

OPS4

PROGRESS TOWARD IMPACT



FOURTH OVERALL PERFORMANCE STUDY OF THE GEF

APPROACH TO PROJECT CLASSIFICATION

METHODOLOGICAL PAPER #8

Methodological Approach to Project Classification

GEF provides funding for activities that produce global environmental goods primarily through project grants. The GEF partnership identifies the relevant global environmental issues that need attention, prioritizes them, and undertakes activities to address them in an effective manner. The nature of a given problem, however, is dynamic and it transforms with passage of time based on the actions taken by various actors and due to exogenous factors. Thus, an actor will need to reassess its role and the type of interventions it may undertake to account for such changes. For the GEF partnership, especially GEF, the challenge is that its interventions are based on its comparative advantage and appropriate to the temporal and operational context of the issue that is being addressed. The interventions that GEF may support may be generally aimed at following strategic objectives:

- preparation of ground work including build awareness and capacities of the policy makers
- testing various approaches that could be adopted at a comparatively larger scale and determine their efficacy; barrier removal; and building awareness and capacities of institutions that have a relevant mandate
- large scale investments with sufficiently wide scope to make a substantial dent at addressing the problem, including activities on awareness and capacity building taken up with the local stakeholders at the national, regional or global level

Tracking the level of investment made to pursue these different strategic objectives is important because it will help GEF to monitor its project portfolio from this perspective. So far PMIS, the GEF project database, does not do so. As part of OPS4, the Evaluation Office classified the projects listed in the PMIS based on the strategic objectives that were pursued through the supported projects.

Based on an exploratory assessment three broad categories were identified for classifying the projects. These are:

- **“Foundational” and Enabling Activities:** the projects classified in this category include activities that develop a basis on which an environmental issue that is relevant to the GEF mandate may be addressed in future. It includes – but is not restricted to – overlapping activities such as an assistance in defining the environmental issue of concern more clearly¹; building the knowledge base on environmental status²; awareness and capacity building of the key decision makers at the national, regional or global level; planning for addressing the issue and identifying actions that need to be undertaken³; monitoring changes in the status of the problem⁴; and establishing national or regional decision making structures that will facilitate in addressing the issue.
- **Demonstration, piloting, innovation and market barrier removal:** The projects classified in this category include activities that involve implementation of an approach that has potential to be adopted or replicated at a larger scale; awareness and capacity building of institutions that have a mandate to address the issue of concern; projects that intend to develop innovative technologies; and those that intend to remove barriers and or mainstream an approach. The small grants program (SGP) related GEF funding will fall in this category.

¹ For example: Transboundary Diagnostic Analysis, The Millennium **Ecosystem** Assessment, etc

² For example: The Millennium **Ecosystem** Assessment, and other research studies supported by the GEF.

³ For example: Transboundary Diagnostic Analysis – Strategic Action Program, National Implementation Plan, Management Plans for Protected Areas, etc

⁴ For example: Surveys for monitoring status of the ecosystem/water body or establishing baseline for it.

- **Investment and national scale implementation:** the projects included in this category include activities that intend to upscale and/or replicate a preferred approach to addressing the issue of concern. These may also include relatively large scale one time investments that may not have high potential for replication but may be justified based on the direct benefits that are anticipated from the activities undertaken by the project and/or activities that directly address an issue of a concern and are implemented at a national, regional or global scale.

The assessment used the PMIS dataset downloaded on June 15th 2009 as a basis for classification. In all 2291 of the projects that GEF had approved since its inception were classified⁵. The team that undertook the classification exercise comprised of the Evaluation Office staff. To classify the projects, the title of a listed project was assessed to determine whether it gave sufficient clues about its likely category and the nature of activities undertaken. When a project's title provided sufficient clues, the reviewers assigned the project to one of the three categories. When such clues were not sufficient, the reviewers perused the project description and then used the additional information to classify the project. However, if it was still not possible to classify, then the project category was reported as "Unable to Assess". The projects approved as Enabling Activities, were automatically categorized as "foundational and enabling activities".

One of the difficulties faced by the reviewers was that the classification categories are not mutually exclusive. Some projects have elements that pertain to more than one category. In such instances the reviewers took stock of proportion of funding for activities related to different categories and classified the project in a category for which relatively greater funding had been provided.

Another constraint that made classification difficult was that a project which appears to be an "investment" at the local level may be categorized as a "demonstration" project if it was looked at from a national, regional, or global perspective. For example, a project that involves activities that significantly solve the land degradation problems at local level may make it appear as an investment at the local level. However, at a national level, when such approaches have not been tried in other places, it will constitute a demonstration activity. To resolve such problems, the reviewers assessed the scope of a project from a regional or global perspective for regional or global projects, and for the remainder from a national perspective.

To assess patterns across groups of countries such as fragile states, LDCs, SIDS, land locked countries, lists for such countries published by UNDP (LDC, SIDS and land locked countries) and World Bank (fragile states) was incorporated in the dataset prepared for this assessment. The countries that have not been classified in either of these lists were classified as "Others" and were used to constitute a separate category for comparison.

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⁵ Total number of approved projects in the GEF portfolio, as on July 1st 2009, is 2389. The dataset based on which this review was conducted was downloaded on June 15th 2009 and it includes 2291 projects. Thus, 98 projects that had been approved by the GEF by July 1st 2009 have not been reviewed.

