



**PROJECT DEVELOPMENT FACILITY
REQUEST FOR PDF BLOCK B APPROVAL**

AGENCY'S PROJECT ID:

GEFSEC PARTNERSHIP ID: P092375

COUNTRY: Regional (sub-Saharan Africa)

PARTNERSHIP TITLE: Strategic Investment Program for Sustainable Land Management in sub-Saharan Africa (SIP)

GEF AGENCY: World Bank (**Lead**),

OTHER GEF AGENCY (IES): UNDP, UNEP,

AfDB, FAO, IFAD

PDF B DURATION: 12-18 months

GEF FOCAL AREA: Land Degradation with reference to International Waters and Biodiversity

GEF OPERATIONAL PROGRAM: OP 15 with reference to 1, 2, 3, 4, 9 and 13.

GEF STRATEGIC PRIORITY: (Under GEF-4) SLM-1, SLM-2, SLM-3, SLM-4, EM-1, IW-3, BD-2, SPA

ESTIMATED STARTING DATE: Nov 2005

ESTIMATED WP ENTRY DATE: Nov 2006

PIPELINE ENTRY DATE: June 9, 2005

FINANCING PLAN (US\$)	
GEF ALLOCATION	
Partnership (<i>estimated</i>)	50% of GEF allocation to land degradation (~275,000,000 phase 1, depending on the level of the replenishment)
Partnership Co-financing (<i>estimated</i>)	550,000,000 (phase 1)
PDF A*	
PDF B**	700,000
PDF C	
<i>Sub-total GEF PDF</i>	
PDF CO-FINANCING (details provided in Section D – Budget)	
IBRD/IDA/IFC	700,000
NEPAD	50,000
FAO	150,000
IFAD	300,000
<i>Sub-total PDF Co-financing:</i>	1,200,000
<i>Total PDF Financing:</i>	1,900,000

RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT:

N/A

Date: N/A

Endorsement is not applicable since this is a request for strategic partnership. Endorsement letters will be provided for each national level project to be developed under this strategic partnership.

This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for approval.

Steve Gorman
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Date: October 6, 2005

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II. PARTNERSHIP DEVELOPMENT PREPARATION

Strategic Investment Program (SIP) for SLM in SSA

(For Part I, please reference the SIP Concept Note approved for GEF Pipeline Entry on June 9, 2005)

A. Brief Overview of the PDF B Preparation Process

The SIP aims to support the mainstreaming and scaling up of country-driven SLM approaches in sub-Saharan Africa (SSA). It will do this in relation with the implementation of TerrAfrica, a World Bank led Global Partnership Program (GPP), which is designed as a multi-partner platform including SSA countries, the NEPAD Secretariat, the UNCCD Secretariat and the GM, multilateral, regional and sub-regional organizations, bilateral donors, civil society and scientific organizations. TerrAfrica aims to effectively support countries and their partners to mainstream and scale-up country-driven SLM approaches by strengthening priority elements of the domestic and regional enabling environment for SLM – which is currently hindered by substantial barriers and bottlenecks.

In order to achieve these goals, the TerrAfrica partnership has for objective to collaborate under three Activity Lines:

- Activity Line 1, Coalition Building, aims at consolidating the partnership to advocate for a common vision of SLM, share analyses, set the foundations for strengthening and harmonizing policy dialogue and strategies, harness commitment on all sides and improve coordination.
- Activity Line 2, Knowledge Management, provides a platform for TerrAfrica partners to identify, generate and disseminate knowledge that supports decision making, informs policy making, advances mainstreaming (in particular into PRSPs, donor strategies and sectoral plans), provides the elements for improved benchmarking, helps secure domestic financing and supports the harmonization of monitoring and evaluation activities by governments, donors and CSOs. In this way, knowledge will be channeled to support the investments on the ground made by governments, donors and civil society.
- Activity Line 3, Investments, focuses at country, and selectively at sub-regional levels, on effective and efficient mainstreaming SLM into national and donor development strategies and policy dialogue as a means to scale up and harmonize investments in SLM. Depending on country readiness (PRSP, SLM governance, ability to commit, etc.), level and nature of support may vary.

The role of GEF is important as a catalytic resource to finance incremental costs associated with SLM, defined by GEF in relation to land degradation as “additional costs related to an integrated ecosystem approach to land management.”¹ The integrated approach is especially productive, since SLM provides opportunities for improved management of water, conservation of biodiversity, storage of carbon, and/or adapting vulnerable production systems to climate change. Specific components of the SIP PDF include: GEF baseline definition; verifiable and consistent indicators and targets for project-level inputs, outputs, and results to ascertain SIP project consistency and good practice at both project and

¹ GEF Council Paper, Scope and Coherence of Land Degradation in the GEF (GEF/C.24/6)

program levels; a regional programming framework and accompanying investment matrices at national and subregional levels; and strong linkages to TerrAfrica's analytical and advocacy support. The SIP will thus be one strategic financing mechanism for SLM in Sub-Saharan Africa, benefiting from and contributing to the TerrAfrica platform of partnership, advocacy, and knowledge sharing. In particular, the SIP will contribute to achieving TerrAfrica programmatic outcomes under Activity Line 3 while filling selective gaps under AL 1 and 2.

The SIP is also guided by the GEF priority to commit substantial resources to Sub-Saharan Africa for sustainable land management under GEF4 (OP15), and to augment these resources with additional allocations from other GEF focal areas to support integration under an SLM approach, including adaptation to climate change. SIP and its link with the TerrAfrica platform will provide opportunities to pursue integrated management of natural resources by enhancing operational synergies among global conventions related to natural resource management (e.g. UNCCD, UNCBD and UNFCCC).

The SIP is an inter-agency program among GEF IAs and EAs that will be led and coordinated by the World Bank in close collaboration with partners and based on each agency's comparative advantage. The SIP will benefit from a proposed SIP Steering Committee (SSC) deeply linked to TerrAfrica. The SSC would be composed of GEF IAs and EAs, NEPAD, and the GEF Secretariat (The SSC would begin life during the SIP preparatory phase as an inter-agency SIP PDF Steering Committee). The World Bank will take the lead in the preparation of a Program Brief to be submitted to the GEF Council.

The Program Brief will provide a summary of an indicative GEF co-financed program of actions, including specific partnership arrangements between IAs and EAs in order to present a coherent GEF programmatic approach to SLM in SSA. The Program Brief will lay out an inter-agency GEF Strategic Partnership, modeled upon existing experience, including the CALCILM, the ADB's China SLM program and the WB-GEF Strategic Partnerships and Investment Funds (such as the Black Sea Danube partnership or the Strategic Partnership for Fisheries in sub-Saharan Africa) but tuned to the SSA context. It is planned that embedded in the overall SIP umbrella will be a Strategic Investment Fund (SIF), modeled after other GEF/WB Investment Funds. At Council submission stage, the Brief is expected to provide a listing of potential projects, generated by major SSA stakeholders, which will illustrate the strategic direction of the SIP during the first phase.

To ensure the strategic, programmatic approach that is necessary for SLM, a joint SIP results framework will be developed that lays out the expected outputs of the SIP. Agencies would commit themselves to organize their activities in such a manner that they would contribute to the realization of these outputs – the joint portfolio reviews to be conducted during the PDF phase will assist in this regard. At the same time, the agencies would be accountable for the contribution to the expected results of the SIP by adopting a harmonized M&E system (which will be jointly designed and agreed upon). The SSC would provide the mechanism to discuss progress of the SIP based on the agreed results framework.

Although the SIP will focus on coordinating efforts among the GEF family, the establishment of the multi-donor TerrAfrica Leveraging Fund (TLF) by TerrAfrica partners provides an opportunity for donors to pool their financial resources and align their priorities. However, fund management modalities for the SIP and for the TerrAfrica TLF are different; PDF B implementation will further clarify this relationship.

Existing SSA portfolios will be reviewed for gaps and synergies across the GEF Family and specific areas of responsibility outlined in the context of the SIP and the GEF Instrument (see GEF SIP concept note).

The administration of the SIP will operate in coordination with the TerrAfrica governance. Preparation of the SIP will be coordinated with the development and implementation of TerrAfrica and facilitated by the TerrAfrica and NEPAD secretariats throughout the program design phase and during SIP implementation. Coordination between the two processes will be ensured through modalities to be finalized during the PDF phase.

The SIP is planned to be implemented in three phases, each of them linked to a GEF replenishment cycle. The first phase will coincide with GEF4, with phases two and three being mapped to GEF5 and 6 respectively. Continuation of the program past phase one will depend on satisfactory performance as decided by the GEF Council.

Specific partnership arrangements for program implementation will be finalized during the PDF phase (see detailed activity 3 below). A programmatic approach for scaling up SLM related investments in SSA, supported by good cooperation between the NEPAD, SSA countries and GEF IAs and EAs, will facilitate action and mainstreaming so that the impact of the total GEF allocation for SLM in SSA will be maximized and optimized.

B. Description of Proposed PDF Activities and Outputs

The PDF phase will provide the elements for developing Phase 1 of the SIP. It will produce several inter-related outputs which will build on existing knowledge, efforts, and resources in SSA. Every effort will be made to execute the activities sequentially, although some outputs will be produced in parallel. In general, the analytical work and portfolio reviews that constitute output 1 will inform the other outputs, in particular output 2, the SIP Programming Framework.

- Output 1: Assessments of priorities and gaps at regional and country levels
- Output 2: Development of a SIP Programming Framework
- Output 3: Program coordination structure, management arrangements, communication, and partnership development
- Output 4: Program Brief (includes partnership modalities and priority projects)

Each of the above is described below.

PDF Output 1: Assessments of priorities and gaps at regional, sub-regional and country levels

Summary

To support countries and sub-regional organizations in defining priorities and developing their SIP projects, six component outputs will be produced during the PDF phase. The assessments, analyses and related activities that will generate these outputs will be carried out at regional, sub-regional, and national levels. They will focus on:

- Defining and analyzing barriers and bottlenecks hindering increased investments in SLM;
- Consolidating knowledge, analytical work and pursuing policy dialogue and advocacy required to address the main barriers and bottlenecks; and
- Elaborating national and sub-regional sector frameworks for guiding high quality and priority SIP investments.

During the PDF phase, selected support products will be developed, building on and possibly modifying existing knowledge. These products will be designed to serve as an important link between regional and country levels. They will allow potential recipients to better align their requests for assistance with domestic and international financing and non-financing mechanisms. They will also aim to enable donors and other partners better align their dialogues and their assistance to country needs in relation to SLM, thereby helping optimize strategic use of GEF incremental funding. These products will be thematic and sectoral, and will target financial planning, institutional development, and policy development as well as knowledge generation/dissemination. A summary list of component outputs is below, followed by a description of each.

- 1-1. Definitions and assessments of land use pressure, state, and response
- 1-2. Assessment of the nature and extent of barriers and bottlenecks to scaling-up SLM investments at country level
- 1-3. Assessment of transboundary issues
- 1-4. Assessment of the nature and extent of barriers and bottlenecks to scaling-up SLM investments throughout SSA
- 1-5. Assessment of linkages in the GEF portfolio for SSA as it relates to land management
- 1-6. Preparation of a SIP Investment Matrix (SIM)

Component outputs

1-1. Definitions and assessments of land use pressure, state, and response

Making SLM operational, including sharpened priority setting at the regional level, involves conducting assessments at multiple levels, to better define baseline:

- Definition of land uses (beneficiary targets). Most land in SSA has multiple land uses and, consequently, beneficiary target interests may not necessarily harmonize. In such cases conflict resolution scenarios need simultaneous development.
- Definition of agro-ecological zones at risk³. The risk analysis requires an assessment on how land use may unfold in response to market forces considering most likely future development scenarios in particular related to production technology⁴.

³ The Agro Ecological Zones (AEZ) methodology for land productivity assessments follows an environmental approach; it provides a framework for establishing a spatial inventory and database of land resources and crop production potentials. The characterization of land resources includes components of climate, soils, landform, and present land cover.

⁴ Farming Systems and Poverty: improving farmers' livelihoods in a changing world, FAO and World Bank, Rome and Washington, 2001.

- Definition of land pressures and a set of operational indicators drawn from pressure-response indicator analysis under the LADA project⁵.
- Definition of secured access to land and water as a condition to sustain investments.
- Definition of areas where most gains can be anticipated, i.e. where land's resilience is least affected and where productivity increases allow users' adoption of sustainable management practices⁶.

The preparation of the above definitions and analysis is highly scale sensitive and closely associates with data availability. These assessments will be carried out in all four subregions.

Deliverable: i) a discussion paper for review presenting the outputs of each of the four component assessments above, and ii) a follow-up 10-page document for insertion into the Program Brief, plus graphics as needed.

1-2. Assessment of the nature and extent of barriers and bottlenecks to scaling-up SLM investments at country level

At country level, the focus will be on developing criteria for identifying and analyzing barriers and bottlenecks for scaling up SLM at country level. This will be done through a systematic "sector" review (stocktaking and analysis) of a number of parameters as listed below. The stocktaking is planned to be undertaken in two stages, a preliminary stocktaking followed by a comprehensive stocktaking. The **preliminary** phase is based on existing data, knowledge, priorities and analyses such as those present in the PRSPs, sectoral strategies and priorities, CCD NAPs, CBD NSAPs, FCCC National communications, UNFF communications, completed TDA/SAPs, NEPAD's CAADP and Environment Action Plans. The **comprehensive** phase will require generation of new data/information. The stocktaking will result in professional knowledge products in their own right, directly usable by the country, donors and other stakeholders. The comprehensive stocktaking will be undertaken in one or two countries during the PDF phase to test the criteria, and prepare for priority projects. See table below for a first list of criteria that will be refined during program preparation.

⁵ Indicators for the degradation of ecosystem integrity, for example, are loss of biodiversity, loss of carbon sequestration potential, loss of soil productivity; and sedimentation and pollution of national and international water bodies.

⁶ A perspective on water control in southern Africa, Support to regional investment initiatives, FAO, 2004

Preliminary stocktaking at country level – systematic compilation of available data
Document what is already known on key drivers, extent and costs of LD
Map known LD hotspots and bright spots, nationally and globally significant eco-regions, and poverty and development hotspots (using LADA and NAPs as a basis)
Review policy and legal framework
Document government commitment to improved land management
Review institutional framework and capacities
Document extent of mainstreaming into national and sectoral strategies
Review incentive structures, including land tenure and agricultural supply/demand chains
Review national development strategies
Review research agendas
Document existing or potential links w/ ongoing and planned projects, including regional
Document existing donor coordination mechanisms
Review extent and mechanisms for stakeholder participation
Identify specific strategic investment gaps and antagonistic or synergistic linkages in GEF portfolio at country level.
Estimate of effective food demand 2005-2020
Climate change vulnerability assessment of rural land-use production systems
Comprehensive stocktaking at country level – filling the gaps on what is not yet known
Fill gaps identified in the preliminary stocktaking process
Prepare comprehensive baseline and gap analyses for the country, with thematic, sectoral, and geographic breakdowns
Review budget/public expenditure against SLM
Prepare recommendations on strategy and content of an SLM investment program

Deliverable: i) agreed criteria for preliminary and comprehensive stocktaking, ii) for those countries, if any, conducting a stocktaking during the PDF phase, a 10-20 page paper for each country is expected, depending on the type of stocktaking and available data.

1-3. Assessment of transboundary issues

Sub-Saharan African countries are affected by a number of more or less complex transboundary issues that are part of the cycle of land degradation. These issues include bushfires, competing management of shared water resources including aquifers, increased frequency of dust storms, increasing complexity of managing transhumance -- sometimes leading to human conflict and migration. On the basis of existing strategies, inputs of sub-regional organizations, plans of international conventions and GEF supported regional operations, including Transboundary Diagnostic Assessments and Strategic Action Programs for various international waters bodies, the SIP PDF phase will prioritize issues to which the SIP could best contribute through providing and leveraging support. In addition, to efficiently maximize global environmental benefits, contiguous countries would better cooperate and harmonize their national land management interventions that have transboundary effects; the exact mechanism for this would be determined during the PDF phase and embedded in the Investment Matrices described in 2-6 below.

Deliverable: a 10-page discussion paper analyzing the transboundary issues accompanied with a review of available work and an outline of response options.

1-4. Assessment of the nature and extent of barriers and bottlenecks to scaling-up SLM investments throughout SSA

This assessment will address the bottlenecks and barriers that are highlighted in the SIP concept note and agreed upon TerrAfrica documentation. The assessment will especially target institutional and policy factors and knowledge generation/dissemination.

Deliverable: a 10-page discussion paper analyzing the bottlenecks and barriers, accompanied with a review of available work and an outline of response options.

1-5. Assessment of linkages in the GEF portfolio for SSA as it relates to land management

Cross cutting issues will be an important dimension in the SIP and they will relate to the GEF priority of integration among focal areas. A comprehensive review of the current GEF portfolio in SSA will be conducted to identify antagonistic and synergistic linkages between projects, including umbrella projects such as LDC-SIDS (UNDP). Specific thematic work will be undertaken to define how the SIP can best contribute to focal area integration, including adaptation to climate change, groundwater management and other IW priorities, biodiversity conservation in production landscapes, including agro-biodiversity, and inter-linkages between parkland and productive land (in particular addressing forest and rangeland degradation). This exercise will enhance portfolio coordination and agency cooperation on the complexities inherent in SLM. It will also result in lower transaction costs for SSA countries and their partners, enhanced efficiencies, and rationalized land related SSA operations among the GEF agencies and in this way increase the GEF leveraging impact.

Deliverable: i) 10-page discussion paper analyzing operational implications of cross-cutting issues accompanied with a review of available work and an outline of response options, and ii) table identifying initial strategic investment gaps and antagonistic or synergistic linkages in core portfolios of GEF family (and other donors as available).

1-6. Preparation of a SIP Investment Matrix (SIM)

A "SIP Investment Matrix" (SIM) will be an adaptable tool that will allow countries to translate their specific SLM priorities into operational priorities in order to access SIP grants. It will be based on the **best available information** (i.e., stocktakings or sector reviews) and will elaborate a prioritized series of unique investments. Each country's SIM will vary in level of detail but would: a) align with national economic planning and PRSPs, b) trigger access to SIP funding (the exact threshold, if any, will be clarified during the PDF phase), c) include inputs from line ministries and relevant stakeholders, and d) form the basis for the country to potentially pursue a full Country Program if relevant and ready depending on the country level of readiness. A SIM could be linked to SIP phased reporting requirements, NAPs, CAADP, NEPAD Environment Action Plan reporting and updates, CAS and PRSP preparation schedules, or national economic planning frameworks, as a country sees fit. The SIM will thus be a tool for developing pragmatic, nationally owned and mainstreamed priority investments as understood under the TerrAfrica platform and under the current CPP concept.

It is important to note that SIMs will avoid duplication with NAPs. The NAPs, being planning frameworks, will inform the SIMs. Each SIM will add value by focusing on assisting countries in identifying **investment priorities**. Countries will be able to identify potential activities to receive GEF funding and accelerate the investment prioritization process -- well-linked to partnership building and analytical and policy work.

The **first step**, which will be undertaken during the PDF phase, is to design a template or "Guidance Document" that will enable countries to prepare unique and well-informed SIMs. The SIM Guidance Document will be agreed upon during the PDF phase and will include the same criteria as the stocktakings above, but will be expandable and customizable. The Guidance Document itself will be designed to enhance country dialogues for SLM by providing a starting point for country level stakeholders to cooperate and elaborate a roadmap for benefits that accrue from a possible full scale Country Program down the line.

The **second step** can take place during either the PDF or SIP implementation phases: as soon as countries are ready, they may begin using the SIM Guidance Document to develop their unique SIMs based on best available information, whether or not that country has been involved in the PDF phase. In this way, countries can engage in the SIP based on their comfort levels, capacities, interest, and readiness. This approach will help cement country buy-in to the SIP, and allow for a progressive and flexible program preparation process to move seamlessly into full implementation, helping ensure a smooth transition between SIP phases. Over time, these SIMs will incorporate analytical elements, new knowledge, and new opportunities as they become available through evolving country assistance strategies. They will also include a common set of process and results indicators as these tools become available.

The **third step**, which will take place during SIP implementation, will see SIMs becoming more comprehensive and useful tools for guiding financial resources to SLM, thereby promoting mainstreaming. Each SIM will be periodically updated reflecting emerging knowledge, stakeholder involvement, changing country priorities, and progress made by the country.

This sequence of events will be initiated during the PDF phase, which, in addition to the SIM Guidance Document, will produce one comprehensive SIM, and possibly initiate a second.

SIMs can also be prepared at the sub-regional level involving SSA sub-regional organizations and based on sub-regional planning and strategy documents.

Deliverable: i) A roughly 10-page customizable SIM Guidance Document agreed upon by SSA countries and partners, ii) a comprehensive SIM completed in one country, agreed upon by key national and subnational stakeholders, and iii) a second SIM initiated in a second country.

PDF Output 2: Development of a SIP Programming Framework

The Programming Framework will define the SIP niche within the TerrAfrica context and establish the rules of the game needed by future recipients for accessing SIP financing. Such a document will clarify simple country and project consistency criteria to be applied at regional and national levels, and potentially prioritization criteria. It will establish basic parameters for a program-level results-based monitoring and evaluation system including process, outcome, and impact indicators with which SIP projects must be consistent.

Each project funded under the SIP will include specific targets and indicators in project proposals and documentation in conformity with requirements of the GEF and co-funding agencies. Individual project concepts will come for formal GEF pipeline entry on a rolling basis.

Most projects are expected to embed improved approaches to land management in interventions addressing sector priorities and mainstreaming, drawing on diagnostic assessments, policy dialogue and existing analytical work (as, for example, when good Strategic Action Plans and National Action Plans for soil fertility already exist), or supporting additional diagnostic analyses as needed, in particular of the key drivers for SLM uptake (such as conducting sector wide types of analyses).

Among the critical requirements is the focus on the local level. Four elements are important for sustained and scaled up investment in improved land management:

- First, rural populations, as individuals and communities, master knowledge and capabilities to analyze, plan, implement, monitor and evaluate their research and development activities;
- Second, rural people overcome barriers to actions on the basis of their livelihood enhancement (market access);
- Third, rural people have access to validated resource management practices to minimize and/or reverse soil degradation and to increase production, and;
- Fourth, rural people have secured access to land and water.

Using various mainstreamed delivery mechanisms for scaling up investments, thematic investment priorities to support SLM could include the following to help prevent, stop or reverse land degradation:

- Improved management of rain-fed agricultural systems, including demonstration activities for adoption of innovations like improved tillage, fallow and tree-cropping methods, introduction of indigenous crops, appropriate use of fertilizer and seeds, rain-water harvesting, etc;
- Improved management and rehabilitation of irrigated agriculture, including pilot activities to improve the design of irrigation and drainage systems and enhance participatory irrigation management for more efficient and sustainable operation and maintenance;
- Improved management and rehabilitation of rangelands to restore natural indigenous vegetation and improve water management; and pilot demonstrations to strengthen viable traditional rangeland management systems and establish mechanisms to reduce wildlife-livestock-agriculture conflicts,
- Improved management and rehabilitation of forested watersheds, floodplains, or coastal wetlands to achieve multiple benefits (e.g. soil and water conservation, aquatic biodiversity conservation, flood control, sedimentation control, etc.); and pilot demonstrations to test viable forest/woodland management systems, control invasive species, and compensate local communities for protecting ecosystem stability;
- Integrated management of coastal ecosystems to improve coastal land use planning and protect important habitats from degradation; pilot demonstrations for protection from farming and rehabilitation of coastal or riverine wetlands;
- Improved management and pilot demonstrations to protect and rehabilitate riparian forests, and rehabilitate the natural vegetation in groundwater recharge areas;

- Control of point and non-point sources of pollution to prevent degradation of globally important biodiversity and local ecosystem services;
- Drought management and adapting rural production systems to climate change.

SIP funds will not be earmarked against projects at the time of GEF Council approval of the SIP but will rather be committed at the time of GEF CEO approval of individual SIP projects.¹¹ This will help ensure sound and high quality project design.

Deliverables: a roughly 10 pg paper that defines the SIP niche, program-level M&E parameters, and establishes the rules of the game.

Output 3: Preparation of a program coordination structure, management arrangements, communication and partnership development

There are three component outputs, as follows:

- 3-1. Establishing an inter-agency SIP Steering Committee (SSC)
- 3-2. Establishing SIP coordination at NEPAD
- 3-3. Designing the Project Cycle

3-1. Establishing an inter-agency SIP Steering Committee (SSC)

Through the SIP PDF Steering Committee, the PDF will establish an inter-agency SIP Steering Committee (SSC) with a coordinating function located at NEPAD. Together the SSC and NEPAD will coordinate the implementation of the full program. The SSC will operate as a decision-making body for SIP implementation and will provide strategic guidance for the SIP. It will be closely linked to the TerrAfrica Executive Committee through NEPAD representation, which will act as the TerrAfrica rapporteur. The SSC will meet as needed, regionally and sub-regionally, to review concept notes and undertake any other functions pertaining to the SSC, including receiving full project proposals. However, fiduciary responsibility will rest solely with the World Bank. NEPAD's SIP coordination function by contrast will focus on conducting daily program coordination operations.

SSC Functions: The PDF phase will seek agreement on the following proposed functions for the SSC (to be discussed at SIP planning meetings during the PDF phase):

- 1) To confirm that country-level projects are in agreement with the Programming Framework and in support of agreed upon regional goals and targets;
- 2) To review coherence with SSA land management bodies and with GEF-financed land related projects, e.g. by linking with the GEF Land Degradation Task Force, the TerrAfrica partnership, and the relevant UN Conventions;
- 3) To review coherence between country-level projects supported by the SIP;
- 4) To advise on each proposed project and strategic directions;
- 5) To forge enhanced synergies and disseminate common lessons among stakeholders, in particular via the TerrAfrica platform; and
- 6) To formulate strategies to replicate similar projects in the region, and possibly outside.

¹¹ The SIP is envisaged as having a similar architecture to the WB/GEF Partnership Investment Fund for Nutrient Reduction (Danube/Black Sea basin), and the Partnership for Fisheries in sub-Saharan Africa albeit customized to the SSA land degradation context and the TerrAfrica multi-partner platform.

SSC Membership: Membership includes AfDB, FAO, GEFSEC, IFAD, NEPAD, UNDP, UNEP and the WB (chair).

3-2. Establishing SIP coordination at NEPAD

The PDF phase will establish SIP coordination at NEPAD to conduct daily operations and support the SSC, essentially acting as the SIP Secretariat. NEPAD's coordinating functions will be further defined during the PDF phase but could include (to be discussed at SIP planning meetings):

- 1) Providing guidance to countries in the preparation of project proposals (see further below under project cycle);
- 2) Supporting the SSC on issues related to communication, coordination and exchange of information from lessons learned;
- 3) Assisting in informing countries, stakeholders, potential co-financiers, and other parties of the objectives and requirements of the SIP and on support available from the TerrAfrica platform; and
- 4) Assisting in the preparation of annual reports (and input in annual GEF PIRs, progress reports, work plans and budgets).
- 5) Reporting to the TerrAfrica Executive Committee on SIP progress.
- 6) Providing advocacy throughout SSA related to SIP objectives.

3-3. Designing the Project Cycle

The PDF phase will establish a project cycle in close consultation with key stakeholders, as proposed below (to be discussed and revised in SIP planning meetings during the PDF phase):

- 1) A SIP Steering Committee member provides upstream support to a country as needed and requested for the preparation of a SIP project Concept Note in line with project consistency criteria of the SIP programming framework;
- 2) The SSC member provides support to the country in submitting the proposal to the SSC for review and in incorporating possible comments and advice;
- 3) NEPAD supports the country in preparing the GEF project document (consistent with the SIP programming framework) and related appraisal document (depending on the nature of the project) for GEF CEO endorsement;
- 4) The recipient initiates project implementation, monitoring, and evaluation; and
- 5) Individual projects submit progress reports and M&E metrics to NEPAD and to the SSC as inputs to regional monitoring and evaluation, and to share lessons learned.

During the PDF phase, each step in the project cycle will be defined with a set time limit, to streamline the process.

Deliverable: a 10-15 pg paper outlining program management architecture, including agency and stakeholder roles, coordination arrangements (i.e., SSC and NEPAD roles and structure), project cycle, co-financing arrangements, and fit with the TerrAfrica platform.

PDF Output 4: Program Brief (including partnership arrangements and a summary of priority projects)

The main output from the PDF B will be a Program Brief for submission to GEF Council. The activities above will produce a mixture of background material, stand-alone products, and negotiated content that will inform the drafting of the Program Brief. The Program Brief will be prepared by the World Bank in accordance with GEF guidelines and in consultations with the SIP PDF Steering Committee, TerrAfrica partners, and key SSA stakeholders, including civil society. Expected design elements include: detailed components such as the architecture of the financial umbrella; financing plan and budget; incremental cost analysis; institutional arrangements and management plan; M&E framework and plan addressing program and project levels; and a results framework matrix. Significant time should be allowed in the proposed PDF work program for the writing process to be able to respond to the large number of partners and their constituencies.

Deliverable: A completed Program Brief by end of July 2006, targeting submission for the November 2006 GEF Council.

C. Timetable for PDF Implementation/execution

PDF execution would be the responsibility of FAO in alliance with NEPAD and guided by the SIP PDF Steering Committee. SSA governments and the four subregional organizations would be involved in selected PDF tasks. Program preparation activities would begin soon after approval of the PDF B. The grant would be executed over a 12-month period as outlined below.

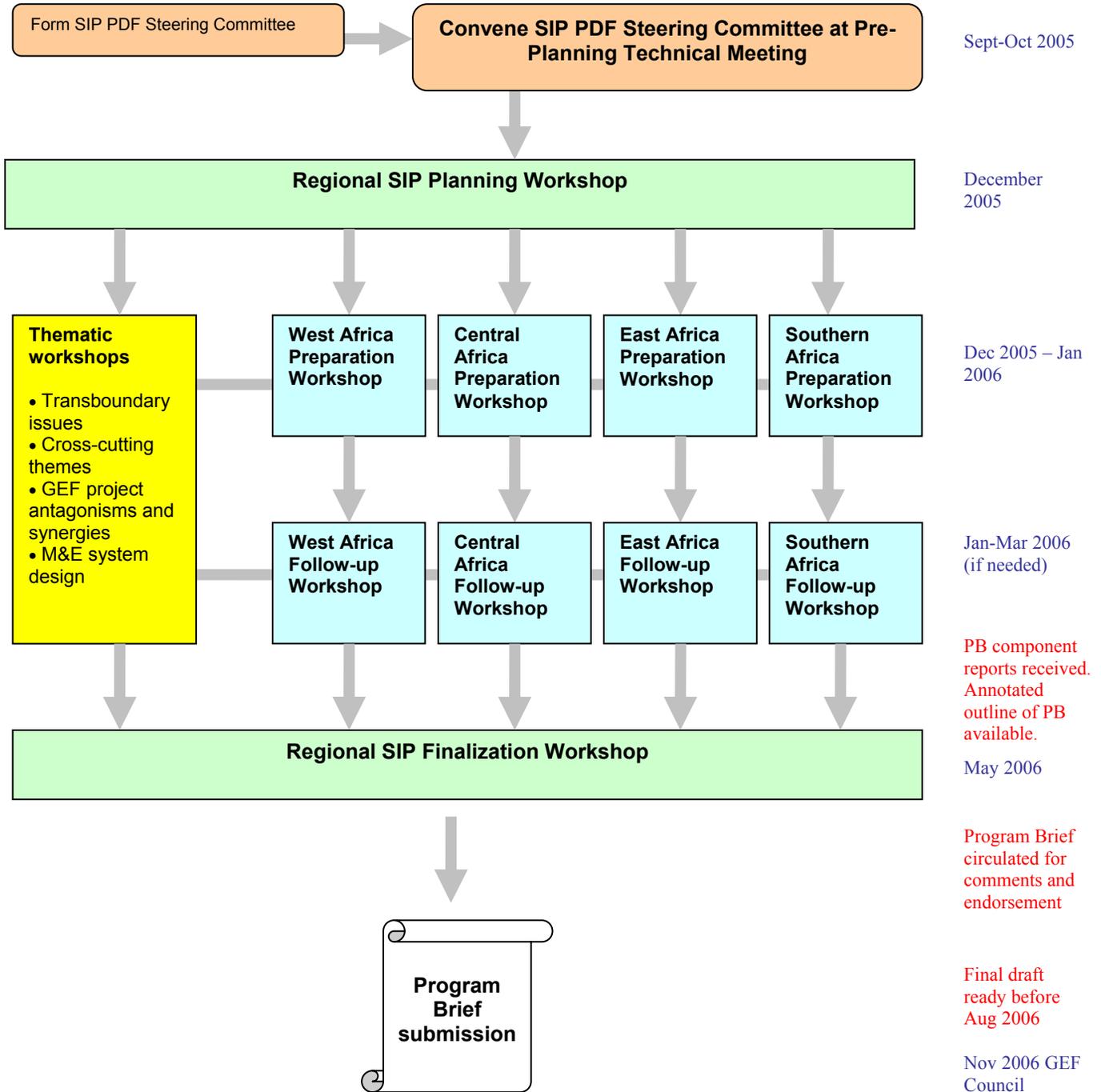
As seen in illustration 1 below, the **first step** in the PDF process will be to form a SIP PDF Steering Committee composed of NEPAD, GEFSEC and the GEF IAs and EAs active in land degradation in SSA. The PDF Steering Committee will organize an initial SIP preparation workshop to seek guidance on the PDF process and on the content of the Program Brief.

The **second step** will be a series of sub-regional and thematic workshops in the sub-regions to elaborate the SIP financing mechanism and to prepare the outputs described above. These workshops will also strengthen the basis for effective regional, sub-regional and country ownership of the SIP, and encourage and cement active participation. A second regional workshop will be convened to collate PDF outputs and agreements from the thematic and subregional workshops, and agree on an annotated outline for the Program Brief.

The **third step** will be writing the Program Brief, circulating it for comments and endorsement for finalization by 30 July 2006 to allow for GEF Council approval in November 2006. Due to the large number of stakeholders involved, it is expected that this component will require some lead time.

During the PDF phase, existing GEF pipeline projects and any new (upcoming) projects for delivery in GEF-4 may continue their preparation but will need to keep a very close link to the preparation of the SIP framework, aiming to conceptually and operationally link to it where relevant. A stocktaking is needed early in SIP PDF preparation. The GEF IAs and EAs will therefore endeavor to align their pipeline projects with the SIP early in the PDF phase.

Illustration 1: SIP PDF phase – proposed process for preparing Program Brief



D. Justification

Because of the inherent complexities of the issues and large scope implied in the SIP, the PDF grant is essential to allow African countries in alliance with the GEF family to explore and clarify the entry points and operationalize the mechanisms for scaling up SLM in a variety of contexts and situations as briefly outlined below. In addition, PDF financing will result in updated investment and analytical tools for countries and donors that would be useful stand alone products in their own right (see activity 2). Above all, every effort will be made to devise simple rules of the game for the SIP that allow countries to focus resources on achieving programmatic results rather than accommodating unnecessary process. Lastly, by financing the PDF, the GEF will, at a very opportune moment in history, catalyze SSA countries to forge a shared SLM vision by sending a strong signal that a predictable envelope of grants will be available for countries to begin to deliver on that vision of sustainably managed production landscapes. By so doing, the GEF will help secure livelihoods that generate global benefits in biodiversity use and conservation, carbon storage, and shared freshwater resources.

The social and institutional context in which people manage land in sub-Saharan Africa is changing. Some countries such as Burkina Faso have long had experience with *gestion de terroirs*. Others such as Tanzania are undergoing decentralization and passing mandates for land-use planning to local governments and land management to local communities. Such initiatives predicate land users making gains in land productivity. Programs of local government reform therefore have the potential to address SLM through capacity building, provision of simple tools for assessment and monitoring from farm to landscape levels, and by offering mechanisms for financing at the district level to provide matching grants to encourage communities to maintain forests, wetlands, and/or grazing lands. The complex challenge is to provide attractive alternatives to limited and often short-term productivity gains, while deeply involving key stakeholders at local, subnational, and national levels.

The entry point for SLM investment could therefore be activities supporting agricultural productivity but enhanced with alternative approaches to land management. This could be through conservation tillage, agro-forestry, rainwater harvesting, and other techniques that in aggregate help secure ecosystem integrity and interconnectivity in the rural production landscape, thereby producing gains in environmental services and more equitable benefit distribution. In addition, assistance to rural communities will allow adaptation of vulnerable production systems to climate change through maintenance of seed banks with drought-resistant native varieties, improved management of water and rangelands, and early warning systems for drought. Smallholder farmers may receive matching grants for adoption of technologies that enhance soil fertility, reduce risk, and provide sustainable sources of energy. Opportunities may be investigated to pilot payments for environmental services.

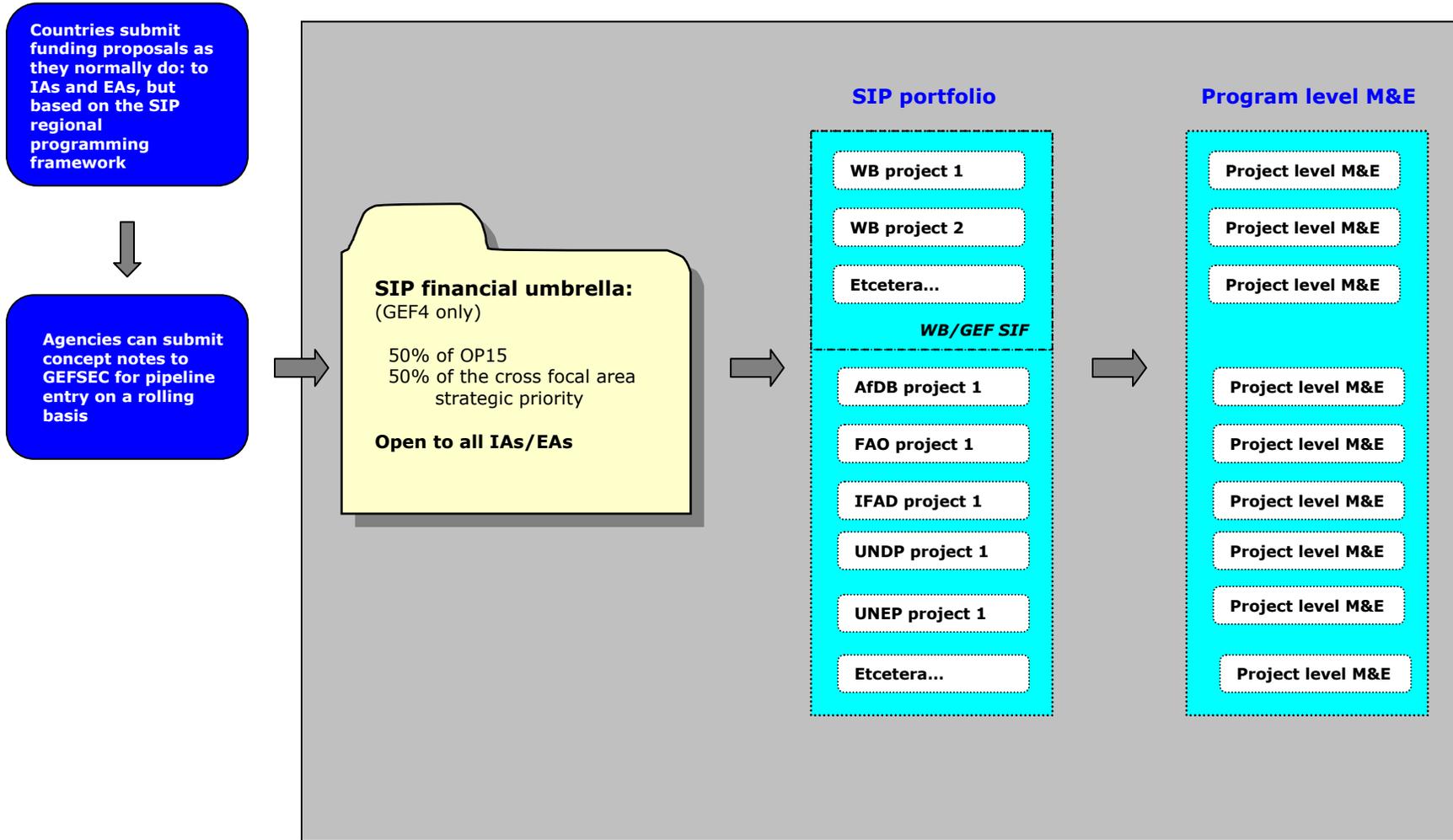
The widespread adoption of SLM will rely critically on enhancing the potential of land use mediated by such practices in the context of a landscape approach to planning. PDF funding will be used to engage with countries to begin to jointly define eligible interventions, starting with methodical identification of the gaps and priorities in each country that SIP investments may help address.

D. Budget

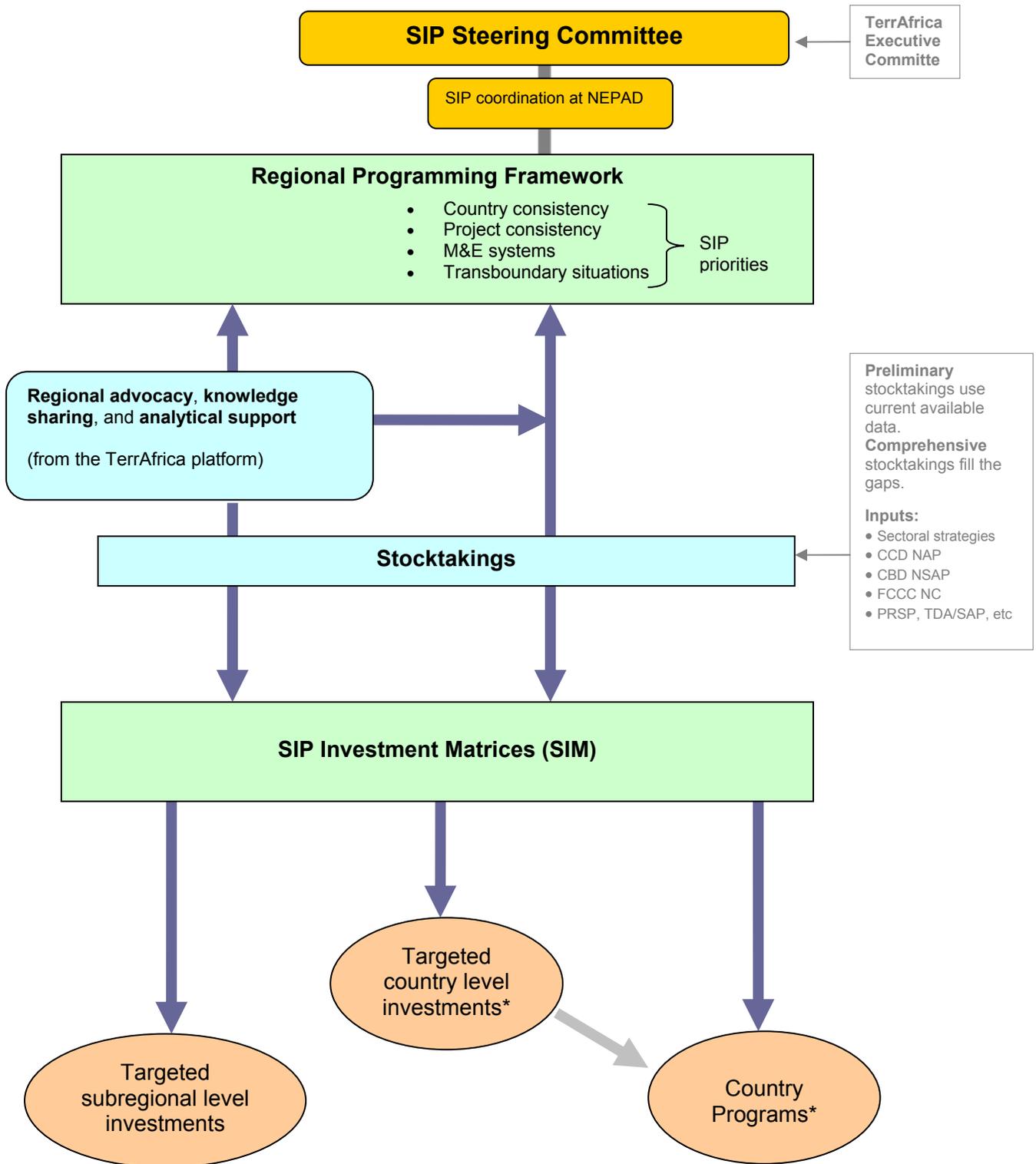
The design phase of the SIP is supported by \$700,000 in PDF-B funds. An equal amount in co-financing will be mobilized by the World Bank. Additional co-financing or parallel financing along with parallel support from other sources and support from NEPAD, FAO, IFAD, and SSA governments will be mobilized during the course of the PDF phase.

Co-financier	Classification	Type	Amount (US\$)
IBRD	IA	Grant	700,000
BNPP			(320,000)
DGF			(320,000)
TF FY 06			(60,000)
NEPAD	Intergovernmental organization	Cash/in-kind	50,000
IFAD	EA	Cash	120,000
IFAD	EA	In-kind	180,000
FAO	EA	Cash/in-kind	150,000
Total Co-financing			1,200,000

Annex 1: Full SIP implementation



Annex 2: Draft SIP Phase 1 Conceptual Framework



*As defined by TerrAfrica Activity Line 3