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## REVIEW OF THE GEF OPERATIONAL PROGRAM 12: INTEGRATED ECOSYSTEM MANAGEMENT

**Recommended Council Decision**

The Council, having reviewed the *GEF Office of Monitoring and Evaluation Review of the GEF Operational Program 12: Integrated Ecosystems Management* (document GEF/ME/C.25/5), requests the OPS3 team to take it into consideration when preparing their final report. The Council also requests the GEF Office of Monitoring and Evaluation to report on follow-up actions taken to implement the management response in June 2006, taking into account the decision of the Council on the management response.

Global Environmental Facility  
Office of Monitoring and Evaluation

GEF INTEGRATED ECOSYSTEM MANAGEMENT  
PROGRAM STUDY

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## EXECUTIVE SUMMARY

1. This study had two main objectives: (1) to assess the consistency of the projects in the OP12 (Operational Program 12, Integrated Ecosystem Management [IEM]) portfolio and (2) to glean lessons from the OP12 experience to promote more effective integration among Global Environment Facility (GEF) activities. As most of the projects have been approved only recently, the study relied on the review of the 38 project documents in the OP12 portfolio and interviews with staff of the Implementing Agencies and the GEF Secretariat. Rather than project performance per se, the review thus assessed quality of entry—i.e., issues related to project preparation and design.

2. The review found that, overall, project documents did a good job in addressing process-related issues such as partnership arrangements, country-drivenness, stakeholder participation, and the identification of procedures for cross-sectoral management. Projects did not score as well, however, on technical factors that are important to potential success. Such factors include sound initial diagnosis of problems and assessment of potential solutions, accurate establishment of baselines, appropriate scientific and technical approaches to problem solution, monitoring of change or impact, and mechanisms to learn from experiences and adapt accordingly. Very few projects convincingly presented potential synergies among focal areas—an important criterion for success of OP12 projects.

3. Two important considerations require more attention during project preparation:

- (i) “Win-wins” versus trade-offs must be assessed carefully in terms of working to achieve (a) development and/or poverty alleviation while maintaining or increasing global environmental goods and services, and (b) synergies (a more positive form of win-win) between or among focal areas.
- (ii) In some projects, synergies may be questionable to the point that the risk of “double jeopardy” arises in having to establish baselines and achieve and measure separate but synergistic impacts. That is, it may be that holding projects responsible for multifocal outcomes could be beyond project capabilities and budgets.

4. In addition to the issues related to project preparation, other considerations contribute to potential failure to achieve the desired impacts of multifocal, synergistic integration. These include lack of strategic guidance of the operational program and unclear guidelines for designing and achieving successful IEM projects. The report presents some options for addressing this problem within the context of the current OP system. More drastic changes may also be considered, including a broader scale rethink of integrative approaches in the GEF and restructuring of the OPs. The review concludes that OP12 is useful for the GEF, but will require more careful strategic prioritizing, improved quality of entry, and improved methods for monitoring and learning from IEM approaches.

5. Several key factors need to be considered as the GEF moves forward to integration:

- Clarification and consensus regarding terms are needed.
- The GEF and its partners must continually identify, synthesize, and build on lessons learned.

- The conditions under which integration is necessary must be defined. All activities and projects do not need to be integrated. Those in the OP12 portfolio that should be integrated should be judiciously selected.
- Special attention must be given to technical rigor, avoiding overly ambitious objectives, and the balance between global environmental benefits and local benefits.

## I. INTRODUCTION

6. The Office of Monitoring and Evaluation of the Global Environmental Facility (GEF) contracted with a team of consultants from the International Center for Tropical Agriculture to evaluate OP12, its Integrated Ecosystem Management (IEM) operational program (OP). Given that OP12 has been an experiment in integration for the GEF, the overall question addressed was: *What lessons can be gleaned from the OP12 experience to promote more effective integration among GEF activities?* The evaluation is based on the OP12 basic program document, the ample documentation corresponding to each of the 38 projects and 6 project development facility block B proposals (PDF-Bs) currently in the OP12 portfolio, and relevant information regarding similar OPs. The team interviewed members of the GEF Secretariat (GEFSec) in Washington, D.C., and representatives of the Implementing Agencies (IAs) listed below. To do full justice to this project, the team would have preferred to have had an opportunity to visit selected projects in the field, but such an option was not included in the contract.

7. The review includes: (a) this narrative; (b) evaluation scores for each OP12 full project, medium-sized project, and PDF-B proposal based on the Terms of Reference (TOR) queries (appendix IB); and (c) responses to the direct queries in the contracted TOR (appendix II).

### 1.1 GEF Operational Strategy

8. The GEF Operational Strategy was established in 1995 and reflects international consensus that global efforts toward environmentally sustainable development should feature integrated management of natural resources—including energy—and enhancement of cooperation and synergies, with an emphasis on the regional level. The multifocal OP9 recognizes the need to integrate land use and biodiversity considerations in the design of water protection and rehabilitation actions. OP10 (Contaminant-Based Program) recognizes that freshwater basins, coastal areas, and seas constitute an environmental continuum. OP12 was a further step, albeit not an orderly conscious progression, toward multifocal integration.

9. OP12 was initially conceived in 1999 as an operational program on carbon sequestration, but a year later was given its current title to reflect an integrated and multifocal approach to the management of natural systems (documents explaining the change were not encountered). GEF focal areas now correspond to the desired global environmental benefits (GEBs) of biological diversity, conservation and sustainable use, climate change mitigation and adaptation, protection of international waters, reduction of persistent organic pollutants, and reversal of land degradation. OP12 projects are intended to be *multifocal*, dealing with two or more focal areas; and *synergistic*, where achievement of benefits in one focal area leads to increased benefits in another. Some of the most salient points guiding the evaluation were provided by the base OP12 document (especially paragraphs 5, 6, 11, and 12).

## 1.2 Methods

10. To understand the OPs as a whole and to facilitate comparison across the OPs, the evaluation drew on basic documents and selected projects of OPs 1–4 (biodiversity: arid and semi-arid; coastal, marine, and freshwater; forest; and mountain ecosystems), OP9 (integrated land and water), OP13 (conservation and sustainable use of biological diversity important to agriculture), and OP15 (land degradation).

11. The review team evaluated each of the 38 approved medium-sized and full projects and six PDF-B proposals according to questions provided in the TOR (appendix V) and associated evaluation criteria. The few available project implementation reviews were also examined; but these dealt largely with financial rather than technical and impact-related issues. For TOR questions related to quality (e.g., baselines), team reviewers scored each subquestion on a scale of 0–5, assessed as follows:

- 0: highly unsatisfactory
- 1: unsatisfactory
- 2: moderately unsatisfactory
- 3: moderately satisfactory
- 4: satisfactory
- 5: highly satisfactory.

12. For questions that required subjective judgments as to the likelihood of success (e.g., global benefits), reviewers used a different set of descriptive criteria, also on a 0–5 scale:

- 0: none claimed or highly unlikely
- 1: unlikely
- 2: moderately unlikely
- 3: moderately likely
- 4: likely
- 5: highly likely.

13. Where the response was a simple yes or no, scores were valued at 5 or 0, respectively. A score of 2 was allocated to the response “broadly,” which was often given in answer to queries such as “Are projects under OP12 consistent with OP12 selection criteria?”

14. As stated above, the team interviewed members of the GEFSec and representatives of the IAs from the World Bank (WB), the United Nations Development Programme (UNDP, in New York City), the United Nations Environmental Programme (UNEP, by teleconference from Nairobi), and the Asian Development Bank (ADB, by teleconference from Manila). Respondents and their affiliations are listed in appendix III.

15. The team reviewed a wealth of documents (listed in appendix IV).

## II. FINDINGS

16. Findings were straightforward. Integration and synergies are desirable but extremely difficult to achieve. In OP12, these difficulties are exacerbated by inadequate project quality of entry—i.e., issues related to project preparation and design—in terms of their scientific/technical components, lack of strategic and operational guidance provided by the GEF, and—possibly—the organization of the OPs as a whole. As a result, this document is structured along the following lines. First, the direct findings include:

- Quality of entry: many strengths but technical weaknesses
- Integration: multifocality, synergies, and related issues.

17. Based on the above, the review offers thoughts for discussion regarding:

- Moving forward: OP12 via greater GEF guidance
- Moving forward: alternative scenarios for the OP structure.

### 2.1 Quality of Entry

18. The study relied on project documents because most of the projects have only recently been implemented. Rather than project performance per se, the review assessed quality of entry. Scores were allocated on the basis of the content of documents available for review—i.e., project briefs and work plans. Overall scores for performance, therefore, represent a judgment of how well projects were *likely* to perform and are not a measure of *actual* performance. As detailed in appendix II, about 11 percent of the projects in the OP12 portfolio were rated moderately unsatisfactory or less; just under 30 percent were considered satisfactory or better. More recent projects tended to have higher scores, possibly due to less discrimination in OP12's early days.

19. The success of OP12 projects—i.e., their achievement of integrated, synergistic impacts in terms of global environmental benefits—will depend on myriad interacting factors identified by the GEF, IAs, and project proponents. These factors include genuine stakeholder participation, sound and appropriate partnership arrangements, fit with country objectives, country-driven nature of the project, sectoral integration, enabling environments, and adequate co-financing. The OP12 portfolio of projects universally addressed these factors in a generally comprehensive and thoughtful manner.

20. Strong features of the OP12 portfolio include *partnership arrangements*: 84 percent of the projects ranked at least moderately satisfactory for this factor, and 50 percent ranked highly satisfactory. Clearly, proponents and IAs have worked hard to create partnerships. Over 93 percent of the projects were moderately satisfactory or better in demonstrating that they were *country driven*, with just under 75 percent scoring highly satisfactory. Only two projects (1394 Regional and 2520 Regional) were ranked less than

satisfactory; both were “top-down” projects in which the proponent had a good idea or technology and sought country participation to push the project forward.

21. In 75 percent of the projects, *stakeholder participation* was judged satisfactory or better. Stakeholder participation arrangements were poorly defined in less than 14 percent of the projects. These too were top-down efforts in which the project design had either tacked on the stakeholders or in which it was not clear how stakeholders would be involved. Most projects clearly identified recipients (i.e., those receiving the environmental benefits or GEF funds) and incorporated procedures for *cross-sectoral management*. Over 84 percent of the OP12 projects scored moderately satisfactory or better; over 75 percent were satisfactory or better. Once again the group of top-down projects (1395 Regional and 2520 Regional) scored poorly. Two otherwise well-designed projects (793 Benin, 1769 Global) omitted or lacked detail for this aspect.

22. Other, more technical, factors that also contribute to potential success include sound initial diagnosis of problems and assessments of potential solutions, accurate establishment of baselines, appropriate scientific and technical approaches to problem solution, monitoring of change or impact, and mechanisms to learn from experiences and adapt accordingly.

23. Overall, the technical feasibility of many OP12 projects was worrisome due to unconvincing, incomplete, or overly optimistic statements regarding proposed scientific and technical underpinnings. For example:

- For 793 Benin, the Scientific and Technical Advisory Panel (STAP) Roster review states, “The project is simply trying to do too much, in too short a time, in too many areas, and in many cases the causal links between activities are not well defined. It is difficult to tell exactly how the project plans to achieve the ambitious objectives that it proposes.”
- 933 Senegal claims, “Enhanced protection is estimated to result in 5,000–6,000 tonnes of carbon sequestered per hectare per year.” Although this estimate is four orders of magnitude (10,000 times) too high, the claim was unchallenged by the STAP Roster reviewer.
- For 1047 Honduras, the evaluation noted, “Technical approaches to achieving environmental benefits [are] insufficiently developed.”
- For 1213 Egypt, the review pointed out that the “best agricultural practices that the Bedouin and others will adopt will somehow lead to increased carbon stocks. But how?”
- The review of 1330 Zambia included the comment, “Unrealistic expectations regarding adoption and success of conservation farming and benefits of related farmer field schools.”
- For 1394 Regional, the review commented, “I don’t believe that econometric models can work to forecast how changed climate will affect plant growth... The approach is described only in the vaguest terms.”

24. Some projects appeared overly optimistic in assuming that local benefits would translate into global benefits (e.g., 1218 Argentina, 1343 Brazil, 1353 China, 1476 Brazil, 1535 Azerbaijan, 1537 Regional, 1855 Chad, and 1872 Tajikistan) and/or that the project could be made operational and achieve its objectives within the time frame proposed (e.g., 1022 Regional planned to distill local knowledge and establish 24 pilot areas in four years; 1769 Global planned to measure accumulation of carbon stocks in peatlands in three years).

25. Several specific areas are relevant to the discussion of technical feasibility.

26. **Proposal reviews and project eligibility.** The STAP Roster reviews of project proposals were more optimistic than the review assessments regarding technical merit. Several persons interviewed discussed how STAP reviewers are selected and contracted (and recontracted) by the IAs. One review is sought. There was no evidence of independent assessment of the project preparation team's subsequent response even to mildly critical comments (e.g., 1244 Kazakhstan). Some form of anonymous peer review is needed, similar to that undertaken by many granting agencies, with provision for assessment of the project preparation team's response by an independent arbiter. Independent arbiters could be compensated as are current reviewers. Having more than one reviewer should not unduly lengthen the project cycle, but could have a significant positive impact on project quality.

27. Reviewers of earlier drafts of this study questioned the above. The STAP provided confirmation of the review process and of its concerns regarding quality:<sup>1</sup>

The project task manager in the IA selects the roster reviewer and is responsible for drawing up a contract and paying the fees. All IAs use the same procedure, which was agreed by the GEF Council. The Panel considered the Roster several times, including at the October 2003 STAP meeting when the following was agreed:

- Allow for reviews to be undertaken earlier in the project cycle at the pipeline entry stage for projects with scientific and technical elements that are particularly broad or cross-focal in scope, complex, innovative, or that address an area that is new to the GEF (e.g., Persistent Organic Pollutants, bio-safety, OP12, OP15) to strengthen the scientific and technical quality of the project. Roster reviews at the concept stage should be considered more as advisory than as quality control.
- Allow for the use of two Roster reviewers for projects with scientific and technical elements that are particularly broad or cross-focal in scope, complex, or innovative. (It is not yet clear what effect these changes have had.)

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<sup>1</sup>*Minutes of the Third Meeting of the Scientific and Technical Advisory Panel (STAP III) to the Global Environment Facility; and STAP: Roster of Experts.*

However, the Panel was unable to reach agreement with the IAs on three further points:

- Reviews to be done only where projects raise new or contentious S&T [science and technology] issues, for example, novel technological applications, new focal areas, on a set of criteria drawn up by STAP, in consultation with the GEF Secretariat and IAs.
- STAP to be consulted on the choice of a reviewer, to consider whether the repeated use of an expert was warranted, and to comment on the review.
- If a reviewer is not of good quality, STAP to consider whether the reviewer should be used again.

In 2003, an evaluation of roster reviews (based on questionnaire responses by IA task managers) showed that 87% of reviews were rated as good (or better). Many reviews contained relatively little about science and technology, because no particular issues were raised, or they were familiar—by contrast, there were plenty of comments on stakeholder capacity, incremental costs, and socio-economic aspects. There was widespread agreement that reviews come too late in the project process to have other than a marginal effect. The Second Overall Performance Study (OPS2) was concerned that the function was seen as an obligatory, if sometimes meaningless check-off. Roster issues were raised most recently at the March 2005 STAP meeting: the Panel remained concerned about the use made of roster experts, and will give further consideration to this in the future.

28. **Baseline studies and indicators.** Baseline studies are necessary so project impacts can be measured over time. Projects 956 China, 972 Rwanda, 1047 Honduras, 1178 Burkina Faso, 1275 Niger, 1325 Regional, 1362 Kenya, 1378 Global, 1590 Namibia, 1684 Regional, 2057 Belarus, and 2485 Poland scored highly satisfactory for baseline measurement. In contrast, many projects lacked clear baselines (1353 China and 2520 Regional) or proposals for conducting such studies (1035 Peru, 1343 Brazil, 2183 Ghana, and 1218 Argentina). The project development and approval process needs to increase the emphasis given to careful, appropriate, and accurate baseline establishment. Similarly, plans for ongoing monitoring and evaluation (M&E) have often been lacking, have lacked specificity, or have been specific but unclear in terms of some combination of them. For example, one project would have benefited from:

- Justification of use of selected indirect measures of impact (e.g., number of farmer field schools implemented)
- Identification of necessary and sufficient requirements regarding indicators (e.g., what does it mean that farmers have “taken up” conservation farming or agroforestry? What are the performance or impact levels implied? Are they appropriate?)
- Measurement methods (e.g., for “tons of carbon sequestered”)

- Justification for optimism (projected area released from slash-and-burn agriculture).

29. The biodiversity focal area also faced the problem of not being able to measure performance sufficiently as its work got under way:

From the outset, this study searched for a single, unifying strategy against which to objectively assess performance to date. The absence of such a strategy was found to be one of the fundamental weaknesses of the GEF's current Biodiversity Program and, without due attention, may well remain its "Achilles heel." In the absence of a fully developed strategic framework, laying out a clear and rational vision (along with goals, objectives, and targets) and defining its place in the global and national biodiversity context, the GEF Biodiversity Program is destined to remain a constellation of challenging projects, struggling to demonstrate impacts to its constituency.<sup>2</sup>

30. **Carbon stocks.** Global environmental benefits in terms of climate change can accrue from the sequestration of carbon and from the reduction of greenhouse gas (GHG) emissions. OP12 projects seeking climate change benefits, however, largely plan to do so by increasing carbon stocks, in most cases by maintaining or increasing plant biomass through changes in land use and management (e.g., 1244 Kazakhstan). However, carbon stocks accumulated in standing vegetation can quickly be lost through burning. Soil carbon can be lost with tillage. Enormous losses can result from the drying and burning of peatlands. A global worry is that increasing temperatures could lead to a thawing of portions of the tundra, resulting in decomposition and huge GHG emissions. Carbon is sequestered only as long as the integrity of the system is ensured. A better model is to regard soil and the aboveground carbon as stocks of carbon. A particular activity may increase these stocks, but their permanence must always be taken into account when assessing sequestration. Projects coming the closest to potentially sequestering carbon include those working to restore peatlands (2057 Belarus) and those attempting to restore productive, stable landscapes following land conversion to unsustainable use (1244 Kazakhstan). None of the OP12 projects dealt with trying to reduce GHG emissions, for example, from ruminant livestock and rice paddies, both sources of methane (which is much more problematic than carbon dioxide and a major contributor to climate change).

31. It is very difficult to demonstrate globally significant climate change benefits by increasing soil carbon stocks through land use change. Specifically, it is difficult to show (not to mention the high costs entailed in sampling and analysis) that differences in carbon stocks are not due to random sampling error, especially over short time scales and large areas where soils are heterogeneous. Even in well-controlled field experiments, it is difficult to show that changes are significant. In a study of the effect of pasture conversion from native savannah to an introduced African grass pasture on the eastern

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<sup>2</sup>*Biodiversity Program Study 2004*, p. 7.

plains of Colombia, soil carbon to a depth of 40 cm increased over 10 years from 113 to 124 t/ha. The 11 t/ha difference was not statistically significant (Fisher et al. 1994).

32. Some projects are aware of such technical difficulties. One (1244 Kazakhstan) proposes to use modeling and remote sensing to estimate increases in soil carbon stocks. Given the time constraints in GEF projects, this is a valid and useful approach. Unfortunately, the same project refers to sequestered carbon and, in response to a query by the STAP Roster reviewer, notes that “field measurements will give actual accumulation figures.”

33. **Biodiversity.** Many OP12 projects seek global biodiversity benefits, focusing on habitat preservation and promotion of sustainable use practices of native species (e.g., 793 Benin, 847 Nicaragua, 933 Senegal, 1244 Kazakhstan, and 1590 Namibia). Among these are projects that correctly recognize that habitat preservation alone cannot address the global loss of biodiversity and thereby propose use of diverse and integrated approaches to conservation (e.g., 1536 Venezuela).

34. OP12 projects targeting specific eco-geographic areas and based on direct ground-level interventions need to detail explicitly how biodiversity benefits are to be achieved, and what baselines and indicators are to be used to assess change. Biodiversity encompasses the genetic through ecosystem levels; changes in diversity at one level do not necessarily imply change at another. With a few exceptions (e.g., 984 Mongolia), insufficient detail is provided by OP12 projects regarding how biodiversity benefits will be measured. Some projects propose to provide baseline data on biodiversity, although little detail is provided regarding measurement (e.g., 1536 Venezuela). In most cases, biodiversity is measured based on a single indicator (e.g., birds in 947 Regional) that may or may not be representative of biodiversity (or indeed of ecosystem function and resilience). Moreover, conservation projects usually target only a small subset of overall biodiversity (e.g., 1244 Kazakhstan and 1855 Chad). Although projects may not be able to afford exhaustive monitoring, assumptions must be specified and addressed more rigorously.

35. Institutional-strengthening projects (1590 Namibia, 1870 Regional) that seek eventual global biodiversity benefits of course do not and need not *directly* develop indicators, establish baselines, and monitor and measure biodiversity benefits of their own activities. They do, however, need—but lack—work to ensure or develop stakeholder capacities in such areas.

36. As acknowledged and supported by the Convention on Biological Diversity, a number of OP12 projects promote sustainable use of native biodiversity in order to provide incentives for preservation (1590 Namibia). For example, projects may support and promote small-scale domestication and use of native medicinal and ornamental plants and managed extraction of non-timber forest products. Unfortunately, insufficient detail is provided as to how the sustainability of these activities is to be achieved. Such use of biodiversity also requires market analyses (absent in 793 Benin, but present in 847 Nicaragua) to prevent boom-and-bust outcomes.

37. Finally, no OP12 project explicitly addresses biodiversity preservation or sustainable use at the genetic level. Projects addressing sustainable use at the genetic level are included in OP13, which deals with agro-biodiversity.

38. **International waters.** Projects seeking benefits in the area of international waters demonstrate weak technical underpinnings. Most seek international waters benefits because they involve different countries that share waterways or catchments and propose to do so via use of integrated ecosystem management. Some appear overly ambitious in terms of goals and beneficiaries (e.g., 1535 Azerbaijan). Similarly, several state excellent overall goals but fail to develop an effective plan of implementation (e.g., 1684 Regional). The common failure is that the proposed IEM most often remains a “black box”: 1022 Regional plans to address a range of key factors from policy to indigenous knowledge to enabling environments, but lacks detail as to what is planned in terms of IEM. The project admirably seeks to build on “good practices” but fails to define how such practices are to be identified and used as a basis for achieving global environmental benefits:

Bilateral protocols will be agreed on protected transboundary habitats, common biological resources, such as forests and migratory species, and plans for integrated ecosystem management in each catchment. Community-based management plans for the 24 pilot areas, including sites of special value, will be implemented. A guide on good practices for integrated ecosystem management will be prepared..., together with economic and technical analyses of new and profitable alternatives to degrading practices. Using this information, plans for improved management of degraded resources will be prepared at the community level, with...technical and financial support. To reduce dependence on biological resources, testing, promotion and facilitation of alternative livelihood sources will be carried out.<sup>3</sup>

39. **Integrated natural resource management (INRM, includes work in the land degradation focal area).** OP12 INRM efforts largely attempt to promote adoption and impacts of approaches such as “conservation farming” (1330 Zambia); integrated crop, nutrient, and pest management (933 Senegal); and adoption of “best-bet” practices (1213 Egypt and 1343 Brazil). Because such approaches taken as a whole are more knowledge intensive (i.e., require learning about new management systems) than, say, the adoption of new germplasm or of fertilizer use, such projects may also (appropriately and wisely) promote participatory approaches, farmer field schools (1330 Zambia), and innovations in stakeholder organization and learning. Recognition of the complexity of these approaches has also led many projects to invest in needed work on policy change and creation of “enabling environments” (1870 Regional).

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<sup>3</sup>*Integrated Ecosystem Management of Transboundary Areas between Niger and Nigeria Phase I: Strengthening of Legal and Institutional Frameworks for Collaboration and Pilot Demonstrations of IEM*, p. 17.

40. A number of the projects claiming or planning to use the technical INRM approaches named above do not provide further specification regarding what they mean in terms of component technologies and associated management practices, and implementing approaches (e.g., 1022 Regional and 1047 Honduras). Such projects are impossible to evaluate as far as their technical feasibility, although it is likely that lack of both careful planning and demonstration of an understanding of the difficulties involved in IEM predicts poor performance.

41. Those projects that *do* specify their planned technical building blocks mention combinations of improved germplasm, reduced tillage, direct seeding, use of cover crops, tree planting, agroforestry (and other hyphenated constructions such as “agro-silvo-pastoralism”), soil conservation, water harvesting and management, and organic farming (e.g., 1244 Kazakhstan and 1362 Kenya).

42. But the following questions arise:

- Do/will these INRM component technologies work at the proposed project sites?
- Can/will these forms of land use intensification be adopted by end users?

43. It is difficult to discern if the technologies will work at the project sites. Such INRM component technologies have been shown to function on experimental stations under controlled conditions and in pilot projects (e.g., 1047 Honduras), often with the assistance of direct or indirect subsidies. Even in such cases, however, success depends on careful evaluation and planning regarding suitable germplasm, agroecosystems (soils, climate regimes, biotic and abiotic stresses), and management regimes. Difficulties increase when project efforts address more than pilot projects and when scaling up and out to significant levels is attempted (Cook and Fujisaka 2004). Agroforestry, for example, works beautifully on-station; but off-station adoption, even in adjacent areas, is mostly negligible (note that this does not refer to traditional forms of agroforestry developed over time, independent of research and development). “Community-based natural resource management” may be reasonably successful in targeted villages, but may be nonexistent in neighboring villages. Evidence of the necessary evaluation and planning is lacking across the project documents employing INRM.

44. With regard to whether these forms of land use intensification will be adopted, little evidence is presented to support the potential of adoption; experience shows that adoption may be unlikely in most of the projects. The problem is that adoption of, for example, conservation farming or different types of INRM require land use intensification, and intensification usually implies greater costs on the part of end users and declining benefit-cost ratios. Some forms of intensification such as soil erosion control are often targeted in areas where soil loss rates and/or soil quality are too low for conservation to make economic (in terms of the private sector) sense. People, especially the targeted poor, usually cannot afford to intensify (Fujisaka and White 1998, White et al. 2002).

45. Some alternatives that have been tried by projects within OP12 to achieve such land use intensification are:

- Linking adoption to other benefits (such as agro-enterprise development and/or ecotourism, e.g., 1035 Peru), often resulting in ineffective pro forma adoption
- Direct subsidies (e.g., 1178 Burkina Faso, 1855 Chad) which have generally not been sustainable and have been subject to all manner of operational corruption and perverse impacts
- Limited payments for global environmental services (e.g., 947 Regional), an area in which certain of the projects within the OP12 portfolio are making progress.

46. Other approaches used globally include:

- Indirect subsidies, usually policy incentives lowering the costs of intensification, e.g., costs of agricultural inputs, fuel, transport, and tariffs
- Policies or tendencies (e.g., demographic) leading to effective increased costs and reduced benefits of current forms of extensive agriculture—e.g., effective forest protection, resulting in closing of the agricultural frontier and limiting access to forest products (Angelsen and Kaimowitz 2001, Fujisaka and White 1998, White et al. 2001).

47. In selected and appropriate cases, projects might also consider the use of indirect subsidies and/or of policies, or the recognition and adaptation to tendencies, promoting and enabling more extensive land use. Reviews of projects in other focal areas have pointed out the importance of carefully examining approaches that have implicit underlying guiding assumptions:

[The] World Bank biodiversity focal area report notes that a whole generation of projects has been designed and implemented on the often flawed assumption that poverty and lack of alternative livelihoods is the primary, if not the only, driving factor behind biodiversity loss and threats to protected areas. Often it has turned out that national policies, and government-supported economic activities such as allocation of logging concessions, new transport infrastructure, or dams, posed greater threats to biodiversity in protected areas than the small-scale illegal activities of local communities. UNDP's biodiversity focal area report points to a different problem about initial assumptions—the failure to anticipate significant changes in government policy and regulatory structure. In the Paraguay Wildlands Protection Initiative project, for example, the legal

status of the project areas had been downgraded between the completion of the design phase and beginning of implementation.<sup>4</sup>

48. Greater and more careful efforts are needed in ensuring that proposed technical INRM components will function as intended and can be adopted at meaningful scales. Careful diagnostic and problem-solving research is needed to match technical components to people and natural and social policy environments. While it certainly may be possible to work with the Bedouin on the adoption of “best” agricultural practices in the northwest coastal zone of Egypt (1213) in order to increase carbon stocks and biodiversity, for example, more convincing arguments are needed at the proposal stage, and careful monitoring and evaluation of impacts will be needed as projects get under way.

49. The above discussion is aimed at improving individual OP12 projects. The following section examines some key characteristics of OP12 as a whole (albeit largely but not wholly based on evaluation of the OP12 projects).

## **2.2 Integration: Multifocality, Synergy, and Related Issues**

50. The review identified several good examples of well-integrated projects (e.g., 947 Regional, 984 Mongolia, 1244 Kazakhstan, and 2057 Belarus). Such projects were those that had a mean score of 3.8 for the two TOR main questions 3 (“How has multifocality been dealt with during project preparation?”) and 4 (“Are projects under OP12 consistent with OP12 selection criteria? Do they fit within the policy?”)

51. Six projects scored 3.8 or better: 947 Regional, 956 China, 984 Mongolia, 1022 Regional, 1244 Kazakhstan, and 2057 Belarus. The threshold of 3.8 is purely arbitrary; and even these top projects are not without weaknesses, as the table of scores in appendix IB shows. In most areas, however, the designs of these projects are admirable, and they are good examples of what IEM projects should look like.

52. Scores were allocated to two additional items to further explore integration and synergy:

- How likely (as an overall but subjective assessment on the reviewer’s part) a project was to achieve its stated global environmental goals
- The extent to which the project’s integration across focal areas is likely to create synergy (i.e., success with a single focal area will raise the performance of others).

53. Mean combined values for TOR questions 3 and 4 plus the above additions were calculated. The two added criteria resulted in very little change in the final evaluation, raising 984 Mongolia from fifth to third and dropping 956 China and 947 Regional one

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<sup>4</sup>*Project Performance Report 2003*, p. 39.

place, to fourth and fifth respectively. The implication is that the criteria used in TOR questions 3 and 4 are robust indicators of project quality.

54. In terms of the extent to which each project claims multifocality, 16 percent scored less than moderately likely (e.g., 1378 Global for measuring soil carbon). In terms of probable success in achieving multifocality, over two-thirds were scored as likely or better; over 30 percent were ranked as highly likely. Many projects (such as 1848 Kenya, 1855 Chad, and 2183 Ghana), however, do not address the issue of multifocality (appendix II, question 3a) convincingly; some (e.g., 1378 Global and 1394 Regional) make no attempt to do so.

55. The interviews did not provide evidence that special teams were set up for individual projects, although the IAs do have multidisciplinary teams, specialist members of which were required to sign off on relevant project components. The GEF focal area task forces comprise members of the GEFSec and IAs to facilitate opportunities for cross-fertilization. The OP12 document lacks strategic direction in this area (e.g., more specific guidelines and a mandate for the GEFSec to be more involved in the scientific-technical reviews); this is an issue that the OP12 Task Force needs to address. There was no evidence of special frameworks addressing multifocality for each project within the IAs. Some projects, such as 956 China and 1022 Regional, have as their objective to create special institutional frameworks on which further projects will be implemented.

56. No project proposed a convincing model to measure synergies between or among focal areas. It was implicit in many documents that, because there were two focal areas written into the project, synergies would automatically occur. In a number of cases (e.g., 847 Nicaragua), the second focal area included in a project is basically independent of the first. In other cases, e.g., 2057 Belarus, if conditions to recreate wetlands are successful, it is likely that both peat creation will restart and biodiversity will be enhanced. Since the two will occur together and neither can occur without the other, this is an obvious synergy. Even so, it is difficult to propose how to demonstrate it objectively. The GEFSec and IA need to watch closely as this project develops.

57. As might well be expected, synergy was the weakest area of performance of OP12 projects. More than 52 percent scored moderately unsatisfactory or less for this measure, while only a little over 25 percent scored satisfactory or better and only 5 percent scored highly satisfactory. Proponents and IAs must be much more rigorous in describing the models they propose to use to demonstrate synergies—which is not an easy task. Projects are often akin to uncontrolled experiments in that there is rarely an objective way to quantify positive interactions between two or more focal areas. There is no simple solution to this problem, which will require much thought and careful formulation of different possible approaches. Clear strategic priorities in the OP12 document addressing this issue could help proponents, IAs, and the GEFSec.

58. Project fit within OP12 focal area objectives was examined. Only a little over one-third of the projects scored moderately satisfactory or better; less than 8 percent scored satisfactory or better. This outcome may reflect the lack of clear strategic priorities in the OP12 document, which allowed OP12—at least in its early stages—to become a

“dumping ground” (in the words of one interviewee) of projects that did not fit well in the highly compartmentalized “silos” of other OPs, especially in biodiversity. In this context, it was heartening that there were a few projects that are not only well designed, but are also outstanding examples of IEM (e.g., 947 Regional, 956 China, 984 Mongolia, and 1536 Venezuela).

59. The extent to which projects are consistent with OP12 selection criteria and GEF policy (as detailed in the OP12 document) was examined, and only a little over 13 percent of the projects were assessed as moderately unsatisfactory or worse in this regard. In some cases (e.g., 1080 Albania, 1378 Global, and 1455 Global), there did not seem to be congruity between the project and the OP12 criteria, but the project did not seem to fit elsewhere either. It was puzzling how these projects were deemed acceptable during the evaluation process.

60. The GEF Policy Framework is set out in chapter 1 of the GEF Operational Strategy, summarized in box 1.1 as 10 operational principles.<sup>5</sup> IA project brief documents specifically ask proponents to respond to these principles to assure the GEF that projects fit within policy. No project was in contravention of policy as embodied in the operational principles.

61. The review asked, “Has the development of OP12 projects had the effect of broadening or changing the objectives of the relevant focal areas (e.g., biodiversity, climate change, and international waters)?” Almost 60 percent of the projects had no impact in this area, and only a little over 25 percent had a moderately satisfactory or better impact. Some projects clearly can have considerable impact; in general, these are projects that had high scores on other components of project design. OP12 projects could and should have an impact on the relevant focal areas, with more rigorous selection of projects reflecting a set of carefully crafted strategic priorities in IEM.

62. According to interviews, the task force for each of the focal areas has proposed a set of strategic priorities for the fourth GEF replenishment (GEF4) and is in the process of formalizing these priorities. It was not possible to determine whether this prioritization was a result of OP12 or part of the GEF’s evolutionary development. Irrespective of the root cause, the development is very positive and should be monitored by the OP12 Task Force.

63. For the question “What are the themes of OP12 projects, and how do these fit within the strategic priorities or objectives of the respective identified focal areas (biodiversity, climate change, land and water, etc.)?”, over 75 percent of the projects were at least moderately satisfactory or better in developing themes congruent with OP priorities in the focal areas. Discussion of focal area strategic priorities began in the third GEF replenishment (GEF3). OP12, created in 2000, did not develop strategic priorities at that time because of the immaturity of its portfolio. The GEF Council did require that

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<sup>5</sup>*Operational Strategy of the GEF.*

projects meet the OP12 eligibility criteria and the strategic priorities in at least two of the six focal areas. The main strategic direction for OP12 in GEF3 focused on:

- Capacity building for IEM
- Innovative and/or indigenous approaches to IEM using a combination of natural resource management approaches.

64. Although outside the scope of this review, current GEF discussions on integration at the program and focal area levels would greatly benefit from the development and implementation of a solid knowledge management system. Such a system would provide strengthened feedback to the GEFSec as projects are implemented and evaluated.

65. A few additional points, discussed below, emerged throughout the course of project evaluation, interviews, and thinking about OP12 and the OP structure.

### 2.3 Two Key Considerations in OP12 Projects

66. **“Win-win” or trade-offs?** Win-win versus trade-offs must be considered in terms of (a) working to achieve development/poverty alleviation versus efforts to maintain or increase global environmental goods and services, and (b) working to achieve synergies (a more positive form of win-win) between or among focal areas.

67. **Development/poverty alleviation versus efforts to maintain or increase global environmental goods and services.** Blended projects in which large development initiatives have requested GEF OP12 funds have often done so with the explicit and worthy recognition that development and poverty alleviation often may require greater, negative demands on public, global environmental goods. For example:

The rationale for supplemental funding of the...operation by GEF is that under CBRDP [a large development effort] alone, communities are more likely to express demands for social and income-generating activities rather than for local and global environment protection related activities, because of market failure (environmental externalities not internalized in economic decisions), because of high time discount rates that render private short-term costs greater than benefits, etc. Resources from a GEF window could therefore help to *temporarily* [emphasis added] lower the private costs and risks for communities to engage in environment protection activities and thereby provide them with a greater incentive to express demands for local and global environment related activities.<sup>6</sup>

68. The above is such an accurate recognition of necessary trade-offs that it includes the recognition of the temporary nature of lowering private costs and risks.

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<sup>6</sup>1178 Burkina Faso project documentation.

69. One WB representative interviewed expressed the view that blended projects—in which the GEF project is a small part of a larger development effort implemented by the WB, International Fund for Agricultural Development (IFAD), or other entity—at least increased awareness of the importance of trying to maintain or increase global environmental goods in the face of development programs. He asserted that such efforts were more sustainable than stand-alone projects because they endured for at least the life of the larger program. The proponents of one project (1213 Egypt) essentially agreed: “GEF support is sought to address global environmental concerns in the day-to-day management of resources, as well as mainstream environmental dimensions into overall planning and implementation of development activities in the area.”

70. While the approach is sound, it is unfortunate that implicit in most projects was the notion that inclusion of the GEF project would result in win-win gains in *both* development and global environmental goods. Programs, while rightfully desirous of such win-win gains, need to assess carefully the more likely need to deal with trade-off outcomes. What will be required are difficult and likely unpopular decisions that balance the supposed importance of specific environmental goods versus the possible need to sacrifice some gains in poverty alleviation.

71. On the other hand, progress is being made. Project 947 in Nicaragua, Costa Rica, and Colombia carefully calibrated payments for increases in environmental services (carbon stocks and bird biodiversity) given to ranchers who improved land use. Gains were made in both income and environmental services. An illustrative aspect of the project learning was that land users quickly based their implementation of land use changes on accurately calculating which of the many potential changes led to the highest returns on their investments.

72. **Synergies (a form of win-win) or trade-offs among focal areas.** Synergies among some focal areas may be nearly automatic. Protected forest areas, for example, may result in maintenance of biodiversity; while the same habitat protection (and absence of, say, slash-and-burn agriculture) would safeguard carbon stocks. However, the GEF and IAs might consider the possibility that some efforts may require trade-off decisions regarding different environmental goods/focal areas. Quite early on, the GEF and IAs realized that carbon stocks could be increased through reforestation programs, but that these same programs could easily work against the maintenance of different types of biodiversity. In terms of OP12, 1022 Regional serves as a good example of trade-offs encountered by a project: more efficient sharing of water in the target area may lead to less of the resource available to downstream users outside the project area.

73. **Synergies or double jeopardy?** Some projects may have sought OP12 funding (as opposed to funding from another OP) due to a claimed multifocality and synergy between or among global environmental goods. Improved land management or the habitat maintenance necessary to protect biodiversity may in many cases be seen to increase carbon stocks, but such synergies may be questionable to the point that the risk of “double jeopardy” arises in having to establish baselines and achieve and measure separate but synergistic impacts. That is, projects may seek and achieve funding for

multifocal work, but will then be held responsible for multifocal outcomes that may be beyond project capabilities and budgets.

74. Concerns related to the assumptions—explicit and implicit—underlying project approaches have surfaced in other reviews of GEF OPs and respective projects:

Another problem covered throughout the review is unrealistic assumptions about either project problems or solutions. The mid-term review of the World Bank project Water and Environmental Management in the Aral Sea Basin, for example, determined that there were some flawed assumptions underlying the project, such as the assumption that public awareness alone, without economic incentives, could influence rates of water use. Similarly, the mid-term review found that the UNEP Determination of Priority Actions for the Mediterranean Sea project wrongly assumed that participating governments would quickly adopt economic instruments, even though adoption of such policy tools tends to be a slow and difficult process. The mid-term review also found that the assumption that countries would be fully engaged in the preparation of national action plans and pre-investment studies already in the second year of the project was too optimistic.<sup>7</sup>

## 2.4 A Quick Review of Selected Lessons Learned and Respective Recommendations

- **Project design and approval.** Projects are uniformly consistent and complete in addressing and developing plans for such things as stakeholder participation, co-financing, and country-drivenness. Projects are less successful in developing or demonstrating sound technical rigor (see next point). Independent project review is needed. Fortunately, the STAP is concerned about, and continues to try to improve, review quality and independence.
- **Technical rigor.** Work on biodiversity conservation and use is not technically complicated. However, work on climate change and on integrated ecosystem management is complicated and is also subject to many pitfalls. Although projects competently address institutional and partnership issues, no project will attain its desired impacts if technical rigor is lacking. Many project proposals are naively and overly ambitious regarding the potential success of such things as conservation farming, agroforestry, and integrated soil and land management. The GEF needs to continue seeking qualified and experienced expertise in this area.
- **Guidance.** The GEFSec needs to have an early, continual, and increased role in the development, approval, conduct, monitoring, and evaluation of projects.

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<sup>7</sup>*Ibid.*, p. 38.

- **Concept definition.** The GEF and its partners need to define and agree upon concepts such as *synergy*, *integration*, and *integrated ecosystem management*. The review used the dictionary definition of synergism, “the interaction of elements that when combined produce a total effect that is greater than the sum of the individual elements.”<sup>8</sup> In the context of focal areas of the GEF portfolio, *synergy* implies that activities in more than one focal area lead to results that give a more successful outcome than either of them undertaken without the other. IAs also refer to “synergies” occurring beyond the project level—at the country and regional levels; but such synergies appear to refer to complementary efforts at these levels. The concept is often described as win-win, but is more properly described as “win by more-win by more.” (See paragraph 66 above, “Synergies or double jeopardy?”) *Integration* is widely used and is used at different levels; as such, the GEF needs to define the term and concept. *Integrated ecosystem management* is not defined, but refers to sets of practices ranging from reduced tillage to use of agroforestry to “integrated soil and land management.”
- **Carbon stocks or sequestration.** Most projects dealing with climate change may achieve success in maintaining or increasing carbon stocks. The more desirable goal of carbon sequestration is less likely to be achieved because projects have not developed ways to do so. Contributing to the problem is the lack of conceptual differentiation between increasing stocks and sequestering carbon.
- **Regional perspectives.** About 46 percent of OP12 funding is invested in Africa. WB and UNEP OP12 activities are most concentrated in Africa; UNDP maintains its major focus in Latin America and the Caribbean (LAC). OP15 apparently has the highest proportion of investments in Africa. At the workshop with GEFSec and IA representatives on 31 March 2005, a WB representative commented that it should be interesting to note that OP12 was a useful window for the WB Africa region before creation of OP15 as it provided some flexibility for African countries which have fewer advantages compared with other continents.
- **Trends in OP12.** Projects in OP12 have evolved over time, with those proposed later possibly showing improved design and conceptual clarity. Some projects in the OP12 pipeline were removed and redistributed to other OPs to better match remaining projects to the OP12 mandate. The creation of OP15 apparently led to many proposals and a substantial drop in proposals to OP12. A WB representative further noted at the workshop that African countries now tend to use OP15 more as it allows them to address better their challenges by focusing on land management.

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<sup>8</sup>Random House Unabridged Dictionary, 2<sup>nd</sup> ed.

- **Trade-offs.** Besides improved independent project review and greater technical rigor, this review recommends that much more attention be given to trade-offs. The major trade-off faced by projects is that between private, local goals (of poverty alleviation, sustainable incomes) and public, global environmental goals. Trade-offs must also be considered between and among focal areas in multifocal projects, and between and among different institutions and stakeholders in multi-institutional and multi-stakeholder projects. At all of these levels, there are winners and losers. Synergies and win-win, although desirable, are rarely the result. Although the review brief was to look for evidence of synergies, little was found. Projects that recognize and analyze trade-offs from the beginning can make informed (albeit at times unpopular and politically difficult) decisions in order to lose less and to better control the strategic balance between gains and losses.

### **III. MOVING OP12 AND THE OP SYSTEM FORWARD**

75. The GEF and its partners are actively involved in a range of strategic rethinking activities regarding integration. This review is part of that process and will hopefully contribute to the decision making. There are a few alternatives regarding what to do with OP12. These are offered not as recommendations but as elements contributory to further thinking:

- Maintain the status quo
- Eliminate OP12
- Continue OP12 with strategic and implementation improvements
- Restructure the OP system.

#### **3.1 Maintain the Status Quo**

76. Reasons to maintain the status quo include: (a) the continued need for an integrated multifocal approach to achieve global environmental benefits and (b) the improvement of OP12 projects over time (later proposals were generally better prepared than earlier ones). Early projects tended to have biodiversity conservation/use as the primary environmental benefit, with increasing carbon stocks attached to achieve multifocality. More recent projects, however, have dropped the carbon goal, opting instead for other focal areas such as land degradation or international waters. Overall, the evolution of the OPs—and of OP12 in particular—reflects praiseworthy attempts to increase integration, organize diversity, deal with complexity, and confront for future generations the effects of systems of human resource use on total stocks of global goods.

#### **3.2 Eliminate OP12**

77. Eliminating OP12 while maintaining the rest of the OP structure is not a sensible option. If OP12 is to be eliminated, this should be done in concert with other strategically guided OP system changes.

### 3.3 Continue OP12 with Strategic and Implementation Improvements/Greater GEF Guidance

78. Much of the present review is dedicated to the improvement of OP12: the program would clearly benefit from additional strategic rethinking and the provision of appropriate, workable guidelines on implementation.

79. The GEF OP framework has evolved. Earlier OPs had relatively clear-cut objectives and guidelines. For example, biodiversity conservation through protected area establishment and management has had clear outcomes in large part because the procedures and science of protected area management are well established. OP12's IEM, however, is more complex and lacks well-established scientific underpinnings. Although OP12 projects have tended to improve over time, available documentation and the interviews conducted do not support the idea that strategic thinking guided such changes. This ad hoc development and apparent lack of strategic guidance may have its solution in the following (discussed further below), among others:

- Building on lessons learned
- Including OP12 in ongoing GEF strategic priority assessments
- Development of project implementation guidelines
- Changing the nature of interactions among proponents, IAs, and GEF
- Rethinking the screening of projects included in OP12.

80. **Building on lessons learned.** There are few clear-cut examples of successful IEM projects both within and outside the GEF family, in large part because of the relative newness of the IEM approach. OP12 would benefit by building models based on actively sought lessons learned. Such models need to identify elements that are emerging as key to successful IEM and how such factors function in each of the different ecosystem focal areas. Knowledge of, among others, appropriate ecosystem objectives, of how to effectively engage stakeholders, and of what constitutes acceptable progress is needed to produce effective models. Such modeling would assist in building a common understanding and acceptance of what has worked in IEM and how the “glue” binding the various elements (environmental, cultural, and economic) is defined, supported, and improved. One aspect of a model of success is a correctly designed and integrated monitoring and evaluation system, ensuring that feedback is properly integrated into planning and management.

81. **Including OP12 in GEF strategic priority assessments.** For *OP12*: In the absence of established IEM guidelines and relative lack of success stories mapping potentially effective approaches, the focal area task forces must establish strategic guidelines and priorities that are well articulated and communicated clearly to the appropriate stakeholders. All focal areas and OPs other than OP12 have been subject to, and hopefully have benefited from, strategic priority assessments—a gap that can and should be rectified. The team hopes that the present evaluation will prove useful and

contribute to such an exercise. *For the GEF*: The most important issue is, perhaps, the need for an overall GEF strategic priority.

82. The *Biodiversity Program Study, 2004* arrived at a similar concern:

As more traditional bilateral donors move away from funding biodiversity conservation and as the global economy continues to grow, with increasingly negative impacts on biodiversity, the demand for GEF funding will no doubt increase as well. The GEF's Biodiversity Program must become far more strategic and deliberate in the use of its significant, albeit limited, funds. While the Operational Strategy, the Operational Programs, and the recent Biodiversity Strategic Priorities for GEF3 have provided stepping-stones along the way, there remains an opportunity to revisit the current situation and ratchet these approaches up to a higher level of strategic thinking, vision, and guidance.<sup>9</sup>

83. **Developing implementing guidelines.** OP12 characterizes IEM in terms of sustainability, environmental quality, broad stakeholder participation, and poverty alleviation, among other factors. Not all projects prioritize and seek to address these issues genuinely and realistically, reflecting a lack of shared priorities, of mutual understanding, and of effective mechanisms and guidelines ensuring compliance. Persons interviewed recognized that OP12 lacks needed implementing guidelines. Such guidelines should be operationally specific, provide clear definitions of concepts, and outline practical means of implementation. The GEF might usefully be able to build on the Convention on Biological Diversity guidelines for its IEM approach to biodiversity. Once guidelines are stipulated, indicators for assessing project impact can then be better defined. A short report similar to that produced on indicators for OP9 (Duda 2002) would clarify how baselines and indicators can be measured within OP12.

84. **Changing proponent-IA-GEF interactions.** Greater substantive interaction among projects, IAs, and the GEF throughout project design, approval, implementation, monitoring and evaluation, and impact assessment (before, during, and after project start-up) may be needed. Some interview respondents painted a portrait of the more aggressive IAs being able to strong-arm their agendas through the small GEFSec. Although that may be a caricature, the GEF needs to have closer and deeper contact with projects to ensure learning from successful approaches, develop strategic directions, and better identify potential projects at the proposal stage. Interaction during implementation—for example, at mid-term evaluations—with both IAs and proponents may be one way to provide the GEFSec with additional invaluable inputs to strategic thinking and priority setting.

85. **Rethinking OP12 project inclusion.** A number of OP12 projects did not appear to meet the criteria set out in the OP12 guidelines and could be housed in other OPs. Specifically, reviewers suggested that 1872 Tajikistan would fit in OP2, 1035 Peru in OP3, and 1684 Regional and 1330 Zambia in OP4 or OP9. Reviewers suggested that

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<sup>9</sup>*Biodiversity Program Study*, p. 7.

several projects could well be housed in OP15: 956 China, 1047 Honduras, 1178 Burkina Faso, 1275 Niger, 1378 Global, 1614 Antigua and Barbuda, 2485 Poland, 2520 Regional, and possibly 1855 Chad. Project 1213 Egypt could fit in either OP1 or OP15. Projects 2166 Czech Republic and 2057 Belarus possibly could fit in OP15, but, on balance, are better where they are in OP12. Project 1394 Regional is clearly best suited to the Special Project on Adaptation.

86. Some of those interviewed complained about a past lack of strict review and compared OP12 to an automated teller machine or as a home for “rejects” from other OPs. A recent streamlining of the project portfolio reassigned to other OPs the projects that are in the pipeline but have not yet been approved by the GEF Council. Clear and more stringent and strategically based guidelines need to be formulated and applied to the selection of future OP12 projects.

### 3.4 Restructure the OP System

87. This review was commissioned, in part, to address the issue (and problem) of multifocal integration, as recognized in “Integrated Natural Resources Management and the GEF” (Merla 2004):

- “Given the well over 1,000 projects in the overall portfolio, the risk of overlap and antagonistic linkages is becoming a reality in many geographic regions of GEF focus... [Opportunities] for increased cost-effectiveness and positive impact might be lost without policies that encourage on-the-ground integration across focal areas.”
- Part of the problem is the system of resource allocation by focal area “...whose rigidity increases as resources become scarce, both at the GEF and IAs level, [and which may be] coupled in the near future with country specific allocation rules.”
- “An internal system, more conducive to integration is needed.”
- Also needed are “internal systems that encourage or require systematic dialogue among focal areas in the Secretariat and Task Forces and the strengthening of Task Forces and the enhancement of their role.”

88. The OPs are currently structured around different and differing combinations of focal areas, ecosystems, problems, and problem-solving approaches (table 1). For example, OP4 combines the biodiversity focal area and mountain ecosystems. The lead concept of each of the multifocal OPs is epistemologically different: OP9 is defined around its *ecosystem-defined focal area* of international waters. OP12 is conceptualized in terms of its *problem-solving approach*, integrated ecosystem management. OP15 addresses the *problem* of land degradation.

**Table 1. Elements that make up the different OPs**

<b>Focal areas</b>	<b>Ecosystems</b>	<b>Concerns</b>	<b>Approaches to integration</b>
Biodiversity Climate change Ozone depletion	Arid and semi-arid Coastal, marine, freshwater Forest Mountain Agricultural	Geographic coverage Country ownership Country driven Co-financing Stakeholder involvement Capacity building	Conservation and sustainable use Landscape management Adaptation
International waters Land degradation	International waters Small island development states Local to global	Sustainable development Enabling environments Mutifocality Integration and synergy	Integrated ecosystem management Integrated water resources management Local action to achieve global benefits Local action to achieve multiple benefits

89. Change in the OP structure implies a strategic reshuffling of these elements. While the team does not presume to recommend changes in OP structure and organization, many of those interviewed enthusiastically discussed ideas that promoted thinking about potential alternatives. Options for restructuring (or not) the OP system might include:

- Maintain the status quo
- Restructure multifocal OPs around key appropriate and strategically defined problem-approach-ecosystem combinations, effectively increasing the number of OPs
- Consolidate and reduce OPs to correspond to focal areas plus one multifocal program.

90. **Maintain the status quo.** Some felt that the initial proliferation of OPs was problematic, but that later operational and strategic guidance provided by new OP implementing guidelines (for OPs other than OP12) and the different strategic priority assessments made the individual OP base documents—and thereby the OP structure—less relevant. These respondents thought that the OP project formulation has recently been *de facto* if not *de jure* successfully guided more by the strategic priorities regarding focal areas. For OP12, strategic and implementing guidelines would be needed.

91. **Restructure the multifocal OPs around key defined problem-approach-ecosystem combinations.** This restructuring would effectively increase the number of OPs, require clear strategic priority setting, and necessitate increased GEF guidance and coordination. In a sense, this organizing schema parallels the establishment of the

biodiversity OPs that combine ecosystem (e.g., forest), focal area (i.e., biodiversity), and approach (i.e., conservation and sustainable use). Potential proliferation of OPs would be worrisome; initial discussion and negotiation regarding different ways of “lumping” or “splitting” would be necessary. Other OPs, both uni- and multifocal, under such a schema might include (but would not be limited to):

- Biodiversity: (traditional) conservation and sustainable use
- Biodiversity: landscape management
- Climate change: reduction of GHG emissions
- Climate change: increases in carbon stocks/carbon sequestration
- Climate change: adaptation
- International waters: large-scale work on watersheds spanning multiple countries
- Combating desertification through integrated ecosystems management
- Land degradation: rehabilitation of degraded agricultural lands
- Land degradation: reforestation, afforestation, and reduction of deforestation

92. Andrea Merla (2004 unpublished) also touched on this alternative, suggesting that:

Such a system might imply adoption of a new set of overall GEF strategic priorities that would develop and promote integration and new multifocal operational programs, e.g. (both in response to the World Summit on Sustainable Development):

- Integrated Natural Resources Management in Hydrographic Basins
- Energy for Environmentally Sustainable Development in less developed countries and small island developing states.

93. **Reduce OPs to four or five, corresponding to the focal areas plus one multifocal program.** Multifocality and synergy would be mandated and enabled via programmed collaboration among OPs in the review, funding, and oversight of projects. For example, a project might have 60 percent funding from the (single) biodiversity OP and 20 percent each from climate change and international waters. A multifocal OP would be needed for (a) dealing with integration and synergy and (b) arbitration in cases where trade-offs between or among focal areas would pose significant potential problems.

94. Overall, the above call for possible reorganization based on careful modeling of processes, performance measurement, and strategic rethinking is not new to the GEF. *The Biodiversity Program Study, 2004* concluded:

Participants to the negotiations for the third replenishment of the GEF Trust Fund concluded that the GEF should develop a framework that allocates resources to global environmental priorities, based on countries' performances, and maximizes sustainable results through strategic planning and improved measurements of performance. The majority of donors now insist on this more strategic way of thinking to enhance synergies and create cost-effective ways of delivering outcomes and impacts. The GEF is no exception, and the GEF Council has clearly recognized the need for such an approach over the past few years. Although the GEF's Biodiversity Program is well positioned to move into a new era of better-integrated and more coherent strategic engagement and intervention, it is clear that this will require changes of culture and practice among all major actors of the GEF partnership. The GEFSec and GEF Council should provide strong, innovative, and inspirational leadership in this discussion.<sup>10</sup>

#### IV. CONCLUSIONS

95. OP12 is a valid and important program for the GEF. There are, however, a number of issues that contribute to potential failure in achieving the desired impacts of multifocal, synergistic integration. These include quality of entry for some projects, an apparent lack of strategic guidance of the OP, and unclear guidelines for designing and achieving successful IEM projects. These problems are solvable; and the team has here presented some options for achieving this. More drastic changes may also be considered, including a broader scale rethinking of integrative approaches in the GEF and restructuring of the OPs. The team did not feel that OP12 is redundant in the GEF, but believes that it will require more careful strategic prioritizing, improved quality of entry, and improved approaches for monitoring and learning from IEM approaches.

96. Finally, it is increasingly clear that several key factors need to be considered as the GEF moves forward to integration:

- Clarification and consensus regarding terms are needed.
- The GEF and its partners must continually identify, synthesize, and build on lessons learned.
- The conditions under which integration is necessary must be defined. All activities and projects do not need to be integrated. Those in the OP12 portfolio that should be integrated should be judiciously selected.
- Special attention must be given to technical rigor, avoiding overly ambitious objectives, and the balance between global environmental benefits and local benefits.

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<sup>10</sup>*Ibid.*

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## APPENDIX IA. LIST OF OP12 PROJECTS

GLOBAL ENVIRONMENT FACILITY OPERATIONAL PROGRAM 12 INTEGRATED ECOSYSTEM MANAGEMENT APPROVED PROJECTS, 31 DECEMBER, 2004					
GEF ID	Country	Region	IA	Project Title	App. Date
616	Global (Costa Rica, Dominican Republic, Mexico, etc.)	CEX	UNDP	Harnessing Multi-Stakeholder Mechanisms to Promote Global Environmental Priorities	2/15/1999
793	Benin	AFR	WB	Program for the Management of Forests and Adjacent Lands	5/1/2000
839	Mexico	LAC	UNDP	Integrated Ecosystem Management in 3 Priority Ecoregions	7/1/2000
847	Nicaragua	LAC	WB	Renewable Energy and Forest Conservation: Sustainable Harvest and Processing of Coffee and Allspice	7/1/2000
933	Senegal	AFR	UNDP	Integrated Ecosystem Management in Four Representative Landscapes of Senegal, Phase 1	5/11/2001
947	Regional (Colombia, Costa Rica, Nicaragua)	LAC	WB	Integrated Silvo-Pastoral Approaches to Ecosystem Management	5/11/2001
956	China	Asia	ADB	PRC/GEF Partnership on Land Degradation in Dryland Ecosystems: Project I-Capacity Building to Combat Land Degradation	10/15/2002
972	Rwanda	AFR	WB	Integrated Management of Critical Ecosystems	12/7/2001
984	Mongolia	Asia	WB	Dynamics of Biodiversity Loss and Permafrost Melt in Lake Hovsgol National Park	3/2/2001
1022	Regional (Niger, Nigeria)	AFR	UNEP	Integrated Ecosystem Management of Transboundary Areas between Niger and Nigeria Phase I	5/21/2004
1035	Peru	LAC	UNDP	Integrated Ecosystem Management in the Cotahuasi Basin	8/11/2004
1047	Honduras	LAC	UNDP	Promoting Integrated Ecosystem and Natural Resource Management	5/16/2003
1080	Albania	ECA	WB	Integrated Water and Ecosystems Management Project	5/16/2003
1178	Burkina Faso	AFR	WB	Sahel Integrated Lowland Ecosystem Management (SILEM), Phase I	10/15/2002
1213	Egypt	AFR	WB	Second Matrouh Resource Management Project	5/17/2002
1244	Kazakhstan	ECA	WB	Drylands Management Project	10/15/2002
1275	Niger	AFR	WB	Community-based Integrated Ecosystem Management Program under the Community Action Program	5/17/2002
1325	Regional (Madagascar, Niger, Ethiopia)	AFR	WB	Institutional Strengthening and Resource Mobilization for Mainstreaming Integrated Land and Water Management in Africa	7/31/2001
1330	Zambia	AFR	WB	Sustainable Land Management in the Zambian Miombo Woodland Ecosystem	9/13/2001
1343	Brazil	LAC	UNDP	Demonstrations of Integrated Ecosystem and Watershed Management in the Caatinga, Phase I	10/15/2002
1353	China	Asia	UNEP	Nature Conservation and Flood Control in the Yanetze River Basin	11/21/2003
1362	Kenya	AFR	WB	Western Kenya Integrated Ecosystem Management Project	5/21/2004
1378	Global (Brazil, India, Jordan, Kenya)	CEX	UNEP	Assessment of Soil Organic Carbon Stocks and Change at National Scales	12/19/2001
1394	Regional (Burkina Faso, Cameroon, Egypt, Ethiopia, etc.)	AFR	WB	Climate, Water and Agriculture: Impacts on and Adaptation of Agro-Ecological Systems in Africa	12/14/2001
1455	Global (SIDSNet)	CEX	UNDP	Capacity Building for Small Island Developing States through SIDSNet	11/13/2001
1544	Brazil	LAC	WB	Rio de Janeiro Integrated Ecosystem Management in Production Landscapes of the North-Northwestern Fluminense	11/21/2003
1590	Namibia	AFR	WB	Integrated Ecosystem Management in Namibia through the National Conservancy Network	5/17/2002
1684	Regional (Cambodia, Lao PDR, China, Thailand, Vietnam)	Asia	ADB	National Performance Assessment and Subregional Strategic Environment Framework in the Greater Mekong Subregion	12/18/2002
1769	Global (China, Indonesia, Russian Federation)	CEX	UNEP	Integrated Management of Peatlands for Biodiversity and Climate Change: The Potential of Managing Peatlands	11/20/2002
1848	Kenya	AFR	UNEP/IFAD	Mount Kenya East Pilot Project for Natural Resource Management (MKEPP)	11/19/2004
1855	Chad	AFR	WB	Community Based Integrated Ecosystem Management Project Under PROADEL	5/21/2004
1870	Regional (China, Mongolia)	Asia	ADB	Prevention and Control of Dust and Sandstorms in Northeast Asia	12/18/2002
1872	Tajikistan	ECA	WB	Community Agriculture and Watershed Management	3/22/2004
2057	Belarus	ECA	UNDP	Renaturalization and sustainable management of peatlands in Belarus	12/6/2004
2166	Czech Republic	ECA	UNDP	Integrated Ecosystem Management in Northern Bohemia	9/20/2004
2183	Ghana	AFR	WB	Community-based Integrated Natural Resources Management Project in Okweman	8/4/2003
2485	Poland	ECA	UNDP	Biodiversity Conservation and Management in the Barcz Valley	5/10/2004
2520	Regional	AFR	UNEP/WB/UNDP	Capacity-building for the Sub-Regional Environmental Action Plans of NEPAD	6/30/2004
<b>PDF-B PROJECTS, 31 DECEMBER, 2004</b>					
1614	Antigua And Barbuda	LAC	UNDP	Implementation of a Sustainable Island Resource Management Mechanism	
1218	Argentina	LAC	WB	Small Farmer Integrated Ecosystem Management Project	
1535	Azerbaijan	ECA	WB	Shah-Dag Rural Environment Project	
1476	Brazil	LAC	WB	Conservation and Sustainable Management of the Caatinga Biome	
1537	Regional (Albania, Macedonia)	ECA	UNDP	Integrated Ecosystem Management in the Transboundary Prespa Park Region	
1536	Venezuela	LAC	UNDP	Integrated Management and Conservation of the Caura River Basin	



## APPENDIX II. RESPONSES TO THE TERMS OF REFERENCE

### Question 1: Objectives of OP12: What was OP12 intended to accomplish?

Question 1a	Evaluation Criteria
<p><b>What were the political and other rationales for the GEF’s development of OP12?</b></p>	<ul style="list-style-type: none"> <li>• Extent to which rationales for creation of OP12 are clearly defined.</li> <li>• Extent to which there is evidence of political motivation in the creation of OP12.</li> </ul>
<p><b>Findings:</b> As a consequence of OPs originating from their respective Conventions, there was little cross-sectional integration among OPs within each focal area as well as across different focal areas. OP9 International Waters was the first GEF attempt to promote the objectives of multiple focal areas in regional initiatives. Following OP9, OP12 was created to continue to overcome what was perceived as independent “silos” created by the single focal area OPs. Integrated natural resource management was becoming an increasingly mainstream approach to sustainable development, such that an OP on IEM was one way to break through these barriers. The final version of OP12 reflected the need for proactively addressing and monitoring synergies among focal areas beyond the scope of OP9.</p> <p>It was not possible to judge on the basis of the available documents whether there was political motivation in the creation of OP12. It is understood that one GEF Council member, who was also a key player in the deliberations of the Subsidiary Body for Implementation of the United Nations Framework Convention on Climate Change (UNFCCC), played an important role in OP12’s change of focus.</p> <p>The stated rationale for the creation of OP12 is found in paragraphs 1–6 of the OP12 document dated 20 April 2000.</p>	

**Other observations.** The original focus of the climate change focal area was on mitigation through the introduction of appropriate technologies. OP12 was originally proposed as “Elements for a GEF Operational Program on Carbon Sequestration” when presented to the GEF Council in May 1999. The council:

...approve[ed] the elements as a basis for preparing an operational program, subject to the comments made during the Council meeting and written comments to be submitted to the Secretariat by June 7, 1999 and on the understanding that this program will be fully consistent with the guidance provided by the Conference of the Parties to the Convention on Biological Diversity and the Conference of the Parties to the United Nations Framework Convention on Climate Change. The Council requests the Secretariat to conduct further consultations on the development of the operational program with concerned partners and stakeholders, including the Implementing Agencies, STAP and the Secretariats of the Convention on Biological Diversity, the UN Framework Convention on Climate Change and the Convention to Combat Desertification prior to the circulation of a draft program to Council Members for comments.<sup>1</sup>

Several respondents claimed that concerns were raised during the consultations requested by the GEF Council about the state of negotiations in the Conference of the Parties

<sup>1</sup>Joint Summary of the Chairs, GEF Council Meeting May 5–7, 1999, paragraph 30, p. 7.

(COP) of the UNFCCC, particularly over paragraph 12 of the Kyoto Protocol on the clean development mechanism (CDM). As a result, the OP was given its final title (20 April 2000), “Operational Program #12 Integrated Ecosystem Management.” There is no record of this change in the Joint Summaries of the Chairs of subsequent GEF Council meetings. However, there is confirmation of there being no COP decision on the role of the CDM. The International Institute for Sustainable Development, in its summary of the 13th meeting of the Subsidiary Body for Scientific and Technical Advice of the UNFCCC in September 2000 in Lyon, France, reported, “On questions about whether the GEF might reconsider its current focus on mitigation projects in favor of other areas, such as adaptation, once the CDM is introduced, [GEF Chair and CEO Mohamed] El-Ashry noted the limited guidance provided by the COP on adaptation activities, and added that the specifics of the CDM had yet to be decided.”<sup>2</sup> Note that this was after the release of the OP12 document.

Question 1b	Evaluation Criteria
<p><b>What is the scientific foundation of OP12, including any recommendations provided by the scientific bodies of the relevant Conventions and the GEF?</b></p> <p><b>What was the guidance provided by the relevant Conventions for which the GEF is the financial mechanism?</b></p>	<ul style="list-style-type: none"> <li>• Extent to which the analyses, recommendations, and guidance recommendations (provided to the GEF by the scientific bodies and the Conferences of the Parties of the Conventions) provide a sound scientific foundation for the creation of OP12.</li> </ul>
<p><b>Findings:</b> At the time OP12 was developed, there was increasing scientific awareness that operationalization of the “sustainable development” theme of Rio 92 required consideration of ecosystems as a whole. OP12 is a response to that awareness, creating an instrument within the GEF that could work across the three Conventions and lead to a harmonizing of the GEF portfolio.</p> <p>There is no evidence that the scientific bodies of the Conventions gave any recommendation as to the scientific foundation of OP12. The general guidance contained in the Conventions and the decisions of the Convention on Biological Diversity are detailed below.</p>	

**Relevant reports examined:**

- The COPs to the United Nations Framework Convention on Climate Change and of its Subsidiary Body for Scientific and Technical Advice to the COP
- The COP of the Convention on Conservation of Biodiversity and of its Subsidiary Body on Scientific, Technical and Technological Advice
- The COP of the Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa and of its Committee on Science and Technology.

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<sup>2</sup>*Earth Negotiations Bulletin* 12(151), p. 8.

Surprisingly, none of these appear to provide any recommendations of specific scientific advice to the GEF with regard to IEM. Paragraphs 8–10 of the OP12 document list the guidance that the GEF received from each of the Conventions with regard to IEM:

1. (par 8) At the Second Conference of the Parties of the Convention on Biological Diversity, the state parties “reaffirmed that conservation and sustainable use of biological diversity and its components should be addressed in a holistic manner, taking into account the three levels of biodiversity and fully considering socioeconomic and cultural factors. However, the ecosystem approach should be the primary framework.”<sup>3</sup>
2. (par 9) The importance of social and economic factors is echoed in the United Nations Framework Convention on Climate Change (UNFCCC) which emphasizes, among others, the need to have comprehensive policies and measures to address issues related to the sources, sinks, and reservoirs of greenhouse gases, taking into account different socioeconomic contexts.<sup>4</sup>
3. (par 10) The United Nations Convention to Combat Desertification (CCD) notes that actions to combat desertification (or land degradation in arid, semi -arid, and dry sub-humid areas) should be undertaken within the framework of an integrated approach that can contribute to sustainable development.<sup>5</sup>

Agenda 21 promotes integrated management of natural resources (or ecosystem components) and the link between sustainable livelihoods and environmental protection. OP12 supports the application of multiple approaches and management tools in ecosystem-based projects for achieving optimal global environmental as well as livelihood benefits.

Question 1c	Evaluation Criteria
<b>What is the understanding among different GEF stakeholders of OP12’s objectives and content?</b>	<ul style="list-style-type: none"> <li>• Extent of congruence among the stakeholders’ understanding of OP12’s objectives and content.</li> <li>• Extent to which differing views of the stakeholders can be synthesized in a coherent manner.</li> </ul>
<p><b>Findings:</b> There was broad concurrence among the IAs regarding OP12 objectives. There was less concurrence as to whether the portfolio of projects clearly reflects a rational strategic prioritization of OP12 objectives. Indeed, it is not possible to discern strategic priorities in the OP12 document. The appropriate task force is urged to address this issue (also discussed in the main report in section III).</p>	

Stakeholders in this context are considered to be the GEFSec, IAs, and project managers. Because so few OP12 projects are under implementation, other stakeholders were not considered.

Discussion of strategic priorities within focal areas began in GEF3. At that time, OP12, created in 2000, had not yet developed a portfolio, and the majority of its projects were

<sup>3</sup>Convention on Biological Diversity, Decision II/8.

<sup>4</sup>United Nations Framework Convention on Climate Change, article 4, paragraph 3.

<sup>5</sup>United Nations Convention to Combat Desertification, article 2, paragraph 1.

still in preparation. It was not considered useful to define strategic priorities based on such an immature portfolio. Moreover, as outlined above in TOR 1b, guidance from the Conventions and treaties was very limited. Nevertheless, the GEF Council described the strategic approach for OP12,<sup>6</sup> requiring that, in addition to meeting the eligibility criteria of OP12, projects must also meet the strategic priorities in at least two of the six GEF focal areas.

The main strategic direction for OP12 in GEF3 focused on two concepts:

- Capacity building for integrated ecosystem management
- Implementation of innovative and/or indigenous approaches to IEM using a combination of natural resource management approaches and technologies to achieve multiple global environmental benefits.

In practice, it has been difficult to agree on the threshold for claimed GEBs. For example, it is not specified whether a particular project must *fit the strategic priorities* of each of the focal areas where benefits are claimed or whether it can just *contribute to the objectives* of the focal areas, thus allowing a lower threshold to accept a claimed benefit as a GEB.

Question 1d	Evaluation Criteria
<b>How has OP12 been operationalized, including formulation of guidance and review criteria?</b>	<ul style="list-style-type: none"> <li>• Extent to which guidance and criteria provided to the GEFSec have been applied in putting together the portfolio of projects in OP12.</li> </ul>
<p><b>Findings:</b> In interviews, GEFSec personnel explained that the GEF was not given specific advice by the COPs or their scientific subsidiary bodies. As a result, the GEF has consulted widely to develop appropriate criteria which reflect relevant paragraphs of the Conventions and the decision of the Convention on Biological Diversity II/8. These criteria are embodied in the OP12 document, paragraphs 11 and 12.</p>	

In this context, “review criteria” are interpreted as criteria used to determine a project’s eligibility for funding under OP12. The review criteria used attempted to reflect the intent of the relevant Convention and treaties consistent with the GEF Council’s direction for integration, multiple GEBs, and synergies among focal areas.

As noted regarding TOR 1c, the lack of clarity on the thresholds for expected benefits in the relevant focal areas has led to different interpretations of the review criteria. The guidelines remain unclear.

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<sup>6</sup>*Strategic Business Planning: Direction and Targets*, pp. 1–2.

Question 1e	Evaluation Criteria
<p><b>How is the concept of “synergies among focal areas” defined?</b></p>	<ul style="list-style-type: none"> <li>• If there is more than one definition, degree to which they are consistent.</li> <li>• Extent to which definition(s) are clearly congruent across the relevant focal areas.</li> <li>• If no (useful) definition, team interpretation of the pattern of implementation.</li> </ul>
<p><b>Findings:</b> Synergies among focal areas occur where joint activities across two or more focal areas lead to greater benefits than either one would provide without the other.</p>	

No differences in the conceptual understanding of “synergies between [among] focal areas” were detected. The dictionary definition of synergy refers to synergism, defined as “the interaction of elements that when combined produce a total effect that is greater than the sum of the individual elements.”<sup>7</sup> In the context of the focal areas of the GEF portfolio, the term “synergies” implies that activities in more than one focal area lead to results that give a more successful outcome than either of them undertaken without the other. The concept is often described as win-win, but is more properly “win by more-win by more.” The topic is discussed in more detail in the main document in paragraph 66, “Synergies or double jeopardy?”

Addressing the issue of synergies among focal areas in OP12 and monitoring the benefits of activities promoting synergies has been a challenge. At the project level, the primary focus has been on multiple GEBs with little emphasis on the possible synergies that could be achieved using IEM. More generally, the GEF is increasingly promoting integration among focal areas at both the program and project levels. Multiple GEBs are possible by using an integrated approach to natural resources management at various geographic scales.

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<sup>7</sup>Random House Unabridged Dictionary, 2<sup>nd</sup> ed.

Question 1f	Evaluation Criteria
<p><b>OP12 was developed in a specific context to meet a gap in GEF operations: is that context still relevant? Can changes be made to OP12 to ensure that it meets the purpose for which it was designed? Are there other tools that the GEF can also use to further achieve the objectives of increased integration among focal areas?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Creation of OP12 moves the GEF in the right direction</li> <li>• OP12 helps or hinders the mainstreaming of realistic integration in GEF operations</li> <li>• There was a specific gap in GEF operations that was clearly defined before OP12 was initiated</li> <li>• That gap has been filled by the OP12 portfolio of projects</li> <li>• The OP12 portfolio can be accommodated in OPs of other focal areas</li> <li>• There are tools available that would enable the GEF to create increased integration among focal areas</li> <li>• These tools are relevant and applicable to the GEF's needs to create increased integration among focal areas</li> <li>• A new direction for OP12 would be more effective in filling the gap.</li> </ul>
<p><b>Findings:</b> The objective is still relevant and crucial. A real need is to develop the <i>processes</i> that will lead to integration across focal areas and disciplines coupled to a very tightly developed and implemented M&amp;E program to report on successes of "integration." There is a need to develop the models for processes that create/facilitate integration in various biomes/resource management issues/systems.</p> <p>Two other multifocal OPs in the GEF portfolio (OP9 and OP15) include elements for which OP12 was created. Neither of these OPs adequately addresses IEM in the manner intended by OP12. The OP12 document, however, lacks the strategic priorities necessary to make the concept operational in a coherent portfolio of projects. It is unfortunate that, after approval, projects are currently implemented by IAs with essentially no further input from the GEF. There is therefore little opportunity for the GEFSec to learn from project strengths and weaknesses in a timely manner during project implementation. The development and implementation of a tightly coupled M&amp;E process could allow successes to be identified and replicated, and unsuccessful components of project design be speedily identified so that they may be corrected as soon as possible.</p>	

The TOR questions in 1f are also addressed in section III of the main report.

Regarding the evaluation criteria posed above:

- Creation of OP12 is moving the GEF in the right direction, but the program needs redefinition to create strategic priorities such as are being developed in other focal areas.
- OP12 has helped mainstream realistic integration in GEF operations by creating an awareness of the need to break away from a compartmentalized approach, engendered, especially, by the creation of the biodiversity OPs.

- In terms of a specific gap in GEF operations that was clearly defined before OP12 was initiated, it is clear that there was a need to create more integration across focal areas in the GEF portfolio. This response leaves aside that OP12 was originally conceived as an OP on carbon sequestration (discussed in TOR 1a above).
- Regarding the extent to which that gap has been filled by the OP12 portfolio of projects, unfortunately, not many projects clearly demonstrate true integrated ecosystem management, mainly through the lack of a “glue” that binds the components together. This glue is a coherent enabling environment, which is clearly demonstrated, for example, in projects 956 China, 1244 Kazakhstan, and 947 Regional.
- The extent to which the OP12 portfolio could be accommodated in OPs of other focal areas can be summarized as follows. Some projects could be accommodated in OP15 (land degradation). There are, however, several projects that do not address land degradation and/or clearly demonstrate multifocality and synergy as described in the STAP report.<sup>8</sup> There is a strong case for such projects remaining in OP12.
- There are tools available that would enable the GEF to create increased integration among focal areas: i.e., the STAP conceptual design tool<sup>9</sup> coupled with a more rigorous definition of OP12’s strategic priorities.
- These tools are relevant and applicable to the GEF’s needs to create increased integration among focal areas. They would revitalize OP12 and give it a sharper focus and relevance.
- A new direction for OP12 would be more effective in filling the gap. This issue is addressed in section III of the main report.
- The GEFSec is in the process of developing strategic priorities for GEF4. A major focus will be on integration at the focal area level and on the promotion of an integrated approach to natural resource management at the project level; both of these are consistent with the purpose of OP12. Current discussions focus on the processes to define and implement strategic priorities in GEF4 and beyond. The discussion process also includes the establishment of a tighter M&E system. However, projects are required to provide a Log-frame analysis, which gives a static analysis of project design in the pre-approval stage. Log-frame analysis does not easily accommodate the flexibility needed to implement robust feedback.
- Experience with OP12 projects will be highly relevant for future GEF activities that promote integration. If the GEFSec were more involved in monitoring project implementation at a programmatic level, it would be better placed to develop guidelines for integration at both the program and project levels.

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<sup>8</sup>A *Conceptual Design Tool for Exploiting Interlinkages between Focal Areas of the GEF*.

<sup>9</sup>*Ibid.*

## Question 2: Taking Stock of the OP12 Portfolio

Question 2a	Evaluation Criteria
<p><b>What are the objectives, global environmental benefits, and proposed implementation approaches of OP12 projects? Are the projects uniform, or can they be categorized into various clusters?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Approved objectives are clearly stated</li> <li>• Approved objectives are achievable within the context of the proposed project implementation</li> <li>• Approved projects are uniform or whether there are clearly recognizable and plausible clusters.</li> </ul>
<p><b>Findings:</b> A preliminary examination of the projects in the OP12 portfolio suggested that they could be categorized in one of four groups:</p> <ul style="list-style-type: none"> <li>• Data management</li> <li>• Blended (a small environment component attached to a large development project)</li> <li>• Institutional development</li> <li>• Stand-alone.</li> </ul> <p>Although there may well be other categories that could be used, other groupings did not provide more utility. There is also scope to subdivide the stand-alone category further, but attempts to do so only led to cumbersome numbers and no improvement in usefulness.</p> <p>Reviewers were asked to allocate each project to one of the categories above. Table 1 shows these categories and the amount of the GEF grant by IA. Blended projects comprise by far the largest component of the portfolio funding, with stand-alone and institutional development projects each comprising somewhat more than half the remainder.</p>	

**Table 1. Number and approved GEF grants to OP12 projects classified by type of project within four IAs**

Project type	ADB		UNDP		UNEP		WB		Total	
	#	\$million	#	\$million	#	\$million	#	\$million	#	\$million
Data management			2	1.75					2	1.75
Blended			3	21.06	1 <sup>a</sup>	5.05 <sup>a</sup>	8	35.93	12	62.04
Stand-alone			4	7.09	2	1.98	9	26.04	15	35.10
Institutional development	3	9.35	1	4.35	3 <sup>b</sup>	10.38 <sup>b</sup>	2	12.76	9	36.83
Total	3	9.35	10	34.25	6	17.40	19	74.73	38	135.72

<sup>a</sup>Project jointly implemented with IFAD.

<sup>b</sup>Includes one project jointly implemented with UNDP and the WB. The project is only attributed to UNEP. All amounts are in US\$.

Twelve of the 38 projects that comprise the portfolio of approved projects in OP12 are what is termed by the IAs as “blended”—i.e., a relatively small environment component is attached to a relatively large development project. Nine projects focus primarily on institutional development. Of the remaining 16 projects, 2 focused on data management, and 14 could not be readily classified into a small number of meaningful groups; these were termed “stand-alone” projects.

Question 2b	Evaluation Criteria
<b>What is the extent of GEF allocations to OP12 projects (by year, project type, IA, etc.)?</b>	Extent to which: <ul style="list-style-type: none"> <li>• Clusters reflect other than the obvious year, project type, and IA</li> <li>• Additional clusters are relevant</li> <li>• The GEFSec perceives that there are clusters.</li> </ul>
<b>Findings:</b> Data were extracted from the material provided by GEF M&E, and tables of the various categories were produced (see below). Total GEF funding is US\$135.72 million, of which the largest proportion (58 percent) is administered by the WB, followed by UNDP (24 percent).	

**Funding distribution by project type and IA:** The 38 projects in the OP12 portfolio comprise 17 medium-sized projects with GEF funding of US\$14.78 million and 21 full projects with GEF funding of US\$87.76 million. There are six PDF-B projects with GEF funding of US\$1.95 million and indicative funding at the full project stage of US\$34.95 million (table 2).

**Table 2. Number of and approved GEF grants to full projects, medium-sized projects, and PDF-B projects approved in OP12 within four IAs**

Project type	ADB		UNDP		UNEP		WB		Total	
	#	\$million	#	\$million	#	\$million	#	\$million	#	\$million
PDF-B			3	0.92			3	1.03	6	1.95
PDF-B <sup>a</sup>				11.92				34.95		46.87
Medium-sized	2	1.30	6	5.63	3 <sup>b</sup>	2.98 <sup>b</sup>	6	4.87	17	14.78
Full	1	8.05	4	28.62	3 <sup>c</sup>	14.43 <sup>c</sup>	13	69.85	21	120.94
Total	3	9.35	13	35.17	6	17.40	22	75.75	44	137.67

<sup>a</sup>These figures refer to the estimated cost of the proposed full project.

<sup>b</sup>Includes one project jointly implemented with UNDP and the WB. The project is only attributed to UNEP.

<sup>c</sup>Includes one project jointly implemented with IFAD.

All amounts are in US\$.

Full projects are dominated by the WB, which provides 58 percent of total OP12 full project funding. UNDP and UNEP provide 24 and 12 percent, respectively, and ADB's one project accounts for 7 percent. In funding terms, medium-sized projects account for only 7 percent of the WB portfolio, while they are 21 percent of UNEP's, 20 percent of UNDP's, and 16 percent of ADB's portfolio. Only the WB and UNDP have PDF-B projects—three each.

The mean full project grant for UNDP is US\$7.12 million, compared with US\$5.37 million for the WB and US\$4.81 for UNEP. UNDP's portfolio is dominated by 839 Mexico, with a GEF grant of US\$15.65 million; this is far more than any other grant in the OP12 portfolio. ADB's one full project is worth US\$8.05 million, the second highest in the portfolio.

**Rate of project approval:** Only four projects were approved by the end of 2000. The pace of approval picked up rapidly to a rate of 9 or 10 a year over the next two years; this was followed by a lull in 2003 before jumping again to 10 in 2004 (table 3). Until 2004, the WB produced more than half the projects approved. In 2004, projects were more evenly distributed among the IAs. The WB accounts for half the total approved full and medium-sized projects, UNDP for 26 percent, UNEP for 16 percent, and ADB for 8 percent.

**Table 3. Number of and approved GEF grants to full projects and medium-sized projects approved in OP12 each year 1999–2004 within four IAs**

Year	ADB		UNDP		UNEP		WB		Total	
	#	\$million	#	\$million	#	\$million	#	\$million	#	\$million
1999			1	0.75					1	0.75
2000			1	15.65			2	7.05	3	22.70
2001			2	5.35	1	0.98	6	12.70	9	19.02
2002	3	9.35	1	4.10	1	1.00	5	27.70	10	41.51
2003			1	4.52	1	4.00	3	13.07	5	21.58
2004			4	3.38	3 <sup>a</sup>	11.43 <sup>a</sup>	3	14.85	10	30.16
Total			10	34.25	6	17.40	19	74.72	38	135.72

<sup>a</sup>Includes one medium-sized project jointly implemented with UNDP and the WB (the project is only attributed to UNEP) and one full project jointly implemented with IFAD.

All amounts are in US\$.

GEF internal issues include the following:

- In GEF3, OP12 was allocated US\$112 million. Much of these resources were quickly committed, leading to high pressure on the remaining resources so that some projects were reallocated to other focal areas and OPs based on an analysis of the OP12 portfolio.
- In GEF4, it is proposed to eliminate separate envelopes for projects with multiple benefits and share the incremental cost among the focal areas where benefits are claimed. This approach should allow for more financial flexibility and improved cooperation among focal area teams in the GEFSec and the IAs/Executing Agencies (EAs). The internal processes to implement this proposal are under discussion.
- One OP12 project is implemented by UNEP in cooperation with another executing agency, IFAD, which has no direct access to GEF resources (see tables 2 and 3).

Question 2c	Evaluation Criteria
<b>What is the extent of co-financing of OP12 projects?</b>	<ul style="list-style-type: none"> <li>• Extent to which claimed co-financing is realistic and reasonable and documentation of co-financing is adequate and convincing.</li> </ul>
<p><b>Findings:</b> Co-financing is almost four times the level of the GEF grants (table 4). In a number of cases, claimed co-financing is an estimate of in-kind and proposed input by proponent governments. There is rarely documentary evidence of the extent to which this co-financing will be forthcoming. Only evidence of an approved loan, for example by a donor agency, is convincing. In many cases, the figures used seem to be wishful thinking.</p>	

Total co-funding is said to be US\$28.45 million for the 17 medium-sized projects, US\$74.00 million for the six PDF-Bs at their full project stage, and US\$326.86 million for the 21 full projects. In many cases, the co-funding consists of in-kind resources. In one case (616 Global), the executing agency is under legal process by the Costa Rican government for over US\$1.5 million.

Mostly, project financial baselines follow the sustainable livelihood agenda of the country(ies) concerned. In these cases, the baseline is usually supported by both the IA and by other national/international development agencies. This leads to higher rates of co-financing than in projects with more restricted foci.

The GEFSec expects letters of commitment by co-financing agencies and institutions at the CEO endorsement stage. In many cases, these documents were not available in the GEF database, so there is no clear evidence to support that this requirement is met. During project implementation, IAs are required to report regularly on the extent of co-financing and efforts to substitute co-financing in case of an unexpected withdrawal. Again because of the immaturity of projects in OP12, there are only a very few project implementation reports for projects in the portfolio and even fewer progress reports.

**Table 4. Approved GEF grants and project co-financing for full projects and medium-sized projects within four IAs**

Implementing Agency	Approved GEF grants (\$million)	Co-financing (\$million)	Total
ADB	9.35	9.62	18.97
UNDP	34.25	153.09	187.34
UNEP	17.40	56.68	74.08
WB	74.72	287.94	362.66
Total	135.72	507.32	643.04

All amounts are in US\$.

Question 2d	Evaluation Criteria
<b>What is the geographic coverage of these projects compared to other relevant OPs?</b>	Extent to which: <ul style="list-style-type: none"> <li>• The geographical distribution of the projects in OPs are similar</li> <li>• Any obvious differences can be explained rationally.</li> </ul>
<b>Findings:</b> OP12 projects are heavily focused on Africa; projects in the biodiversity focal area are more evenly distributed among Africa, Asia, and LAC. There appears to be a heavy concentration of international waters projects in the Caspian-Aral region.	

The regional distribution (table 5) shows the differing foci of the IAs. As is obvious by its regional nature, ADB is entirely focused on Asia. In contrast, the WB is focused mainly on Africa, Eastern Europe, and LAC; while UNDP’s focus is on Eastern Europe and LAC, plus two global projects. UNEP’s focus is principally Africa, with two global projects. It was not possible to audit projects in OPs from other focal areas, so the conclusions here only apply to the geographical distribution of projects in OP12. Some comparisons are possible with data from the *Biodiversity Program Study, 2004* (Table 6).

**Table 5. Number and approved GEF grants for full projects and medium-sized projects within each geographical region or with global focus within four IAs**

Region	ADB		UNDP		UNEP		WB		Total	
	#	\$million	#	\$million	#	\$million	#	\$million	#	\$million
Global			2	1.75	2	2.00			4	3.75
Asia	3	9.35			1	4.00	1	0.83	5	14.18
Africa			1	4.35	3 <sup>a</sup>	11.43	12	46.30	16	62.07
LAC			4	25.16			3	12.52	7	37.68
ECA <sup>b</sup>			3	2.99			3	15.08	6	37.68
Total	3	9.35	13	34.25	6	17.42	22	74.72	44	135.74

<sup>a</sup>Includes one medium-sized project jointly implemented with UNDP and the WB (the project is only attributed to UNEP) and one full project jointly implemented with IFAD.

<sup>b</sup>Europe and Central Asia.

All amounts are in US\$.

The regional distribution of projects by number and IA over the 13 years of operation of the biodiversity OPs is very different from the distribution of projects in OP12 (tables 4 and 5). For example, UNDP has implemented 10 times as many projects for almost 20 times the grant total compared with OP12, while UNEP and the WB have implemented seven or eight times as many projects for 6 to 12 times the grant total. Compared with the distribution in OP12, UNEP’s focus within the biodiversity focal area is again mainly on Africa, while both UNDP and the WB are more evenly distributed regionally among Africa, Asia, and LAC as compared with their OP12 representation.

**Table 6. Number of biodiversity projects and GEF funding within each geographical region or with global or regional focus within three IAs, FY 1991–2003 (full and medium-sized projects only)**

Region	UNDP		UNEP		WB		Total	
	#	\$million	#	\$million	#	\$million	#	\$million
Global	0	0.0	10	27.3	1	25.0	11	52.3
Asia	49	201.2	4	2.9	39	236.4	92	440.5
Africa	40	176.7	14	38.7	50	294.4	104	509.8
LAC	39	177.8	6	14.8	60	341.2	105	533.8
ECA	9	27.3	4	5.0	19	84.6	32	116.9
Multi-regional	1	13.4	3	17.4	0	0.0	4	30.8
Total	138	596.4	41	106.1	169	981.6	348	1,684.1

Source: *Biodiversity Program Study, 2004*, data from table 3.5 recast and totaled for consistency with table 5.

All amounts are in US\$.

It was not possible to extract comparable data from the maps in the International Waters Program Study, although it is clear that there is a heavy concentration of projects in the Aral-Caspian Sea region of ECA. There were no comparable data in the Climate Change Program Study, and, in any event, the OPs in the climate change focal area are focused on mitigation and are not relevant to OP12.

### **Question 3: Performance of OP12 Portfolio**

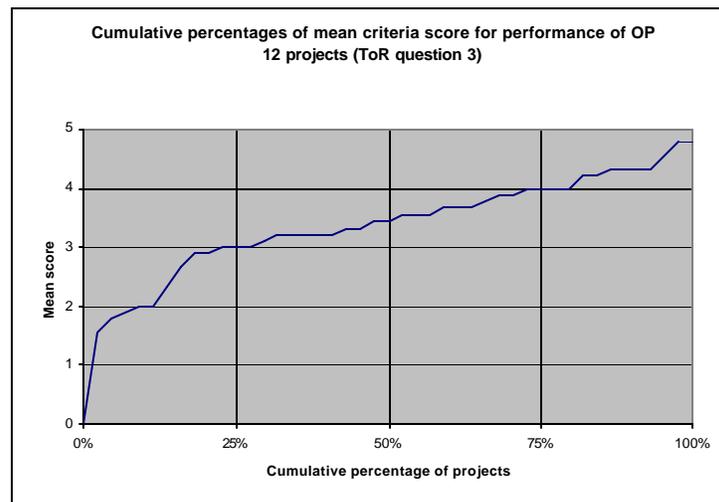
**Procedure:** Documentation for the 38 approved medium-sized and full projects and six PDF-B projects in the OP12 portfolio was distributed to team members to evaluate according to the questions in the TOR and the associated evaluation criteria. For TOR questions related to quality (baselines, for example), reviewers scored each sub-question on a scale of 0–5, assessed as follows: 0—highly unsatisfactory, 1—unsatisfactory, 2—moderately unsatisfactory, 3—moderately satisfactory, 4—satisfactory, and 5—highly satisfactory. For questions that required reviewers to make value judgments as to the likelihood of success (global benefits, for example), reviewers used a different set of descriptive criteria, also on a scale of 0–5, assessed as: 0—none claimed or highly unlikely, 1—unlikely, 2—moderately unlikely, 3—moderately likely, 4—likely, and 5 highly likely. Where the response was a simple yes or no, scores were valued at 5 or 0, respectively. In many cases where the answer was “Broadly,” such as “Are projects under OP12 consistent with OP12 selection criteria?,” a score of 2 was allocated.

Scores were entered into a spreadsheet. Simple means were extracted over the sub-questions for each main question, and for each sub-question over the categories of project, full project, medium-sized project, and PDF-B. Cumulative score probabilities were graphed for each, and the data were used to answer questions in this section. The spreadsheet data are included in appendix IB.

Because there is no indication in the TOR that any one main question or sub-question is more or less relatively important than any other, no weights were applied to the scores. For this reason, each sub-question contributes equally to the means for each main question, and main questions 3 and 4 contribute equally to the overall mean. The means therefore may or may not reflect the GEF’s overall priorities.

**General comments:** Only a little over 11 percent of projects scored less than moderately unsatisfactory, but only a little less than 30 percent ranked satisfactory or better. This may be due to lack of discrimination in the early days of OP12, since more recent projects tend to have higher scores. Scores were allocated on the basis of the documents available for review—i.e., project briefs and work plans. The overall scores for performance therefore represent a judgment of how well projects were likely to perform and are not a measure of actual performance on the ground.

Scores for each of the sub-questions in question 3 were classified by the year in which the project was approved (table 7). Although the differences are not statistically significant, projects approved in 2002 were somewhat better, and those approved in 2000 somewhat worse, than those approved in other years. On average, recently approved projects do not score better than projects approved in the early years of OP12. PDF-B projects in the pipeline are marginally worse than the overall average.



**Table 7. Mean scores of OP12 projects by year of approval for TOR questions on performance of the portfolio**

Year	No. of projects	Sub-question									Mean
		a	b	c	d	e	f	g	h	i	
1999	1	4.0	0.0	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.4
2000	3	4.0	2.3	3.3	2.7	3.7	4.0	2.7	2.3	2.0	3.0
2001	9	3.7	2.4	3.9	2.0	3.8	4.1	4.3	3.7	1.9	3.3
2002	10	4.6	3.7	4.0	2.8	4.6	4.7	4.2	4.3	3.4	4.0
<b>Mean 1999–2002</b>	<b>23</b>	<b>4.1</b>	<b>2.9</b>	<b>3.8</b>	<b>2.5</b>	<b>4.1</b>	<b>4.3</b>	<b>4.0</b>	<b>3.8</b>	<b>2.7</b>	<b>3.6</b>
2003	5	3.2	2.4	2.4	1.4	4.0	4.6	4.0	4.4	2.2	3.2
2004	10	3.2	2.7	3.4	2.4	4.5	4.6	4.6	4.2	1.7	3.5
<b>Mean 2003–04</b>	<b>15</b>	<b>3.2</b>	<b>2.6</b>	<b>3.1</b>	<b>2.1</b>	<b>4.3</b>	<b>4.6</b>	<b>4.4</b>	<b>4.3</b>	<b>1.9</b>	<b>3.4</b>
PDF-B	6	4.3	2.5	3.5	1.3	2.3	5.0	4.0	4.5	1.3	3.1

Note: a: Multifocality; b: global environmental benefits; c: baseline; d: synergies; e: partnerships; f: country-driven; g: stakeholder; h: sectoral integration; i: lesson learning

Question 3a	Evaluation Criteria
<b>How has multifocality been dealt with during project preparation? Were there special teams set up? Did IAs develop special frameworks for each project?</b>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Focal areas are covered in each of the approved projects</li> <li>• Evidence supports that special teams were formed</li> <li>• Evidence supports that IAs developed special frameworks for each approved project</li> <li>• Evidence supports that special teams or frameworks would provide for more effective delivery or outcomes.</li> </ul>
<p><b>Findings:</b> Many projects (in their documentation) do not convincingly address the issue of multifocality. Some projects “rounded up the usual suspects” of biodiversity and carbon accumulation, often with no clear information as to how the biodiversity or carbon accumulation would be achieved and monitored. Measurements of both are difficult technical issues (see the discussion at paragraph 21, “Baseline studies and indicators,” in the main report).</p>	



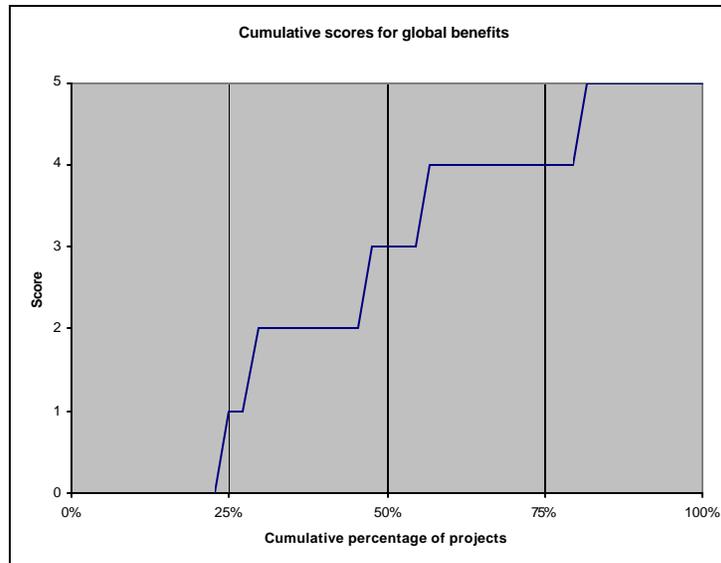
The extent to which each project claimed multifocality was assessed. Sixteen percent of projects scored less than moderately likely for multifocality, or they did not demonstrate clear multifocality at all, such as 1378 Global for measuring soil carbon. In terms of probable success in achieving multifocality, over two-thirds were scored likely or better; over 30 percent were ranked as highly likely.

In addition to scoring the degree to which each project demonstrated multifocality in project documents, the GEFSec and IA staff were asked their opinions in interviews. No evidence was found that special teams were set up for individual projects, although the IAs do have multidisciplinary teams in which specialists were required to sign off on relevant components. The GEF focal area task forces comprise members of the GEFSec and the IAs such that the opportunity for cross-fertilization does exist. The OP12 project document lacks strategic direction in this area, an issue that the OP12 Task Force needs to address.

There was no evidence found of special frameworks for each project within the IAs. Some projects, such as 956 China and 1022 Regional, have as their objective the creation of special institutional frameworks on which further projects will be implemented.

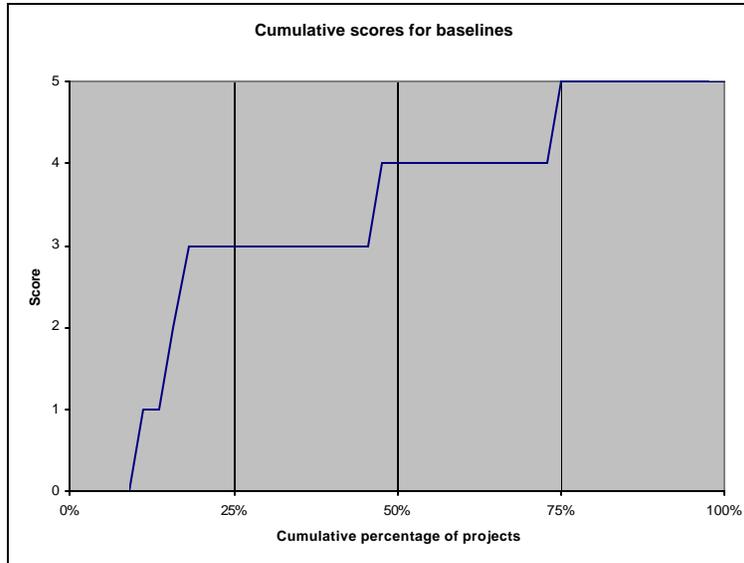
Question 3b	Evaluation Criteria
<p><b>How do OP12 projects measure global environmental benefits?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Some, many, or all approved OP12 projects measure global environmental benefits</li> <li>• Measurement methodology is sound</li> <li>• Measurements are relevant and meaningful</li> <li>• There are indicators proposed to be measured</li> <li>• Measurement processes/reporting systems are likely to be efficient and effective.</li> </ul>

**Findings:** In almost all cases, global environmental benefits were claimed in terms of preservation of important biodiversity and accumulation of carbon stocks. Some projects attempted to put the carbon accumulation in a global context, although some of these claims were dubious at best. Many projects claimed local benefits in terms of preservation of biodiversity and accumulation of carbon, which are often likely to be achieved, although the means of converting these to global benefits require value judgments that often seemed tenuous. Forty-five percent of projects scored moderately unsatisfactory or less. Only a little under 19 percent were ranked as highly likely.



The review was based on the documents available for each project and assessed the GEBs that each project claimed. Most projects claimed GEBs of biodiversity and accumulation of carbon stocks. Note that two of the six PDF-B projects were ranked highly satisfactory for TOR 3b; thus it is possible to address the issue of GEB at early stages of project development.

Question 3c	Evaluation Criteria
<p><b>To what extent have the projects established baselines and indicators for relevant environmental and socioeconomic aspects?</b></p>	<p>Extent to which proposed (actual) baselines and indicators are sufficient and relevant:</p> <ul style="list-style-type: none"> <li>• Environmentally</li> <li>• Socioeconomically.</li> </ul>
<p><b>Findings:</b> Most projects tackled some form of baseline assessment, although for many the procedures and data could be better. Some projects proposed to collect baseline data in the first stages of the project. The team found this dangerous due to the likely confounding between project implementation activities and collection of baseline data.</p>	

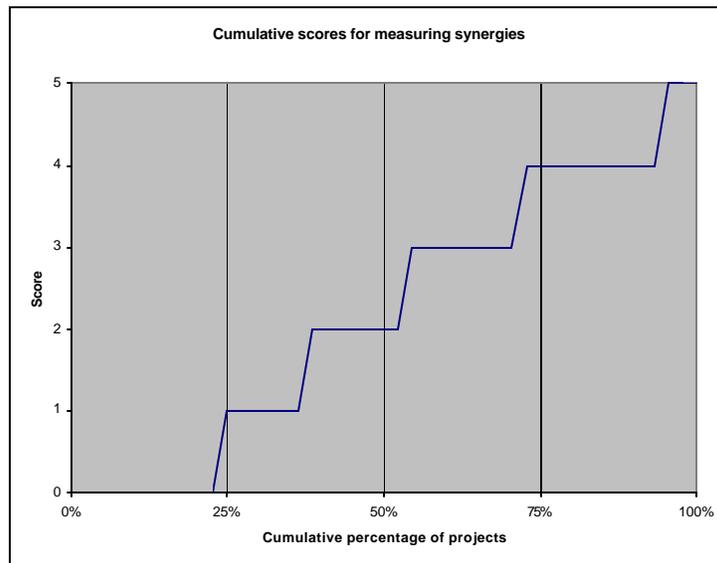


Baselines were interpreted to mean the state of the system, such as initial soil carbon stocks, soil depth, or measurements of existing biodiversity, before any project interventions start. Because the question is factual, the quality scoring system was used. Most projects addressed the issue of baselines; less than 16 percent were found to be less than moderately unsatisfactory, and more than 50 percent were satisfactory or better. The weakest component in this regard was socioeconomic baselines.

Further issues identified follow:

- IAs have recently been required to discuss the issue of baselines explicitly. Monitoring and evaluation is now required within each project, for which the establishment of a baseline is an integral activity.
- IAs mostly identify baseline information types or even collect baseline information before projects are submitted for CEO endorsement. In these cases, the confounding of project activities and the collection of baseline data is unlikely. Projects initiated in the early stages of OP12 are more problematic.
- OP12 was one of the first programs that made a conscious and clear link between people's livelihoods and the protection of the global environment as part of IEM.

Question 3d	Evaluation Criteria
<p><b>How are projects preparing to demonstrate synergy in different focal areas? What information are they collecting? What models have they developed?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• The means of demonstrating synergy are adequate and convincing</li> <li>• Information being collected is sufficient to demonstrate synergy</li> <li>• Models are well-established and convincing</li> <li>• Alternative models have been explored</li> <li>• There are specific performance assessment systems established to report on “synergies.”</li> </ul>
<p><b>Findings:</b> No project proposed a convincing model to measure synergies between or among focal areas. It was implicit in many documents that, because there were two focal areas written into the project, synergies would automatically occur. In a number of cases, the second focal area included is basically independent of the first. In other cases, synergies are self-evident—e.g., 2057 Belarus where, if conditions to recreate wetlands are successful, it is likely that both peat creation will restart and biodiversity will be enhanced. Since the two will occur together and neither can occur without the other, synergy is obvious. Even so, it is difficult to propose how to demonstrate it in an objective sense. The GEFSec and IAs are urged to watch closely as this particular project develops, as it may provide a model that can be replicated elsewhere.</p>	

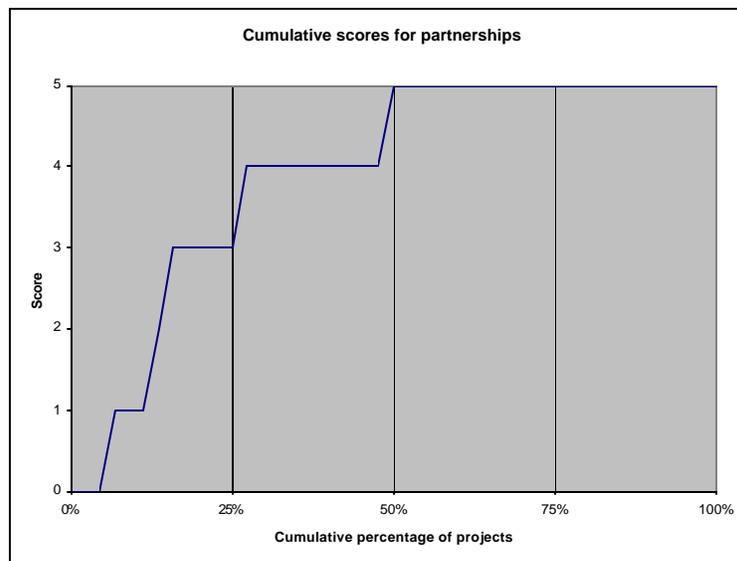


Most OP12 projects claim synergies, implying that better management of one natural or ecosystem resource will have a positive impact on one or more other ecosystem components, but without producing a convincing model as to how synergies will occur or how they will be demonstrated. Overall, this is the weakest area of performance for OP12 projects, with over 52 percent scoring moderately unsatisfactory or less, only a little over 25 percent scoring satisfactory or better, and only 5 percent at highly satisfactory. Proponents and IAs must be much more rigorous in proposing models to demonstrate synergies, which are not always easy to demonstrate. Projects are often akin to

uncontrolled experiments in that there is rarely an objective way to quantify the positive interaction between two or more focal areas. There is no simple solution to this problem, which will require much thought and careful formulation of different possible approaches. Clear strategic priorities in the OP12 document addressing this issue could help proponents, IAs, and the GEFSec.

The analysis was limited to consideration of synergies at the project level. Synergies among focal areas—such as when a project in one focal area is designed to be complementary to ongoing projects within another focal area—were not considered, as this topic, while interesting, lies outside the TOR.

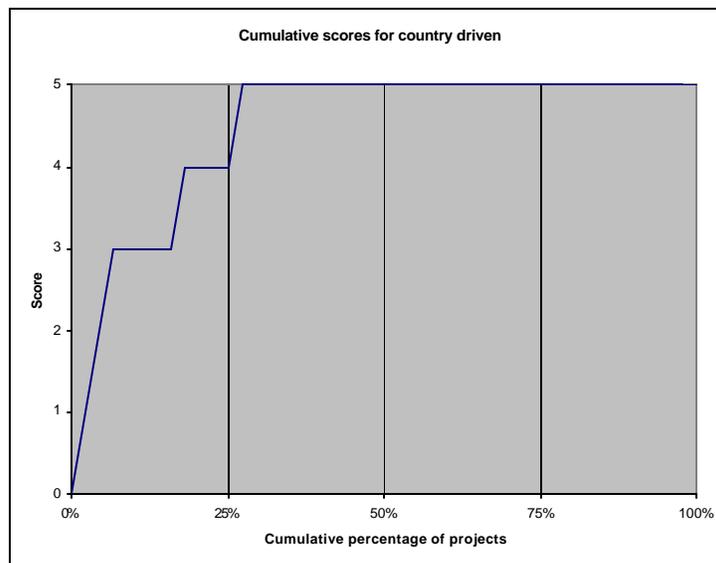
Question 3e	Evaluation Criteria
<p><b>Do OP12 projects have different partnership arrangements than comparable projects in other focal areas?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Partnership arrangements in OP12 projects are encompassing</li> <li>• They include multiple stakeholders</li> <li>• There are other relevant criteria that could and/or should be applied.</li> </ul>
<p><b>Findings:</b> Partnership arrangements are a strong feature of the OP12 portfolio: 84 percent of the projects score moderately satisfactory or better, and 50 percent are highly satisfactory. Clearly, proponents and IAs work hard to create partnerships and are mostly successful.</p>	



Projects in OP12 promote national and international partnerships that work toward common goals of sustainable livelihoods within the context of protecting the global environment or vice-versa. Establishment of these partnerships allows institutional and financial resources to be pooled and, for the first time, leads to harmonized donor interventions in GEF projects. This model has now been taken up by OP15 in sustainable

land management and is being applied to partnership arrangements even at the level of individual countries.

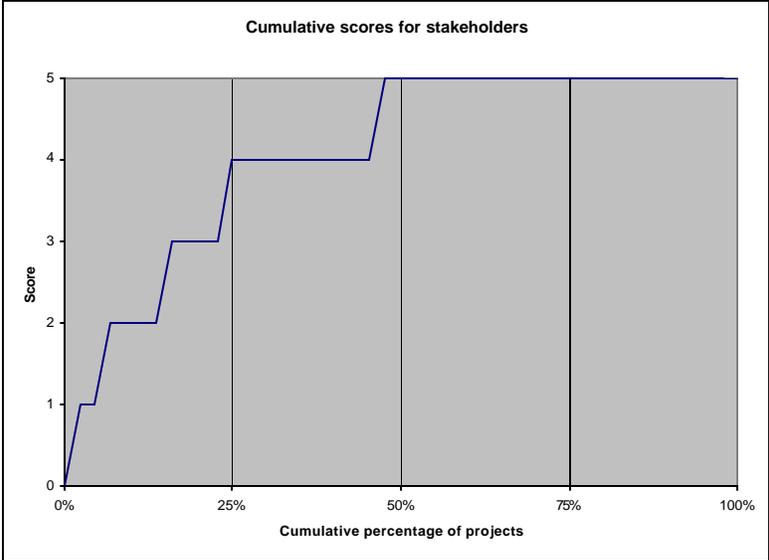
Question 3f	Evaluation Criteria
<p><b>Are OP12 projects more country-driven than projects in other focal areas?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• It is adequately spelled out that OP12 projects are country-driven</li> <li>• Evidence is convincing.</li> </ul>
<p><b>Findings:</b> Over 93 percent of the projects were moderately satisfactory in demonstrating that they were country-driven, with over 80 percent scoring satisfactory or better. Only two projects were ranked less than satisfactory; both were typical “top-down” projects in which someone had a good idea or technology and sought country participation to implement it.</p>	



The GEFSec confirms that the two low-scoring global projects were driven by knowledge gaps identified by the IAs/EAs in collaboration with the GEFSec and were indeed “top down.” There is no *a priori* reason why global projects should not be assessed factually as lacking country-drivenness as demonstrated by the other projects in the OP12 portfolio. Apart from these two, the OP12 portfolio projects are very much community based. They propose interventions that address global environmental issues as well as make a conscious link between livelihoods and the environment.

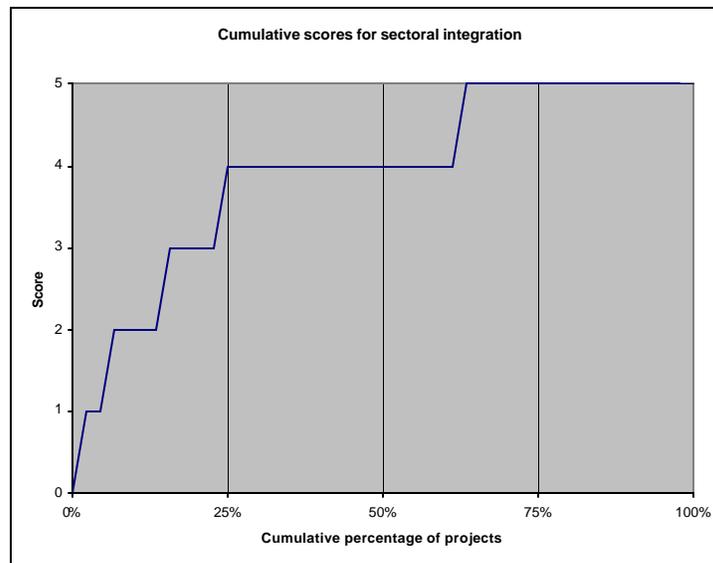
It is unfortunate that financial and time constraints prevented review of projects from other focal areas to compare the evidence of level of country-drivenness. The question that must be posed is how important is it to compare OP12 projects with others in the GEF portfolio on this aspect. The key point in this regard is that nearly all the OP12 projects were moderately satisfactory or better.

Question 3g	Evaluation Criteria
<p><b>Do OP12 projects have different stakeholder participation arrangements from other focal areas?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Stakeholders in each OP12 project are identified, compared, and contrasted</li> <li>• Stakeholder participation arrangements are specified.</li> </ul>
<p><b>Findings:</b> In three-quarters of the projects, stakeholder participation was satisfactory or better; in only less than 14 percent were stakeholder participation arrangements poorly defined. These too were top-down projects in which the project design exercise had either tacked on stakeholders or in which it was not clear how stakeholders would be involved. Surprisingly, two otherwise well-designed projects (793 Benin, 1769 Global) omitted or lacked detail on this aspect.</p>	



Although the conclusions are similar to those for TOR 3f, 847 Nicaragua is the only project to score badly in both categories. In this category, the top-down nature of the relevant projects originated mainly from the proponent countries themselves, with little involvement of local stakeholders.

Question 3h	Evaluation Criteria
<p><b>To what extent is there sectoral integration in the management of OP12 projects on the recipient side?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• Beneficiaries of each OP12 project are identified</li> <li>• Proposed recipients are appropriate given project objectives</li> <li>• Procedures are in place to manage cross-sectoral integration</li> <li>• Proposed management procedures are appropriate and adequate.</li> </ul>
<p><b>Findings:</b> Most projects clearly identified recipients, and project designs incorporated procedures for cross-sectoral management. Over 84 percent of the projects scored moderately satisfactory or better; three-quarters were satisfactory or better. Once again, the same group of top-down projects scored poorly.</p>	

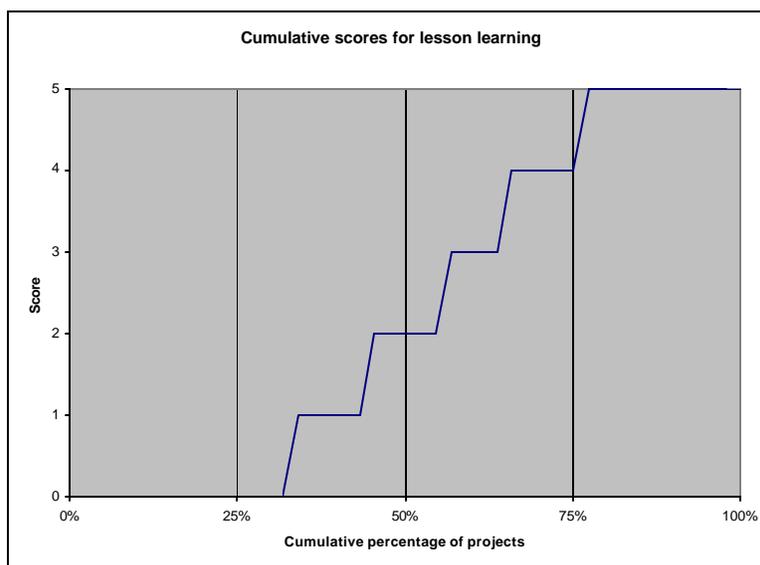


Cross-sectoral integration becomes relatively unimportant with good project design and delivery. The focus in the review was therefore on assessing project design and management as proposed in the project documentation.

OP12 projects work with various systems of land use and their impact on ecosystem health. It is thus an inherent component of OP12 projects to deal with those institutions that provide services and policy advice. Degradation of natural resources is not only based on sectoral issues such as technologies, data, and forecasts, but is also linked to the conflicting agendas of the various sectors that deal with natural resources. OP12 projects address the institutional and policy-related barriers for sustainable and integrated management of ecosystems. They do this by establishing inter-ministerial/agency committees to engage the various sectors in the decision-making process on the use of natural resources. This collaboration is also encouraged at the level of extension agencies or communities.

The GEFSec suggested that global projects perhaps do not require the same rigor in cross-sectoral integration as projects with a more restricted focus. There is no compelling argument to support this position. Indeed, a valid question is: why should global projects have less sectoral integration than other projects?

Question 3i	Evaluation Criteria
<p><b>What kind of lesson learning and knowledge management is planned regarding integration and synergies?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>Plans for lesson learning regarding integration and synergies are appropriate and adequate</li> <li>Plans for knowledge management regarding integration and synergies are appropriate and adequate.</li> </ul>
<p><b>Findings:</b> This was another weak area in the OP12 portfolio, with a mean score overall of 1.8, or less than moderately unsatisfactory overall. A few projects had well-defined mechanisms for learning and feedback into project execution and, in some cases, for the design of subsequent projects. In many, however, this component was either not included, very poorly defined, or unconvincing. Almost 55 percent of projects scored moderately unsatisfactory or less, and almost 32 percent had no provision for learning. A little over 34 percent were satisfactory or better. The GEFSec and IAs are urged to pay more attention to this weakness in project design.</p>	



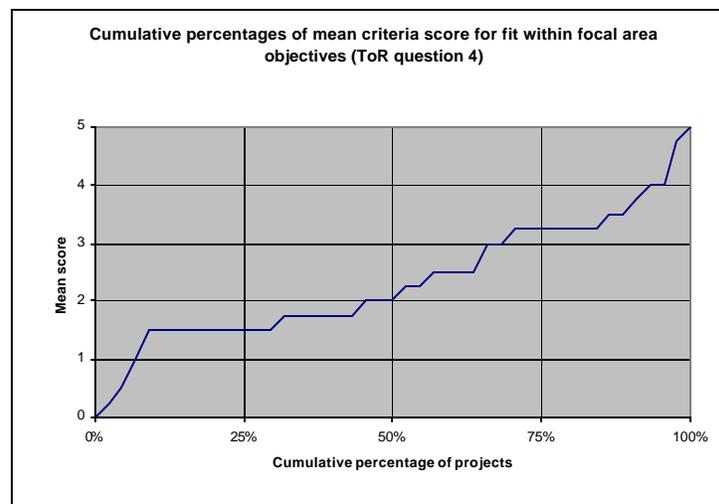
Learning and knowledge management were considered in the review at the level of the individual project, as required by the TOR.

Although outside the scope of this review, the current discussions in the GEF system on integration at the program and focal area levels will require a solid knowledge management system, which currently does not exist. Clearly, it would be useful in the future to improve learning and knowledge management at the program and focal area levels. In OP12, this would provide strengthened feedback to the GEFSec as more projects are implemented and their implementation reports become available. This system

could then go beyond OP12 as integration becomes a feature more generally relevant to all GEF focal areas.

#### Question 4: Fit within Focal Area Objectives

Many projects scored poorly overall in this category. Only a little over one-third scored moderately satisfactory or better, and less than 8 percent scored satisfactory or better. This finding appears to derive from the lack of clear strategic priorities in the OP12 document, which allowed OP12—at least in its early stages—to become a “dumping ground” for projects that did not fit well in the highly compartmentalized “silos” of other OPs, especially in the biodiversity focal area. It was heartening to note that there were a few projects that were not only well designed, but were outstanding examples of true IEM.



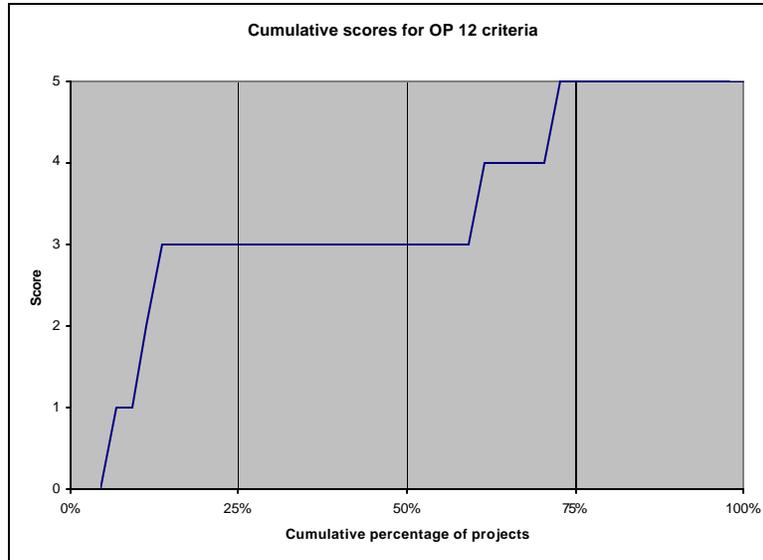
Scores for each of the sub-questions in TOR question 4 were classified by the year in which the project was approved. Although differences are not statistically significant, there is a suggestion that, apart from a decline in 2003, there has been an overall trend for projects to improve in terms of overall fit within focal area objectives (table 8). Unfortunately, the six PDF-B projects do not indicate that the improvement will continue, despite a recent “cleaning” of projects in the OP12 pipeline (discussed further in TOR 4a below).

**Table 8. Mean scores by year of approval for TOR questions on fit within focal area objectives**

Year	No. of projects	Sub-question				Mean
		a	b	c	d	
1999	1	3.0	3.0	0.0	0.0	1.5
2000	3	4.0	0.0	3.0	2.0	2.3
2001	9	3.8	1.4	3.2	1.7	2.5
2002	10	3.5	1.4	2.8	2.0	2.4
<b>Mean 1999–2002</b>	<b>23</b>	<b>3.7</b>	<b>1.3</b>	<b>2.9</b>	<b>1.8</b>	<b>2.4</b>
2003	5	2.2	1.8	3.0	1.6	2.2
2004	10	3.9	1.4	3.8	2.3	2.8
<b>Mean 2003–04</b>	<b>15</b>	<b>3.3</b>	<b>1.5</b>	<b>3.5</b>	<b>2.1</b>	<b>2.6</b>
PDF-B	6	3.0	0.8	3.2	1.3	2.1

Note: a: OP12 criteria; b: broadening other focal areas; c: themes within focal area; d: comparative advantage

Question 4a	Evaluation Criteria
<b>Are projects under OP12 consistent with OP12 selection criteria? Do they fit within the policy?</b>	Extent to which projects are consistent with: <ul style="list-style-type: none"> <li>• OP12 selection criteria</li> <li>• GEF policy.</li> </ul>
<p><b>Findings:</b> The answer to this question is generally yes, insofar as the criteria are spelled out in the OP12 document. Only a little over 13 percent of all projects were assessed by the reviewers as less than moderately unsatisfactory in their selection criteria. In some cases, a reviewer remarked that there did not seem to be congruity between the project and the OP12 criteria, but the project did not seem to fit elsewhere either. In these cases, it was puzzling how the project was deemed acceptable during the evaluation process.</p> <p>The GEF Policy Framework sets forth 10 operational principles (set forth in chapter 1 of the GEF Operational Strategy, summarized in box 1.1), and IA project brief documents require proponents to respond to these principles to assure the GEF that projects match policy. No project was in contravention of policy as embodied in the operational principles.</p>	



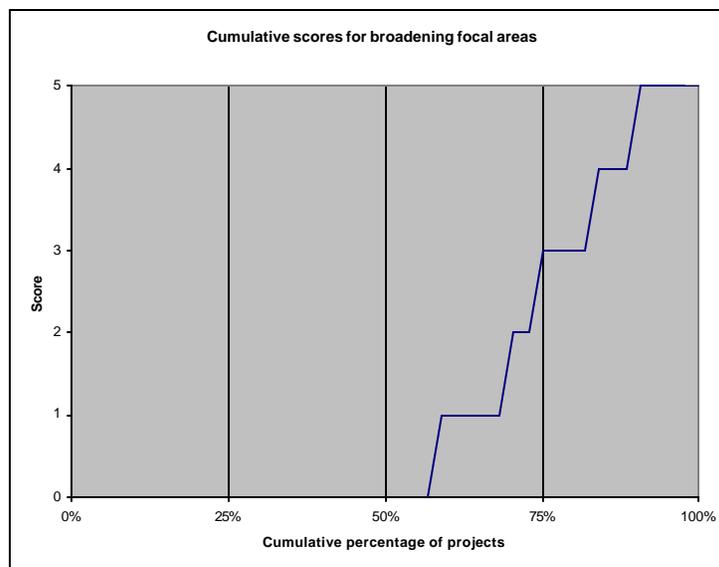
In examining OP12 project documents and in interviews, it was noted that, although benefits in two focal areas were sufficient to qualify a project as acceptable, it was often not convincing that the project would bring global benefits in either focal area—let alone in both or more. The OP12 criteria are, to some extent, subsumed by OP15 and OP9. However, a well-designed project based on sound IEM principles—and there are some such projects in the OP12 portfolio—will not be a satisfactory fit in either OP9 or OP15. If the OP12 document is refined to reflect IEM in a series of strategic priorities and rigorous selection of well-designed projects, this deficiency can be overcome.

Historically, the GEF strategy did not foresee that projects might not clearly fit in one focal area or OP. Such projects usually were placed in OP12 simply because of their multiple focal area orientation.

Projects in preparation for OP12 that address multiple focal areas but do not strictly satisfy OP12 criteria were recently removed from the portfolio pipeline. Despite this, only one PDF-B project (1535 Azerbaijan) scored better than satisfactory overall for questions in TOR 4, leading to the conclusion that those that were removed were really poor fits. Some projects, mainly medium-sized ones, that did not strictly satisfy OP12 criteria could not be transferred from the portfolio because they were already approved.

OP12 projects approved prior to 2003 were compared with those approved in 2003–04 and the PDF-B projects in the pipeline (table 8). Although none of the differences are statistically significant, the five projects approved in 2003 were not a good fit to the focal area objectives (TOR question 4a). Projects approved in 2004 were somewhat better overall compared with those approved in 2000–02. The indications of the current crop of PDF-B projects are not encouraging.

Question 4b	Evaluation Criteria
<p><b>Has the development of OP12 projects had the effect of broadening or changing the objectives of the relevant focal areas (e.g., biodiversity, climate change, and international waters)?</b></p>	<ul style="list-style-type: none"> <li>• Extent to which there is evidence that OP12 has broad objectives as outlined in paragraph 4 of the OP12 document.</li> </ul>
<p><b>Findings:</b> This is a weak aspect. Almost 60 percent of the projects had no impact in this area, and only a little over a quarter of OP12 projects had a moderately satisfactory or better impact. There are clearly some projects that can have considerable impact, and, in general, these had high scores in terms of the other components of project design. With more rigorous selection of projects reflecting a set of carefully crafted strategic priorities in IEM, OP12 projects could, and should, have an impact on the relevant focal areas.</p>	



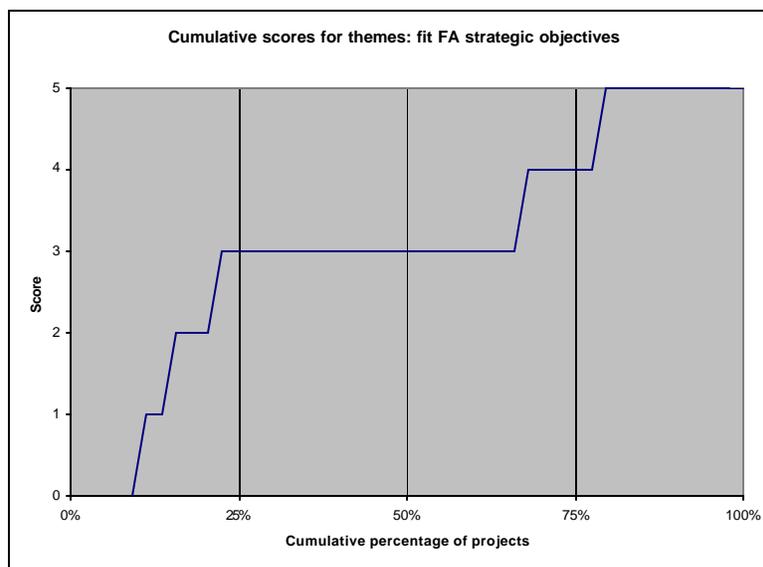
Projects in other focal areas were not audited. The breadth of objectives of OP12 projects was audited in terms of multi-habitat, human involvement and ecological goals, and indications of adaptive management as outlined in paragraph 4 of the OP12 document.

The objectives of focal areas are described in the GEF Operational Strategy and can only be changed by the GEF Council. It is hoped that experiences in the design and implementation of successful OP12 projects will influence the focal areas' strategic priorities for the next replenishment period (GEF4).

This review analyzes and makes judgments about the past performance of OP12, as required by the TOR. However, as noted, current discussion in the GEFSec on emerging strategic priorities for GEF4 shows a clear trend toward integration at both the project and focal area levels. Although the TOR did not include consideration of current GEFSec discussions and thinking as it prepares for GEF4, the trend toward integration emerged from the discussions on the purpose and future of OP12. In particular, the Biodiversity Task Force has proposed a set of strategic priorities and is in the process of formalizing

them. It was not possible to determine precisely whether this was a result of the discussions on OP12 noted above or whether it was part of the GEF’s evolutionary development. Irrespective of the root cause, the development is to be applauded, and the OP12 Task Force is urged to do the same.

Question 4c	Evaluation Criteria
<p><b>What are the themes of OP12 projects, and how do these fit within the strategic priorities or objectives of the respective identified focal areas (biodiversity, climate change, land and water, etc.)?</b></p>	<ul style="list-style-type: none"> <li>• Extent to which clusters from TOR 2b allow the OP12 projects to fit within the strategic priorities or objectives of the respective focal areas.</li> </ul>
<p><b>Findings:</b> Over three-quarters of the projects were scored as moderately satisfactory or better in having developed themes congruent with the priorities of OPs in the focal areas.</p>	



At its 14–16 May 2003 meeting, the GEF Council “provided details regarding the priorities... under the six focal areas and themes/programs of the GEF.”<sup>10</sup> With regard to OP12, the GEF Council directed that “To be consistent with the introduction of strategic priorities in the focal areas, GEF-3 will continue to encourage integrated ecosystem approaches in the portfolio. However, projects proposed under this theme, besides meeting the eligibility criteria of OP12, will also have to meet the strategic priorities in at least two of the six focal areas.”<sup>11</sup> All OP12 projects submitted after this date were required to present their fit with the strategic priorities of the focal areas for which benefits were claimed. The GEFSec reported that, in some cases, a decision was difficult

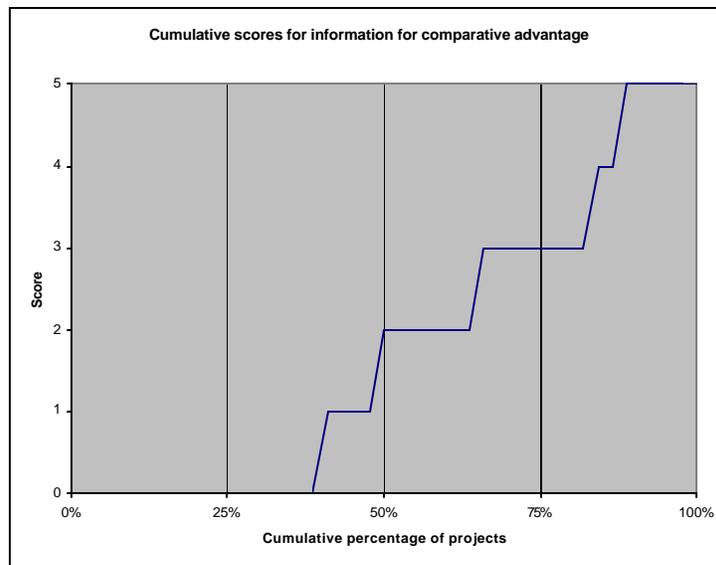
<sup>10</sup> *Strategic Business Planning: Direction and Targets*, p. 1.

<sup>11</sup> *Ibid.*, p. 41.

to make since the question of thresholds for accepting individual focal area benefits was not defined.

As for TOR 4b, the review was aware of ongoing discussions in the GEF on merging strategic priorities for GEF4 and the options they present for OP12. However, the TOR did not require this review to take account of current GEF discussions.

Question 4d	Evaluation Criteria
<p><b>Do projects keep track of the necessary information to assess if they have a comparative advantage or value added as compared with projects developed in one or multiple OPs? What information would projects have to track to demonstrate their comparative advantage? To what extent has a principle of threshold of benefits (minimum benefits in each focal area) been applied at the project review stage?</b></p>	<p>Extent to which:</p> <ul style="list-style-type: none"> <li>• The elaborated protocol is adequate for subsequent reviewers to judge whether a project has a comparative advantage or value added</li> <li>• The information collected by each project satisfies the protocol</li> <li>• The principle of threshold benefits was applied in the review process.</li> </ul>
<p><b>Findings:</b> Over 40 percent of the projects did not propose to collect data that would allow them to demonstrate a comparative advantage. Although this could be seen as a weakness, it was queried whether it was the burden of individual projects to collect information to demonstrate comparative advantage over projects in other focal areas.</p>	



An attempt was made to define a minimum data set to demonstrate the comparative advantage of OP12 with projects in other OPs. It was not possible to audit projects in other focal areas, and the review was only able to provide a subjective opinion based on the information approved projects propose to collect.

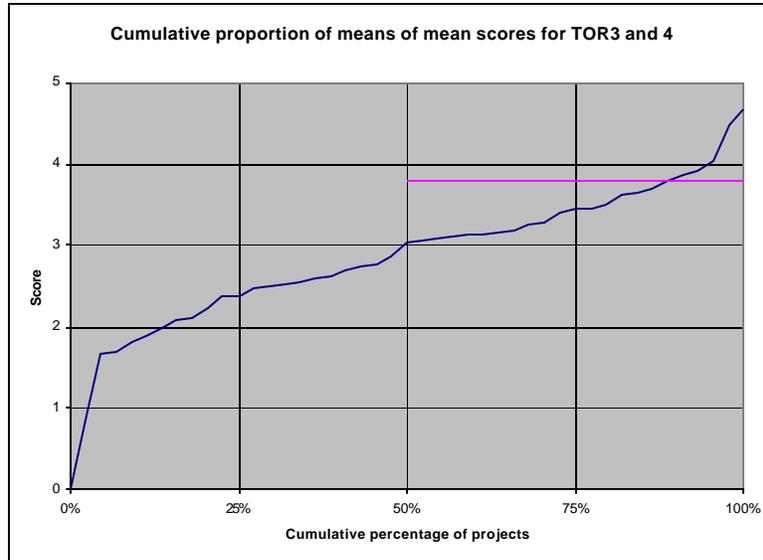
It should be the responsibility of the project proponents to formulate well-designed projects that address a clearly defined problem that crosses focal area boundaries, although the GEFSec advises that there is no requirement for IAs to provide information on the comparative advantage for the project to be submitted under OP12. Certainly, proponents have to show how they propose to implement the project for the benefit of the stakeholders and partners and also generate global benefits. It is reasonable to require that projects demonstrate *a priori* a comparative advantage by virtue of taking an integrated approach, which projects in single-purpose OPs may have difficulty in doing. But it does not seem reasonable that they should have to “prove their innocence.”

By planning to collect the appropriate data, eight projects were ranked satisfactory or better for demonstrating comparative advantage: 793 Benin, 1244 Kazakhstan, 1378 Global, 1544 Brazil, 1590 Namibia, 1684 Regional, 2057 Belarus, and 2485 Poland. Almost two-thirds of projects were scored moderately unsatisfactory or worse.

The issue of thresholds for benefits to be accepted as GEB for the focal areas where the benefits are claimed was considered under TOR 1c, “In practice, it has been difficult to agree on the threshold for claimed GEBs. For example, it is not specified whether a particular project must *fit the strategic priorities* of each of the focal areas where benefits are claimed or whether it can just *contribute to the objectives* of the focal areas, thus allowing a lower threshold to accept a claimed benefit as a GEB.”

This is an operational issue, on which it is only possible to express an opinion. It seems that there should be somewhat less rigor applied to a project that claims multifocal GEBs, but the extent to which the thresholds should be relaxed can only be determined by experience as projects are evaluated when they finish. Since the OP12 portfolio is nowhere near this stage, there is no evidence on which to base a judgment or offer advice.

Question 4e	Evaluation Criteria
<p><b>Are there any examples of projects approved in other relevant focal areas (OP9, 13, and 15) that are good practices of integration? What are their main characteristics, and in what way are they different from projects approved under OP12?</b></p>	<ul style="list-style-type: none"> <li>• Extent to which approved projects demonstrate good practices of integration and main characteristics are identified.</li> </ul>
<p><b>Findings:</b> There are several projects in OP12 that are good examples of well-integrated projects. Simple means of the means of the two TOR main questions 3 and 4 were calculated. In general, any project that scored a mean of 3.8 overall was deemed well integrated.</p>	



As noted earlier, projects in other focal areas were not audited. Integration practices of approved OP12 projects were assessed in terms of multi-habitat, human involvement and ecological goals, and indications of adaptive management as outlined in paragraph 4 of the OP12 document.

Six projects scored 3.8 or better. In order of merit, they were: 2057 Belarus, 1244 Kazakhstan, 956 China, 947 Regional, 984 Mongolia, and 1022 Regional. The threshold of 3.8 is purely arbitrary, and even these top projects are not without weaknesses, as the table of scores in appendix IB shows. However, in most areas, the designs of these projects were admirable; they are examples of what good IEM projects should look like.

In a comment on an earlier draft of this review, the GEFSec asked, “If the team has detected projects in other focal areas/OPs that use an approach consistent with OP12, what is the conclusion of the reviewing team with regards to the future of OP12?” Because projects in other focal areas were not audited, it is not possible to answer what the implications of well-integrated projects in these focal areas might have for OP12—although some options for the future of OP12 are discussed in the main report. While there are some approved projects in the OP12 portfolio that could be placed elsewhere, mainly in the new OP15 (identified in the table in appendix IB), GEF rules require that they remain in OP12. The main report discusses the fact that IEM is a unique concept that cannot be captured by other OPs even if they do move (as they should) to a more integrated approach.

The GEFSec suggested that this review discuss if well-integrated projects in other focal areas put the same emphasis on sustainable livelihood issues. Because projects in other focal areas were not audited, this review cannot respond to this point. It is suspected that livelihood issues in other focal areas are not addressed with the same rigor as in OP12, but there is no evidence to support this assertion.

Reviewers allocated scores to two further items—their assessment of:

- How likely a project was to achieve its stated global environmental goals
- The extent to which the project has integration that will create synergy, interpreted to mean that success with one component raises the performance of the others.

Means were taken across this category, and then the mean score for all three categories (team, TOR 3, and TOR 4). The addition of these items made little difference to the final outcome, raising 984 Mongolia from fifth to third and dropping 956 China and 947 Regional one place to fourth and fifth, respectively. (No attempt was made to discriminate at levels lower than the first decimal place.) It is concluded that the criteria used in the TOR categories 3 and 4 are robust indicators of project quality.

**APPENDIX III**

**LIST OF INTERVIEWEES**

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**Other Documents**

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## TERMS OF REFERENCE

### REVIEW OF THE GEF'S OPERATIONAL PROGRAM 12: INTEGRATED ECOSYSTEM MANAGEMENT

**Approved by the GEF Director of Monitoring and Evaluation – December 22, 2004**

**Background:** OP 12 was developed in 1999 to allow the GEF to generate benefits in more than one focal area while implementing an ecosystems approach, and to take advantage of the potential synergies between focal areas; initially the emphasis was on synergies between biodiversity conservation and climate change through carbon sequestration activities. It was perceived that the GEF was operating in a manner that was too fragmented, and the purpose of OP 12 was to provide an opportunity for interventions that promoted comprehensive and cross-sectoral approaches.

The intention of this OP is to demonstrate the integrated ecosystem approach to generate global environmental benefits in at least two GEF focal areas. The “integration” aspect of ecosystem management is the key element of the OP, in addition to the generation of synergies between focal areas. More recently, increasing attention is being paid within the GEF to the inter-linkages and complementarities between focal areas. Examples include the ongoing efforts to develop “adaptation” into a strategic priority, a STAP paper on focal area linkages, and recent exercises carried out between the land and water and biodiversity teams to explore linkages between their focal areas.

Since OP 12 has only been under implementation for a few years, the portfolio is still in an early stage. Few, if any projects have reached completion. Given its context and short history, the intent of this review is to assess OP 12 as a GEF mechanism to promote integration and synergies and whether there are alternative integration options between the focal areas of biodiversity, climate change and international waters (Ops 1-4, 9,13,15).

**Objective:** The purpose of the review is to assess to what extent the GEF has been able to initiate and implement projects that adopt an integrated ecosystem approach with substantial interlink ages and synergies among the GEF focal areas. OP 12 can be considered a “live laboratory” for exploring the dynamic process of integration, and also as a tool for the GEF to learn to operationalize this process. The review intends to: 1) analyze the objectives of the OP12 relative to the objectives of other relevant GEF programs; 2) examine the type of projects (described by their objectives, global environmental benefits and proposed implementation approaches) approved under this OP and review how these projects are designed compared to projects in other OPs; and 3) provide recommendations on how to maximize global environmental benefits using an integrated approach.

**Scope:** The review will seek to address four main areas:

1. Objectives of OP 12: What was OP 12 intended to accomplish?
  - a. What was the political and other rationale for GEF's development of OP 12?
  - b. What is the scientific foundation of OP 12, including any analysis and recommendations provided by the scientific bodies of the relevant conventions and the GEF? What was the guidance provided by the relevant conventions to which GEF is the financial mechanism?
  - c. What is the understanding among different GEF stakeholders of OP 12's objectives and content?
  - d. How has OP12 been operationalized, including formulation of guidance and review criteria?
  - e. How is the concept of "synergies between focal areas" defined?
  - f. OP 12 developed in a specific context to meet a gap in GEF operations: is that context still relevant? Can changes be made to OP 12 to ensure that it meets the purpose for which it was designed? Are there other tools that the GEF can also use to further achieve the objectives of increased integration between focal areas?
2. Stocktaking of the OP 12 portfolio
  - a. What are the approved objectives, global environmental benefits and proposed implementation approaches of OP12 projects? Are the projects uniform or can they be categorized in to various clusters?
  - b. What is the extent of GEF allocations to OP 12 projects (by year, project type, IA, etc.)?
  - c. What is the extent of co-financing of OP 12 projects?
  - d. What is the geographic coverage of these projects compared to other relevant OPs?
3. Performance of OP 12 portfolio
  - a. How has multifocality been dealt with during project preparation? Were there special teams set up? Did IAs develop special frameworks for each project?
  - b. How do OP 12 projects measure global environmental benefits?
  - c. To what extent have the projects established baselines and indicators for relevant environmental and socio-economic aspects?
  - d. How are projects preparing to demonstrate synergy in different focal areas? What information are they collecting? What models have they developed?
  - e. Do OP12 projects have different partnership arrangements than comparable projects in other focal areas?
  - f. Are OP 12 projects more country driven than projects in other focal areas?
  - g. Do OP 12 projects have different stakeholder participation arrangements from other focal areas?
  - h. To what extent is there sectoral integration in the management of OP 12 projects on the recipient side?
  - i. What kind of lesson learning and knowledge management is planned regarding integration and synergies?

4. Fit within focal area objectives
  - a. Are projects under OP 12 consistent with OP 12 selection criteria? Do they fit with in the policy?
  - b. Has the development of OP 12 projects had the effect of broadening or changing the objectives of the relevant focal areas (e.g. biodiversity, climate change and international waters)?
  - c. What are the themes of OP 12 projects, and how do these fit within the strategic priorities or objectives of the respective identified focal areas (biodiversity, climate change, land and water, etc.)?
  - d. Do projects keep track of the necessary information to assess if projects have a comparative advantage or a value added as compared with projects developed in one or multiple OPs? What information would projects have to keep track to demonstrate their comparative advantage?  
To what extent has a principle of threshold of benefits (minimum benefits in each focal area) been applied at the project review stage
  - e. Are there any examples of projects approved in other relevant focal areas (OP 9, 13 and 15) that are good practices of integration? What are their main characteristics and in what way are they different from projects approved under OP 12?

**Methodology:** The exercise will consist of a desk review comprising project design documents, PIRs, ICRs, TERs previous studies that have included OP 12 projects and documents from IAs. Provisions should be made for slight modifications of the TOR once feedback from IAs is received. Interviews and consultations will be carried out with staff members from the GEF Secretariat and the Implementing Agencies. Comparative assessment of OP12 projects with projects in other programs will be carried out using existing program studies in other focal areas and other pertinent materials. A draft will be circulated for comments among various task forces in the GEF. Once comments are received the consultants will organize them and on the basis of these comments received will prepare and carry out a meeting / workshop with representatives of the various GEF Task forces to discuss findings and recommendation of the study. The review will be conducted by a consultant in close collaboration the GEF Office of Monitoring and Evaluation (OME). The OME will also provide in data gathering for topic 2 above. The review will be supervised by a specialist of the GEF Office of M&E.

**Timeframe:**

- Initiation of review – January 1
- Interim report on Scope, section 1 – January 28
- Completion of first draft complete draft for GEF ME review – February 28
- Comments of first draft by GEF ME – March 8
- Completion of draft for wider review – March 18
- Comments of second draft – March 31
- Workshop in DC to discuss findings/comments with taskforces – no later than April 5
- Completion of final draft – April 10