

GEF Annual Impact Report 2010



The 2010 *Global Environment Facility (GEF) Annual Impact Report* highlights the evaluation of GEF biodiversity projects in Peru,

and presents preparatory work to assess impacts of GEF activities in the South China Sea and adjacent areas.

GEF Biodiversity Projects in Peru

In 2007, the GEF Evaluation Office initiated an evaluation in Peru to assess the impact of GEF support to biodiversity and environmental stress reduction. It also looked at the socioeconomic status of local communities, particularly of indigenous groups that depend on biological resources for their livelihoods.

The evaluation addressed two main questions:

- What impact has GEF support had on biodiversity and environmental stress reduction?
- What impact has GEF support had on the socioeconomic status of local communities and, in particular, indigenous groups that depend on biological resources for their livelihoods?

Peru was selected because of

- the high level of GEF support to the country;
- the opportunity it offered in examining the role of local communities—a subject not addressed by previous evaluations; and
- the chance it offered to test the review of outcomes to impacts (ROtI) methodology in the context of a project cluster.

In addition, the integrated country-level evaluation in Peru, piloted by the World Bank Independent Evaluation Group, provided a national context to evaluate the impact of multiple projects over several years.

The evaluation selected five biodiversity projects for in-depth analysis and utilized mixed-method and theory-based ap-

proaches, including a ROtI analysis to assess impact of this project cluster. The selected projects were completed or nearly completed GEF biodiversity projects that had been implemented through the World Bank Group and were part of the aforementioned World Bank country-level evaluation. These projects all included livelihood improvement of local communities as an objective.

Findings

The GEF has been a key contributor to biodiversity conservation in and around Peru's protected areas. The GEF has contributed to the establishment of the long-term financing mechanism for the Peruvian National System of Protected Areas (SINANPE). Long-term funding for the management of priority protected areas appears likely because of institutional sustainability of the funding mechanism (PROFONANPE). However, additional funds must be identified because many SINANPE areas lack sustained funding. The participatory management model of Peru's protected areas is likely to be sustained or replicated. Long-term use of this model will require institutionalization at the national level within PROFONANPE and the Peruvian Protected Area Authority, as well as continued collaboration with and support from local actors. Further investment is needed to support efforts in two areas:

- enhanced knowledge management, focused in particular on building knowledge of SINANPE's financing and technical capacity to implement alternative livelihood activities; and
- a central monitoring and evaluation system.

The GEF projects are partially equipped to sustain improved alternative livelihoods for communities. The GEF projects' sustainable economic activities model has been replicated at the national level and is likely to be sustained. This model has achieved only partial success in replication and long-term sustainability at the local level. While local ownership of biodiversity conservation activities was found to be critical in sustaining results, all project sites did not appear

to have achieved local ownership of activities. Strengthened commitment to local ownership will require clarification of land tenure, demonstration of benefits, and broad community participation in alternative economic activities.

There is limited evidence of intended impacts and global environmental benefits. The evaluation found limited evidence of improvement in biodiversity status. One of the main challenges in tracking progress toward impact and global environmental benefits is a lack of information on biodiversity status in the country. The absence of a national baseline or monitoring and research program prevented the discovery of any evidence of national-level improvements in, or a reduction in threats to, biodiversity.

Several long-standing assumptions were challenged by Peru's experience. The evaluation found that, given the experience of the five projects in Peru, certain assumptions may need to be reexamined in developing future projects:

- Existing environmental policies and their monitoring and enforcement in other sectors are still inappropriate for encouraging biodiversity conservation in Peru. Yet the establishment of the Environment Ministry suggests otherwise.
- Local governments remain politically and financially strong in tackling threats to biodiversity, but several project implementation and completion reports suggest otherwise.
- Communities are interested in conservation of biodiversity and sustainable use of its elements and are committed to conservation. Usually, livelihood benefits are associated with conservation activities. However, in some cases, communities see conservation as limiting their access to natural resources and thus income.
- Improved biodiversity reduces threats to livelihoods, and improved livelihoods reduce threats to biodiversity. An additional assumption may need to be considered: trade-offs may be necessary, as conservation can, in some circumstances, affect the poor and hinder poverty reduction efforts. Conversely, where communities perceive improved livelihoods, threats to biodiversity have not necessarily been diminished.
- Demographic change occurs at a level that does not negatively affect biodiversity. Yet some interviewees indicated

that the population has increased significantly in some areas and that a higher proportion of the population depends on extraction of biological resources.

Areas for Further Attention

The evaluation identified two additional areas that need further attention from the GEF:

- Consider making capacity development for national biodiversity monitoring and evaluation systems a strategic priority.
- Consider developing policies or guidelines on possible trade-offs that arise from conservation and sustainable use of biodiversity resources (such as with land titling or community-based approaches).

GEF Activities in the South China Sea and Adjacent Areas

In 2010, the Evaluation Office initiated an evaluation in the international waters focal area to assess impacts of GEF activities in the South China Sea and adjacent areas.

The evaluation's objective is to analyze the extent to which GEF contributions have led—or are likely to lead—to changes in policies, technology management practices, and other behaviors that will address the priority transboundary environmental concerns related to the socioeconomic and environmental services of the South China Sea. The final evaluation report is expected to be available in April 2012.

About the photo: River turtle nests in Pacaya-Samiria National Reserve in Peru. *Taricaya* (*P. unifili*) turtle populations have been endangered by overexploitation. In the national reserve, the species is sustainable managed. Photo courtesy Marina Cracco.

The GEF Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF.

The full version of *GEF Annual Impact Report 2010* (Evaluation Report No. 62, 2011) is available on the GEF Evaluation Office website, www.gefeo.org. For more information, please contact the GEF Evaluation Office at gefevaluation@thegef.org.