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GEF COUNTRY PORTFOLIO EVALUATION: MADAGASCAR (1994-2007)

The following document contains two sections:

- 1) Key conclusions and recommendations from the Country Portfolio Evaluation conducted by the GEF Evaluation Office, including a small introduction describing the GEF support to Madagascar and the methodology. This summary is Chapter 1 of the full report of the Country Evaluation which is available in the GEF Evaluation Office web site.
- 2) Response of the Government of Madagascar to the evaluation.

COUNTRY PORTFOLIO EVALUATION – MADAGASCAR (1994 – 2007)
(prepared by GEF Evaluation Office)

BACKGROUND

1. This document presents the main conclusions and recommendations of the Country Portfolio Evaluation conducted by the GEF Evaluation Office in Madagascar. It is presented to the GEF Council, as a Council information document, for discussion at the Council's April 2008 meeting. A full detailed report will be available on the GEF Evaluation Office web site (www.gefeo.org) in April 2008.

2. Madagascar's participation in the GEF started after the GEF pilot phase, in 1994 with the GEF participation in the second phase of the Environment Program supporting the National Environmental Action Plan. Since then, Madagascar has been involved in a further 9 national projects (valued at US\$35.975 million). As the table below indicates, about 97% of the GEF funding has gone to support projects in the biodiversity focal area, 1.5% to climate change and POPs. There are no national land degradation and international waters projects. Although there are 13 regional projects in which Madagascar participates, addressing international waters, land degradation and persistent organic pollutants and biodiversity.

	\$ millions	% of total
Biodiversity	34.925	97
MFA	0	0
Climate Change	0.55	1.5
Land Degradation	0	0
POPs	0.50	1.5
Total	35.975	100

3. Based on the overall purpose of the GEF Country Portfolio Evaluations and their Terms of Reference, the evaluation of the GEF support to Madagascar has the following specific objectives:

- a. Independently evaluate the **relevance** and **efficiency** of the GEF support in a country from several points of view: national environmental frameworks and decision-making processes; the GEF mandate and the achievement of global environmental benefits; and GEF policies and procedures;
- b. Assess the **effectiveness** and **results** of completed and on-going projects in each relevant focal area; and
- c. Provide **feedback** and **knowledge** sharing to (1) the GEF Council in its decision making process to allocate resources and to develop policies and strategies; (2) the Country on its participation in the GEF; and (3) the different agencies and organizations involved in the preparation and implementation of GEF support.

4. Among several considerations, Madagascar was selected based on its large portfolio; its programmatic approach (e.g., Environment Programs (PE) I, II and III);

significant portfolio emphasis on biodiversity and the protected areas system; its large allocation for biodiversity under the Resource Allocation Framework (RAF); and its importance as a global biodiversity hotspot.

METHODOLOGY

5. The Madagascar CPE was conducted between November 2007 and February 2008 by staff of GEF Evaluation Office and three consultants based in France and Madagascar: the **evaluation team**.¹ The methodology included a series of components using a combination of qualitative and quantitative data collection methods and standardized analytical tools. Several sources of information were considered as the basis for the evaluation from different levels (project, government, civil society, GEF Agencies, etc.). The quality of these documents was reviewed before they were included. The quantitative analysis used indicators to assess the efficiency of GEF support using projects as the unit of analysis (that is, time and cost of preparing and implementing projects, etc.). The evaluation team used standardized tools and protocols for the CPEs and adapted these to the Madagascar context. Projects were selected for visits based on whether they have been completed or near completion, project and / or project component approaches and accessibility.

6. The main focus of the evaluation is projects implemented within the boundaries of Madagascar – “national projects”. The GEF has provided about \$35.975 million for 10 national projects from 1994 to 2007. In addition, eight regional in which Madagascar participates were reviewed, selected because they had significant Malagasy involvement, including four international waters projects. A full assessment of their aggregate relevance, results and efficiency was beyond the scope of this CPE, given that only the Malagasy components were assessed. National and regional project proposals under preparation, for example in pipelines, are not part of the evaluation.

7. There were several limitations while conducting the evaluation:

- Country portfolio evaluations are challenging as the GEF does not operate through establishing country programs that specify expected achievement through programmatic objectives, indicators and targets.
- Attribution is another area of complexity. The CPE does not attempt to provide a direct attribution of development and even environmental results to the GEF, but assesses the contribution of the GEF support to the overall achievements.
- The assessment of results is focused, where possible, at the level of outcomes and impact rather than outputs.
- Evaluating the impacts of GEF funded initiatives is not straightforward. Many projects do not clearly or appropriately specify the expected impact, and sometimes even the outcomes, of projects. As this evaluation was restricted to secondary sources, there was no scope in the evaluation to conduct primary research to supplement project reports or identify impact and outcomes.

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- Results reported come from various sources, some have been established through external evaluation and others are drawn from internal project reports and interviews.
- The evaluation team has struggled to establish a clear reliable set of data on projects and project documentation. The available data, including the list of projects in the GEF portfolio, contained inconsistencies, gaps and discrepancies.
- The evaluation was conducted in a very tight time frame, effectively four months in order to accommodate the revised timing of the GEF Council meeting.

CONCLUSIONS AND RECOMMENDATIONS

INTRODUCTION

8. The purpose of this chapter is to present the conclusions of the Global Environment Facility (GEF) Madagascar Country Portfolio Evaluation (CPE) and recommendations made on the basis of these to the GEF Council and the Government of Madagascar (GoM). The conclusions relate to the results, effectiveness, relevance and efficiency of the support.

9. The evaluation for the Madagascar CPE was completed between November 2007 and February 2008 and is one of four African GEF CPEs undertaken by the GEF Evaluation Office during this period. The findings of these CPEs will inform a synthesis document which will be presented to the GEF Council in April 2008.

10. It should be noted that the evaluation has focused on Madagascar's portfolio of 10 national projects and the Madagascar components of 8 out of 13 regional projects. The other regional projects and their results fall outside the scope of this evaluation. Stakeholder comments on a draft of this report, made in writing and at a consultation workshop, held on February 25th, 2008, have been taken into account in the finalization of the conclusions and recommendations.

CONCLUSIONS

Results and Effectiveness

Conclusion 1. GEF support has contributed significant results in biodiversity conservation.

11. The GEF investment in the biodiversity focal area has resulted in significant global benefits through increasing the size and coverage of the Protected Area system from 21 to 46 reserves. It also contributed to a decrease in the deforestation rate inside Protected Areas.

12. The GEF has contributed towards the implementation of the National Environmental Action Program (NEAP). This has resulted in; (i) improving the awareness and knowledge of national policy-makers on environmental issues, (ii) establishment of national institutions to address biodiversity conservation and other

environmental issues; (iii) broadening of the Protected Area system to include new classifications (IUCN categories V and VI), under SAPM to provide for greater community and private sector participation. Notably, the GEF has supported the first example in Madagascar of sustainable community Protected Area management to protect 50,000 hectares of Anjozorobe Forest Corridor. This experience is now in the process of being up-scaled.

13. The Enabling activities in biodiversity have assisted the GoM in informing priority setting and the creation of new Protected Areas (under the Durban Vision and SAPM), particularly in marine and coastal areas which were previously under represented.

Conclusion 2. GEF is enabling Madagascar to address other environmental challenges.

14. The GEF support is enabling the GoM and other stakeholders to address a broader range of national and global environmental issues beyond the established focus on biodiversity conservation. GEF funding has been mostly concentrated in laying the foundations for Madagascar to address global environmental issues through enabling activities in persistent organic pollutants, climate change mitigation and adaptation and land degradation. Notably, the GoM National Adaptation Plan has identified national priorities and areas for future project investments.

15. Investment activities have occurred only in the international waters focal area where Madagascar has been an active partner with other Southern African and Indian Ocean states to address oil pollution risks. This resulted in capacity and infrastructure improvements in Madagascar's major ports. The sustainability of the investment has been assured through a taxation system. Other international waters investments to reduce land-based pollutants, improve navigation and manage fisheries are currently underway and have potential to deliver results. Other investment activities are about to become effective in land degradation.

Conclusion 3. The GEF portfolio results are at risk because of weak financial, institutional and socio-economic sustainability.

16. Despite over US\$400 million of donor investment in the environment sector since 1990, including US\$35.9 million of GEF grant funding, financial, institutional and socio-economic sustainability remains the key challenge as PEIII enters the final phase of implementation.

17. Financial sustainability has not been adequately addressed in the PE, as donors including the GEF have been unable to sufficiently catalyze a sustainable Protected Area management system. Few of the Protected Areas are able to self-finance their operations through gate receipts and / or tourism revenues. In the future, the GoM, World Bank and INGOs, with GEF support through the RAF allocation are in the process of establishing a trust fund mechanism to provide long-term support to the Protected Area system. This has a strong potential to resolve the financial sustainability issue.

18. Enabling institutional sustainability for effective management of biodiversity and environmental resources has been a key issue that is common to the implementation rationale PEI through to PEIII. However, despite significant financial and technical investment by donors institutional sustainability is weak. The evaluation highlights the following issues:

19. The durability of an institution is often based upon its broad capacity from local to regional and national levels, and having sustainable financing, from revenue generation or through GoM budget lines, many of the institutions currently working in Madagascar environment sector do not have these characteristics and thus are not sustainable without donor financing

20. At the individual and institutional level capacities remain uneven and diffuse. A situation currently exists where the Ministry for Environment, Water Forestry and Tourism is weak at the national and local level, whilst other institutions addressing the environment receive the majority of donor funding and technical assistance. Furthermore, on a spatial scale there are institutional capacity barriers associated with decentralization as Ministry representatives on the ground lack skills to play a meaningful role in environmental management at the local government and community scale.

21. The complexity of institutional roles and responsibilities in both the PEII and PEIII phases has decreased cross-institutional communication and knowledge sharing.

22. In terms of socio-economic sustainability PEII and PEIII have placed a consistent emphasis on integration of biodiversity conservation with local community livelihoods. In PEII some success was achieved in terms of developing community forestry and micro-projects to improve livelihoods to relieve pressure on Protected Areas, but overall the results were diffused and of limited sustainability. Under PEIII UNDP GEF component addressing SNRM represents another attempt to resolve the tension between protection of biodiversity and local community livelihoods; however the results and sustainability of this approach have yet to be realized.

23. The independent evaluations of PEI and PEII² highlighted that the program has faced difficulties in integrating with, and addressing the anthropogenic pressures relating to rural development, poor agricultural techniques and poverty which are threatening biodiversity. Ultimately, around Protected Areas it is local populations through foregone access to resources who are paying the price for the maintenance of global environmental benefits, and at present there is insufficient emphasis on linking conservation, rural and agricultural development in cohesive approach to provide incentives to support biodiversity conservation.

Relevance

² World Bank (2000) Environmental Program I. Project Performance Assessment. World Bank Operations Evaluation Department Washington DC; World Bank (2007) Environmental Program II. Project Performance Assessment. World Bank Independent Evaluation Group. Washington DC.

Conclusion 4. The GEF portfolio in Madagascar is relevant for the national priorities and strategies. GEF support is aligned with global environmental benefits, with the main ‘on the ground’ emphasis on biodiversity.

24. GEF assistance has been fully supportive and consistent with national priorities and strategies such as the NEAP and PRSP. The relevance of GEF support was found to be further enhanced by the Durban Vision and the Madagascar Action Program (MAP). The main emphasis of the GEF portfolio has been on biodiversity conservation which reflects Madagascar’s global environmental resources. Until recently, the focus has been on terrestrial biodiversity, but with the implementation of the Durban Vision the GoM has now begun to increase the coverage of the Protected Area system to safeguard coastal and marine resources. The increasing GoM recognition of the threats posed by climate change presents opportunities to link adaptation, biodiversity conservation and land degradation investments.

Conclusion 5. The issue of country ownership and capacity to create ownership remains a key challenge for the Government of Madagascar and donors.

25. The evaluation revealed that GoM ownership of the GEF funded interventions is presently not as robust as it should be, particularly in relation to the PE. For example, although the PE program is linked to the GoM NEAP it has been driven to significant extent by the Implementing Agencies and bilateral donors. The reasons donors taking the primary lead in driving the environment sector were cited as a lack of capacity and leadership with the Ministry for Environment, Water, Forests and Tourism.

26. There has also been a high turn over of staff within the Ministry at the Minister (GEF Political Focal Point) and Secretary General (GEF Operational Focal Point) level, and frequent change has not enabled stability or clarity on leadership on GEF-issues or in the environmental sector as a whole. Hence, it is not surprising that ownership of the PEIII from the GoM has become a challenge and donors have become the *de facto* drivers of the program.

27. The creation by the PE of many institutions such as ANGAP, ONE and SAGE and a coordinating unit such as CELCO has resulted in a diffusion of institutional roles, which lack clarity, sufficient coordinating responsibility, as well as resulting in a complex institutional landscape. Whilst these institutions have ‘ownership’ of particular parts of the PEIII, reporting relationships to Ministry remain unclear. The proliferation of institutions has been supported by the Implementing Agencies and reflects the low confidence with regard to capacity in the Ministry by certain donors. This has tended not to solve the ownership and capacity issues, but contributed to the current ownership and capacity weaknesses at the national and local level.

28. At a local and regional level the Anjozorobe Forest Corridor project, which has been developed and implemented by Fanamby (Madagascar’s largest environmental NGO) was observed to have strong ownership and commitment both internally to its conservation approach, which is fully in-line with GEF strategies, and externally with its community and local government stakeholders. Ownership in this project has been built through continuous involvement of stakeholders in design and implementation of the project, coupled with good communication and strong site presence of Fanamby.

Efficiency

Conclusion 6. The complexity and inefficiency of the GEF project activity cycle has presented barriers to project development.

29. The majority of stakeholders (GoM, Implementing Agencies and NGOs) expressed negative views on the activity cycle for previous projects, in terms of long time periods taken for processing, associated high transaction costs in terms of financial and human resource inputs, and lack of clarity, and information relating to delays. These perceptions are primarily based on the previous project cycle on which the portfolio has operated until now, and confirm the findings of the Joint Evaluation of the GEF Joint Activity Cycle. As a result, the challenge for the GEF now lies in demonstrating that these features will not be carried over into the new project cycle that was recently adopted.

Conclusion 7. The roles and responsibilities of stakeholders are not clear and coordination is sub-optimal.

30. The institutional landscape in Madagascar is complex, because roles and responsibilities are diffused. This does present many challenges for communication, coordination and knowledge sharing. The challenge of defining and allocating roles and responsibilities is not a new issue to Madagascar. The previous independent evaluations of PEI and PEII³, both highlight lack of clarity in roles and responsibilities, from the national level – with Ministry, to the lowest – at community level. At present, several of the IW regional projects have focal points based in institutions whose comparative advantage is not international waters with limited involvement of more appropriate line-Ministries. This situation is sub-optimal.

31. Due to the large number of stakeholders involved in PEII and the PEIII, coordination at many levels has been challenging. There have been several attempts to solve this issue, but to date they have been less than satisfactory. In interviews with a number of donors, GoM and INGOs these issues were raised repeatedly, indicating that for PEIII coordination remains a persistent challenge, in terms of; synergies between donor funded activities and inter-ministerial activities; M&E systems and reporting frameworks. Most recently, donors and GoM have tried to address the challenges through a multi-donor and GoM steering committee, but this has not met frequently and was widely seen as being donor and not GoM driven. This is in part caused by the institutional weaknesses within the Ministry and the turnover of staff since the beginning of PEIII.

Conclusion 8. The Operational Focal Point mechanism is currently under resourced and is unable to be ‘operational’.

32. There is no formal modality for exchange of lessons learned and knowledge sharing between GEF projects and programs, and other donor and INGO environmental

³ World Bank (2000) Environment Program. Project Performance Assessment. OED World Bank. Washington DC; World Bank (1997) Environment Program II. Project Performance Assessment. IEG World Bank.

programs. Lack of improvement in M&E means that knowledge management on project experiences / best practice will remain limited because of the inability to know success or failure, and the reasons why.

RECOMMENDATIONS

Recommendations to the GEF Council

Recommendation 1. The GEF should consider further supporting trust funds as an approach to improve the sustainability of global environmental benefits.

33. Weaknesses in financial sustainability are a common issue associated with project-based interventions. In the 1990s the GEF supported trusts funds as an approach to secure sustainability for Protected Areas, beyond the life of projects. The recent impact evaluation of Bwindi – Mgahinga Trust Fund confirmed the effectiveness of this approach for the augmentation and maintenance of management capacities, recurring costs as well as provision of incentives for local communities. The Council should consider placing a renewed emphasis on trust funds to sustain global environmental gains.

Recommendation 2. To develop a strategy to improve the capacities to address global environmental issues in Least Developed Countries.

34. This approach could include several elements:

- Strengthening of GEF Focal Point mechanisms to function effectively;
- Developing an effective integrated strategic coordination approach for partnership for funding;
- Facilitate the creation of partnership to increase the mobilization of resources for the implementation of the global conventions related to the GEF, in particular for LDC countries;
- Facilitate the effective and strategic integration, coordination and dialogue amongst environmental actors on country level, particularly between ministries;
- Recognizing that there are difference in countries capacities and economic development and need for flexibility and tailored approaches.

Recommendations to the Government of Madagascar

Recommendation 1. Madagascar should consider setting up a permanent inter-ministerial and multi-donor environmental committee.

35. There is a need to address environmental issues in a comprehensive and coherent manner outside of a project or program committee.

36. A permanent committee should be linked to existing GoM strategies such as the MAP and the Durban Vision, and involve a broad range of Ministerial partners (e.g.,

Agriculture, Livestock and Fisheries; Finance, Transport; and Mining). Such a committee would also provide a platform for the strategic cross-sectoral consideration of environmental issues within the context of the MAP; and the development of a strategy and the programming of GEF-RAF resources.

Recommendation 2. There needs to be a greater diversification of investment in the environmental sector to address threats to sustainability.

37. The majority of support provided by donors and INGOs for biodiversity conservation has focused on establishing a more comprehensive Protected Area system. However, this approach has tended to neglect external threats to biodiversity in the wider landscape relating to poor agricultural practices (e.g. slash and burn agriculture or *Tavy*), poverty reduction and land degradation. These issues are now being given greater urgency and focus with the threat of climate change and need for adaptation.

38. In order to address these threats there is a need to focus on biodiversity conservation within the context of SAPM through the establishment of IUCN categories V and VI protected areas to improve the integration with livelihoods. In addition, to mainstream biodiversity, land degradation and adaptation issues outside of protected areas so as to enable more effective practical linkages with poverty reduction, agricultural and rural development, which are the pertinent issues for Madagascar's predominantly rural population.

39. To this end, the GoM and donors will need to address the persistent capacity development gap and forge partnerships with NGOs, private sector, local government and communities to address institutional, financial and socio-economic barriers to sustainability in the environment sector as it relates to the countries pressing development challenges. Such issues could be addressed and programmed by a permanent environment committee (3.3.2 Recommendation 1).

Recommendations to the Implementing Agencies

Recommendation 1. The Implementing Agencies need to work more closely with the GoM and other stakeholders to enhance country ownership.

40. The weakness in country ownership is significant finding of the evaluation. Ownership could be strengthened in the following ways:

- Involvement of the implementing agencies in the permanent inter-ministerial and multi-donor committee (3.3.2 Recommendation 1). This would provide will the basis for more strategic formulation of priorities drawing on implementing agency experiences, and responding to country needs;
- Implementing agency assistance to the Operational Focal Point in order to strengthen their role through involvement in project design, supervision / monitoring missions and regular sharing of information;

- Further emphasis on capacity development in projects and programs which will allow a range of stakeholders from the Ministry to local government and communities become more involved in the GEF interventions.

Recommendation 2. The Implementing Agencies need to work with the GoM and other stakeholders to consider more sector-wide and programmatic approaches to supporting environmental sustainability.

41. Madagascar's environmental problems are complex and require the consideration of sector-wide and programmatic approaches that are able to link and coordinate biodiversity conservation, land degradation and adaptation with rural and agricultural development and poverty reduction. In doing so, the Implementing Agencies and GoM need to take stock of the cumulative evaluative evidence now available to them to internalize the lessons of the PE and move forward together to plan a more coherent and sustainable programmatic and / or sector-wide approach.

42. In the case of climate change adaptation and land degradation, these issues are on the top of regional (continent level) priorities and have potential for providing local incentives to enhance the delivery and sustainability of global environmental and national development benefits.

EMERGING ISSUES CONCERNING THE RESOURCE ALLOCATION FRAMEWORK

43. As the Evaluation Office is presently conducting a review of the Resource Allocation Framework (RAF) at its mid-term point of implementation, it was not considered appropriate to make final conclusions and recommendations. Nevertheless, RAF is a current issue for Madagascar stakeholders. The following paragraphs are a summary of the main points raised:

- The RAF was received by the few stakeholders who were sufficiently aware of it, as a positive step towards enhanced ownership and participation in the identification, elaboration and implementation of projects, which reflect national and the GEF's global priorities. However, this has yet to be attained.
- There is a lack of awareness of the RAF among many stakeholders, in terms of how it functions and importantly how the GoM should lead RAF programming of the financial resource available from the GEF.
- Despite, Madagascar's significant biodiversity allocation, the programming of RAF resources is lacking a strategic approach. Currently, Madagascar does not have an environmental committee (and / or GEF national committee) that meets regularly to provide strategic guidance for project development under the RAF. This situation has arisen in part because of the lack of changes in leadership within the Ministry of Environment, Water, Forests and Tourism.
- Discussions between the GEFSEC and the GoM were conducted in late 2006 on the programming of RAF resources for biodiversity. However, the evaluation found that there was no record / minutes of the discussion kept by the GoM or by GEFSEC. This provides significant opportunities for improvements in institutional memory and transparency.

**GOVERNMENT OF MADAGASCAR RESPONSE TO
COUNTRY PORTFOLIO EVALUATION – MADAGASCAR (1994 – 2007)**
(prepared by the Government of Madagascar)

Will be available shortly.