5.12
22	WB	CC	ECA	Latvia	Solid Waste Management and Landfill Gas Recovery	6.90
23	WB	CC	ECA	Lithuania	Klaipeda Geothermal Demonstration	0.75
24	WB	CC	ECA	Macedonia	Mini-HydroPower Project (MSP)	6.53
25	WB	CC	LCR	Mexico	Methane Gas Capture/Landfill Demonstration	8.70
26	WB	CC	LCR	Mexico	Renewable Energy for Agricultural Productivity (RETS)	0.78

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
27	WB	CC	EAP	Mongolia	Improved Household Stoves in Mongolian Urban Centers (MSP)	1.88
28	WB	CC	EAP	Philippines	Metro Manila Urban Transport - Marikina Bicycle Network	25.33
29	WB	CC	ECA	Poland	Coal-to-Gas Conversion Project	5.40
30	WB	CC	ECA	Poland	Zakopane/Podhale Geothermal District Heating and Environment	4.77
31	WB	CC	AFR	Senegal	Sustainable and Participatory Energy Management	8.00
32	WB	CC	SAR	Sri Lanka	Energy Services Delivery	7.50
33	WB	CC	EAP	Thailand	Building Chiller Replacement Program	2.50
34	WB	CC	MNA	Tunisia	Solar Water Heating	4.85
35	WB	CC	LCR	Uruguay	Landfill Methane Recovery Demonstration Project (MSP)	0.98
36	WB	CC	EAP	Vietnam	System Energy Equitization & Renewable	
37	UNDP	CC	RBA	UGANDA	Uganda photovoltaic pilot project (PV) for rural electrification	1,756.00
38	UNDP	CC	RBA	MALAWI	National Sustainable and Renewable Energy Programme	3,353.00
39	UNDP	CC	RBA	KENYA	Removal of barriers to energy conservation and energy efficiency in small and medium scale enterprises	3,193.00
40	UNDP	CC	RBA	SOUTH AFRICA	Pilot Production and Commercial Dissemination of Solar Cookers in South Africa	800.00
41	UNDP	CC	RBAP	INDIA	Optimizing Development of Small Hydel Resources in the Hilly Regions of India	7,500.00
42	UNDP	CC	RBAP	PAKISTAN	Fuel Efficiency in the Road Transport Sector	7,000.00
43	UNDP	CC	RBAP	INDIA	IND: Development of High Rate BioMethanation Processes as Means of Reducing Greenhouse Gas Emissions	5,500.00
44	UNDP	CC	RBAP	CHINA	Energy Conservation and GHG Emissions Reduction in Township and Village Enterprise Industries in China 2	7,992.00
45	UNDP	CC	RBAP	CHINA	CPR: Promoting Methane Recovery and Utilisation from Mixed Municipal Refuse	5,285.00
46	UNDP	CC	RBAP	CHINA	CPR: Capacity Building for the Rapid Commercialization of Renewable Energy	8,800.00
47	UNDP	CC	RBAP	CHINA	CPR: Barrier Removal for the Widespread Commercialization of Energy-Efficient CFC-Free Refrigerators in China	9,617.00
48	UNDP	CC	RBAP	SRI LANKA	SRI: Renewable Energy & Energy Efficiency Capacity Building -(Full)	1,510.00
49	UNDP	CC	RBAP	CHINA	China's Initial National Communication: Needs Assessment and Enabling Activity Preparation	3,500.00
50	UNDP	CC	RBAP	INDIA	India: Coal Bed Methane Capture and Commercial Utilisation -FULL	9,198.00
51	UNDP	CC	RBAP	MALAYSIA	Industrial Energy Efficiency and Improvement Project	7,301.00
52	UNDP	CC	RBAP	THAILAND	THA: Removal of Barriers to Biomass Co-Generation from Wood Residues in Thailand -FULL	6,805.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
53	UNDP	CC	RBAP	INDIA	Enabling Activities for the preparation of India's Initial National Communication to the UNFCCC	2,000.00
54	UNDP	CC	RBAP	FIJI	FIJ: Fiji Renewable Energy Hybrid Village Power Systems -MEDIUM < 750	740.00
55	UNDP	CC	RBAP	MONGOLIA	Commercialisation of super-insulating building technology in Mongolia -MEDIUM < 750	725.00
56	UNDP	CC	RBAP	CHINA	Improving Lighting Energy Efficiency in China: The China Green Lights Program	8,136.00
57	UNDP	CC	RBAP	PHILIPPINES	Palawan Alternative Rural Energy and Livelihood Support Project -MEDIUM < 750	750.00
58	UNDP	CC	RBAS	JORDAN	Jordan - Reduction of Methane Emissions and Utilization of Municipal Waste for Energy in Amman	2,500.00
59	UNDP	CC	RBAS	Regional	Regional - Building Capacity in the Maghreb to Respond to the Challenges and Opportunities created by National Response to the UNFCCC	2,500.00
60	UNDP	CC	RBAS	SUDAN	Sudan - Barrier Removal to Secure PV Market Penetration in Semi-Urban Sudan -MEDIUM < 750	750.00
61	UNDP	CC	RBAS	TUNISIA	Tunisia - Experimental Validation of Building Codes and Removal of Barriers to their Adoption	4,360.00
62	UNDP	CC	RBAS	SYRIAN ARAB REPUBLIC	Syria - Supply-Side Efficiency and Energy Conservation and Planning	4,070.00
63	UNDP	CC	RBAS	Regional	Regional - Energy Efficiency Improvements and GHG Reduction in Egypt and the Palestinian Authority	4,110.00
64	UNDP	CC	RBAS	Palestinian Authority	PA - Energy Efficiency Improvements and Greenhouse Gas Reduction	2,475.00
65	UNDP	CC	RBAS	Regional	Lebanon/Palestine - Energy Efficient Buildings - MEDIUM > 750	494.00
66	UNDP	CC	RBAS	Palestinian Authority	Capacity Building for the adoption and application of energy codes for buildings	500.00
67	UNDP	CC	RBAS	TUNISIA	Tunisia -Barrier Removal to Encourage and Secure Market Transformation and Labelling of Refrigerators.	710.00
68	UNDP	CC	RBAS	MOROCCO	Morocco - Market Development for Solar Water Heaters -FULL	2,965.00
69	UNDP	CC	RBAS	LEBANON	Lebanon - Cross Sectoral Energy Efficiency and Removal of Barriers to ESCO Operation -FULL	3,400.00
70	UNDP	CC	RBAS	EGYPT	Egypt - Introduction of Viable Electric and Hybrid Electric Bus Technology in Egypt -CONCEPT - MEDIUM < 750	749.00
71	UNDP	CC	RBEC	RUSSIAN FEDERATION	Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Buildings and Heat Supply	2,980.00
72	UNDP	CC	RBEC	Poland	Integrated Approach to Wood Waste Combustion for Heat Production in Poland	950.00
73	UNDP	CC	RBEC	BULGARIA	Energy Efficiency Strategy to Mitigate Greenhouse Gas Emissions. Energy Efficiency Demonstration Zone in the City of Gabrovo	2,575.00
74	UNDP	CC	RBEC	CZECH REPUBLIC	Low Cost/Low Energy buildings in the Czech Republic	448.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
75	UNDP	CC	RBEC	Slovenia	Slovenia - Removing Barriers to the Increased Use of Biomass as an Energy Source	4,300.00
76	UNDP	CC	RBEC	LATVIA	Economic and Cost-Effective Use of Wood Waste for Municipal Heating Systems in Latvia	750.00
77	UNDP	CC	RBEC	HUNGARY	Hungary: Public Sector Energy Efficiency Programme	4,200.00
78	UNDP	CC	RBEC	POLAND	Gdańsk Cycle Infrastructure and Promotion Project	1,000.00
79	UNDP	CC	RBEC	LITHUANIA	Elimination of Green House Gases in the Manufacturing of Domestic Refrigerators and Freezers at Snaige	999.00
80	UNDP	CC	RBLAC	BRAZIL	Biomass Power Generation: Sugar Cane Bagasse and Trash	3,750.00
81	UNDP	CC	RBLAC	BRAZIL	Hydrogen Fuel Cell Buses for Urban Transport	12,274.00
82	UNDP	CC	RBLAC	BOLIVIA	Rural Electrification with Renewable Energy through the Popular Participation Law	4,218.00
83	UNDP	CC	RBLAC	CUBA	Producing Energy Efficient Refrigerators without making use of Ozone Depleting Substances	750.00
84	UNDP	CC	RBLAC	CHILE	Barrier Removal for Rural Electrification with Renewable Energies.	6,067.00
85	UNDP	CC	RBLAC	MEXICO	Project to demonstrate Fuel Cell Buses and Associated Fuel Supply system in Mexico , Phase I	5,078.00
86	UNDP	CC	RBLAC	PERU	Photovoltaic-based Rural Electrification in Peru-FULL	3,955.00
87	UNDP	CC	RBLAC	REGIONAL	The creation and strengthening of Capacity for Sustainable Renewable Energy Development in Central America	750.00
88	UNDP	CC	RBLAC	PERU	MSP: Renewable Energy Systems in the Peruvian Amazon Region (RESPAR) -MEDIUM < 750	747.00
89	UNEP	CC		Global	Redirecting Commercial Investment Decisions to Cleaner Technologies – A Technology Transfer Clearinghouse	750.00
90	UNEP	CC		Global	Promoting Industrial Energy Efficiency through a Cleaner Production/Environmental Management System Framework.	950.00
91	UNEP	CC		Global	Assessment of Impacts of and Adaptation to Climate Change in Multiple Regions and Sectors (AIACC)	
92	UNEP	CC		Global	Solar and Wind Energy Resource Assessment	6,512.00

International Waters

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	WB	IW	MNA	Jordan	Gulf of Aqaba Environmental Action Plan	
2	WB	IW	ECA	Reg. (Kazak., Kyrgyz, Tajik., Turkmen., Uzbek.)	Water and Environmental Management of the Aral Sea Basin	2.50
3	WB	IW	ECA	Regional (Albania, Macedonia)	Lake Ohrid Management	3.00
4	WB	IW	EAP	Regional (Camb. Thail. Viet.)	Mekong River Water Utilization	4.28
5	WB	IW	AFR	Regional (Kenya)	Lake Victoria Environmental Management (46871)	13.02
6	WB	IW	LCR	Regional (Org. of Eastern Caribbean States)	Ship-Generated Waste Management	11.10
7	WB	IW	AFR	Regional (Tanzania)	Lake Victoria Environmental Management (46872)	12.53
8	WB	IW	AFR	Regional (Uganda)	Lake Victoria Environmental Management (46870)	36.80
9	WB	IW	ECA	Romania	BS/ Agricultural Pollution Control Project	5.45
10	UNDP	IW	RBA	REGIONAL	Benguela Current Large Marine Ecosystem	
11	UNDP	IW	RBAP	Regional	Building Partnerships in Environmental Protection and Management for the East Asian Seas (PEMSEA)	16,224.00
12	UNDP	IW	RBAP	Regional	Implementation of the Strategic Action Programme (SAP) of the Pacific Small Island Developing States (13 countries)	12,000.00
13	UNDP	IW	RBAS	EGYPT	Egypt - Lake Manzala Engineered Wetlands	
14	UNDP/UNEP/WB	IW	RBAS	REGIONAL	Regional - Implementation of the Strategic Action Programme (SAP) for the Red Sea and Gulf of Aden	19,000.00
15	UNDP	IW	RBEC	UKRAINE	Preparation of the Strategic Action Plan for the Dnipro River Basin and Development of SAP Implementation Mechanism	7,000.00
16	UNDP	IW	RBEC	SLOVAKIA	Transfer of Environmentally Sound Technology (TEST) In the Danube River Basin	990.00
17	UNDP	IW	RBEC	REGIONAL	Strengthening the implementation capacities for nutrient reduction and transboundary cooperation in the Danube River Basin	5,000.00
18	UNDP	IW	RBLAC	Uruguay	Environmental Protection of the Rio de La Plata and its Maritime Front: Pollution Prevention and Control and Habitat Restoration	5,682.00
19	UNDP/UNEP	IW	RBLAC	CUBA	Demonstration of Innovative Approaches to the Rehabilitation of Heavily Contaminated Bays in the Wider Caribbean.	4,038.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
20	UNDP	IW		REGIONAL	Control of eutrophication, hazardous substances and related measures for rehabilitating the Black Sea ecosystem, Tranche 1	4,000.00
21	UNDP/UNEP/WB	IW		GLOBAL	IW LEARN	1,930.00
22	UNDP/WB	IW		GLOBAL	Global: Knowledge Sharing in IW - Train-Sea-Coast	2,971.00
23	UNDP	IW		GLOBAL	Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries	7,392.00
24	UNDP	IW		GLOBAL	Artisanal Gold Mining	7,125.00
25	UNEP	IW	Europe	Russian Federation	Persistent Toxic Substances (PTS), Food Security and Indigenous Peoples of the Russian North.	750.00
26	UNEP	IW	Global	Global	Global International Waters Assessment (GIWA)	6,495.00
27	UNEP	IW	LAC	Brazil	Integrated Management of Land-based Activities in the Sao Francisco Basin.	4,771.00
28	UNEP	IW	LAC	Brazil	Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin	6,615.00
29	UNEP	IW	LAC	Regional	Formulation of Strategic Action Programme for the Integrated Management of Water Resources and the Sustainable Development of the San Juan River Basin and its Coastal Zone.	3,930.00
30	UNEP	IW	LAC	Regional	Implementation of the Strategic Action Programme for the Bermejo River Binational Basin	11,040.00
31	UNEP	IW	Asia	Regional	Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand.	16,749.00
32	UNEP	IW	AFR	Regional	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	750.00
33	UNEP	IW	Global	Global	Regionally Based Assessment of Persistent Toxic Substances	2,662.00
34	UNEP	IW	Global	Global	Reduction of Environmental Impact from Tropical Shrimp Trawling, through the introduction on By-catch Reduction Technologies and Change of Management	4,780.00
35	UNEP	IW	ME	Regional	Determination of the Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Sea.	6,290.00

Ozone

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	WB	OD	EAP	Russian Federation	Phase-out of Ozone Depleting Substances	35.00
2	WB	OD	EAP	Ukraine	Phaseout of Ozone Depleting Substance Phaseout	23.34
3	UNEP	OD	CE	Regional	Promoting Compliance with the Trade and Licensing Provisions of the Montreal Protocol in CEITs	694.00
4	UNEP	OD	CE	Regional	Initiating early Phase Out of Methyl Bromide in Countries with Economies in Transition (CEITs) Through Awareness Raising, Policy development and Demonstration (in Georgia and Moldova)	663.00
5	UNDP	OD	ECA	Estonia	Programme for Phasing Out Ozone Depleting Substance	851.00
6	UNDP	OD	ECA	Kazakkhtan	Programme for Phasing Out Ozone Depleting Substance	5,433.00
7	UNDP	OD	ECA	Latvia	Programme for Phasing Out Ozone Depleting Substance	1,323.00
8	UNDP	OD	ECA	Lithuania	Programme for Phasing Out Ozone Depleting Substance	4,416.00
9	UNDP	OD	ECA	Tajiskistan	Programme for Phasing Out Ozone Depleting Substance	898.00
10	UNDP	OD	ECA	Uzbekistan	Programme for Phasing Out Ozone Depleting Substance	3,203.00

Multi-Focal Areas

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	WB	MTF	Global	Global	Small and Medium Scale Enterprise Program (replenishment - IFC)	15.50
2	WB	MTF	EAP	Mongolia	Dynamics of Biodiversity Loss and Permafrost Melt in Lake Hovsgol National Park (targeted research) (MSP)	0.83
3	WB	MTF	LAC	Nicaragua	Barrier Removal and Forest Habitat Conservation (Coffee/Allspice) (MSP)	0.75
4	UNDP	MTF	RBLAC	REGIONAL	Building wider public and private constituencies for the GEF in Latin America and the Caribbean: Regional Promotion of Global Environmental Protection through the Electronic Media	998.00
5	UNDP	MTF		GLOBAL	Capacity Building for Small Island Developing States through SIDS Net	1,000.00
6	UNDP	MTF		GLOBAL	Country Dialogue Workshop	3,585.00
7	UNEP	MTF		Regional	Emergency Response to Combat Forest Fires in Indonesia to Prevent Haze in South East Asia	750.00

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
8	UNEP	MTF	Global	Global	Involving National Legislators in International Environmental Decision-making through Participation in the preparations for the World Summit on Sustainable Development Proceedings and the Second GEF Assembly.	250.00
9	UNEP	MTF	Multi-Country	Multi-Country	Assessment of Soil Organic Carbon Stocks and Change at National Scale.	978.00
10	UNEP	MTF	Africa	Regional	Development and Integration of the Environmental Component in the "Partnership for Africa Renewal" Programme	600.00
11	UNEP	MTF	Global	Global	Technology Transfer Networks - Phase I: Prototype Set-Up & Testing and Phase II: Prototype Verification & Expansion (SANET)	1,275.00
12	WB	MTF	LAC	Mexico	Oaxaca Sustainable Hill-Side Management Project (MSP)	0.74
13	UNDP	MTF		GLOBAL	Capacity Building for Small Island Developing States through SIDS Net	1,000.00

Land Degradation

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	WB	LD	LAC	Mexico	Oaxaca Sustainable Hill-Side Management Project (MSP)	0.74
2	UNDP	LD	RBA	SENEGAL	Integrated Ecosystem Management of Four Representative Landscapes of Senegal	10,070.00
3	UNDP	LD		GLOBAL	Capacity Building for Small Island Developing States through SIDS Net	1,000.00

Short Term Measurements Results

No.	IA	FA	Region	Country	Project	GEF Funding (US$ mill)
1	UNDP	STRM	RBA	SOUTH AFRICA	Best Environmental Practice in the Hosting of the World Summit on Sustainable Development	1,000.00
2	UNDP	STRM	RBLAC	MEXICO	Strategic Planning and Design for the Environmental Protection and Sustainable Development of Mexico	653.00