

GLOBAL ENVIRONMENT FACILITY
PROPOSAL FOR PDF BLOCK C GRANT

Countries:	Regional: LAKE CHAD BASIN COUNTRIES (Chad, Niger, Nigeria, Cameroon and Central African Republic)
GEF Focal Area:	Integrated Land and Water Multiple Focal Area; Operational Program #9; and African Land and Water Degradation Initiative. (Also with Linkages to Climate Change, Biodiversity, Desertification.)
Project Title:	Support to the detailed technical design and feasibility of demonstration projects and co-implementation arrangements for a full GEF project
Requesting Agencies:	World Bank and UNDP
Executing Agencies:	World Bank and UNDESA
Funding requested;	\$ 346,500.
Co-funding:	UNDP, UN-DESA, National Governments, World Bank.
Block A Grant awarded:	No
Block B Grant Awarded:	Yes
Duration and dates:	Six months after formal GEF approval of the LCB brief

THE CONTEXT

1. Situated in the eastern part of the Sahel region of Africa, at the southern edge of the Sahara desert, Lake Chad and its active basin constitutes an important freshwater resource shared by Cameroon, the Central African Republic, Chad, Niger and Nigeria. The surface area of the lake varies considerably with the amount of annual rainfall, and the recent historical variation in the surface area of the lake has ranged from approximately 25,000 to 2,000 km². Lake Chad is Africa's fourth largest lake (in terms of surface area) after Victoria, Tanganyika, and Nyassa. Lake Chad is shallow – its average depth being 1.5 m. - and is of relatively small volume. One of Lake Chad's tributaries, the Chari River, supplies approximately 95% of the lake's surface water input. The lake is subject to considerable evaporation and yet is not saline. For thousands of years Lake Chad has been a centre of development, trading and cultural exchange between the people's living to the north of the Sahara and those to the South. Close to twenty million people depend for their livelihood on activities carried out in the lake and its active basin, which includes important wetlands and floodplains covering 966,955 km². By the year 2020, the population that depends on the lake and its associated resources is projected to reach 35 million.

2. Policy and Institutional Context. The context is characterised by the central presence of the Lake Chad Basin Commission (LCBC), created in 1964 when Cameroon, Chad, Niger and Nigeria signed the Convention of Fort Lamy (now N'Djamena), attached as Annex 6 which in turn led to the creation of the LCBC. The role of the LCBC has been to ensure the most efficient use of the basin's waters, to co-ordinate regional (as opposed to national) development, and to assist in the settlement of disputes that might arise between and among the basin states. The original four signatory countries have now been joined by the Central African Republic. The LCBC has been the vehicle for a set of diagnostic studies carried out in the 1980s and the resulting Lake Chad 'Master Plan' which was finalised in 1992 and ratified in 1994. The LCBC has also been the vehicle for the GEF PDF B work which has achieved consensus on a "Strategic Plan" to address basin degradation

BACKGROUND TO THIS REQUEST

3. The Lake Chad Basin (LCB) is experiencing progressive degradation as processes of desertification and environmental change are accelerated by human demands for the natural resources in the basin - principally land and water. A mosaic of societies and cultures rely upon these resources to sustain agricultural and pastoral activities - often at subsistence level.
4. Numerous projects on natural resources development and management, environmental conservation and on other water related sectors (Fisheries, agriculture), have been carried out in the Lake Chad Basin under various, mostly bilateral, assistance agreements. The combined positive impact of all these projects on the sound management and development of the Natural and Human resources of the Lake Chad basin has been very limited. The reasons accounting for this limited success are two fold.
5. Firstly, the co-ordination of national efforts under bilateral and multi-country agreements has been weak. As the problems of the Lake Chad Basin have strong regional dimensions, co-ordination at the regional level is essential. This involves not only national governments but also involves co-ordination among state and other local level governments which operate within the Basin. The LCBC has not been in a position to be involved at all local and national levels.
6. The second factor contributing to the limited structural impact of the projects of the past is the absence of an institutional, legal and policy environment adapted to the planning, management and development of natural resources in such a complex and challenging, ecological and institutional setting as the Lake Chad Basin. Effective management is not easy in such a complex institutional situation.

The Existing GEF Project proposal

7. The long-term objective of the already developed GEF project brief, "**Reversal of Land and Water Degradation Trends in the Lake Chad Basin Ecosystem**", which is nearing approval, is to achieve global environmental benefits through improved joint management of the naturally integrated land and water resources of the Lake Chad Basin. This will hinge upon establishing and testing a system of basin governance in which interventions at national and local levels can be linked to an agreed basin-level plan of action amongst the riparian countries.
8. The specific purpose of the project is to overcome barriers to the joint management of the basin through well-orchestrated and enhanced collaboration and capacity building among riparians and stakeholders. Trans-boundary issues have already been identified and agreed by five member States of the Lake Chad Basin Commission (LCBC) in the long term regional LCB Strategic Plan.

9. Stage I of the GEF supported Project therefore involves completion of a Trans-boundary Diagnostic Analysis (TDA) to identify the trans-boundary priorities and lead to the formulation of a Strategic Action Programme (SAP). This SAP will include necessary baseline and additional actions to address the priority trans-boundary issues and provide an essential monitoring and evaluation tool for implementation. It will articulate a set of detailed sub-programmes and identify resources necessary for implementation. Subsequently, it is expected that Stage II will support full scale implementation of the GEF SAP.
10. The project provides for a process of formal endorsement of the GEF SAP by the participating governments, support for the translation of SAP provisions into national policy and legislation, and the mobilisation of institutional and investment resources for its implementation. It is anticipated that this project will be approved and launched early in 2000.

Development pressures, projects and rationale for co-implementation.

11. The Project Brief makes provision for co-implementation by UNDP and the World Bank to ensure effective co-ordination of multi-lateral assistance to the Lake Chad Basin. The Project will be closely co-ordinated with other GEF IW Projects in West Africa, such as the proposed Senegal River Basin and the Niger River Basin projects, which are concerned with desertification as well as international waters issues. However the modalities for achieving effective co-ordination between GEF projects in different basins and also between the numerous existing and planned agency supported projects within the Lake Chad Basin itself, need to be worked out in more detail. This has become particularly urgent recently, in the light of the release of pent-up development pressures in Nigeria, the continuing reduction of the size and volume of the Chad Lake, the new initiatives from the Heads of the GEF Agencies for an African Integrated Land and Water Initiative, the increased activities of sub-regional agencies such as CILSS and ECOWAS, as well the need for effective implementation of the Convention to Combat Desertification (CCD) in the region. As such the initiative is designed to address the complex issues of an integrated approach to the prevention of natural resources depletion, in the increasingly stressed African basin environmental contexts and also serve as an entry point for the Implementing Agency driven Land and Water Initiative.
12. In CHAD UNDP is funding a 3 years project (1999-2001) , executed by UNDESA, to support the Government in preparing an Integrated Water Development and Management Policy , and its operational strategies, on the base of detailed independent sub-sector surveys, reviews and analysis conducted by consultants. As one of first results of this project a decree signed on 3 September 1999 by the Prime Minister, put in place cross-sectoral institutional arrangements and mechanisms at three levels of central co-ordination for water management (technical, strategic ,and politics). This decree paves also the way for other decentralised mechanisms and for the internalisation of environmental and shared-water issues.
13. In the Central African Republic UNDP is funding a water resource information system and rural water supply programme with UNDESA as executing agency.
14. In Nigeria, following the recent political changes, there has been a tremendous release of pent-up energy in the development sector, as donors who have been holding back their support for some years, are now rapidly releasing the restraints and showing willingness to support a wide range of sectoral and multi-sectoral development projects. These are being developed not only under the auspices of the Federal Government, but also by the Nigerian States and local governments.

15. The World Bank is working with the Nigerian government in support of the preparation of a water resources management strategy, a participatory process which is getting underway and is tied to implementation of the Bank's Integrated Water resources Management Policy. A Bank mission has recently visited Northern Nigeria considering a natural resources project and has made recommendations concerning several potential GEF projects.
16. In Niger, much work has been done in recent years by the Government on reviewing and designing water resources management strategies and legislation, supported substantially by UNDP, UNDESA and others, but this now has to be put into practice. Water and soil management were marked as high priorities in the recent World Bank's Country Assistance Strategy. The Government of Niger plans to hold a Round Table to obtain support for the implementation of priority water projects in 2000. The Bank is carrying out a comprehensive sector review and preparing a Water Sector Project which will help address some of these issues.
17. Other World Bank projects in West Africa, which are aimed at supporting land and water management activities to prevent land degradation, include a Volta Basin Project, a Sahel Desert Margins Land Management Program (it covers the Niger and Senegal rivers), and the Nile Basin Project. The Bank is also co-operating with the UNEP-GEF supported PDF B preparation for the Volta River basin. In Chad the current WB Country Assistance Strategy highlights policy dialogue on environment and finding funding for NEAP off-shoots. There is a Household Energy Project underway. There is an African Development Bank project being planned to protect the zone of Lake Chad. In Cameroon there are two relevant active World Bank projects: a biodiversity conservation and management project and an agricultural extension and research program support project.
18. UNDP's work on land and water management includes providing assistance to countries affected by desertification to help prepare national action plans (NAPs) to combat desertification. The NAP outlines a country's priority programs to combat desertification. UNDP's particular service is to help countries to integrate desertification into national planning process. It is also working with sub-regional organisations to address drought and desertification issues. Through UNDP's GEF Unit there are many on-going projects in Africa that address land and water degradation issues. UNDP country offices also provide support to facilitate workshops for the convening of key stakeholders, for capacity building and for local co-ordination and similar technical meetings, all activities being those which UNDP can exercise its comparative advantage in capacity building.
19. UNEP was the leader in initiating a study of environmental degradation in the Lake Chad basin in the 1980s (Kindler et al. 1989). Under the GEF Strategic Partnership, UNEP plans to establish an internet-based Interactive Forum to mobilise the scientific and technical community to participate in the development and implementation of the Africa Integrated Land and Water Initiative (see below). A progress report on the implementation of this Initiative will be submitted to the 36th meeting of the OAU to be held in Lome, Togo in June/July 2000.
20. The GEF is increasing its support to land and water management projects, through the Integrated Land and Water Multi-focal Operational Program under the International Waters Focal Area, and also by developing a Policy Initiative on Integrated Land and Water Management. This is aimed at catalysing wider adoption of the paradigm shift from single sector approaches towards an integrated and cross-sectoral approach to land and water management. This effort will also complement the recently announced, operationally-based, "Africa Integrated Land and Water Initiative".

The Africa Integrated Land and Water Initiative.

21. The Africa Integrated Land and Water Initiative was launched in March 1999 by the Heads of the Global Environment Facility (GEF) Implementing Agencies – UNDP, UNEP, and the World Bank. This was described by Mr. El Ashry, CEO of the GEF at Recife in November.

" UNDP, UNEP and the World Bank have agreed to forge a new strategic partnership for inter-agency collaboration on land and water degradation with initial emphasis on Africa. It recognizes that land and water resources are key to the economic development of drylands. It also recognizes that the problems of degradation of these resources cut across country borders, areas of technical expertise, and agency responsibilities. Achieving success in reversing resource degradation and alleviation of poverty, while generating global benefits, however, requires coordinated actions to achieve sustainable development. With the volume of World Bank lending, UNDP's own resources, UNEP's technical expertise, and GEF grant resources, I believe we can make a substantive difference. "Let me emphasize, however, that this is not an effort that is confined to the GEF and its three implementing agencies. Coordinated action must involve the major players on the international scene, especially IFAD and FAO, and hopefully the bilaterals. ... With the CCD now in place, what is needed most is a coordinated longer term view that is deeply anchored in sustainable development and that goes beyond the project by project approach. "

22. An informal brainstorming meeting was held in Recife on November 16, 1999, on the margins of the third Conference of the Parties of the UN Convention to Combat Desertification (UNCCD), to discuss this. The meeting, which was chaired by the GEF Secretariat, was attended by representatives of the GEF Implementing Agencies, GEF Secretariat, UNCCD Secretariat, Global Mechanism of the CCD, FAO, WMO, and UNESCO. The objectives of the meeting were to: (a) provide an update on the land and water management programs of the organisations present; (b) clarify the objectives of the Africa Land and Water Initiative; and (c) define the next steps towards implementing it. The following agreements were reached at the meeting:
- organisations present at the meeting re-affirmed their commitment to carry out the decision of the Heads of Agencies in a collaborative manner. The World Bank will continue to provide overall co-ordination for the Initiative;
 - the Initiative should be Africa-led, therefore, efforts should be made to substantially involve African institutions from the outset;
 - the Initiative should develop strategic objectives for the adoption of a programmatic approach (at the national, sub-regional, and regional levels), focusing on adding value to on-going activities through partnerships with institutions and networks working on these issues. It should promote synergies among the partner organisations while recognising their limitations; and
 - a follow up workshop within the next few months is needed to specifically define the objectives, activities, and expected outcome/output of the Initiative.

THE RATIONAL FOR THIS PDF C REQUEST.

23. As the background given above shows, there is an increasingly urgent need to complement and reinforce the planned GEF project activities in line with the agreed LCB long-term strategic approach. New initiatives such as the African Integrated Land and Water Initiative need to be addressed and given greater technical definition. There is also a new imperative to search for effective on-the-ground co-operation between Implementing Agencies and other agencies and governments. This includes full participation of the stakeholders and public at all levels in the Basin through their support to the detailed technical design of demonstration projects.

24. The **purpose** of this PDF C request is as follows:

- 1) provide technical design and assess the technical and economic feasibility of a set of proposed demonstration projects. The demonstrations would establish working methodologies for conservation of transboundary aquatic ecosystems, including demand management and conjunctive use of linked surface and groundwater systems;
- 2) focus the comparative advantage of the GEF implementing agencies in the context of the ongoing definition and technical design of the Africa Integrated Land and Water Initiative;
- 3) implement regional consultations re. 1) and 2) above;
- 4) incorporate the work envisioned in 1), 2), and 3) above into the detailed project document; and
- 5) solicit and establish the financial modalities for additional donor support for the above activities and the project as a whole.

DESCRIPTION OF THE PDF C ACTIVITIES

Technical Design of Demonstration / Pilots

25. Potential demonstration under the four thematic areas (protected areas, demand management, pollution control and basin) will be researched, designed and presented for discussion at regional consultation meetings for formal approval under the GEF project. The basin pilots will focus in the Kamadougou and Chari-Logon-El Beid basins. A significant element built into the PDF-C stage is a comprehensive effort to determine the attitudes, needs, wishes and capabilities of the potential public beneficiaries of the demonstration / pilots as a means of testing the feasibility of implementing the selected demonstrations. Activities will include;

- Field visits
- Preparation of the technical and other aspects of the demonstration proposals
- Identification of actors and stakeholders at appropriate levels
- Consultations with actors and stakeholders

Focus the Comparative Advantage of the Implementing Agencies in the context of the ongoing definition and technical design of the African Integrated Land and Water Initiative.

26. A major focus of the PDF C is to help identify ways to put into practice, and give technical definition to, this most needy and challenging of areas, a test application and overall feasibility of the Africa Integrated Land and Water Initiative. The activity under this heading would be to establish linkages between the Chad project and the Initiative and to report on the experience gained during preparation. This element will utilise and build on the respective World Bank's and DESA's comparative advantages in helping to strengthen the Policy Dialogue and the Institutional Linkages with this Initiative and states, on one side, and with and among riparian countries on the other. This will be fed into the regional initiatives supported by the UN system in general. Specific activities will include definition of implementation modalities including;

- definition of the respective roles of each partner, in particular Task Manager roles and Terms of Reference, the role of the WB for donor mobilisation, policy dialogue and in national water policy support; the DESA role (in addition to its executive role of the project) in support to water policy especially in Chad, mobilisation of relevant technical institutions); the LCBC role; the roles of other agencies, national, state and local governments, NGOs etc, and
- Definition of appropriate TORs and budgets in the GEF project document.

Regional Consultation

27. Under this activity the UNDESA and UNDP and the World Bank will support the LCBC in the preparation and holding of major regional consultations to discuss the draft project document, which would include the additional technical level detail that is the subject of this PDF-C, and later to launch the full project. It is intended that all levels of government, non-government organisations and representatives of civil society will be represented. It is hoped that other donors will contribute to and attend as observers in this process

Finalise Project Document

28. On the understanding that the project brief has been accepted., the results of the preceding PDF-C activities will be used to finalise a project document in mid 2000. This will be the responsibility of UNDP and will be carried out by UNDESA.

Donor Support

29. Under this activity the World Bank and UNDP together will exercise their convening power to support the LCBC in the preparation for and holding of meetings to solicit donor support. This will be designed to present the project brief, to outline the supplementary work under design in this PDF-C, to seek the co-operation and support of partners for the launching of the demonstration / pilots and to seek support for the project document prior to a formal donor conference anticipated under the full project solicit, and establish the financial modalities for additional donor support.

IMPLEMENTATION

30. This PDF-C request will be implemented by the World Bank in close association with, UNDP, UNDESA, LCBC and the riparian governments. The implementation arrangements outlined in the Project brief are expected to be put in place as soon as possible to ensure appropriate co-ordination with clarity of execution.
31. The respective UNDP and WB Task Managers will be in direct and ongoing contact to facilitate the work of the projects and to ensure maximum levels of co-operation to bring about project success. As an immediate step, each Implementing Agency will compile its respective water activities within the project area and suggest how these activities can contribute to the basin wide program. Specific additional joint activities will be sought and acted upon by the respective Task managers as the project is developed and implemented.

FINANCING

Cost of the PDF :

32. The total cost of the PDF-C request is expected to be of the order of \$425,000, of which some \$78,500 will be counterpart contribution in kind. This leaves a total request of \$346,500. \$150,000 of this total will be made available for UNDP to enable their participation in the preparatory work through UNDESA and local UNDP offices. The assignment of shared and specific activities are indicated in the budget under paragraph 35. For the shared activities, the lead agency is cited first.

Financing Plan:

33. Co-financing arrangements for the full project are being investigated and the search for partners will be continued under the PDF-C. The World Bank, UNDP, UNEP and the ADF have informally indicated their interest to co-operate on this project. In view of their involvement and expressed interest in a number of projects identified in the LCBC Master Plan and plan of action, the German Technical Co-operation (GTZ), USAID, the Dutch Development Co-operation, the ECC and CIDA have been invited to co-finance parts of the GEF umbrella project.
34. During the project, definite arrangements for co-financing will be sought, finalised and executed with these and other bilateral resources and multilateral sources. In particular the World Bank would be expected to take a lead role in the search for co-financing and in the follow-up investment phase of the project.
35. The following table presents the expected expenditures under the proposed PDF-C Grant.

BUDGET FOR PDF-C REQUEST

ACTIVITY	TIME FRAME	COST (US \$)
Technical Design of Demonstration/Pilots (UNDP/WB)		
National Consultants	4 months	20,000
International consultants	4 months	60,000
Missions		30,000
Meetings		5,000
Focus on co-implementation in context of African Land & Water Initiative (WB/UNDP)		
National Consultants	1 month	5,000
International consultants	1 month	15,000
Missions		15,000
Regional Consultation (UNDP/WB)		
National Consultants	4 months	20,000
International consultants	2 months	30,000
Missions		25,000
Meeting costs		25,000
Finalise Project Document Design (UNDP)		
International consultants	1 month	15,000
Solicit Donor Support (WB)		
National Consultants	2 months	10,000
International Consultants	1 month	15,000
Missions		20,000
Meeting costs		20,000
Contingency (5%)		16,500
TOTAL		346,500