Project Performance Report

(Incorporating the Project Implementation Review)

2001

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Executive Summary

This *GEF Project Performance Report* presents mainly the results of the 2001 Project Implementation Review (PIR), a monitoring process based upon reporting by the GEF implementing agencies. The report also draws upon additional information about the performance of GEF programs and projects from evaluations and other studies. This broader focus provides insights into important cross-cutting issues and lessons identified from implementation experience. The Second Overall Performance Study (OPS2) of the GEF that was completed at the end of 2001 is not reported upon here, as a separate report on it has been published and disseminated widely.

Following guidelines developed by GEF's Senior Monitoring and Evaluation Coordinator, each implementing agency prepared an analysis of its GEF portfolio, an overview emphasizing key lessons and trends to date, and individual reports on all ongoing full and medium-sized projects that have been in implementation for at least one year by June 30, 2001. The implementing agencies rated each of the projects on two aspects: implementation progress and the likelihood that the project's global environmental objectives would be reached. In addition to submitting the reports to the GEF secretariat, the three implementing agencies also shared the results of their reviews and the individual project reports with each other. These reports formed the basis for reviews during the autumn of 2001 by GEF focal area interagency task forces in biological diversity, climate change, international waters, and phase-out of ozone-depleting substances (ODS). This present report has been prepared by the GEF Monitoring and Evaluation Unit.

As of June 30, 2001, a total of 519 full and medium-sized projects (MSPs) had been allocated funding in approved GEF work programs. Additionally, 394 enabling activity projects had been approved in biodiversity and climate change. As shown in Table 1, of the full projects and MSPs, UNDP and the World Bank each implement 42 percent, while 8 percent are implemented by UNEP. Another 8 percent have more than one implementing agency. The total funding for these projects was US$3,313 million, of which 55 percent was allocated to World Bank projects, 30 percent to UNDP projects, 5 percent to UNEP projects, and 10 percent to projects with multiple implementing agencies. The enabling activity projects were not included in the PIR.

During FY2001, 54 full projects, 33 MSPs, and 76 enabling activity projects with total GEF funding for $505.28 million were approved. The value breakdown was $466.37 million for full projects, $25.95 million for MSPs, and $12.96 million for the enabling activities. This compares with $485.1 million approved for 40 full projects, 48 MSPs, and 35 enabling activities in the previous fiscal year. Implementation of 18 projects was completed in FY2001, compared with 27 projects in FY2000. Cumulative disbursements for the entire GEF portfolio (including enabling activities and project development funds) increased during the FY2001 to $1,244 million, up from $1,024 million in the previous fiscal year. Disbursements in relation to commitments were 43 percent as of June 30, 2001, down from 53 percent in 2000 and 46 percent in June 1999. Amounts disbursed for all GEF projects during FY2001 were $220.3 million, thus continuing the upward trend in disbursements that has been evidenced in all consecutive years. In 2001, the time between work program allocation, final implementing agency approval (commitment), and the beginning of project implementation for GEF projects increased somewhat.

The 2001 PIR includes 205 ongoing full and medium-sized projects that had been in implementation for at least one year as of June 30,

2001. This continues the trend of a steady increase in the portfolio under implementation, from 171 projects in 2000, 135 projects in 1999, and 119 projects in 1998. As the GEF portfolio continues to mature, more projects come into the PIR. As in previous years, about half of the projects (51 percent or 103 projects) are in the biodiversity focal area. With 63 projects or 31 percent of the total, climate change is the second largest focal area in 2001 PIR. In addition, two projects covering multiple focal areas also contain issues under the climate change focal area. The 2001 PIR portfolio includes 24 international waters projects, or 11 percent of the total. A total of 65 projects were included in the PIR for the first time in 2001. This represents almost one-third (32 percent) of the total 2001 PIR portfolio and implies a major renewal of the portfolio. At the same time, 18 projects (9 percent) were completed during the PIR period. The largest number of projects (22 percent of the total) is in the Latin America and the Caribbean region, followed by Asia (21 percent), Africa (20 percent), and the Europe and Central Asia region (17 percent). The Middle East and North Africa region had 10 percent of the projects. Another 10 percent were global or regional projects. The regional distribution varies somewhat by focal area.

The PIR is a monitoring tool which relies on individual implementing agency reporting and rating of project performance. The implementing agencies rated their projects on two criteria: implementation progress and likelihood of attaining development/global environment objectives. In order to seek improvements in rating practices, a new category – Partially Successful (PS) – was added to the ratings in 2001. This was utilized by the two UN agencies, while the World Bank rated its projects according to the old rating system consisting of Highly Satisfactory (HS), Satisfactory (S), and Unsatisfactory (U). The category Highly Unsatisfactory (HU) was dropped as redundant. The "realism" of the ratings system was discussed. The ratings on the first criterion, implementation progress, are: HS=13%, S=76%, PS=7%, U=3%, and not rated=2%. Ratings on development/global environment objectives were: HS=13%, S=76%, PS=6%, U=3%, and not rated=2%. It was noted that the introduction of the category "Partially Satisfactory" seems to be helpful to identify those projects that are not quite performing to expectations. Concern was expressed about the lack of connection that seems to exist in particular project PIRs between the descriptions of project progress and achievement and the ratings. The M&E Unit identified 10 projects where there seems to be a discrepancy between the rating and narrative assessments.

It has been agreed by the GEF secretariat and the implementing agencies that the PIR process will be supplemented by other M&E tools. This is primarily a new review modality, termed the Secretariat Managed Project Review (SMPR). In addition, the M&E Unit will further review and utilize the implementing agencies' project mid-term and terminal evaluations and initiate selected impact evaluations as the portfolio matures.

The following general lessons emerge from the review of the focal areas. In biodiversity, quantification of financial resources leveraged during project preparation and implementation is difficult because of the difficulty of isolating the influence of GEF projects given the presence of a number of other contributing factors. The review found that a more careful assessment of sustainability risks during project design is needed, together with the inclusion of specific measures to facilitate financial sustainability. Furthermore, a strategy for ensuring sustainability of project outcomes after GEF funding ends should be explicitly included in the design of all projects. Projects in this year's PIR report again demonstrate that limited capacity for project implementation is still a major constraint to achieving project objectives but, this year, there are some concrete examples on how to overcome this problem. Where NGO capacity is very weak in biodiversity conservation, an MSP can build capacity in areas such as com-

munity participation in decision making, organization/planning skills, and the forging of partnerships locally, nationally, and internationally. The review concluded that a review of project risk assessment modalities, tools, and methodologies should be conducted at each of the three implementing agencies to extract lessons, experiences, and best practices. Most GEF projects have as one of their goals the generation of new scientific information. The PIR identified a clear weakness in connecting scientific knowledge with end users' needs. Incorporating local communities and indigenous people's knowledge in the design of the project may help identify areas that are likely to succeed as conservation areas.

The climate change projects in this PIR contain a few good examples of replication as an element of project implementation that seems to have produced significant results. Replication through GEF-funded projects means incorporating elements to promote dissemination and learning so that other actors are encouraged to undertake and/or "scale up" the results achieved through GEF-supported activities. There are varying levels of private sector involvement in GEF-financed projects, for example, awareness raising, training and study tours, support of "soft" business costs, capital subsidies, provision of guarantees, and other forms of contingent financing. Projects demonstrate one or more of the different types of private sector involvement. Projects implemented through the International Finance Corporation (IFC) demonstrate how GEF resources can be applied towards reducing the "incremental risk" associated with energy efficiency activities, and provide strong examples for the private sector. Sound capacity building, often over the longer term involving political, institutional, and technical aspects, often leads to projects which have high degrees of leverage, replication, and policy influence. While there is evidence of benefits to people and communities under those projects that cater to rural development needs, these experiences have not yet been systematically documented.

In the international waters focal area, it has been proven in many cases that lack of sustained support from the recipient countries often results in implementation delays and, more importantly, failure to achieve the intended global environmental objectives. In certain complex situations, it is not advisable to utilize single projects as the tool to address the targeted issues, but to use a series of projects in a programmatic framework. In these cases, indicators need to be developed that identify triggers when the project can move to a next stage. Sometimes, the catalytic role of GEF is to foster political commitment and help countries and sectors reach agreement on how best to achieve sustainable development of a transboundary water body. Participation of local communities and other stakeholders in project development and implementation can be effective for promoting understanding of and commitment to the project's objectives, but it can also be time-consuming. It is important to see participation and involvement of multiple stakeholders as a "two-way street." The purpose of participation is not only to communicate project objectives to local populations or to convince them that the objectives are set correctly. Equally important is learning from and getting the full support of local inhabitants, who have accumulated local knowledge that has to be taken into consideration. The international waters focal area has embarked on a systematic effort to promote horizontal linkages and mutual learning between projects. Efforts towards horizontal linkages and learning between projects should be continued and strengthened.

In the ozone focal area, it was noted that illegal trade in ozone depleting substances (ODS) remains an issue, but there are no clear rules under the Montreal Protocol on how these seized quantities should be dealt with and accounted for. It was further noted that among the 11 projects in the PIR portfolio, there is a wide range in cost-effectiveness. This indicates the necessity for continuing to focus on country and sector-specific strategies while providing support for mitigation of ODS.

During 2001, program studies in the three main GEF focal areas of biodiversity, climate change, and international waters, as well as an evaluation of the MSPs, were conducted. All of these evaluations were carried out by interagency teams led by independent consultants under the auspices of the M&E Unit. The objective was to carry out comprehensive evaluations of the experiences in the focal areas, as well as provide evaluative documentation on the program results and impacts to the OPS2.

The Biodiversity Program Study found that a very large portion of the projects assessed had *protected areas* as their major focus. More than half of such projects were assessed to have fully or mostly met their objectives, even though they are invariably the most difficult and complicated types of projects to implement. Furthermore, over half of the protected areas projects were assessed to have had comprehensive or partial stakeholder participation, some benefit-sharing activities, and some measures for ensuring sustainability. Nearly half of the projects working to establish biodiversity conservation and sustainable regimes in *production landscapes* outside protected areas had mostly achieved their objectives, while the other half had only partly achieved theirs. Overall, almost half the projects reviewed had mostly achieved their objectives or were found likely to achieve them. However, the other half of the projects had achieved their objectives only partly or minimally. There were many reasons that prevented the full achievement of objectives, including lack of implementation capacity, unrealistic and over-ambitious objectives, and shortage of time and funds. For a large proportion of the GEF projects reviewed, it was not possible to directly answer the question: *What impact did they have on biodiversity?* This was mainly because projects, for the most part, did not systematically collect the required information. Also, for most projects, there was no baseline data against which the current status could be compared. Only about 10 percent of the projects reviewed had substantially addressed the issue of project *sustainability*. Another 24 percent had partially addressed this issue, and, in 34 percent of the projects, it was either not addressed or very poorly addressed. The Program Study recommendations primarily relate to the four issues that the report highlighted as needing attention: achievement of objectives, project impacts on biodiversity, sustainability of project activities and gains, and learning from past lessons.

The Climate Change Program Study found that GEF-financed projects have demonstrated important and effective approaches for facilitating and accelerating greater demand for and supply of energy-efficient manufactured products, particularly lights, but also refrigerators, motors, and building materials. Some project approaches have resulted in sustained reductions in the price of the products and highly cost-effective abatement of carbon emissions. Market gains for efficient lights, in particular, are being sustained and replicated. GEF has facilitated implementation of important regulatory frameworks that support grid-connected renewable energy, but only in two countries so far (Mauritius and Sri Lanka). Other impacts have been limited to one-time technology demonstrations, research, and increased skills and awareness. Rural applications of solar photovoltaics (PV) constitute the largest single group of projects in the climate change portfolio. However, most of these projects have little or no implementation experience yet. Several business models and schemes to extend credit to businesses and consumers show promise of being sustainable and further replicated. Awareness of solar home systems is increasing in several countries, and technical standards are improving. The impact of projects on rural electrification planning and policies has been small, but more recent projects are emphasizing these issues. Viable energy-service companies (ESCOs) have been established in two countries (Tunisia and China) as a result of GEF projects. Projects for coal-bed methane, gas-pipeline leakage repair, fuel switching, decentralized wind power, utility demand-side management, village-scale mini-grids, and district heating-efficiency improvements have all

shown significant impacts and could all be replicated on larger scales and used as models for ongoing and future GEF projects.

The International Waters Program Study concluded that GEF's projects align well with the strategic guidance adopted by the GEF Council. The projects have made, and continue to make, significant contributions to the implementation of existing global and regional agreements that address the protection and restoration of freshwater and marine ecosystems, notably the Global Program of Action for the Protection of the Marine Environment from Land-Based Activities. GEF can be seen as a major, or possibly *the* major, facilitator of the implementation and increased adoption of international water laws, action plans, and regional environmental protection agreements. The promotion and sustenance of such regional agreements and their environmental protection activities is one of the measurable and concrete benefits of GEF international waters activities. The study found, however, that overall project performance varies among individual projects and operational programs. Most of the project impacts, such as the improvement of the state of ecosystem, are yet to be obtained. However, important results have been achieved in preparing and planning political and scientific processes that are likely, under the right circumstances, to lead to impacts on the ground. This is not surprising given the long time that is required to achieve actual improvements in the international waters environment. The review of completed projects that was carried out as part of the study showed, nevertheless, that some present and future reductions in stress on the marine environment can be directly attributed to GEF projects. A review of demonstration projects found that these are generally both well conceived and satisfy the criteria for GEF support. The use of science-based transboundary diagnostic analyses (TDAs) as a basis for facilitating countries' agreements on joint remedial or preventive actions through strategic action programs (SAPs) should continue. However, where feasible, efforts should be made to shorten the time required for a TDA.

The Medium-Sized Projects (MSPs) Evaluation found that it is too early in the implementation of most MSPs to determine their specific impacts on biodiversity conservation, climate change, and international waters. Interim or indirect indicators of progress were assessed in capacity development, innovation, awareness raising, and prospects for sustainability and leverage. The most important types of MSP leveraging have been cofinancing, scaling up, and replication, in addition to positive impacts on government policies with implications for global environmental issues. An encouragingly high proportion of the MSPs that have reached advanced stages of implementation have made substantial progress in these areas. MSPs are generally positively regarded by diverse stakeholders, and the local and participatory emphasis of most MSPs has helped create more favorable conditions for the achievement of long-term environmental goals. From a technical perspective, the planning of some MSPs could have benefited from more focus on the specifics of project sustainability and replication. The prevailing 2-3 year time frame for MSPs is often too short, and few of the projects can be expected to achieve sustainability in this time. Project developers should be encouraged to plan implementation over longer time frames if this suits local absorptive capacities and is likely to enhance sustainability. While MSPs should not be utilized for project development, a second phase for promising MSPs should be permitted if the original MSP has been successful in reaching its objectives, as is done with FSPs. While there have been improvements in processing over time, reality has fallen far short of the expectations that MSPs would provide a relatively fast-moving and flexible funding opportunity. While some of the sources of delay can and should be addressed as a matter of priority, it is clear that some of the early expectations for rapid MSP processing were misplaced. The MSP portfolio contains many complex projects that are a considerable challenge for their proponents and require a level of management effort that is comparable to

many larger projects. MSPs have clearly achieved the stated GEF Council objective of broadening the range of partners able to access GEF resources. The wide variety of MSP executing agencies includes a diverse range of government agencies, NGOs, research institutions, international and intergovernmental organizations, as well as the private sector. Private sector participation has been limited to very few projects, although it was significant in these projects. Engaging this broadened range of partners has generated clear, positive benefits for the GEF agenda. The MSP niche is clearly an important one in the GEF family.

The following cross-cutting issues were highlighted specifically during the 2001 performance review:

Inherent Features of Success in Projects and Dealing with Risk. Good project design is seen as critical to project success. However, there is a need to identify the features that specifically improve the delivery of global environmental benefits. Securing active participation of all relevant stakeholders, including communities, NGOs, national governments, etc., is critical to project success. Participation could be viewed as one of the important factors underlying the sustainability of a project. Active participation should be ensured through the entire life of a project, beginning with the early stages of problem identification and recognition and continuing through project implementation and impact evaluation. Long-term project objectives should be balanced with meeting some of the immediate needs of the stakeholders. Inadequate capacity is often identified as a constraint to effective implementation and sustainability of GEF projects. Experience to date points to the value of the MSPs as an effective instrument to support capacity development. Closely related to active participation and capacity building is the need for effective partnership to ensure project success. Effective partnerships enhance participation, strengthen institutional capacity, and contribute to project sustainability. The objectives, scope, and timing of a project should be designed on a sound and reasonable basis. The complexity of project design should be reduced to be within the capacity of project management. An appropriate policy, legal, and regulatory framework, including linkages with policies in other relevant sectors, is important to project implementation. It is important for the project to have adaptability and flexible management in order to adjust to the changing policy, legal, and regulatory framework. The implementation of multicountry projects is often complicated by the number of legal agreements that have to be signed with different entities. The criticality of identifying and mitigating risk in projects was recognized.

Engaging the Private Sector. Private sector partnerships and mobilization of additional private funding are seen as increasingly important for GEF as the role and opportunities for the private sector in addressing environmental issues is generally increasing. These types of partnerships enhance the chances that a project will be replicated and can create an appropriate environment for the project to be catalytic. In addition, partnerships created throughout the life of a project can increase participation, contribute to sustainability, and facilitate vital communication networks and contacts that could not have been established within the usual time frame of the project.

Adaptive Management – Changes in Project Design. It was broadly agreed that within a project's overall and immediate objectives, flexible management in implementation is very desirable, if this is a way to incorporate into the project the context and realities in which the project is operating. Project logical frameworks should not be regarded as static documents, but should be adapted and amended during the life of the project according to changing local conditions and lessons learned. The need for making changes in project design may stem from a variety of sources, including changes in the external environment or faults in the original design. Phased approaches to projects are

seen as one of the essential modalities to be explored for introducing flexibility into project design and management. This would necessitate the careful development of indicators, closely related to the objectives of the project, the attentive monitoring of project progress, and the introduction of triggers that would enable GEF to move into the next phase of the project.

Replication, Catalytic Effects, Horizontal Exchanges, and Mutual Learning. The importance of replication and catalytic effects by GEF projects was reaffirmed. The experience, however, shows that the factors and conditions that contribute to these vary between focal areas. Replication has to be consciously designed as part and parcel of project design and implementation. The explicit replication strategy within a project should recommend supporting activities such as drawing out lessons learned and best practices, enabling staff exchanges, and creating communication and dissemination strategies. While there are a number of examples of horizontal exchanges and mutual learning in the PIR portfolio, this has been systematically undertaken only in the international waters focal area. GEF should build upon the experiences gained in the international waters program's ongoing projects, which can also provide lessons and models for other focal areas. Knowledge management systems being established by the M&E team and the implementing agencies should emphasize learning as well as modes and methods of encouraging replication.

1. Introduction

This *GEF Project Performance Report* presents mainly the results of the 2001 Project Implementation Review (PIR), a monitoring process based upon reporting by the GEF implementing agencies. The report also draws upon additional information about the performance of GEF programs and projects from evaluations and other studies. This broader focus provides insights into important cross-cutting issues and lessons identified from implementation experience. The Second Overall Performance Study (OPS2) of the GEF that was completed at the end of 2001 is not reported upon here, as a separate report on it has been published and disseminated widely.

PIRs are carried out annually by the GEF secretariat and implementing agencies—United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), and the World Bank—at the request of the GEF Council. They have two purposes: (i) to provide a comprehensive overview of the GEF project portfolio and trends in performance and (ii) to highlight themes or issues that may lead to (a) refining the GEF operational programs, (b) improving project design and management, (c) identifying scientific and technical questions for further consideration, including by GEF's Scientific and Technical Advisory Panel (STAP), and (d) identifying lessons from experience and topics for further exploration through evaluations and other studies.

Following guidelines developed by GEF's Senior Monitoring and Evaluation Coordinator, each implementing agency prepared an analysis of its GEF portfolio, an overview emphasizing key lessons and trends to date, and individual reports on all ongoing full and medium-sized projects (MSPs) that had been in implementation for at least one year by June 30, 2001. The implementing agencies rated each of the projects on two aspects: implementation progress and the likelihood that the project's global environmental objectives would be reached.

In addition to submitting the reports to the GEF secretariat, the three implementing agencies also shared the results of their reviews and the individual project reports with each other. These reports formed the basis for reviews during the autumn of 2001 by GEF focal area interagency task forces on biological diversity, climate change, international waters, and the phase-out of ozone-depleting substances (ODS). Following these focal area reviews, an interagency meeting called by the Senior Monitoring and Evaluation Coordinator was held in Washington, DC, on December 11, 2001. It focused on identifying cross-cutting issues based on the task force reviews.

A large number of project managers and other staff from the implementing agencies and GEF secretariat contributed to the PIR process. The individual 2001 project reports were based on submissions by project managers and reviewed by implementing agency headquarters staff. Project managers from selected projects were invited to participate in the task force meetings as well as the interagency meeting to bring in concrete experiences and insights from project implementation that have broader applicability to the GEF as a whole.

This report, prepared by the GEF Monitoring and Evaluation (M&E) team is organized as follows. Chapter 2 contains an analysis of GEF's active portfolio, including related financial information up until June 30, 2001. Chapter 3 summarizes the 2001 PIR in sections that cover the portfolio overview and trends, an analysis of the project ratings, and highlights by focal area. Chapter 4 presents the main find-

ings of the evaluations carried out in 2001 by the GEF M&E team together with the GEF secretariat and implementing agencies. The report contains summaries of the focal area program studies in biodiversity, climate change, and international waters, as well as an evaluation of the MSPs, that were carried out as detailed background studies in support of OPS2. Drawing upon the PIR and these evaluations, Chapter 5 synthesizes the principal conclusions and recommendations of this year's project performance review. Annex A lists all projects that were included in the 2001 PIR. Annex B contains the guidelines for carrying out the 2001 PIR. Annex C contains the overview reports by each of the implementing agencies. Finally, Annex D contains a list of all projects that have been completed.

2. GEF Portfolio Analysis

A. Overall GEF Portfolio

As of June 30, 2001, a total of 519 full and medium-sized projects had been allocated funding in approved GEF work programs. Additionally, 394 enabling activity projects had been approved in biodiversity and climate change. As shown in Table 1, 42 percent of the full and medium-sized projects are implemented by both UNDP and the World Bank, while 8 percent are implemented by UNEP. Another 8 percent have more than one implementing agency. The total funding for these projects was US$3,313 million, of which 55 percent was allocated to World Bank projects, 30 percent to UNDP projects, 5 percent to UNEP projects, and 10 percent to projects with multiple implementing agencies. The enabling activity projects were not included in the PIR.

Table 2 shows the distribution of the GEF portfolio by focal area as of June 30, 2001. By value, 41 percent of the full and medium-sized projects were in the biological diversity focal area and 36 percent in climate change. Together these two focal areas thus constituted 77 percent of the total GEF funding. The international waters focal area represented 14 percent, the ozone focal area 5 percent, and projects with multiple focal areas 4 percent of the total value of GEF funding.

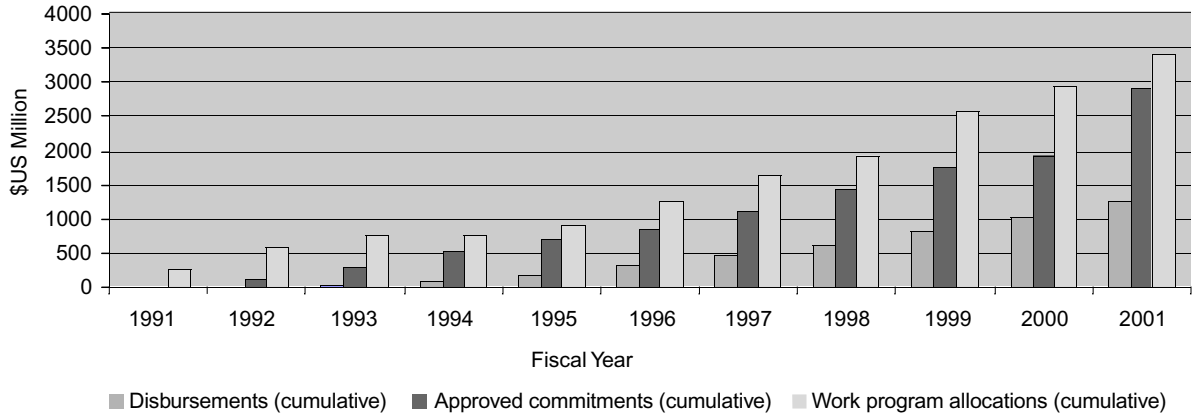
Table 1
GEF Project Allocations by Implementing Agency (as of June 2001)

	FSPs		MSPs		Enabling Activities	
Implementing Agency	# Projects	US$ Million	# Projects	US$ Million	# Projects	US$ Million
UNDP	169	$944.0	47	$35.9	277	$74.4
UNEP	22	$141.6	20	$14.1	85	$26.3
World Bank	168	$1,799.7	52	$39.8	30	$11.5
Multiple IAs	39	$337.0	2	$1.5	2	$2.3
Total	398	$3,222.2	121	$91.2	394	$114.5

Table 2
GEF Project Allocations by Focal Area (as of June 2001)

	FSPs		MSPs		Total Allocations	
Focal Area	# Projects	US$ Million	# Projects	US$ Million	%	US$ Million
Biodiversity	175	$1,294.2	75	$57.0	41	$1,351.2
Climate Change	140	$1,170.5	29	$21.4	36	$1,191.9
International Waters	53	$456.0	7	$5.5	14	$461.5
Ozone Depletion	17	$163.8	4	$2.9	5	$166.7
Multiple Focal Areas	13	$137.6	6	$4.5	4	$142.1
Total	398	$3,222.2	121	$91.2	100	$3,313.4

Figure 1
Cumulative GEF Portfolio – Allocation, Commitments and Disbursements 1991-2001



B. Growth of Portfolio and Disbursements

Figure 1 illustrates the growth of the entire GEF portfolio (including enabling activities and project development funds) by amounts allocated, committed, and disbursed from the beginning of operations in June 1991 through June 2001. During FY2001, 54 full projects, 33 medium-sized projects, and 76 enabling activity projects with total GEF funding of $505.28 million were approved. The value breakdown was $466.37 million for full projects, $25.95 million for medium-sized projects, and $12.96 million for the enabling activities. This compares with $485.1 million approved for 40 full projects, 48 medium-sized projects, and 35 enabling activities in the previous fiscal year. Implementation of 18 projects was completed in FY2001, compared with 27 projects in FY2000.

Cumulative disbursements for the entire GEF portfolio (including enabling activities and project development funds) increased during FY2001 to $1,244 million, up from $1,024 million in the previous fiscal year[1]. Disbursements in relation to commitments were 43 percent as of June 30, 2001, down from 53 percent the year before and 46 percent in June 1999. Amounts disbursed for all GEF projects during FY2001 were $220.3 million, thus continuing the upward trend in disbursements that has been evidenced in all consecutive years.

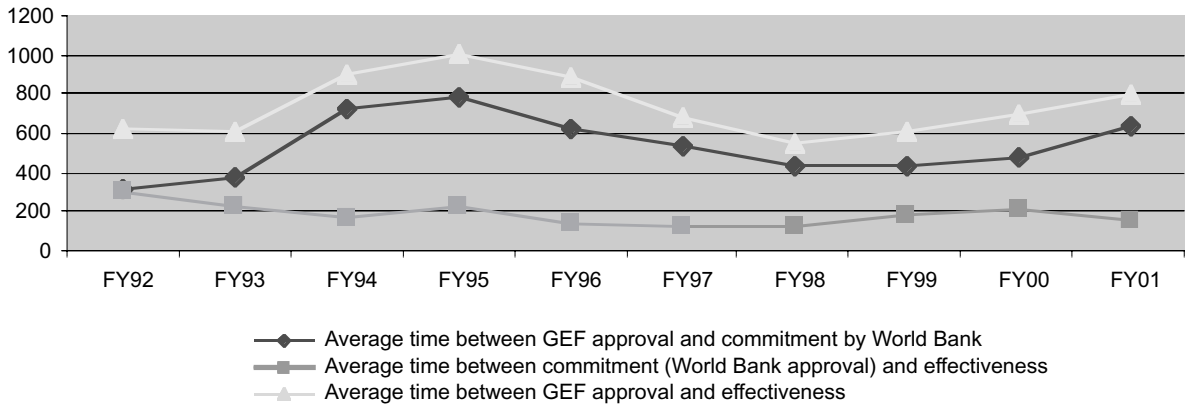
C. Time from Allocation to Implementation

Over the years, there has been repeated concern by GEF Council members and others about the long preparation time for GEF projects and the lack of transparency and feedback during the initial phases of the project cycle. The PIRs have been analyzing the average use of time at the various early steps of project initiation.

For the World Bank GEF projects, the downward trend in elapsed time from GEF

[1] Sources: 2000 *Project Performance Report*, *GEF Projects – Allocations and Disbursement* (R.3/Inf.3) and Global Environment Facility Trust Fund Consolidated Financial Statement.

Figure 2
Average Time Between GEF Allocation, Commitment and Effectiveness for World Bank Projects, by Fiscal Year of Commitment



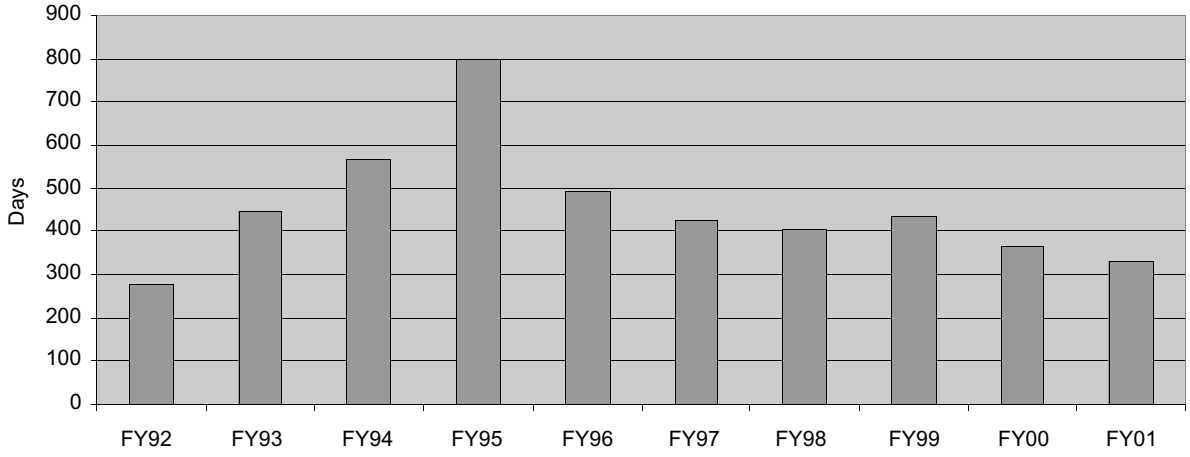
Council to Bank management approval was reversed in 2000 and worsened in 2001. For the 17 full projects approved by the Bank's Board in 2001, the average number of days since GEF Council approval was 640 – 29 percent higher than the 2000 figure of 496 days. Nine of the projects approved in FY01 were in the range of 600 to 1,454 days, and four of the five with the longest delays were protected area projects. Protected area projects are particularly complex, with features that usually require considerable time for preparation, such as resolution of resource management issues, participation strategies, and consensus building.

By focal area, there was little difference in elapsed time: 618 days for climate change (5 projects) and 590 days for biodiversity (11 projects). The single international waters project took 1,213 days due to country-specific circumstances. For the 14 MSPs approved in 2001, the time elapsed from Council approval to World Bank management approval fell to 106 days from 138 days in 2000.

Compared with the Bank service standard of 6 months, the average elapsed time for GEF projects from Board Approval to effectiveness was just over 5 months for the eleven FSPs that became effective in 2001. This not only exceeded the Bank standard but is an improvement over 2000 and 1999 when the average was approximately 7 months in both cases. However, this average masked wide variation. Six projects (55 percent) exceeded the Bank standard, with an average elapsed time of 8 months. In contrast, the five projects that were less than the Bank standard averaged less than 2 months (54 days) in elapsed time. The reasons for the lengthy delays in effectiveness appear to be project or country-specific rather than systemic. These include the following: fulfillment of legal requirements set by the Bank, such as legislative actions, co-financing arrangements, and appointment of key staff; local elections and/or other changes in government that often affect project officials; lengthy local procedures for project approval; and establishment of institutional arrangements for project implementation. The main characteristics of projects that became effective quickly included firm ownership and commitment by the country and the establishment of a core project management team by project appraisal.

In the case of UNDP (Figure 3), the years since 1995 have seen a significant decrease in the average elapsed time from GEF Council approval to the beginning of implementation

Figure 3
Average Time Between GEF Approval and Project Agreement Signature for UNDP GEF Projects, by Fiscal Year of Project Agreement Signature



(project agreement signature). This trend has continued during FY2001. It took on average 333 days from GEF approval to project agreement signature for the 13 projects that obtained UNDP project agreement signature in FY2001. This is a reduction of 30 days since FY2000, and a reduction to less than half since FY1995.

Since the number of UNEP projects is rather limited, only aggregated analysis is possible. Figure 4 shows an overall trend in processing time for full projects. Data are basically averaged for every 2 years. There has been a further decrease in UNEP's average processing time, down to 230 days for 2001.

Figure 4
Average Processing Time from GEF Approval to Project Internalization for UNEP GEF Projects, by Year

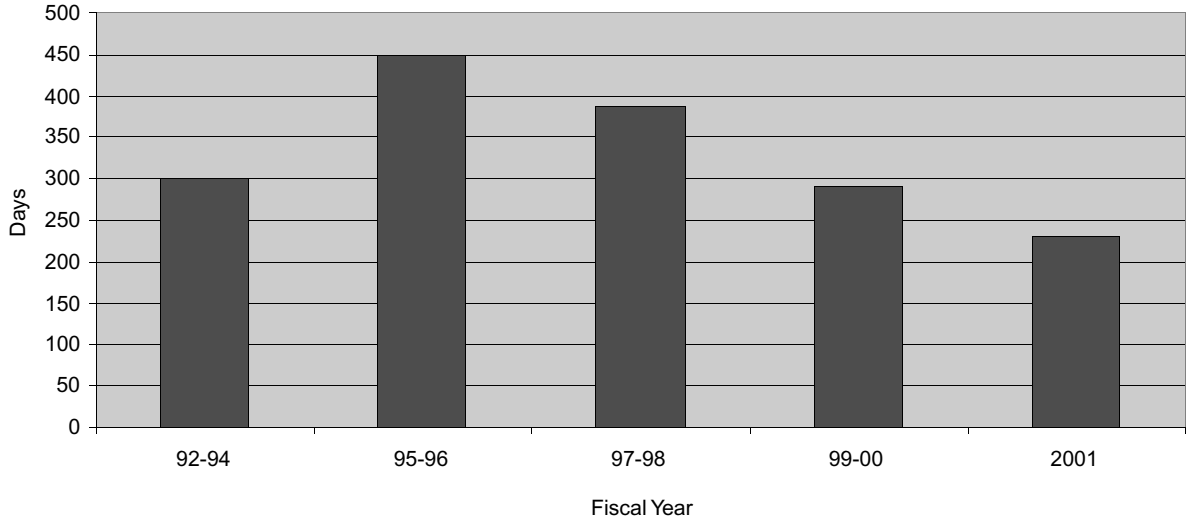


Figure 5
Average Time Between GEF Approval and Project Internalization by UNEP, by Project Type (1992-2001)

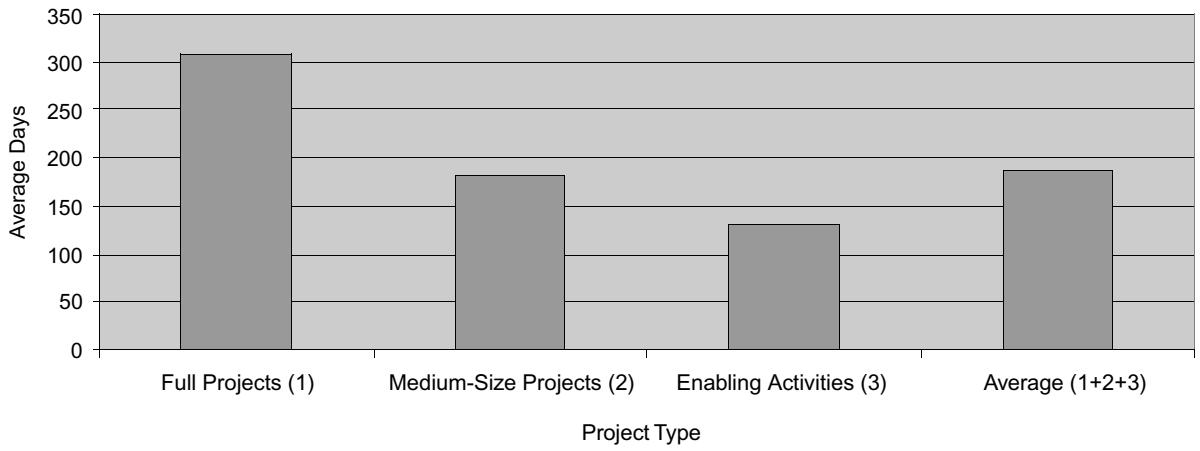


Figure 5 shows the difference in the processing time by project type. While on average 307 days are necessary for a full project to be effected, a much shorter time is necessary for a medium-sized project (180 days) or an enabling activity (129 days).

3. 2001 Project Implementation Review

A. Overview of Projects Covered in the Review and Trends

The 2001 PIR includes 205 ongoing projects that had been in implementation for at least 1 year as of June 30, 2001. This continues a trend of steady increases in the portfolio under implementation, from 171 projects in 2000, 135 projects in 1999, and 119 projects in 1998. As the GEF portfolio continues to mature, more projects come into the PIR. Table 3 provides a breakdown of the projects in 2001 PIR by focal area and implementing agency.

As in previous years, about half of the projects (51 percent or 103 projects) are in the biodiversity focal area. It has been pointed out in previous PIRs that the classification of projects in biodiversity by operational program is usually a misrepresentation of the actual coverage of ecosystems. This year an attempt was made to classify the projects in more than one operational program with one chosen as the primary one. Most projects are still classified under only one operational program but 20 projects were classified under multiple operational programs. The operational program for forest ecosystems (OP3) contains the biggest number of projects, followed by coastal, marine, and freshwater ecosystems (OP2) and arid lands (OP1). The mountain ecosystems operational program (OP4) has the fewest projects in 2001 PIR. Funding follows the same trends. The World Bank is the implementing agency for over half (54 percent) of the biodiversity projects.

With 63 projects, or 31 percent of the total, climate change is the second largest focal area in 2001 PIR. In addition, two projects covering

Table 3
2001 PIR Portfolio by Focal Area (only ongoing projects)[2]

	UNDP		UNEP		World Bank		Multi-IA		**Total**	
	No	*GEF Funding*	*No*	*GEF Funding*	*No*	*GEF Funding*	*No*	*GEF Funding*	*No*	*GEF Funding*
Biodiversity	36	$159.13	7	$10.68	56	$340.60	4	$42.09	**103 (51%)**	**$553.16 (43%)**
Climate Change	36	$120.22	2	$1.44	25	$192.38	0	$85.96	**63 (31%)**	**$400.04 (31%)**
International Waters	10	$66.77	4	$18.60	8	$84.07	2	$27.68	**24 (11%)**	**$197.12 (14%)**
Ozone	7	$18.97	2	$1.35	2	$83.20			**11 (5%)**	**$103.52 (8%)**
Multiple	1	$31.62			2	$17.24	1	$3.51	**4 (2%)**	**$52.37 (4%)**
Total	**90**	**$396.71**	**15**	**$32.07**	**93**	**$717.07**	**7**	**$159.24**	**205**	**$1,305.51**

[2] Projects that are implemented by multiple agencies are counted under the multi-IA category, and are not counted under a single IA to avoid double counting.

multiple focal areas also contain issues under the climate focal area. Thirteen projects that were included in PIR 2000 are not included in the current PIR as these projects have completed implementation or have been closed. There are 18 new projects that have entered the PIR 2001. In terms of numbers of projects, UNDP accounts for about 57 percent of the portfolio, while the World Bank and IFC account for another 40 percent of the portfolio; UNEP, with two projects, accounts for about 3 percent of the portfolio. However, in terms of GEF allocation, the World Bank and the IFC account for nearly 70 percent of the total, followed by the UNDP with 30 percent. UNEP accounts for 0.4 percent of the total .

The 2001 PIR portfolio includes 24 international waters projects, or 11 percent of the total. Proportionally, this is a major increase from the 15 projects included in the previous year's PIR and a reflection of the maturing of the GEF international waters portfolio. Another 11 projects (5 percent of the total) are in the ozone focal area. Four projects, 2 percent of the total, are in multiple focal areas.

A total of 65 projects were including in the PIR for the first time in 2001 (Table 4). This represents almost one-third (32 percent) of the total 2001 PIR portfolio and implies a major renewal of the portfolio. At the same time, 18 projects (9 percent) were completed during the PIR period. Thirty-three percent of the biodiversity projects, 29 percent of the climate change projects, and 56 percent of the international waters projects were included in the PIR for the first time this year.

Table 5 shows the distribution of the 2001 PIR portfolio by region. It shows that the largest number of projects (22 percent of the total) is in the Latin America and the Caribbean region, followed by Asia (21 percent), Africa (20 percent), and the Europe and Central Asia region (17 percent). The Middle East and North Africa region had 10 percent of the projects. Another 10 percent were global or regional projects. The regional distribution varies somewhat by focal area. In biodiversity, almost two-thirds of the projects are split between Latin America and the Caribbean and Africa (31 percent and 28 percent, respectively), followed by Asia (22 percent). The Middle East and North Africa and the Europe and Central Asia regions have only 9 and 6 percent of the projects, respectively. In climate change, on the other hand, Asia is the largest region with 30 percent of the projects. The other regions share the remaining projects quite equally: Europe and Central Asia (17 percent), Africa (14 percent), Latin America and the Caribbean (14 percent), and Middle East and North Africa (13 percent). One-fourth (26 percent) of the international waters projects are global or multiregional in scope. Of the remainder, the Europe and Central Asian region takes another fourth (26 percent), Latin America and the Caribbean have 17 percent, Middle East and North Africa 13 percent, and Africa and Asia

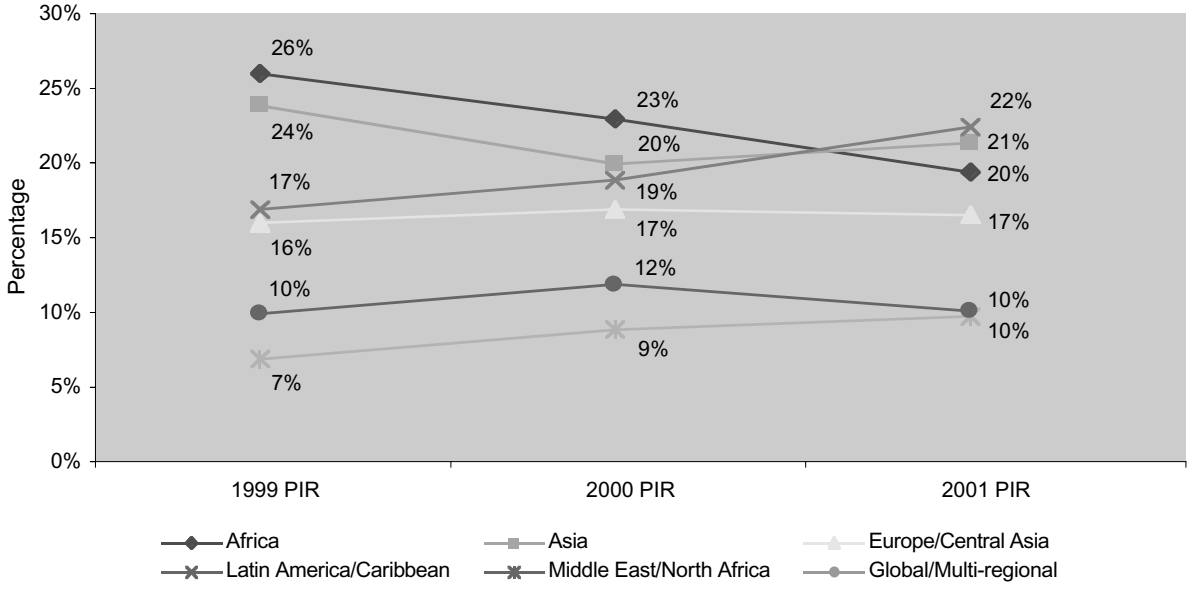
TABLE 4
THE 2001 PIR PORTFOLIO

	Number of Projects	Percentage	New in 2001 PIR	Completed
Biodiversity	103	51	34	7
Climate Change	63	31	18	13
International Waters	24	11	13	5
Ozone	11	5	–	1
Multiple	4	2	–	–
Total	**205**	**100**	**65**	**26**

TABLE 5
REGIONAL DISTRIBUTION OF 2001 PIR PROJECTS

	Biodiversity	Climate Change	International Waters	Ozone Depletion	Multiple	**Total**	2000 PIR	1999 PIR
Africa	29	9	2			**40 (20%)**	23%	26%
Asia	23	19	2			**44 (21%)**	20%	24%
Europe/ Central Asia	6	11	6	11		**34 (17%)**	17%	16%
Latin America/ Caribbean	32	9	4		1	**46 (22%)**	19%	17%
Middle East/ North Africa	9	8	3			**20 (10%)**	9%	7%
Global/ Multiregional	4	7	7		3	**21 (10%)**	12%	10%
Total	**103**	**63**	**24**	**11**	**4**	**205**		

FIGURE 6
REGIONAL PERCENTAGE OF GEF PROJECTS IN PIR OVER YEARS (1999-2001)



9 percent each. In keeping with GEF's mandate, all of the ozone projects are in Europe and Central Asia. As evident from Figure 6, the differences between the regions receiving GEF projects have got smaller over the past 2 years.

B. Ratings

The PIR is a monitoring tool that relies on individual implementing agency reporting and rating of project performance. Over the years, there have been concerns over instances of subjectivity between and sometimes within implementing agency rating. In order to seek improvements in rating practices, a new category—partially successful (PS)—was added to the ratings in 2001. This was utilized by the two UN agencies, while the World Bank rated its projects according to the old rating system consisting of highly satisfactory (HS), satisfactory (S), and unsatisfactory (U). The category highly unsatisfactory (HU) was dropped as redundant. It was noted that the introduction of the category "partially satisfactory" seems to be helpful to describe those projects that are not quite performing to expectations. The "realism" of the ratings system was discussed. The M&E Unit pointed to what it perceived as lack of concurrence between the narrative description of project achievement and the ratings in 10 projects.

Table 6
Ratings on Development/Global Objective

	HS (2001)	S (2001)	PS (2001)	U (2001)	Not rated
Biodiversity	14 (13%)	79 (76%)	4 (4%)	4 (4%)	2 (3%)
Climate Change	10 (16%)	47 (75%)	3 (5%)	1 (2%)	2 (3%)
Int'l Waters	1 (4%)	19 (76%)	5 (16%)	1 (4%)	
Multiple	1 (25%)	3 (75%)			
Total	**26 (13%)**	**148 (76%)**	**12 (6%)**	**6 (3%)**	**4 (2%)**
UNDP	9 (11%)	64 (77%)	4 (5%)	2 (2%)	4 (5%)
UNEP	3 (22%)	8 (62%)	2 (16%)		
World Bank	9 (10%)	73 (85%)	1 (2%)	3 (3%)	
Multi-IA	4 (29%)	7 (50%)	3 (21%)		

Note: Ozone projects were not rated according to this system and are not included.

Table 7
Ratings on Implementation Progress

	HS (2001)	S (2001)	PS (2001)	U (2001)	Not rated
Biodiversity	13 (13%)	77 (74%)	6 (6%)	2 (4%)	2 (3%)
Climate Change	8 (12%)	48 (76%)	4 (6%)	3 (5%)	
Int'l Waters	3 (12%)	18 (72%)	4 (13%)	1 (3%)	
Multiple	1 (25%)	3 (75%)			
Total	**25 (13%)**	**146 (76%)**	**13 (7%)**	**6 (3%)**	**3 (2%)**
UNDP	7 (8%)	65 (79%)	9 (11%)	1 (1%)	1 (1%)
UNEP	4 (31%)	5 (38%)	4 (31%)		
World Bank	10 (12%)	67 (78%)		9 (10%)	
Multi-IA	5 (36%)	8 (57%)	1 (7%)		

Note: Two biodiversity projects are missing statistics (101 projects were put in the table). Ozone projects were not rated according to this system and are not included.

Figure 7 shows the trends in ratings over the past few years. The 2001 data use the development/global objective rating.

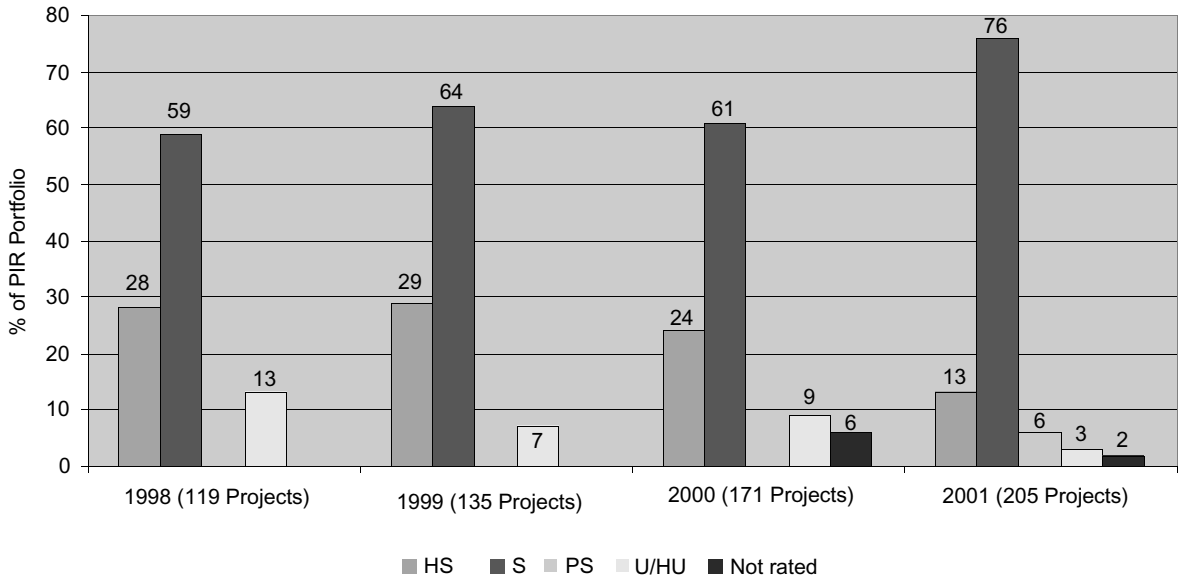
Projects with Unsatisfactory Ratings. In the case of biodiversity, three projects were rated unsatisfactory on both implementation progress and development/global objectives. In one project, the site has been chosen for resettlement, and there is political unrest in the area. This caused suspension of disbursements to the country. In another project, the authorities in the country did not pass the critical legislation to benefit the GEF biodiversity objectives. In a third, there had been poor performance of the livelihood component of the project, and a portion of the GEF grant was cancelled. In another two projects, there were delays in project start-up due to unresolved legal issues, and the projects were rated unsatisfactory in their implementation progress.

In climate change, one project was rated unsatisfactory during both 2000 and 2001 with regard to the likelihood of reaching the global environmental objectives. This is due to delays at the executing agency in identifying and hiring a suitable project manager—a task that was still incomplete in June 2001. Three projects were rated "unsatisfactory" during PIR 2000, but have improved to a "satisfactory"/"partially satisfactory" rating in PIR 2001. Concerning implementation progress, three projects were rated unsatisfactory, and four projects were rated partially satisfactory.

In the international waters focal area, two projects have improved their ratings from "unsatisfactory" to "satisfactory" since the 2000 PIR. One project was also rated "unsatisfactory" the previous year, due to mismanagement that was confirmed by a fraud and corruption investigation. The former project management unit was disbanded. One project was upgraded from "unsatisfactory" to "satisfactory" because the government has taken action to improve financial management and opened a cash accounts in local commercial banks to facilitate procurement at the local level.

Only one project was rated "unsatisfactory" on implementation progress. The M&E Unit questioned whether it is realistic to expect this

Figure 7
Trends in PIR Project Ratings, 1998-2001



project to reach its global objectives of stabilizing the environment and improving the management of international waters because the project's focus has been moving from the environmental objectives towards sustainable irrigation.

In addition, there were five projects that have been rated "partially successful" on one or both criteria of achievement of global environment objectives and implementation progress. A project has taken longer than originally planned to enter into its full-scale implementation stage. This has been mainly due to its size and complexity. In addition, institutional aspects required more time than expected for discussions, consensus building, planning, and securing the required official approvals.

Also two other projects have suffered from institutional changes in the country that prevented the project activities from starting promptly and in a smooth and coordinated way. Further, the national responsibility for the projects moved from the secretariat of water resources to the newly established water agency, thereby affecting the national support for the projects.

The rating in one project shifted in 2001 from "satisfactory" to "partially satisfactory" concerning the achievement of its global environment objective. This reflected the complexity of implementing selected components on a regional scale and the difficulty of realizing tangible outputs within a 1-year time frame.

C. Portfolio Highlights by Focal Area

1. Biological Diversity

The PIR 2001 biodiversity portfolio includes 103 projects (full, medium-sized, and enabling activities projects not approved under expedited procedures), with a total of $553.16 in GEF funding. The list of projects is included as Annex A. This compares to 83 projects included in the 2000 PIR, 67 in the 1999, and 57 in 1998 reviews. A total of 34 projects or $101.30 million (33 percent and 18 percent respectively) are included in the PIR 2001 process for the first time. In fiscal year 2001,seven projects (three World Bank, two UNDP, one UNEP, and one UNDP/UNEP) were completed, accounting for $28.83 million. These completed projects are included in PIR 2001. About 45 percent of the funding in the GEF work program is allocated to projects with less than 1 year of implementation, which, therefore, are not yet included in the PIR process.

As it has been in previous years, about two-thirds of GEF funding for biodiversity conservation and sustainable use in this PIR period is implemented through the World Bank, accounting for about half of the projects ($340.60 million; 56 projects). About 30 percent of the funding is implemented by UNDP ($159.13 million; 36 projects) and 2 percent by UNEP ($10.68 million; seven projects).

It has been pointed out in numerous occasions and in previous PIRs that the classification of biodiversity projects by OPs is usually a misrepresentation of the actual coverage of ecosystems. In the last year, the GEF secretariat has tried to classify the projects using one OP as the primary with other OPs as applicable.[3] Most projects are still classified under one OP but 20 or so were classified under more than one OP. In any case, the forests ecosystem seems to still attract more than one-third of the projects in this year's biodiversity PIR, followed by the coastal, marine, and freshwater OP and the arid and semi-arid ecosystems OP. Funding follows the same trends.

[3] Work is presently underway on indicators to classify projects according to the actual ecosystem in which they are making an intervention.

Africa, Latin America and the Caribbean, and Asia received about the same number of projects (about 30), although Asia still receives the greatest percentage of funding (34 percent). The average size of projects in Asia and the Europe and Central Asia region are greater than all other regions (more than $6 million compared to $5 million). As expected, the number of projects from the Pilot Phase (FY91–94) is decreasing relative to previous PIRs. About 80 percent of the projects and 70 percent of the funding were approved after the GEF was restructured (FY95).

Lessons. The following paragraphs present a summary of several issues that were discussed during the biodiversity PIR 2001 task force meeting held on November 19, 2001. It was agreed by this group that not all issues should have new recommendations or follow-up actions at this point.

- *Leveraging financial resources*. As stated in previous PIRs, quantifying financial resources leveraged during project preparation and implementation is difficult because of the challenge of isolating the influence of GEF projects with the presence of a number of other contributing factors. The World Bank reported that there are more cases of projects leveraging additional resources in biodiversity than in climate change. Some of the most prominent examples include leveraged resources for seed funds and funding to replicate GEF activities. In a number of projects in the UNDP/GEF portfolio, "leveraging tasks" have been added during implementation as a core project function or as fundraising strategies. The World Bank observed that conventional 5-year biodiversity conservation projects often have difficulty in mobilizing donor support to sustain their achievements. A typical 5-year protected area management project develops a sound management plan for the area and initiates an effective management program. But having established a management structure, the project closes, external support to the protected area ends, and the government is usually unable to afford sustaining the management effort. During project preparation of most projects, it is assumed that it will be possible to mobilize follow-up donor or government support, but a significant number of projects are experiencing difficulties achieving this. The review meeting found that a more careful assessment of sustainability risks is needed during project design, together with the inclusion of specific measures to facilitate financial sustainability. Furthermore, a strategy for sustaining project outputs and outcomes after GEF funding ends should be explicitly included in the design of all projects.

- *Enhancing local capacity for project implementation*. Projects in this year's PIR reports demonstrate again that limited capacity for project implementation is still a major problem in achieving project objectives. However, this year, there are some concrete examples on how to improve capacity. Some projects have reported that capacity building is now integrated as a project component. MSPs are reported to be considered an effective instrument in supporting the development of NGO capacity for project implementation and strengthening the cooperation between the government sector and civil society. Where NGO capacity is very weak in biodiversity conservation, an MSP can build capacity in areas such as community participation in decision making, organization/planning skills, and the forging of partnerships locally, nationally, and internationally.

- *Assessing political, institutional, and economic risks*. Particular issues regarding risk assessment were identified in this year's PIRs: (1) a more careful attempt should be made to address some of these risks prior to implementation, i.e., where

policy and legal/regulatory changes are identified as critical to a project outcome, approval can be made a condition of appraisal, as is presently being done with several protected area projects; (2) if NGO management capacity is weak, the project design could be phased to accommodate this, or a programmatic approach could be adopted and a precursor project implemented first; (3) specific mitigation measures need to be identified at appraisal and closely monitored during implementation; (4) if these are not effective, alternative approaches need to be devised in a timely manner; and (5) when unexpected risks arise, mitigation measures have to be quickly formulated and agreed with government, and if necessary, high level intervention may be required. The review meeting concluded that (1) a review of project risk assessment modalities, tools, and methodologies should be conducted at each of the three implementing agencies to extract lessons, experiences, and best practices, and (2) the biodiversity task force should discuss this topic further in one of its regular meetings.

- *Connecting scientific knowledge with end users' needs*. Most GEF projects have the generation of new scientific information as one their goals. The PIR identified a clear weakness in connecting scientific knowledge with end users' needs. GEF projects need to be structured to ensure that practical applications are fully accomplished, when applicable, based on the scientific information. *SABONET* (UNDP), considered a successful project in Southern Africa, was designed and managed by botanists wanting to transfer knowledge from South Africa to scientists and end users of biodiversity information in nearby countries. The project is in its last year and has been widely sued to train staff from participating institutions and strengthen scientific institutions, but it still has to show that it can effectively bridge the gap between scientists and end users of biodiversity. Participating scientists gravitated towards their professional interests and postponed establishing critical linkages with end users of biodiversity information. The *Alien Species* project (UNEP) is another example of a successful project that has being instrumental in generating highly scientific material (i.e., best practices to prevent, control, and eradicate alien species that threaten biodiversity). The project developed various publications and outputs but has encountered several challenges to disseminate its outputs and reach end users.

- *Working with communities and providing benefits to stakeholders*. Incorporating local communities and the knowledge of indigenous people in the design of projects may help identify areas that are likely to succeed as conservation areas. For example, spiritual and cultural beliefs can be powerful driving forces for conservation, as presented in the *South Pacific Biodiversity Conservation* program (UNDP). Participation modalities of local communities in project implementation need to reflect local communities' needs and agendas. For example, local communities participating in the *Costa Rica Conservation of Biodiversity Corridor* (UNDP) project expressed that they have to gain some benefits from participating in a project because a one-day workshop means a day without working and earning income. Involving project stakeholders in the development and implementation of biodiversity projects is time-consuming, particularly when there has been a less than optimal relationship between governments and communities in the past. Several projects this year conclude that the typical approach of consultation-centered work with communities is sometimes inadequate, but a longer term perspective toward participation would be an improvement over one-time consulta-

tion events. Alternative livelihood activities compensate local natural resources users for reducing extraction rates and conserving biodiversity. Although all projects support some alternative livelihood, not all interventions create sufficient enabling conditions for them. Experiences documented in this year's PIRs indicate that people want to see significant improvements in their livelihoods as a condition for collaborating in conservation activities. While UNDP reports that projects should have significant short-term gains for the communities, the World Bank claims that short-term benefits, specifically the provision of handouts, should not be the primary incentive for participation, if long-term sustainability is to be achieved. These are pursued further in two ongoing evaluations: "Financial arrangements for sustainability in biodiversity conservation" and "Social impacts of GEF projects."

2. Climate Change

The PIR 2001 includes 63 projects in the climate change focal area covering operational programs 5, 6, 7, and 11; enabling activities; and short-term response measures.[4] In addition, two projects covering multiple focal areas—Small and Medium Enterprises 1 and 2 implemented through the World Bank/IFC, and Oaxaca Hillside Management implemented through the World Bank—also contain issues under the climate focal area.

The 63 projects account for a total GEF allocation of $400 million; with co-financing, the total cost comes to $1.92 billion. Thirteen projects that were included in PIR 2000 are not included in the current PIR as these projects have completed implementation or have been closed. There are 18 new projects that have entered the PIR 2001.

The oldest project (in terms of elapsed time since entry into the GEF work program) is the *India Optimizing Development of Small Hydel Resources in Hilly Areas* project, which is being implemented through the UNDP; this project entered the work program in December 1991 and has been under implementation since March 1994.

In terms of numbers of projects, UNDP accounts for about 57 percent of the portfolio, while the World Bank/IFC account for another 40 percent of the portfolio; UNEP, with two projects, accounts for about 3 percent of the portfolio. However, in terms of GEF allocation, the World Bank/IFC account for nearly 70 percent of total, followed by the UNDP with 30 percent. UNEP accounts for 0.4 percent of the total.

Geographically, while the Europe and Central Asia and the East Asia and Pacific regions account for the largest (11 each) share of projects, East Asia accounts for the largest share (nearly 30 percent) of GEF allocation, followed by Global projects (20 percent). Further analysis shows that OP 5 projects in the East Asia and Pacific region account for nearly 18 percent of the total GEF allocation, followed by OP 6 global projects (15 percent).

The main issues covered during the PIR were:

Evidence of Replication and Influence on Policy. Encouraging replication through GEF projects is the key to achieving the catalytic function of the GEF. Replication through GEF-funded projects means incorporating elements in projects to promote dissemination and learning so that other actors are encouraged to undertake or "scale up" the results achieved through GEF-supported activities. Such replication may occur through government funding, donor support from other bilaterals and multilaterals, investment by the private sector, user fees, etc.

[4] The PIR 2000 included 58 projects in the climate change focal area.

Climate change projects in this PIR contain a few good examples of replication as an element of project implementation that seems to have produced significant results. Two are described below.

According to the PIR documentation, the *India Optimizing Developing of Small Hydel Resources in Hilly Areas* project has demonstrated influence on national policy on small hydro projects in India. The demonstration projects under the GEF-financed project have established technologies for small hydro—20 demonstration projects in all, accounting for a total of 5,750 KW, of which seven are grid-connected and 13 are stand-alone/local-grid. It has also been established that projects up to 100 KW can be synchronized with the grid. The project has demonstrated a strong replication effect after a long period of little progress in implementation. Thirteen states in India have announced their policies to invite the private sector to set up small hydro projects. Twenty-six agreements and 180 MOUs have been signed in the State of Himachal Pradesh alone for operations by the private sector. The Ministry of Non-conventional Energy Sources (MNES) is targeting a capacity addition of 800 MW in small hydro in the next 5 years. The balance between a decentralized and centralized approach to implementation—focusing the project activities in a few states with hilly regions in India, while at the same time maintaining the MNES and IREDA as liaison points in the central government—seems to have aided replication efforts immensely. The small hydro center at Roorkee University, AHEC, was strengthened under the project and became a strong catalyst working with a variety of stakeholders. Thus after several years during which the project had built capacity and established sound technical models but had very little to show for impact, it is now beginning to influence the development of small hydro policy in a significant way in India.

The *China Energy Conservation Project* includes an information component that was key to replication of the energy service company (ESCO) concept in China. Under the project, being implemented through the World Bank, three energy management companies (EMCs) have been established and have entered into 173 performance contracts for an aggregate investment of $33.7 million. The dissemination component has produced several information products, including news articles and brochures, and has utilized a variety of channels, such as its website, newspapers, and technical magazines, to disseminate them. This has created widespread awareness of and interest in the energy management company concept in China and paved the way for a national replication program that is currently being prepared. For example, seven to eight ESCOs have been established, while another 50 are under consideration.

Private Sector Involvement. There are varying levels of private sector involvement in GEF-financed projects – awareness raising, training and study tours, support of "soft" business costs, provision of guarantees and other forms of contingent financing, capital subsidies, etc. Projects demonstrate one or more of the different types of involvement. The PIR 2001 climate change portfolio contains projects that demonstrate these different levels of engagement with the private sector. Some examples are described below.

The UNEP-implemented *Redirecting Commercial Investment Decisions to Cleaner Technologies* project is a good example of providing GEF support for upfront "soft" business costs instead of a capital subsidy to deal with barriers to entry of commercially viable transactions. The Investment Advisory Facility (IAF) established in 1999 under this MSP provides banks and financiers with targeted expertise and support to evaluate proposals in the sustainable energy sector and to help these institutions develop the skills to evaluate such projects independently. The IAF has supported 11 investment evaluations at a cost of about $340,000 to the project. The gross value of these

proposed investments is about $218 million. It is hoped that at least 30 percent of these proposed investments are realized.

In the *China Energy Conservation* project three demonstration energy management companies, through implementation of 173 (100 last year) projects, have successfully pioneered energy performance contracting in China through the use of the IBRD loan. These projects amount to $33.7 million. The investments account for abatement of about 330,000 tons of CO_2. Two of the three EMCs seem to be sustainable since they have already demonstrated their profitability.

Projects implemented through the IFC demonstrate how GEF resources can be applied towards reducing the "incremental risk" associated with energy efficiency activities and can provide strong examples for the private sector. For example, in Hungary, the *Hungary Energy Efficiency Co-financing Program (HEECP)* provided an incentive for commercial banks to make loans for energy efficiency investments, a new area of business for Hungarian banks. The incentive takes the form of a loan guarantee covering up to 50 percent of the loans made at commercial rates to energy service companies (ESCOs) or to end users in the public and private sector for energy efficiency enhancement investments. Following the successful demonstration of this project, a local district utility has established its own guarantee program for its customers based on the project model and utilizing its own

Box 1: Renewable Energy Projects in Sri Lanka – Facilitating the Private Sector

Two projects in the portfolio demonstrate the synergies that can be built between the comparative advantages of the different GEF implementing agencies. The *Sri Lanka Renewable Energy and Energy Capacity Building* project, being implemented through UNDP, aims to build up the professional design and implementation capacity of renewable energy technology and energy efficiency industry. The Sri Lanka Energy Efficiency Management Association (SLEEMA), an industry association, was established under the project. The project has provided training for local engineers and technicians in wood gasification technology and wind and mini-hydro turbine technology, and in theoretical and practical aspects of efficient use of energy in industry. Several proposals emanating from this capacity building activity have been supported under the World Bank-implemented *Sri Lanka Energy Services Delivery* project, under which 16 mini-hydro projects, totaling 29.6 MW capacity, have been developed by 11 different developers; more than 30 MW will be produced through 9 projects under preparation by 6 different developers. The mini-hydro component in this project illustrates the necessity of clear price signals for long-term sustainable development of markets. Tariffs were tied to the short-run, avoided utility costs based on the international price of oil. In 1997 and 1998, tariffs were set at the equivalent of 5 cents/KWh, and mini-hydro development flourished. During the downturn in oil prices in 1998-99, the tariffs were the equivalent of 3.5 cents/KWh, and as a result all development essentially stopped in 1999. The fluctuation has seriously hurt the sustainable development prospects of a market for mini-hydros in Sri Lanka.

A 3MW wind-farm continues to operate satisfactorily, and private developers are seriously investigating other sites to establish another 22.5 MW. A key innovation of the project has been the involvement of micro-finance institutions in the provision of providing outreach for solar home system consumer loans; one micro-finance institution has now been upgraded to a participating credit institution to access the credit line directly.

resources. This replaces an earlier program where the utility provided grants to its customers for insulation upgrades. The IFC-implemented *Efficient Lighting Initiative* (ELI) is a partnership project that seeks a long-term and sustained impact on markets by increasing demand, capital accessibility, product availability, and competition to produce downward pressure on prices. The program—while being implemented in seven countries: Argentina, Czech Republic, Hungary, Latvia, Peru, Philippines, and South Africa—benefits from cross-fertilization from a global set of principles, facilitated by an ELI toolkit. One of the highlights of ELI is an M&E function that is integrated into program implementation. ELI has leveraged substantial in-kind and direct investments from utility and lighting industry companies.

Capacity Building. As seen from the previous examples, sound capacity building, often involving political, institutional and technical aspects over the longer term, may lead to projects that have high degrees of leverage, replication, and influence on policy. A particularly outstanding example of capacity building is the *China Capacity Building for Rapid Commercialization of Renewable Energy* project.

The goal of the project is the widespread adoption of renewable energy technologies in China by removing a range of barriers to increase their market penetration. One of the major objectives is the strengthening of national capacity involving: (i) information and awareness—creating resource assessments and technology inventories, market surveys and business opportunities, and international best practices; and (ii) enabling environment—helping develop supportive policy, sustainable business models for village power systems, and risk mitigation. The project has done this through a combination of top-down and bottom-up approaches, combining sector studies, guidebooks, national workshops/seminars, and policy recommendations with field-level demonstration projects of technologies and business models.

One of the key achievements of the project is the establishment of the China Renewable Energy Industries Association (CREIA). CREIA has exceeded expectations and become a major catalytic force in project implementation. It has reinforced its staff and become a recognized player within the domestic and international renewable energy communities. More than 40 major Chinese renewable energy companies are now members of the association. CREIA staff are being trained at the U.S. National Renewable Energy Laboratory (NREL) in order to reinforce CREIA's capacity in the development of its Investment Opportunity Facility (IOF). CREIA's business plan is being reinforced with the help of a specialized external consultant. The ability to influence energy policy in China has been considerably enhanced because of CREIA's access to the government on behalf of the renewable energy industry; in addition, there is access through the project to the advisory group and the China Council on International Cooperation on Environment and Development.

The project has developed new partnerships with the United Nations Foundation (UNF) and the EU. The main benefit of the project is its position as an interface between national policy development and local implementation, in which it feeds the results of project experience to the central government regarding what approaches are effective and workable as practical policy initiatives, for example, a power purchase agreement for the sale of electricity from the Dengta Livestock Farm to the local utility company.

Social Impact. While there is evidence of benefits to people and communities under those projects that cater to rural development needs, these experiences have not been systematically documented. There are a cluster of projects in this PIR that could provide some insight into this issue.

The *Sudan Rangeland Management Project*, which has completed implementation, shows a 3 tons/hectare increase in carbon sequestered in the project management area, compared to non-project sites. The project also documents a very positive impact on local communities in terms of non-agriculture-based income generation activities, such as sheep fattening, handicrafts, sewing, etc. This has resulted in demand for similar activities under other development projects in the area.

The *Benin Participatory Management of Forests and Village Reforestation for Carbon Reduction*, which completed implementation in 1998, offers another example of local benefits provided by a GEF project. The final evaluation notes that the "feeling among village residents that there is concern for improving their living conditions, and not only for achieving an objective external to their concerns, largely explains their enthusiasm for total involvement in project activities." [5] The evaluation report underscored the importance of social benefits, but viewed it as outside the scope of the evaluation. It did, however, provide a list of activities that provided economic benefits under the project—offering poles for sale, making soap from karate, spreading manure, establishing anti-erosion barriers or dikes of plant material, planting nurseries and vegetable gardens. An important innovation cited in the evaluation was the project's emphasis on building a regular consultation and feedback mechanism.

The *Mali Household Energy* project has been identified as providing some good practices in community participation. The project demonstrated that it is feasible to restructure the fuel-wood trade by devolving control of natural resources to local communities and eliminating the existing market failure through the creation of rural markets. The incentive for households to reduce their energy expenditures through the purchase and proper use of improved biomass and kerosene stoves was the key to the project's success in reducing carbon dioxide emissions and wood-fuel consumption.

The *Senegal Participatory Energy Management* project aims to bring 300,000 hectares of natural forests under community control, produce fuel-wood sustainably for urban markets, and help meet the demand for household fuels without loss of forest cover or biodiversity. Among other activities, the project promotes fuel substitution and use of improved stoves and supports micro-enterprises (e.g., beekeeping, animal husbandry, firebreak creation) for generating income for women and women's groups.

3. International Waters

The international waters portfolio included in the 2001 PIR contained a total of 24 projects. This is a significant increase from last year when only 15 projects were covered in the PIR. The increasing number of projects reflects the maturing of GEF's international waters portfolio. Similarly, GEF funding for the projects included in the 2001 PIR is significantly higher than in 2000, $197.12 million, as compared with $142.2 million the previous year. The international waters projects in the 2001 PIR portfolio have attracted $287.46 million in co-financing from the implementing agencies and other partners. The new character of the 2001 PIR international waters portfolio can be seen in the fact that 13 of the 24 projects—or 56 percent of the total—are included in the PIR for the first time. Older projects are gradually being closed: five projects were completed since the 2000 PIR. This year, only two projects—*Egypt: Lake Manzala Engineered Wetlands* (UNDP) and *Regional: Eastern Caribbean Ship-Generated Waste Management* (World Bank)—originated from the Pilot Phase.

[5] Samir Amous, et al, Nov 1998, Project Evaluation Report.

UNDP had the largest number (10) of projects in the PIR portfolio, followed by the World Bank (8) and UNEP (4). Two of the projects are implemented by all three implementing agencies. However, when ranked by both GEF funding and co-financing, the World Bank's portfolio is largest. Six of the projects, or approximately one-fourth, are in Eastern Europe and Central Asia. The Latin America and Caribbean region follows with four projects. Three are in the Middle East and North Africa region, while there are two each in Sub-Saharan Africa and in Asia. In addition, another six projects are global or multiregional in scope. Looking at the dollar figures shows that the Africa region is leading with 20 percent of GEF funding. Next is the Europe and Central Asia region, with $35.95 million in GEF funding, accounting for 19 percent. However, this region's projects have leveraged the highest proportion of co-financing, with 37 percent of the total co-financing ($107.10 million). With the same number of projects as the Europe and Central Asia region, the global and multi-regional projects have secured only 6 percent of the total co-financing ($16.92 million).

The main issues in the review were:

Country Commitment. Country commitment to a project's objectives and implementation is a decisive factor in a project's success at achieving its overall goals, particularly in multicountry initiatives involving shared water resources. It has been proven in many cases that lack of sustained support from the recipient countries often results in implementation delays and, more importantly, failure to achieve the intended global environmental objectives.

In certain complex situations, it is not advisable to utilize single projects as the tool for addressing the targeted issues; instead a series of projects in a programmatic framework is needed. In these cases, indicators should be developed to identify triggers when the project can move to the next stage. Sometimes, the GEF's catalytic role is to foster political commitment and help countries and sectors reach agreement on how best to achieve sustainable development of a transboundary water body.

From this point of view, the 2001 PIR international waters portfolio presents cases of both successes and possible failures that can be primarily related to the level of country commitment. The *Preparation of Strategic Action Program (SAP) and Transboundary Diagnostic Analysis (TDA) for the Tumen River Area, Its Coastal Region, and Related Northeast Asian Environment* (UNDP) has endeavored to obtain country commitments and involve provincial governments in project formulation and design at early stages of the project. It secured more than $2 million in co-financing from national governments. However, this project also has distinct political risks that will have to be addressed. As of July 2001, the Democratic People's Republic of Korea (DPRK) had not yet joined the project, but had reiterated its in-principle interest and willingness to participate in the project.

The *Water and Environmental Management in the Aral Sea* (World Bank) project highlighted the need for ensuring political commitment to project objectives. The project's implementation, suffering from the weaknesses of the multicountry institutional framework, was unable to manage growing conflicts and technical-economic problems. This conclusion would indicate that the process of facilitating and maintaining country commitments plays a critical role. Achieving a sufficient level of commitment from riparian/littoral countries is both an objective and an indispensable prerequisite, if global benefits are to be accrued. It may require time, resources, and, most importantly, flexible approaches. It is essential to ensure political commitment at the highest level towards the implementation of agreed SAPs.

The role of regional bodies was questioned in light of the Aral Sea experiences. In some cases,

Box 2: Promoting Public Participation in International Waters

Two UNEP-implemented projects in Brazil, *Integrated Management of Land-based Activities in the São Francisco Basin* and *Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin*, have emphasized public involvement starting with the project design. Workshops involving broad stakeholder groups were organized in both project areas as part of project preparation. The project components were formulated in close consultation with the various stakeholders, including local people, institutions, communities, and economic entities. Similarly, project implementation is being undertaken with public participation. For instance, volunteers carry out water quality monitoring. This has enhanced community ownership of the projects. Evaluation of the impact of mining in the Pantanal included a community survey to identify public perceptions and sharing of results between the responsible agency and the communities.

The extensive consultations resulted in some delays in project start-up in both cases. Furthermore, the complex nature of the projects resulting from the broad stakeholder participation has made project coordination demanding. Nevertheless, it has been found that the projects' "inclusivity" was greatly improved by the emphasis on public and stakeholder participation and encouragement of NGO involvement. This has led to the development of a joint "basin vision" shared by all major stakeholder groups. Popular acceptance of the projects' objectives has led to more successful implementation, and community ownership has promoted sustainability of the actions. Effective communication has proven to be essential. Public information and education are prerequisites for action and involvement. These participatory processes were facilitated by the supportive institutional and legal framework in the country. The new Brazilian Water Law makes stakeholder involvement a requirement for all projects.

the regional bodies do not have sufficient political clout with national priority issues. The role and capacity of regional bodies needs to be assessed with regard to their comparative advantages over national decision-making bodies.

Flexible Project Management. The lack of projects' flexibility to adapt to changing circumstances appears as a major issue. It is causing difficulties and possibly failures in GEF projects. Changes often occur, particularly given the long gestation periods of GEF projects, that require the ability to modify project design if the global objective is to be met. Phased approaches to projects are seen as one of the essential modalities to be explored for introducing flexibility into project design and management. This will necessitate the careful development of indicators, closely related to the objectives of the project, and the introduction of triggers that would enable GEF to move into the next phase of the project.

Success of Participation and Involvement of Local Communities. Participation of local communities and other stakeholders in project development and implementation can be an effective means of promoting understanding of and commitment to the project's objectives. But it can also be time-consuming. Several projects in the 2001 PIR portfolio demonstrate successful public participation. One project, UNDP's medium-sized project, *Building Environmental Citizenship to Support Transboundary Pollution Reduction in the Danube*, is specifically designed to address

public participation. It prepared guidelines for implementing existing legislation on public access to water-related and environmental information in Slovenia. In Hungary, the project supported NGOs in the preparation of a citizen's guide on public access to water-related and environmental information.

There is a recognized need to consider participation of stakeholders in a qualitative manner. It is important to see participation and involvement of multiple stakeholders as a two-way street. The purpose of participation is not only to communicate project objectives to local populations or to convince them that the objectives are set correctly. Equally important is learning from and getting full support of the local inhabitants, who have most likely accumulated local knowledge concerning their environment.

Mutual Learning and Horizontal Exchanges. The international waters focal area has embarked on a systematic effort to promote horizontal linkages and mutual learning between projects. The UNDP-implemented projects, *IW:LEARN* and *Train-Sea-Coast*, have attempted to encourage information sharing through the development of a database on best practices and lessons learned, web-based communication tools, and country-specific training courses. Efforts towards horizontal linkages and learning between projects should be continued and strengthened.

The first Biennial GEF International Waters Conference was held in Budapest in October 2000. The conference brought together some 200 participants, including managers and staff from GEF international waters projects around the world. The conference provided an excellent opportunity for exchanging information and experiences between projects through formal sessions, workshops, and panel discussions. The first conference should be seen as a pilot activity that will provide guidance to the second conference, to be held in September 2002 in China, and further events.

4. Ozone Depletion

There are 11 ongoing projects accounting for a total GEF allocation of $103 million in the PIR 2001 ODS portfolio, all of them in the Europe and Central Asia region. UNDP accounts for nearly two-thirds of the portfolio in terms of numbers of projects, while UNEP and the World Bank have two projects each. However, in terms of GEF allocation, the World Bank accounts for approximately 80 percent of the resources.

In the PIR portfolio, two projects target regional capacity-building activities implemented through UNEP to: (i) enhance the capacity of national ozone focal points and agricultural ministries to design and implement effective methyl bromide phase-out policies through awareness-raising activities, policy development, demonstration projects, and training programs; and (ii) enhance the capacity of national ozone focal points to design and implement effective phase-out policies through training and regional cooperation to decrease the incidence of illegal ODS trade

Illegal Trade of ODS. The UNEP-implemented project, *Promoting Compliance with Trade and Licensing Provisions of Montreal Protocol*, notes that the annual volume of illegal export/import may reach significant volumes in certain countries. There have been no communications about officially registered cases of illegal export/import of ODS specifying actual amounts of ODS seized. Countries in the region, most of w hich are already non-compliant with the Protocol phase-out requirements, are afraid of or do not know how to report these quantities to the Ozone Secretariat; there are no clear rules under the Montreal Protocol on how these seized quantities have to be dealt with and accounted for while reporting to the Secretariat.

Wide Variation in Cost-effectiveness. Among the 11 projects in the PIR portfolio, there is a wide range in cost-effectiveness—from $6.4/kg to $36.6/kg. The variation has been

attributed to a variety of factors, including the sectors, scale, and type of ODS being phased out. For example, the phase-out of solvents could cost as much as $36/kg while phasing out refrigerants could be as low as $6/kg. This indicates the necessity for continuing to focus on country and sector-specific strategies while providing support for mitigation of ODS.

4. Summary of Recent Evaluation Findings

Program evaluations and other studies and reviews conducted by the GEF M&E team or the implementing agencies provide insights into the GEF programs and identify lessons that can be fed into the development of new projects. This section summarizes the findings of four evaluations that were completed during the past year. These included program studies in the three main GEF focal areas of biodiversity, climate change, and international waters, as well as an evaluation of the medium-sized projects. All of these evaluations were carried out by interagency teams led by independent consultants under the auspices of the M&E team. The objective was to conduct comprehensive evaluations of the focal areas' achievements, as well as provide evaluative documentation on the program results and impacts to the OPS2.

A. Biodiversity Program Study

The Biodiversity Program Study was conducted between September 2000 and March 2001 in collaboration with the three GEF implementing agencies, STAP, and independent consultants. The main objectives of the study included:

- Highlight and assess achievements, initial impacts, and lessons learned from the GEF biodiversity portfolio
- Conduct an analysis of the area covered by GEF-assisted projects, including a comparison with lists of globally important ecosystems ("coverage")
- Assess mechanisms for incorporating lessons learned into more recently approved projects.

In pursuing these objectives, the study tried to answer the following questions: what were the major achievements and impacts of the GEF biodiversity portfolio (and projects) in terms of conservation and sustainable use of biodiversity resources, capacity development, stakeholder participation, and project sustainability? What was the progress and relative success of the projects in achieving their specific objectives? What were the outstanding lessons or examples of best practices? What were the major implementation issues, risks, or assumptions that may have jeopardized the achievement of objectives? How significant, diverse, and comprehensive was the "coverage" of the portfolio? The report was submitted to the GEF Council in May 2001 (GEF/C.17/Inf.4).

The report has seven sections. Section 1 presents the background to the total GEF biodiversity portfolio as of June 2000. Section 2 introduces the various methodologies used, describes the terms of reference for the study, and lists the projects reviewed and visited. The analysis and findings are divided in two categories: those related to the coverage of the GEF portfolio (Section 3) and those related to achievements, impacts, and lessons learned (Sections 4, 5, and 6). The final section contains the conclusions and recommendations.

According to the objectives of the program study, the GEF biodiversity portfolio (excluding projects supporting biodiversity enabling activities), as of June 30, 2000, was divided into two cohorts: Cohort 1—all full and medium-sized projects under implementation as of June 30, 1998, plus all completed projects (the "mature portfolio," 82 projects, $500 million) and Cohort 2—all full and medium-sized projects that were initiated or entered in the GEF Work Program between July 1, 1998, and June 30, 2000 (the "new portfolio," 128 projects, $630 million).

The Biodiversity Program Study used two distinct but interrelated approaches: a quantitative analysis focused on the coverage

of the portfolio and a qualitative assessment of the achievements and initial impacts of, and lessons learned from, GEF biodiversity projects.

In addition, the study evaluated the available mechanisms for learning from past lessons and assessed how much new projects had benefited from lessons learned in past projects. The qualitative analysis of projects from Cohort 1 included eight projects that were visited by members of the Biodiversity Program Study team in the following nine countries: Argentina, Central African Republic and Gabon (one project), Indonesia, Mauritius, Peru, Philippines, Sri Lanka, and Yemen. A selected group of forestry projects (OP3) in Cohort 2 were analyzed to determine the benefits they had derived from the lessons learned from earlier projects, to determine whether they were establishing baselines against which project achievements could be measured, and to assess how well they were addressing the issue of sustainability. The study also reviewed the mechanisms used in the three implementing agencies and the GEF Secretariat to feed lessons learned from past projects into the design and implementation of new projects.

GEF Biodiversity Portfolio. Over the last 9 years, from 1991 through June 2000, the GEF has allocated approximately $1.18 billion to cover the incremental costs of conservation and sustainable use of biodiversity resources around the world and leveraged about $2 billion in co-financing. This funding is distributed among an impressive 395 full, medium-sized, and enabling activity projects in 123 developing countries and countries with economies in transition, and in four types of ecosystems: arid and semi-arid; coastal, marine, and freshwater; forests; and mountains. The projects support diverse activities to promote conservation, encourage sustainable use of resources, and enhance the sharing of benefits at the local, national, and global levels. In addition, these projects have provided support to the Convention on Biological Diversity, particularly to activities related to alien and invasive species, migratory species, taxonomy, World Heritage sites, and indigenous communities.

Where Are GEF Projects Located? What Are They Doing? The quantitative analysis was based on a study of Cohort 1 projects and used various indicators, including coverage in terms of the number and hectares of protected areas and the number and area of sites from special lists of globally significant ecosystems. A major focus of the GEF biodiversity portfolio has been to support new or existing protected areas. Most projects dealing with protected areas include establishing new areas, developing management plans, setting up sustainable financing of protected areas, addressing sustainable use related to protected areas, and enabling participation by stakeholders and local beneficiaries. The study estimated that about 49 projects in Cohort 1 (62 percent) included these types of activities as a part of their objectives. These 49 projects affect about 320 protected areas covering a total of about 60 million hectares and involving about $350 million in funding. About 60 percent of the protected areas covered are located in forest ecosystems.

It is clear that the GEF has also covered, through its projects, many globally important sites and species such as those selected for the World Heritage Program, WWF's Global 200 Earth's Distinctive Ecoregions, Ramsar, UNESCO MAB Reserves, Migratory Species, and the IUCN lists of threatened and endangered species. More than half of the projects in Cohort 1 dealt with some type of capacity development activities, through information dissemination and training and education, addressing both individual and institutional aspects. Similarly, more than half of the projects included research as an objective—mostly in the form of applied research such as the provision of information and development of databases and information systems, monitoring and evaluation, and research on or about protected areas. Policies, laws, and regulations were addressed in about half of the projects in Cohort 1, including proposals for implementing plans and

strategies; strengthening, supporting, and establishing policies and laws; as well as focusing on policies regarding regional collaboration. Furthermore, the study estimated that about one-third of the projects in Cohort 1 dealt directly with the management of protected areas, another third with the implementation of sustainable use programs, and the final third with the participation of stakeholders in biodiversity conservation and sustainable use.

What Have Been the Major Achievements and Impacts? In looking at the findings, it must be kept in mind that projects that aim to conserve biodiversity are among the more difficult types of projects to implement. In addressing biodiversity conservation issues, projects attempt to achieve objectives that, while having significant long-term and global benefits, often imply loss of access to natural resources, especially for rural communities. These projects work with governments for which biodiversity conservation is usually not a priority, and they incorporate scientific principles that are new, evolving, often counter-intuitive, and difficult to fully understand or explain to stakeholders. It must also be noted that there are no standards by which the achievements of GEF projects can be assessed objectively. Consequently, the achievements of the GEF biodiversity portfolio must be looked at in this context and along with the quantitative achievements described above.

Stakeholder participation was comprehensive in around 30 percent of the projects reviewed and partial in more than 20 percent. For another nearly 25 percent, it was planned but the information available did not indicate whether or not it took place and, if so, to what extent. While documentation did not allow the full evaluation of participation effectiveness, some lessons, notably the limited involvement of the private sector and weak use of traditional and indigenous knowledge, have been identified. Nevertheless, it must be noted that most of these projects were working with institutions without much previous experience of stakeholder participation.

A significant number of the projects assessed were *capacity development* projects. These addressed a variety of capacity needs at the individual, institutional, and systemic levels. Overall, the projects were able to develop individual capacities, though institutional and systemic capacities proved harder to develop. The various training programs were appropriate to the socioeconomic, political, and cultural realities of the country. There was no evidence that institutional capacities would be sustained after GEF funding ended, partly because, for many of the ongoing projects, it was too early to assess this element. Furthermore, it was found that some of the most successful components of even non-capacity-development projects were their capacity development aspects.

A very large portion of the projects assessed had *protected areas* as their major focus. More than half of such projects were assessed to have fully or mostly met their objectives, even though they are invariably the most difficult and complicated types of projects to implement. Furthermore, more than half of the protected areas projects were assessed to have had comprehensive or partial stakeholder participation, some benefit sharing activities, and some measures for ensuring sustainability. Nearly half of the projects working to establish biodiversity conservation and sustainable regimes in *production landscapes* outside protected areas had mostly achieved their objectives, while the other half had only partly achieved their objectives.[6]

About 60 percent of the projects had substantially addressed *science and technology* issues, with the level going up to 80 percent in

[6] It should be noted here that ongoing projects were assessed on the basis of their achievements in relation to the stage of implementation they were in. While completed projects have no opportunities for improving their performance, there is always the possibility that ongoing projects will achieve their objectives before completion.

completed projects. Nevertheless, the recognition of traditional knowledge and appropriate involvement of social scientists are two issues that need further attention.

The GEF has also been focusing on issues related to *land degradation*. Of the projects reviewed, nearly 50 percent had substantially addressed land degradation issues, and another 10 percent partially addressed this issue.

Overall, almost half the projects reviewed had mostly achieved their objectives or were found likely to achieve them (including 8 percent that had fully achieved them). However, the other half of the projects had achieved their objectives only partly or minimally. On that score, there was not much difference between completed and ongoing projects. In understanding these findings, it must be recognized that it is unrealistic to expect all the projects to fully achieve all their objectives. Many reasons prevented the full achievement of objectives, including lack of implementation capacity, unrealistic and over-ambitious objectives, and shortage of time and funds.

For a large proportion of the GEF projects reviewed, it was not possible to directly answer the question: *What impact did they have on biodiversity?* This was mainly because projects for the most part did not systematically collect the required information. Also, for most projects, there was no baseline data against which the current status could be compared. In the absence of baseline data, it was only possible to partly assess the impact that projects were having on biodiversity. However, it seems that GEF projects have begun to address this gap. A review of a group of newer forestry projects in Cohort 2 reveals that almost all of them have carried out, or propose to carry out, biological and socioeconomic baseline studies.

Only about 10 percent of the projects reviewed had substantially addressed the issue of project *sustainability*, another of the cross-cutting issues in the Biodiversity Program Study. Another 24 percent had partially addressed this issue and, in 34 percent of the projects, it was either not addressed or very poorly addressed. For the rest (30 percent) some planned to deal with the issue, but available information did not specify whether they had managed to do so; for others, there was no information. However, even for completed projects, there was no system of conducting a post-completion assessment to see whether project activities, institutions, and gains continued after the project was completed. Consequently, it was not possible to determine how many of the completed projects that were assessed to have addressed this issue had done so effectively. A review of the forestry projects in Cohort 2 shows that most of the projects are now addressing the issue of sustainability in their design, though this assessment is based on project proposals and not on actual project implementation.

Are Projects Learning from Past Lessons? About half the projects assessed reportedly had some lessons from past projects incorporated into their design; a third had not. However, as the findings of the study demonstrated little difference between the achievements and levels of impact of completed (older) projects and the ongoing (newer) projects, lessons learned appear to have had little impact Therefore, the mechanisms for ensuring that lessons learned are incorporated in new and ongoing projects need attention and improvement. The newer projects among those assessed and the new forestry projects in Cohort 2 seem to be performing better in this regard.

Recommendations. Recommendations primarily relate to the four issues that the report highlighted as needing attention: achievement of objectives, project impacts on biodiversity, sustainability of project activities and gains, and learning from past lessons.

Achievement of objectives. Three main recommendations were proposed in the area of achivement of objectives. First, the report recognized that limited implementation

capacity was cited as a major cause for inadequate project achievements. The development of the requisite individual, institutional, and systemic capacities must be given central priority during GEF project implementation. Second, part of the problem with project achievements might be due to too little attention being paid in project design and implementation to livelihood and tenure issues and the issues' underlying causes. Thus all projects in protected areas should include related production landscapes.

Impacts in biodiversity. To determine a project's impact on biodiversity, and on other related issues, there has to be an ongoing and far more effective monitoring system, based on a pre-initiation baseline study. The baseline study should record the status, trends, and rates of change of the existing biodiversity resources; available individual, institutional, and systemic capacities; and the relevant socioeconomic and political parameters. Impact indicators and standards must be formulated prior to, and used for, the baseline study. Where the available data are not adequate, building up a requisite database (on the various aspects mentioned above) should be among the first project activities so that monitoring of project impacts can begin right from the start.

Sustainability. The study recommends several ways to improve this aspect of project design and implementation. Funding patterns during the project must be compatible with the economic realities of the host country. Therefore, demonstrating and operationalizing ways to meet conservation objectives within the levels of financial resources likely to be available on a sustainable basis must be an objective for all projects. There must be a continued movement away from "big budget," time-bound projects to long-term activities involving the same or lesser amounts of money, distributed over a longer time period and in accordance with agreed qualitative benchmarks of progress. For most governments to have the "political will" to conserve biodiversity, conservation must be seen to contribute to economic growth and environmental security, or at least not to detract from it.

B. Climate Change Program Study

During the last decade, GEF has provided more than one billion dollars for more than 270 climate change-related projects in 120 countries. Not counting enabling activities and some short-term measures, 120 of those projects in 60 countries demonstrate an impressive range of approaches to promoting energy efficiency, renewable energy, and (to a lesser extent) sustainable transport. The Climate Change Program Study set out to answer four questions about that subset of 120 projects (the full report was presented to the GEF Council as GEF/C.17/Inf.5):

1. Are activities relevant to country needs and global objectives?
2. What are the most significant implementation issues and lessons?
3. What are the impacts/likely impacts of GEF projects?
4. What are the factors influencing sustainability and replication?

The study resulted in seven new reports and incorporated one previously completed report:

- Energy-efficient products manufacturing and marketing cluster review
- Grid-connected renewable energy cluster review
- Energy service company cluster review
- Solar thermal power plant cluster review
- Rural solar photovoltaic (PV) cluster review (published in August 2000)
- Assessment of GEF climate change portfolio coverage
- Two country reviews, for China and Mexico, that assess how GEF projects are collectively addressing country and global environment objectives.

The initial direction of the climate change portfolio was established by the Ad-hoc Working Group on Global Warming and Energy (AWGGWE) set up by the GEF Scientific and Technical Advisory Panel (STAP). Based on a STAP-developed list of technical interventions that reduce or limit emissions of greenhouse gases, early GEF projects often focused on demonstrations of a variety of technologies. More recent projects have gone beyond technology demonstrations to focus on sustainable market-oriented approaches that pilot new business models, financing mechanisms, demand-side incentives, and means of public involvement. Over time, the portfolio has become dominated by a smaller number of technology applications and strategies that are not necessarily related first and foremost to short-term greenhouse-gas reduction, but rather reflect the complex balance of needs, interests, and interactions among governments and GEF implementing agencies.

Due to the confines of time and resources available for the program study, it was not possible to arrive at a definitive assessment of the degree to which country needs have been met through GEF-financed projects. Such an assessment would require a comparison of needs existing before initiation of the projects with those existing now. Such data are often lacking or difficult to obtain. In addition, national communications under the United Nations Framework Convention on Climate Change (UNFCCC) do not always fully reflect national development priorities.

Detailed reviews of the GEF-financed climate change portfolios in China and Mexico indicate that GEF projects are consistent with national priorities in those countries. Furthermore, the technology applications promoted in GEF projects are broadly relevant to at least some national objectives in virtually all countries. For example, the GEF has clearly helped with a number of core country priorities, such as promoting renewable-energy-based rural development and electrification programs and reducing electric power demand. Still, it is fair to say that most GEF projects do not result from coherent, integrated approaches to development and environment at the country level, but are rather conceived on an ad-hoc basis.

As the portfolio evolved, the need to support rural energy enterprises, provide financial intermediation, and attract private sector financing became apparent. To respond to these needs and demonstrate how the GEF can leverage private sector resources to achieve global benefits, the International Finance Corporation (IFC) of the World Bank Group developed five projects that feature new forms of enterprise support, financial intermediation, and private sector co-financing. These projects have used GEF funding commitments to mobilize more than $200 million of private sector co-financing to date. Impacts from two of these projects are described in the cluster reviews, while the other three have just started. All five will warrant a separate cluster review in the future.

Replication of successful outcomes and models has gained increased attention in more recent projects. Because GEF projects are small relative to the scale of the climate change problem, recognition has grown that achieving global environmental objectives depends greatly on replication and indirect impacts through demonstration of project benefits. Measuring achievement of global environmental objectives is challenging because replication of GEF projects is difficult to monitor. Some projects—such as those for efficient lighting, efficient refrigerators, rural solar PV, coal-bed methane, and electric power demand-side management—have clearly been replicated. Replication of other projects has so far been minimal or remains undocumented.

Emerging Lessons. Eight significant lessons that emerged from the climate change program study are highlighted in this synthesis:

1. *Lessons and good practices are emerging but need to be better incorporated into project designs to promote learning*. One of the key advantages of supporting projects through GEF operational programs is being able to facilitate the dissemination of lessons among all participants in the GEF programs. This study finds that such dissemination is slow and only recently has become more efficient. Although the annual PIRs provide a forum for learning, the first concerted effort to pass on lessons from the climate change program was the solar PV cluster review, which was completed in 2000.

2. *Indirect influences and impacts are key GEF results*. Some of the key impacts of GEF-financed projects are indirect in the sense that those impacts were not explicit objectives of the projects. In many cases, significant impacts from projects have been recorded during project preparation (PDF) phases or early in project implementation.

3. *Replication of project results is not well planned or monitored*. In general, GEF projects have not been operational long enough to gauge how well their replication is providing global environmental benefits. Still, most projects contain few provisions or plans for achieving or monitoring replication.

4. *Project risk assessment and management need to be strengthened*. Implementation of projects is often hindered by project managers' inability to adjust to changes in markets, policies, macroeconomic conditions, co-financing, and government commitments.

5. *Transfer of technological know-how is more difficult than project proponents anticipate*. Such transfer appears impeded by problems with technology acquisition and application to domestic conditions.

6. *Long-term programmatic approaches require sufficient GEF "credibility" and experience in a country*. Country stakeholders need time to accumulate experience with GEF-financed projects before they are willing and able to develop long-term programmatic approaches that apply the principles of GEF operational programs over longer time frames with more comprehensive results.

7. *The GEF's potential for influencing policy needs to be better utilized*. The influence of GEF projects is evident in three policy areas – national codes and standards, electric power sector policies, and rural electrification policies. But that influence has so far been modest, and additional policy areas could be addressed.

8. *The contribution of GEF-financed projects to social benefits and poverty alleviation needs to be assessed*. The social and development benefits of GEF projects, especially those that cater to rural energy development needs, need to be better documented. An assessment of these benefits is a key to helping countries improve sustainable development programs. Many projects do promote strong beneficiary participation, but fail to document benefits or impacts occurring in local communities.

Impacts. Eleven projects in the portfolio were completed as of early 2001. Another 25-30 projects have been operational long enough for their impacts to begin to become evident. The impacts of these 35-40 projects have been analyzed by project application (cluster):

Energy-efficient products. GEF-financed projects have demonstrated important and effective approaches for facilitating and accelerating greater demand for and supply of energy-efficient manufactured products, particularly lights (nearly 5 million of which have been installed through GEF projects), but

also refrigerators, motors, and building materials. Some project approaches have resulted in sustained reductions in the price of the products and in highly cost-effective abatement of carbon emissions. Market gains for efficient lights in particular are being sustained and replicated.

Grid-connected renewable energy. GEF has facilitated implementation of important regulatory frameworks supportive of grid-connected renewable energy, but has done so in only two countries so far (Mauritius and Sri Lanka). Other impacts have been limited to one-time technology demonstrations, research, and increased skills and awareness. GEF's largest market impact has been in India, where direct and indirect influences on private sector power project development and financing have resulted in nearly 1,000 MW of new renewable-energy generating capacity.

Off-grid solar PV. Rural applications of solar photovoltaics (PV) constitute the largest single group of projects in the climate change portfolio. However, most of these projects have little or no implementation experience yet. Of roughly 600,000 solar home systems expected from approved projects, only 18,000 have been installed thus far. Several business models and schemes to extend credit to businesses and consumers show promise of being sustainable and further replicated. Awareness of solar home systems is increasing in several countries, and technical standards are improving. The impact of projects on rural electrification planning and policies has been small, but more recent projects are emphasizing these issues.

Energy service companies. Viable energy service companies (ESCOs) have been established in two countries (Tunisia and China) as a result of GEF projects. Financing for existing ESCOs has been facilitated in the Hungary project. Other projects with ESCO components provide technical assistance, training, and audits, but are not expected to lead to full-service (i.e., "performance-contracting") ESCOs. With the exceptions of China and Hungary, no other countries have documented replication or energy-savings impacts of ESCOs from GEF projects. Prospects for the emergence and sustainability of ESCOs appear strongest as a result of the China project, which is also pioneering the resolution of key policy and legal issues to allow growth of the ESCO industry. Several GEF projects appear to be increasing awareness and acceptance of ESCOs among industrial clients, policy makers, and financiers.

Other applications. Projects for coal-bed methane, gas-pipeline leakage repair, fuel switching, decentralized wind power, utility demand-side management, village-scale mini-grids, and district heating-efficiency improvements have all shown significant impacts and could all be replicated on larger scales and used as models for ongoing and future GEF projects. So far, three projects – coal-bed methane in China, decentralized wind in Mauritania, and demand-side management in Thailand – are being replicated.

Sustainability. The Climate Change Program Study found that projects have promoted sustainability by:

- Demonstrating models for sustainable businesses, both public and private
- Promoting "market transformation" approaches that expand markets for energy-efficient products
- Negotiating voluntary agreements with the private sector to take energy-inefficient products off the market
- Creating new legal frameworks and precedents for energy service companies.

The study also revealed factors that can negatively influence sustainability:

- Privatization of power utilities without consideration of the future existence and role of demand-side management units
- Short-term power-purchase tariffs for grid-

based renewable energy that are hostage to fluctuations in conventional fuel prices
- Dependence of consumer finance and rural businesses on the resources of GEF projects where viable and sustainable commercial sources are no created
- Project implementation arrangements that fall into an "equipment installation and demonstration" role and fail to demonstrate business models.

C. International Waters Program Study

At the time of the International Waters Program Study (GEF/C.17/Inf.6) completed in 2001, GEF had provided support to 41 full projects and four MSPs in the international waters focal area, which includes GEF operational programs 8, 9, and 10. Eleven of these projects had been completed. In addition, project development funds (PDFs) had been approved for 22 projects, which may enter the GEF portfolio upon further development.

The study concluded that GEF's projects align well with the strategic guidance adopted by the GEF Council. The projects have made, and continue to make, significant contributions to the implementation of existing global and regional agreements that address the protection and restoration of freshwater and marine ecosystems, notably the Global Program of Action for the Protection of the Marine Environment from Land-based Activities. GEF can be seen as a major, or possibly *the* major, facilitator of the implementation and increased adoption of international water laws, action plans, and regional environmental protection agreements. The sustenance and promotion of such regional agreements and their environmental protection activities is one of the measurable and concrete benefits of GEF international waters activities.

The study found, however, that among individual projects and operational programs overall project performance varies. Most of the project impacts could only be found at the process level. This is not surprising given the long time that is required to show actual improvements in the international waters environment. The review of completed projects that was carried out as part of the study nevertheless showed that some present and future reductions in stress on the marine environment can be directly attributed to GEF projects.

The regional distribution of international waters interventions is relatively well balanced. Overall, Africa has the largest share of GEF international waters funding ($104.5 million), followed by Asia ($90.8 million), Latin America and the Caribbean ($56.6 million), Eastern Europe ($40.1 million), and the Small Island Developing States ($12.3 million). Another $20.9 million has been allocated to global projects. In addition, the shifts in emphasis among regions, as evidenced by the balance between projects currently under implementation and the preparatory and pipeline concepts, appear entirely appropriate.

A review of demonstration projects found that these are generally both well conceived and satisfy the criteria for GEF support. The potential incremental benefits that can accrue from both global and regional demonstration projects continue to justify allocation of resources to demonstration projects of similar nature. However, only limited impacts could be identified from the four project site visits, which was largely due to the fact that the projects had not yet reached sufficient maturity to produce quantifiable environmental benefits.

The study highlighted a number of recommendations that can ensure a more effective and responsive international waters program for the GEF. The use of science-based transboundary diagnostic analyses (TDAs) as a basis for the facilitation of countries' agreements on joint remedial or preventive actions through strategic action programs (SAPs) should continue.

Box 3. Different Approaches to Creating a Transboundary Diagnostic Analysis

One of the more detailed and well-structured TDAs examined by the study concerned the South China Sea, which involved the cooperation of seven countries (Cambodia, China, Indonesia, Malaysia, Philippines, Thailand, and Vietnam). The development of the South China Sea TDA began with the establishment of national committees in each of the seven participating countries. Each of these national committees prepared a country report that contained a national analysis of water-related problems and concerns. These country reports were then considered at a meeting of national coordinators and invited regional scientists. At this meeting, each of the issues raised within the country reports were collectively assigned weightings so that an initial list of major concerns could be defined.

The process of ranking issues in the South China Sea differs considerably from the one undertaken for the UNDP-implemented *Pollution Control and Other Measures to Protect Biodiversity in Lake Tanganyika* project, where priorities were assigned partly on the basis of considerations such as "feasibility" and "additional benefits," which would normally be considered at a later stage.

In the South China Sea, the analyses in the national reports and in the TDA itself identify a series of root causes of current environmental problems and threats in the region, the most important of which are: rapid growth in coastal populations, rapid economic growth over the last decade, the pace of industrialization, and the influence of globalization of trade. The resulting GEF project in the region, *Reversing Environmental Degradation Trends in the South China Sea and Gulf of Thailand*, contains four major components, three of which (habitat degradation and loss, overexploitation of fisheries in the Gulf of Thailand, and land-based pollution) correspond to categories of issues identified in the TDA. The full project implemented by UNEP will derive specific national actions in relation to each of these categories. The selected national actions in the resulting project will lead to a high-level intergovernmental meeting at which these actions will be adopted within a SAP.

Source: *International Waters Program Study*, J.M. Bewers and J.I. Uitto. M& E Evaluation Report #1-01.

However, where feasible, efforts should be made to shorten the time required for a TDA.

All high-risk projects, or those with high-risk components, should be subjected to a mid-term review. The current procedures for feeding back "lessons learned" to the formulation of projects in the international waters focal area are unclear. Accordingly, there is a need to formalize this process in a transparent and effective mechanism within the GEF.

GEF should consider increased assessments of the suitability of proposed executing agencies to ensure competent project management and the sustainability of any activities (administrative arrangements or organizations) engendered through GEF international waters projects.

Given the complex nature of international waters projects, which can involve the cooperation of a large number of countries and several implementing agencies, an interagency advisory function is needed within the GEF to help ensure overall coordination and effective development of the international waters focal area.

D. Medium-Sized Projects Evaluation

The Medium-Sized Projects (MSPs) Evaluation found that it is too early in the implementation of most MSPs to determine their specific impacts on biodiversity conservation, climate change, and international waters. Interim or indirect indicators of progress were assessed in capacity development, innovation, awareness raising, prospects for sustainability, and leverage. The most important types of MSP leveraging have been co-financing, scaling up, and replication, in addition to positive impacts on government policies with implications for global environmental issues. An encouragingly high proportion of the MSPs that have reached advanced stages of implementation have made substantial progress in these areas. MSPs are generally positively regarded by diverse stakeholders, and the local and participatory emphasis of most MSPs has helped create more favorable conditions for the achievement of long-term environmental goals. From a technical perspective, the planning of some MSPs could have benefited from more focus on the specifics of project sustainability and replication. The prevailing 2-3 year time frame for MSPs is often too short, and few of the projects can be expected to achieve sustainability in this time. Projects should be encouraged to plan implementation over longer time frames if this suits local absorptive capacities and is likely to enhance sustainability. While MSPs should not be utilized for project development, a second phase for promising MSPs should be permitted if the original MSP

Box 4: Renewable Energy-based Small Enterprise Development in the Quiché Region of Guatemala

The overall objective of the UNDP-implemented project is to create and strengthen the capacity for renewable energy service development based on cooperation with existing rural development programs currently operating in the Quiché region of Guatemala. The energy provided by the project by micro-hydro electric facilities and solar PV home systems is starting to make a difference perceived by the communities. The availability of lighting in the villages expands the productive hours of the day and enables the communities to attract teachers to the school. An inspiring view expressed by one of the community leaders indicated that, while they had always had the river, they did not know how to benefit from it before the project started its micro-hydro development. The MSP showed them how to use it and provided the necessary technical assistance and capacity building. Now the community recognizes the river as a resource that needs to be protected.

The MSP has had a catalytic role in the region and has excellent replication potential. The neighboring communities have become aware of the progress made in the participating communities and are seeking information. The pilot project has proven that the approach can work. The communities see the benefits and are willing to pay for the consumption. However, due to the poverty levels and lack of rural credit in the area, an initial grant is needed for the equipment, without which replication cannot take place.

On a national level, the MSP is intended to contribute to the policy dialogue concerning rural electrification. The project is used to demonstrate financially, technically, and socially feasible models to provide electricity for remote rural villages through renewable energy sources. It also aims to attract private sector interest.

has been successful in reaching its objectives, as is done with FSPs.

Expedited Procedures. While there have been improvements in processing over time, reality has fallen far short of the expectations that MSPs would be a relatively fast-moving and flexible funding opportunity. Many dedicated and determined stakeholders as well as implementing agency staff have become frustrated and discouraged by what, to them, seem interminable and inexplicable delays. While some of the sources of delay can and should be addressed as a matter of priority, it is clear that some of the initial expectations for rapid MSP processing were misplaced. The MSP portfolio contains many complex projects that are a considerable challenge for their proponents and require a level of management effort that is comparable to many larger projects.

Options for expediting processing by reducing the level of implementing agencies and GEF secretariat supervision and technical responsibility, at least for smaller MSPs, should be explored jointly by the agencies, the secretariat, and some of the organizations with experience as MSP executing agencies. The options considered should include the disbursement of some MSPs as grants rather than projects, possibly on the basis of an annual competition, and local approval of smaller MSPs by competent national intermediaries in certain countries.

Strategic Results. MSPs have clearly achieved the stated GEF Council objective of broadening the range of partners able to access GEF resources. The wide variety of MSP executing agencies includes a diverse range of government agencies, NGOs, research institutions, and international and intergovernmental organizations, as well as the private sector. Private sector participation has been limited to very few projects, although it was significant in these projects. Engaging this broadened range of partners has generated clear, positive benefits for the GEF agenda.

The MSP niche is clearly an important one in the GEF family. The GEF Small Grants Program is able to support initiatives at the grassroots or community level, while full-sized GEF projects can support more visible national-level actions. MSPs are often able to bridge the gap by addressing local concerns while at the same time supporting the implementation of the national development agenda. MSPs may not support actions across several provinces or regions within a country, but their activities are usually on a large enough scale for their successes to generate interest and attention at the provincial or national level. The size of the funding also allows some activities that go beyond local community levels to include some capacity building and policy development for local and national government agency partners.

Complementing the national MSPs, UNEP in particular has developed a strong portfolio of multicountry global and regional MSPs that appear to be successfully addressing a range of issues that are less suited to individual country projects. While it is not always easy to demonstrate country ownership of these global and regional MSPs and the national activities are sometimes not widely known within the countries, this is a worthwhile set of projects that clearly adds value to the GEF portfolio.

The evaluation expressed particular concern that there is now considerable uncertainty over future GEF funding for MSPs. When the MSPs began in 1996, it was indicated that financial resources would be available to support all proposals that satisfied the GEF's eligibility requirements and were technically satisfactory. This is far from the current reality. Funding limitations have now become an important constraint. GEF should allocate specific funding resources for MSPs to help ensure that these valuable projects are not subsumed by implementing agency management preferences for full projects.

Information. Stakeholders in many countries lack information about MSPs and do not un-

derstand them. There is a clear need to improve information dissemination related to MSPs, although this must be done in a way that does not raise unrealistic expectations when funds are limited. The objective should be to increase the quality rather than the number of proposals submitted. Country Dialogue Workshops should be used for providing realistic information on MSPs. The GEF NGO network should also be mobilized to promote MSPs.

Country Ownership. The operational focal point endorsement system does not work effectively for MSPs in many countries, is of doubtful value as a demonstration of country ownership, and is often particularly hard for NGOs to access. The lack of capacity in the focal points is a fact in several countries and should be addressed with GEF support. The already-existing support to operational focal points should better publicized to enable better use by the countries. Focal points consisting of broadly representative and not-too-large committees have worked well in a few cases, particularly when these committees develop a GEF programmatic approach or country vision, although added bureaucracy and further delays could also result from such arrangements, and care would need to be taken to avoid further limiting NGO opportunities.

5. Conclusions of the Review

This final chapter of the report draws on the results of the PIR, including the focal area task force reviews and interagency meeting, highlighting the conclusions on cross-cutting issues arrived at through these review processes.

A. Inherent Features of Success in Projects and Dealing with Risk

Twenty-five projects in the 2001 PIR portfolio were rated "highly successful." The interagency meeting discussed the factors that contributed to the success of these projects and, conversely, the factors whose absence threatens project success (altogether, six projects have been rated "unsatisfactory" by the implementing agencies). It was noted that while OPS2 and other evaluations gave generally good marks to GEF, the successes mostly related to processes, and there were few indications of real on-the-ground environmental impacts. It is important to incorporate the use of impact indicators more systematically in projects.

The implementing agencies identified features that were considered central for successful projects. Good project design is seen as critical to project success. However, there is a need to identify the features that specifically improve the delivery of global environmental benefits. These are not yet systematically analyzed. The lessons from the focal area task force reviews tended to confirm that less successful projects have features that are contrary to those identified by the implementing agencies. The factors associated with unsatisfactory projects most often deal with recipient country policy, legal, and regulatory frameworks. The following factors have been identified as inherent features of successful projects in the implementing agencies' summary reports of PIR 2001.[7]

Active Participation. Securing active participation of all relevant stakeholders, including communities, NGOs, national governments, etc., is critical to project success. First, various concerns of stakeholders can be accommodated to avoid future potential conflicts. Second, diversified information and ideas can be obtained and generated in the process. Third, active participation strengthens ownership of those involved, resulting in an overall increase in the level of commitment.

Participation could be viewed as one of the important factors underlying the sustainability of a project. Active participation should be ensured through the entire life of a project, beginning with the early stage of problem identification and recognition and continuing through project implementation and impact evaluation. Long-term project objectives should be balanced with meeting some of the immediate needs of the stakeholders.

Capacity Building. Inadequate capacity is often identified as a constraint to effective implementation and sustainability of GEF projects in the PIR summary reports prepared by the implementing agencies. It is important for projects to integrate capacity development as a project component. Competence and efficiency of executing agencies is another essential element for successful project implementation. In addition, capacity development plays an important role in promoting active stakeholders' participation in addressing local and global concerns.

[7] This part does not include the factors that are analyzed in other parts of the report.

Experience to date points to the value of MSPs as an effective instrument to support capacity development. Due to the diversity of executing agencies in the MSP portfolio, NGOs and small, local communities have benefited from GEF funding towards capacity building. However, great variation has been observed in NGO capacity; very few NGOs have the capacity to execute an MSP. Therefore, project designers need to be attentive to this fact to ensure that the executing agencies have adequate capacity to deliver the project's expected outcomes, to manage the complexity of policy dialogues with stakeholders, and handle other elements of project implementation.

Effective Partnerships. Closely related to active participation and capacity building is the need for effective partnerships to ensure project success. Effective partnerships enhance participation, strengthen institutional capacity, and contribute to project sustainability. Effective partnerships can improve the coordination of supervision and information sharing among stakeholders, executing agencies, implementing agencies and task teams, etc. It is noted that the need to coordinate and cooperate with other institutions is even more evident in the case of regional and global programs.

Multilevel partnerships should not confuse or blur the roles and responsibilities of different levels of management and participating organizations. This is a problem to watch out for when projects are designed with complicated institutional frameworks involving several organizations at different levels—local, national, and supra-national.

Sound Project Design. The objectives, scope, and timing of a project should be designed on a sound and reasonable basis. The complexity of project design should be reduced to be within the project managers' capacity. A very ambitious project design and time management framework is usually a factor in unsuccessful project implementation. Clear understanding of project objectives is a key to smooth and successful project implementation.

Conducive Framework. All the GEF projects are embedded in an overall political and social setting. The external factors are therefore important to the success of project implementation. An appropriate policy, legal, and regulatory framework, including linkages with policies in other relevant sectors, is important to the project implementation.

It is important for the project to be adaptable and have flexible management in order to adjust to a changing policy, legal, and regulatory framework.

Special Needs of Multicountry Approach. The implementation of multicountry projects is often complicated by the number of legal agreements that have to be signed with different entities. The final consolidation of multinational agreements for transboundary projects can follow a long negotiation process and require lengthy efforts from all stakeholders involved. Technical refinement of project activities should be achieved in formal negotiations to ensure high-level political "buy-in." A sense of equity among collaborating partners in regional initiatives should be maintained, and the division of management responsibility for project resources should be carefully agreed upon.

Dealing with Project Risk. The criticality of identifying and mitigating risk in projects was recognized. There was a general agreement that GEF should not avoid risk, but *manage* risk. Each of the implementing agencies identify risks through somewhat different mechanisms.

B. Engaging the Private Sector

Private sector partnerships and mobilization of additional private funding are seen as increasingly important for GEF as the role and

opportunities for the private sector in the protecting the environment is generally increasing. These types of partnerships enhance the chances that a project will be replicated and that the environment created for the project will be catalytic. In addition, partnerships created throughout the life of a project can provide greater participation, contribute to sustainability, and facilitate vital communication networks and contacts that could not have been established within the usual time frame of the project. Furthermore, such partnerships can improve synergy effects and may contribute to reducing donor competition and overlaps between projects.

Within the GEF focal areas, climate change has developed the most varied experiences in working with the private sector. Still, there are varying levels of private sector involvement in GEF-financed projects—including awareness raising, training and study tours, support of "soft" business costs, provision of GEF funds guarantees and other forms of non-grant, contingent financing, capital subsidies, etc. There are several projects in the portfolio that demonstrate the different levels of engagement that are possible with the private sector.

The 2001 PIR reports an increased involvement of the private sector in the implementation of biodiversity projects. In particular, UNDP involvement with the private sector has centered on the field of eco-tourism, while the World Bank/IFC *Terra Capital Fund Project* involves organic farming and non-timber forest products. The latter project illustrates the obstacles to promoting business development and investment oriented toward biodiversity protection. In general terms, partnerships with the private sector often require much patience and hand holding as well as extensive guidance on how to prepare business plans and how to conduct monitoring.

Working with the private sector also may require working with host country governments to facilitate private investment. There is also a need to better define what is meant by the private sector and what achievements are expected through GEF-financed interventions. The need for including private resource users, such as small farmers, in the definition was emphasized.

C. Adaptive Management – Changes in Project Design

It was broadly agreed that within a project's overall and immediate objectives, flexible management in implementation is very desirable, if this is a way to incorporate into the project the context and realities in which the project is operating. Project logical frameworks should not be regarded as static documents, but should be adapted and amended during the life of the project according to changing local conditions and lessons learned. Without reducing significantly the amount of inputs to and outputs from the project, the implementing agency would thus have a relatively free hand in rearranging inputs and activities if this enhances the likelihood of achieving global environmental benefits. All changes must be made in agreement with the recipient country and within GEF guidelines and procedures.

The need for making changes in project design may stem from a variety of sources, including changes in the external environment, as well as faults in original design. The implementing agencies make changes and reallocate funds between budget lines within the budgetary framework of the projects. The practices should be codified with the objective of not increasing bureaucratic procedures or discouraging adaptive management. The implementing agencies should be encouraged to make better use of mid-term reviews for the purposes of adaptive management.

There should be a clear differentiation, however, between candidates for adaptive management versus projects failing primarily due to faulty project design or poor project

implementation. The M&E Unit would be involved in the review of these latter cases. In this regard, it will be important for GEF M&E to clearly define ways and means to address accountability issues.

Phased approaches to projects are seen as one of the essential modalities to be explored for introducing flexibility into project design and management. This would necessitate the careful development of indicators that are closely related to the objectives of the project, the attentive monitoring of project progress, and the introduction of triggers that would enable GEF to move into the project's next phase.

D. Replication, Catalytic Effects, Horizontal Exchanges, and Mutual Learning

The PIR review reaffirmed the importance of replication and catalytic effects by GEF. The experience, however, shows that the factors and conditions that contribute to these vary between focal areas. Project managers and implementers cannot expect replication to strike serendipitously; it has to be consciously designed as part and parcel of project design and implementation. The explicit replication strategy within a project should recommend supporting activities such as drawing out lessons learned and best practices, enabling staff exchanges, and creating communication and dissemination strategies. Project components on dissemination and catalytic effects are not very common in existing project designs. The GEF project review criteria include an explicit replication strategy and communication components. Adherence to these criteria should be more systematically reviewed in new projects, particularly, where possible, during mid-term reviews of projects under implementation.

While there are a number of examples of horizontal exchanges and mutual learning in the PIR portfolio, this has been undertaken systematically only in the international waters focal area through projects such as the UNDP-implemented IW:LEARN. Similarly, the experiences gained with the First Biennial GEF International Waters Conference, held in Budapest in October 2000, were highly positive, and provided an opportunity for exchanging information and experiences between projects through formal sessions, workshops, and panel discussions. GEF should build upon the experiences gained in the international waters program, whose ongoing projects can also provide lessons and models for other focal areas. Various possible modalities for supporting mutual learning and horizontal exchange can be identified, including: (i) establishing a corporate mechanism, perhaps under M&E; (ii) incorporating specific components in projects; and (iii) designing projects specifically to promote horizontal exchanges and mutual learning.

Knowledge management systems being established by the M&E team and the implementing agencies should emphasize learning and modes and methods of encouraging replication.

E. Extension of the PIR/ PPR Process

It has been agreed by the GEF secretariat and the implementing agencies that the PIR process will be supplemented by other M&E tools. This is chiefly a new review modality, termed the Secretariat Managed Project Review (SMPR). In addition, the M&E Unit will further review and utilize the implementing agencies' project mid-term and terminal evaluations and initiate selected impact evaluations.

In partnership with the IAs, the M&E Unit, through the SMPR, will first lead reviews of a subset of the active project portfolio each year. The SMPR will focus on the GEF project review criteria, i.e., global benefits, incremental

costs, replication, national ownership, and local participation. Next, the examination of all mid-term reviews and terminal evaluations will provide further data to analyze how well the portfolio is doing in terms of results and impacts. Third, as the portfolio is fast maturing, a growing number of final impact evaluations will be carried out, mainly as a cluster or cohort of similar projects. These new tools will provide a wider and firmer basis for the annual s.

F. Other Matters

Other matters that were discussed at some length during the PIR process included impacts of GEF activities on local communities, as well as leveraging. These are not included in the present reports because they will be addressed elsewhere. The M&E Unit is beginning a full evaluation of the social impacts of GEF projects. This will be reported upon at a later stage. Leveraging will be dealt with in a Council paper prepared by the GEF secretariat for the May 2002 Council meeting.

APPENDICES

Appendix A
List of Projects Included in 2001 PIR

Multi-Focal Area

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
1	WB	Global	Small and Medium Scale Enterprise Program (replenishment - IFC)	Oct-96	May-97	Aug-97	$16.50	$9.10	55.2%
2	UNDP/ UNEP/WB	Global	Country Dialogue Workshops	Jul-98		Mar-00	$3.51	$1.29	36.7%
3	UNDP	Global	GEF Small Grants Program (Second Operational Phase)	Nov-98		Feb-99	$31.62		
4	WB	Mexico	Oaxaca Sustainable Hillside Management Project (MSP)	Apr-99	May-99	Jul-99	$0.74	$0.39	53.1%
		Total					**$52.37**	**$10.78**	**20.6%**

Biodiversity

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
1	WB	Argentina	Biodiversity Conservation	May-97	Oct-97	May-98	$10.39	$1.10	10.5%
2	UNDP	Argentina	Consolidation and Implementation of the Patagonia Coastal Zone Management Program for Biodiversity Conservation	May-97		Dec-99	$5.20		
3	WB	Bangladesh	Aquatic Biodiversity Conservation	Jan-99		Dec-99	$5.00	$0.14	2.9%
4	WB	Belize	Northern Belize Biological Corridors Consolidation and Maintenance (MSP)	Nov-98	Apr-99	Apr-99	$0.77	$0.41	52.7%
5	UNDP	Belize	Creating a Co-managed Protected Areas System in Belize	Mar-99		Apr-99	$0.75	$0.54	71.6%
6	UNDP	Belize	Conservation and Sustainable Use of the Barrier Reef Complex	Oct-98		Apr-99	$5.36	$1.94	36.2%
7	UNDP	Bhutan	Integrated Management of Jigme Dorji National Park	Oct-96	Aug-97	Aug-97	$1.50		
8	WB	Brazil	National Biodiversity Project (PROBIO)	May-91	Apr-96	Dec-96	$10.00	$4.80	48.0%
9	WB	Brazil	Brazilian Biodiversity Fund (FUNBIO)	May-91	Apr-96	Sep-96	$20.00	$16.10	80.5%
10	UNDP	Burkina Faso	Optimizing Biological Diversity within Wildlife Ranching Systems: a Pilot Demonstration in a Semi-arid Zone	Dec-92	Jul-94	Jul-94	$2.50		
11	WB	Cambodia	Biodiversity and Protected Area Management Pilot Project for the Virachey National Park	Jun-99		Mar-00	$2.75	$0.23	8.2%
12	WB	Cameroon	Biodiversity Conservation and Management	May-93	Mar-95	Dec-95	$5.96	$4.40	73.8%
13	UNDP	Central	A Highly Decentralized Approach to Biodiversity						
		African Republic	Protection and Use: the Bangassou Dense Forest	May-95	Mar-98	Mar-98	$2.50	$1.16	46.6%
14	WB	China	Nature Reserves Management	Feb-95	Jun-95	Aug-95	$17.80	$13.75	77.2%
15	UNEP	China	Lop Nur Nature Sanctuary Biodiversity Conservation	Jan-99	Mar-99	Mar-99	$0.75	$0.40	53.3%
16	UNDP	China	Wetland Biodiversity Conservation and Sustainable Use	Jan-99		1-Dec	$11.69	$1.99	17.0%
17	WB	Colombia	Sustainable Use of Biodiversity in the Western Slope of the Serrania del Baudo (MSP)	Apr-99		Jun-99	$0.73	$0.27	37.2%
18	UNDP	Comoros	Island Biodiversity and Participatory Conservation in the Federal Islamic Republic of Comoros	Oct-95	Nov-97	Nov-97	$2.44	$1.41	57.7%
19	WB	Costa Rica	Biodiversity Resources Development	May-97	Mar-98	Jul-98	$7.28	$3.60	49.4%
20	UNDP	Costa Rica	Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	Sep-99		Mar-00	$0.75	$0.31	41.3%
21	UNDP	Côte d'Ivoire	Control of Aquatic Weeds to Enhance/Restore Biodiversity in the Water Bodies of Côte d'Ivoire	Dec-92		Dec-95	$3.00	$1.53	50.8%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
22	WB	Croatia	Kopachi Rit Wetlands Management (MSP)	Nov-98		Jan-99	$0.75	$8.72	1162.8%
23	UNDP	Cuba	Priority Actions to Consolidate Biodiversity Protection in the Sabana-Camaguey Ecosystem	Nov-99		Nov-99	$3.89	$1.30	33.4%
24	WB	Ecuador	Monitoring System for the Galapagos Islands (MSP)	Nov-98	Jan-99	Feb-99	$0.94	$0.33	35.4%
25	WB	Ecuador	Wetland Priorities for Conservation Action (MSP)	Mar-99	Apr-99	Apr-99	$0.74	$0.49	66.3%
26	WB	El Salvador	Promotion of Biodiversity Conservation within Coffee Landscapes (MSP)	May-98	Jun-98	Jul-99	$0.75	$0.61	81.1%
27	UNDP	Eritrea	Conservation Management of Eritrea's Coastal, Marine & Island Biodiversity	Apr-97		Aug-98	$5.39		
28	UNDP	Ethiopia	A Dynamic Famer-based Approach to the Conservation of African Plant Genetic Resources	Dec-92	Apr-94	Sep-94	$2.46		
29	UNDP	Georgia	Arid and Semi-arid Ecosystem Conservation in the Caucasus	Sep-99		Apr-00	$0.75	$0.46	61.7%
30	WB	Georgia	Integrated Coastal Zone Management	Jul-98	Dec-98	May-99	$1.30	$0.78	59.9%
31	WB	Ghana	Natural Resource Management	Nov-97	Jun-98	Dec-98	$8.93	$4.89	54.7%
32	UNEP	Global	Promoting Best Practices for Conservation and Sustainable Use of Biodiversity of Global Significance in Arid and Semi-arid Zones (MSP)	Aug-99	Oct-99	Oct-99	$0.75	$ 0.28	38.0%
33	UNEP	Global	People, Land Management & Environmental Change (PLEC)	May-97	Mar-98	Mar-98	$6.28	$ 4.25	68.8%
34	UNEP	Global	Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species That Threaten Biological Diversity	Jan-98	May-98	May-98	$0.75	$0.70	93.9%
35	UNDP/ UNEP	Global	Biodiversity Planning Support Program	Jul-98		Apr-99	$3.43		
36	WB	Guatemala	Support for the Management and Protection of Laguna del Tigre National Park and Biotope	Jul-99		Sep-99	$0.72	$0.35	47.9%
37	UNDP	Guatemala	Integrated Biodiversity Protection in the Sarstun-Motagua Region (RECOSMO)	Feb-95	Apr-97	Apr-97	$4.00		
38	WB/UNDP	Honduras	Biodiversity Conservation in Priority Protected Areas	May-97	Oct-97	Aug-98	$7.30	$1.89	25.8%
39	WB	India	Ecodevelopment	May-95	Sep-96	Dec-96	$20.21	$9.55	47.2%
40	WB	Indonesia	Conservation of Elephant Landscape in Aceh Province, Sumatra	Oct-99	Dec-99	Dec-99	$0.74	$0.34	46.4%
41	WB	Indonesia	Biodiversity Collections	Apr-92	Jun-94	Jul-94	$7.20	$6.31	87.6%
42	WB	Indonesia	Kerinci Seblat Integrated Conservation and Development	May-95	Apr-96	Aug-96	$14.40	$4.37	30.3%
43	WB	Indonesia	Coral Reef Rehabilitation and Management Project (COREMAP)	May-97	Mar-98	Jun-98	$12.28	$3.76	30.6%
44	WB	Kenya	Lewa Wildlife Conservancy and Community Conservation	Jul-99	Mar-00	Mar-00	$0.75	$0.45	60.5%
45	WB	Kenya	Tana River National Primate Reserve	May-91	Nov-96	Jul-97	$6.20	$1.11	17.9%
46	UNEP	Kenya	Lake Baringo Community-based Land and Water Management Project	Feb-00	May-00	May-00	$0.75	$0.24	32.0%
47	UNDP	Korea DPR	Conservation of Biodiversity at Mount Myohyang	Jan-00		Jun-00	$0.75		
48	WB	Lao PDR	Wildlife and Protected Areas Conservation	May-91	Feb-94	Jan-95	$5.00	$2.67	53.4%
49	UNDP	Lebanon	Strengthening of National Capacity and Grassroots In-situ Conservation for Sustainable Biodiversity Protection	May-95	Feb-96	Feb-96	$2.53	$2.11	83.5%
50	UNDP	Lesotho	Conserving Mountain BD	Nov-97		May-99	$2.51	$0.15	6.1%
51	WB/UNDP	Madagascar	Environment Program Support II	Oct-96	Dec-96	Jun-97	$21.30	$21.42	100.6%
52	WB	Mauritius	Biodiversity Restoration	May-95	Nov-95	Feb-96	$1.20	$0.80	66.3%
53	WB	Mexico	Protected Areas Program (FANP)	May-91	Jun-97	Jul-97	$25.00	$15.00	60.0%
54	WB	Mexico	Biodiversity Conservation Through Habitat Enhancement in Productive Landscapes (El Trufino)	Jun-99	Jun-99	Jul-99	$0.73	$0.37	50.5%
55	UNDP	Micronesia	Community Conservation and Compatible Enterprise Development on Pohnpei	Jul-99		May-00	$0.75	$0.21	28.7%
56	UNDP	Mongolia	Biodiversity Conservation and Sustainable Livelihood Options in the Grasslands of Eastern Mongolio	Dec-97	Nov-98	Nov-98	$5.16	$1.35	26.2%
57	WB	Morocco	Protected Areas Management	Jan-98		Nov-00	$10.35	$0.46	4.5%
58	WB	Mozambique	Transfrontier Conservation Areas Pilot and Institutional Strengthening	Dec-92	Dec-96	May-97	$5.00	$2.98	59.6%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
59	UNDP	Nepal	Upper Mustang Biodiversity Project	Nov-99		Jun-00	$0.75	$0.07	8.8%
60	WB	Nicaragua	Atlantic Biological Corridor	Oct-96	Jun-97	Oct-98	$7.43	$2.21	29.8%
61	UNDP	Pakistan	Mountain Areas Conservancy Project	Oct-98		Jun-99	$10.60		
62	WB	Panama	Atlantic Mesoamerican Biological Corridor	May-97	Jun-98	Nov-98	$8.60	$2.96	34.4%
63	UNDP	Panama	Biodiversity Conservation in the Darien Region	Jan-92	Feb-94	May-94	$3.00		
64	WB	Panama	Effective Protection with Community Participation of the New Protected Area of San Lorenzo	Jun-99	Jun-99	Jul-99	$0.73	$0.38	51.4%
65	UNDP	Paraguay	Paraguayan Wildlands Protection Initiative	May-99	Jun-00	$9.20	$0.04	0.4%	
66	UNDP	Peru	Conservation of Biodiversity in the Lake Titicaca Basin	Feb-95		Dec-98	$3.11	$0.59	19.0%
67	WB	Peru	Collaborative Management for the Conservation and Sustainable Development of the (Tumbes) Noroeste Biosphere Reserve	Jun-99	Sep-99	Oct-99	$0.73	$0.73	99.7%
68	WB	Peru	Vilcabamba-Participatory Conservation and Sustainable Development with Indigenous Communities	Jun-99	Oct-99	Oct-99	$0.73	$0.34	45.9%
69	WB	Philippines	Conservation of Priority Protected Areas	May-91	May-94	Oct-94	$20.00	$10.27	51.3%
70	WB	Regional	West Africa Pilot Community-based Natural Resource and Wildlife Management (GEPRENAF)	Dec-92	Sep-95	May-96	$7.00	$3.63	51.9%
71	UNDP/ UNEP	Regional	Establishment of a Program for the Consolidation of the Mesoamerican Biological Corridor	Apr-99		Nov-99	$10.60	$1.69	16.0%
72	UNDP	Regional	Conservation and Sustainable Use of Dryland Agro-biodiversity of the Fertile Crescent	Nov-97		Mar-99	$8.18	$2.08	25.4%
73	UNDP	Regional	South Pacific Biodiversity Conservation Program	Jan-92		Apr-93	$10.00	$0.83	8.3%
74	UNDP	Regional	African NGO-Government Partnership for Sustainable Biodiversity Action (Birdlife)	May-97	May-98	May-98	$4.52	$2.20	48.6%
75	UNDP	Regional	Inventory, Evaluation, and Monitoring of Botanical Diversity in Southern Africa: a Regional Capacity and Institution Building Network (SABONET)	Feb-96	Oct-97	Oct-97	$4.73	$0.00	0.0%
76	UNDP	Regional	Conservation of Wetland and Coastal Ecosystems in the Mediterranean Region	May-97		Sep-99	$13.27	$2.10	15.8%
77	UNDP	Regional	Conservation Priority-setting for the Upper Guinea Forest Ecosystems, West Africa	May-98		Sep-98	$0.74		
78	UNDP	Regional	Reducing Biodiversity Loss at Cross-border Sites in East Africa	Mar-97	Mar-98	Mar-98	$12.90		
79	UNEP	Regional	Indicator Model for Dryland Ecosystems in Latin America (MSP)	Dec-99	May-00	May-00	$0.75	$0.29	38.7%
80	WB	Regional	Central Africa Region: Regional Environment Information Management Project (REIMP)	May-97	Dec-97	Apr-98	$4.35	$2.54	58.5%
81	UNEP	Regional	Emergency Response to Combat Forest Fires in Indonesia	Jun-98	Jul-98	Jul-98	$0.75	$0.61	81.6%
82	WB	Regional (Kyrgyzstan, Kazakhstan, Uzbekistan)	Central Asia Transboundary Biodiversity	Nov-97		May-00	$13.60	$0.77	5.7%
83	WB	Regional (Latin America)	Terra Capital Biodiversity Fund	Oct-95	Nov-97	Oct-98	$5.00	$1.80	35.9%
84	WB	Romania	Danube Delta Biodiversity	Apr-92	Aug-94	Feb-95	$4.50	$0.88	19.6%
85	WB	Russian Federation	Biodiversity Conservation	Nov-94	May-96	Nov-96	$20.10	$13.59	67.6%
86	WB	Samoa	Samoa Marine Biodiversity Protection and Management Project	Not Available		Jul-99	$0.90	$0.29	32.2%
87	WB	Seychelles	Management of Avian Ecosystems (MSP)	Jun-98	Jul-98	Sep-98	$0.74		
88	WB	South Africa	Conservation of Globally Significant Biodiversity in Agricultural Landscapes in South Africa Through Conservation Farming	Jul-99		Feb-00	$0.75	$0.31	41.5%
89	WB	South Africa	Conservation Planning for Biodiversity in the Thicket Biome	Jul-99		Jun-00	$0.74	$0.27	36.1%
90	WB	South Africa	Cape Peninsula Biodiversity	Nov-97	Feb-98	Jun-98	$12.40		
91	WB	Sri Lanka	Conservation and Sustainable Use of Medicinal Plants	May-97	Dec-97	May-98	$5.42	$2.04	37.6%
92	UNDP	Sudan	Conservation and Management of Habitats and Species, and Sustainable Community Use of Biodiversity in Diner National Park	Jun-98		Oct-99	$0.75	$0.20	26.7%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
93	WB	Syria	Conservation of Biodiversity and Protected Areas Management Project	Oct-98		Oct-99	$0.75	$0.10	13.3%
94	WB	Uganda	Bwindi Impenetrable National Park & Mgahinga Gorilla National Park Conservation	May-91	Jan-95	Jul-95	$4.00		
95	WB	Uganda	Protected Areas Management and Sustainable Use (ICB-PAMSU)	May-97	Jul-98	Mar-99	$10.29	$10.50	102.0%
96	WB	Uganda	Kibale Forest Wild Coffee Project (MSP)	Dec-98	Feb-99	Feb-99	$0.75		
97	UNDP	Uruguay	Consolidation of the Banados del Este Biosphere Reserve	Apr-97	Sep-97	Sep-97	$2.50		
98	WB	Venezuela	Conservation & Sustainable Use of the Llanos Ecoregion (MSP)	Jun-99	Jun-99	Jun-99	$0.96	$0.34	35.5%
99	UNDP	Viet Nam	Protected Areas for Resource Conservation (PARC)	Oct-95		Nov-98	$6.04		
100	UNDP	Yemen	Conservation and Sustainable Use of the Biodiversity of Socotra Archipelago	Oct-96	May-97	May-97	$4.97	$4.52	91.0%
101	WB	Yemen	Protected Area Management	Apr-99		Feb-00	$0.74	$0.08	10.1%
102	WB	Yemen	Coastal Zone Management along the Gulf of Aden (MSP)	Jun-99		Feb-00	$0.73	$0.08	10.3%
103	WB	Zimbabwe	Biodiversity Conservation in Southwest Zimbabwe	Apr-92	Jun-98	Mar-99	$4.80	$1.93	40.2%
		Total					**$553.16**	**$219.12**	**39.6%**

Climate Changes

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
1	World Bank/IFC	Argentina	Efficient Streetlighting		Nov-98	Feb-99	$0.74	$0.50	95.0%
2	World Bank	Argentina	Renewable Energy in Rural Markets	Nov-97	Mar-99	Dec-99	$10.00		
3	UNDP	Bolivia	Rural Electrification with Renewable Energy Through the Popular Participation Law	May-99		Jul-99	$4.22	$0.51	44.5%
4	UNDP	Brazil	Biomass Power Generation: Sugar Cane Bagasse and Trash	Apr-96	Mar-97	Jun-97	$3.75	$3.02	80.5%
5	UNDP	Bulgaria	Energy Efficiency Strategy to Mitigate GHG Emissions	Oct-96	Oct-96	May-98	$2.58	$1.04	77.6%
6	World Bank	Cape Verde	Energy and Water Sector Reform and Development	Mar-98	May-99	Dec-99	$4.71		
7	UNDP	Chile	Reduction of Greenhouse Gases	Dec-92	Jun-95	Jun-95	$1.70		
8	UNDP	China	Barrier Removal for the Widespread Commercialization of Energy-efficient CFC-free Refrigerators in China		Jul-99	Dec-99	$9.62	$1.55	76.7%
9	UNDP	China	Capacity Building for the Rapid Commercialization of Renewable Energy	Apr-97		Feb-99	$8.80	$6.33	98.0%
10	World Bank	China	Efficient Industrial Boilers	Apr-96	Dec-96	Feb-97	$32.81		
11	World Bank	China	Energy Conservation Project		Mar-98	Dec-98	$22.00	$6.39	
12	UNDP	China	Promoting Methane Recovery and Utilization from Mixed Municipal Waste	Apr-96		May-97	$5.29	$4.12	77.9%
13	World Bank	China	Sichuan Gas Development & Conservation	Apr-92	Jan-94	Sep-94	$10.00	$9.61	
14	World Bank	Côte d'Ivore	Energy Efficiency Service Market	Jul-98	Jan-99	Jun-99	$0.73		
15	UNDP	Cuba	Producing Energy Efficient Refrigerators Without Making Use of Ozone Depleting Substances	Mar-00		May-00	$0.75		10.0%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
16	World Bank	Czech Republic	Kyjov Waste		Aug-98	Nov-98	$5.09		
17	UNDP	Czech Republic	Low Cost/Low Energy Buildings in the Czech Republic	Jul-98		Jan-99	$0.45	$0.20	73.0%
18	UNDP	Egypt	Energy Efficiency Improvement & Greenhouse Gas Reduction Project	Oct-96		Aug-98	$4.11	$2.48	97.2%
19	UNDP	Egypt	Introduction of Viable Electric and Hybrid Electric Bus Technology	Nov-99		Mar-00	$0.75	$0.00	0.0%
20	UNDP	Fiji	Promoting Sustainability of Renewable Energy Technologies and Rural Renewable Energy Service Companies in Fiji	Feb-99		Jun-00	$0.74	$0.11	36.2%
21	UNDP	Ghana	Renewable Energy-based Electricity for Rural, Social and Economic Development	Aug-96		Jun-98	$2.47	$0.83	69.4%
22	World Bank/IFC	Global	Efficient Lighting Initiative (Tranch I) - Argentina, Peru, South Africa	Mar-99		Aug-99	$9.58		
23	World Bank/IFC	Global	Efficient Lighting Initiative (Tranch II) - Czech Republic, Hungary, Latvia, and Philippines			May-00	$5.65		
24	UNEP	Global	Fuel Cell Market Prospects and Intervention Strategy Options	Apr-00	Apr-00	Apr-00	$0.69	$0.46	66.7%
25	UNDP	Global	National Communications Support Program on Climate Change			Aug-98	$1.81		
26	World Bank/IFC	Global	Photovoltaic Market Transformation Initiative		Jun-98	Jul-98	$30.00	$0.00	0.0%
27	UNEP	Global	Redirecting Commercial Investment Decisions to Cleaner Technologies – a Technology Transfer Clearing House	Mar-99	Jul-99	Jul-99	$0.75	$0.50	66.7%
28	World Bank/IFC	Global	Renewable Energy and Energy Efficiency Fund (REEF)	Dec-97		Feb-00	$30.00		
29	World Bank/IFC	Hungary	Energy Efficiency Co-financing Program	Apr-96	Sep-96	Feb-97	$5.00	$3.75	88.2%
30	UNDP	India	Coalbed Methane Recovery and Commercial Utilization			May-98	$9.20	$0.32	7.2%
31	UNDP	India	Cost-effective Options for Limiting Greenhouse Gas Emissions (Selected Options for Stabilizing GHG Emissions for Sustainable Development)	May-93		Jun-98	$1.51	$0.41	34.7%
32	UNDP	India	Development of High-rate Biomethanation Processes as Means of Reducing Greenhouse Gas Emissions	May-92	Jan-94	Mar-94	$5.50	$2.87	87.1%
33	UNDP	India	Optimizing Development of Small Hydel Resources in Hilly Areas	Dec-91	Jan-94	Mar-94	$7.50	$7.20	100.0%
34	World Bank	India	Renewable Resources Management Project (Alternate Energy)	Dec-91	Dec-92	Apr-93	$27.62	$24.59	
35	World Bank	Indonesia	Solar Home Systems	Oct-95	Jan-97	Oct-97	$20.00		
36	UNDP	Jordan	Reduction of Methane Emissions and Utilization of Municipal Waste for Energy in Amman	Apr-96	Apr-96	Aug-97	$2.50	$3.45	98.6%
37	UNDP	Kenya	Removal of Barriers to Energy Conservation and Energy Efficiency in Small and Medium Enterprises	Oct-98		Apr-00	$3.19	$0.27	136.6%
38	World Bank	Lao PDR	Southern Provinces Rural Electrification Project			Feb-98	$0.74	$0.28	56.0%
39	World Bank	Latvia	Solid Waste Management		Feb-98	Jul-98	$5.12	$1.04	
40	World Bank	Lithuania	Klaipeda Geothermal Demonstration	May-95	May-96	Oct-96	$6.90	$6.90	100.0%
41	World Bank	Macedonia	Mini-hydropower Project	Dec-99		Apr-00	$0.75		
42	UNDP	Malaysia	Industrial Energy Efficiency and Improvement	Apr-98	Jul-99		$7.33	$1.41	34.3%
43	UNDP	Pakistan	Fuel Efficiency in the Road Transport Sector	May-92	Jul-95	May-96	$7.00	$1.33	69.3%
44	UNDP	Palestinian Authority and Egypt	Energy Efficiency Improvement & Greenhouse Gas Reduction	May-97		Jul-98	$2.48	$1.59	89.3%
45	UNDP	Peru	Photovoltaic-based Rural Electrification in Peru	Apr-98		Apr-99	$3.96	$0.33	17.9%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
46	UNDP	Philippines	Palawan New and Renewable Energy and Livelihood Support	Oct-99		Feb-00	$0.75	$0.21	66.8%
47	World Bank	Poland	Coal to Gas Conversion	Dec-91	Nov-94	Jun-95	$25.00	$6.69	
48	World Bank/IFC	Poland	Efficient Lighting Project	Dec-94	May-95	Aug-95	$5.00	$5.00	100.0%
49	UNDP	Regional	Building Capacity in the Maghreb to Respond to the Challenges and Opportunities Created by National Response to the Framework Convention on Climate Change.	May-93	Sep-94	Dec-94	$2.50	$1.25	53.0%
50	World Bank	Regional	CARICOM: Planning for Adaptation to Climate Change	May-95	Mar-97	Apr-97	$6.30		
51	UNDP	Regional	Control of Greenhouse Gas Emissions Through Energy Efficient Building Technology in West Africa (Côte d'Ivoire, Senegal)	Dec-92	Dec-94	Feb-95	$3.50	$3.45	98.6%
52	UNDP	Regional	The Creation and Strengthening of Capacity for Sustainable Development of Renewable Energies in Central America	Oct-99		Apr-00	$0.75	$0.35	90.1%
53	UNDP	Romania	Capacity Building for GHG Emission Reduction through Energy Efficiency Improvement			Sep-00	$2.27	$0.01	0.4%
54	UNDP	Russian Federation	Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Buildings and Heat Supply	Oct-96	Oct-96	Feb-98	$2.98	$1.81	91.0%
55	World Bank	Senegal	Sustainable Participatory Energy Management	Apr-96	Jun-97	Dec-97	$4.70		
56	World Bank	Sri Lanka	Energy Services Delivery	Apr-96	Mar-97	Jul-97	$5.90	$1.60	
57	UNDP	Sri Lanka	Renewable Energy and Energy Capacity Building	Apr-96		Jan-98	$1.51	$0.99	73.3%
58	UNDP	Sudan	Barrier Removal to Secure PV Market Penetration in Semi-urban Sudan	May-99		Jan-00	$0.75	$0.03	9.5%
59	UNDP	Sudan	Community-based Rangeland Rehabilitation for Carbon						
			Sequestration and Biodiversity	Dec-92	Aug-94	Oct-94	$1.50	$1.50	100.0%
60	UNDP	Syria	Supply-side Efficiency and Energy Conservation and Planning.	Oct-96		Nov-98	$4.07	$0.19	53.5%
61	UNDP	Tunisia	Barrier Removal to Encourage & Secure Implementation of Standards and Labeling of Cold Appliances and Transformation of the Cold Appliance Market	Feb-99		Apr-99	$0.71	$0.07	26.7%
62	World Bank	Tunisia	Solar Water Heating	May-93	Nov-94	May-95	$4.00	$2.87	
63	UNDP	Uganda	Photovoltaic Pilot Project for Rural Electrification	Oct-95		Nov-97	$1.76	$1.14	58.1%
		Total					**$400.04**	**$120.55**	**30.1%**

International Waters

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
1	UNDP	Regional	Building Partnerships in Environmental Protection and Management for the East Asian Seas (PEMSEA)	Nov-98	Oct-99	Oct-99	$16.22	$2.23	13.7%
2	UNDP	Regional	Building Environmental Citizenship to Support Transboundary						
			Pollution Reduction in the Danube: a Pilot Project in Hungary and Slovenia	Feb-00	Mar-00	Apr-00	$0.75	$0.48	64.0%
3	UNDP	Ukraine	Preparation of the Strategic Action Program for the Dnieper River Basin and Development of SAP Implementation Mechanism	Mar-98		Mar-00	$7.00	$1.47	21.0%
4	UNDP	Global	International Waters Distance Learning Project (IW: LEARN)	Jul-98		Mar-00	$1.94	$0.58	29.9%
5	UNDP	Global	Knowledge Sharing in International Waters - Train-Sea-Coast	Jul-98		Mar-00	$5.25		
6	UNDP	Global	Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries (GloBallast)	May-99		Feb-00	$7.61	$1.33	17.4%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
7	UNEP	Global	Global International Waters Assessment	Sep-97	Mar-99	Mar-99	$6.50	$1.26	19.4%
8	UNDP	Regional	Environmental Protection of the Rio de La Plata and Its Maritime Front: Pollution Prevention and Control and Habitat Restoration	Nov-98		Nov-99	$6.01	$0.49	8.2%
9	UNDP	Egypt	Egypt - Lake Manzala Engineered Wetlands	Dec-92	7-Jun	Jun-97	$4.50	$1.61	35.8%
10	UNDP	Regional	Preparation of Strategic Action Program (SAP) and Transboundary Diagnostic Analysis (TDA) for the Tumen River Area, Its Coastal Regions and Related Northeast Asian Environs	Mar-98		Jun-99	$5.20	$1.57	30.3%
11	UNDP	Regional	Implementation of the Strategic Action Program (SAP) of the Pacific Small Island Developing States (14 countries)	Jul-98		Feb-00	$12.29	$1.34	10.9%
12	UNDP/ UNEP/WB	Regional	Addressing Transboundary Environmental issues in the Caspian Environment Program	Nov-98	Apr-99	Apr-99	$8.34	$3.38	40.5%
13	UNDP/ UNEP/WB	Saudi Arabia	Implementation of the Strategic Action Program (SAP) for the Red Sea and Gulf of Aden	Nov-97	Feb-99	Sep-99	$19.34		0.0%
14	UNEP	Global	The Role of the Coastal Ocean in the Disturbed and Undisturbed Nutrient and Carbon Cycles	Oct-98	Jul-99	Jul-99	$0.72	$0.42	58.8%
15	UNEP	Brazil	Integrated Management of Land-based Activities in the Sao Francisco Basin	Jul-98	Oct-99	Oct-99	$4.77	$1.44	30.2%
16	UNEP	Brazil	Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin	Jul-98	Sep-99	Sep-99	$6.62	$2.95	44.6%
17	World Bank	Regional	Western Indian Ocean Oil Spill Contingency Planning	Jul-98	Dec-98	Mar-99	$3.16	$0.98	30.9%
18	World Bank	Regional (Kenya)	Lake Victoria Environmental Management	Apr-96	Jul-96	Mar-97	$35.00	$6.42	18.3%
19	World Bank	Regional (Tanzania)	Lake Victoria Environmental Management	Apr-96	Jul-96	Mar-97			
20	World Bank	Regional (Uganda)	Lake Victoria Environmental Management	Apr-96	Jul-96	Mar-97			
21	World Bank	Regional	Mekong River Water Utilization	Jun-99	Feb-00	Mar-00	$11.10	$1.07	9.6%
22	World Bank	Regional	Lake Ohrid Management	May-97	Jun-98	Dec-98	$4.28	$0.86	20.1%
23	World Bank	Regional	Water and Environmental Management of the Aral Sea Basin	May-97	Jun-98	Sep-98	$12.03	$3.70	30.8%
24	World Bank	Poland	Rural Environmental Protection	Jul-98	Nov-99	Mar-00	$3.00	$0.72	23.9%
25	World Bank	Regional	Ship-generated Waste Management	Dec-92	May-95	Nov-96	$12.50	$1.18	9.5%
26	World Bank	Jordan	Gulf of Aqaba Environmental Action Plan	Oct-95	Jun-96	Jun-96	$3.00	$1.65	55.2%
		Total					**$197.13**	**$37.13**	**18.8%**

Ozone

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
1	UNDP	Azerbaijan	Phase-out of Ozone Depleting Substances	Mar-98		Feb-99	$7.04	$7.04	100.0%
2	UNDP	Estonia	Phase-out of Ozone Depleting Substances	Jul-00		Aug-00	$0.97	$0.40	41.2%
3	UNDP	Latvia		Jul-97		2-Jun	$1.44	$1.25	86.8%
4	UNDP	Lithuania	Phase-out of Ozone Depleting Substances	Jul-97		May-98	$4.53	$4.24	93.6%

No.	IA	Country	Project Title	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ mil.)	Disbursed as of 6/30/01	Percentage Disbursed
5	UNEP	Regional	Initiating Early Phase-out of Methlyl Bromide in CEITs Through Awareness Raising, Policy Development, and Demonstration/ Training Activities	Sep-99	Mar-00	Mar-00	$0.66	$0.22	33.2%
6	UNEP	Regional	Promoting Compliance with the Trade and Licensing Provisions of the Montreal Protocol in Countries with Economies in Transition	Jan-98	Feb-98	Mar-98	$0.69	$0.44	63.3%
7	World Bank	Russian Federation	Phase-out of Ozone Depleting Substances	May-95	May-96	Sep-96	$60.00		0.0%
8	UNDP	Tajikistan	Phase-out of Ozone Depleting Substances	Jul-00		Sep-00	$1.15	$0.68	59.1%
9	UNDP	Turkmenistan	Phase-out of Ozone Depleting Substances	Oct-98		Feb-99	$0.52	$0.32	61.5%
10	World Bank	Ukraine	Phase-out of Ozone Depleting Substances	Jul-96	Jun-96	Mar-99	$23.20		0.0%
11	UNDP	Uzbekistan	Phase-out of Ozone Depleting Substances	Oct-98		Mar-99	$3.32	$2.72	81.9%
		Total					**$103.52**	**$17.31**	**16.7%**
		Grand Total					**$1,305.51**	**$404.89**	**31.0%**

APPENDIX B
GUIDELINES FOR THE 2001 PIR

1. THE 2001 PIR PROCESS AND SCHEDULE

The 2001 GEF PIR process will, as in 2000, involve: (1) PIR reviews by the Implementing Agencies (IAs) that will be submitted to the GEF M&E Team; (2) reviews of the PIR reports by GEF focal area task forces in their respective portfolios, and (3) a one-day interagency review meeting.

(1) The IA PIR for 2000 will be conducted between July and September, 2001. IA reports to GEF M&E team will be submitted *no later than September 25, 2001.* The agencies will submit (or make available on electronic databases):

- **individual project reports**
- **an overview of agency experience**
- **summary tables with project data**

(2) Once the IA reports are received by GEF M&E team, they will be distributed to program managers within GEFSEC and IA members of the four GEF focal area task forces. *Each focal area task force will schedule a review meeting* of their respective portfolios during *early to mid-November, 2000.* These reviews will focus on trends identified in the project reports, program and project cycle issues. The task force reviews will also draw on other material like the agency overviews and conclusions of earlier studies.

(3) Based on the reviews of the focal area task forces *an interagency meeting* will be held in early December, 2001.

2. INDIVIDUAL PROJECT REPORTS

Reports will be submitted on all full and medium-sized (but *not* pre-investment or individual country enabling activities) GEF projects which began implementation on or before June 30, 2000 and were in implementation during FY 2001, or for which the Implementation Completion Report, Performance Audit Reports or Evaluation Reports were prepared during that year. The reports should comprise:

2.1. **Project Name, Country and GEF Operational Program/EA/STRM**

2.2. **Brief Project Description**

A brief description (50-100 words)—in simple and direct language—of the project, what it is trying to achieve, its principal activities, and major accomplishments and/or problems during the past year. (Please *do not* repeat the project goal or objective in this section.)

[8] This should be the highest level in the project's Logical Framework, which is often labeled the "goal" to which the project contributes. Different Implementing Agencies are using different terms for this level. The World Bank often refers to this level as the "CAS Objective" and/or the "GEF Operational Program" or "Program Purpose." UNEP uses "overall objective" to describe this level, while UNDP recently has used "goal."

2.3. **Project "Goal"** [8]

Present a statement of the goal to which the project contributes.

2.4. **Indicators of Goal Achievement and Related Targets**

List the indicators being used to monitor progress toward achievement of the project's goal, together with any relevant target values for these indicators. If specific indicators are not identified, include a discussion of how the project manager is determining progress toward achievement of the goal, and state when project indicators will be put in place. For each indicator, include the *actual* level achieved.[9]

2.5. **Project Purpose** [10]

State the project's purpose or purposes.

2.6. **Indicators of Purpose Achievement and Related Targets**

List the indicators being used to monitor progress toward achievement of the project purpose(s), together with any relevant target values for each indicator. If specific indicators are not identified, include a discussion of how the project manager is determining progress toward achievement of the project purpose(s)[11], and state when project indicators will be put in place. For each indicator, include the actual level achieved.

2.7. **Assumptions and Risks Ratings**

List major assumptions identified in the project design and others that have been made since. Rate the risk that each assumption may seriously affect implementation or prospects for achieving project objectives. For this purpose, use the 4 point scale in Annex 1: high (H), substantial (S), modest (M) and low (L).

2.8. **Project Progress and Achievement Ratings**

Using the 4-point scales described in Annex 1, list the ratings for implementation progress (IP) and achievement of the project's purpose[12] for each project for 2000 and 2001. *This section should include assessment of risks and a brief explanation of the basis for the 2001 PIR ratings.* The reasons for any changes in ratings since 2000 should be discussed. For all projects rated "unsatisfactory" on either measure, and for projects where ratings have declined since 2000, this section should also include a description of actions being taken to address implementation problems.

2.9. **Issues During Implementation/ Management Adaptation Approaches**

Give an account of which significant policy, institutional, scientific and technical issues or changes that have arisen during project implementation, includ-

[9] It is understood that at this level, information may not be available on every indicator each year. Reports should include the most recent data on the goal-level indicators.
[10] This should be the second highest level in the project's Logical Framework, which is typically labeled as the "project purpose". Different Implementing Agencies are using different terms for this level. The World Bank often refers to this level as the "development objective" and/ or "global objective". UNEP uses "outcomes" to describe this level, while recent UNDP projects use "purpose."
[11] For example, UNDP projects are supposed to have "indicators of performance" that are rated and reported on in APRs.
[12] This has been referred to in past PIRs as the prospects for achieving the project's development/global environmental objective(s) (DO).

ing changes in project assumptions/ risks. Assess how well the project has responded to such issues/changes and describe the project's use of adaptive management or flexible approaches to reach project objectives.

2.10. **Demonstration Effects, Replicability of GEF Projects / Further Needs for Information Exchange**

Describe whether the project was designed to, or has otherwise engaged in, special efforts to draw and disseminate lessons and transferring knowledge—through workshops, exchange of personnel or other forms of cooperation—and whether this has had, or could be expected to have, demonstration and replication effects.

Discuss whether the project has further needs for receiving technical and operational knowledge, and suggest areas/issues that could be subject to enhanced knowledge/information exchange.

2.11. **Lessons Learned/Good Practice**

Describe lessons from experience and examples of good practice that have resulted from project implementation to date.

3. Summary Performance and Lessons Learned Overview

On the basis of the individual project reports each Implementing Agency should provide a narrative report that summarizes the conclusions of its internal PIR. This should include analysis of:

(a) the performance of its GEF projects (possibly relative to comparable non-GEF portfolios) on (i) length of time from formal IA approval to first disbursement, (ii) disbursement history, and (iii) project ratings;

(b) ratings of implementation progress (IP) and accomplishment of project purposes (DO), trends in each focal area, and common factors that appear to account for either deterioration or improvements in ratings in relation to those included in the 2000 PIR; and

(c) issues or topics for which:

- OPs require clarification or elaboration;
- additional operational guidance is needed on project development, implementation or evaluation;
- referral to STAP for scientific or technical advice is indicated;
- review in greater depth in M&E studies would be beneficial; and/or
- dissemination of good practices and lessons learned is recommended.

4. Project Lists/Status

The IAs should provide lists/portfolio status, as follows:

4.1. A list of all full and medium-sized (but *not* pre-investment or individual country enabling activities) GEF projects which began implementation on or before June 30, 2000 and were in implementation at least some part of FY2001 (for which individual reports will be prepared)

4.2. A brief status report on all projects for which:

a) funding was allocated in GEF Work Programs before June 30, 1999, but which have not been approved formally by the IA.

b) formal approval was made by the IA on or before September 30, 2000, but which have not begun disbursements by June 30, 2001.

4.3. A list of all GEF projects that were operationally completed *during* FY01. *Reports on these projects should also be included in the PIR.*

4.4. A list of (a) all mid-term reviews, evaluation reports (self evaluations or independent evaluations) and/or project completion reports that have been completed from July 1, 2000 through June 30, 2001, and (b) mid-term reviews, evaluation reports and/or implementation completion reports underway as of June 30, 2001, or planned through June 2002.

Annex 1 — Definition of Ratings

Implementation Progress Ratings

Highly Satisfactory/Good Practice (HS)	Implementation of all components is in substantial compliance with the original (or formally revised) implementation plan for the project. The project can be presented as "good practice".
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for a few that are subject to remedial action.
Partially Satisfactory (PS)	Implementation of several components is not in substantial compliance with the original/formally revised plan.
Unsatisfactory (U)	Implementation of most components is not in substantial compliance with the original/formally revised plan.

Project Purpose (Global Environment Objective/Development Objective) Ratings

Highly Satisfactory/Good Practice (HS)	Project is expected to achieve or exceed all its major purposes and global environmental objectives and yield substantial global environment benefits. The project can be presented as "good practice."
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives and purposes and to yield satisfactory global environmental benefits without major shortcomings.
Partially Satisfactory (PS)	Project is expected not to achieve several of its major global environmental objectives or purposes nor yield substantial global environmental results.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environment objectives or purposes or to yield worthwhile global environmental results.

Assumption and Risk Rating

Assumption and risk rating is often done on the basis a Logical Framework approach. The risk that individual assumptions relevant to the project may not prove to be accurate, and, may seriously affect implementation or prospects for achieving project objectives, should be rated on the following scale:

High Risk (H)	There is a probability of greater than 75 % that the assumption may fail to hold or materialize.
Substantial Risk (S)	There is a probability of between 51 % and 75 % that the assumption may fail to hold or materialize.
Modest Risk (M)	There is a probability of between 26 % and 50 % that the assumption may fail to hold or materialize.
Low Risk (L)	There is a probability of less than 25 % that the assumption may fail to hold or materialize.

APPENDIX C1
UNITED NATIONS DEVELOPMENT PROGRAMME
PIR OVERVIEW

INTRODUCTION

The annual GEF Project Implementation Review (PIR) complements the regular UNDP Monitoring and Evaluation procedures employed during project implementation.

The PIR covers only a subset of the UNDP/GEF's portfolio. According to the PIR selection criteria individual project information was collected for all full and medium-sized projects under implementation for a minimum of one year, as of June 30, 2001. Projects that were operationally completed before June 30, 2000 were not included in this year's review. A total of 96 projects qualified for the 2001 PIR—a 33% increase compared to 72 projects that reported on last year PIR.

In addition to reporting on the general performance of GEF projects, implementation progress and impact achievements, the 2001 PIR is the fourth year in which we have attempted to gather information on catalytic effects and resources leveraged. The report also includes a summary of trends and lessons learned from UNDP/GEF projects.

TRENDS AND LESSONS LEARNED

Catalytic Effects and Resources Leveraged

Catalytic effects refer to those consequences of UNDP/GEF interventions that are initiated or stimulated by project activities and which often go beyond contributing to project specific goals. Financial leveraging refers to funds mobilized in association with a GEF project, which is also being interpreted as a sign of the commitment of GEF recipient countries and others to protecting the global environment.

Dissemination

A significant outreach and dissemination effort is being conducted by a many projects. Taking full advantage of more easily available technologies such as the internet, engaging the mass media (*Talamanca-Caribbean Biological Corridor* project in Costa-Rica), supporting information centers and clearinghouses (*Commercialization of Renewable Energy* project in China and the *Energy Efficiency Improvement* project in Egypt), and also maintaining more "traditional" methods such as newsletters, seminars, or field visits. For example, UNDP/GEF projects are communicating with others at the local, national and international level, thus, showing their commitment to raise the awareness about global environmental issues as well as sharing lessons and technical knowledge gained through project implementation.

The IW:LEARN project, aimed at improving global management of transboundary water systems by increasing the capacity to replicate best practices and lessons across the GEF IW portfolio stands out in their contribution to share and disseminate knowledge on one particular GEF focal area.

Demonstration and Replicability

UNDP/GEF projects through their efforts to raise awareness, to strengthen institutions, and to share their knowledge and experience often

provide the inspirational basis for further project development and follow-up actions. Even though for many projects it is still too early to show replication of their activities, a number of projects in the PIR provide successful examples.

A variety of actors, from local governments, to bilateral and multilateral donors, NGOs or the scientific community, take the lead to follow up and replicate projects results. In India for example, the *Small Hydro* project has motivated various State Governments to set small hydro projects in remote and isolated locations. In Chile, the government has started the preparations for two important joint implementation projects after the positive experience gained by the country on issues related to removal of barriers after the implementation of the *Reduction of Greenhouse Gases* project. The *SABONET* project in Southern Africa has stimulated the formation of the East Africa *BOZONET* project focusing on the development of taxonomic capacity in the zoological and botanical fields in East Africa.

Formulation and Review of Policies and Legislation

UNDP/GEF projects continue to show significant results of their efforts dealing both directly and indirectly with the formulation and review of new and existing environmental policies and legislation at the national and local level.

In some cases, projects share their experiences, including specific research results and technical concepts as an input to current work in the development of policies (*Yemen Socotra, India Small Hydel Resources).* In other situations, projects initiate national policy dialogue on energy regulations (*West Africa Control of Greenhouse Emissions*), facilitate consultations (*Madagascar Environmental Program Support* project), or support building consensus and generating policy frameworks necessary to develop more specific legislation (*PEMSEA* project). In projects where new environmental legislation or the review of existing ones is a key component, proposals are pushed through the legislative process and brought to the attention of decision-makers (*Building Environmental Citizenship to Support Transboundary Pollution Reduction* project in the Danube).

Partnerships

UNDP/GEF projects interact with other organizations and similar interventions, benefiting from synergy effects and engaging in joint activities. This contributes to reducing overlaps between projects and donor competition.

Inter-Agency interaction (*Conservation of Arid and Semi-arid Ecosystems* project in the Caucasus, *West Africa Efficient Building Technology* project) is common and often results in sharing experience and information, access to databases, diagnosis reports and lessons learned, which ultimately result in significant savings in time and resources for the GEF as a whole.

Coordination and cooperation with other institutions is also encouraged and is even more evident in the case of Global Programs. The *Ballast Water Control* project for example reports building win-win relationships with other UN programs and GEF sister projects. Cooperative relations were established with the Secretariat of the Convention of BD, the *TRAIN SEA* coast project and the *GEF Caspian Sea Environment Programme*.

The *Small Grants Programme* has been particularly successful in forging strategic alliances with many initiatives and programmes such as the SGP-UNF Community Management of Protected Areas Conservation (COMPACT) project.

Private Sector Involvement

UNDP-GEF's portfolio of projects under implementation already has several projects in

each focal area which are exploring and have secured a variety of partnerships with the private sector in order to achieve global environmental benefits.

In climate change companies are involved in UNDP-GEF projects to promote energy efficiency technology and renewable energy technology to reduce GHG emissions. Their support is provided by helping designing marketing strategies and training retail stores on how to sell energy-saving products (*Barrier Removal for the Widespread Commercialization of Energy-efficient CFC-free Refrigerators in China) or* partnering with the UNDP-GEF project as volunteers for energy audits to achieve energy savings through reduced energy consumption in their manufacturing processes (*Sri Lanka Renewable Energy and Energy Capacity Building Project*).

In biodiversity conservation there are several projects (*Strengthening of National Capacity & Grassroots In-situ Conservation for Sustainable Biodiversity Protection, Mountain Areas Conservancy Project in Pakistan)* partnering with companies, particularly in the field of eco-tourism. Companies are assisting projects raise local revenues for conservation, employ local people to reduce pressure on the local natural resources and raising the ecological awareness of the tourists to reduce their negative impacts on the natural resources they visit. Another type of contribution by the private sector is direct allocation of funds to support local organisations involved in GEF projects for on-going conservation activities

Several of the International Water projects also are working closely with companies. (*PEMSEA*, *Tumen River, Caspian Environment Programme)*. The companies act as commercial sounding boards for projects to be developed, advise on financial and technical feasibility of proposed interventions and assist in identifying sources for private sector investment and make the necessary contacts to national investment houses. In return they are benefiting from increased market intelligence, introductions to senior national leaders from government and business and production promotion and good public relations.

Financial Leveraging

UNDP/GEF projects in the PIR 2001 portfolio continue to be successful in their leveraging efforts totaling US$ 381.3 million in resources to complement the funding from GEF resources maintaining the ratio of **one additional dollar leveraged for each dollar allocated by GEF** (or approximately 4 million on average per project) reported in last year's PIR.

Leveraging encompasses amounts mobilized up-front, during implementation and after completion including funds used for replication of successful projects and follow-up investments.

It is estimated that the actual resources leveraged are even higher than reported since many times these resources are not being adequately quantified and are not being included in the reports. Non-cash contributions such as sharing of equipment and office space, provision of free labor in the form of volunteers or non-remunerated part time collaboration, free or reduced cost of services such as advertising or coordination activities are common and result in important savings for the project.

Challenges and Lessons Learned

Several projects mention **limited capacity**, both of the project executing agents as well as in-country capacity at all three levels (individual, institutional and systemic) as a challenge for achieving the expected project results. Executing institutions are in some cases understaffed—usually due to budget limitations—, and lack personnel with the necessary technical, managerial and administrative skills. In addition, in-country capacity—at all three levels—might be limited in terms of absence of standards and regulations, lack of legislative

Sources of Leverage for UNDP/GEF Projects

	UNDP (TRAC)	UN Agency	Government	Donors*	Private sector	NGOs	Total
Co-financing leveraged before start-up (US$ million)	$17.8	$4.8	$97.5	$120.3	$51.7	$43.7	$ 33
Co-financing leveraged during implementation (US$ million)	$0	$0.5	$11.8	$15.9	$9.1	$8.2	$45.5
Total	$17.8	$5.3	$109.3	$136.2	$60.8	$51.9	$381.3

* Besides bilateral funding agencies, these numbers include funding from multilaterals, regional development banks, donor government ministries (or special funds) and foreign embassies.
** This column also includes funding from other projects, NGOs and private sector.

frameworks, or weak organization skills of community groups for example. There is therefore a clear need to systematically conduct assessments of relevant capacities at all three levels (individual, institutional and systemic) as part of project identification and preparation, including decisions on execution arrangements.

GEF projects are implemented in some cases in countries governed by young democracies, under **unstable political environments**, or even involved in armed conflict. These factors pose great challenges since they often result in frequent changes of staff, revision of policies and priorities, and the need to review resource allocations.

The decision on the appropriate **time frame** for implementation is a crucial one and a requisite for project success. An adequate time frame ensures an acceptable ratio between personnel and administration costs versus total project budget, sets realistic expectations for all stakeholders, and contributes to project sustainability by investing the time necessary to consolidate the processes that build solid foundations for project implementation. Time required during the inception phases is often underestimated. Trade-offs between capacity development efforts and implementation plans need to be recognized and reflected in project plans.

Several UNDP/GEF projects provide successful stories and lessons about **working with communities**. The *South Pacific Biodiversity Conservation Program* for example reports that spiritual and cultural beliefs can be powerful driving forces for conservation. The project understood their importance and incorporated them into its strategy in order to be successful. The *Panama Darien Conservation* project provides a good example in the management of resources in communities. Potential conflicts with project beneficiaries of a micro-credit initiative regarding distribution issues and ownership were minimized by ensuring their full involvement in the design and implementation of the most adequate model for their needs. The result is that for the first time, payback has been over 90%.

UNDP/GEF projects also offer numerous examples of **adaptive management** in response to challenges faced at different stages of implementation. For example, during the first year of implementation the *Mesoamerican Biological Corridor* project organized a workshop to review the consistency of the PRODOC in the context of the new regional

situation. In other cases, revisions are carried out later during implementation when necessary *(Building Capacity to Respond to Challenges of UNFCCC* project in Morocco). Budgets, logical frameworks and staffing needs are adapted and amended during the life of the project according to changing local conditions, monitoring of assumptions, and also to take into consideration lessons learned through project activities.

The **innovative character** of certain projects is illustrated by the *Agro-biodiversity* project in Jordan, Lebanon, Syria, and the Palestine authority. This is the first and only in situ conservation project working at the same time on landraces and wild relatives in the region. The promotion and incorporation of its concept to economic and development processes at national end regional level will require considerable additional effort compared to other traditional practices. Working in different ecosystems and under different implementation arrangements (NEX, DEX and NGO) will also need to be carefully managed.

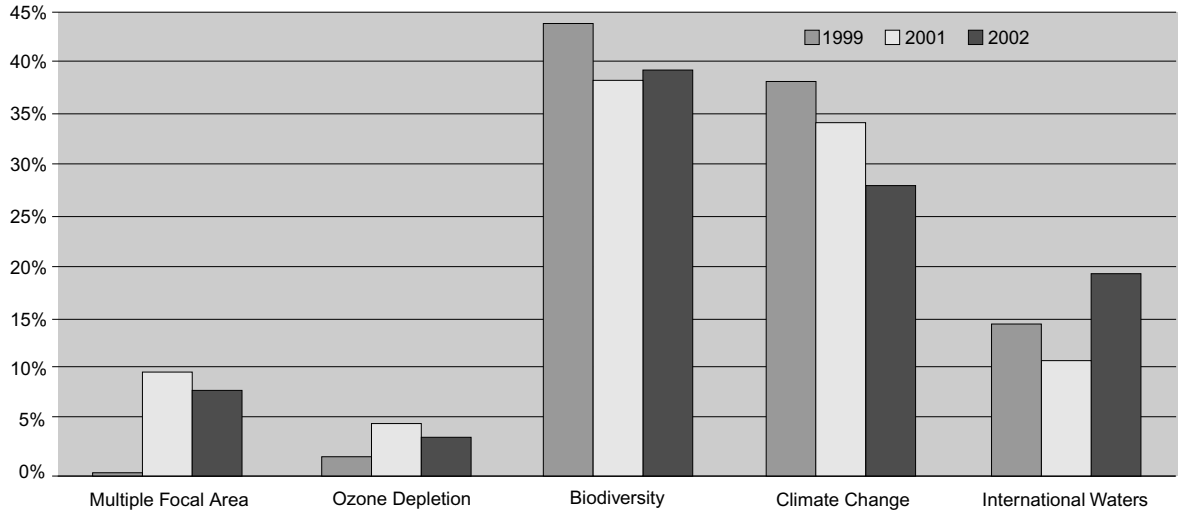
Portfolio Overview

Since the initiation of the annual Project Implementation Review in 1995 the UNDP/ GEF annual approved Work Programme has grown from $30 million in FY 95 to over $ 161 million in FY 01. Consequently the number of projects for which monitoring information needs to be collected, analyzed and consolidated during the PIR process is increasing steadily.

With 39 projects (or 41%) the biodiversity focal area has the biggest share of the PIR portfolio, with the climate change portfolio being a close second with 36 projects (or 37 %). There were 12 international waters projects under review and the PIR this year did also include 7 ozone depletion projects and two in the multiple focal area category (GEF Small Grants Programme and the Country Dialogue Workshops Programme).

The distribution of PIR projects by focal area over the last three years is presented in the following graph:

PIR 99/00/01 Comparison: Distribution of GEF Fundinding Projects by Focal Area.[13]
PIR 1999/2000/2001 Comparison: % of projects by Focal Areas

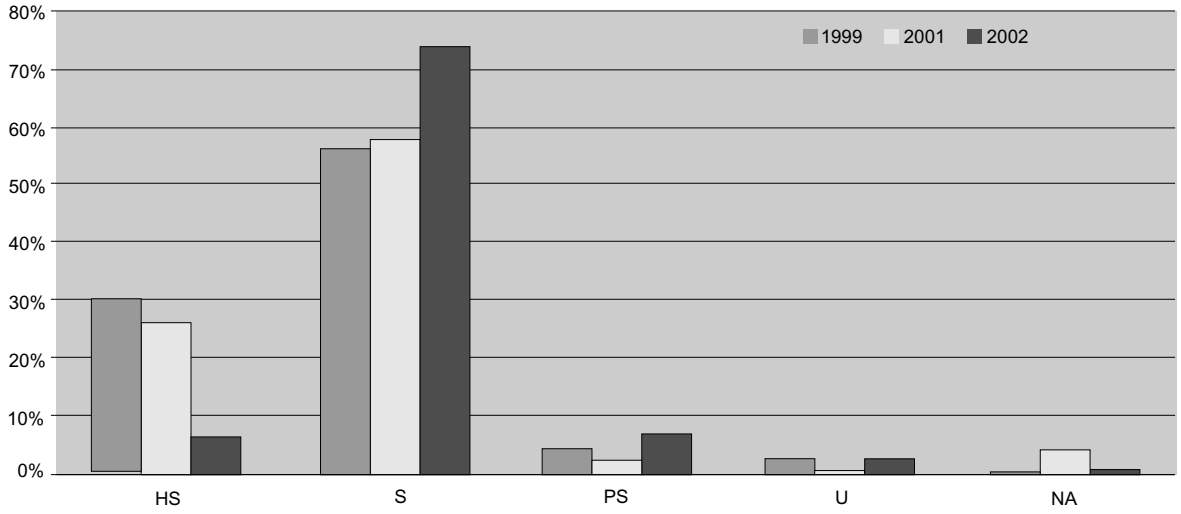


[13] Regional Projects are counted as one project regardless of number of participating countries. Small Grants Programme is counted as one project (the SGP approved 405 projects for a total of $10.4 million of GEF funding during the reporting period)

The distribution of PIR projects by type of executing agency is presented in the following table:

Type	Number of projects	Percentage
NEX/Government [14]	54	56%
UNOPS	29	31%
Other UN Agency	5	5%
NGO	8	8%
Total	**96**	**100%**

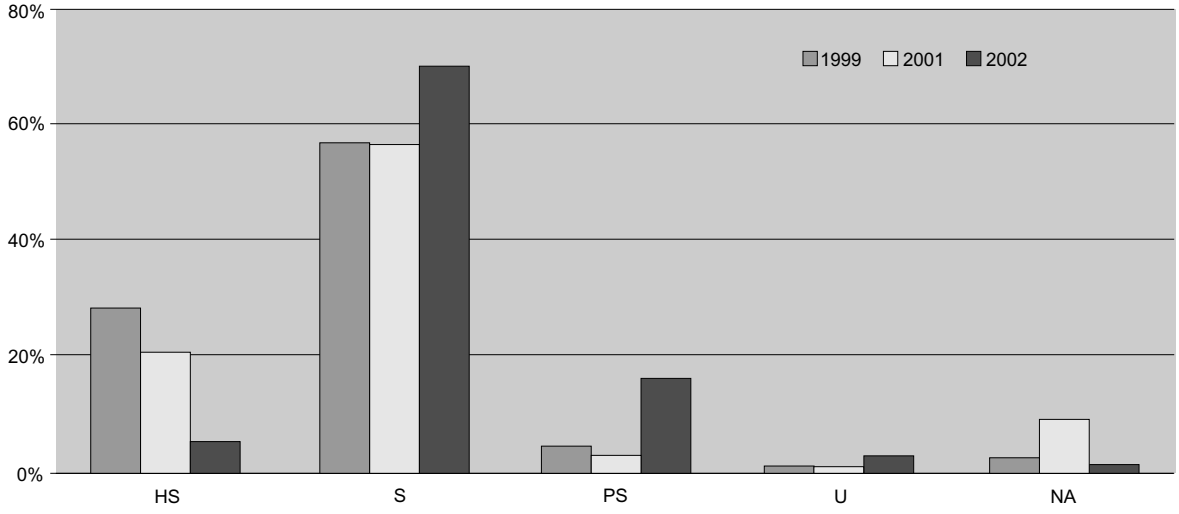
Ratings for Immediate Objectives 99/00/01



Using the rating categories provided in the PIR guidelines a total of 9 projects were rated highly satisfactory (HS) and 75 projects satisfactory (S) on impact achievement, representing about 87% of the PIR 01 portfolio. One project reported that it was too early in implementation to measure the potential impact of project activities. Only three projects rated its potential impact achievement with unsatisfactory (U). Compared to FY 99 and FY 00, this seems to continue a trend of high potential impact achievement for UNDP/GEF projects. The picture for the rating of implementation progress looks fairly similar. A total of six projects report highly satisfactory progress; 72 projects report satisfactory progress in implementation. Only one project rated the achievement of its immediate objectives as unsatisfactory. These figures translate into a success rate of 88% for UNDP/GEF rated projects.

[14] Includes three projects executed by intergovernmental organizations

RATINGS FOR DEVELOPMENT OBJECTIVE 99/00/01



Appendix C2
United Nations Environment Programme
PIR Overview

Portfolio Overview and Status

UNEP's GEF Project Implementation Review (PIR) for FY 2001 covered a total of 15 full and medium size projects. This excludes jointly implemented projects, in which UNEP is not the lead agency. The portfolio under review included 7 biodiversity projects, 2 climate change projects, 4 international waters projects and 2 projects dealing with protection of the ozone layer.

UNEP's overall GEF portfolio consists of 22 full size projects, 19 medium size projects, 9 PDF As, 27 PDF Bs, and 76 Enabling Activities, including the clearinghouse add-on modules for biodiversity enabling activities. Of the 22 full size projects in the portfolio, 7 are on biodiversity including biosafety and land degradation, 4 on climate change, and 11 on international waters including POPs. This includes 2 full sized projects and 4 PDF Bs that are jointly implemented, with the UNEP as the lead agency. Of the 19 medium sized projects, 9 are on biodiversity, 2 on climate change, 3 on international waters, 2 on protection of the ozone layer, and 3 in the multiple focal area. The PIR for FY 2001 is therefore reviewing approximately 38 % of the overall portfolio of UNEP's GEF full and medium size projects.

All UNEP GEF financed projects endorsed into the GEF Work Programme before June 30, 1998 have been committed (i.e. internally approved by UNEP). Among them those projects, which have not yet been under implementation for more than one year, are not subject to the FY 2001 PIR, but will be under review in the FY 2002 PIR.

The following eight projects were completed in the preceding fiscal year: "Biodiversity Country Studies - Phase I/Phase II", "Economics of GHG Limitation-Phase I", "Global Biodiversity Assessment", "Pilot Biosafetry Enabling Activity", "A Participatory Approach to Managing the Environment: An Input to the Inter-American Strategy for Participation", "Strategic Action Programme for the Binational Basin of the Bermejo River", and "Rescue Plan for the Cap Blanc Colony of the Mediterranean Monk Seal".

Summary Performance and Lessons Learned

A. Overview

(i) Disbursement History

The average time frame from formal IA approval to first disbursement of UNEP's GEF project has been reduced to 2 weeks. For all GEF funded projects that have been formally approved by UNEP on or before September 30, 1999, disbursements have already begun.

(ii) Ratings of Implementation Progress

On average, UNEP projects reviewed during PIR 2001 had a rating of (S) for Implementation Progress. This was similar to the average ratings of the FY 2000 PIR. The implementation progress is significantly influenced by the level and effectiveness of coordination and

mobilization of institutions and individuals participating in project design and implementation. Most of UNEP's projects reviewed this year are multi-country projects, which involve a large number of countries than in most conventional GEF projects. Projects, which exceed the original project implementation plans by approximately one year, have to undergo an Internal UNEP Project Revisions to enable an extension of project duration.

(iii) Accomplishment of Project Purpose

Among 15 projects covered by this year's PIR (See paragraph 9 below for detail), three were assessed "Highly Satisfactory", ten "Satisfactory, and two "Partially Satisfactory". In terms of percentage, those evaluated "Highly Satisfactory" have decreased, while those rated "Satisfactory" have increased. This does not necessarily mean the level of achievement of the UNEP's GEF projects has deteriorated this year. Rather it is the result of more rigorous PIR exercise conducted within UNEP this year.

This year's portfolio can be divided into four different types of projects: (i) assessment and knowledge management, (ii) development of tools and methodologies, (iii) management of trans-boundary and critical ecosystems, and (iv) short-term emergency response measures.

UNEP's GEF projects reviewed in the FY 2001 PIR exercise include several activities related to assessment and good practices on selected issues.

The GIWA (Global International Waters Assessment) project, the first systematic global assessment of the environmental conditions and problems in International Waters, has dealt with initial implementation difficulties. Although the implementation is still behind the original schedule, basic methodologies have been developed, the GIWA network has been expanded to cover almost all sub-regions originally planned, and the GIWA home page has been set up.

The Alien Species project (Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity) was instrumental in generating best practices to prevent, control and eradicate alien species that threaten biodiversity. The project developed various publications including a Toolkit of Best Prevention and Management Practices for Invasive Alien Species, and developed Global Invasive Species Database.

The Arid and Semi-Arid project (Promoting Best Practices for Conservation and Sustainable Use of Biodiversity of Global Significance in Arid and Semi-Arid Zones) has increased cooperation and coordination of activities between Institutions of Excellence in both biodiversity and land degradation through the analyses of relevant experiences and best practices. An all participating meeting was held in April 2001 and numerous additional draft case studies are being included into the project.

The Fuel Cell project (Fuel Cell Market Prospects and Interventions Strategy Options) has conducted an analysis of market prospects for fuel cell bus and distributed power generation and intervention strategy options. Two international workshops were successfully convened and the Fuel Cell Bus Strategy Note was provided to the November 2000 GEF Council Meeting.

The Carbon Cycles project (The Role of the Coastal Ocean in the Disturbed Nutrient and Carbon Cycles) aims at e valuating coastal system eutrophication, and changes, regional forcings, and function of the global coastal systems to act as sinks or sources of carbon and nitrogen. Planned activities including workshops, training, networking through the mentor system, and development of new system models were all implemented successfully as planned.

A substantial part of UNEP's portfolio is related to development of tools, methodologies

and guidelines for sound environmental management. These projects have assisted countries in strengthening necessary building blocks and a scientific basis for developing national strategies and frameworks for the GEF focal areas.

The PLEC (People, Land Management and Environmental Change) project has been developing sustainable and participatory approaches to biodiversity conservation within agricultural and other natural resource management systems. The 3rd year of PLEC implementation has been very active and very productive. At the global level, "PLEC Agrodiversity Database Manual" and "Guideline for Field Assessment of Land Degradtion" have been developed. Twenty-one demonstration sites have been actively involved in surveys, assessment and networking.

The Baringo project (Lake Baringo Community-based Integrated Land and Water Management) started its implementation. This project prompted the designation of the Lake Baringo as a Ramsar site and succeeded in involving various actors in the region.

The Indicator Model project (Indicator Model for Dryland Ecosystems in Latin America) is aimed at providing the GEF and its partners with a tool to collate, organize and better understand linkages between land degradation, biodiversity loss, and community impacts in dryland areas. The indicators model software has been developed and three pilot projects in Mexico, Chile, and Brazil have been executed.

The Commercial Investment Decisions project (Redirecting Commercial Investment Decisions in Cleaner Technologies—a Technology Transfer Clearinghouse) aims at promoting commercial investments in renewable energy technologies and energy efficiency by providing financial institutions with advice and information concerning specific investments. The Investment Advisory Facility has now supported 11 different investment evaluations. The project has easily surpassed the GHG mitigation target of 1 million tons CO_2 avoided.

The ODS Compliance project (Promoting Compliance with the Trade and Licensing Provisions of the Montreal protocol in Countries with Economies in Transition) promoted adoption of licensing regulations to prevent illegal trade in ozone depleting substances. Nineteen out of twenty participating countries successfully introduced national ODS legislation.

The Methyl Bromide project (Initiating Early Phase-out of Methyl Bromide in CEITs through Awareness Raising, Policy Development and Demonstration/Training Activities) is a regional initiative to assist CEITs in achieving an early implementation of methyl bromide phase-out provisions of the Montreal Protocol. The project has successfully implemented the expected activities for the reporting period.

Of the 15 projects reviewed, two projects fall under the category of trans-boundary/critical ecosystem management. Both the Sao Francisco project (Integrated Management of Land-based Activities in the Sao Francisco Basin) and the Pantanal project (Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin) are to support an integrated approach in the planning and management for ecologically critical water bodies. Under the Sao Francisco project about 80 % of the relevant information and data have already been collected. Eighteen out of 24 project activities are already on going. Under the Pantanal project, data and information necessary for the diagnostic analysis have been collected. Some good preliminary results have been obtained from the demonstration projects.

The last type of UNEP GEF financed projects covered in the FY 2001 PIR includes two

emergency short-term measure projects. The main issue in question is to ensure that these projects help prevent emergency situations from recurring or address them in an effective manner, should the situation arise again.

The Indonesian Forest Fires project (Emergency Response to Combat Forest Fires in Indonesia to Prevent Haze in South East Asia) assisted countries in the region to coordinate their efforts to mitigate the short and long-term impacts of forest fires. Although the overall project implementation was delayed, remaining activities such as establishment of GIS database and some training activities were successfully completed. This project is rather unique as it aimed to address an emergency situation. As such, assessment of this project should take into account the peculiar situation in Indonesia and South East Asia at the time of the fire emergency.

The Lop Nur project (Lop Nur Nature Sanctuary Biodiversity Conservation) in China has successfully established a nature sanctuary to protect wild camels and other species. Institutional capacity necessary for the newly created sanctuary has been strengthened. An international conference held in Beijing promoted cooperation with Mongolia to protect the wild camel.

B. Lessons Learned

I. Introduction

Fifteen UNEP GEF financed projects are reviewed this year. Eleven are multi-country projects and the rest single-country projects. Major components of these projects are assessment, development of tools, methodologies and guidelines for sound environmental management, preparation of environmental plans and strategies, enabling activities, and demonstration projects. Experience in implementing such type of projects could enrich the GEF's body of knowledge, which in turn contributes to more effective implementation of similar projects in the future.

The following chapters consist of three parts, (i) Project Impacts, (ii) Issues during Implementation, and (iii) Participation/ Communications/Demonstrations.

II. Project Impacts

All projects are implemented to create intended impacts. As a matter of fact a project can be seen as a process to generate intended impacts over a certain period of time. Project impacts are initiated at the project preparation stage, are magnified during project implementation, and fade, stay, or proliferate at the stage following project completion.

Project impacts could take various forms. Impacts created by UNEP/GEF projects for this year are discussed from the following perspectives, (i) international impacts, (ii) innovation, (iii) legislative impacts, (iv) UNEP's comparative advantage, (v) multi-country approach, and (vi) clear objectives and sound project design.

(i) International Impacts

Project impacts could be created at the international or regional level by both multi-county projects and single country projects. International impacts once created may generate extensive influence upon related policies and programs of both developed and developing countries in the world. If an international impact is taken up by a relevant international environmental convention forum, chances are much higher that such an impact may proliferate to other countries.

The Alien Species project supported GISP (The Global Invasive Species Programme), which in turn has contributed to the development of the Interim Guiding Principles for the implementation of Article 8(h) of the CBD presented at SBSTTA 6 and will be finalized

at the Conference of the Parties in 2002 (COP 6). Three consultative documents on invasive alien species were provided by the GISP team as commissioned by the CBD.

The ODS Compliance project prompted the bringing up of the issue of illegal trade in ODS and ODS containing products to the Meeting of Parties (MOP) of the Monreal Protocol. This issue had been extensively discussed among participating countries during the two regional workshops under the project. A Decision was taken by MOP on this issue at its 12th meting.
The Lop Nor project is a single country project, but the international conference held in Beijing in August 2000 on the protection of the Wild Bactrian camel resulted in promoting cooperation between China and Mongolia.
The Baringo project is again a single country project implemented in Kenya. The project has contributed to the development of supportive policies for environmental conservation and the Lake Baringo ecosystem has been enlisted as Kenya's fourth RAMSAR site in recognition of the international importance of the lake ecosystem.

(ii) Innovation

UNEP has been actively promoting innovative approaches through a number of GEF projects. Once such approaches are proven effective, the replication potential could become far-reaching. Although risk associated with innovative approaches is usually higher than that of conventional approaches, it is worthwhile for GEF to give more support to such projects.

The Investment Advisory Facility (IAF) activity introduced by the Commercial Investment Decisions project has demonstrated significant effectiveness of this approach. By addressing information barriers for financiers, the project has helped them build the capacity to take rational investment decisions in the renewal energy and energy efficiency sector. This approach seems to be an effective way to provide significant leverage to GEF resources, since information barriers can be quite cheap to address compared to subsequent investment decisions. The success of this approach has led to two subsequent actions: continued support of this approach by the Sustainable Alternatives Network and similar service by UNEP for a different target group (i.e. policy decision makers).

PLEC introduced on-farm "expert farmers"-led demonstrations i.e. local expert farmers teach others on conservation farming. As PLEC demonstration models are being further improved, they are now also being replicated by other projects or organizations. In Brazil and Tanzania, several rural extension and conservation programms are adopting PLEC's demonstration approaches. Even international attention is being paid to this innovative approach.

The Regional Mentor scheme introduced by Carbon Cycles project proved very effective. A few experts are appointed respectively for Asia, Central America and South Africa. They provide training through workshops, extend the network of committed scientists, and develop tools and methods for university course curricula. They are vital contributors in the total project management, development and decisions framework. This scheme is highly transportable to any integrated project. The model has already attracted strong attention from UNESCO's Intergovernmental Oceanographic Commission and is being pursued as a model for implementation of the GOOS program.

(iii) Legislative Impacts

Projects which have successfully prompted relevant national legislation are considered quite effective in creating sustainable impacts. This is because legislative action usually makes a country truly committed to project objectives. Further such action creates long lasting enabling environment, in which capacities of relevant institutions are to be strengthened.

The ODS Compliance project was fundamental in catalysing the political will in participating countries, and in assisting them in establishing an ODS licensing system. The project enabled 19 out of 20 participating countries to introduce ODS licensing regulations. To help these countries implement the regulations, staff training and other assistance have been provided under the project.

The Lop Nor project resulted in a creation of a new nature reserve called the Arjin Shan Lop Nur Nature Reserve. It was gazetted as a provincial protected area by the Xinjiang Uighur Autonomous Region Government in May 2000.

(iv) UNEP's Comparative Advantage

One of the prominent features of UNEP's GEF projects is its strong scientific orientation. This is a reflection of one of UNEP's comparative advantages within GEF, its extensive linkage to scientific organizations. This approach is effective because scientific findings are in many cases the basis for subsequent corrective actions.

The Fuel Cell project is a good example, in which UNEP has been instrumental in developing broad strategy and bringing in scientific aspects of a strategy. In the case of this study, linking to the long term IPCC mitigation and emissions scenarios is critical to making a solid case for early investment in fuel cell applications.

The Alien Species project demonstrated through the successful implementation of the project that to address scientific information gaps that are directly linked to practical resource management issues is cost-effective, and to ally with the scientific community is essential in producing high quality outputs.

(v) Multi-Country Approach

Global environmental problems cannot be dealt with solely by any single county. Coordinated actions are always necessary by countries concerned. In many cases the regional approach is considered useful, because countries in a region tend to have political, social, economic and cultural factors in common, although in different degrees. The regional approach is also essential to protect transboundary ecosystems.

The Alien Species project found that problems that arise as the issue of invasive alien species are variable with respect to specific regions. This necessitates cooperation among governments and other stakeholders in initiating innovative approaches to address the issue. They will be the focus of the next phase of GISP.

The Methyl Bromide project created significant impacts at national level through the regional approach. The Policy Development Workshop developed national action plans, enabled mutual leaning about different policy approaches to phase out methyl bromide, and helped to establish a network of policy experts among participating countries. A demonstration project has provided useful technical information concerning alternative substances to methyl bromide, which could be applied to major crops in the region.

(vi) Clear Objectives and Sound Project Design

Without clear visions, goals and objectives, projects cannot be managed properly, hence no significant impacts are created. Indeed clear understanding of project objectives is a key to smooth and successful project implementation.

The Indonesian Forest Fires project was approved in an expedited manner, since it was an emergency response measure project. This lack of time for project preparation could have resulted in the setting of unrealistic objectives and in developing unattainable time frames for various activities. The project could have been more effective if more time and effort had been spent at the beginning on preparation, review

and assessment of the real need and activities of the project.

GIWA quoted a lesson learned from the methodology development that a qualitative description of the assessment process should have been prepared before discussions on detailed quantitative methodologies. This is another example for a need to share clear vision regarding a key project element.

The Carbon Cycles project has been very successfully implemented. The clear understanding of project objectives by all participating parties has been an important factor for this success.

III. Issues During Implementation

There are many factors, which influence smooth and effective implementation of a project. These factors are, in general, managed in terms of (i) time, (ii) resources, (iii) institution, and (iv) staffing.

(i) Time Management

Delay in project implementation is not uncommon. Time is a scarce resource, thus strict time management is essential. Strong commitment to a project tends to dissipate if a project is significantly delayed. However the consequence of delays is not always negative. In some cases the original timeframe could be viewed as an optimistic estimation. Often delays result in improved coordination and participation, which will in the end contribute to the successful implementation of a project.

The Indonesian Forest Fires project was delayed more than one year. Causes of the delay included unrealistic original time schedules, unattainable objectives setting, and unexpected changes in key project staff. However, persistent efforts made by those involved in the project have brought it close to completion, with most of the originally planned activities properly executed.

GIWA suffered from initial start up difficulties. Selection and appointment of key project staff, underestimation of time necessary for establishing a global network, and technical difficulties encountered to develop universal methodologies all contributed to the delay. Remedial actions have been taken and the project is now being put back to the normal track. At the moment the delay is about six months.

Frequent changes in key project staff and the consequent discontinuity caused a delay to both the Sao Franscisco project and the Pantanal project in an average of six months. The technical coordinator and the national director in charge of this project have been changed two or three times during a short period after their inception towards the end of 1999. It is important, however, to note that these staff changes were in part due to the major change in the recipient government structure, a factor external to these two projects. The two projects are now being implemented smoothly with competent staff and renewed government commitment.

(ii) Resources Management

Any project has certain risks or uncertainties, which may prevent smooth project implementation. Flexible management of project resources such as funds and back up plans could be a key to handling manifested risks and uncertainties.

The Carbon Cycles project encountered unexpected lack of progress in the development of South Asian databases. Additional funding was secured from a non-GEF source and field data gathering capacity was strengthened with direct assistance from LOICZ, the executing agency of this project. Furthermore a training scholarship is planned for this region for 2002 to cope better with the problem

The Arid and Semi-Arid project noticed at an early stage of its implementation that

participants would benefit from face-to-face discussions to share project goals and purposes, to identify processes to improve case studies, and to identify region-specific project agenda. Consequently, the project was revised to accommodate an all participants meeting.

(iii) Institutional Arrangements

Competence and efficiency of executing agencies is an essential element for successful project implementation. Careful consideration is necessary to provide conditions, which make project offices competent and efficient. Also important is the inter-agency cooperation. Without agreement on roles and responsibilities of each of the executing and participating agencies, efficient project implementation cannot be ensured.

Location of the project office is an important factor for efficient project implementation. The project office of the Baringo project was moved at the initiation of the project and is now hosted by a branch office of a national research institute located in the project area. This has strengthened the land management, including soil fertility regeneration activities of the project and also provided opportunities for interactions between researchers at the institute and project staff.

Under the Indicator Model project the Chilean working group has set up a unique implementation arrangement, combining three different types of institutions, one from the government, another from the NGO and the last from the academia. This arrangement has been very useful in delivering diversified expertise required by this project.

Interagency coordination is essential and in some cases it is the key to the success. In the case of the Fuel Cell project, there has been a high level of cooperation between UNDP, WB, IFC and UNEP, which has contributed to the high quality outcomes of the project.

The ODS Compliance project has promoted the strengthening of direct co-operation between environmental and customs authorities as one of the main instruments for effectively monitoring and controlling the import and export of ODS in the region. This concern was addressed at two regional workshops organized under this project, to which staff from both environmental and customs authorities were invited. Significant need still exists to strengthen such efforts at the national level. This co-operation has in some countries materialised in national workshops for government authorities on ODS legislation and policies.

(iv) Staffing

Without dedicated staff with required expertise, projects cannot be successfully executed. Since many projects last over several years, however, change in key project staff in the middle of the project should be considered as a risk. A sound back up plan is necessary to avoid disruption in the project implementation, should unexpected staff change become a reality.

PLEC suffered from personnel transfer, departure and death of several key project staff, which substantially affected project implementation. The original project document identified the personal transfer at participating institutions as a risk. This risk was considered to be addressed by, among other things, identifying back up leadership and inter cluster collaboration. Measures were taken to address these initial staffing problems. As a result, these "losses" have now been recovered and the project implementation has resumed almost back to the originally anticipated level.

GIWA has encountered staffing problems. The initial weakness of the core team of both the number of professional staff involved in executing the substantive work of the project as well as in terms of their capacity and understanding of the actions required to meet project mile stones has led to the substantial project delay. The Scientific Director and the

Southern Hemisphere Co-ordinator had to be replaced. Consultants were hired to fill vacant posts as an interim measure. The linkages between the Core Team and the University of Kalmar have been strengthened drawing into GIWA a few experts. In addition, a strong backstopping support has been provided by the UNEP Headquarters to the Core Team. As a result, the project has been put in the normal track of operations, although still its implementation is about six months behind the schedule.

Both the Sao Francisco project and the Pantanal project suffered from an initial staffing problem. The technical coordinator and the national coordinator have been changed a few times for both projects after its inception in late 1999. These personnel changes were at least in part due to requests from the recipient government. Also related was the change in the government structure, which had direct linkage to these projects. Mainly due to these changes in key project staff, both projects were delayed by about six months. The staffing problem encountered by these two projects has now been properly addressed.

IV. Communications /Participation/ Demonstrations

Three different groups of people are usually identified in relation to a project. The first group is those who promote a project. They are project proponents, which include staff of the executing agencies and participating organizations. Communications are mostly related to exchange of ideas and information among this first group. The second group is local people residing in project areas. They could benefit or suffer from the project. The word "participation" is mainly meant for this group of people, who are expected to be involved in project activities. The third group is people not living in project areas. Those people cannot participate in the project, but they could become interested to replicate similar projects in their areas. Thus the third group of people are the target of "demonstration" activities.

(i) Communications

Although the use of internet has significantly facilitated communications mainly among executing and participating agencies, questions still remain on how the internet should be effectively used. A number of different approaches have been tried for better communications.

In the Indicator Model project, communications between the partners in Chile, Mexico and Brazil and the U.S. remain a challenge. Internet communication works well in some instances to achieve consensus but in others has failed. In fact the partners agreed that consensus could only be reached via a face-to-face meeting. The partners are working to better coordinate activities via internet but this is likely to be a continuing challenge for coordinating results of the team efforts in Chile, Mexico and Brazil.

Two regional workshops were held under the ODS Compliance project. During the workshops, establishment of an informal network among participating countries was discussed. Such a network would further facilitate the exchange of information and experiences between country focal points and with international experts. It is likely that two informal networks will be developed for each of the two sub-regions involved.

The internet has been used in a variety of ways to meet different needs of each project. The Carbon Cycles project developed the website "publication" mechanisms so that everyone is identified with their quality contribution. The Methyl Bromide project was linked to RUMBA, which was established on the internet to provide up-to-date information on experiences with alternatives to methyl bromide. GIWA used its website for a peer review. PLEC organized an email forum to exchange ideas on studying relationships between biodiversity and

agrodiversity. The Sao Franscisco and Pantanal projects established an interactive website to ensure proper information exchange among project proponents. It is expected more effective use of the internet will be identified through these valuable experiences.

(ii) Participation

Participation is an essential element to determine the impact of a project. As a matter of fact, participation could be viewed as the most important factor underlying sustainability of a project. More specifically participation is important because (i) various concerns of stakeholders can be accommodated to avoid future potential conflicts, (ii) diversified information and ideas can be obtained and generated in the process, and (iii) overall increase in the level of commitments through strengthened ownership of those involved.

Regarding PLEC, full involvement of farmers has been a fundamental feature of the project philosophy and design, and the result has been very encouraging. In particular the expert farmers' lead demonstration approach has been successful in expanding participation. Recognition of the value of farmers' knowledge in agrodiversity is important and pays off when involving them as educators of their fellow non-expert colleagues.

The Baringo project has succeeded in mobilising local communities in the catchment. A large number of farmers were trained in sustainable agriculture and dry land agroforestry. In addition study tours on alternative sustainable livelihoods for targeted groups were organized, and a moratorium on fishing has been introduced. The project has also been successful in forging partnerships with local NGOs.

The Methyl Bromide project has been carried out in such a way that countries are fully involved and have ownership over all of the activities. The regional workshops adopted a format that relied upon full participation of all countries. A similar approach was taken for carrying out the national surveys and reports. The countries themselves organized their own national survey teams to carry out the surveys, while UNEP provided technical advice and peer review. Countries also incorporated stakeholder involvement into the national action plans developed under this project. Furthermore, representatives from methyl bromide user organizations and other agricultural organizations participated in the training workshops and the seminar on the demonstration project.

The draft scaling/scoping methodology developed under GIWA was peer reviewed by a large number of independent experts. The draft was placed on the GIWA website to ensure all those interested could make comments. In addition, the GIWA network building has continued throughout the period. Now the network covers 62 sub-regions out of 66 originally envisaged.

(iii) Demonstration/Dissemination

Demonstration and dissemination of project outcomes is an important activity to promote replication of successful projects in other areas. As touched upon below, there are many ways to demonstrate and disseminate encouraging project results. However, even without any particular demonstration/ dissemination efforts, international impacts created by some projects (e.g. Alien Species project), and innovative approaches successfully introduced by some projects (e.g. Commercial Investment Decisions project) as outlined above could generate far reaching replication effects.

The Baringo project has organised village-to-village exchange visits to facilitate the transfer of community experiences in rehabilitating degraded land. Replication of pilot demonstration activities will be a strong component of the next phase of the project.

The primary goal of the Arid and Semi-Arid project is to disseminate lessons learned and promote partnerships between institutions through workshops, international meetings, and publications. Thus a communication strategy is now being developed to ensure that case studies, best practices, and other relevant information are developed with a participatory approach involving diverse stakeholders and ultimately is widely and effectively disseminated.

PLEC is primarily a demonstration and information exchange project. The PLEC' demonstrative farmer-centred concept on agrodiversity management is being adopted outside project areas. Moreover, PLEC and its products have been introduced through various fora to audiences internationally at conferences of UN conventions and other regional and global meetings. Dissemination efforts of PLEC continue to be very strong. PLEC has produced written materials (books, reports, manuals, conference papers, local/national/ international newsletters, such as PLEC News & Views), videos, press articles, radio and TV presentations etc. The PLEC web site also continues to add new materials.

C. Conclusions

Overall the performance of UNEP's GEF projects for FY 2001 has been "Satisfactory", although the level of progress is different from project to project. All projects reviewed this year's PIR are still under implementation. Nevertheless significant impacts have already been generated as outlined in this summary. It should be stressed that most of UNEP's projects reviewed this year are clearly capitalizing on comparative advantages of UNEP within GEF. This fact ensures maximum impacts to be created by the GEF funds allocated to UNEP projects this year.

GEF operations continue to shift focus to the results and quality of supported projects. What is most important is to create impacts that meet original project objectives. Given considerable risks and uncertainties associated with most of UNEP's GEF projects, flexible management of projects becomes essential. Flexible project management should ensure appropriate project monitoring and subsequent corrective actions. It is hoped that lessons leaned through this year's PIR will be useful in further improving overall performance of GEF projects.

APPENDIX C3
WORLD BANK
PIR OVERVIEW

WORLD BANK – GEF PORTFOLIO AT A GLANCE

	FY96	FY97	FY98	FY99	FY00	FY01
Product						
Active Portfolio a/						
Number b/	59	74	89	99	130	159
Net Commitments ($ million) c/	506	701	886	950	1041	1120
Board Approved Portfolio d/						
Number b/	15	16	18	27	34	34
Net Commitments ($ million) c/	126.1	198.7	211.5	121.1	135.5	233
Completed Projects e/						
Number	1	3	9	9	10	7
Net Commitments ($ million) c/	4.5	31.5	39.9	49.5	92.7	30.4
Portfolio Performance (%) f/						
Projects at Risk g/	12	19	21	15	11	7
Problem Projects h/	7	15	15	15	8	6
Realism Index I/	57	77	71	45	75	86
Disbursement to Commitment Ratio	33	41	39	43	44	

NOTES:
a/ Projects approved by Bank Management through that FY excluding those completely cancelled and/or closed during the FY.
b/ Since FY99 includes MSPs
c/ Amount of GEF grant
d/ Projects approved by Bank Management in that FY
e/ Projects closed during that FY
f/ For consistency with previous years, this is the active portfolio, excluding projects where the IFC or a Regional Development Bank is the Executing Agency.
g/ Actual and potential problem projects
h/ Share of problem projects is the actual number of problem projects as a proportion ot total projects in the 'Approved Portfolio.'
I/ Realism Index is the ration of Actual Problem projects to total Projects at Risk.

PORTFOLIO OVERVIEW

The Bank-GEF approved portfolio at June 30, 2001 comprised 229 projects which included 176 full-sized projects (FSPs) and 53 medium-sized projects (MSPs). Total allocation was $1.94 billion, consisting of $1.90 billion for FSPs and $40.1 million for MSPs. The total number of projects approved by Council increased by 13% from FY00 through the addition of 15 FSPs and 12 MSPs, with allocations of $235 million and $8.8 million respectively.

The Bank's active GEF portfolio at June 30, 2001 consisted of 149 projects with $1.12

billion in commitment, 100 FSPs with net commitment of $1.08 billion, and 49 MSPs with commitment of $34.9 million. Eleven FSPs and 17 MSPs became effective in FY01 while seven projects were completed and closed, resulting in a net increase of 21 projects. Seven other projects were canceled during the year prior to Bank management approval, six FSPs and one MSP.

Nine projects had been approved by the GEF Council prior to FY99 for inclusion in the work program but had not received Bank management approval by the end of FY01[15]. The reasons for delay are discussed in para 17 below. Seven of these projects are now scheduled for Board presentation within FY02.

There were 98[16] projects in the FY01 PIR, comprising 71 FSPs and 27 MSPs. Total GEF commitment was $802 million, FSPs accounting for $782 million and MSPs $20 million. ECA had the largest commitment, $184 million from 15 projects, followed by EAP with commitment of $174 million also from 15 projects. By focal area, Biodiversity had the highest number of projects, 57, and largest commitment, $327 million, followed by climate change with 25 projects and $281 million in net commitment.

Portfolio Performance

Implementation Progress/Global Objectives Ratings

The Bank maintains a comprehensive project implementation supervision process. It requires a minimum of two visits annually to each project followed by a full monitoring report including a project status report (PSR) which is intended to alert Bank management to the key issues affecting a project's implementation. In addition the Bank's Quality Assurance Group (QAG) conducts an annual review of the overall Bank portfolio and annual surveys to assess the quality of entry and of project supervision. All projects are also subject to a final evaluation (Implementation Completion Report) which is independently checked by the Operations Evaluation Department (OED). Thus, there are many procedures in place to strengthen implementation, monitor and provide feedback on the performance of the portfolio. It is against this background that the statistics discussed below serve as benchmarks for measuring performance.

There was a slight improvement in the overall ratings for Implementation Progress (IP), compared with FY00, a two percentage points increase in the projects rated highly satisfactory from 12% to 14%, and a three percentage points fall in projects rated unsatisfactory from 11% to 8%. The overall satisfactory and higher rating was 91% compared with 89% for FY00. By focal area, 88% of climate change and 86% of biodiversity projects were rated satisfactory. At the regional level for satisfactory and above ratings, both AFR and LCR achieved 96%. ECA had the highest number (3) and proportion of projects with unsatisfactory ratings (20%), EAP had two projects in this category (13%) while SAR, MNA and AFR had one project each in the category. The AFR portfolio has noticeably improved performance as compared with 2000.

The ratings on Global/Development objectives (DO) also improved slightly over FY00. Ninety five percent of projects were rated at least satisfactory in the present PIR, compared with 93% in FY00, although the highly satisfactory rating fell from 17% to 12%. Four projects (4%) were rated unsatisfactory in FY01, compared with 7% in FY00. By region, ECA, LCR and SAR had satisfactory or higher ratings of 100%.

[15] Projects approved in the GEF work program prior to June 30, 1999, but not approved by Bank management up to June 30, 2001.
[16] As each of the three countries in the Lake Victoria project is treated separately in terms of project supervision, the analysis of the project indicators presented below is based on three projects resulting in a total project count of 98.

Box 1: Summary of Ratings by Implementation Progress and Development/Global Objective

Rating	FY97 (49)*	FY98 (62)	FY99 (56)	FY00 (84)	FY01 (96)
Implementation Progress					
Highly Satisfactory	20	18	12	12	14
Satisfactory	67	66	79	77	77
Partially Satisfactory					1
Unsatisfactory	12	16	9	11	8
Total	100	100	100	100	100
Development/Global Objective					
Highly Satisfactory	28	18	16	17	12
Satisfactory	65	74	80	76	83
Partially Satisfactory					1
Unsatisfactory	6	8	4	7	4
Total	100	100	100	100	100

*Figures in ( ) are the number of projects

MNA had the highest proportion of unsatisfactory projects, but this was only one project in a portfolio of eight.

Projects at Risk

Identification of projects at risk is a portfolio monitoring tool that alerts management to projects that are in danger of achieving unsatisfactory outcomes and enables them to address those factors (designated as risk flags) that could contribute to this result. Projects at risk include actual problem projects, those for which IP is unsatisfactory and/or the DO are not likely to be achieved; and potential problem projects, which are rated satisfactory on IP and DO but have other risk factors historically associated with unsatisfactory outcomes.

The proportion of projects at risk continued the downward trend of the past two years. There were six projects at risk, representing 7% of the portfolio, a decline from 11% in 2000 and 15% in 1999. This result also compares favorably with the most recent QAG Portfolio Status Update (looking at the portfolio toward the end of FY01) which found 14% of projects in the overall Bank portfolio to be at risk. For stand alone GEF projects 6% of the portfolio was at risk while for blended projects the corresponding figure was 8%. Among the projects at risk, three were in AFR (*Lake Victoria Environmental Management (Kenya component); Kenya Tana River; and Zimbabwe Park Rehabilitation and Conservation)* reduced from five in FY00, and one each in EAP (*Philippines Conservation of Priority Protected Areas*), ECA (*Aral Sea Water and Environmental Management*) and MNA (*Morocco Protected Areas Management)*, while LCR and SAR have no projects at risk. The projects at risk were:

Five of the projects at risk are actual problem projects, the exception *Lake Victoria Environmental Management Project (Kenya* component), was a potential problem projects. This project was upgraded from actual problem project in 2000. Among the actual problem projects only *Kenya Tana River* was also included as a potential or actual problem project in 2000.

Risky country was the most common at risk flag, accounting for 15 of the 66 flags (23%) followed by macro-economic management, 12 flags (18%), which was a similar distribution pattern to the 2000 PIR. With several projects in the portfolio, a number of these flags were associated with Zimbabwe. Slow disbursement, inadequate counterpart funds and effectiveness delays were the other risks with more than 10% occurrence.

Quality of Supervision

Project supervision is instrumental in contributing to projects' achievement of development objectives as those with a highly satisfactory supervision rating have a 90% chance of achieving their development outcomes. QAG's FY00 Quality of Supervision Report (QSA 4) for a Bankwide sample of 150 projects, found 92% had a satisfactory or better rating (the Bank standard is 90%), while on a relatively small sub-sample of 13 GEF projects the comparable average rating was 83%. It was acknowledged that sampling error (given the small sample size) could be a consideration.

Against this background, for GEF projects the share of highly satisfactory rating was 25%, compared with 14% for the full Bank sample. The GEF projects with this rating were: *Czech Republic—Kyjov Waste Heat Utilization; Indonesia – Biodiversity Collection; Indonesia – Solar Home Systems; and Lituania—Klaipeda Environment*). None of the GEF projects was rated unsatisfactory overall, although two were rated marginally unsatisfactory.

Net Disconnect [17]

Implementation Completion Reports (ICR) and OED Evaluation Summaries were prepared for fifteen projects that exited the portfolio. Seven closed during FY01 while eight closed in FY00 but the ICRs were completed during the present fiscal year. Among the fifteen one project, *Thailand Promotion of Electric Energy Efficiency*, was rated highly satisfactory in the ICR and in OED's Evaluation Summary. Six projects received satisfactory ratings from both sources, while two projects received unsatisfactory ratings in both. Three projects were rated satisfactory by the ICR but moderately satisfactory by OED, while one project was rated unsatisfactory in the ICR but only moderately unsatisfactory by OED. For two projects, the OED evaluation had not been completed at the time of the PIR. In the overwhelming majority of cases, therefore, OED gave the same or higher rating than the ICR.

Disbursement

Disbursements for all projects, including PDFs and Enabling Activities totaled $137.5 million in FY01, which represents an increase of 25% in cumulative disbursements over the sum to the end of FY00. Cumulative disbursements were 44% of total World Bank GEF commitments, which shows little change from FY00 when the proportion was 43%. Five projects which were approved by Bank management on or before September 30, 2000 had not yet begun disbursements up the end of June 2001. However, disbursements for one of these projects started in July, another has submitted its first disbursement request, and a third is expected to begin disbursement in October 2001. The most lengthy delays have been caused by the need to significantly redesign some projects. All of the projects identified in the 2000 PIR as experiencing disbursement delays have now begun disbursement.

[17] The difference between the percentage of projects rated unsatisfactory in the ICR by ICR and the percentage rated as unsatisfactory by the Regions.

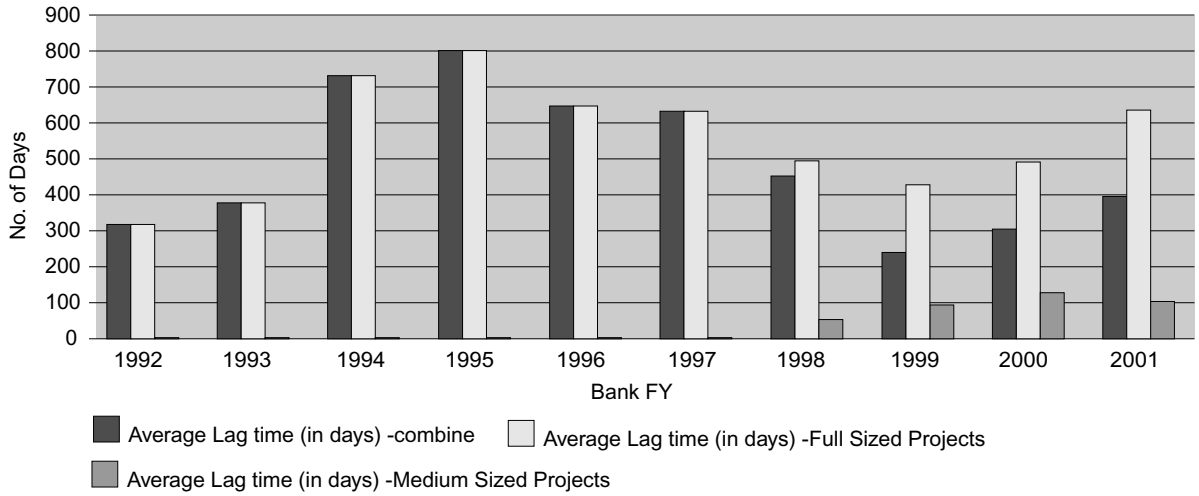
Elapsed Time Between Project Cycles

From GEF approval to bank management approval. The downward trend since 1992 in elapsed time from GEF Council to Bank Management approval was reversed in 2000 and worsened in 2001. For the 17 FSPs approved by the Bank's Board in 2001 the average number of days since GEF Council approval was 640, which is 29% higher than the 2000 figure of 496 days. Nine of the projects approved in FY01 exceeded eighteen months, and four of the five with the longest delays were protected area projects. By focal area there was little difference in elapsed time, 618 days for climate change (5 projects) and 590 days for biodiversity (11 projects) projects. The single international waters project took 1213 days due to country specific circumstances. For the 14 MSPs approved in 2001, the time elapsed from Council approval to Bank Management approval fell to 106 days from 138 days in 2000, which is closer to the 1999 average of 95 days. Figure 1 presents the trend since 1992.

Protected area projects are complex with features that usually require considerable time for preparation such as resolution of resource management issues, participation strategies and consensus building. For example, the Bank requested additional institutional measures for the Benin National Parks Project, including establishment of a Wildlife Management Entity and passage of legislation. For the projects experiencing the longest delays, other specific reasons for delay included international sanctions in Pakistan (1454 days elapsed) and local elections in Argentina (1213 days), political factors that were beyond the Bank's control. In Georgia the long period required to achieve consensus among a diverse group of local stakeholders together with limited institutional capacity contributed to 1149 days delay. In other countries, the complexity of some project designs that required extended consultations with development partners and changes in local institutional arrangements were the main factors.

From bank management approval to effectiveness (based on effectiveness date). Compared with the Bank standard of six months the average elapsed time for GEF projects from Board Approval to effectiveness was just over five months for the eleven FSPs that became effective in 2001. This not only exceeded the Bank standard but is an improvement over 2000 and 1999 when the average was approximately

Figure 1
Average Time Lag (in Days) between GEF Approval to Bank Management Approval



seven months in both cases. However, this average masked wide variation. Six projects (55%) exceeded the Bank standard, with an average elapsed time of eight months. In contrast, the five projects which were less than the Bank standard averaged less than two months (54 days) in elapsed time. By comparison, over the last several years, about 40% of the overall Bank portfolio has needed more than six months to become effective. (ARPP, 2000)

The reasons for the lengthy delays in effectiveness appear to be project or country specific rather than systemic, and included the following: fulfillment of legal requirements set by the Bank such as legislative actions, co-financing arrangements and appointment of key staff; local elections and/or other changes in government often affecting project officials; lengthy local legal procedures for project approval; and establishment of institutional arrangements for project implementation. Most of the significant factors were beyond the Bank's control. The main characteristics of projects that became effective quickly included firm ownership and commitment by the client, and the establishment of a core project management team by project appraisal that subsequently had responsibility for implementation. Thus motivated, these management teams facilitated local clearances. Bank task teams need to take fuller account of national socio-political features that could affect project processing time and to make allowance for these factors in programming the preparation timetable whenever they can be anticipated.

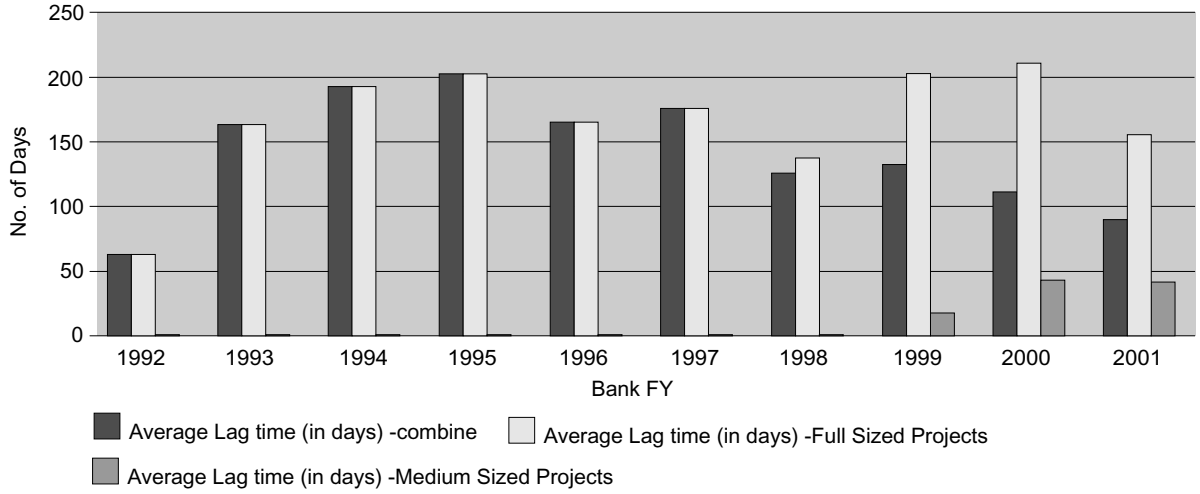
The 17 MSPs that became effective had average elapsed time of 45 days between CMU approval and effectiveness, which is slightly lower than last year (49) but much higher than in 1999 which was 25 days when there were only 10 projects. The annual trend is illustrated in Figure 2 above.

Emerging Portfolio Issues and Outcomes

Resources Leveraged

It is often difficult to isolate the influence of GEF projects in leveraging additional financial resources in excess of the sums originally

Figure 2
Average Time Lag (in Days) between Bank Management Approval to Effectiveness



programmed as cofinancing, for the same project or for parallel operations. However, the examples given below are among the clearest cases in the portfolio where it was possible to do so.

In LCR the *Mexico Protected Areas Program (FANP)*, in addition to leveraging $5 million up to the end of FY00 (reported in the 2000 PIR), has leveraged an additional $1 million in seed funds to promote the establishment of mechanisms to achieve financial autonomy in selected reserves.

The *Transfrontier Conservation Area Pilot and Institutional Strengthening Project* in Mozambique has accelerated interest in transfrontier conservation areas, mainly as a result of the high political profile that the areas have received. USAID and KfW are preparing substantial investments (expected to total about $12 million) in one of the Transfrontier Conservation Areas (TFCA) and are also interested in cooperating with other donors in the area to build on the base established by the project. In addition, co-funding provided by the Ford Foundation at the very beginning of the project permitted early initiation of project activities when funding from GEF was not immediately available. The Ford Foundation will continue substantial funding for the Chimanimani TFCA throughout a successor project.

The *Egypt – Red Sea Coastal and Natural Resources Management Project* has been implemented in close cooperation with USAID's environmental programs in Egypt. The original surveying, data gathering, analysis and development of the Red Sea GIS, all of which were undertaken by the GEF team, have helped to leverage the larger financial resources of the USAID programs for complementary activities on environmental protection and biodiversity on the Red Sea coast.

The *Jordan – Gulf of Aqaba Environmental Action Plan* has been instrumental in the generation of a $ 7.5 million dollar loan for the protection of Wadi Rum as a component of the Bank-financed Jordan Second Tourism Development Project which was implemented by ARA and is now being implemented by ASEZA—the Aqaba Special Economic Zone Authority—the new regional entity that has replaced the Aqaba Regional Authority (ARA).

The IFC HEECP and HEECP2 have achieved significant leveraging of GEF funds through IFC's new resource commitments combined with the financing that commercial banks themselves will supply under the partial guarantee program. GEF financing of $5.7 million is leveraging approximately $93 million in end user ESCO financing. The *Efficient Lighting Initiative* program in Hungary is further able to boost this leverage through its activities and close coordination with HEECP/ HEECP2.

Demonstration Effects and Replication

One of the emerging lessons is that a replication approach should be made explicit in project design, which should recommend supporting activities such as staff exchanges, communication and dissemination strategies. It is often overlooked in project design that projects should include activities and strategies to facilitate dissemination.

The *China Energy Conservation Project* has provided a good example of how this can be achieved. The Information Component has produced several information products, including news articles and brochures, and has utilized a variety of channels, such as its web site, newspapers and technical magazines, to disseminate them. This has created wide-spread awareness of and interest in the energy management company concept in China and paved the way for a national replication program that is currently being prepared. Similarly, information management under the *South Africa Cape Peninsula Biodiversity Conservation Project* has evoked great interest

among other parks and has strongly driven the adoption of an information technology strategy by the South African National Park System. This project also developed a model for training contractors from previously disadvantaged backgrounds in communities bordering the Park to develop small-scale enterprises. This has been adopted by local organizations and implemented for a Biosphere Reserve east of Cape Town

The *Romania Danube Delta Biodiversity Project* provided useful lessons to successor projects both in Romania and neighboring countries, particularly with regard to the successful pilot restoration of polders to natural conditions and an effective campaign with local communities and NGOs to mobilize public support for protection of the Danube Delta ecosystem. The project also helped trigger cross-border collaboration with Bulgaria, which developed its own wetland protection project. This demonstrates the possibility for effective international collaboration through parallel but independent projects.

Promoting Private Sector Participation

Several projects being executed by the World Bank Group have produced demonstration effects that have catalyzed further investments from the private sector in the innovative technologies and approaches introduced by these projects.

One example is Kenya where the only hire-purchase company that had decided to enter the PV sector with its own funding based on catalytic input provided by the *PVMTI project* has been successful and this has resulted in stimulating most of the large hire-purchase companies in Kenya to provide financing and support for solar home systems. Companies in non-PVMTI countries in the region have also expressed interest in replicating some of the business models that are emerging from PVMTI-funded projects.

Adaptive Management

During project design exogenous project risks that might affect implementation are identified and reflected in the logical framework, together with mitigation strategies. Common risks include governments' political will and commitment, passage of critical policies and legislation, institutional arrangements and counterpart funds.

In general, assessments made at appraisal were accurate in predicting the occurrence of risks during implementation. In EAP, for example, a number of the factors that contributed to implementation problems were identified as risks. A major reason for unsatisfactory performance of the *Laos Forestry and Conservation Project* was lack of political will to adopt village level forest management together with the development of supportive policies and legislation. In the case of the *Philippines Leyte-Luzon Geothermal Project*, the project was affected by inadequate tariff adjustment, which was correctly identified at appraisal as a risk, together with substantial cost overruns and implementation delays, which were not identified.

Successful risk mitigation measures were implemented at the *Georgia Integrated Coastal Zone Management Project*, through adoption of the proposed mitigation strategy. In response to the risk of inadequate incentives to encourage compliance the project strengthened the capacity for enforcement. Unexpected risks have also occurred. The project is now threatened by construction of an oil terminal abutting the protected wetland supported by the project, which was not known at appraisal. Civil disturbance is also unpredictable, and in the case of the *Regional Lake Ohrid Management Project*, it has affected the relationship between the two countries involved in the project, Albania and Macedonia.

Several courses of action emerge from an assessment of the various risk scenarios. First,

a more careful attempt should be made to address some of these issues prior to implementation. For example, where policy and legal/regulatory changes are identified as critical to project outcome, approval can be made a condition of appraisal, as is presently being done with several protected areas projects. Second, if local management capacity is weak, the project design could be phased to accommodate this, or a programmatic approach could be adopted, as occurred with the Uganda PAMSU project. Third, mitigation measures identified at appraisal need to be closely monitored during implementation. Fourth, when unexpected risks arise, mitigation measures have to be quickly formulated and agreed with government, and if necessary, high level Bank intervention sought. QAG intends to revise the method of monitoring risks to improve its use as a portfolio monitoring indicator.

Strengthening Stakeholder Participation

It is important to recognize successful community participation as a complete process, beginning with stakeholder participation in problem identification and recognition, through solution implementation to evaluation. This process can consume considerable time. The typical approach centered on consultation is inadequate. Additionally, perceived short-term benefits should not be the primary incentive for participation although a delicate balance is required so that communities are aware that they will capture the benefits of sustainable natural resources management.

From the *Laos Forest Management and Conservation Project* the lesson was learned that community conservation activities should be voluntary, not compensation based, in order to create ownership and facilitate sustainabilitiy. Paying communities to practice sustainable development does not create ownership and is not sustainable.

The *Mali Household Energy Project* has been identified as a good practice in community participation in this aspect of the climate change focal area. The project demonstrated that the provision of incentives for households to reduce their energy expenditures through the purchase and proper use of improved biomass and kerosene stoves was the key to the success of the project in reducing CO_2 emissions and woodfuel consumption

Participation is also supported by timely achievement of project outputs. Experiences from several projects in East Africa confirm that initial project performance is strongly correlated with future project success as positive early perception fuels initial commitment of relevant stakeholders. Commitment of local stakeholders is enhanced when pilot activities are implemented directly to demonstrate the benefits of the project's approach thereby encouraging participation of local communities.

Capacity Building

Generally, capacity building has been integrated as a project component. An interesting case is the *Institutional Capacity Building for PAMSU Project* in Uganda, which evolved from an earlier project design. During preparation of the original project, capacity constraints were identified as such a high risk that it was decided to undertake a precursor project first to build capacity in the Wildlife Authority and then design and implement the overall project.

Experience to date points to the efficacy of the MSP as an effective instrument to support NGO capacity development. Particularly within the MSP portfolio, great variation has been observed in the capacity of executing agencies, given the presence of a wide spectrum of government and non governmental organizations as project implementing entities. In this subset of the portfolio, careful attention during project design needs to be paid to this issue in order to ensure that the executing agencies have adequate capacity to deliver the project's expected outcomes, to manage the complexity of

policy dialogue with stakeholders, and other key elements.

In the transfer of new technologies or innovative processes, such as in the IFC's *Efficiency Lighting Initiative (ELI)*, the time and effort needed to build capacity in the national executing agencies should not be underestimated. IFC found it necessary to devote considerably more time and attention to transfer of knowledge to local implementing entities operating in each of the seven countries involved

Creating Effective Partnerships

Analogous to capacity building is the creation of partnerships with civil society groups (NGOs, CBOs, Trusts, Endowments, private companies, etc.). In the Africa Region, a number of lessons are emerging of the benefits of partnerships with NGOs, local community groups and the private sector. These partnerships have helped to provide vital communication networks and contacts which could not have been established within the usual timeframe of a project. The projects' impacts were enhanced by building on the achievements of long-standing outreach and awareness raising activities by these local organizations. The *Mozambique Transfrontier Conservation Area Pilot and Institutional Strengthening Project* is a good example of partnerships among government agencies, NGOs, rural communities and the private sector across national boundaries.

Project Cycle Management and Organization

Less complex project designs. In the EAP portfolio several projects, both full-size and NGO-prepared MSPs, have over-ambitious project designs**.** The ICR for the *Laos PDR Forest Management and Conservation Project* concluded that this project was over-ambitious in scope and timing. It under-estimated the effort needed to implement natural resource management initiatives involving rural communities, NGOs and government. OED's Evaluation summary noted that even for a process-oriented project, it is vital that a logical framework with clear objectives and indicators be part of the project formulation, and that the project be adequately appraised.

Early experience with implementing both the *Indonesia Aceh and Berbak-Sembilang* MSPs also suggests that the projects' designs included more activities than the project management teams have capacity to implement successfully. Both government and NGO project proposers should be encouraged to submit simpler and more realistic project designs, although difficulties have been experienced in persuading them to adopt this approach. But the Bank has the ultimate responsibility during appraisal to make a realistic assessment of capacity and take a firm decision on the risks to implementation of the project.

Clear understanding of roles and responsibilities. The importance of clearly defining and communicating roles and responsibilities of key stakeholders at different levels of a project is evident from a number of project experiences. This is particularly necessary as several projects are being designed with complicated institutional frameworks involving several organizations at different levels—local, national and supra-national. A necessary entry point is to clearly define and discuss the organization and management design with all concerned parties at appraisal beginning with IAs—project implementing agency interaction, then at each level of management and coordination, identifying the relevant organizations and their responsibilities. Well organized project launch workshops are also appropriate forums for communicating the project objectives, organizations and institutional responsibilities with all relevant stakeholders.

Give adequate attention to a project's final year. In a project's final years, more progress

is made if planning for a possible extension is put "on the back burner" and efforts are focused on achieving project objectives. Recipients naturally want to utilize all a project's available resources. If, in its last two years, it seems likely that the project's resources will not all be used by the closing date, they sometimes focus more on how to justify an extension than on current activities. Task Managers must shift their focus back to immediate tasks by insisting that extension planning be put on the "back burner" and that progress in the final two years will determine whether or not an extension is possible.

Information Exchange Among Institutions

It is important that regional projects establish horizontal linkages with national and regional environmental organizations. Such projects are particularly complicated, and require careful planning, especially in the case of IW projects, which typically involve a number of regional organizations in addressing transboundary issues. OED's review of the *Lake Malawi Biodiversity Conservation Project* found that clear and unambiguous agreements and protocols on communication are required among the concerned organizations; otherwise a GEF project can become enclave activities of questionable operational importance. The report also stated that GEF projects need strong linkage to existing environmental institutions in order to mainstream the activities and leverage outputs.

A conscious effort is required to achieve synergy in implementation supervision support among task teams in the Bank, and with other IAs. Cross support in the form of information sharing and participation in joint missions is important in disseminating current information across projects. In-country project teams would also benefit from meeting periodically to exchange information, such as through regional thematic workshops. A number of good examples have emerged from the ODS projects in Russia, Ukraine and Central Asia, several operations supporting biodiversity conservation and sustainable use in Uganda, and regional projects targeted to transboundary ecosystems in East Africa through participation of management staff and other relevant stakeholders of national components as observers in all supervision missions to the different participating countries.

Conclusions

The above analysis shows that the performance of the Bank—GEF portfolio is generally meeting or exceeding the Bank's standards. There are a few areas that require improvement, such as the elapsed time in project preparation and the quality of supervision, which are to be addressed by the Bank-GEF coordination team through an overall portfolio management improvement plan. With ten years experience a considerable body of knowledge is now in place on Bank-GEF operations, which the Bank will continue to document and disseminate more widely to project task teams and clients. Finally, the lessons learned from projects already implemented are being applied and good practices replicated in new operations. This includes better integration with sustainable development activities through an improved understanding of the global environment—national development nexus, increased stakeholder involvement and improved risk management and assessment.

APPENDIX D
LIST OF COMPLETED PROJECTS AS OF JUNE 30, 2001

No	Country	Region	IA	Project	Focal Area	OP	GEF Funding (US$ mil)	Total Cost (US$ mil)	Work Program Entry Date	Approval Date by IA	Date of Project start	Closing date
1	Algeria	AFR	World Bank	El Kala National Park and Wetlands Management	Biodiversity	2	$9.32	$11.68	May-91	Apr-94	Sep-94	Jun-99
2	Argentina	LAC	UNDP	Patagonian Coastal Zone Management Plan	Biodiversity	2	$2.80	$2.80	Dec-91	Feb-93	Dec-93	
3	Belarus	ECA	World Bank	Forest Biodiversity Protection	Biodiversity	3	$1.00	$1.25	May-91	Sep-92	Jan-93	Jun-97
4	Belarus	ECA	World Bank	Phase-out of Ozone-Depleting Substances	Ozone		$7.20	$8.80	Apr-96	May-97	Aug-97	Dec-00
5	Belize	LAC	UNDP	Sustainable Development and Management of Biologically Diverse Coastal Resources	Biodiversity	2	$3.00	$3.00	Dec-91	Feb-93	Mar-93	Feb-98
6	Benin	AFR	UNDP	Carbon Sequestration and Rangeland	Climate Change	STRM			Dec-92	Jul-93	Jan-94	
7	Bhutan	SAS	World Bank	Trust Fund for Environmental Conservation	Biodiversity		$10.00	$20.59	May-91	May-92	Nov-92	Dec-97
8	Bolivia	LAC	World Bank	Biodiversity Conservation	Biodiversity	3	$4.50	$8.35	Apr-92	Nov-92	Jul-93	Dec-98
9	Brazil	LAC	UNDP	Biomass Integrated Gasification/Gas Turbine	Climate Change	7			Sep-92	Sep-92	Sep-92	Feb-96
10	Bulgaria	ECA	World Bank	Ozone Depleting Substances Phase-out	Ozone	STRM	$10.50	$13.50	May-95	Nov-95	May-96	Apr-00
11	Chile	LAC	UNDP	Reduction of Greenhouse Gases	Climate Change	5	$1.70	$1.70	Dec-92	Jun-95	Jun-95	FY2001
12	China	EAP	World Bank	China Ship Waste Disposal	International Waters	9	$30.00	$67.20	May-91	May-92	Dec-92	Jun-97
13	China	EAP	UNDP	Development of Coal Bed Methane Resources	Climate Change	STRM			May-91	Apr-92	Jun-92	Dec-98
14	Colombia	LAC	UNDP	Conservation of Biodiversity in the Choco Region	Biodiversity	3	$6.00	$9.00	May-91	Feb-92	Sep-92	Dec-99
15	Congo	AFR	World Bank	Wildlands Protection and Management	Biodiversity	3	$10.00	$13.90	May-91	Dec-92	Oct-93	Jul-00
16	Costa Rica	LAC	UNDP	Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	Biodiversity	3	$8.00	$8.00	Dec-91	Apr-93	May-93	
17	Cuba	LAC	UNDP	Protecting Biodiversity and Establishing Sustainable Development in the Sabana-Camaguey Region	Biodiversity	2	$2.00	$2.00	Dec-91	Jul-93	Dec-93	Aug-97
18	Czech Republic	ECA	World Bank	Biodiversity Protection	Biodiversity	3	$2.00	$2.75	Dec-91	Oct-93	Jan-94	Dec-97
19	Czech Republic	ECA	World Bank	Phase-out of Ozone Depleting Substances	Ozone	7	$2.30	$4.15	Dec-92	Aug-94	Dec-94	Mar-98
20	Dominican Republic	LAC	UNDP	Biodiversity Conservation and management in the Coastal Zone	Biodiversity	3	$3.00	$3.00	May-92	Dec-93	May-94	Oct-97
21	Ecuador	LAC	World Bank	Biodiversity Protection	Biodiversity	3	$7.20	$8.80	Apr-92	May-94	Jul-94	Jun-00
22	Gabon	AFR	UNDP	Conservation of Biodiversity Through Effective Management of Wildlife Trade	Biodiversity	3	$1.00	$1.00	May-91	Jan-94	Jul-94	Jun-97
23	Ghana	AFR	World Bank	Coastal Wetlands Management	Biodiversity	2	$7.20	$8.30	Dec-91	Aug-92	Mar-93	Dec-99
24	Global	AFR	World Bank	Global: World Water Vision - Water and Nature - Environment and Ecosystems	International Waters	10	$0.70	$13.80	Apr-99	Jun-99	Jun-99	Dec-00
25	Global	Global	UNDP	Alternatives to Slash and Burn	Climate Change	STRM	$3.00	$4.50	Feb-92	Nov-93	Apr-94	Dec-95
26	Global	Global	UNEP	Biodiversity Country Studies- Phase I	Biodiversity	EA	$5.00	$5.22	Mar-92			Dec-97

No	Country	Region	IA	Project	Focal Area	OP	GEF Funding (US$ mil)	Total Cost (US$ mil)	Work Program Entry Date	Approval Date by IA	Date of Project start	Closing date
27	Global	Global	UNEP	Biodiversity Country Studies- Phase II	Biodiversity	EA	$2.00	$2.10	Jun-94			Dec-97
28	Global	Global	UNEP	Biodiversity Data Management	Biodiversity	EA	$4.00	$5.39	Jun-94			Dec-97
29	Global	Global	UNDP	Biodiversity Planning Support Program	Biodiversity	EA	$3.10	$4.20	Jul-98		Apr-99	5-Jun
30	Global	Global	UNDP	Climate Change Capacity Building	Climate Change	EA			May-93	Jan-94	Sep-95	May-97
31	Global	Global	UNDP	Climate Change Training Phase II (CC TRAIN)	Climate Change	EA	$2.58	$3.70	May-95	Mar-96	Mar-96	
32	Global	Global	UNEP	Country Studies on Sources and Sinks of Greenhouse gases	Climate Change	EA			Dec-91	Jul-92	Sep-92	Mar-97
33	Global	Global	UNEP	Economics of GHG Limitations	Climate Change	EA	$3.00	$3.00	Feb-95	Mar-96		
34	Global	Global	UNEP	Economics of GHG Limitations - Phase I	Climate Change	EA	$3.00	$3.30	Feb-95	Mar-96	May-96	FY2001
35	Global	Global	UNDP	Global Alternatives to Slash and Burn Agriculture - Phase II	Climate Change	STRM	$2.94	$6.31	May-95	May-95	Jun-96	Jun-98
36	Global	Global	UNEP	Global Biodiveristy Forum - Phase II	Biodiversity	STRM	$0.75	$1.64	Feb-98			
37	Global	Global	UNEP	Global Biodiversity Assessment	Biodiversity	STRM	$3.30	$3.48	May-93			Apr-98
38	Global	Global	UNEP	Global Biodiversity Forum (GBF) - Phase II	Biodiversity	STRM	$0.70	$1.60	Feb-98	Apr-98	Apr-98	FY2001
39	Global	Global	UNDP	Global Change System for Analysis, Research and Training (START)	Climate Change	STRM	$4.10	$5.58	May-92	May-93	May-93	Jun-98
40	Global	Global	UNDP	Monitoring of Greenhouse Gases	Climate Change	STRM	$4.80	$11.50	May-91	Oct-92	Jan-93	Dec-98
41	Global	Global	UNDP	National Communications Support to Climate Change	Climate Change	EA	$1.80	$3.30			8/19998	FY2001
42	Global	Global	UNEP	Pilot Biosafety Enabling Activity	Biodiversity	EA	$2.74	$2.74	Nov-97			Sep-98
43	Global	Global	UNDP	Research Program on Methane Emissions from Rice Fields	Climate Change	STRM	$5.00	$5.00	May-91	Jan-92	Jul-92	Jun-98
44	Global	Global	World Bank/IFC	Small and Medium Enterprise Program (pilot phase)	Multiple	STRM	$4.30	$15.70	Jul-94	Dec-95	Mar-96	Dec-98
45	Global	Global	World Bank	Water for Nature (MSP)	International Waters		$0.70					
46	Guyana	LAC	UNDP	Program for Sustainable Forestry (Iwokrama Rain Forest Program)	Biodiversity	3	$3.00	$3.40	May-91	Apr-92	Feb-93	May-97
47	Hungary	ECA	World Bank	Phase-out of Ozone Depleting Substances	Ozone	STRM	$6.90	$8.39	Nov-94	Nov-95	Feb-96	Dec-98
48	Iran	ECA	World Bank	Teheran Transport Emissions Reduction	Climate Change	5	$2.00	$4.00	Apr-92	Oct-93	Jan-94	Dec-97
49	Jamaica	LAC	World Bank	Demand Side Management Demonstration	Climate Change	5	$3.80	$12.50	May-93	Mar-94	Aug-94	Dec-99
50	Jordan	MNA	UNDP	Conservation of Dana and Azraq Protected Areas	Biodiversity	2	$6.30	$6.30	May-92	May-93	Oct-93	May-96
51	Jordan	MNA	World Bank	Gulf of Aqaba Environmental Action	International Waters	8	$2.70	$12.67	Oct-95	Jun-96		Dec-99
52	Mali	AFR	WB	Household Energy	Climate Change	6	$2.50	$8.60	Dec-92	Jun-95	Oct-95	Dec-00
53	Mauritania	AFR	UNDP	Decentralized Wind Electric Power for Social and Economic Development	Climate Change	6			Dec-92	Jun-94	Sep-94	Jul-96
54	Mauritania	AFR	UNEP	Rescue Plan for Cap Blanc Colony of the Mediterranean Monk Seal	Biodiversity	STRM	$0.20	$0.20	Aug-97	Nov-97	Nov-97	FY2001
55	Mauritania	AFR	UNEP	Rescue Plan for the Cap Blanc Colony of Mediterranean Monk Seal - MSP	Biodiversity	STRM	$0.15	$0.23	Oct-97			Aug-98
56	Mauritius	AFR	UNDP	Restoration of Highly Degraded and Threatened Native Forests	Biodiversity	3	$0.20	$0.20	May-93		Jun-95	May-98
57	Mauritius	AFR	World Bank	Sugar Bio-energy Project	Climate Change	6	$3.30	$55.10	May-91	Feb-92	Dec-93	Dec-97
58	Mexico	LAC	World Bank	High Efficiency Lighting Project	Climate Change	5	$10.70	$25.00	Dec-91	Mar-94	Feb-95	Dec-97
59	Mexico	LAC	World Bank	Protected Areas Program	Biodiversity	3	$8.70	$16.30	May-91	Mar-92	Apr-93	Dec-97
60	Moldova	ECA	WB	(Phase I) Biodiversity Strategy, Action Plan, and National Report to the Conference of the Parties	Biodiversity	EA	$0.10	$0.10		Mar-98	Mar-98	1-Apr
61	Mongolia	EAP	UNDP	Biodiversity Project	Biodiversity	1	$1.50	$1.50	May-93		Mar-94	Apr-98
62	Nepal	SAS	UNDP	Biodiversity Conservation	Biodiversity	4	$3.80	$8.40	Dec-91	Jun-93	Sep-93	Nov-98
63	Pakistan	SAS	UNDP	Maintaining Biodiversity with Rural Community Development	Biodiversity	3	$2.50				Feb-94	

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64	Panama	LAC	UNDP	Biodiversity Conservation in the Darien Region	Biodiversity	3	$3.00	$3.50	Jan-92	Feb-94	May-94	FY2001
65	Papua New Guinea	EAP	UNDP	Biodiversity Conservation and Resource Management	Biodiversity	3	$5.00	$5.00	Dec-91	Jul-93		Jul-98
66	Peru	LAC	World Bank	National Trust Fund for Protected Areas	Biodiversity	3	$5.00	$7.86	Dec-91	Mar-95	Sep-95	Jun-96
67	Peru	LAC	UNDP	Technical Assistance to the Centre for Energy Conservation	Climate Change	5	$0.90	$0.90	Dec-91	Nov-92	Feb-93	Jun-95
68	Philippines	EAP	World Bank	Leyte/Luzon Geothermal	Climate Change	6	$30.00	#####	May-91	May-94	Mar-95	Mar-00
69	Poland	ECA	World Bank/IFC	Efficient Lighting Project	Climate Change	5	$5.00	$5.00	Dec-94	Jun-95		Jul-98
70	Poland	ECA	World Bank	Forest Biodiversity Protection	Biodiversity	3	$4.50	$6.20	May-91	Dec-91	Feb-92	Dec-95
71	Poland	ECA	WB	Phase-out of Ozone Depleting Substances	Ozone		$6.20	$20.20	Apr-96	Mar-97	Jul-97	1-Apr
72	Regional	LAC	UNEP	A Participatory Approach to Managing the Environment: An Input to the Inter-American Strategy for Participation (ISP) - MSP	Multiple		$0.72	$1.56	Aug-97			Oct-98
73	Regional	LAC	UNEP	Argentina-Bolivia: Strategic Action Program for the Binational Basin of the Bermejo River	International Waters	9	$3.22	$5.96	Nov-96			Nov-98
74	Regional	EAP	UNDP	Asia Least Cost GHG Abatement Strategy (ALGAS)	Climate Change	EA	$9.50	$13.00	Dec-91	Aug-93	Aug-94	Aug-97
75	Regional	ECA	UNDP	Black Sea Environmental Management	International Waters	8	$9.30	$32.60	May-92		Sep-92	Jun-96
76	Regional	AFR	UNDP	Building Capacity in Sub-Saharan Africa to Respond to the UNFCCC	Climate Change	EA	$2.00	$2.00	Dec-92	Nov-94	Aug-95	Feb-97
77	Regional	AFR	UNDP	Building Capacity in the Maghreb to Respond to Challenges and Opportunities Created by National Response to the Framework Convention on Climate Change	Climate Change	EA	$2.50	$2.50	May-93			Mar-98
78	Regional	EAP	UNDP	Conservation Strategies for Rhinos in South East Asia	Biodiversity	3	$2.00	$2.00	May-93		Dec-94	
79	Regional	AFR	UNDP	Control of Greenhouse Gas Emissions Through Energy-efficient Building Technology in West Africa	Climate Change	5	$3.50	$5.80	Dec-92	Dec-94	Dec-94	FY2001
80	Regional	ECA	UNDP	Danube River Basin Environmental Management	International Waters	8	$8.50	$43.50	May-91	Feb-92	Sep-92	Mar-96
81	Regional	ECA	UNDP	Developing the Danube River Basin Pollution Reduction Program	International Waters	8	$3.90	$3.90	Oct-96	Oct-96	Sep-97	Sep-98
82	Regional	ECA	UNDP	Developing the Implementation of the Black Sea Strategic Action Plan	International Waters	8	$1.79	$8.14	Oct-96	Oct-96	Nov-96	Sep-97
83	Regional	AFR	UNDP	Industrial Water Pollution in the Gulf of Guinea Large Marine Ecosystem	International Waters	9	$6.00	$6.00	Dec-91	Oct-93	Oct-94	Mar-98
84	Regional	AFR	UNDP	Institutional Support for the Protection of East African Biodiversity	Biodiversity	STRM	$10.00	$10.00	May-91	Mar-92	Sep-92	Sep-96
85	Regional	AFR	World Bank	Lake Malawi/Nyasa Biodiversity Conservation	Biodiversity	2	$5.00	$5.44	Dec-91	Dec-94	Jul-95	Jun-00
86	Regional	AFR	UNDP	Lake Victoria Environmental Management Program	International Waters	9	$0.40			Jul-95		
87	Regional	ECA	World Bank	Oil Pollution Management for the Southwest Mediterranean Sea	International Waters		$18.26	$20.00	Apr-92	Apr-94		Dec-99
88	Regional	LAC	UNDP	Planning and Management of Heavily Contaminated Bays and Coastal Areas	International Waters	10	$2.50	$2.50			Aug-93	
89	Regional	AFR	UNDP	Pollution Control and Other Measures to Protect Biodiversity in Lake Tanganyika	International Waters	9	$10.00	$10.00	Dec-91	Oct-93	Feb-95	Oct-98

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90	Regional	Regional	UNDP	Regional Oceans Training Program	International Waters		$2.58	$5.18	Dec-91			Feb-98
91	Regional	EAP	UNDP	South Pacific Biodiversity Conservation Program	Biodiversity	STRM	$10.00	$14.30	Jan-92	Jan-93	Apr-93	FY2001
92	Regional	LAC	UNDP	START Global Change Initiative (subproject)	Climate Change	STRM	$2.90	$2.90			Jan-94	
93	Regional	LAC	World Bank	Wider Caribbean Initiative for Ship-generated Waste	International Waters	9	$5.50	$5.50	May-93	Jun-94	Sep-94	Jan-98
94	Russian Federation	ECA	World Bank	Greenhouse Gas Reduction	Climate Change	5	$3.20	$73.20	Dec-92	Dec-95	Dec-96	Jun-99
95	Seychelles	SAS	World Bank	Biodiversity Conservation and Marine Pollution Abatement	Biodiversity	2	$1.80	$2.00	Dec-91	Nov-92	Mar-93	Dec-97
96	Slovak Republic	ECA	World Bank	Biodiversity Protection	Biodiversity	3	$2.30	$3.17	Dec-91	Sep-93	Oct-93	Jun-98
97	Slovak Republic	ECA	World Bank	Ozone Depleting Substances Reduction (IFC)	Ozone	STRM	$3.50	$5.95	May-95	Jun-96	Nov-96	Jun-98
98	Slovenia	ECA	World Bank	Phase-out of Ozone Depleting Substances	Ozone	STRM	$6.20	$9.72	Nov-94	Nov-95	Dec-95	Jun-98
99	Sri Lanka	SAS	UNDP	Wildlife Conservation and Protected Areas Management	Biodiversity	3	$4.10	$4.10	Dec-91	Jan-92	May-92	Jan-97
100	Sudan	AFR	UNDP	Community-based Rangeland Rehabilitation for Carbon Sequestration	Climate Change	STRM	$1.50	$1.50	Dec-92	Aug-94	Oct-94	Feb-00
101	Sudan	Arab States	UNDP	Community-based Rangeland Rehabilitation for Carbon Sequestration	CC	STRM	$1.50	$1.60	Dec-92	Aug-94	Oct-94	FY2001
102	Tanzania	AFR	UNDP	Electricity, Fuel and Fertilizer from Municipal and Industrial Waste in Tanzania	Climate Change	6	$2.50	$3.99	May-93	Dec-93	Mar-94	Jun-97
103	Thailand	EAP	World Bank	Promotion of Electricity Energy Efficiency	Climate Change	5	$9.50	$189.00	Dec-91	Apr-93	Nov-93	Dec-99
104	Turkey	ECA	World Bank	In-situ Conservation of Genetic Biodiversity/East Anatolia Watershed Management	Biodiversity	3	$5.10	$5.70	Apr-92	Mar-93	Mar-93	Sep-98
105	Uganda	AFR	World Bank	Bwindi Impenetrable National Park & Mgahinga Gorilla National Park Conservation	Biodiversity	4	$4.00	$6.30	May-91	Jan-95	Jul-95	Dec-00
106	Ukraine	ECA	World Bank	Danube Delta Biodiversity	Biodiversity	2	$1.50	$1.74	Apr-92	Jun-94	Aug-94	Jun-99
107	Ukraine	ECA	World Bank	Transcarpathian Biodiversity Protection	Biodiversity	4	$0.50	$0.58	Dec-91	Jul-93	Oct-93	Mar-97
108	Uruguay	LAC	UNDP	Conservation of Biodiversity in the Eastern Wetlands	Biodiversity	2	$3.00	$3.00	May-92	Nov-92	Apr-93	Sep-96
109	Venezuela	LAC	UNDP	Methane Leaks in Maracaibo Network	Climate Change	STRM					Oct-94	
110	Vietnam	EAP	UNDP	Conservation Training and Biodiversity Action Plan	Biodiversity	EA	$3.00	$3.00	Jan-92	Jan-92	Jul-92	Mar-97
111	Yemen	MNA	UNDP	Protection of Marine Ecosystems of the Red Sea Coast	International Waters	8	$2.80	$2.80	May-92	Apr-93	Jun-93	Mar-96
112	Zimbabwe	AFR	UNDP	Photovoltaics for Household and Community Use	Climate Change	6	$7.00	$7.00	May-91	Feb-92	Sep-92	Aug-97
113	Zimbabwe	AFR	UNEP	Preparation of Initial National Communication for the Implementation of UNFCC	Climate Change	EA	$0.10	$0.10			Aug-98	FY2001