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Agenda Item 10

GEF ANNUAL REPORT ON IMPACT 2007 EXECUTIVE VERSION

(Prepared by the GEF Evaluation Office)

Recommended Council Decision

The Council, having reviewed Document GEF/ME/C.32/4 *GEF Annual Report on Impact 2007 – Executive Version*, as well as GEF/ME/C.32/5 *Management Response to the GEF Annual Report on Impact 2007*, takes note of the Annual Report's conclusions and requests the GEF Secretariat to incorporate its recommendation into the Biodiversity Strategy and Tracking Tools, or to develop an alternative system to ensure adequate monitoring of progress towards institutional continuity, and requests the Evaluation Office to continue its program of Impact Evaluation as proposed.

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EXECUTIVE SUMMARY

1. The Evaluation Office has included impact evaluations in its planning since June 2005. In the first year of activities, methodological approaches were explored, which led to the first series of studies in the second year. Given the diversity of the work that can and should be done, this will be reported on in an Annual Report on Impact rather than in separate documents per study. The full Annual Report is available as an Information Document. This “executive” version is available as a Working Document and contains the highlights of the report.

2. Two parallel evaluation approaches were developed and tested. The major effort consisted of a set of related studies of Protected Area projects, using a Theory Based Approach to link outcomes to impact, which included additional data collection and substantial analysis, managed by the Evaluation Office. Three Protected Area projects in East Africa were studied and the following conclusions were reached:

- Conclusion 1: There are measurable and recorded improvements to the status of two key threatened species: Mountain Gorillas and Black Rhino;
- Conclusion 2: Two of the three Protected Area projects have contributed to a sustained reduction in the threats to key conservation targets
- Conclusion 3: The third Protected Area project has not been able to effectively continue with its threat-reduction mechanisms after GEF support ended.
- Conclusion 4: Impact was achieved in two of the three Protected Area projects because an explicit plan for institutional continuity was built into the project from the start.
- Conclusion 5: Two projects have contributed towards substantial additional benefits through catalytic effects.
- Conclusion 6: One project has not yet satisfactorily resolved some negative impacts of its Protected Areas on local communities of indigenous people.

3. The second impact evaluation approach was a statistical analysis of existing time series data on deforestation and protected areas in Costa Rica. Comparisons were made between protected and unprotected areas over several years to determine differences in the extent of deforestation which occurred between them. Within the protected areas, additional comparisons were also made between GEF-assisted projects and those supported through other sources. This led to the following conclusion:

- Conclusion 7: Even though Costa Rica’s protected area policy was not primarily focused on avoiding deforestation within a specified time frame, it achieved a measurable impact on avoided deforestation of about 110,000 hectares between 1960 and 1997. GEF supported protected areas in Costa Rica were between 2% and 7% more effective at achieving avoided deforestation than similar projects funded by other sources.

4. The Office concludes that the most cost-effective and realistic approach to impact evaluation for the GEF is a combination of opportunistic quasi-experimental analysis, using available data, with targeted case studies utilizing a theory-based approach.

5. Lastly, it is recommended that Protected Area projects should include a specific plan for institutional continuity, which should be included in the biodiversity tracking tools of the GEF, or through the development of an alternative system, under the direction of the GEF Secretariat.

I. BACKGROUND

6. The GEF portfolio has now matured to a stage at which consideration can be given to the long-term impacts of its projects. The Evaluation Office has included impact evaluations in its planning since June 2005. In the first year of activities, methodological approaches were explored, which led to the first series of studies in the second year. Given the diversity of the work that can and should be done, this will be reported on in an Annual Report on Impact rather than in separate documents per study. Each case study and evaluation will be published separately as an Evaluation Document.

7. Two parallel evaluation approaches were developed and tested. The major effort consisted of a set of related studies of Protected Area projects, using a Theory Based Approach to link outcomes to impact, which included additional data collection and substantial analysis, managed by the Evaluation Office. A key element of this approach is an analysis of conservation targets and threats, which provides a direct measure of project impacts, by assessing both the change in status of the expected global environmental benefits (GEBs) and the change in the level of threats to these GEBs. This approach was used in case studies of three Protected Area projects in East Africa to analyze to what extent threats to the targeted elements of biodiversity had been reduced and with what sustainable impact.

8. The three projects whose impacts were evaluated are:

- Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project, Uganda (World Bank)
- Lewa Wildlife Conservancy, Kenya (World Bank)
- Reducing Biodiversity Loss at Cross-Border Sites in East Africa, Regional (Kenya, Tanzania, Uganda), (UNDP).

9. The second impact evaluation approach was a statistical analysis of existing time series data on deforestation and protected areas in Costa Rica. Comparisons were made between protected and unprotected areas over several years to determine differences in the extent of deforestation which occurred between them. Within the protected areas, additional comparisons were also made between GEF-assisted projects and those supported through other sources.

10. A third approach was considered by the Evaluation Office. Discussions were held with UNEP to explore the possible contribution of macro level data available to them, based on satellite imagery and other sources, towards impact evaluation. It was concluded that the available data for the three project areas under study in East Africa were not suitable to incorporate into the evaluation's analysis, partly because of data quality and partly because the possibility of collaboration was introduced too late for an effective result. However, it was agreed that the resources and skills of UNEP could be utilized more effectively in the context of one or more of the next round of Country Program Evaluations. Furthermore, in collaboration with UNEP and STAP, ways and means will

be explored to utilize satellite images and geographical information systems to find linkages between GEF interventions and global environmental trends.

11. The detailed first Annual Report on Impacts is available as an information document for Council. It contains the detailed analysis of the case studies and the quasi-experimental review. The case studies and other supporting documents, such as the approach paper, are published as Evaluation Documents of the GEF Evaluation Office on the impact website, which can be found through www.thegef.org, choosing Evaluation Office and Ongoing Evaluations.

II. MAIN CONCLUSIONS

Conclusion 1: There are measurable and recorded improvements to the status of two key threatened species in Bwindi (Mountain Gorillas) and Lewa (Black Rhino)

12. The Bwindi-Mgahinga project has contributed to the stabilization and later increase of a globally significant mountain gorilla population. The Lewa Conservancy project has had substantial impacts on the black rhino population of East Africa; reversing a dramatic historical decline and promoting an increase of the population within its area, to such an extent that it has been able to relocate some rhinos to other sites. Although the habitat of the Grevy's Zebra was substantially protected by the Conservancy, this did not lead to the expected increased population, because the lion population also benefited from the improved habitat and inflicted greater losses on the zebra.

Conclusion 2: Two of the three Protected Area projects have contributed to a sustained reduction in the threats to key conservation targets

13. The achievement of stable gorilla and rhino populations in Bwindi and Lewa respectively are major impacts in view of the substantial decline of these species historically and the well-publicized poaching in neighboring regions. Key factors in this success included protection of the animals and their habitat; improved relations between local communities and the parks; enhanced conservation research capacity (which enabled monitoring of some key aspects) and sustainable financing (particularly for Lewa). Thus, in two of the three projects the conditions were fulfilled to achieve impact.

Conclusion 3: The third Protected Area project has not been able to effectively continue with its threat-reduction mechanisms after GEF support ended.

14. At project conclusion, outcomes had been achieved with regard to enhanced forest management, largely through community-based means and an improved institutional environment for forest protection. However, the impact evaluation showed that the project ended before these mechanisms were sustainable and that, if there had been gains in the state of the forests stipulated for protection, there were no effective mechanisms for sustainability. Furthermore, inadequate project monitoring and evaluation meant that it was impossible to accurately assess achievements at community level or with regard to biodiversity.

Conclusion 4: Impact was achieved in two of the three Protected Area projects because an explicit plan for institutional continuity was built into the project from the start.

15. The approach adopted of evaluating three protected area projects in a limited sub-region was intended to offer some possibility of comparison of results. Contrasts between the projects emerged, suggestive of substantive underlying issues. There was a hierarchy of sustainability of impacts, which corresponded with the strength of the institutions responsible for this process. The Lewa Conservancy is a private organization, dependent on generating income to support its activities. It therefore has a strong interest in ensuring the continuation and geographical expansion of improvements made with the existence of external funding. As well as managing its own protected area, the Conservancy has made substantial and consistent efforts to work with communities, which can extend the range of protection of habitat and animals. Furthermore, it has a highly professional approach to fund generation, which has benefited from its raised credibility to a broad range of potential external supporters, as a result of GEF support. The Bwindi-Mgahinga Conservation Trust was established as a mechanism to ensure continuing funding for activities to secure the support of local communities for protection of the forests and their animal population; as well as to conduct research, which is an important contribution to monitoring outcomes and impacts of the intervention. The activities of the Trust had variable results. The assistance to the indigenous Batwa population was only partially successful and the funding secured was less than anticipated because of changes in international financial markets. The Cross Border project lacked a clear strategy for institutional and financial sustainability of its activities and benefits and, once project funding ended, these rapidly declined.

Conclusion 5: The Bwindi and Lewa projects have both contributed towards substantial additional benefits through catalytic effects.

16. In the Bwindi-Mgahinga Conservation Trust project, the GEF inputs contributed to a much larger intervention, involving the Government of Uganda, international and national donors and several NGOs. The Lewa Wildlife Conservancy had great success in disseminating the concepts and practices of conservation to neighboring community owned land, enabling and supporting the creation of several community protected areas and game lodges. The culmination of this effort has been the creation of a new Trust to protect a large area of rangeland to the north of Lewa. The GEF intervention, although small, was well-timed and conceived and contributed substantially to the success of the Conservancy and, more particularly, to the replication of its approach to a broad set of neighboring community land areas.

Conclusion 6: The Bwindi project has not yet satisfactorily resolved some negative impacts of the Protected Areas on the indigenous Batwa.

17. An element of the Bwindi-Mgahinga Conservation Trust's work specifically funded by the GEF was the re-orientation of the livelihoods and lifestyle of the Batwa indigenous

community. Fieldwork showed that this was only partially successful. The provision of land benefited some Batwa, but the failure to grant them access and controlled use rights for forest products, which they traditionally utilized, meant that these are now obtained illegally. Project efforts to promote income generating opportunities were not supported by training in financial management and have in some cases led to negative social consequences.

Conclusion 7: Even though Costa Rica's protected area policy was not primarily focused on avoiding deforestation within a specified time frame, it achieved a measurable impact on avoided deforestation of about 110,000 hectares between 1960 and 1997. GEF supported protected areas in Costa Rica were between 2% and 7% more effective at achieving avoided deforestation than similar projects funded by other sources.

18. The second impact evaluation approach was a statistical analysis of existing time series data on deforestation and protected areas in Costa Rica. Comparisons were made between protected and unprotected areas over several years to determine differences in the extent of deforestation which occurred between them. Within the protected areas, additional comparisons were also made between GEF-assisted projects and those supported through other sources.

19. This approach concluded that, even though the Government of Costa Rica's protected area policy (supported by the GEF) was not primarily focused on avoiding deforestation within a specified time frame, it did succeed in avoiding about 110,000 hectares of deforestation between 1960 and 1997. This amount of avoided deforestation is supported through detailed counterfactual analysis. Two GEF protected areas, which received funding between 1993 and 1998, resulted in about 19,000 hectares of avoided deforestation up to 1997 and a further 25,000 hectares between 1997 and 2005, even though this was not their explicit objective. GEF-funded protected areas were between 2% and 7% more effective at achieving avoided deforestation than similar projects funded by other sources.

20. The Costa Rica analysis shows that opportunistic analysis of existing data sets can produce a general assessment of GEF's contribution to specific environmental trends at national level. However, more precise results would require the incorporation of evaluation data needs into project design, implementation and monitoring. Such an approach would be time consuming and costly, and require long term consistent management. Although there is increasing attention to monitoring and evaluation and the use of indicators, it is unlikely that this will lead in the near future to sufficiently comprehensive and focused data sets to allow systematic counterfactual analysis.

Conclusion 8: The most cost-effective and realistic approach to impact evaluation for the GEF Evaluation Office is a combination of opportunistic quasi-experimental analysis, using available data, with targeted case studies utilizing a theory-based approach.

21. This report therefore concludes that the most cost-effective and realistic approach to impact evaluation at a scaled-up level is a combination of opportunistic counterfactual analysis, using available data, with targeted case studies utilizing a theory-based approach. This would enable the strengths of one approach to be used to offset the weaknesses of another. Thus the detailed understanding of impacts and ways of achieving them provided by case studies could be supplemented by counterfactual analysis to enable the achievements of individual projects to be placed in the national or sectoral context.

22. Both of these methods as implemented were cost effective. The three project level evaluations required very intensive work, but nevertheless were produced for less (in external costs) than \$30,000 each, including workshop expenses. The methodology developed can be widely applied at project level, but will need modification for the evaluation of more programmatic interventions.

III. RECOMMENDATIONS

Recommendation 1: Protected Area projects should include a specific plan for institutional continuity, which should be included in the biodiversity tracking tools of the GEF, or through the development of an alternative system, under the direction of the GEF Secretariat.

23. The absence of a specific plan for the institutionalized continuation of the Global Environment Benefits generated by project interventions was found to allow these to reduce over time. This contrasted with the sustained impact and even scaling up through replication or geographic expansion of projects, which had designed and implemented institutional sustainability plans, including financial provision for essential activities.

24. The GEF biodiversity focal area has adopted tracking tools that aim to measure progress towards achieving the portfolio-level outcomes agreed as part of each replenishment period. For Strategic Priority One, Catalyzing Sustainability of Protected Area Systems at National Levels, this report notes that the tracking tool could be improved by adding consideration of institutional continuity, as this factor was identified as crucial to achieving long-term impacts. However, it may also be possible to develop other means of defining and monitoring progress towards institutional sustainability and the Evaluation Office invites the GEF Secretariat to explore with its partners the most effective approach.

Follow-up in Evaluation Office work

25. On the basis of this first set of impact evaluations, the Evaluation Office concludes that a mixed method approach, which includes macro-level statistical analysis and satellite imagery, where these are available, as well as case studies of projects, offers the best prospect for a comprehensive understanding of the impact of GEF-supported activities. It will therefore use this approach in its future impact work, whether this is

conducted through stand-alone evaluations or incorporated into other products such as Country or Thematic Evaluations.