Project Performance Report

2002

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Appendices

Acronyms

Bio	Biodiversity
CBD	Convention on Biological Diversity
CC	Climate Change
CFC	Chlorinated Fluorcarbons
COP	Conference of the Parties
CP	Conference of the Parties
GEF	Global Environment Facility
GEF M&E	Global Environment Facility Monitoring & Evaluation Unit
IA	Implementing Agencies
IFC	International Finance Corporation
IW	International Waters
MP	Montreal Protocol
ODS	Ozone Depleting Substances
PIR	Project Implementation Review
PPR	Project Performance Review
SBSTTA	Subsidiary Body on Scientific, Technical, and Technological Advice
SMPR	Secretariat Managed Project Review
TE	Terminal Evaluation
TER	Terminal Evaluation Reviews
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
WB	World Bank

Executive Summary

This Project Performance Review (PPR) draws on the findings of the 2002 Project Implementation Review (PIR), a monitoring process based upon reporting by the GEF Implementing Agencies (IAs) on all projects under implementation for at least one year as of June 30, 2002. The 2002 PPR also incorporates findings, lessons, and recommendations from two new instruments used this year by the GEF Monitoring & Evaluation Unit (GEF M&E): Secretariat Managed Project Reviews (SMPRs) and Terminal Evaluation Reviews (TERs).[1]

Under the PIR Implementing Agencies report on all projects and rate their project performance. Each IA prepares an overview of its GEF portfolio, a summary emphasizing key lessons and trends to date, and individual reports for all ongoing full and medium-size projects. Projects are rated based on two factors: implementation progress and likelihood of attaining development/global environment objectives.

The Secretariat Managed Project Review (SMPR) is a new GEF M&E tool intended to complement the PIR process, to enhance the PPR review and implement the GEF strategy "Driving for Results".[2] The SMPR is also a follow up on the recommendation from the Second Overall Performance Study that the GEF Secretariat strengthen its participation in regular project monitoring and evaluations. For its pilot year, the SMPR was led by the GEF M&E, in collaboration with and supported by GEF Secretariat (GEF Secretariat) focal area teams, implementing agencies' (IAs) staff, and external independent consultants. Fifteen projects were selected according to specific agreed criteria and reviewed.

Terminal Evaluations, which are carried out by IAs, are primarily a tool for generating lessons from individual projects that might apply across the portfolio, but they are also an accountability tool. Terminal Evaluation Reviews are conducted and implemented by the GEF M&E. The reviews assess project adherence to the GEF's eight project review criteria. The 2002 PPR includes 18 TERs, covering all terminal evaluations submitted by IAs for fiscal year 2002.

Chapter I of this report describes the objectives and the review process of the 2002 PPR. Chapter II analyzes the active GEF portfolio, including financial information, through June 30, 2002. Chapter III presents an overview of the projects included in the 2002 PIR, together with an analysis of PIR ratings and trends. Chapter IV describes the SMPRs and TERs. Chapter V synthesizes the principal findings and recommendations of this year's project performance review. Supporting documentation are attached as appendices.

As of June 30, 2002, a total of 621 full and medium-size projects had been allocated funding in approved GEF work programs. Additionally, 495 enabling activity projects had been approved in biodiversity and climate change. Forty-one percent of these projects are implemented by the World Bank, 40 percent by UNDP, and 10 percent by UNEP, while 10 percent have multiple implementing agencies. The total funding for these projects was US$3,671 million, of which 54 percent was implemented by the World Bank projects, 29 percent by UNDP projects, 4 percent by UNEP projects, and 13 percent by

[1] In the past, implementing agency overviews have drawn information from terminal reports and evaluations. This year, the GEF M&E unit has begun a systematic review of all Implementing Agency terminal evaluation reports for medium-size and full projects using the TER.

[2] GEF/C.16/5. Driving for Results in the GEF: Streamlining and Balancing Project Cycle Management.

projects with multiple implementing agencies.

In terms of the growth of the overall GEF portfolio (including enabling activities and project development funds), 46 full-size projects (FSPs), 52 medium-size projects (MSPs) and 95 enabling activities (EAs) were approved, for a total of US$394.57 million in GEF funding, during fiscal year (FY) 2002. The breakdown by project type was US$321.90 million for FSPs, US$41.89 for MSPs, and US$30.77 for EAs. This compares with US$505.28 million approved for 54 FSPs, 33 MSPs, and 76 EAs in the previous fiscal year.

Cumulative disbursements for the entire GEF portfolio (including enabling activities and project development funds) increased during FY2002 to US$1,540 million, up from US$1,224 million in the previous fiscal year. Amounts disbursed for all GEF projects during FY2002 were US$295.3 million, thus continuing the upward trend in disbursements that has been evidenced every year.

For the past several years, the PPR has analyzed the time it takes for projects to go through the steps involved in project preparation. During FY2002, the elapsed time between GEF Council and World Bank approval significantly reduced in 2002. The twenty new full-size projects received Bank approval in an average of 409 days, reduced of 36 percent compared with the average of 640 days in 2001. This is the lowest average elapsed time for several years. And, while the World Bank has set a service standard of 4 months on average for all projects to progress from board approval to project effectiveness, or commencement, this period increased from 159 days in FY2001 to 269 days in FY2002, the highest time ever recorded for World Bank GEF projects.

In the case of UNDP, the average elapsed time from GEF Council approval to the beginning of implementation (project agreement signature) increased from 333 days for the FY2001 to 362 days in FY2002, representing an increase of 8 percent.
Because the number of UNEP projects is limited, only aggregated analysis is possible. There has been a slight increase in UNEP's average processing time for full-size projects, from 229 days in 2001 to 252 in 2002.

Regarding the difference in processing time by project type, full-size projects require 298 days, on average, to become effective, whereas a much shorter time is necessary for medium-size projects (163 days) and enabling activities (148 days).

As the GEF portfolio matures, more projects enter the PIR process. The 2002 PIR includes 272 ongoing projects that have been under implementation for at least one year by June 30th, 2002. This number reflects the steady growth of the portfolio under implementation, from 135 projects in 1999 to 2001's 205 projects. This year, 67 projects entered the PIR, which represents almost 25 percent of the total 2002 PIR portfolio. Twenty-nine percent of the biodiversity projects, 16 percent of the climate change projects, and 33 percent of the international waters projects were included in the PIR for the first time this year. At the same time, 21 projects (9 percent) were completed during FY2002, and have exited the PIR review process.

In terms of ratings on the two measures of project performance—implementation progress and the likelihood of attaining development/global environment objectives—the World Bank uses a scale of highly satisfactory (HS), satisfactory (S) or unsatisfactory (U). It also uses a partially satisfactory (PS) rating for IFC projects. UNDP and UNEP use the additional category of partially successful (PS), which was introduced in the 2001 PIR.

Results of Ratings
This year's PIR portfolio includes 23 projects that were rated highly satisfactory on both their implementation progress and likelihood of

achieving their development/ environmental objectives. By focal area, there are 14 biodiversity; four climate change, four international waters, and one multi-focal project among this "highly satisfactory" group.

A further 12 projects were rated highly satisfactory on the likelihood of achieving their development/environmental objectives, and satisfactory in their implementation progress. Seven projects were rated highly satisfactory on implementation progress, but satisfactory on likelihood of achieving their development/environmental objectives.

This year's PIR portfolio includes eight projects that were rated unsatisfactory on both implementation progress and likelihood of achieving their development/environmental objectives. In addition, four projects were rated unsatisfactory on the likelihood of achieving the development/ environmental objectives, and partially satisfactory or satisfactory on implementation progress. A further six projects were rated unsatisfactory on implementation progress, but partially satisfactory or satisfactory on the likelihood of achieving their development/environmental objectives.

As noted, the 2002 Project Performance Report is a distillation of the results of the PIR, focal area task forces, interagency meetings, and the various reviews that comprised this year's PPR process. The main findings and conclusions are focused on projects' implementation approaches; sustainability and country ownership; stakeholder participation, including private sector involvement; financial planning; cost effectiveness; and monitoring and evaluation.

Implementation Approach

The assessment of the implementation approach focused on four primary issues: whether changes to the project that have taken place since endorsement are consistent with GEF guidelines; whether the project design and approach to implementation address formal recommendations made during the project approval process; the nature of project partnerships; and whether risks have been appropriately identified during preparation and mitigated during implementation.

Projects examined as part of the 2002 SMPR generally seem to be performing well in terms of implementing partnership arrangements with government departments, executing agencies, and private sector entities. However, all focal area task forces could, based on the PIR, cite examples of projects that, during preparation, insufficiently assessed institutional capacity (local or national). The climate change task force specifically concluded that projects do not focus enough on building capacities at the local and regional level during preparation, even though local authorities and municipalities are increasingly becoming the key to project implementation.

Several SMPRs noted that, during project preparation, important comments to project design by GEF Secretariat, GEF Council, STAP and other agencies went unheeded. During both design and implementation, IAs need to fully consider and integrate into the design of the project many useful comments formally submitted by other GEF entities on project design documents. Finally, some projects exhibited poor identification and management of risks. The biodiversity task force found that design and unilateral implementation by a particular ministry or institution in isolation from other stakeholders is frequently a risk factor. Several projects in this year's biodiversity portfolio are implemented by the ministry of environment without the involvement of other key ministries. In the climate change focal area, inadequate analysis of market risks and financial models has led to implementation problems in several projects. Risks that were not anticipated during project preparation have sometimes seriously constrained project activities. Systems and capacities among Implementing Agencies to prevent these situations vary, it is important to develop systems to identify emerging risks were systems are not in place.

Sustainability and Country Ownership

Sustainability refers to factors that ensure continuation of project benefits after project completion. Several GEF M&E studies have analyzed sustainability within GEF projects,[3] generally with a focus on financial sustainability. Despite projects that feature aspects with a high likelihood of sustainability, the consensus is that GEF projects are not doing enough to ensure the sustainability of overall project outcomes and impacts.

Noteworthy efforts to ensure project financial sustainability can be found in all the focal areas. Among climate change projects, success has been achieved in creating demand for energy service companies' (ESCOs) services, applying microcredit business and finance models for off-grid photovoltaics, and developing regulatory frameworks for small hydropower producers. Other projects have used a variety of fee-based approaches to achieve financial sustainability. In the biodiversity focal area, projects have sought financial sustainability by experimenting with variations of user fees and establishing conservation trust funds at either national or individual protected areas, but there is much room for improvement in financial arrangements for biodiversity conservation, as a recent study commissioned by GEF M&E concluded.[4]

Using another approach to sustainability, several international waters projects are seeking to incorporate project objectives and activities in the regular operations of executing agencies, joint institutional arrangements, or country institutions that are involved in the project. Other IW projects are building strong constituencies and country commitment with a "bottom-up" approach to project planning and implementation, including successful local demonstration activities, participatory strategic action plans (SAPs), and external communications programs.

Beyond these examples, many projects are still struggling with the issue of sustainability. Often, sustainability is not addressed early enough in the implementation cycle, and even then attaining sustainability within the typical GEF project lifetime of 3 to 4 years is a daunting challenge.

Stakeholder Participation

Effective public involvement, particularly stakeholder participation, is critical to the success of GEF-financed projects. This year's PPR analyzes private sector engagement, as one aspect of the overall stakeholder participation. The PPR concludes that effective participation, particularly in the biodiversity and international waters projects, makes vital contributions to project achievement when it links global environmental protection efforts with local and national needs. However, the conclusions of the PIRs and task force discussions suggest that the extent and depth of both stakeholder participation and private sector partnerships vary considerably across focal areas and regions and need considerable enhancement.

Biodiversity projects incorporate local stakeholder participation into project planning and implementation most frequently—an appropriate strategy given the projects' potential effects on people whose livelihoods or basic needs depend on local natural ressources. International waters projects have shown an increasing tendency to complement top-down multicountry approaches with bottom-up approaches that include stakeholder participation and demonstration projects. The climate change focal area, has less examples of participatory approaches, but has a higher degree of private sector involvement among GEF projects. Just as some projects

[3] Focal areas program studies, OPSs, and thematic reviews on financial sustainability of biodiversity projects

[4] Review of Financial Arrangements in the GEF Biodiversity projects (GEF/c.21/Inf.13).

have excelled in this area, the PPR finds a number of projects where the lack of stakeholder participation has caused substantial problems and is likely to prevent projects from reaching their objectives.

Financial Planning

Financial planning encompasses changes in total estimated project costs, co-financing (including monetary and in-kind contributions), the choice of financial instruments, and the potential impact of financial changes on project activities. The main issues identified in this PPR relate to co-financing, notably the lack of appropriate reporting, which may have contributed to a few cases of extreme shortfalls in co-financing and subsequent problems to meet project objectives.

Among SMPR projects, co-financing has exceeded the estimates at project approval. In addition, PIRs and TERs indicated that several projects have proactively identified potential sources of co-financing and secured these contributions. Some projects also adapted to changing circumstances, for example, by achieving anticipated co-financing levels despite national financial crises. One difficulty for reviewers is the lack of consistent reporting on co-financing. Many of the projects reviewed indicated that their financial plans and levels of co-financing had changed since endorsement, but guidelines for reporting these changes are not clear.

Cost Effectiveness

The PPR evaluates cost effectiveness by comparing a project's achievement of environmental and development objectives and its outputs to inputs, costs, and implementation time. Whenever possible, compliance with the concept and guidelines on incremental costs is also examined. While cost effectiveness across the portfolio can be broadly assessed, a lack of clear GEF Secretariat guidelines on cost effectiveness allows dissimilar criteria and approaches to be applied, preventing reliable conclusions from being drawn. For many projects, specially in biodiversity, the assessment of cost effectiveness was complicates.

Monitoring and Evaluation

All the information sources used in the PPR indicate that the monitoring and evaluation systems and components in projects are in general not fully satisfactory. Nevertheless, there are variations between projects which could point to further improvements.

At the project planning stage, strong M&E systems are associated with simple overall project designs whose objectives can be achieved with the time and resources available to the project. During implementation, strong M&E systems are evidenced by the existence of monitoring staff and an adequate budget for monitoring activities. Poorly planned M&E systems tend to concentrate on inputs and outputs, rather than progress towards objectives. For example, PIRs sometimes report impacts without establishing the proper links between project outcomes and the claimed impacts or simply provide too little information to enable assessing impacts. Projects also often lack reliable baseline indicators for measuring—directly or indirectly—project performance in areas such as capacity building.

On the basis of the evidence presented in the diverse sources that contributed to this review, it is clear that the overall role and impact of monitoring and evaluation in the project portfolio needs to be strengthened.

1. Introduction

The GEF *Project Performance Report* (PPR) has three objectives:

1. To provide a basis for decision-making on possible improvements to policies, strategies, program management, procedures, and projects
2. To promote accountability for resource use relative to objectives by participating countries, GEF Implementing Agencies, and executing agencies
3. To document, provide feedback on, and disseminate results and lessons learned.

This PPR draws on the findings of the 2002 Project Implementation Review (PIR), a monitoring process based upon reporting by the GEF Implementing Agencies (IAs) on all projects under implementation for at least one year as of June 30, 2002. The 2002 PPR incorporates findings, lessons, and recommendations from two instruments used this year by the GEF Monitoring & Evaluation Unit (GEF M&E): Secretariat Managed Project Reviews (SMPRs) and Terminal Evaluation Reviews (TERs).[5]

Under the PIR, each implementing agency prepared an overview of its GEF portfolio, a summary emphasizing key lessons and trends to date, and individual reports on all ongoing full and medium-size projects. The IAs also gave each of their projects a rating on two grounds: implementation progress and the likelihood that the project's global environmental objectives would be reached.

Secretariat Managed Project Reviews (SMPRs) have been adopted as a GEF M&E modality for three reasons: to complement the Project Implementation Review (PIR) process, to enhance the Portfolio Performance Review (PPR) and the GEF's "Driving for Results"[6] strategy, and to follow up on an OPS2 recommendation that the GEF Secretariat should strengthen its participation in regular evaluations and monitoring activities of projects.

Terminal Evaluation Reviews are conducted and implemented by GEF M&E. They examine terminal evaluations, which are completed by IAs generally after project closure. Drawing on the PIRs, Implementing Agencies' summary reports, SMPRs, and TERs, GEF M&E prepared four papers, one for each focal area. These papers were the basis for reviews by the GEF interagency task forces on biological diversity, international waters, climate change, and the phase out of ozone-depleting substances (ODS). Task forces seek to identify emerging issues across each focal area by drawing on PIRs, IAs' overviews, and task force members' knowledge of their respective focal area portfolios. Following the focal area task force reviews, which were conducted in late 2002, an interagency meeting was held in Washington, DC, on January 28–29, 2002 to discuss the main findings and agree on a number of recommendations.

Chapter II of this report analyzes the active GEF portfolio, including financial information, through June 30, 2002. Chapter III presents an overview of the projects included in the 2002 PIR, together with an analysis of PIR ratings and trends. Chapter IV summarizes key findings from the discussions of the four focal area

[5] In the past, implementing agency overviews have drawn information from terminal reports and evaluations. This year, the GEF M&E unit will begin a systematic review of all GEF funded medium-size and full projects using the TER.

[6] GEF/C.16/5. Driving for Results in the GEF: Streamlining and Balancing Project Cycle Management.

task forces. Chapter V synthesizes the principal thematic conclusions and recommendations of this year's project performance review. Supporting documentation is supplied in the appendices.

II. GEF Portfolio Analysis

A. Overall GEF Portfolio

As of June 30, 2002, a total of 621 full and medium-size projects had been allocated funding in approved GEF work programs. As shown in Table 1, 41 percent of these projects are implemented by the World Bank, 40 percent by UNDP, and 10 percent by UNEP, while 10 percent have more than one implementing agency. The total funding for these projects was US$3,671 million, of which 54 percent was allocated to World Bank projects, 29 percent to UNDP projects, 4 percent to UNEP projects, and 13 percent to projects with multiple Implementing Agencies. Additionally, 495 enabling activity projects with a total worth of 183 million had been approved 336 of these activities were implemented by UNDP, 101 by UNEP, 32 by the World Bank and 26 by multiple IAs.

Table 2 shows the distribution by focal area of the GEF portfolio as of June 30, 2002. By

Table 1
GEF Project Allocations by Implementing Agency (as of June 30, 2002)

Implementing Agency	FSPs		MSPs		Totals			
	# Projects	US$ Million	# Projects	US$ Million	# Projects	(%)	US$ Million	(%)
UNDP	180	1,003.87	66	52.89	246	40	1,056.76	29
UNEP	22	128.13	38	26.42	60	10	154.54	4
World Bank	190	1,930.18	66	51.64	256	41	1,981.82	54
Multiple IAs	54	474.22	5	4.12	59	10	478.34	13
Total	446	3,536.40	175	135.06	621	100	3,671.46	100

Table 2
GEF Project Allocations by Focal Area (as of June 30, 2002)

Focal Area	FSPs		MSPs		Total Allocations	
	No. of Projects	US$ Million	No. of Projects	US$ Million	%	US$ Million
Biodiversity	185	1,324.23	106	82.50	38.32	1,406.73
Climate Change	161	1,304.07	39	29.55	36.32	1,333.62
International Waters	62	544.33	8	6.49	15.00	550.82
Ozone Depletion	17	166.15	5	3.77	4.63	169.92
Multiple Focal Areas	21	197.63	16	12.17	5.71	209.80
Persistent Organic Pollutants			1	0.58	0.02	0.58
Total	446	3,536.40	175	135.06	100.00	3,671.46

value, 38 percent of the full and medium-size project portfolio was allocated to the biodiversity focal area, 36 percent to climate change, 15 percent to international waters, six percent to ozone, and four percent to projects with multiple focal areas. The PIR 2002 shows the first inclusion in the portfolio of a persistent organic pollutants project, which represents just 0.02 percent of the total portfolio value. Most of the enabling activities were in the climate change focal area.

B. Growth of Portfolio and Disbursements

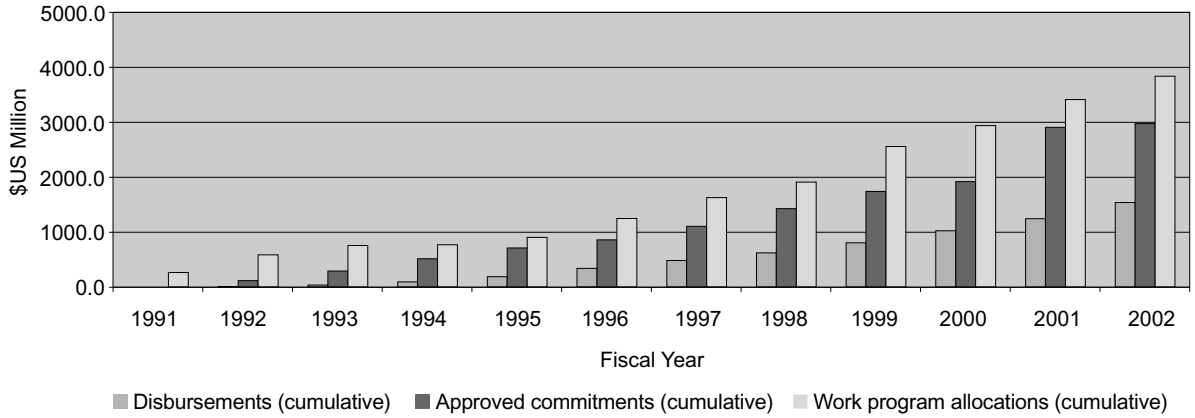
Figure 1 illustrates the growth of the overall GEF portfolio (including enabling activities and project development funds) by amounts allocated, committed, and disbursed from the beginning of operations in June 1991 through June 2002, the total work program allocation as of June 30, 2002 was US$3,855.13 million. During FY 02, 46 full-size projects (FSP), 52 medium-size projects (MSP) and 95 enabling activities (EA) were approved, for a total of US$394.57 million in GEF funding. The value breakdown was US$321.90 million for FSPs, US$41.89 for MSPs, and US$30.77 for EAs. This compares with US$505.28 million approved for 54 FSPs, 33 MSPs, and 76 EAs in the previous fiscal year.

Cumulative disbursements for the entire GEF portfolio (including enabling activities and project development funds) increased during FY 02 to US$1,540 million, up from US$1,224 million in the previous fiscal year. Amounts disbursed for all GEF projects during FY 02 were US$295.3 million, thus continuing the upward trend in disbursements that has been evidenced every year.

C. Time from Allocation to Implementation

Over the years, GEF Council members and others have expressed concern about the long preparation time for GEF projects, as well as the lack of transparency and feedback during initial phases of the project cycle. This has been addressed for some years in the PPR, by analyzing the time it takes projects to go through the steps involved in project preparation. It is nevertheless important to point out that the differences in the number of stages and milestones required by IAs account for some of the inter-agency variations in elapsed time.

FIGURE 1
CUMULATIVE GEF PORTFOLIO – ALLOCATION, COMMITMENTS AND DISBURSEMENTS 1991-2002



For World Bank GEF projects, the elapsed time between GEF Council and World Bank approval significantly improved in 2002. The twenty new full-size projects received Bank approval in an average of 409 days, an improvement of 36 percent compared with the average of 640 days in 2001. This is the lowest average elapsed time for several years.

Looking at World Bank projects by region, the Latin America and the Caribbean region has the lowest number of elapsed days (266), and the Africa region has the highest (597 days). There were two projects, one in East Asia and the Pacific, the other in the Eastern and Central Asia region, for which management approval took over 1,000 days, which distorted the average numbers for these regions. The main reasons for the delays are that the Bank was seeking to establish more effective coordinating mechanisms and because of a change in government, it also needed to secure the new government's full commitment to the project.

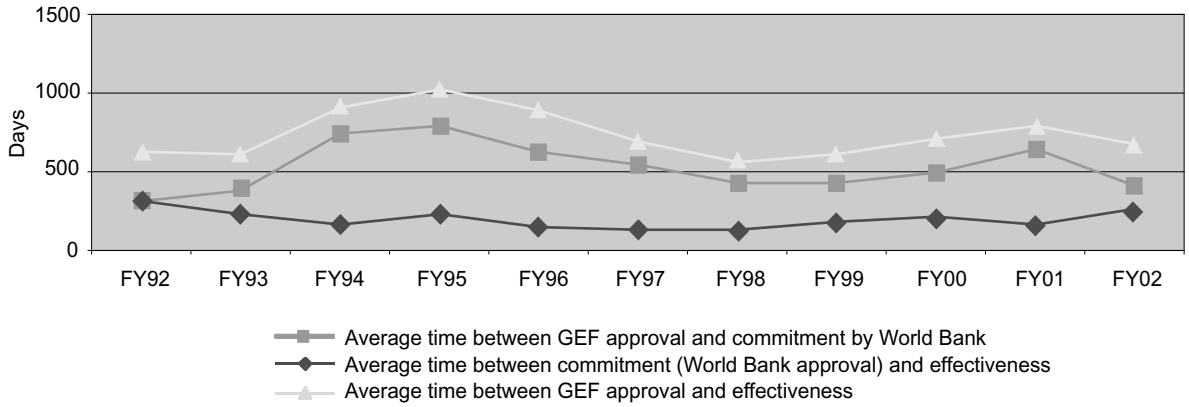
There was an improvement in the average elapsed times from project approval to completion:

- For climate change, average elapsed times declined from 618 days in 2001 to 212 days in 2002.
- For international waters, there was a significant reduction from 1,213 days (one project only) in 2001 to 258 days in 2002.
- For biodiversity projects, there was a reduction from 590 days to 535 days.

For the 10 MSPs approved in 2002, the average elapsed time from Council to World Bank approval rose from 106 days in 2001 to 120 days in 2002.

The World Bank has set a service standard of 4 months for the average elapsed time for all projects to progress from board approval to project effectiveness (i.e., commencement). However, this period rose from 159 days in FY2001 to 269 days in FY2002, the highest time ever recorded for World Bank GEF projects. Factors contributing to the lengthy delays in effectiveness included: complicated legal processes for the approval of donor-financed projects in some recipient countries; problems meeting legal requirements set by the

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



World Bank; and delays in finalizing institutional arrangements[7] . Eight World Bank MSPs became effective in the FY2002. Their average elapsed time was 28 days, which was considerably lower than the 46 days in FY2001. The main characteristics of projects that became effective quickly included firm ownership and commitment by the host country and the establishment of a core project management team by the project appraisal stage.

In the case of UNDP (Figure 3), the average elapsed time from GEF Council approval to the beginning of implementation (project

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

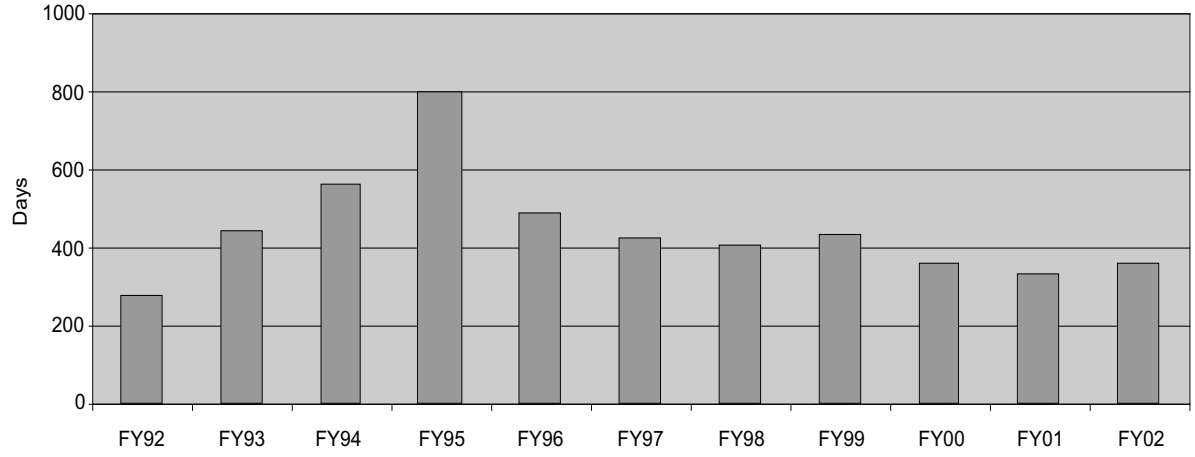
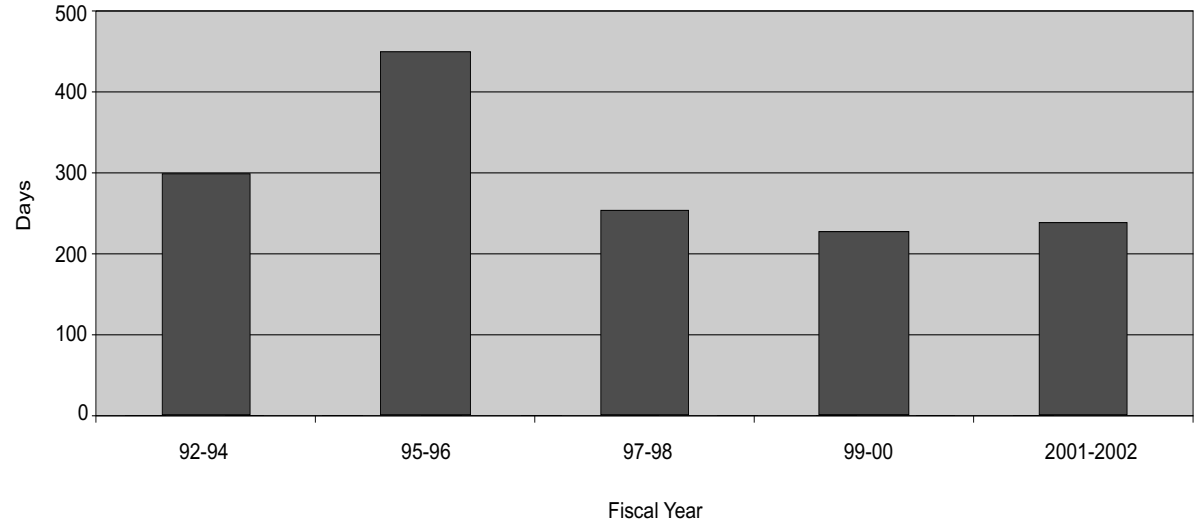


Figure 4
Average Processing Time from GEF Approval to Project Internalization for UNEP GEF Projects, by Fiscal Year



[7] Source: World Bank Group – Global Environment Facility, Project Implementation Review, FY02 Overview Report, page 11, paragraph 10.

agreement signature) increased from 333 days for the FY2001 to 362 days in FY2002. This represents an increase of 8 percent.

Because the number of UNEP projects is limited, only aggregated analysis is possible. Figure 4 shows an overall trend in processing time for full projects, using data averaged by 2-year periods. There has been a minor increase in UNEP's average processing time, from 229 days for 2001 to 252 for 2002.

The difference in processing time by project type. While, on average, 298 days are necessary for full-size projects to become effective, a much shorter time is necessary for medium-size projects (163 days) and enabling activities (148 days).

III. 2002 Project Implementation Review

A. Overview of Projects Covered in the PIR 2002

The 2002 PIR includes 272 ongoing projects that had been under implementation for at least one year by June 30th, 2002. This number reflects the steadily growing portfolio under implementation, from 135 projects in 1999 to 205 in 2001. As the GEF portfolio matures, more projects enter the PIR process. Table 3 provides a breakdown by focal area and implementing agency of the projects included in the 2002 PIR.

As in previous years, about half the projects are in the biodiversity focal area representing 53 percent of the portfolio. The World Bank implements 53 percent of the total of biodiversity projects, followed by UNDP with 37 percent. UNEP and the Multiple IAs represent 8 and 2 percent respectively. A total of 42 biodiversity projects are included in the PIR process for the first time, and 11 were completed during 2002.

With 75 active projects, or 28 percent of the total, climate change is the second largest focal area in the 2002 PIR. UNDP accounts for 55 percent of this portfolio, while the Word Bank and International Finance Corporation (IFC) total is 41 percent. UNEP, with three projects, has 4 percent. Twelve new climate change projects entered the CC portfolio in 2002, and 7 projects were completed.

The 2002 PIR portfolio includes 36 international waters projects, 13 percent of all GEF projects. This represents 12 projects more than in the previous year's PIR, which is a reflection of the maturation of the GEF international waters portfolio. Another 12 projects (4 percent of the total) are in the ozone focal area. Four projects are in multiple focal areas.

The table 4, shows the total GEF funding by focal area and IA. Across the IAs, the World Bank represents 62 percent of the total GEF funding, followed by UNDP with 28 percent and UNEP and Multiple IAs with 7 and 3 per-

Table 3
2002 PIR Portfolio by Focal Area (ongoing projects)[8]

	UNDP	UNEP	World Bank	Multi IAs	Total	(%)
Focal Area	No.	No.	No.	No.	No.	No. (%)
Biodiversity	54	11	77	3	145	53
Climate Change	41	3	31		75	28
International Waters	11	10	13	2	36	13
Ozone	8	2	2		12	4
Multiple	1		3		4	1
Total	115	26	126	5	272	100

[8] 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.

Table 4
2002 PIR Portfolio by Focal Area (ongoing projects)

Focal Area	UNDP	UNEP	World Bank	Multi IAs	Total	(%)
	GEF Funding (US$)	GEF Funding (US$)	GEF Funding (US$)	GEF Funding (US$)	GEF Funding (US$)	GEF Funding (%)
Biodiversity	208.90	45.70	438.10	26.20	718.90	47
Climate Change	122.43	9.29	343.64		475.36	31
International Waters	64.55	43.80	110.95	27.40	246.70	16
Ozone	24.44	1.36	49.24		75.04	5
Multiple	3.51		17.99		21.50	1
Total	423.83	100.15	959.92	53.60	1,537.50	100
(%)	28%	7%	62%	3%	100%	

cent respectively. Among the focal areas, Biodiversity has 47 percent of the total GEF funding, Climate Change represents 31 percent and IW accounts for 16 percent. Ozone and multiple focal areas projects represents 5 and 1 percent.

Overall, 67 projects are included in the PIR for the first time in 2002 (see Table 5). This represents almost 25 percent of the total 2002 PIR portfolio. Twenty-nine percent of the biodiversity projects, 16 percent of the climate change projects, and 33 percent of the international waters projects were included in the PIR for the first time this year. At the same time, 21 projects (9 percent) were completed during this PIR period, and have exited the review process.

Table 6 shows the distribution of the 2002 PIR portfolio by region. It shows that the largest number of projects (25 percent of the total) is in Latin America and the Caribbean, followed by Africa (19 percent), East Asia and the Pacific (16 percent), Eastern and Central Asia (15 percent), the Middle East and North Africa (10 percent), and South Asia (6 percent). Another 8 percent were global or regional projects.

Table 5
The 2002 PIR Portfolio

Focal Areas	Number of Projects	Percentage of Portfolio	New in 2002 PIR	Number Completed
Biodiversity	145	53	42	11
Climate Change	75	28	12	7
International Waters	36	13	12	3
Ozone	12	4	1	
Multiple	4	1		
Total	272	100	67	21

TABLE 6
REGIONAL DISTRIBUTION OF 2002 PIR PROJECTS

Region	Biodiversity	Climate Change	International Waters	Ozone	Multi-Focal	Total	2002 (%)
Africa	40	9	3			52	19
East Asia & Pacific	26	14	4			44	16
Europe & Central Asia	9	12	9	12		42	15
Global	6	8	6		2	22	8
Latin America & Caribbean	47	13	6		2	68	25
Middle East & North Africa	10	10	8			28	10
South Asia	7	9				16	6
Total	145	75	36	12	4	272	100

The regional distribution varies by focal area. In biodiversity, almost two-thirds of the projects are split between Latin America and the Caribbean and Africa (32 percent and 28 percent, respectively), followed by East Asia and the Pacific (17 percent). The Middle East and North Africa and Eastern and Central Asia regions have only 6 and 7 percent of the projects respectively, while South Asia and global projects account for about 5 percent each.

In climate change, the distribution of projects among the regions is fairly balanced. The East Asia and the Pacific region has 19 percent; Latin America and the Caribbean, 17 percent; Europe and Central Asia, 16 percent; the Middle East and North Africa, 13 percent; Africa and South Asia have 12 each, while global projects account for 10 percent.

For international waters, the regional distribution follows still another pattern. Europe and Central Asia account for 25 percent of the total number of projects, followed by 22 percent for the Middle East and North Africa region. The Latin America and the Caribbean region and global projects each have 17 percent of the international waters portfolio, while the East Asia and Pacific accounts for 11 percent and Africa for 8 percent.

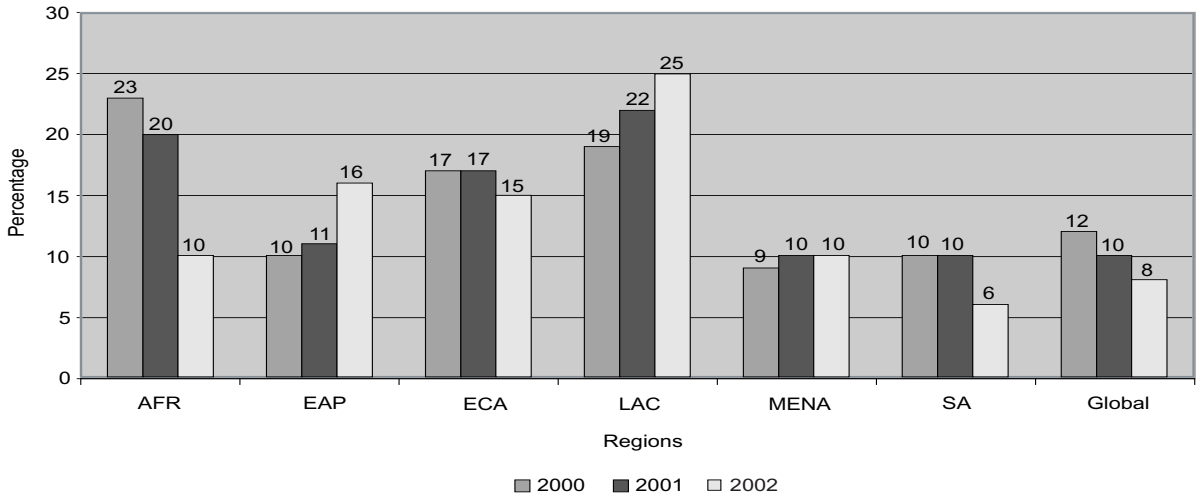
In accordance with the GEF mandate, all of the ozone projects are in Europe and Central Asia.

Figure 5 shows how the distribution of projects by region has been changing in the last 3 years. Projects in the East Asia and Pacific, Latin America and Caribbean, and Middle East and North Africa regions have all increased, from between 1 to 6 percent, since 2000; however, for the same period, projects in the Africa, Eastern and Central Asia, and South Asia regions as well as global projects have declined from between 1 to 4 percent.

B. Ratings

The PIR is a monitoring tool that relies on each implementing agency to report and rate project performance. The following tables present the

Figure 5
Regional Percentage of GEF Projects in PIR over Years (2000–2002)



ratings for implementation progress and meeting development/global environmental objectives by focal area and implementing agency.

As shown above, the Implementing Agencies rated their projects according to two criteria: implementation progress and likelihood of attaining development/global environment objectives. The World Bank rated its projects as highly satisfactory (HS), satisfactory (S) or Unsatisfactory (U). The World Bank also uses a partially satisfactory (PS) rating for IFC

Table 7
Ratings on Implementation Progress

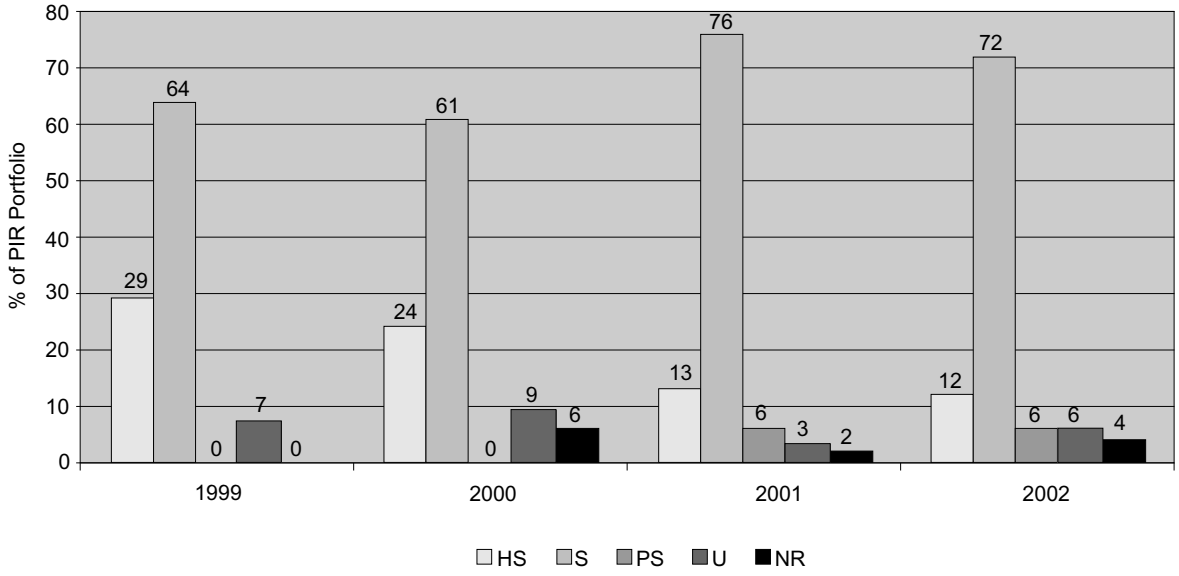
Ratings on Implementation Progress						
	Highly Satisfactory %	Satisfactory %	Partially Satisfactory %	Not Unsatisfactory %	Rated %	Total %
Biodiversity	14	71	5	7	3	100
Climate Change	9	69	8	5	8	100
International Waters	14	78	6	3		100
Multiple		100				100
Total	12	72	6	6	4	100
UNDP	10	69	11	4	6	100
UNEP	20	72	4	0	4	100
World Bank	13	75	2	9	1	100
Multiple IAs	0	100	0	0	0	100
Total	12	72	6	6	4	100

Table 8
Ratings on Development Objectives

Ratings on Development Objectives						
	Highly Satisfactory %	Satisfactory %	Partially Satisfactory %	Not Unsatisfactory %	Rated %	Total %
Biodiversity	13	74	5	5	3	100
Climate Change	8	72	9	3	8	100
International Waters	22	69	3	3	3	100
Multiple	0	100	0	0	0	100
Total	13	73	6	4	5	100
UNDP	11	67	12	3	7	100
UNEP	32	60	0	0	8	100
World Bank	11	80	2	6	1	100
Multiple IAs	0	100	0	0	0	100
Total	13	73	6	4	5	100

projects. The two UN agencies use the additional category of partially successful (PS), which was introduced in the 2001 PIR. Figure 7 shows the trends in PIR project ratings from 1999 to 2002. The GEF M&E unit does not have the opportunity to assess the accuracy of the ratings.

Figure 6
Trends in PIR Project Ratings Development



Projects with highly satisfactory ratings in the PIR. This year's PIR portfolio includes 23 projects that were rated highly satisfactory in both their implementation progress and likelihood of achieving their development/environmental objectives. A further 12 projects were rated highly satisfactory in their likelihood of achieving their development/environmental objectives, and satisfactory in their implementation progress. Seven projects were rated highly satisfactory in their implementation progress, but satisfactory in the likelihood of achieving their development/environmental objectives.

The distribution by agency of the 23 projects that were rated highly satisfactory on both criteria is: UNDP, nine; UNEP, four; and the World Bank, 10. The distribution by focal area is biodiversity, 14; climate change, four; international waters, four; and multi-focal, one.

In **biodiversity**, some projects that were rated highly satisfactory include:

- The *Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problems of Alien Species That Threaten Biological Diversity* project succeeded in generating best practices to prevent, control, and eradicate alien species that threaten biodiversity. The project produced various publications, including a Toolkit of Best Prevention and Management Practices for Invasive Alien Species, and developed a Global Invasive Species Database. The project, through the GISP (Global Invasive Species Program), contributed to discussions on the alien species issue at the CBD/SBSTTA.

- In *Wetland Priorities for Conservation Action in Ecuador*, the project collected data on wetland in three regions: coastal, interior coastal, and Galapagos. The project developed a methodology for identifying and characterizing wetlands and developing management plans. This methodology was accepted by the Ramsar Convention and is being adopted by other countries in Latin America. Stakeholders have been involved by providing local knowledge on traditional uses, which are then incorporated into the management plans. Through this project, 10 additional wetlands were included in the Ramsar list. In addition, the project identified 81 additional wetlands that are under special management and conservation. Furthermore, plans to drain some interior wetlands were canceled due to the intervention and recommendations of this project.

In **climate change**, projects that were rated highly satisfactory include:

- *China Barrier Removal for the Widespread Commercialization of Energy-Efficient, CFC-free Refrigerators in China*, under which manufacturers of home appliances have considerably reduced (by as much as 40 percent) the energy use of their products compared to the prevailing standard. They also have considerably increased sales of these energy-efficient products, resulting in the prevention of 100 million tons of CO_2 equivalents being emitted.

- In the *Sri Lanka Energy Services Delivery* Project, grid-connected mini-hydro capacity has risen by 3,000 percent to 30 MW in 4 years. The project has promoted the adoption of tariff policies favorable to its objectives by working closely with the government. Private company sales of solar home systems have increased from less than 30 systems per month to 1,300 systems per month in 3 years and capacity building activities have led to the creation of several energy service companies (ESCOs).

In **international waters**, a project that was rated highly satisfactory was:

- The *Global Removal of Barriers to the Effective Implementation of Ballast Water*

Control and Management Measures in Developing Countries (GloBallast), under which pilot countries have established procedures for collecting ballast water reporting forms from vessels visiting their demonstration ports. The data is used for risk assessments. Participating countries are implementing national ballast water management plans and extending the procedures to other ports.

Projects with unsatisfactory ratings in the PIR. This year's PIR portfolio includes eight projects that were rated unsatisfactory on both implementation progress and likelihood of achieving their development/environmental objectives. In addition, four projects were rated unsatisfactory on the likelihood of achieving the development/environmental objectives, and partially satisfactory or satisfactory in their implementation progress. A further six projects were rated unsatisfactory in their implementation progress, but partially satisfactory or satisfactory in the likelihood of achieving their development/environmental objectives.

In the case of biodiversity, six projects were rated unsatisfactory on both counts, compared with four such projects in the 2001 PIR. The *Sri Lanka Conservation of Biodiversity Through Integrated Collaborative Management in the Rekawa, Usangoda, and Kalametiya Coastal Ecosystems* project was rated unsatisfactory because of limited achievements and delays in implementation reportedly caused by national elections and subsequent staff turnover in relevant state institutions. The *Philippines Conservation of Priority Protected Areas* project was rated unsatisfactory because of continuing implementation problems; the project was closed at the end of FY02. Its procurement and financial management practices are currently under investigation by the World Bank. *The Madagascar Environment Project II* was rated as unsatisfactory because of slowdown of implementation after the December 2001 presidential elections. The *Georgia Integrated Coastal Zone Management* project was rated unsatisfactory due to the reported lack of government commitment to meet its obligations under the Ramsar Convention and to implement corrective measures in a timely manner (the development of the Kulevi oil terminal within the protected area). There also seems to be mounting pressure to begin peat exploitation in a national park. The *Syria Conservation of Biodiversity and Protected Areas Management* project was rated unsatisfactory due to significant governance, institutional, financial management, and procurement issues. The *Zimbabwe Park Rehabilitation and Conservation* project continues to be rated unsatisfactory due to the political situation and the World Bank's decision to suspend all disbursement to the country.

One project in climate change (compared to none in the 2001 PIR), the *Global Renewable Energy and Energy Efficiency Fund* project, was rated unsatisfactory on both counts because the energy efficiency private equity fund, whose creation was the project's objective, had a lower than expected return, which caused investors to withdraw their funds. This was attributed to the deterioration of market conditions and a trend towards disinvestments in the private power sector.

One project in the international waters focal area, the *Lake Victoria Environment* project, was rated unsatisfactory on both counts. This rating was specifically attributed to the project's Kenya portion, which faced problems related to procurement, financial management, lack of annual audits, and repeated delay of fund flows to the field level.

Ozone Depletion. Most countries are in compliance with the Montreal Protocol (MP) and the Conference of the Parties (CP), although not all countries have achieved full phase-out. Poland achieved 100% phase out of Chlorinated Fluorcarbons (CFCs), which made it fully compliant with the MP regarding these substances. Belarus , achieved full phase-out of Ozone Depleting Substances (ODS) in the

household refrigerator manufacturing sector and the solvent sector. Estonia, Kazakhstan, Tajikistan and Uzbekistan are on track for full phase-out of Annex A and B substances between 2002-2004.

Countries experiencing difficulty in complying with original or revised schedules are mostly Newly Independent States. Azerbaijan is not in compliance with CFC phase-out decision X/20, which scheduled full phase out for January 1st, 2003. Turkmenistan has proposed a new phase-out schedule, because it could not achieve the schedule outlined in MOP XI/25. Latvia expected full phase-out in 2001, but this has not yet been confirmed. Lithuania, was on track for compliance by 2001, but numbers have not been reported to the Ozone Secretariat and one subproject was found to be unsuccessful due to a company bankruptcy.

UNEP's regional ODS projects are different from the national activities. They promote regional networking and sharing of knowledge. They also address the important transboundary issue of illegal trade in ODS which continues to be an important issue for Countries with Economies in Transition (CEITs). They face national legal problems (such as import duty avoidance through smuggling) as well as compliance issues with the MP. There is no official reporting on detected illegal trade or estimated black market trade, because the Montreal Protocol (MP) gives no guidance on the issue. Despite widespread adoption of ODS trade and licensing rules (under the UNEP project), the project's impact on illegal trade remains unknown. Other PIR reports confirm that ODS smuggling continues in large countries such as India and China. Establishing an inter-agency task force on ozone would be helpful to set the direction for future GEF activities in the ozone focal area.

IV. SECRETARIAT MANAGED PROJECT REVIEWS AND TERMINAL EVALUATION REVIEWS

A. SMPR

The overall purpose of the SMPR is to assess whether projects are implemented in conformity with project objectives and GEF policies, standards, and procedures, especially concerning attainment of global environmental benefits and incorporation of lessons learned to improve portfolio quality. In addition, the SMPR provides added assurance to the GEF Council and other partners that GEF is moving forward in implementing its "Driving for Results" strategy. The SMPR was conducted as a pilot exercise during the 2002 calendar year. GEF M&E led the exercise with support from and in collaboration with GEF Secretariat focal area teams, Implementing Agencies' (IAs) staff, and external independent consultants. The SMPR was intended to be complementary to the existing review, monitoring, and evaluation mechanisms of the IAs and GEF M&E. Its implementation was coordinated with the IAs' existing monitoring and evaluation efforts, and field visits were made in conjunction with the IAs' midterm reviews. The modality used for implementing the SMPR in the pilot phase was the review of 15 projects selected according to specific agreed criteria. While this sample is not statistically representative, the SMPRs enabled a deeper review of key issues in GEF projects and yielded findings relevant to the PPR.

Of the 15 SMPRs that were carried out during 2002, seven were biodiversity projects, five were climate change projects, and three were international waters projects. Panels participating in this year's SMPR provided an overall rating of the projects, based on the projects' performance against the eight GEF criteria considered in the SMPR questionnaire. The SMPR criteria are different from those of the PIR, and the ratings are not directly comparable. Two of the climate change projects were rated partially satisfactory and three satisfactory, while six out of the seven biodiversity SMPRs were rated partially satisfactory or unsatisfactory (see the next chapter on portfolio highlights). In international waters, two projects were rated satisfactory and one highly satisfactory according to the SMPR criteria. The panels concluded that projects reviewed in 2002 have performed best overall in ensuring stakeholder participation and country ownership, but are facing significant challenges in the areas of sustainability, replicability, and the development of adequate M&E systems to measure project outcomes. More detailed information on the SMPR findings and lessons is provided in a GEF Council document, GEF Secretariat Managed Project Review (GEF/c.21/Inf.7).

B. TER

Terminal evaluation reviews have accountability functions and are tools for learning lessons during individual projects that might apply across the portfolio. The reviews examine the terminal evaluations completed by Implementing Agencies to assess project performance in reference to objectives, using the eight GEF project review criteria. Given the fact that the GEF M&E unit and IAs are just in the process of developing terminal evaluation guidelines, this year's TERs were not expected to fully address all GEF review criteria. Terminal evalu-

ations are a major tool for generating lessons, but also contribute to the accountability of resource use within the IAs and for the GEF Council. The 2002 PPR includes 18 TERs, covering all terminal evaluations submitted by IAs for the fiscal year ending in June 30, 2002. TERs did not rate projects. The results of the TERs are included in Chapter V.

V. Findings and Conclusions

This section brings together, under the GEF review criteria, the main findings and conclusions from the PIR, focal area task forces, interagency meetings, and the various reviews that comprised the PPR process.

A. Implementation Approach

The assessment of the implementation approach focuses on whether changes that have taken place since project endorsement are consistent with GEF guidelines; whether the implementation approach adequately addressed formal recommendations made during the project approval process; the nature of project partnerships; and whether risks have been appropriately identified during preparation and mitigated during implementation.

1. Partnership arrangements

Projects examined as part of the 2002 SMPR generally seem to be performing well with regard to implementation of partnership arrangements with government departments, executing agencies, and private sector entities. The *Implementation of the Integrated Watershed Management Practices of the Pantanal and Upper Paraguay River Basin* project provides a good example of close coordination and partnership between the National Water Agency (ANA), various state and local government bodies, and the project management unit. Co-financing contributions have exceeded estimates at project approval, and several of this project's activities have been incorporated into the governments' budget.

2. Identification, assumptions and mitigation of risks

Some projects exhibited poor management of risks. Even where risks were identified during project appraisal, they have frequently been underestimated or the strategies intended to cope with them have proved inadequate. Therefore, many risks identified at the project preparation stage have later materialized, causing severe problems for project implementation. All focal area task forces could cite examples of inaccurate projects assumptions during their preparation phase. One refers to the assumption that there is sufficient institutional capacity (local or national) to carry out the project. For example, some biodiversity projects have decided to concentrate on achieving their objective by providing the most effective short-term implementation arrangements, without making local capacity building a specific activity or objective.

Climate Change. The climate change task force also concluded that projects do not give sufficient attention to building capacities at the local and regional level during preparation, even though local authorities/municipalities are increasingly becoming the key to project implementation. Projects that are implemented through municipalities seem to face unique challenges. For example, under the *Russia's Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Building and Heat Supply* project, operation, investment, and tariff issues are all the responsibility of municipalities. This is almost always the case for district heating/hot water projects in Central and Eastern European countries. Consequently, most district heating projects work with municipal bodies and try to establish positive demonstration cases for a reformed, energy-efficient system with higher cost recovery. But a municipality's financial strength and autonomy is frequently limited, and municipalities are often subject to financial and institutional constraints, as well as high political pressure to maintain social equity. The

projects try to overcome these constraints by developing and implementing integrated technical and institutional solutions, which improve the utility's heat service, cost recovery, and management capacity. The *Bulgaria Energy Efficiency Strategy to Mitigate Greenhouse Gas Emissions* project also highlights some specific challenges of working with municipalities. This project has formed a Municipal Energy Efficiency Network in which 148 municipalities are presently involved. Such a network can function as a prime vehicle for policy change, replication, and capacity building and contribute towards increased sustainability of project impacts. For example, the network described above contributed directly to the initial floating of an energy-efficiency bond in one of its member cities to pay for municipal lighting retrofits to more efficient, newer lighting sources. Nevertheless, the project as a whole faces problems due to limited municipal financial self-governance and fiscal decentralization as well as policy and institutional factors at the federal level that affect the capacity of municipalities to influence such changes.

In the climate change focal area, inadequate analysis of market risks and financial models has led to implementation problems in several projects. The *Indonesia Solar Home Systems Project*, for example, is not achieving even its scaled-down objectives, largely because of macroeconomic difficulties facing the country. The World Bank, cognizant of the extent to which macroeconomic factors are affecting the project, is considering the project's early closure. Another common problem is that aspects identified in the logical framework as risks should be regarded as issues to be addressed by the project. For example, the appropriateness of a particular demonstration site and the level of local implementation capacity should be considered as part of the project design. "Risks" should be factors external to the project intervention framework and beyond the project's immediate control.

Biodiversity. The biodiversity task force found that design and implementation by a particular ministry or institution in isolation from other stakeholders is frequently a risk factor. Several projects in this year's biodiversity portfolio are implemented by the relevant ministry of environment without the involvement of other key ministries. A specific problem encountered by several projects is that the broader national development agenda (for example with regard to infrastructure, structural adjustment, and regulatory frameworks) overrides the conservation objectives supported by GEF projects. In Vietnam *(Creating Protected Areas for Resource Conservation using Landscape Ecology*, implemented by UNDP), the government has begun construction of a dam outside of the Na Hang Protected Area, but inside the project site, which will affect the protected area by inundating most of the low-lying areas. While the low-lying areas account for a small proportion of the total area, and are largely agricultural land, the potential influence of the large number of construction workers and the destination of communities to be relocated due to flooding is unknown. The government has also begun upgrading a major communication link between southern and northern Vietnam and is considering one route for this link that would pass through the Yok Don National Park supported by the GEF. No decision on the road has been made yet. Among the institutions selected to participate in implementing the GEF project, there were no representatives of the ministries responsible for the abovementioned national development efforts.

Similarly, in the case of Cambodia (*Biodiversity and Protected Areas Management Pilot Project for the Virachey National Park,* implemented by the World Bank), the government has recently initiated the process of allocating forest-logging concessions around the country. One of these concessions is located within the boundaries of the Virachey National Park project (although outside the park itself). These and other cases highlight the dual roles—GEF

project implementers and development agencies—that IAs may play in such situations. This review suggests that GEF IAs should pay increased attention to their potential role as brokers in the environment and development agendas. In Peru, several World Bank biodiversity projects have been affected by weaknesses and constraints in the overarching environmental institution. The biodiversity task force questioned the wisdom of allowing ministries of environment to act as lead institutions in implementing biodiversity projects where the ministries have a weak mandate and poor capacity. It is imperative that the sectoral ministries in agriculture, forestry, and natural resources, as well as ministries of finance and planning also support biodiversity projects.

Risks that emerge during implementation. Risks that could have not been anticipated during project preparation have at times seriously constrained project activities. To prevent these situations, it is important to develop systems to identify emerging risks. Once risks have been identified, they must be monitored and carefully managed, so that the project will be able to quickly adapt to any new circumstances. For example, the World Bank assesses project risks using a risk flag and index system that measures whether unsatisfactory projects are also projects at risk and whether these projects have improved (see Box 2). In the East Asia and the Pacific region, for example, management has responded to the risks identified by this system by (a) encouraging clients to seek longer term assistance that can progressively build capacity; (b) setting more modest objectives and allowing more time to achieve them; and (c) building more flexibility into project designs to adapt to evolving conditions. In Peru, the system identified overarching institutional weaknesses in a national agency executing several GEF projects. In response, the World Bank moved routine project administration to an institution with stronger administrative capacities and is planning to contract the majority of field activities to be carried out during the rest of the project. It is important to point out that the GEF should not move away from high-risk projects altogether, since these may offer unusually large environmental gains.

3. Attention during preparation to comments made at proposal stage

Several SMPRs noted that, during project preparation, comments about project proposals by IAs other than the sponsoring IA, GEF Secretariat, GEF Council and STAP were given insufficient attention. Such issues sometimes remained unresolved or, in a few cases, actually worsened during implementation. This indicates that these projects did not fully incorporate the recommended changes. The PPR review process also identified weaknesses

Box 2
The World Bank's projects-at-risk system

The Bank's projects-at-risk system is a tool used for early identification of those operations where self-assessment (of project performance) by task managers may be too optimistic, and influenced more by hope more than objective judgment. It is an early warning of possible failure. The concept tries to go below current, and visible, ratings to uncover the picture underneath. There are two types of at-risk projects: projects graded as problems based on the latest Project Supervision Reports ratings, that is, projects rated unsatisfactory on implementation progress or on their progress toward achieving development objectives, and projects graded as potential problems based on the presence of at least three of 12 leading indicators of future problems in such areas as financial performance, M&E, project management, and country environment. Each of the 12 indicators is a "flag" pointing toward final outcomes. Being "at risk" does not ordain a negative outcome. In fact, the primary purpose of this classification is to bring added managerial attention to such projects to help prevent unsatisfactory outcomes.

in GEF guidelines on how to deal with fundamental changes in projects during implementation. Furthermore, Implementing Agencies do not always send the final project document negotiated with countries to the GEF Secretariat, making it difficult for GEF Secretatiat to have a precise picture of the activities it supports. Replication is another area that requires more attention during project preparation and implementation. Project approaches to replication are often vague, and few PIRs report on such activities.

4. Logical frameworks

The logical frameworks (logframes) for all 18 projects examined during terminal evaluation reviews were found to be weak. Many failed to establish a consistent logical strategy with a clear link between inputs/activities, outputs, and objectives. A common weakness was the absence of measurable or verifiable indicators.

5. Conclusions on implementation approach

- IAs need to take into account more fully—during design and implementation—comments formally submitted by other GEF entities on project design documents.
- Project preparation should distinguish between root causes and identified project risks and develop risk mitigation strategies, as well as systems to monitor risks more carefully during implementation. Financial and country-level risks affecting the project should also be monitored.
- During preparation there is a need to properly assess institutional and partner capacity at local and national levels and, in relevant sectors, to give more attention to building capacity at the local level. There should be a clear distinction between the capacity required to successfully implement a project and that which a project is intended to develop.
- IAs will retrofit logframes to projects that have at least 2 years of implementation time remaining and whose original logframes are inadequate. Logframes should also be retrofitted for projects that are undergoing significant changes during implementation.
- The M&E unit, in cooperation with the GEF Secretariat and IAs, will identify weaknesses in the use of the logframe, will document good practices in preparing logical frameworks, and on this basis, and drawing on the lessons and accomplishments of partner agencies, and will organize learning events that address the identified weaknesses.
- GEF Secretariat should re-examine the project review criteria on replication and make them more prominent in the review process.

B. Sustainability and Country Ownership

Sustainability refers to factors that ensure continuation of project benefits after completion of project implementation, within or outside the project domain. The issue of sustainability within the context of GEF projects has been analyzed in several GEF M&E studies.[9] Discussion has usually focused on financial sustainability. Other factors contributing to sustainability include building country ownership and mainstreaming project activities or objectives in the operations of government and partner agencies. The general consensus is that, even though some aspects of projects might have a high likelihood of sustainability, GEF

[9] Focal areas program studies, OPSs, and thematic reviews on financial sustainability of biodiversity projects

projects are not doing enough to ensure the sustainability of overall project outcomes and impacts.

The discussion on sustainability in this year's PPR provided several examples of projects that are trying to promote sustainability by establishing appropriate financial mechanisms, mainstreaming project activities within executing and Implementing Agencies, influencing policy frameworks, and/or disseminating knowledge.

1. Accomplishments in financial sustainability of GEF activities

There are several good examples of projects seeking to develop the financial sustainability of project benefits. The *Côte d'Ivoire Energy Efficiency Market Development* project (World Bank) focused on sustainability from the start. The project took a holistic approach by seeking to create a demand for energy service companies' (ESCOs) services, supply those services, and increase the availability of financing to support the services. Four new ESCOs have been created and relationships have been established between them, their clients, and their financiers. A revolving fund established under the project serves as a funder of last resort, and many projects have been financed without revolving fund assistance. However, when this project was reviewed as part of the 2002 SMPR, the panel was concerned that the interest rate of the revolving fund is not being gradually increased to market levels and that private financial institutions are rarely involved in sub-project financing. Both the *Sri Lanka Energy Services Delivery* and the *Bolivia Rural Electrification with Renewable Energy Through Popular Participation Law* projects demonstrate strong attention to financial sustainability by project management. The Sri Lanka project continually promoted the evolution of its business and policy models for both off-grid and on-grid renewable energy.

Microcredit business and finance models for off-grid PV and regulatory frameworks for small hydropower producers both appear highly sustainable. The Bolivia project continues to design and experiment with new business and financing models, since funds are no longer available from the Popular Participation Law[10]. These efforts appear highly motivated and designed to promote sustainability. For example, the project tried to increase affordability by attracting end-user credit from micro finance institutions (which in turn received credit from a bank) without the use of Popular Participation Law funds. The *India Renewable Resources Development* project provides an example of financial sustainability achieved by transforming the PV and wind power markets in India (see Box 3).

Other projects have helped introduce a variety of fee-based approaches to financial sustainability. Under the *Gulf of Aqaba Environmental Action Plan* (Jordan), cost recovery mechanisms have been put in place to assist in promoting the financial sustainability of protected areas and environmental protection. These include marine park fees (diving fees, visitor fees, and beach facility fees), issuance of permits (air emission permits, cooling water discharge permits, resource user fees for import/export), and fines for environmental damages, including industrial pollution and oil spills. All revenue from these fees and fines will be earmarked for the Department of Environment, Regulation, and Enforcement.

o The *Philippines Conservation of Priority Protected Areas* project (CPPAP) has experimented with an interesting variation of user fees, including requiring peasant farmers in park buffer zones to pay fees for keeping pigs

[10] The expected subsidies from the Popular Participation Law were not available to private service providers, as had been expected when the project was designed.

Box 3
Using renewable energy market transformations to achieve sustainability

The *India Renewable Resources Development* (IREDA) project is a good example of market transformation to promote the adoption of renewable energy for rural electrification in a sustainable way. This has been achieved through rural PV financing, as well as through private sector development of investments in renewable energy. The project helped promote a critical shift in the government's approach to renewable energy development, from one that was largely state administered to a more market-driven approach with active private sector involvement. IREDA's role in financing renewable energy investments has encouraged other lenders to support the sector. For example, renewable energy project financing is now available from a substantial number of national and local banks, non-bank financial institutions, cooperatives, foundations/trusts, and government-owned financial institutions, starting from a zero base in 1993. By FY2002, IREDA's annual loan disbursement level had reached $134 million, compared to less than $4 million in 1993. IREDA has now attracted additional international support in excess of $350 million. Over 3400 MW of wind, small hydro, biomass, solar photovoltaic, and other renewable energy power systems were in operation by December 2001, compared to about 100 MW in 1992. The vast majority of these investments were developed by the private sector or NGOs, as part of IREDA's financing for over 1,500 projects. The project helped catalyze an unprecedented growth in investment in the renewable energy industry. This promoted an increased share of renewable energy in the overall Indian power generation capacity, from a mere 0.13 percent in 1992 to nearly 3.4 percent by 2001. The carbon emissions avoided as a direct result of the project are estimated to be 1.1 million and 94,000 tons, respectively, over the lifetime of the financed wind and PV projects.

or fighting cocks on land adjacent to park boundaries. The Costa Rica *Ecomarkets* project is supporting a direct payment to provide biodiversity conservation benefits to private land owners. Despite such initiatives, few protected areas are capable of generating sufficient revenues, either from visitor fees or other user payments, to be self-sustaining[11] .

Other projects in the biodiversity focal area seek financial sustainability by establishing conservation trust funds—using GEF financing as part of the capitalization to support protected area financing—at either the national or the individual protected area. Trust funds have been especially popular in Latin America and Africa. One example is the Bolivia Biodiversity Conservation project, which by strengthening the National System of Protected Areas (SNAP), contributed to convincing donors to support the FUNDESNAP, which has a target of $63 million over the next 30 years.

Despite important contributions to the financial sustainability of GEF projects, a study on financial arrangements for biodiversity conservation commissioned by the GEF M&E unit concluded that there is room for improvement. The study included four field visits and a detailed review of 18 projects. Financial arrangements were defined as the means to generate revenues or secure income to support project outcomes.[12] Some of the key lessons and findings of the study were:

[11] Review of GEF's Engagement with the Private Sector – Interim Report (GEF/c.21/Inf.8).
[12] Review of Financial Arrangements in the GEF Biodiversity projects (GEF/c.21/Inf.13).

- The selection of financial arrangements in GEF projects has often been based on inadequate information.
- Many of the projects reviewed did not prepare plans to develop long-term financial resources to sustain gains made by the project.
- Longer time frames than currently used are needed to ensure sufficient revenue for the financial sustainability of the project.
- Adequate linkages have generally been established with national and/or local-level actors. Many of the financial arrangements aimed at mitigating threats from local communities are well developed.
- The linkages between capacity building components and revenue-generating activities should be strengthened by more direct interventions from projects in the form of grants, credits, or equity investments.
- The financial sustainability solutions adopted by many of the projects are based on a single or a few similar revenue-generating activities. This lack of diversification makes it difficult for projects to manage financial instability due to changes in the global economy, shifts in political support, and other external factors.

B. Development of ownership

Several international waters projects are seeking to incorporate project objectives and activities in the regular operations of executing agencies, joint institutional arrangements, or country institutions that are involved in the project. For example, in the case of UNDP's *Implementation of the (Strategic Action Plan*

Box 4
Obtaining government financial commitments

The objective of *Western Indian Ocean Islands Oil Spill Contingency Planning* project, implemented by the World Bank, is to "protect the mainly pristine aquatic ecosystems and rich biodiversity of the Western Indian Ocean Islands (Comoros, Mauritius, Madagascar, Seychelles, and Reunion) from the risks of oil spills in harbors and along the high traffic oil routes of the WIO and in particular of the Mozambique Channel." The development objective was "to enable the four countries to directly prevent, contain and clean the small-medium oil spills (Tier 1, 2) frequently occurring in harbors or along marine routes, and to strengthen the ability and coordination of participating countries and the regional organization to prevent, contain and clean Tier 3 major spills in cooperation with South Africa's response facilities." This project has addressed several key factors affecting sustainability. Sustainable *financing mechanisms* have been established in all countries. Participating governments have allocated the necessary budget within existing agencies to ensure operations of project installations or have established a separate fund to pay for ongoing project activities. *Conventions have been ratified* by all four countries, *national legislation* has been harmonized, and there is evidence of good political support. The project used media and public relations campaigns to gain support from the private sector and to disseminate public information to build oil spill detection and response capacity. Sustainability was an objective of the project and was pursued vigorously throughout. Project outputs were directly related to institutional changes, capacities, financial mechanisms, and legal reforms that would be in place at the end of the project. Despite these achievements, the project has not so far been successful at generating the financial commitment from participating governments to support an international cooperation mechanism to continue coordinating regional activities once GEF project funding ends.

(SAP) of the Pacific Small Island Developing States, the Pacific Forum and the Forum Fishery Agency played central roles during the negotiations and signing of the Tuna Fishery Treaty and are now key players in implementing it. In the case of the *Western Indian Ocean Oil Spill Contingency Planning* project, participating countries have allocated the necessary budget within existing government agencies, or have created funds to ensure operations of project installations and outputs (see Box 4). In the *GloBallast* project, coordination with the International Maritime Organization (IMO) resulted in the establishment of a permanent office in that organization to address ballast water issues.

Other projects are building strong constituencies and country commitment through the use of a "bottom-up" approach to project planning and implementation, including successful local demonstration activities, participatory SAPs, and external communications programs. For example, the UNDP project *Building Partnerships in Environmental Protection and Management for the East Asian Seas* (PEMSEA) has followed a two-tiered approach in building support and commitment to the protection of international waters among 12 countries. Through a series of "top-down" activities, the project has assisted participating countries to develop and ratify dozens of agreements and conventions to protect marine resources. Simultaneously, it has carried out a series of "bottom-up" activities that resulted in quick and tangible benefits to participating countries, and have promoted sustainable management of marine resources. Given the political complexity of reaching international agreements in such a diverse geographical area, part of the project strategy consists of getting countries to demonstrate and share approaches to address marine environmental and resource use problems, while building multisector coalitions to support policy agendas and sustainable coastal management plans. By demonstrating success at the local level, PEMSEA has been able to facilitate alliances among local and national governments, business leaders, and communities in the adoption of laws, action plans, and environmentally sound resource management practices. PEMSEA has also influenced national policy reforms, catalyzed important country investments in coastal zone management, and facilitated the development and ratification of dozens of international agreements and conventions among participating countries. But some challenges remain. To date, East Asia is the only region of the world that lacks regional marine conventions. The PEMSEA project has provided the initial steps to the creation of a regional cooperating mechanism, but participating governments have yet to define a more permanent and sustainable institutional arrangement.

There are also examples of Implementing Agencies that are mainstreaming programs into their own operations. The World Bank, for example, has begun to incorporate international waters (IW) as a topic in its country dialogue leading to the Country Assistance Strategies (CAS). By incorporating it into the CAS, the Bank has promoted IW programs in 14 countries. UNDP is also mainstreaming IW program activities, by using its own resources to finance activities related to the GEF IW program. These include activities in the Black Sea area and the Caspian Sea, where a number of the SAPs and National Caspian Sea Action Programs have components that are appropriate for UNDP interventions. UNDP has also been working with the government in Romania to develop its own initiative for reducing risks from mine waste spills.

3. Dissemination of knowledge

Projects also seek to promote sustainability is disseminating knowledge and creating clearly demonstrable global impacts. For example, the UNEP global project, "*Development of Best Practices and Dissemination of Lessons Learned for Addressing the Problem of Invasive Alien Species (IAS)*" was successful in influencing the Conference of the Parties by generating best practices to prevent, control,

and eradicate alien species that threaten biodiversity (see Box 5).

4. Some key issues affecting sustainability

The PPR process also showed that, notwithstanding some significant accomplishments, many projects are still struggling with the issue of sustainability. One of the most common problems is that projects often do not begin addressing the issue until very late in the implementation cycle. Furthermore, in many instances, project management units do not have the appropriate technical skills to address sustainability. For example, the *Poland Coal-to-Gas Project* has supported more than 30 subprojects. However, although some specific arrangements for ensuring sustainability have been designed or introduced, such as capacity building, knowledge transfer, and processing subproject requests, other factors, such as future fuel and energy prices and environmental taxes or fees, that might affect the sustainability of project outcomes were considered beyond the project's scope. In another example, UNEP's *Redirecting Commercial Investment* project, the Investment Advisory Facility helped financial institutions assess 11 renewable energy and energy efficiency investments. Of these, three had gone to closure at the time the SMPR was conducted. However, the SMPR indicated that during implementation the project shifted from supporting alternative feasibility studies to supporting RE/EE project finance type investments that were already under development. Therefore, there was an insufficient basis to verify that the GEF-funded interventions had any causal link to subprojects reaching financial closure, which could have been an indication of the project's sustainability.

A complex issue raised by biodiversity and international waters PIRs, and now by SMPR panels, is the poor chances of attaining sustainability within the lifetime of a GEF

Box 5
Disseminating knowledge and creating demonstrable global impacts

The objective of the UNEP project *"Development of Best Practices and Dissemination of Lessons Learned for Addressing the Problem of Invasive Alien Species (IAS)"* is to examine current tools and approaches for recognizing, evaluating, and mitigating against invasive species in order to determine best practices and to disseminate this information. The project has successfully identified best practices to prevent, control, and eradicate alien species that threaten biodiversity. It had a considerable impact at both the Subsidiary Body on Scientific, Technical, and Technological Advice (SBSTTA) and Conference of the Parties (COP) meetings in raising awareness of the IAS issue and advancing policy dialogue and actions through the development of a high quality "Invasive Alien Species Toolkit of Best Prevention and Management Practices" and a Global Invasive Species Database. The *Alien Species* project was instrumental in launching the Global Invasive Species Program (GISP) Phase I and successfully leveraging various donors' support. GISP involvement in the CBD process via SBSTTA helped raise awareness among parties to the CBD about the need to prevent, control, and manage IAS during implementation of national biodiversity strategy and action plans. Furthermore, this issue has been targeted as one component of the Framework Action Plan for the Environment under NEPAD (New Partnership for African Development).

The *Alien Species* project started considering follow-up activities to the project very early in project implementation. As a result more significant follow-up initiatives, including GISP II, are taking place. The executing agency was strongly linked to a world-class group of scientists, which was instrumental in building and establishing the project's credibility at the international level.

project (3-4 years). This is even more difficult and challenging in the case of projects implemented within Least Developed Countries (LDCs), for which the biodiversity task force considered it unrealistic to set a goal of financial sustainability of protected areas at the end of a 4-year project. During its discussions, the task force questioned the expectation that all projects in biodiversity will be sustainable after GEF funding ends. In many cases, sustainability may not be possible within such a short time period. The use of visitor fees, especially for those protected areas that have high visitor appeal and a large volume of tourist traffic, may be one way of assisting with financial sustainability of recurring costs. However, few protected areas are capable of generating sufficient revenues either from visitor fees or other user payments to be self-sustaining. Even where individual sites could be self-financing, it is unusual for fees to be retained on site or for the whole protected area network to be self-financing. This is a global problem and arises from both a reluctance to charge realistic fees, often because of an "unwillingness to charge" rather than an "unwillingness to pay," and the common practice of returning park fees to either the national or local government's treasury. With regard to broader issues of financial sustainability, it is vital that projects devise financial sustainability plans that are diverse and do not rely on a single source of income, such as visitor fees.

In the case of the international waters focal area, the complex nature of multicountry projects and the time frame in which they are implemented often makes sustainability objectives difficult to achieve. This is particularly true with regard to participating countries' financial and political commitment to mechanisms that would continue to support project outcomes once GEF funding ends. Many of the IW focal area projects, particularly those dealing with multicountry issues, are intrinsically complex. Governments require ample time to assess and negotiate binding agreements, establish and grant authority to international organizations, and address all aspects of multicountry cooperation[13] .

Notwithstanding the important achievements in assisting countries to develop and ratify conventions and agreements (see Box 1), several

Box 1
Accomplishments in the ratification of conventions and international agreements

Several projects have successfully supported countries to develop and ratify international water conventions, establish new agreements, or build capacity for convention compliance and implementation. The *Western Indian Ocean Oil Spill Contingency Planning* project (World Bank) has been successful in assisting participating countries to ratify relevant MARPOL treaties. Similarly, the *Implementation of the SAP of the Pacific Small Island Developing States,* a joint UNDP-World Bank-UNEP project, has helped participating countries' ratify a fishing treaty to protect the world's largest tuna stocks. The *Caspian Environment Program* (UNDP) has facilitated the negotiation of the Caspian Sea Framework Convention, which four out of five participating governments are about to sign. Governments participating in this project have also prepared, or are in the process of preparing, National Caspian Action Plans (NCAPs) and are linking these plans to financial commitments and priority investment portfolios. *GloBallast* (UNDP) has played a key role in building national and regional awareness, support, and capacity to implement the emerging Convention on Ship Ballast Water Management. UNDP's *Building Partnerships in Environmental Protection and Management for the East Asian Seas* has also assisted participating governments to prepare to ratify international conventions.

2002 PIRs have noted difficulties in obtaining, within project time frames, the necessary political and financial support from participating governments for the international mechanisms advocated. For example, the PIR for the *Preparation of the Strategic Action Program for the Dnipro River Basin* project reports that the intergovernmental agreement for the creation and funding of a convention or a commission for the management of the Dnipro River will require a far greater degree of political consensus than was anticipated in the project document.[14] The PIR for the *Implementation of the Strategic Action Program for the Red Sea and the Gulf of Aden* also reports overambitious objectives and major impediments to meeting the time frame necessary to achieve project goals. This PIR indicates that in the case of regional projects of this nature, it may be necessary to either be more concrete with respect to outputs and deliverables or more generous vis-à-vis the time scale and length of work plans. The project *Determination of Priority Actions for the Further Elaboration and Implementation of the SAP for the Mediterranean Region* indicates that it may be unrealistic to expect financial engagement from participating countries without "intervention from abroad." Even projects that have impressive achievements at the country level, such as the *West Indian Ocean Oil Spill Contingency Planning* project, have problems establishing instruments or mechanisms for regional cooperation, or persuading countries to adopt commitments to support a mechanism for international coordination.

This PPR concludes that facilitating the political, financial, and institutional commitment to environmental reform (such as SAP processes) and building the necessary capacity, takes substantial time, effort, and resources and that project time frames should be calculated accordingly (for example, see the *Benguela Current and Yellow Sea Large Marine Ecosystems*). Transboundary diagnostic analyses (TDAs), SAPs, and other projects that depend on consensus building among several countries should be designed in phases, with benchmarks of progress and smooth continuity between phases. Small grants and medium-size projects should be strategically allocated to contribute to the performance of larger projects and may also be used to address specific needs or constituencies. The GEF is currently examining possible long-term modalities and programmatic approaches, but the need to assess existing activities and draw lessons remains.

5. Conclusions on sustainability and country ownership

- GEF Secretariat review criteria and procedures should specify more clearly the various dimensions of sustainability (financial, institutional, social, and ecological).

- GEF should take stock of its experience and approaches and further develop a policy on longer term modalities, including programmatic and phased project approaches.

- Projects should include financial sustainability plans or strategies that are diverse and do not rely on a single source of income.

- GEF projects need to engage key sector ministries more fully, including planning

[13] Previous PPRs and GEF thematic reviews have also indicated that complex multicountry and multi-implementing agency structures require careful preparation, which often leads to longer preparation periods, greater costs, and more time spent than single-country settings. See Petri Ollila *et al. Multicountry Project Arrangements*, GEF Monitoring and Evaluation Working Paper # 3, September 2000, pp. 2.

[14] It should be pointed out that the intergovernmental agreement was not an objective of the project, it was an "add on" at the request of the governments involved.

and finance ministries, as well as the environment ministry, in order to ensure that projects are compatible with national development priorities.

- The roles and contributions of government must be clearly specified during project preparation and then jointly followed up.

C. Stakeholder Participation, including Private Sector Involvement

Effective public involvement is critical to the success of GEF-financed projects. The GEF policy document "Public Involvement in GEF-Financed Projects" defines public involvement as consisting of three related and often overlapping processes: information dissemination, consultation, and stakeholder participation. Stakeholder participation is one of the 10 operational principles of the GEF. Stakeholders are defined as the individuals, groups, or institutions that have an interest or stake in the outcome of a GEF-financed project. The term applies especially to those directly affected by a project. Given the different instruments used by GEF projects to involve the private sector, for the purpose of this PPR, we have distinguished between overall stakeholder participation and private sector involvement in GEF projects.

1. Diverse approaches to stakeholder participation

The PPR analysis concludes that participation, particularly in the biodiversity and international waters focal areas, is making vital contributions towards meeting GEF objectives when it is used as a tool to link global environmental protection efforts with local and national needs. The GEF M&E 2002 PIR guidelines did not specify reporting requirements on stakeholder participation, thus PIR reporting of stakeholder participation and private sector involvement is often limited or incomplete. Nevertheless, PIRs and task force discussions provide some evidence to suggest that the extent and depth of stakeholder participation and private sector partnerships varies considerably across focal areas and regions and leaves much room for improvement.

On the positive side, biodiversity is the focal area that most frequently incorporates local stakeholder participation into project planning and implementation. This is appropriate, since biodiversity projects often take place in areas that are inhabited or surrounded by people who are highly dependent on local natural resources to meet their needs. Many biodiversity projects are using stakeholder participation to establish a direct link between the economic needs of local populations and the long-term security of natural resources. For example, the *India Ecodevelopment Project* involves local people in biodiversity conservation as a major component of its project strategy. By incorporating local people into project planning and implementation, this project showed how community participation in development activities can support protected area programs through linking development activities to conservation objectives, such as the provision of fuel-efficient stoves to reduce firewood needs and employment of local people as conservation guards and tourist guides[15]. A different approach has been adopted in the *South Africa Conservation Farming Project*, which links agricultural research and extension with conservation. Results from this project show that it is crucial to involve farmers in research and demonstrate that progress towards biodiversity conservation objectives can be linked with local economic benefits. The *People, Land Management, and Environmental Change* (PLEC)

[15] This participatory strategy was not followed in all project sites

project worked at developing sustainable and participatory approaches to incorporate or "mainstream" biodiversity conservation into agricultural activities. In the *Forest Management and Conservation Project* in Laos, successful stakeholder participation at the local level has caused the government to consider of wide-ranging policy reforms (see Box 6).

Activities in the international waters focal area have shown an increasing tendency to complement such top-down multicountry approaches as TDAs and SAPs with bottom-up approaches that include stakeholder participation and demonstration projects. For example, in the case of the *Implementation of the Strategic Action Program for the Bermejo River Basin* in Argentina and Bolivia, stakeholder participation, bottom-up planning, and demonstration projects resulted in an SAP that strongly reflects the views of local stakeholders and has strong national support. Both countries have also created interministerial committees to generate support for the investments identified during the SAP and to translate project recommendations into reforms. The *SAP for the Bermejo River Basin* also established networks to support and continue project activities. The project *Building Partnerships in Environmental Protection and Management for the East Asian Seas* (PEMSEA) has combined top-down and bottom-up approaches to promote sustainable management of marine resources among 12 East Asian nations. PEMSEA also facilitated the formation of alliances among local and national governments, business leaders, and communities in the adoption of resource management practices.

In Eastern Europe, international water projects seem to incorporate less participatory features than projects in other regions. Stakeholder participation is often narrowly defined. Projects may emphasize public information and the

Box 6
Building a policy framework to nourish community participation in conservation

The *Forest Management and Conservation Project* under implementation by the World Bank developed a successful program for sustainably managing protected areas and production forests in the Lao PDR. Robust community involvement played a critical role in the project's achievements. Village Forestry Association (VFA) members prepared forest management plans and signed 50-year contracts with provincial authorities to manage forest areas according to these plans. Villagers and local government staff did boundary demarcation and prepared land use maps and 10-year land use plans in 60 villages. Consultative processes were developed for participatory biodiversity village assessments and infrastructure development. Innovative rapid biodiversity assessment systems were developed, including biodiversity monitoring systems in some villages. Both the village organizations and the local government staff gained the experience necessary to sustain and expand the FOMACOP Village Forestry model and undertake some protected area management activities.

Implementation of this model has improved the management of 145,000 hectares of forests. However, these achievements are currently compromised by the absence of an appropriate legal framework, which should have been addressed at the beginning of the project. On the basis of the project results thus far, the World Bank and the government of the Lao PDR began conversations concerning possible changes to forestry sector policy that would decentralize forest resource management from the central government to local authorities and communities and thereby clearing the way to ensure the sustainability and replicability of successful community forestry projects.

constitution of stakeholder committees, but participation is often focused on specific aspects of the project. The *Aral Sea Water and Environmental Management* project, for example, has largely focused on public information, but seems to have had limited impact because of the inadequate targeting of its messages. The *Lake Ohrid Conservation* project in Albania was more successful in its focus on public information. Its activities led to a much wider and deeper appreciation of the value of protecting the area by a large number of stakeholders, including government agencies. A major limiting factor, as indicated in the *Preparation of the Strategic Action Program for the Dnipro River Basin* project, shows that governments and civil society organizations have been often slow to adopt instruments for stakeholder participation.

The *Persistent Toxic Substance (PST), Food Security, and Indigenous People of Russia North* project implemented by UNEP, on the other hand, is an example strong stakeholder support and country ownership. This was accomplished by adopting a bottom-up methodology in developing the SAP and by properly incorporating stakeholders into project implementation. This project also has established strong cooperation arrangements with local and other government agencies. Its success in constituency building has led to wide national and international interest in the project's results and methods and non-GEF donor interest in follow-up activities.

The climate change focal area also provides some good examples of participatory approaches. The project *Optimizing Development of Small Hydro Resources in the Hilly Regions of India* offers an example of multi-stakeholder participation, featuring collaboration between the government, the private sector and NGOs. This project is aimed at assisting the Indian government to develop a national strategy and a master plan through small hydropower (SHP) demonstration projects in the Himalayan and Sub-Himalayan regions. In Sri Lanka, the *Energy Services Delivery* project is successfully promoting grid-connected and off-grid energy services using renewable technologies prepared and implemented by the private sector and local communities. The active involvement of community-based organizations and microfinance institutions has triggered an exponential market growth for solar home systems and village hydro schemes. In the *Malaysia Industrial Energy Efficiency* project, the Federation of Malaysian Manufacturers, representing eight industrial sectors, has become the coordinator for all project-related activities in these industries. Another successful example of effective stakeholder participation involves a carbon sequestration project in Sudan, where the sustainability of project outcomes has been enhanced through replication of the approach by other villages in the region (see Box 7). Other notable examples of climate change projects with stakeholder participation include the NGO- executed *Bulgaria Energy Efficiency* project, *Renewable Energy* projects in Bolivia and Guatemala, as well as *Industrial Energy Efficiency* projects in Kenya.

Task forces pointed out several instances and lessons regarding needs for improvement in incorporating stakeholder participation in GEF projects. Compared to the biodiversity and international waters focal areas, the climate change portfolio is not as rich in examples of public participation, despite efforts to improve this dimension based on the recognition that participation is a key ingredient for successful GEF projects. The climate change task force agreed that many projects within this focal area are still exclusively carried out by governments, utilities providers, and energy companies, leaving a significant space for improving public participation, consistent with the GEF policy of public involvement. It is often difficult to analyze the position of particular projects because their PIR reports do not contain a detailed stakeholder analysis.

Limited stakeholder participation has also caused problems in projects. In the climate

change focal area, some projects have recognized the lack of public participation as an issue that may affect project success. Such is the case with the MSP *Improved Household Stoves in Mongolian Urban Centers*. This project has failed to introduce improved heating stoves through a market-based system, partly because of the absence of NGO or community-based organization (CBO) involvement. The project *Removal of Barriers to Biomass Power Generation and Co-generation in Thailand* faces implementation challenges resulting from public protests regarding the choice of sites on which to build power plants. In this case, several sites for the small-scale power projects have been identified, and some are proceeding through to implementation. Others are requiring greater participation, consultations, and evaluations before receiving approval from the Thai government regulatory authorities. As this project supports only partial risk guarantees on projects initiated by the private sector, UNDP is encouraging full consultation between the communities involved, the proponents, and government regulatory authorities as a way of testing the effectiveness of the Thai government's regulatory procedures. It is hoped that such consultations may lead to an open, transparent, and effective approval process for small, independent power projects.

Box 7
Community participation and sustainability of project outcomes

The *Sudan Community-Based Rangeland Rehabilitation for Carbon Sequestration and Biodiversity* project illustrates a successful intervention for carbon sequestration that has also achieved rural economic development through strong stakeholder participation, with additional potential benefits for biodiversity conservation. Implemented by UNDP, the project's institutional networks were well placed within the overall village organizational structure. Five village councils representing 17 villages were targeted. The total population consisted of 5,500 Gawamaa (agropastoralists), and 600 Kawahla (transhumants). The project integrated local development needs into project activities by diversifying local production systems through water wells projects, an experimental nursery station, women's irrigated gardens, sheep rearing, dairy production, food production, and para-veterinarian training activities. The project staff and the villagers developed five village land use master plans. These management plans were formalized within the local government structure, communicated to the entire project population, and used for decision making. The project coordinated activities with similar efforts in the region.

Community participation was high across the range of activities and exceeded project goals, which suggests that the training programs and extension activities were very effective. For example, local villagers rapidly adopted the project techniques and, outside the project area, several other villages began to implement some of the project strategies that they learned from contact with project villagers. The project achieved its objective through improved rangeland management, the use of drought-adapted grasses and native trees to sequester carbon, as well as by planting trees/shrubs and grasses on sand dunes. Carbon was also sequestered in the trees planted along farm boundaries as wind breaks. As a result of the project activities, the emissions reduction over 20 years is projected at more than 67,000 tons of carbon. In addition, improved ecosystem conditions may restore the populations of several endangered animal and plant species. It is clear that an expansion of this participatory model beyond Gireigikh, for example, to 1,000 additional contiguous rural councils in Kordofan State, would help validate this model of community development for carbon sequestration. The model could then be used to attract international climate change mitigation investments.

In biodiversity, the projects Creating Protected Areas for Resources Conservation (PARC) in Vietnam Using a Landscape Ecology Approach and Georgia Integrated Costal Zone Management both face economic development activities in their project areas that will undermine their objective of biodiversity conservation. This issue relates to insufficient consultation with non-partner ministries. In the Cambodian project, Biodiversity and Protected Area Management, insufficient participation at the national level is causing problems, even though participation at the local level is very good.

In the international waters focal area, the launching of the *Lake Manzala Engineered Wetlands* project in Egypt was delayed by technical problems, initial resistance by local residents to the project, and the inability to secure the land necessary for implementation. However, the project has resolved these problems and gained the support of all concerned parties by carrying out a series of local and national consultations involving local residents, government officials, UNDP staff, scientists, and members of parliament.

2. Private sector involvement in GEF projects

Most private sector involvement in the GEF is taking place in the climate change focal area. GEF has supported a range of approaches that include partnerships with utility providers, development of financial markets, introduction of new products to specific markets, and promotion of demand for environmentally friendly technologies (see Box 8). It is in this focal area that the challenges of engaging private sector involvement have been most prominent. Two issues raised by the climate change task force relate to the choice of financial instruments and the business models promoted by GEF projects.

Within its climate change portfolio, GEF has designed and implemented non-grant financial instruments such as subsidized loans, contingent grants, risk guarantees, and private equity funds. However grants have been the instruments most frequently applied. The ongoing review with the private sector is assessing the effectiveness of the various instruments used. These instruments were introduced as a way

Box 8
Promoting markets for energy efficiency

The global environmental objective of this World Bank project is reducing emissions from small and medium-size industrial enterprises and tertiary sector enterprises in general by reducing the energy cost per unit of production. The project successfully engaged four companies (two large companies each with an existing client base to which it provides maintenance support, plus two smaller dedicated ESCOs) in developing the ESCO business in Côte d'Ivoire. High-level government support has been garnered for the project. The strategy of focusing on no-cost/low-cost measures with short payback periods seems appropriate for the emerging energy efficiency market in Côte d'Ivoire. The project partnerships, under the stewardship of the Francophone Energy and Environment Institute (IEPF), seem to be well established. IEPF has played an outstanding role in shepherding this project through approval and implementation, and continues to play a highly effective role in overall project execution and management of the relationships between the various project actors. The NGO, Econoler International, appears to be an engaged and effective project manager. The holistic approach to energy efficiency is an integrated and pragmatic approach to developing energy efficiency markets in countries such as Côte d'Ivoire. In addition, encouraging projects to seek other sources of financing and using a revolving fund as a last resort are sound approaches to developing local financial markets.

of working with tools that are closer to commercial or market conditions. However, the evidence suggests there was a limited exploration of the nature and implications of these financial instruments during the project design and approval phases[16].

Two of the climate change projects in the SMPR cluster employed non-grant instruments. One is the *Redirecting Commercial Investment Decisions Toward Cleaner Technologies* project, which included a contingent grant facility. However, the contingent conditions proved to be unacceptable to the participating financial institutions, and the facility was changed to support provisioning of expert services on a grant basis. The other featured project is the *Barrier Removal to Secure PV Market Penetration in Semi-Urban Sudan*. This project also lacked proper preparation of the financing tools, which are intended to help build a semi-urban PV market, through providing credit for businesses and end users.

GEF experience with contingent finance mechanisms is growing, for example, through the use of guarantees (such as in Hungary Energy Efficiency Co-financing Program (HEECP) and Removal of Barriers to Biomass Power Generation and Co-generation in Thailand) and loans (the IFC SME Program). However, some of the emerging experiences highlight difficulties in executing some types of non-grant instruments. Although the introduction of non-grant financial instruments was driven by a legitimate interest in their use on a trial basis, there was sometimes little understanding of the market context and/or the comparative advantage of the IAs designing and implementing these instruments. In the IAs, and GEF Secretariat there is variable experience and know-how in designing and implementing contingent finance mechanisms. Careful attention should be paid to the choice of financial instruments, matching them to the market conditions, the risks to be mitigated, and the comparative advantages of the IAs and executing agencies implementing the project. When lacking in-house expertise, the IAs, executing agencies, and the GEF Secretariat should seek more expertise for the development of non-grant financial instruments.

Regarding business models, some projects have adopted a specific model as the standard, instead of allowing the broader market conditions determine which approach would work best and adapting to unforeseen circumstances. This dynamic approach is essential, since there are a variety of factors, including business cycle swings, and shifting macroeconomic conditions, all of which should trigger adjustments in the business model.

One clear example of such adaptation was the Peruvian project *Photovoltaic-Based Rural Electrification*, where one of the objectives was to demonstrate the viability of establishing microenterprises to sell, maintain, and operate PV systems. This project's business model evolved in similar ways to that of the *Sri Lanka Energy Services Delivery* project. As documented in the solar PV review[17], the Sri Lanka project started with dealer-supplied credit, but shifted to third-party microfinance organizations because suppliers would not handle both supply and credit due to the high credit transaction costs.

Other examples where similar developments occurred were the Bolivia Rural Electrification with Renewable Energy Through the Popular Participation Law project and the Philippines Alternative Rural Energy and Live-

[16] Review of GEF's Engagement with the Private Sector- Interm Report (GEF/c.21/Inf.8)
[17] Martinot, Eric, Ramesh Ramankutty and Frank Rittner, *The GEF PV Portfolio: Emerging Experience and Lessons*, Monitoring and Evaluation Working Paper 2 (August 2000).

lihood Support project. In the case of the Philippines, a business model shift was largely due to the realization that it would be difficult to make PV profitable during a recession. Business cycle swings, sometimes driven my macroeconomic conditions, have had influenced the success of other business models. For example, in the *Indonesia Solar Home Systems* project, supplier-provided credit is failing because of the worsened macroeconomic situation in the late1990s , which prevents suppliers from obtaining credit from commercial banks. In the Argentina Renewable Energy in Rural Markets project, service concessions have been delayed because they are heavily dependent on provincial government subsidies, which have not been forthcoming during the last year.

Under the *China Energy Conservation* project, the EMC (Energy Management Corporation) component has successfully introduced a demand-side management (DSM) business model for delivering energy conservation services to end users by supporting three EMCs in a private sector cooperation arrangement. This is one of a number of projects that support ESCO-type businesses. Other examples include the India energy efficiency component of a World Bank project, which supports ESCOs through a financial intermediary, and the IFC-implemented *Hungary Energy Efficiency Co-financing Program* (HEECP), which indirectly supports ESCOs by improving their access to local banks. With regard to utility-based DSM projects, these continue to generate mixed results. IFC's *Efficient Lighting Initiative* (ELI) has experienced positive and negative utility impacts in Latin America. For example, whereas utility restructuring contributes to increased cost-consciousness, it also increases the risk exposure and changes priorities of the unbundled or reformed utility.

The biodiversity portfolio shows variable experience in engaging the private sector. A key challenge in engaging the private sector in biodiversity conservation projects is to establish financial principles that help determine when it is justifiable to use a grant or subsidy to promote a business opportunity. IFC activities seek to directly address this challenge by promoting sustainable biodiversity use and conservation through investments in private sector partnerships (for example, the Small and Medium Enterprise Program and the Latin American Terra Capital Fund. The GEF M&E unit is currently conducting a review of private sector partnerships in GEF projects (see the GEF Council Paper, Review of GEF's Engagement with the Private Sector – Interim Report (GEF/c.21/Inf.8). This review will feed into a revised Council policy, with new guidelines, approaches, and tools to help engage the private sector in biodiversity conservation.

The involvement of the private sector in IW projects is small or marginal. A few projects are looking at ways to involve the private sector as active stakeholders in consultations and other forms of cooperation. This has led to important private sector contributions to project objectives, in the form of political support, in-kind contributions, and financial sponsorship. In the case of PEMSEA, during the formulation of a sustainable development plan for the Manila Bay, private sector leaders provided critical political support for the adoption of the plan and made corporate laboratories available to carry out sophisticated analyses of water samples. The *GloBallast* and the *Western Indian Ocean Oil Spill Contingency Planning* projects have also been able to obtain important cash and in-kind contributions from the private sector. For example, construction and tourist businesses have identified equipment and vessels that can be made available in the case of an oil spill. The *Caspian Environment Program* has also reported substantial contributions by the petroleum industry to its activities in several participating countries.

3. Conclusions on stakeholder participation and private sector involvement

- PIRs need to better report stakeholder participation and make a greater effort to de-

rive lessons on how to incorporate the private sector into GEF projects.

- If private investment is expected in GEF projects, project documents should present evidence on such factors as market potential and realistic IRR, the track record of similar activities, consultations held with potential investors and their requirements, realistic business opportunities, and constraints to the development of relevant markets

D. Financial Planning

Financial planning encompasses changes in total estimated project costs, co-financing (including monetary and in-kind contributions), proposed types of financial instruments, and the potential impact of financial changes on project activities. The main issues identified in this PPR relate to co-financing, notably the lack of appropriate reporting. This lack of appropriate reporting might have contributed to a few cases of extreme shortfalls of co-financing, compared with stated expectations.

For the cohort of SMPR projects, co-financing contributions have exceeded estimates at project approval, and several of this project's activities have been incorporated into the government's budget. In addition, PIRs and TERs indicated that several projects had proactive financial management that identified potential sources of co-financing, including in-kind support, and secured these contributions. Some projects also adapted to changing circumstances, for example, by achieving initial co-financing levels despite a national financial crises. A good example of this is the *Biodiversity Collections Project in Indonesia*. The government was able to maintain its counterpart funding level even during its economic crises, although the value of the negotiated government contribution was reduced by the devaluation of the local currency.

UNDP indicated that some of its projects have not attempted to leverage additional resources because all necessary funds were negotiated prior to the project launching. According to UNDP, identifying exactly what resources have been leveraged by projects is difficult. Some contributions are clearly "in kind," while others are closely related to a project, but lie outside of its "system boundary" in space or time. It is also often unclear what resources were leveraged during or after project preparation. The value of in-kind contributions may go up or down. Some funders, including donor and recipient governments, have reneged on financial commitments made during project development, or changed them from cash to "in kind" or vice versa. Others have produced additional financing.

According to the PIRs, UNEP has collected data on actual levels of co-financing for those projects close to completion. In most UNEP projects, co-financing has been realized as originally planned, although changes in amounts and contributors have occurred. A few projects have surpassed the co-financing levels originally envisaged. For example, the *Role of the Coastal Ocean in the Disturbed and Undisturbed Nutrient and Carbon Cycles* project obtained almost three times as much co-financing as planned. Other projects that raised additional funds include the *People, Land Management, and Environmental Change (PLEC)* and *Implementation of the Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin* projects. UNEP has found that the actual level of co-financing, particularly for in-kind contributions, is sometimes difficult to estimate, and it has requested more guidance on how to obtain consistent co-financing figures.

In general, PIRs do not report co-financing information consistently. The majority of the projects reviewed as part of the SMPR and several reported under PIRs indicated that they had changed their financial plans and level of co-

financing since endorsement, but that guidelines for reporting these changes are not clear. The PIRs and TERs found some cases where co-financing had fallen far short of what was expected, thus increasing the risks of not attaining project objectives. For six out of eight completed UNDP projects included in the TER review, reporting costs per activity (including co-financing) could not be obtained at project completion. The reason for this was that some UNDP terminal evaluations were completed before financial closure of the project to allow evaluators to meet with the project team while it was still in the field. Furthermore, actual project costs and co-financing information are normally part of UNDP audits, rather than terminal evaluations. The final cost information from audited UNDP projects had not been received by GEF M&E at the time this report was prepared.

1. Conclusions on financial planning

- Midterm and terminal evaluations (or final project reports) will report co-financing, in-kind contributions, and project costs, including breakdowns by activities or components, and explain any variation from what was approved. If this information is not available at the time of the terminal evaluation, then it should be sent to the GEF M&E unit as soon as it becomes available. This information will be provided as part of the annual PPR report from FY 03 onwards.

- The GEF Secretariat should develop guidelines for reporting on changes in project activities, costs, and co-financing to the GEF Secretariat and Council.

E. Cost Effectiveness

Cost effectiveness is here interpreted as an assessment of a project's achievement of environmental and development objectives and outputs in relation to inputs, costs, and implementation time. It also examines, whenever possible, a project's compliance with the concept and guidelines on incremental costs. Information on cost effectiveness derived from SMPRs, TERs, and PIRs allows a broad assessment of cost effectiveness across the portfolio. However, a lack of clear GEF Secretariat guidelines on cost effectiveness has allowed the application of different criteria and approaches that are not always comparable and make it difficult to draw reliable conclusions.

In the 15 SMPR reviews, it was either too early in the project to assess or difficult to define cost effectiveness, especially in biodiversity projects. Nevertheless, where an assessment could be made, most projects were found to be cost effective. Several projects in the international waters portfolio proved more cost effective than originally planned, while climate change and ozone projects were usually as cost effective as planned or better.

According to the 18 TER reviews for biodiversity and international waters projects, cost effectiveness was normally defined by a qualitative comparison with the accomplishments and costs of non-GEF projects of similar scope and context. For climate change and ozone projects, cost effectiveness was measured using internationally accepted thresholds for climate change projects, such as 10$/ton of carbon equivalent reduced, while thresholds for the phase out of specific ozone-depleting substances were measured in terms of dollars spent per kg ($/kg) of each type of ODS reduced.

Some projects became even more cost effective than planned because: 1) Project outcomes exceded expectations; 2) Projects successfully leveraged significant international funding to ensure financial sustainability after project closure and replication or scale-up of the activity; and 3) Projects used equipment and technologies that were more cost effective than initially thought.

Factors found to contribute to the reduced cost effectiveness of some projects include: over-ambitious objectives in relation to the project's time frame, slower than expected progress that increased the administrative and management costs and reduction in the scope of activities, without a proportional adjustment of the initial project grant.

1. Conclusion on cost effectiveness

- The GEF Secretariat should better define cost effectiveness in project review criteria and develop appropriate policies and guidelines to operationalize the concept in the portfolio.

F. Monitoring and Evaluation

All information sources used by the PPR to assess the performance of monitoring and evaluation systems in the GEF portfolio, show an overall performance in this area that is only marginally satisfactory. The available documents highlight the features of strong and weak project monitoring and evaluation (M&E) systems, thus pointing the way to system improvements.

1. Strengths in M&E systems

At the project planning stage, strong M&E systems are associated with simple overall project designs whose objectives can be achieved with the time and resources available to the project. Key baseline conditions are determined at this stage, and indicators (quantifiable if possible) are developed for inputs, outputs, and outcomes. For example, the *Industrial EE Project in Malaysia* appears to use a functional M&E system, which is reflected in the monitoring of quantitative project indicators and the identification and monitoring of six additional project risks during implementation. The system is generating information that is being fed back into project management to enable decision making. The *Barrier Removal for the Widespread Commercialization of Energy-Efficient CFC-Free Refrigerators in China* and the *Efficient Lightning Initiative* projects claim to have strong measures of impact. A good M&E system used for the China project demonstrated that, from 1999 through 2001, participating refrigerator manufacturers have achieved average weighted energy efficiency gains of 9.6 percent.

Some projects also have good indicators of capacity building. For example, in the *Mali Household Energy Project* (World Bank), private sector operators trained by the project have continued to sell improved stoves after project completion. More than 15,000 stoves have been sold since completion—an indicator of a sustainable capacity building effort. The *Guatemala Renewable Energy Based Small Enterprise Development in the Quiché Region* and the *Sudan Barrier Removal to Secure PV Market Penetration in Semi-Urban Areas* projects are also notable. In Guatemala, the project's 48 training events and technical assistance activities reached 1,400 people. In addition, six high-level decision-makers' workshops on rural credit and rural energy planning and policy reached 90 people. These training activities, together with demonstration projects, have led to three new renewable energy service enterprises; a new renewable energy incentive law, which is expected to be approved by the Guatemalan Congress in 2002; and eight microenterprise activities based on renewable-energy.

Some projects have been able to establish strong linkages between project outcomes and policy changes. For example, the Chinese project has influenced the successful introduction of renewable energy policy targets in the national Tenth Five-Year Plan, which calls for 5 percent of new power generation to come from renewable sources by 2010. The project has also encouraged and supported a major new rural electrification program in Western China,

through its interaction with the Poverty Alleviation Office in Beijing and local offices. The Chinese Renewable Energy Industries Association prepared a renewable energy policy White Paper in 2001. This fed into a major renewable energy policy review and development initiative by the State Economic and Trade Commission (SETC). Other projects that make strong linkages between project outcomes and policy changes are *Peru Photovoltaic-Based Rural Electrification, Sri Lanka Energy Services*, and *India Development of High Rate Bio-Methanation Process of Reducing Greenhouse Gas Emissions*.

During implementation, strong M&E systems are apparent because of the existence of monitoring staff and an adequate budget for monitoring activities. Strong M&E systems generally are also used as an adaptive management tool and have a schedule of evaluation activities, regular supervision missions, and strong local involvement.

2. Weaknesses in M&E systems

Weak M&E systems exhibited some or all of the following characteristics: missing or inadequate baseline data; M&E plans developed late in the project cycle; no integration of local communities into M&E activities; delay of baseline studies; instruments of data collection not identified and use of indicators not implemented; monitoring activities not related to progress indicators; poor assessment of project impacts; and poor reporting and backstopping. One issue raised by the task forces was a tendency for M&E systems to concentrate on inputs and outputs, rather than on progress towards objectives. For example, the climate change task force reported that PIRs continue to report on capacity building in terms of such elements as the number of training workshops held, the number of trainees, and the types of training programs offered. There is very little presentation or discussion of the impacts of capacity building (See the three cases mentioned above). Furthermore, projects often lack a reliable baseline and indicators for measuring—directly or indirectly—the results of capacity building. Often, project documents offer no more than such general descriptions as "lack of capacity" or "absence of know-how" as a baseline.

PIRs sometimes report impacts without establishing the proper links between project outcomes and the claimed impacts. Examples are the *Thailand Removal of Barriers to Biomass Co-Generation from Wood Residues* project, *Bolivia Rural Electrification with Renewable Energy* project, *Guatemala Renewable Energy Based Small Enterprise Development in the Quiché Region* project and *Fiji Renewable Energy Hybrid Village Power Systems* project. Further analysis would be necessary to establish precise linkages between these projects and the reported changes. GEF projects need to document more explicitly the facilitation role, if any, that GEF projects have played with regard to policy formulation or reform. Relevant policy changes could be categorized as direct or indirect outcomes of the project. This analysis could be carried out during midterm and final evaluations. The climate change task force concluded that more work should be done to develop a set of indicators that cover processes, retention rates, and behavioral change in organizations, building upon the approach developed in an M&E working paper.[18] This would help measure the linkages between capacity building activities and environmental benefits.

Other times impacts are difficult to assess with the information provided by PIRs. For example, the regional UNEP project *Initiating Early*

[18] Integrating Capacity Development into Project Design and Evaluation: Approach and Frameworks, Charles Lusthaus, Marie-Hélène Adrien, and Peter Morgan, Monitoring and Evaluation Working Paper 5, December 2000.

Phase Out of Methyl Bromide (MB) Through Awareness Raising, Policy Development, and Demonstration/Training conducted multiple workshops to develop policies and find viable alternatives to MB. In addition, it conducted trials to test the alternatives in specific crops. However, the impacts in terms of MB use reduction cannot be fully assessed on the basis of the PIR and other reports. Its stated intention to contribute to "early phase out" is not supported by adequate data. The trends from 1996 suggest that there was a decrease in MB use before the project began, making it more difficult to determine any contribution from the project. It is not clear that training workshops have been adequately followed up by country action or whether demonstration activities with MB alternatives have been scaled-up within a participating country (such as Poland) or replicated across the region. Furthermore, there was no indication that participating countries developed national action plans, an expected outcome of the project, including timetables and targets for the phase out of methyl bromide.

Weak systems are also often associated with over-elaborate project designs, objectives that are too ambitious for the project time frame, a weak or non-existent logframe, and a logframe that is not used as a management tool. For example, in the *Côte d'Ivoire Energy Efficiency Market Development* project, there was lack of clarity about indicators at the output and outcome levels. As a result, though there was regular monitoring and reporting, the quality of the reports is in question. Under the *Czech Republic Low Cost/Low Energy Buildings* project, due to yearlong delays in construction of the buildings, the project will not have time to adequately monitor the buildings' performance. However, because they know that the lack of monitoring data will hinder the project's ability to "prove" the performance of low-cost, low-energy buildings, and perhaps discourage wide replication, the project partners are mobilizing funding to pay for monitoring once the project is over.

On the basis of the evidence presented in the diverse sources that contributed to this review, it is clear that much can be done to improve the overall role and impact of M&E systems in the project portfolio.

3. Conclusions on monitoring and evaluation

- At project design or during the first year of implementation, all projects should have developed a baseline and an M&E system to measure outputs, outcomes, and impacts. Projects should ensure adequate funding and staff for M&E.
- IAs should ensure that project M&E systems are appropriate to country capacities and conditions and that they draw on and contribute to national M&E resources and capacities.
- Replication plans or strategies should be monitored during project implementation.
- The supervision roles of IAs should include regular missions to project sites and meetings with local stakeholders.
- Projects are encouraged to explore mechanisms to involve local stakeholders in M&E, like advisory councils, workshops, and collaborative arrangements with research institutions.
- PIRs should focus more on reporting outcomes and results and less on reporting inputs and outputs.
- The M&E unit should develop a "common sense" booklet on M&E.

APPENDICES

Appendix A
List of Projects Included in 2002 PIR

Multi-Focal Area

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
1	Global	World Bank	Small and Medium Scale Enterprise Program (replenishment – IFC)	Oct-96	May-97	Aug-97	16.50
2	Global UNEP WB	UNDP	Country Dialogue Workshops	Jul-98		Mar-00	3.51
3	Nicaragua	UNDP	Barrier Removal and Forest Habitat Conservation (Coffee/Allspice)	Nov-98		Feb-99	.750
4	Mexico	World Bank	Oaxaca Sustainable Hillside Management Project	Apr-99	May-99	Jul-99	.74
						Total	21.50

Biodiversity

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
1	Burkina Faso	UNDP	Optimization of biodiversity in game ranching systems; a pilot experiment in a semi arid area	Nov-88	Jun-90	Jun-90	2.50
2	Cameroon	UNDP	Sustainable Forest Management by Communities in the Bamenda Highlands, Cameroon.	May-96	Oct-96		1.00
3	Central African Republic	UNDP	A Highly Decentralized Approach to BD Protection and Use: The Bangassou Dense Forest	Apr-91	Feb-94	Feb-94	2.50
4	Comoros	UNDP	Conservation of Biodiversity and Sustainable Development in the Federal Islamic Republic of the Comoros	Oct-91	Oct-93	Oct-93	2.42
5	Cote d'Ivoire	UNDP	Control of Aquatic Weeds to enhance and restore biodiversity	Nov-88		Nov-91	3.00
6	Eritrea	UNDP	Conservation management of Eritrea's coastal, marine and island biodiversity	Apr-93	Jan-94	Jul-94	5.30
7	Ethiopia	UNDP	A Dynamic farmer-based approach to the conservation of African Plant Genetic Resources	Nov-88	Mar-90	Aug-90	2.46
8	Lesotho	UNDP	Conserving Mountain Biodiversity in southern Lesotho	Oct-93		Apr-95	2.51

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
9	Madagascar	UNDP	Environment Program Support	Jul-92	Nov-92	Dec-92	20.80
10	Regional	UNDP	Conservation priority setting for the Upper Guinea Forest ecosystem, West Africa	May-94		Aug-94	0.74
11	Regional	UNDP	New approaches to reducing biodiversity loss at cross-border sites in East Africa	Apr-93	Feb-94	Feb-94	12.90
12	Regional	UNDP	Southern African Biodiversity Support Programme	Oct-93			4.50
13	Regional	UNDP	Inventory, Evaluation and Monitoring of Botanical Diversity in Southern Africa: A regional Capacity and Institution Building Network	Apr-92			4.73
14	Regional	UNDP	African NGO-Government Partnerships for Sustainable Biodiversity Action	Apr-93	Apr-94	Apr-94	4.54
15	Sudan	UNDP	Conservation and Management of Habitats and Species, and Sustainable Community Use of Biodiversity in Dinder National Park	Jun-94	May-95	Sep-94	0.75
16	Tanzania	UNDP	Development of Jozani-Chwaka Bay National Park, Zanzibar Island.	Mar-96	Jun-96		0.75
17	Bhutan	UNDP	Integrated Management of Jigme Dorji National Park	Sep-92	Jul-93	Jul-93	1.50
18	China	UNDP	Wetlands Biodiversity Conservation and Sustainable Use	Dec-94	Sep-95		12.03
19	China	UNDP	Multi-Agency And Local Participatory Cooperation in Biodiversity Conservation in Yunnan's Upland Mountain Ecosystems	Sep-96			0.75
20	Korea	UNDP	Conservation of Biodiversity Mt. Myonghan in the DPRK.	Jan-96	Mar-96	May-96	0.75
21	Malaysia	UNDP	Conservation and Sustainable Use of Peat Swamp Forests	May-95	Oct-96		6.31
22	Micronesia	UNDP	Community Conservation and Compatible Enterprise development in Pohnpei, Federated States of Micronesia	Jul-95	Feb-96	Apr-96	0.75
23	Mongolia	UNDP	Biodiversity Conservation and Sustainable Livelihood Options in the Grasslands of Eastern Mongolia	Dec-93	Oct-94	Oct-94	5.16
24	Nepal	UNDP	Upper Mustang Biodiversity Conservation Project	Nov-95	May-96	May-96	0.73
25	Nepal	UNDP	Landscape-scale Conservation of Endangered Tiger and Rhinoceros Populations in and around the Chitwan National Park.	Nov-96			0.75
26	Pakistan	UNDP	Mountain Areas Conservancy Project	Oct-94	Feb-95	May-95	10.60
27	Philippines	UNDP	Samar Island Biodiversity Project (SIBP) Conservation and Sustainable Use of the Biodiversity of a Forested Protected Area	Nov-95			6.11

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
28	Philippines	UNDP	Sustainable management of Mount Isarogs Territories	Jan-96	May-96		0.75
29	Philippines	UNDP	Conservation of the Tubbataha Reef National Marine Park	Mar-96	Jun-96		0.78
30	Philippines	UNDP	Biodiversity Conservation and Management of the Bohol Islands	Dec-96	Jan-96		0.74
31	Sri Lanka	UNDP	Conservation of Biodiversity through Integrated Collaboration Management in the Rekawa, Usangoda and Kalametiya Coastal Ecosytem	Mar-96	May-96		0.75
32	Sri Lanka	UNDP	Contribution to the Conservation of Globally Threatened Species in the Rainforests of Southwest Sri Lanka	Apr-96	May-96		0.75
33	Viet Nam	UNDP	Vietnam PARC - Creating Protected Areas for Resources Conservation (PARC) in Vietnam Using a Landscape Ecology Approach	Sep-91		Oct-94	6.01
34	Lebanon	UNDP	Strengthening of National Capacity & Grassroots In-Situ Conservation for Sustainable Biodiversity Protection	Apr-91	Jan-92	Jan-92	2.53
35	Morocco	UNDP	Transhumans for Biodiversity Conservation in the Southern High Atlas	Nov-95			4.37
36	Regional	UNDP	Participatory Management of Plant Genetic Resources in Oases of the Maghreb	Mar-94	Jan-96		2.78
37	Regional	UNDP	Conservation of Wetland and Coastal Ecosystems in the Mediterranean Region	Apr-93	May-95	Sep-95	13.44
38	Regionial	UNDP	Conservation and Sustainable Use of Dryland Agro-Biodiversity of the Fertile Crescent	Oct-93		Feb-95	8.23
39	Yemen	UNDP	Conservation and Sustainable Use of the Biodiversity of Socotra Archipelago	Sep-92	Apr-93	Apr-93	4.97
40	Georgia	UNDP	Arid and Semi-Arid Ecosystem Conservation in the Caucasus	Sep-95	Oct-95	Mar-96	0.75
41	Uzbekistan	UNDP	Establishment of Naratau-Kyzylkum Biosphere . Reserve as a Model for Biodiversity Conservation in Uzbekistan	Jul-96			0.75
42	Argentina	UNDP	Consolidation and Implementation of the Patagonia Coastal Zone Management Programme for Biodiversity Conservation	Apr-93		Nov-95	5.20
43	Belize	UNDP	Creating a Co-Managged Protected Areas System in Belize: A plan for joint Stewardship between Government and Community.	Feb-95	Mar-95	Mar-95	0.75
44	Belize	UNDP	Conservation and Sustainable Use of the Barrier Reef Complex	Sep-94	Feb-95	Mar-95	5.36
45	Brazil	UNDP	Promoting Biodiversity Conservation and Sustainable Use in the Frontier Forest Mato-Grosso	Apr-96			6.98

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
46	Costa Rica	UNDP	Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	Sep-95	Feb-96		0.75
47	Cuba	UNDP	Priority Actions to Consolidate Biodiversity Protection in the Sabana-Camaguey Ecosystem	Oct-94		Oct-95	3.89
48	Ecuador	UNDP	Galapagos Oil Spill - Environmental Rehabilitation and Conservation	Apr-97			0.53
49	Guatemala	UNDP	Integrated Biodiversity Protection in the Sarstun-Motagua Region.	Jan-91	Mar-93	Mar-93	4.00
50	Paraguay	UNDP	Paraguayan Wildlands Protection Initiative	Oct-94	May-96	May-96	9.21
51	Peru	UNDP	In situ conservation of Native Cultivars and Wild relatives	Oct-94	Oct-96		5.22
52	Regional	UNDP	Conservation of Biodiversity in the Lake Titicaca Basin	Jan-91		Nov-94	3.11
53	Uruguay	UNDP	Consolidation of the Banados del Este Biosphere Reserve	Apr-93	Aug-93	Aug-93	2.50
54	Venezuela	UNDP	Protection and Sustainable Use of Biological Diversity in the Orinoco Delta Wetlands.	Nov-95			9.79
55	Regional	UNDP UNEP	Biological Diversity Conservation through Participatory Rehabilitation of the Degraded Lands of the Arid and Semi-Arid Transboundary Areas of Mauritania and Senegal	Mar-94			8.00
56	Regional (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama)	UNDP UNEP	Establishment of a programme for the Consolidation of the Mesoamerican Biological Corridor	Oct-93			10.94
57	Kenya	UNEP	Lake Baringo Community-based Integrated Land and Water Management Project	Feb-96	Apr-96	Apr-96	0.75
58	Regional	UNEP	Land Use Change Analysis as an Approach for Investigating Biodiversity Loss and Land Degradation	Dec-95	Oct-96	Oct-96	0.80
59	China	UNEP	Lop Nur Nature Sanctuary Biodiversity Conservation	Dec-94	Feb-95	Feb-95	0.75
60	Nepal	UNEP	Arun Valley Sustainable Resource Use and Management Pilot Demonstration Project	Nov-96	Dec-96	Dec-96	0.63
61	Global	UNEP	Promoting Best Practices for Conservation and Sustainable Use of Biodiversity in Global Significance in Arid and Semi Arid Zones	Aug-95	Sep-95	Sep-95	0.75
62	Global	UNEP	People, Land Management, and Environmental Change (PLEC)	Apr-93	Feb-94	Feb-94	6.27

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
63	Global	UNEP	Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problems of Alien Species that Threaten Biological Diversity	Mar-94	Apr-94	Apr-94	0.75
64	Global	UNEP	Millennium Ecosystem Assessment	Apr-96	May-97	May-97	7.31
65	Global	UNEP	Development of National Biosafety Frameworks	Oct-96	Apr-97	Apr-97	26.19
66	Regional	UNEP	An Indicator Model for Dyrland Ecosystem in Latin America	Dec-95	Apr-96	Apr-96	0.75
67	Regional	UNEP	Catalyzing Conservation Action in Latin America: Identifying Priority Sites and Best Management Alternatives in Five Globally Significant Ecoregions	Mar-96	Aug-96	Aug-96	0.75
68	Benin	World Bank	National Parks Conservation and Management	Feb-94	Mar-96	Jul-96	7.00
69	Cameroon	World Bank	Biodiversity Conservation and Management	Apr-89	Mar-91	Dec-91	6.10
70	Ghana	World Bank	Natural Resource Management	Oct-93	Jun-94	Nov-94	8.73
71	Kenya	World Bank	Lewa Wildlife Conservancy and Community Conservation (MSP)	Jul-95	Mar-96	Mar-96	0.75
72	Kenya	World Bank	Tana River National Primate Reserve	Apr-87	Nov-92	Jun-93	6.75
73	Madagascar	World Bank	Environment Program Support	Sep-92	Dec-92	Jun-93	12.80
74	Mauritius	World Bank	Biodiversity Restoration	May-91	Nov-91	Feb-92	1.20
75	Mauritius	World Bank	Restoration of Round Island (MSP)	Mar-96	Jul-96	Jul-96	0.75
76	Morocco	World Bank	Protected Areas Management	Dec-93	Jan-96	Apr-96	10.75
77	Mozambique	World Bank	Transfrontier Conservation Areas Pilot and Institutional Strengthening	Nov-88	Dec-92	May-93	5.43
78	Mozambique	World Bank	Coastal and Marine Biodiversity Management	May-95	May-96	Jan-97	4.08
79	Regional	World Bank	Regional Environment Information Management Project (REIMP)	Apr-93	Dec-93	Apr-94	4.38
80	Regional	World Bank	West Africa Pilot Community-Based Natural Resource and Wildlife Management (GEPRENAF)	Nov-88	Sep-91	May-92	7.90
81	Regional	World Bank	Coral Reef Monitoring Network in member states of the Indian Ocean Commission (COI), within the Global Coral Reef Monitoring Network (GCRMN) (MSP)	Apr-96	Jul-96	Jan-97	0.74
82	Seychelles	World Bank	Marine Ecosystems Management (MSP)	Mar-96	Jul-96	Aug-96	0.75
83	South Africa	World Bank	Conservation of Globally Significant Biodiversity in Agricultural Landscapes through Conservation Farming	Jul-95	Dec-95	Jan-96	0.75
84	South Africa	World Bank	Conservation Planning for Biodiversity in the Thicket Biome (MSP)	Jul-95	May-96	Jun-96	0.74
85	South Africa	World Bank	Cape Peninsula Biodiversity	Oct-93	Feb-94	May-94	12.38

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
86	South Africa	World Bank	Sustainable Protected Area Development in Namaqualand (MSP)	Mar-95	May-96	Aug-96	0.75
87	Uganda	World Bank	Institutional Capacity Building for Protected Areas Management and Sustainable Use (ICB-PAMSU)	Apr-93	Jul-94	Mar-95	2.29
88	Uganda	World Bank	Kibale Forest Wild Coffee Project (MSP)	Dec-94	Feb-95	Feb-95	0.75
89	Zimbabwe	World Bank	Biodiversity Conservation in Southeast Zimbabwe	Mar-88	May-94	Mar-95	5.87
90	Bangladesh	World Bank	Biodiversity Conservation in the Sundarbans Reserved Forest	Mar-94	Nov-94	Sep-95	12.20
91	Bangladesh	World Bank	Aquatic Biodiversity Conservation	Dec-94	Jul-95	Nov-95	5.00
92	Cambodia	World Bank	Biodiversity and Protected Areas Management	Apr-95	Feb-96	May-96	2.75
93	China	World Bank	Nature Reserves Management	Jan-91	May-91	Jul-91	17.90
94	India	World Bank	Ecodevelopment	May-91	Aug-92	Nov-92	20.21
95	Indonesia	World Bank	Conservation of Elephant Landscape in Aceh Province, Sumatra (MSP)	Oct-95	Dec-95	Dec-95	0.74
96	Indonesia	World Bank	Kerinci Seblat Integrated Conservation and Development	May-91	Mar-92	Jul-92	15.92
97	Indonesia	World Bank	Coral Reef Rehabilitation and Management Project (COREMAP I)	Apr-93	Feb-94	May-94	4.38
98	Indonesia	World Bank	Berbak-Sembilang Ecosystem Conservation (MSP)	Jul-96	Aug-96	Aug-96	0.73
99	Philippines	World Bank	Conservation of Priority Protected Areas	Apr-87	Apr-90	Sep-90	18.00
100	Philippines	World Bank	Mindanao Rural Development/Coastal Resource Conservation	May-95	Dec-95	Oct-96	1.25
101	Samoa	World Bank	Marine Biodiversity Protection and Management (MSP)	Feb-95	Jun-95	Jun-95	0.93
102	Sri Lanka	World Bank	Conservation and Sustainable Use of Medicinal Plants	Apr-93	Nov-93	Apr-94	4.92
103	Viet Nam	World Bank	Hon Mun Marine Protected Area Pilot (MSP)	Nov-95	Jul-96	Apr-97	1.00
104	Syria	World Bank	Conservation of Biodiversity and Protected Areas Management (MSP)	Oct-94	Apr-95	Sep-95	0.75
105	Yemen	World Bank	Protected Areas Management (MSP)	Apr-95	Aug-95	Feb-96	0.77
106	Yemen	World Bank	Coastal Zone Management along the Gulf of Aden (MSP)	Jun-95	Aug-95	Feb-96	0.75
107	Global	World Bank	Critical Ecosystems Partnership Fund (CEPF)	Jun-96	Nov-96	Dec-96	25.00
108	Croatia	World Bank	Kopacki Rit Wetlands Management (MSP)	Nov-94	Jun-95	Jul-95	0.75
109	Georgia	World Bank	Integrated Coastal Zone Management	Jun-94	Nov-94	Apr-95	1.30
110	Regional	World Bank	Central Asia Transboundary Biodiversity	Oct-93	Jun-95	Apr-96	10.49
111	Romania	World Bank	Biodiversity Conservation Management	Apr-93	May-95	Oct-95	5.50
112	Russian Federation	World Bank	Biodiversity Conservation Management	Oct-90	Apr-92	Oct-92	20.90

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
113	Slovak Republic	World Bank	Conservation and Sustainable Use of Central European Grasslands (MSP)	Feb-96	Jun-96	Jul-96	0.75
114	Turkey	World Bank	Biodiversity and Natural Resource Management Project	Mar-94	Jun-96	Jul-96	8.54
115	Argentina	World Bank	Biodiversity Conservation	Apr-93	Sep-93	April-94	10.39
116	Belize	World Bank	Northern Belize Biological Corridors Consolidation and Maintenance	Nov-94	Apr-95	Mar-95	0.75
117	Bolivia	World Bank	Achieving the Sustainability of the Bolivian Protected Area System	May-95	Jan-97	Feb-97	15.30
118	Brazil	World Bank	National Biodiversity Project (PROBIO)	Apr-87	Mar-92	Nov-92	10.28
119	Brazil	World Bank	Brazilian Biodiversity Fund (FUNBIO)	Apr-87	Mar-92	Aug-92	20.00
120	Chile	World Bank	Valdivian Forest Zone: Private Public Mechanisms for Biodiversity Conservation (MSP)	Jul-96	Jul-96	Jul-96	0.75
121	Colombia	World Bank	Conservation and Sustainable use of the Serrania del Baudo (MSP)	Apr-95	Jun-95	Jul-95	0.75
122	Colombia	World Bank	Archipelago of San Andres: Conservation and Sustainable Use of the Marine Reserves (MSP)	Apr-96	Jun-96	Jul-96	1.00
123	Colombia	World Bank	Andes Region - Conservation and Sustainable Use of Biodiversity	Apr-96	Mar-97	Jun-97	15.35
124	Colombia	World Bank	Mataven Forest - Conservation and Sustainable Development (MSP)	Jan-97	May-97	May-97	0.75
125	Costa Rica	World Bank	Biodiversity Resources Development	Feb-93	Feb-94	Jun-94	7.00
126	Costa Rica	World Bank	Eco-Markets	Nov-95	Jun-96	Apr-97	8.33
127	Costa Rica	World Bank	Sustainable Cacao Production in Southeastern Costa Rica (MSP)	Jan-97	Feb-97	Feb-97	0.75
128	Ecuador	World Bank	Monitoring System for the Galapagos Islands (MSP)	Oct-94	Dec-94	Jan-95	0.94
129	Ecuador	World Bank	Wetland Priorities for Conservation Action (MSP)	Feb-95	Mar-95	Mar-95	0.74
130	Ecuador	World Bank	Choco-Andean Corridor (MSP)	Apr-96	Jun-96	Jul-96	1.00
131	Ecuador	World Bank	Coastal Albarradas: Rescuing Ancient Knowledge and Sustainable Use of Biodiversity (MSP)	Jul-96	Aug-96	Aug-96	0.75
132	El Salvador	World Bank	Promotion of Biodiversity Conservation within Coffee Landscapes (MSP)	May-94	May-94	Jun-95	0.75
133	Guatemala	World Bank	Management and Protection of Laguna del Tigre National Park (MSP)	Jul-95	Sep-95	Sep-95	0.75
134	Mexico	World Bank	Protected Areas Program (FANP)	Apr-87	May-93	Jun-93	25.00
135	Mexico	World Bank	Biodiversity Conservation through Habitat Enhancement in Productive Landscapes (El Triunfo)	Jun-95	Jun-95	Jul-95	0.75
136	Mexico	World Bank	COINBIO - Indigenous and Community Conservation of Biodiversity	Apr-96	Nov-96	Jun-97	7.88

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
137	Nicaragua	World Bank	Atlantic Biological Corridor	Sep-92	May-93	Sep-94	7.43
138	Panama	World Bank	Atlantic Mesoamerican Biological Corridor	Apr-93	May-94	Oct-94	8.69
139	Panama	World Bank	Effective Protection with Community Participation of the New Protected Area of San Lorenzo	Jun-95	Jun-95	Jul-95	0.75
140	Peru	World Bank	Collaborative Management for the Conserv. and Sust. Devt. of the (Tumbes) Noroeste Biosphere Reserve (MSP)	Jun-95	Aug-95	Sep-95	0.75
141	Peru	World Bank	Vilcabamba - Participatory Conservation and Sustainable Development with Indigenous Communities (MSP)	Jun-95	Sep-95	Sep-95	0.75
142	Peru	World Bank	Biodiversity Conservation in the Nanay River Basin (MSP)	Apr-97	May-97	Jun-97	0.77
143	Venezuela	World Bank	Conservation & Sustainable Use of the Llanos Ecoregion (MSP)	May-95	Jun-95	Jun-95	0.96
144	Regional	World Bank/ IFC	Terra Capital Biodiversity Fund (IFC)	Sep-91	Oct-93	Sep-94	5.00
145	Honduras	World Bank UNDP	Biodiversity Conservation in Priority Protected Areas	Dec-92	Sep-93	Jul-94	7.30
						Total	718.90

Climate Changes

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
1	Bolivia	UNDP	Rural Electrification with Renewable Energy through the Popular Participation Law	May-99		Jul-99	4.218
2	Brazil	UNDP	Biomass Power Generation: Sugar Cane Bagasse and Trash	Apr-96	Mar-97	Jun-97	3.750
3	Bulgaria	UNDP	Energy Efficiency Strategy to Mitigate Greenhouse Gas Emissions. Energy Efficiency Demonstration Zone in the City of Gabrovo	Oct-96	Oct-96	May-98	2.575
4	China	UNDP	CPR: Barrier Removal for the Widespread Commercialization of Energy-Efficient CFC-Free Refrigerators in China		Jul-99	Dec-99	9.617
5	China	UNDP	Promoting Methane Recovery and Utilisation from Mixed Municipal Refuse	Apr-96		May-97	5.285
6	China	UNDP	CPR: Capacity Building for the Rapid Commercialization of Renewable Energy	Apr-97		Feb-99	8.800
7	Cuba	UNDP	Producing Energy Efficient Refrigerators without making use of Ozone Depleting Substances	Mar-00		May-00	0.750

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
8	Czech Republic	UNDP	Low Cost/Low Energy buildings in the Czech Republic		Aug-98	Nov-98	0.448
9	Egypt	UNDP	Regional - Energy Efficiency Improvements and GHG Reduction in Egypt and the Palestinian Authority	Oct-96		Aug-98	4.110
10	Egypt	UNDP	Egypt – Introduction of Viable Electric and Hybrid Electric Bus Technology in Egypt	Nov-99		Mar-00	0.749
11	Fiji	UNDP	FIJ: Fiji Renewable Energy Hybrid Village Power Systems	Feb-99		Jun-00	0.740
12	Ghana	UNDP	Renewable Energy-based Electricity for Rural, Social and Economic Development	Aug-96		Jan-98	2.472
13	Guatemala	UNDP	Renewable Energy Based Small Enterprise Development in the Quiche Region of Guatemala				0.383
14	Hungary	UNDP	Public Sector Energy Efficiency Programme				4.200
15	India	UNDP	Optimizing Development of Small Hydel Resources in Hilly Areas	Dec-91	Jan-94	Mar-94	7.500
16	India	UNDP	Development of High Rate BioMethanation Processes as Means of Reducing Greenhouse Gas Emissions	May-92	Jan-94	Mar-94	5.500
17	India	UNDP	India: Coal Bed Methane Capture and Commercial Utilisation -FULL				9.198
18	India	UNDP	Cost Effective Options for Limiting GHG Emissions				1.500
19	Jordan	UNDP	Jordan - Reduction of Methane Emissions and Utilization of Municipal Waste for Energy in Amman	Apr-96	Apr-96	Aug-97	2.500
20	Kenya	UNDP	Removal of barriers to energy conservation and energy efficiency in small and medium scale enterprises	Oct-98		Apr-00	3.193
21	Latvia	UNDP	Economic and Cost-Effective Use of Wood Waste for Municipal Heating Systems in Latvia		Feb-98	Jul-98	0.750
22	Malawi	UNDP	National Sustainable and Renewable Energy Programme				3.353
23	Malaysa	UNDP	Industrial Energy Efficiency and Improvement Project	Apr-98	Jul-99		7.301
24	Morocco	UNDP	Market Development for Solar Water Heaters				2.965
25	Morocco	UNDP	Building Capacity in the Maghreb to Respond to the Challenges and Opportunities created by National Response to the UNFCCC				2.500
26	Pakistan	UNDP	Fuel Efficiency in the Road Transport Sector	May-92	Jul-95	May-96	7.000
27	Palestine	UNDP	Energy Efficient Buildings				2.475
28	Palestine & Egypt	UNDP	Energy Efficiency Improvemens and Greenhouse Gas Reduction	May-97		Jul-98	0.500

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
29	Peru	UNDP	Renewable Energy Systems in the Peruvian Amazon Region (RESPAR)				0.748
30	Peru	UNDP	Photovoltaic-based Rural Electrification in Peru	Apr-98		Apr-99	3.955
31	Philippines	UNDP	Palawan Alternative Rural Energy and Livelihood Support Project	Oct-99		Feb-00	0.750
32	Regional - Costa Rica	UNDP	The creation and strenghtening of Capacity for Sustainable Renewable Energy Development in Central America	Oct-99		Apr-00	0.750
33	Romania	UNDP	Capacity Building for GHG Emission Reduction through Energy Efficiency improvement in Romania			Sep-00	2.036
34	Russian Federation	UNDP	Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Buildings and Heat Supply	Oct-96	Oct-96	Feb-98	2.980
35	Sri Lanka	UNDP	Renewable Energy & Energy Efficiency Capacity Building	Apr-96		Jan-98	1.510
36	Sudan	UNDP	Sudan - Barrier Removal to Secure PV Market Penetration in Semi-Urban Sudan -MEDIUM < 750	May-99		Jan-00	0.750
37	Syria	UNDP	Syria - Supply-Side Efficiency and Energy Conservation and Planning	Oct-96		Nov-98	4.070
38	Thailand	UNDP	Removal of Barriers to Biomass Co-Generation from Wood Residues in Thailand				6.805
39	Tunisia	UNDP	Experimental Validation of Building Codes and Removal of Barriers to their Adoption				4.360
40	Tunisia	UNDP	Tunisia -Barrier Removal to Encourage and Secure Market Transformation and Labelling of Refrigerators.	Feb-99		Apr-99	0.710
41	Uganda	UNDP	Uganda photovoltaic pilot project (PV) for rural electrification	Oct-95		Nov-97	1.756
42	Global	UNEP	Redirecting Commercial Investment Decisions to Cleaner Technologies - A Technology Transfer Clearinghouse	Mar-99		Jul-99	0.750
43	Global	UNEP	Fuel Cell Bus and Distributed Power Generation market Prospects and Intervention Strategy Options	Apr-00	May-00		0.691
44	Global	UNEP	Assessment of Impacts and Adaptation to Climate Change in Multiple Regions and Sectors	Nov-00	May-01		7.850
45	Argentina	World Bank	Renewable Energy in Rural Markets	Nov-97	Mar-99	Dec-99	10.000
46	Brazil	World Bank	Energy Efficiency	May-97	Oct-99	Feb-01	20.000
47	Cape Verde	World Bank	Energy & Water Sector Reform and Development	Mar-98	May-99	Dec-99	4.700
48	China	World Bank	Beijing Second Environment	Dec-99	Jun-00	May-02	25.000
49	China	World Bank	Energy Conservation	May-97	Mar-98	Dec-98	22.000
50	China	World Bank	Fuel Efficient Industrial Boilers	Apr-96	Dec-96	Feb-97	32.810

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
51	China	World Bank	Sichuan Gas Transmission and Distribution Rehabilitation/Sichuan Gas Development & Conservation	Apr-92	Mar-94	Sep-94	10.000
52	Costa Rica	World Bank	Tejona Wind Power	Dec-92	Sep-94	Nov-95	3.300
53	Cote d'Ivoire	World Bank	Energy efficiency service market (MSP)	Jul-98	Apr-99	Jun-99	0.695
54	Global	World Bank	Efficient Lighting Initiative (IFC) Tranche I	Aug-98	Jun-99	Sep-99	9.350
55	Global	World Bank	Efficient Lighting Initiative (IFC) -Tranche II	Aug-98	Mar-00	May-00	5.650
56	Global	World Bank	Renewable Energy and Energy Efficiency Fund (IFC)	Apr-96	Dec-97	Feb-00	30.000
57	Global	World Bank	Solar Development Group (IFC)	Oct-98	Jan-01	Mar-01	10.000
58	Global (Kenya, India, Morocco)	World Bank	Photovoltaic Market Transformation Initiative (IFC)	May-97	Jun-98	Jul-98	30.000
59	Hungary	World Bank	Energy-Efficiency Co-Financing Program (IFC)	Apr-96	Mar-97	May-97	0.700
60	India	World Bank	Energy Efficiency	Dec-97	Jun-00	Jan-01	5.000
61	India	World Bank	Alternate Energy	Dec-91	Nov-92	Apr-93	26.000
62	Indonesia	World Bank	Solar Home Systems (SHS)	Oct-95	Jan-97	Oct-97	24.300
63	Lao PDR	World Bank	Southern Provinces Renewable Energy (MSP)	Nov-97	Feb-98	Feb-98	0.740
64	Latvia	World Bank	Solid Waste Management and Landfill Gas Recovery	Jan-97	Feb-98	Jul-98	5.120
65	Lithuania	World Bank	Klaipeda Geothermal Demonstration	May-95	May-96	Oct-96	6.900
66	Macedonia	World Bank	Mini-HydroPower Project (MSP)	Dec-99	Jan-00	May-00	0.750
67	Mexico	World Bank	Renewable Energy for Agricultural Productivity (RETS)	May-99	Dec-99	Aug-00	8.900
68	Mongolia	World Bank	Improved Household Stoves in Mongolian Urban Centers (MSP)	Sep-00	Feb-02	Mar-02	0.750
69	Poland	World Bank	Coal-to-Gas Conversion Project	Dec-91	Nov-94	Jun-95	25.000
70	Poland	World Bank	Zakopane/Podhale Geothermal District Heating and Environment	May-99	May-00	Jul-00	5.400
71	Regional (Caribbean)	World Bank	Planning for Adaptation to Climate Change (CARICOM)	May-95	Mar-97	Apr-97	5.000
72	Senegal	World Bank	Sustainable and Participatory Energy Management	Apr-96	Jun-97	Dec-97	4.700
73	Sri Lanka	World Bank	Energy Services Delivery	Apr-96	Mar-97	Jul-97	5.900
74	Tunisia	World Bank	Solar Water Heating	May-93	Nov-94	May-95	4.000
75	Uruguay	World Bank	Landfill Methane Recovery Demonstration Project (MSP)	Mar-00	May-00	Nov-00	0.975
						Total	475.362

International Waters

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
1	Regional - Azerbajan	UNDP/UNEP/ WB	Addressing Transboundary Environmental Issues in the Caspian Environment Programme	Nov-98	Apr-00	Apr-99	8.745
2	Regional - Hungary	UNDP	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
3	Regional - Slovak Rep.	UNDP	Transfer of Environmentally Sound Technology (TEST) In the Danube River Basin	Oct-00			0.99
4	Regional - Ukraine	UNDP	Preparation of the Strategic Action Pan for the Dnieper Preparation River Basin and Development of SAP Implementation Mechanism	Mar-98		Mar-00	7.261
5	Egypt	UNDP	Lake Manzala Engineered Wetlands	Dec-92	Jun-97	Jun-97	5.26
6	Regional - China	UNDP	Preparation of Strategic Action Programme (SAP) and Transboundary Diagnostic Analysis (TDA) for the Tumen River Area, its coastal regions and related Northeast Asian Environs	Mar-98		Jun-99	5.199
7	Regional - Philippines	UNDP	Building Partnerships in Environmental Protection and Management for the East Asian Seas (PEMSEA)	Nov-98			16.224
8	Regional - Samoa	UNDP	Implementation of the Strategic Action Programme (SAP) of the Pacific Small Island Developing States-14 countries	Jul-98		Feb-00	12.29
9	Regional - Saudi Arabia	UNDP UNEP WB	Implementation of the Strategic Action Programme (SAP) for the Red Sea and Gulf of Aden	Nov-97	Feb-99	Sep-99	19.34
10	Uruguay	UNDP	Environmental Protection of the Rio de La Plata and its Maritime Front: Pollution Prevention and Control and Habitat Restoration	Jan-99		Nov-99	6.007
11	Global	UNDP	IW:LEARN	Jul-98		Mar-00	1.93
12	Global	UNDP	Knowledge Sharing in International Waters - Train-Sea-Coast	Jul-98		Mar-00	5.41
13	Global	UNDP	Removal of Barriers to the Effective Implementation of Ballast Water Control and Management Measures in Developing Countries	May-99		Feb-00	7.612
14	Regional	UNEP	Determination of Priority Actions for the Further Elaboration and Implementation of the Strategic Action Programme for the Mediterranean Region	Mar-98	May-00	Jan-00	6.4
15	Regional	UNEP	Formulation of a Strategic Action Programme for the Integrated Management of the San Juan River Basin And its Coastal Zone	May-00	Jun-00	Jan-01	3.93
16	Brazil	UNEP	Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin	Jul-98	Sep-99	Sep-99	6.678

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
17	Regional	UNEP	Implementation of the Strategic Action Program for the Bermejo River Basin	Nov-00	May-01	May-01	11.04
18	Regional	UNEP	Development and Protection of the Coastal and Marine Environment in Sub-Saharan Africa	Jul-00	Aug-00	Aug-00	0.75
19	Brazil	UNEP	Integrated Management of Land Based Activities in the Sao Francisco Basin	Jul-98	Oct-99	Oct-99	4.771
20	Global	UNEP	Global International Waters Assessment (GIWA)	Sep-97	Mar-99	Mar-99	6.785
21	Global	UNEP	Role of Coastal Ocean in the Disturbed and Undisturbed Nutrients and Carbon Cycles	Oct-98	Jul-99	Jul-99	0.72
22	Global	UNEP	Regionally Based Assessment of Persistent Toxic Substances	Dec-99	Aug-00	Aug-00	2.662
23	Russian Federation	UNEP	Persistent Toxic Substances (PTS), Food Security and Indigenous Peoples of the Russian North	Feb-00	Feb-01	Feb-01	0.75
24	Georgia	World Bank	Agricultural Research, Extension and Training (Formerly Agric. II)	May-98	May-00	Feb-02	2.5
25	Regional (Albania, Macedonia)	World Bank	Lake Ohrid Management	May-97	Jun-98	Dec-98	4.28
26	Regional (Cambodia, Thailand Vietnam)	World Bank	Mekong River Water Utilization	Mar-99	Feb-00	Mar-00	11.1
27	Regional (Kenya)	World Bank	Lake Victoria Environmental Management (46871)	Apr-96	Jul-96	Mar-97	12.266
28	Regional (Tanzania)	World Bank	Lake Victoria Environmental Management (46872)	Apr-96	Jul-96	Mar-97	12.266
29	Regional (Uganda)	World Bank	Lake Victoria Environmental Management (46870)	Apr-96	Jul-96	Mar-97	12.266
30	Egypt	World Bank	Red Sea Coastal and Marine Resource Management	Apr-92	Nov-92	Dec-94	19
31	Jordan	World Bank	Gulf of Aqaba Environmental Action Plan	Oct-95	Jun-96	Jun-96	2.995
32	Poland	World Bank	Rural Environmental Protection	Jul-98	Nov-99	Mar-00	3
33	Regional (Kazak., Kyrgyz, Tajik., Turkmen., Uzbek.)	World Bank	Water and Environmental Management of the Aral Sea Basin	May-97	Jun-98	Sep-98	12.525
34	Regional (Red Sea countries)	World Bank	Strategic Action Plan (SAP) for the Red Sea	Nov-97	Feb-99	Sep-99	5.61

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
35	Regional (Comoros, Mauritius, Madagascar, Seychelles)	World Bank	Western Indian Ocean Oil Spill Contingency Planning	Jul-98	Dec-98	Mar-99	3.502
36	Regional (Org. of Eastern Caribbean States)	World Bank	Ship-Generated Waste Management	Dec-92	May-95	Nov-96	13.018
						Total	246.701

Ozone

No.	Country	IA	Project	Work Program (A)	IA Approval (B)	Effective Date (C)	GEF Funding (US$ Million)
1	Azerbaijan	UNDP	Country Programme Review of Ozone Depletion Projects for Azerbaijan (4 PROJECTS)	Mar-98		Feb-99	7.04
2	Estonia	UNDP	Country Programme Review of Ozone Depletion Projects for Estonia (2 PROJECTS)	Jul-00		Aug-00	.919
3	Kazakhstan	UNDP	Country Programme Review of Ozone Depletion Projects for Kazakhstan (5 PROJECTS)				5.60
4	Latvia	UNDP	Country Programme Review of Ozone Depletion Projects for Latvia (3 PROJECTS)	Jun-00		Jun-00	1.439
5	Lithuania	UNDP	Country Programme Review of Ozone Depletion Projects for Lithuania (4 PROJECTS)	May-98		May-98	4.533
6	Regional	UNEP	Promoting Compliance with the Trade & Licensing Provisions of the Montreal Protocol in Countries with Economies in Transition	Jan-98	Mar-00	Mar-98	.694
7	Regional	UNEP	Initiating Early Phaseout of Methyl Bromide through Awareness Raising, Policy Development and Demonstration/Training Activities	Sep-99	Feb-98	Mar-00	.663
8	Russian Federation	World Bank	Phase-out of Ozone Depleting Substances	May-95	May-96	Sep-96	25.700
9	Tajikistan	UNDP	Country Programme Review of Ozone Depletion Projects for Tajikistan (2 PROJECTS)	Jul-00		Sep-00	1.071
10	Turkmenistan	UNDP	Country Programme Review of Ozone Depletion Projects for Turkmenistan (1 PROJECT)	Oct-98		Feb-99	.515
11	Ukraine	World Bank	Phaseout of Ozone Depleting Substance Phaseout	Jul-96	Jun-96	Mar-99	23.540
12	Uzbekistan	UNDP	Country Programme Review of Ozone Depletion Projects for Uzbekistan (2 PROJECTS)	Oct-98		Mar-99	3.319
						Total	75.041

APPENDIX B
GUIDELINES FOR THE 2002 PIR

Guidelines for FY 2002 GEF Project Implementation Review (PIR)

1. The 2002 PIR Process and Schedule

The 2002 GEF PIR process will, as in previous years, 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. Beginning in PIR 2002, we will include an annual stocktaking of enabling activities as part of the PIR process.

(1) The IA PIR for 2002 will be conducted between May and September, 2002. Although the GEF M&E team will accept staggered submissions of the reports during this period, they must be submitted no later than September 25, 2001. The agencies will submit (or make available on electronic databases):

- **portfolio themes (an overview of agency experience)**
- **individual project reports**
- **portfolio indicators (including 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 2002. 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, including 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 2002.

2. Portfolio Themes and Lessons Learned Overview

Each IA shall provide an overview report identifying portfolio themes and lessons learned based on its internal PIR process. The IAs should devise an internal review process that will allow them to effectively identify cross-cutting themes emerging from the portfolio. The portfolio themes to be identified would include the following categories:

(a) Basic GEF issues and project review criteria (such as sustainability, replication and leverage). These will be identified and agreed upon at the GEF level, and shall be continuously monitored and reported upon annually.

(b) Specific issues that emerge from the Implementing Agency's review as well as the two themes focused in the Secretariat Managed Project Review: *GEF's Private Sector Engagement and Participation of Intended Beneficiaries and Effected Groups of People*. These should be reported by focal area so that they can be referred to the focal area task forces for further discussion and analysis.

(c) Issues or topics for which: (i) OPs require clarification or elaboration; (ii) additional operational guidance is needed on project

development, implementation or evaluation; (iii) referral to STAP for scientific or technical advice is indicated; (iv) review in greater depth in M&E studies would be beneficial; and/or (v) dissemination of good practices and lessons learned is recommended.

3. Individual Project Reports

Reports shall 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, 2001, and were in implementation during FY 2002, including those projects which completed implementation during FY02. Implementation Completion Reports, Performance Audit Reports or Evaluation Reports prepared during FY02 need to be submitted as part of the PIR.

The individual project implementation reports should include the following information:

4.1 Project Name, Country and GEF Focal Area and Operational Program/EA/STRM, Approval Date and Effective Date

4.2 Financial Data
This section should include: total project cost, GEF grant amount, cofinancing (planned for all projects and actuals realized for projects that have undergone a mid-term review or completed implementation) by source, and disbursements.

4.3 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.)

4.4 Project "Goal"[19]
A statement of the goal to which the project contributes.

4.5 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.[20]

4.6 Project Purpose[21]
State the project's purpose or purposes.

4.7 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)[22], and state when project indicators will be put in place. For each indicator, include the *actual* level achieved.

4.8 Assumptions and Risks
List major risks identified in the project

[19] 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".

[20] 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.

[21] 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".

[22] For example, UNDP projects are supposed to have "indicators of performance" that are rated and reported on in APRs.

design and others that have been made since. Rate the risk that affect implementation or prospects for achieving project objectives and comment on what the project is doing to avoid them. For this purpose, use the 4 point scale in Annex 1: high (H), substantial (S), modest (M) and low (L).

4.9 Implementation Issues and Actions Taken
Give an account of which significant policy, institutional, scientific and technical issues or changes that have arisen during project implementation, including 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.

4. Portfolio Indicators

On the basis of the individual project reports each IA should provide a report that summarizes the overall performance indicators and portfolio trends. 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; and (ii) disbursement history;
(b) 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 and or performance in relation to those included in the 2001 PIR.

Additionally, the IAs should provide lists/tables on the status of the portfolio as follows:

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, 2001, and were in implementation at least some part of FY2002 (for which individual reports will be prepared)

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

   a) funding was allocated in GEF Work Programs before June 30, 2001, but which have not been approved formally by the IA.
   b) formal approval was made by the IA on or before September 30, 2001, but which have not begun disbursements by June 30, 2002.

3. A list of all GEF projects that were operationally completed *during* FY02. Reports on these projects should also be included in the PIR.
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, 2001, through June 30, 2002, and (b) mid-term reviews, evaluation reports and/or implementation completion reports underway as of June 30, 2001, or planned through June 2002.
5. A brief status report on implementation of enabling activities supported under the various conventions, including a list of the enabling activity projects.

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 nor to yield worthwhile global environmental results.

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
WORLD BANK — GEF PROJECT IMPLEMENTATION REVIEW

FY 2002 Summary Report

Portfolio Overview

Through June 30, 2002, the World Bank Group's GEF approved portfolio comprised 273 projects with total GEF grant commitments of $2.14 billion that are associated with an additional $10.44 billion in co-financing. There were 205 full-sized projects ($2.08 billion) and 68 medium-sized projects ($52 million). Total commitments increased by 10% over 2001 while the number of projects was 19% higher.

There was no change from FY01 in the distribution of the portfolio by focal area for either full size or medium size projects, based on GEF commitments. The climate change focal area (41%) had a slightly higher share of commitments than biodiversity (40%), followed by International Waters (10%) and ODS Phase-Out (7%). However, biodiversity continued to have a far higher number of projects (97 FSP, 50 MSP) than climate change (69 FSP, 11 MSP).

The distribution of the portfolio by region for both full and medium sized projects, based on commitments, is identical to FY01. Latin America and the Caribbean region (LCR), therefore, still has the highest share of commitments.

The Bank's active portfolio included 177 projects with a total GEF commitment of $1.31 billion - 121 FSPs and 56 MSPs. During the year twenty FSPs and eight MSPs were approved by the Bank's management while thirteen FSPs and eight MSPs became effective. Eight projects closed and exited the portfolio, 5 FSPs and 3 MSPs.

Twenty four projects had been approved by the GEF Council prior to June 30, 2000 for inclusion in the work program but had not yet received Bank management approval by June 30, 2002. This is a much higher number than in FY01 when nine projects were slow in maturing. Progress toward appraisal is advanced for a number of these projects with Bank Management approval expected shortly thereafter.

The FY02 PIR portfolio comprises 127 projects, 85 FSPs and 42 MSPs. Total GEF grant commitments for these projects are $969.75 million. Thirty nine projects are in LCR with commitments of $203.8 million, followed by ECA with commitments of $194.8 million from 18 projects and EAP also with 18 projects but a slightly lower commitment of $190.7 million.

Performance

The proportion of projects rated satisfactory or better on Implementation Progress has remained stable for the past four years at around the 90% level. This year's performance of 89% of projects rated satisfactory or better is two percentage points lower than the corresponding result of 91% for FY01. There was a parallel increase of one percentage point in projects rated partially satisfactory and unsatisfactory respectively. For satisfactory and above, ECA, LCR (on a much larger number) and SAR achieved 94% or higher. AFR had the highest number (4) of projects with unsatisfactory rat-

ings, EAP had three projects in this category, while IFC had the highest proportion of partially satisfactory or unsatisfactory projects (38%). The ECA portfolio has noticeably improved performance compared with 2001, when 20% of its projects were rated unsatisfactory, whereas only 6% now fall in that category.

The ratings for Global/Development objectives were also slightly lower than in FY01. Ninety two percent of projects were rated at least satisfactory, compared with 95% in FY01, although the highly satisfactory rate remained constant at12%. The number of less than satisfactory projects in this PIR (8) increased from 5 in FY01 mainly due to changes in the performance of IFC projects where two were downgraded to partially satisfactory and one to unsatisfactory from FY01. Seven projects were rated unsatisfactory on both Implementation Progress and Global/Development Objective. By region, LCR and SAR had satisfactory or higher ratings of 100% followed by EAP and ECA each with 94%. IFC had the highest proportion of partially satisfactory or unsatisfactory projects (38%), followed by AFR, 15%..

Projects At Risk[23]

The proportion of projects at risk increased slightly while the actual number nearly doubled. There were eleven projects at risk, representing 10% of the portfolio, an increase from six projects at risk, representing 7% of the portfolio in FY01, marginally lower than the 11% in 2000 and much better than the 15% in 1999. Among the projects at risk in FY02, three each were in AFR and EAP and two in LCR. It is also significant that 6% of the stand alone GEF

[23] Projects at risk of not meeting their development objectives. Includes both actual problem projects (those rated less than satisfactory on development objectives and/or implementation progress) and potential problem projects (those that are satisfactory on IP or DO but are associated with three or more other risk factors). The system only tracks full size projects.

Box 1
Ratings for Implementation Progress and Development/Global Objective

Rating	FY97 (49)*	FY98 (62)	FY99 (56)	FY00 (84)	FY01 (96)	FY02 (127)
Implementation Progress						
Highly Satisfactory	20	18	12	12	14	14
Satisfactory	67	66	79	77	77	75
Partially Satisfactory					1	2
Unsatisfactory	12	16	9	11	8	9
Total	100	100	100	100	100	100
Development/Global Objective						
Highly Satisfactory	28	18	16	17	12	12
Satisfactory	65	74	80	76	83	80
Partially Satisfactory					1	1
Unsatisfactory	6	8	4	7	4	7
Total	100	100	100	100	100	100

*Figures in () are the number of projects

portfolio was at risk compared with 20% for blended projects, which perhaps is an indication that the broader range of issues addressed by blended projects increases the chances of them being risky.

Averages for the realism and proactivity indices[24] of the Bank-GEF portfolio were 100% and 88% respectively, compared with 86% and 100% in FY01. This realism index means that all the projects at risk are actual problem projects, while the proactivity index signifies a decline in the proportion of problem projects being addressed through upgrading, restructuring, etc, though this is no worse than the overall Bank average. Of five actual problem projects in FY01 three remained in unsatisfactory status while eight new ones were added.

Quality Assessments

Quality of Entry
The Quality at Entry Assessment for 2001 carried out by the Bank's Quality Assurance Group (QAG) found a 100% overall satisfactory outcome for GEF projects which was in line with the results for IBRD projects as a whole. The report noted, however, that there tended to be an implicit assumption in environment and GEF projects that because these projects are expected to have an overall beneficial effect on the environment, they can do "no harm" to the environment or vulnerable groups. This issue is being assessed in depth by the Bank's GEF team with assistance from the Quality Assurance and Compliance Unit.

Quality of Supervision
With respect to supervision, all five GEF projects included in QAG's 2002 Supervision Quality of Risky Projects were found to be satisfactory, compared with 78% for the overall sample. This would suggest that risky GEF projects are being given the supervision attention that is commensurate with the problem.

Net Disconnect[25]

Of five projects for which completion reports were written during FY02 only one (Indonesia Solar Homes Systems) was rated unsatisfactory, and this project was also rated unsatisfactory by OED. A second project, Indonesia Biodiversity Conservation, was rated satisfactory by the region but marginally unsatisfactory by OED giving a net disconnect of 20%, but on a small number of projects. No other project had a disconnect.

Elapsed Time Between Project Processing Steps

From GEF Council Approval to Bank Management Approval
There was significant improvement during FY02 in average elapsed time between GEF Council approval and Bank Management approval – projects are being prepared and ready for appraisal in a shorter time - which reverses the upward trend since 1999. The FY02 result of 409 days for FSPs is 20% lower than the average for the previous three years and is the lowest since 1993. Even so there were a few outliers, such as the Ukraine Biodiversity in the Azov-Black Sea Ecological Corridor Project which took 1423 days to move from GEF Council to Bank Management approval and the Papua New Guinea Forest and Conservation Project which took 1174 days. The reasons for delays were internal political and administrative changes in both cases and in the

[24] *Realism Index:* The ratio of actual problem projects to total projects at risk. *Proactivity Index*: The proportion of projects rated as actual problem projects twelve months earlier that have been upgraded, restructured, suspended, closed, partially or fully canceled, or located in a *post-conflict* country with a Board-approved transition strategy.
[25] *Net disconnect*: The difference between the percentage of projects rated as unsatisfactory by OED and the percentage rated by the regions in the final PSR as unsatisfactory for achieving their development objectives.

case of the latter, issues related to the Bank's policy dialogue.

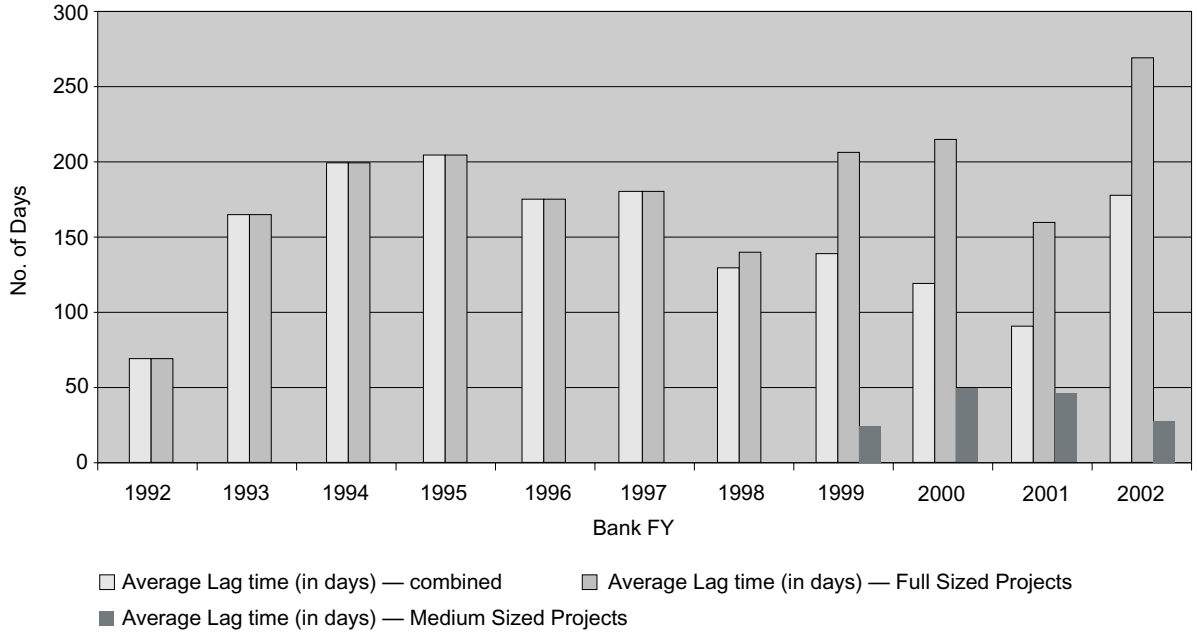
Taking account of the number of projects per region on which the analysis is based, LCR had the most favorable outcome, 266 days. The Africa region had the least favorable average elapsed time, 597 days, followed by EAP with 529, which was distorted by the PNG project. Similarly, the ECA average of 445 days would be only 200 days if not for the Ukraine project. The results also show that biodiversity projects have longer processing time than projects in other focal areas. While the averages for international waters and climate change projects were 212 and 258 days respectively, biodiversity projects took twice as long to prepare, 535 days. This is largely due to complexity of project design and the need to undertake social assessments that require lengthy field investigations. But there are complicated climate change projects also, such as the China Energy Scale-Up and the Morocco Solar Based Power Thermal Plant, which are slow in maturing.

From Bank Management Approval to Effectiveness

On the other hand the average time between Bank Management approval and effectiveness for FSPs increased from 159 days in FY01 to 269 days in FY02, a 70% increase to more than twice the Bank standard of 120 days and the highest ever recorded for GEF projects (previously 215 days in FY00). Altogether, 70% of the projects in the Bank-GEF portfolio took longer than the Bank standard, compared with QAG's finding that for the past few years 40% of the projects in the overall Bank portfolio have exceeded the standard. To some extent the results are biased by an outlier in EAP, the China Renewable Energy Development project, which took 918 days to become effective.

The factors contributing to delay included complicated legislative processes in the recipient countries for approval of donor financed projects, fulfilling the legal requirements set by the Bank and putting in place required institutional arrangements. Looking at the trend

Figure 4
Average Elapse Time (in Days) between Bank Management Approval to ???????



over the past few years the main lesson is that many effectiveness conditions can sometimes be addressed by the time of Bank Management approval—they could be made conditions of appraisal or Board submission—which would give sufficient time to deal with these more complicated issues during preparation rather than making them conditions of effectiveness.

The Bank-GEF team is examining whether there are additional GEF specific factors contributing to this problem and has included special attention to reducing effectiveness delays in its portfolio improvement management plan for the current FY.

Cross-cutting Portfolio Issues and Results

Risk Analysis and Management
The risks identified during project design often arise and can have significant implications for implementation as well as for the sustainability of outcomes. The most common risks are economic crises, limited institutional capacity, availability of counterpart funding and political conflict. Some examples are presented below of how these risks have affected the portfolio and how project task teams have sought to address them.

Although the effects of the Asian economic crisis have abated during the past two years, the Indonesia Solar Home Systems Project is still affected by the country's economic difficulties and is not achieving even its scaled-back objectives. In consequence, early closure of the project is being considered. In Latin America, the economic crisis in Brazil, Argentina and spillover to Uruguay has contributed to delays in project implementation (Argentina and Uruguay), and to a reduction in counterpart funding in Brazil as a result of devaluation of the Real. Several IFC projects have also been affected. Task teams are monitoring the situation closely but have not yet designed appropriate response strategies.

The conflict in Colombia has affected the Bank's portfolio more seriously during FY 02 than previously. In response, some activities have been adjusted. For example, in the *Conservation and Sustainable Use of the Serrania del Baudo* Project a series of public awareness workshops had to be canceled and radio broadcasts used instead.

In Ecuador, an oil pipeline is being constructed in a region of the country where the Choco Andean Corridor project is also located. The Bank is in no way associated with the pipeline which does not pose a direct threat to the project's activities. Nevertheless the Bank has tried to address any foreseeable threat to the Corridor from this pipeline by recommending good practices from other countries and helping the project adapt by devising a mitigation strategy as part of the conservation management plan for the area.

A serious risk to the Georgia Integrated Coastal Zone Management (ICZM) is construction of the Kulevi oil transit terminal abutting the protected wetland supported by the project, and the slow response from government. The proposed risk minimization measures included strengthening environmental enforcement and introduction of market based instruments, together with continued dialogue between the Bank and government on project benefits.

Resources Leveraged
The Bank Group-GEF program continues to have a favorable overall ratio of GEF$1 to non-GEF$5 for cumulative commitments, with several examples in the portfolio of leveraging beyond the original agreed financing plan. Also on a favorable note, the ratio in the Africa region, which was traditionally below the Bank average, has increased from 1:2.5 to 1:4.

Catalytic Effects and Replication
There are a number of good examples in the portfolio of replication. The Brazil National Biodiversity Project (PROBIO) has influenced the formulation of new projects at the federal

level such as, Amazon Region Protected Areas ARPA (which is already Bank Approved) and Ecological Corridors, as well as at the state level. The Biome Level Assessment methodology used in PROBIO is being applied for policy making purposes in various states such as Minas Gerais and Pernambuco. The Mexico – Oaxaca Hillside Management (MSP) specifically addresses agricultural practices along hillsides and also includes targeted research on carbon sequestration. Based on the results of this project, a Prototype Carbon Fund (PCF) project on marketing carbon credits is currently under preparation.

In the East Asia region, the China Nature Reserves Management Project's advanced nature reserve planning methodology has been widely disseminated by the State Forestry Administration to other SFA-managed nature reserves, and the SFA plans to replicate its use in 150 national-level nature reserves. In Cambodia the Cambodia Biodiversity and Protected Area Management Project's conservation awareness activities have encouraged provincial development staff to include national park staff in local economic planning and management to better harmonize development and conservation initiatives.

In South Asia, the Sri Lanka Energy Services Delivery Project has been catalytic in the development of renewable energy, particularly in the small and village hydro sector. The technical assistance component of the project has helped catalyze private sector delivery of energy efficiency services and the development of the first ESCO in Sri Lanka.

Sustainability of Project Outcomes

Although a number of factors contribute to the likelihood of sustainable project outcomes, several of the projects that closed in FY02 emphasized the importance of institutional aspects. In East Asia, for both the Indonesia Biodiversity Collections Project and the China Nature Reserves Management Project, staff trained and retained by the project have been important factors for sustainability. In the case of the Mali Household Energy Project, sustainability is rated as likely because a transparent and pro-active regulatory framework for the sector is in place. The evolution of the government agency responsible for renewable energy to a mature financial institution in India, including the ability to mobilize additional resources, is an important reason for the highly likely sustainability of the India Renewable Resources Development Project.

Emerging Focal Area Lessons and Good Practices

Biodiversity

Sustainable Financing of Biodiversity Conservation

One of the greatest challenges for conservation is how to cover the recurrent costs of parks and protected areas. Worldwide, protected areas (PAs) are generally constrained by lack of adequate budgets, and timing of budget flows, which make few of them capable of generating sufficient revenues (either from visitor fees or other user payments) to be self-sustaining. Visitor fees and Conservation Trust Funds are the most widely used mechanisms by GEF projects, payment for environmental services (PES) is a relatively new approach being pioneered by the Bank, while the IFC has focused on aligning private sector investment with biodiversity conservation.

One of the more interesting examples of visitor and other user payments from the portfolio is the Gulf of Aqaba Environmental Action Plan (Jordan) where cost recovery mechanisms include marine park fees (diving fees, visitor fees, and beach facility fees); issuance of permits (air emission permits, cooling water discharge permits, resource user fees for import/export of all goods); and fines for environmental dam-

ages, including industrial pollution and oil spills. All revenue from these fees and fines will be earmarked for the Department of Environment, Regulation and Enforcement.

Lessons emerging from Bank-GEF projects are:

- that most PAs and all PA networks will need continued input of government funding;
- many parks will continue to need additional outside support, including longterm support for PA management, including potential second phase support from GEF or other donors;
- additional sources of reliable regular funding are needed, in addition to government budgets and should not be used to supplement/not replace government budgets;
- PA funding should be diversified and not dependent on any one source, such as tourism revenues which may be impacted by political, climatic and economic disturbances; and
- to ensure adequate government support, both political and financial, there must be greater understanding among policy makers, local agencies and communities of the key role that PAs provide in ensuring environmental benefit

To address the delays and unpredictability of government budgets and variable visitor income, the Bank has helped to establish several conservation trust funds, using GEF financing as part of the capitalization to support protected area financing at either the national network level or individual protected areas. In spite of the apparent success of trust funds, few donors are willing or able to capitalize such mechanisms. In this regard the GEF has played, and will continue to play, a critical role in catalyzing funds and endowing and leveraging resources for their capitalization.

The Bank has only recently begun working with payments for environmental services. To achieve significant conservation gains through PES, service payments must be guaranteed over a long time, such as 20 years, to provide sufficient incentive for conservation. Equally important, adequate and reliable sources of finance must be secured to implement the payments system, and the areas that will benefit from the payment system must be accurately defined and their ownership or use rights must be clear. The Costa Rica Ecomarkets Project provides participating small landowners with payments for the environmental services their land provides when forest cover is maintained.

34. The IFC is promoting sustainable land use and improved natural resource management through small loans under its Small and Medium Enterprise (SME) Program and investments in private sector partnerships in South America through the Terra Capital Fund. The private sector still has much to learn in identifying and evaluating business opportunities which are profitable but lead to conservation benefits. According to IFC experience, a key challenge is financial discipline to determine when it is justifiable to use a grant or subsidy to promote a business opportunity. Furthermore, successful biodiversity investment requires a number of supporting conditions, including legal and institutional frameworks, technical assistance and market access for biodiversity products—all of which have to be addressed in the process of catalyzing and building this new business sector.

Conservation in production landscapes

A key lesson from the Bank's experience over the past decade is the need to expand the conservation imperative beyond protected areas to seek opportunities for mainstreaming biodiversity concerns into land and water management in the broader production landscape. This means explicitly linking conservation with people's local development needs. Key elements in this strategy are the need to work across sectors and institutions, promoting collaborative partnerships both within the public sector among government agencies and be-

tween governments, NGOs and other sectors of civil society.

A successful example of this approach is the India Ecodevelopment project which has shown that development activities support PAs best when they are explicitly linked to threat alleviation and conservation objectives, for example, provision of fuel efficient stoves to reduce firewood needs, employment as conservation guards and tourist guides.

Where project success depends on socio-economic benefits from biodiversity, conservation activities need to provide a competitive alternative for project target groups if they are to be sustainable once project support ends. This underlines the importance for projects to develop incentive frameworks, i.e. tax incentives, targeted subsidies, or creation of viable niche markets.

For instance, the Uganda Kibale Forest Wild Coffee MSP was designed to provide revenue for Kibale National Park and local farmers through marketing of wild coffee from local forests in blends with organically-farmed coffee. The main lesson learned from this project is that feasibility studies to assess the market potential of a prospective commodity are necessary prior to initiation of projects aiming to establish financial returns from selling a product on the global market

Climate Change

Although the implementation experience is still limited, several business models have been tested by the World Bank and the IFC for rural applications of PV and already have shown some promising results, although the projects have not been as effective as originally expected in leveraging and expansion of the PV market. Emerging lessons include the following:

- Awareness through dialogue, training and demonstration investments is key to increased confidence in technologies and benefits, which in turn influence investment/purchase decisions and policy formulation to support the renewable energy (RE) sector.
- Evaluating projects in terms of number of PV system installations may overlook important consequences. Benefits from the solar home systems (SHS), and after-sales service and maintenance experience, should be the focus of monitoring and evaluation.
- The pace of RE market development is slower than envisaged. This may be because the intervention is designed for rural and poorer population segment, or lack of RE awareness. Enough time should be allowed to develop markets and projects and to identify suitable RE business models in the country.
- Affordable financing accessible to rural consumers is essential for selling PV products in rural areas. In India, Solar PV investments began only after on-lending rates to intermediaries and end users were reduced from 10.3% to 2.5% for rural applications and 5% for other sectors.
- The target rates for return on investment are sometimes higher than realistically possible in the renewable energy market, as occurred with the SDG and REEF projects.
- Availability of concessional GEF financing has helped to mobilize significant amounts of non-GEF private sponsor and other co-financing., but the IFC-managed funds have placed far less deals than expected;
- Significant work still needs to be done to expand and extend the consumer finance infrastructure supporting local PV companies sales efforts. Many domestic FIs with rural infrastructure are not credit-worthy. Use of GEF funds as a partial risk guarantee has helped to stimulate new market entrants from among local commercial banks and other financial intermediaries. and
- Local PV enterprises tend to require in addition to financing a significant amount of technical support in basic business pro-

cesses (preparing business plans, implementing management systems, expanding their sales and distribution networks, etc.) as they expand their businesses.

Lessons from IFC's involvement with the private sector

The use of GEF funding to support private equity-type funds targeting global environmental objectives (e.g. biodiversity conservation, or clean energy technologies) either in a region or globally has successfully mobilized IFC and private capital to support equity-type investments. However, the performances of these funds in actually placing funds in investments that meet the investors return criteria has been less than satisfactory. This illustrates both the difficulty of investments in the target sectors and the demanding nature of private equity funds. Private equity funds also take considerable time to develop, document for prospective investors, and complete capital mobilization (2-4 years on average). There is thus a considerable risk that by the time such funds become operational significant market changes may occur which renders them less effective.

IFC has been more successful in using GEF-supplied funds to provide partial risk guarantees to commercial banks and other financial intermediaries (leasing companies and non-bank FIs) to help mobilize commercial financing for a class of energy efficiency investments which raise unique structuring and collateralization issues for FIs. This has been done in HEECP/HEECP2. However, it is also quite clear that IFC management would not commit to engage further in the development or use of this product without the shared risk coverage provided by the GEF funds.

Looking Ahead

The continuing impact of efforts during the past few years to improve performance of the Bank-GEF portfolio is evident in the positive trend of a number of indicators. These achievements will be consolidated through continued attention to several key project and portfolio management factors included as part of a portfolio improvement plan presently being implemented. The plan includes the following actions:

- Improve the overall quality of PSRs;
- Improve focal area specific M&E;
- Address GEF criteria in MTRs;
- Address GEF criteria in ICRs;
- Reduce project processing time from GEF Council to Bank Management approval and from Bank Management approval to effectiveness;
- Improve monitoring of project risks during implementation
- Take actions to address problem projects; and
- Include sustainability and replication indicators respectively, in the project logframe

Appendix C2
Project Implementation Review 2002

UNDP/GEF Summary Performance Report September 2002

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, 2002. This also includes the Country Dialogue Workshop (CDW) Programme, a joint initiative of the GEF Secretariat, UNDP, UNEP, and the World Bank, that UNDP implements on behalf of Member States. Projects that were operationally completed before June 30, 2001 were not included in this year's review. A total of 119 projects qualified for the 2002 PIR – a 24 % increase compared to 96 projects in PIR 2001 and a 65 % increase compared to 72 projects in PIR 2000.

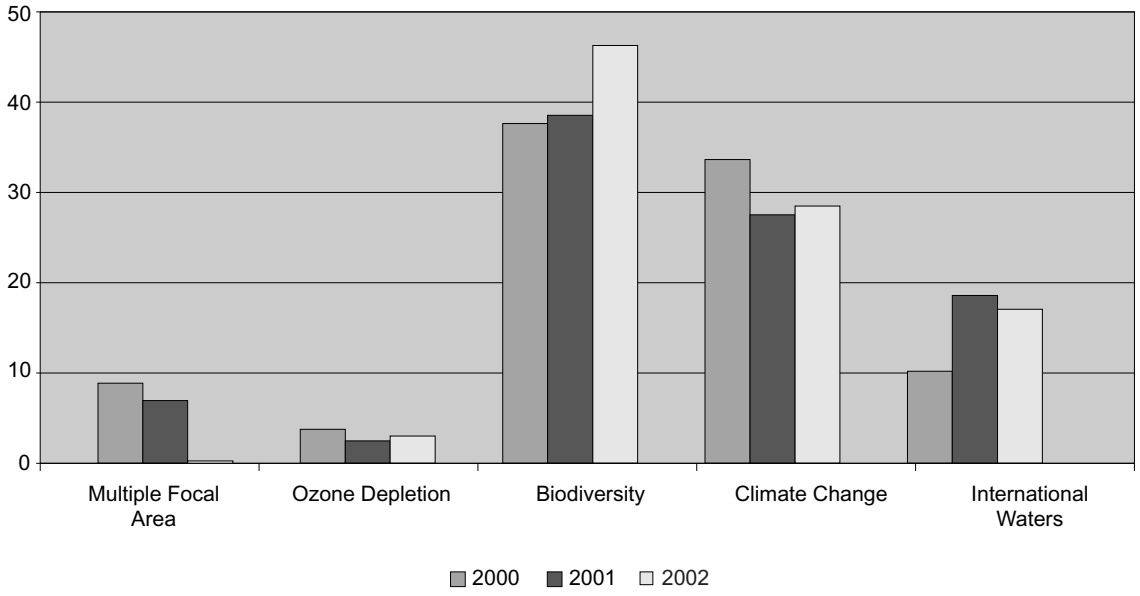
In addition to reporting on the general performance of GEF projects, implementation progress and impact achievements, the PIR overview report – now in its eighth year – has been restructured to better inform the discus-

Table 1
UNDP/GEF Project Portfolio (as of FY 02) by Region

Region	April 91-Jun 02 Total Authorized Allocation[26] ($million)	April 91-Jun 02 Total Approved UNDP Budget[27] ($million)
Global	66.9	66.3
Africa	240.2	172.6
Asia & Pacific	354	300.5
Arab States	117.1	109.5
Europe & CIS	141.3	120.9
Latin America & Caribbean	317.7	255.8
Small Grants Programme	96.8	70.5
Total UNDP/GEF Projects	1,335.5	1,101.3

[26] Authorized allocation refers to GEF allocation approved by GEF Council or GEFSEC CEO.
[27] Total approved UNDP budget refers to GEF allocation approved by UNDP as commitment.

Figure 1
PIR 00/01/02 Comparison: Distribution of GEF Funding by Focal Area[28]



[28] Regional Projects are counted as one project regardless of number of participating countries.

sions between the GEF Secretariat and the Agencies within the Focal Area Taskforces as part of the overall PIR review. Particular emphasis has been dedicated to the focal area overviews, but the report also includes a summary of trends and crosscutting issues concerning UNDP/GEF projects.

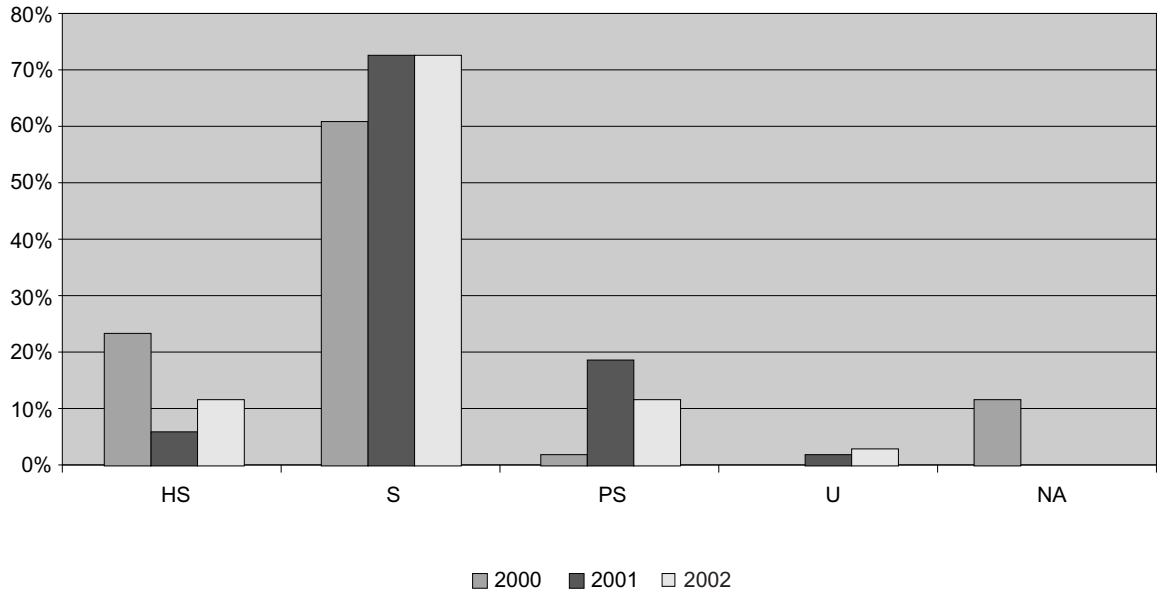
Portfolio Overview

Since the initiation of the annual Project Implementation Review in 1995 the UNDP/GEF annual approved Work Programme has grown considerably reaching an accumulated total of $ 1,300 million as of June 2002. Consequently

Table 2
Distribution of UNDP/GEF PIR projects by Executing Agencies

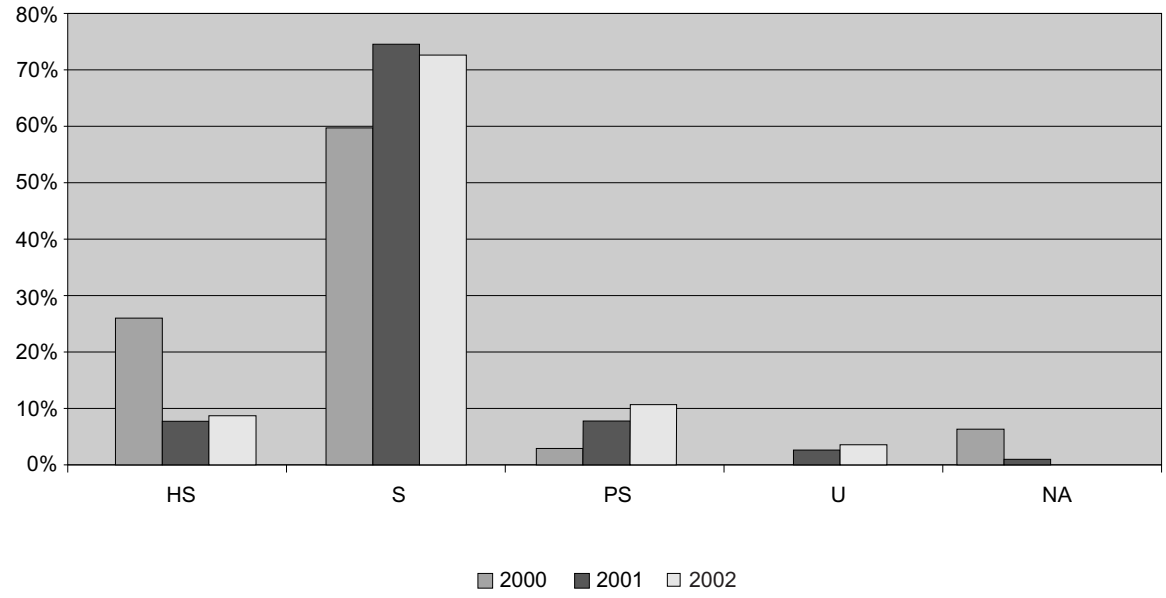
	Number of Projects	Percentage of all projects	GEF Funding (US$ Millions)
National Execution	72	61 %	257.71
UN Agency	19	16 %	48.80
UNOPS	10	8 %	91.00
Non-Governmental Organization	15	13 %	28.56
Other	3	2 %	33.68
TOTAL	119	100 %	459.75

Figure 3
PIR 00/01/02 Comparison: Development Objective Distribution[29]
% Funding by Focal Area



the number of projects for which monitoring information needs to be collected, analyzed and consolidated during the PIR process keeps increasing steadily. The total number of 119 projects being reviewed in the PIR 02 exercise represents a major increase of 24% (or 23

Figure 4
PIR 00/01/02 Comparison: Immediate Objective Distribution



projects) in the PIR portfolio compared to the PIR 01 which collected information for 96 projects.

Biodiversity (BD) remains the largest Focal Area with 56 projects or 47% of the PIR portfolio (both in terms of numbers of projects and GEF funding) followed by Climate Change (CC) (41 projects or 35 % of the portfolio) and International Waters (13 projects or 13 % of the portfolio). In terms of funding the gap between Biodiversity and Climate Change has increased significantly from last year, from 11% to 17 % difference. This year did also included 8 ozone depletion projects and one in the multiple focal area category (Country Dialogue Workshops Programme).

Using the rating categories provided in the PIR guidelines a total of 13 projects were rated highly satisfactory (HS) and 81 projects satisfactory (S) on impact achievement, representing about 84% of the PIR 02 portfolio. Only three projects rated their potential impact achievement with unsatisfactory and projects in the Ozone Programme provide a single DO/IO rate. The eight projects included in this year's PIR are rated satisfactory (S). The picture for the rating of implementation progress looks fairly similar. A total of 11 projects report highly satisfactory progress and 82 projects satisfactory progress in implementation. Four projects rated the achievement of its immediate objectives as unsatisfactory. These figures translate into an implementation success rate of 83 % for the UNDP/GEF projects that participated in PIR 2002.

Focal Area Overviews

Biodiversity

The UNDP/GEF Biodiversity portfolio reported on in the PIR sample reflects approximately 77% of the overall UNDP GEF BD portfolio of projects under implementation Compared to previous years this reflects an overall maturing of the ongoing portfolio. OP3 (Forest ecosystem) projects are significantly underrepresented in the PIR sample (54% of the total) indicating that a significant change is taking place in the distribution.

As in previous years, and as with most biodiversity activities, while positive **project impacts** on the state of biodiversity are reported, it is difficult to verify these objectively. Despite this there is good reason to suspect significant direct impacts on biodiversity given that many projects report success in establishing new protected areas, and particularly community based or co-managed marine protected areas. Predictably impact on the ability to "respond" to the biodiversity problem is considered much more extensive and significant. Reports of significant increases in capacity at national, provincial and local levels are extensive. Projects with a particular emphasis on capacity development all report meeting or even exceeding their targets. Particularly notable in this regard are the OP13 projects on agrobiodiversity in Ethiopia, date palms in North Africa, and the Cross-borders and NGO-government partnerships projects in Africa. Many projects report success in developing particular elements of capacity such as strengthened enabling environments in general (Cote d'Ivoire, the Philippines), integrated coastal zone management frameworks (Belize and Madagascar), participatory planning processes, management plans, and awareness raising.

Despite these reported achievements, projects do not report on linkages between developed capacity and threat reduction or biodiversity impact. This is of particular concern where projects are raising awareness, involving communities in planning and management of protected areas, or working with communities on alternative livelihood activities. Reports of limited public sector involvement – suggesting that the project is seen as "outside" the mainstream of government action, and serious delays the launch of activities related to the development

of alternative sustainable livelihoods and private sector involvement (particularly in marine and coastal projects) are suggesting flaws in the participatory development process. These reports also raise significant concerns about sustainability of project impacts after project closure. A notable exception to this concern is the Brazil project, and those projects reporting significant increases in ecotourism.

While most reports note the importance of continuity and a long term perspective with a view to achieving some specific long term goal, this seems very difficult to actually implement. Institutions implementing projects tend to focus on carrying out the activities that are within their own competence, rather than on focusing on what needs to be done and who can best do it.

Projects report a range of **challenges experienced during implementation**: Many projects report difficulties associated with management of the project as an entity. These difficulties have generally been addressed by arranging appropriate training and by UNDP country offices stepping in to provide temporary assistance with issues such as procurement and financial management. However, this is rarely planned for and project designs are often overambitious, particularly with respect to possible first year achievements. A number of projects report on governments not following through on financial or staffing commitments (Cameroon, Guatemala, Paraguay, Philippines, Tanzania, and Vietnam). In other cases smooth project implementation has been disrupted by social unrest (Central African Republic, Cote d'Ivoire, Nepal, Paraguay) and war (Eritrea) – though note that biodiversity projects in Lebanon and Sudan (in both cases dealing with protected areas) report as being influential in national reconciliation and peace building. A number of projects seem to have neglected the key issue of how to sustain project achievements after the end of the project until very late in project implementation, undermining prospects for sustainability.

The importance of transferring **lessons and experiences** between projects is reported from several projects. For example, marine protected area projects in the Philippines report the importance of learning lessons from each others experiences. The Lesotho project notes that transfer of experience between sites within the same project was important. The establishment of an IPGRI based project "mentoring" team for agrobiodiversity projects was similarly noted as having provided significant benefit to the Arab States Dryland Agrobiodiversity project.

Notions such as "adaptive management", "sustainability" and "participation" are frequently professed but are often not fully put into practice. While flexibility and "adaptive management" is regularly referred to as being important, so far the Madagascar coastal and marine resources project seems to be the only one effectively applying it, suggesting that the theory is much easier than the practice.

The importance of establishing a broad network of **partnerships** is recognized by almost all projects and is very widely applied with projects often having extensive networks of partners within local, provincial, national and international government institutions, NGO's, and academic and research institutions. Partnerships with the private sector are much more limited, except in the case of coastal and marine projects where the engagement of the tourism industry through "Codes of Conduct" and enlisting their support in monitoring infringements seems to be particularly successful.

Projects vary considerably in their approach to the **leverage of additional resources**. Some projects pay no attention to this on the basis that the project was correctly and fully designed and all the required resources were negotiated prior to project launching. Others continue to seek to expand the resources available to them throughout their life and beyond into the future. Resources leveraged may be from other donors, NGO's, foundations, or through the

establishment of revolving or capitalized trust funds and debt swaps. Some resources are clearly "in-kind", others are closely related to the project but lie outside the project "system boundary" – in space or time.

Climate Change

There were 41 climate change projects in the 2002 PIR process. Nineteen of these projects (46% of total) reviewed fall into OP6, Promoting Renewable Energy and 17 (41%) are considered Energy Efficiency (OP5) projects. One project falls into the Sustainable Transport OP (OP11) and yet another one falls into the Reducing Costs OP (OP7). Of the remaining projects, two were EA projects and the other is considered to be a STRM project (Short term measures). For the first time, these projects will be reviewed not just by operational program, but rather by clusters within those programs. (Only sub-clusters that had at least three projects that underwent a PIR this year are reviewed here.)

Renewable Energy Projects (OP6)

One of the most important outputs of the **Solar PV projects** has been their influence on national policy or legislation. In Uganda, the PV project has led to the removal of all taxes and tariff on PV equipment and influenced the adoption of a rural electrification strategy plan which emphasizes the use of PVs in rural areas. In Bolivia and Peru, the projects have contributed to the enactment of laws which established the basis for the development of isolated and border localities in which the application of renewable energy technologies was declared a matter of national interest, as well as identifying an agency as the executor of rural electrification activities and administrator of an annual fund of the national budget. However, it is also recognized (Ghana) that governments can change their commitments to partnerships rapidly. Utilities must be encouraged to incorporate PV into their planning for rural electrification.

Development of an innovative and effective financing mechanism still constitutes a great challenge for all PV projects. In the Uganda project, public awareness activities, training and general capacity building activities by the project have resulted in an increase in the number of financial institutions involved in giving vendor credit for solar technology.

Projects focusing on using waste **biomass for heat and power** are looking at a small number of demonstration sites, and an analysis reveals that their replication potential is significantly large although identifying the financing to pursue this replication is a challenge.

Three projects (Jordan, China and India) focus on converting biomass from the municipal waste stream to methane and utilizing the methane for generating electricity. International private sector partners and joint-venture companies are already examining the possibilities of expanding the power generation facility and the potential for replication activities given the success to date. Their high cost-effectiveness makes them good potential candidates as CDM projects, which can play a part of filling the financing gaps. The other two projects are dealing with agricultural residues and the process of biomass either in boilers or gasifiers. As a direct result of one project (Brazil), two sugar mills are already using trash in their conventional boilers, and it is expected that a large number of other mills will begin using sugar cane to generate energy. The Thailand project is still finalizing the rules governing the revolving fund for investment in biomass power generation.

There are 8 projects in this year's PIR that attempt to remove barriers to a number of **mixed renewable energy technologies**. All of them were rated as being successful this year and despite the disparate nature of these technologies, there are some common lessons

and experiences that can be drawn from this cluster.

To encourage the adoption of renewable energy technologies several projects (Fiji, Sri Lanka, regional Central American) are influencing governments to put a renewable energy based rural electricity legal framework in place, as well as increasing capacity of government, non-governmental, and industrial proponents. The India project has been successful in helping the Indian Government re-evaluate its approach to small hydro development: increasing both the reliance upon the private sector and the consultation with and participation of local stakeholders. The replication plan developed under this project has already begun to attract international investors. However, a continuing uncertainty is whether energy production from renewable energy sources will be cost-effective for rural consumers with low incomes. This has immediate implications for the profitability of these technologies, since these projects are premised on large and enthusiastic private sector participation. Two projects in the Latin American region (Guatemala and Bolivia) target largely indigenous populations and have adopted a participatory approach to stimulate businesses in local communities, with outcomes such as establishment of a local bank to cover part of the cost of renewable energy installations and links with national finance agencies to manage the resources in a project revolving fund.

Energy Efficiency (OP5)

Most of the **Buildings Energy Efficiency** projects aim to introduce incentives for residents and distribution companies to adopt energy efficiency measures by two methods; to make end-users pay for actual consumption (Egypt, Russia), and to introduce construction and material codes which make buildings more energy efficient (Czech Republic and Tunisia). Influencing government regulation and creating and enforcing sector wide building codes play an important role; the project in Egypt has led to the development of a commercial building code while in the Czech Republic the project has succeeded in revising laws to promote energy efficient buildings. Since a large number of projects represent win-win options, these efforts will bring about market-based stimuli for the construction of more energy efficient buildings (Russia). While recognizing the need for governmental regulation, the experiences from this sub-cluster also underline the importance of learning-by-doing. In a sector where it is hard to see immediate outputs in the form of widespread adoption of energy efficiency standards in building construction (because of slow inventory turnover) technical assistance to stakeholders will ensure that they are in fact adopting best practices.

The three projects focusing on **Appliance Energy Efficiency** that underwent a PIR in this year all differ in their scale, funding commitments, focus and impact while emphasize domestic manufacturing of more energy efficient refrigerators. The China project combines technology push – supply side interventions – with demand pulls, which raise consumer awareness. The hallmark of the project is the widespread private sector interest in manufacturing energy efficient refrigerators. The projects in Tunisia and Cuba are directed at transforming markets mainly via supply-side interventions. These include establishing legislation for energy labeling cold appliances. An important consideration is the threat posed by the availability of cheaper imports. Cuba and China have been able to deal with this via legislation. Thus, the policy component of project design plays a critical role in implementation, along with dialogue and coordination with relevant government agencies.

Municipal Energy Efficiency projects seek to achieve greenhouse gas reductions through different approaches within heating, lighting and other municipally-based energy efficiency efforts, such as improving energy use and thermal performance in hospitals and schools. In Bulgaria, project results and demonstration

activities of policy and advocacy issues have been disseminated through MEEN (Municipal Energy Efficiency Network) and by so triggering similar, yet non-GEF funded, energy efficiency projects in several other municipalities. The Latvian project, focusing on energy efficiency of municipal heating systems, has experienced several delays associated with changing political, sectoral and institutional factors. All projects have shown that targeted training for professionals, non-professionals, and high-level decisions makers to enhance institutional and human capacity development is achievable and also key to project success. However, identifying and obtaining sustainable financing for the identified efforts is a challenge.

Main Experiences and Lessons

An analysis of projects reveals that **financing issues** – whether it is leveraging additional funds or setting up innovative loan/subsidy schemes – is critical and affects project performance and some areas deserve additional consideration:

i. Sufficient financing for operations: Project costs should be fully accounted for at project outset (a project design issue), while innovative approaches to private sector partnerships can sometimes be used to fill apparent gaps.
ii. Private sector participation: The two challenges are to identify technologies which are cost-effective and ready for private financing, and to attract private investment resources. Since private sector participation is often a critical challenge, involving potential investors at the beginning will make the project more private-sector friendly and aid subsequent replication.
iii. Innovative financing mechanisms: It is important to construct innovative and "incentive-based" means to finance projects and to use project resources to leverage further investments when facing the challenge of leveraging investment capital into replication activities. Local financial institutions may be keen to provide assistance, but may not have the adequate legal and institutional framework to operate in.

Institutional development and capacity building are critical elements of most UNDP-GEF projects, and going beyond these activities to stimulate sustainable investment remains a challenge:

i. Emphasize learning by doing: Task specific training and specific technical/managerial training/assistance means that system failures are reduced and more easily "absorbed". This also means that there is actual technology "transfer" rather than merely technology "sale". Local capacity building also ensures the sustainability and ownership of the project; intermediary agencies will carry on the project without day to day oversight by project staff.
ii. Establish good working relationships with Government partner agencies: While this may seem trivial, it is the only way to influence government policy and regulations, especially in the areas requiring legislation and regulation, such as energy efficiency, appliance labeling, and establishing standards.

A number of projects identified **public awareness** as a critical requirement for project success. Awareness amongst all groups of stakeholders and beneficiaries will serve as an important vector for market development.

International Waters

The 13 UNDP-GEF International Waters projects reporting to 2002 PIR span the full range of priority international waters issues as identified in the GEF Operational Strategy, e.g. water quality/quantity issues, overfishing, habitat/species loss and introduction of exotic species, while two of them are knowledge sharing projects so in effect cover all the issues. Clearly pollution is the most prevalent issue being ad-

dressed by this cohort of projects reporting to the 2002 PIR. 7 projects are involved in either the development or implementation of TDA/SAPs and therefore, focus on assisting groups of countries to better understand their transboundary water-related environmental issues and to enact and implement the necessary legal, policy and institutional reforms, and investments

The projects reporting are principally having **project impacts** related to process, with only modest stress reduction impacts; it is still too early in the implementation of SAPs and other regional and global programmes to gauge any direct environmental status impacts attributable to the GEF interventions.

The *Red Sea* project supported a high-level meeting of policy and decision-makers from fisheries sector for need of a regional fisheries organisation/regional fisheries commission (RECOFI). Development of a new Convention for the management and conservation of western and central Pacific migratory fish stocks has received significant support from the *Pacific Islands SAP* project.

Several *Dnipro River* demonstration projects (Belarus, Ukraine, Russia) focusing on municipal and industrial pollution and biodiversity protection, including environmental audit and management systems to reduce pollution, and the development of a planning and management framework for ecological corridors. The *Dnipro* project has also executed a highly successful small grants program.

Local authorities in the provinces, coastal cities, municipalities and districts surrounding the *PEMSEA* Bohai Sea pilot site have adopted the ecosystem management approach, developed and implemented functional zoning schemes, planned treatment facilities to reduce discharge of sewage and industrial wastes into rivers and bays, and promoted environmental awareness through local media and educational channels. Similar mass media campaigns and community awareness activities funded under *TumenNet* have increased the number of publications on transboundary environmental issues in the Tumen region.

GloBallast reports that in several of its six pilot sites, submission rates of ballast water reporting forms by ships approach 60-70%, far in excess of the 25% target. This is particularly encouraging since this is a voluntary scheme, and that in developed countries such as the US, the Coast Guard is only achieving an average compliance rate of 30% across all ports.

Through *IW:LEARN*, demonstration activities, their replication and sustainability (among other issues) have been discussed explored and shared across IW projects, while projects have several ongoing electronic forums through which to provide direct feedback to each other, the GEF Secretariat, implementing and executing agencies, regarding on-the-ground implementation of their programs and policies.

Due to **implementation issues**, the TEST project has been re-organized to a more flexible implementation mechanism, which allows improved tailoring of project activities to unexpected country/company needs. Moreover this arrangement has favored better control and management of the project, thereby reducing the risks of failure related to lack of performance of national counterparts.

Significant *Dnipro* project milestones such as an Intergovernmental Agreement on the creation and funding of a Dnipro Regional Council and a Convention on the Dnipro River required political consensus far greater than anticipated in the Project Document. Similar institutional issues have been experienced by *PEMSEA* (Malaysia and Thailand) and the Integrated Coastal and Watershed Management component of the *Pacific Island SAP* project. The *Rio de la Plata* project undertook a number of steps to overcome the constraints posed by the time required in the institutional deci-

sion-taking processes. The global, multi-cultural nature of the *Globallast* project, involving a large variety of institutional systems and countries at different stages of development, has sought to harmonise different approaches through standardized templates and models, facilitating maximum communications with and between countries, and including capacity building and institutional strengthening elements in all activities.

26. Some **lessons and experiences** reflecting the challenges faced in securing the substantial co-financing, the *Red Sea* evaluation recommended that the GEF and other donors secure written commitments from countries to financially and institutionally support a project during implementation and beyond. Such effort put into the *Caspian* projects have also been well spent in terms of the plans containing some real financial commitments from the countries. *Globallast* observes that there is a natural tendency for recipient countries to slip into accepting programme support as a substitute rather than a supplement to their own efforts.

The *Dnipro* project found that good preparatory assessment of local talent and effective use of national specialists in all aspects of program activities enhances country buy-in and helps counter negative stereotypes associated with donor projects where international consultants dominate. The *TumenNet* project implementation through a network of local expert institutions has significantly enhanced national ownership of the project and helped to establish a genuine regional network of scientists, politicians, government agencies and NGOs. The *Pacific Islands SAP* project noted that most Pacific Island States have an increasing number of commitments to regional and global initiatives, results in limited local capacity.

The GEF support to IW projects has helped to create/maintain/strengthen **partnerships** with numerous national, regional and international institutions and organizations. Regional and International organizations such as IMO, FAO, ALECSO, CAMRE, ROMPE, to mention a few, have become more and more involved in project implementation. These partnerships have leveraged technical, financial and knowledge support to the project and to the region at large.

Almost all of the projects have acquired **additional resources** and support from governments and donors, institutions and organizations on a national, regional and international level. The additional resources have been used for support contingency planning; support of participating countries in the implementation of demonstration sites and workshops for a regional network for local governments; and collaborative ecosystem research.

Cross-Cutting Issues

This year's PIR reaffirms the need to strengthen **cross project learning** by active networking; the projects are not benefiting from the knowledge and experience available from other interventions in the GEF portfolio. UNDP/GEF is developing a support strategy focused on two objectives: i) to capture knowledge generated at project level; and ii) to facilitate cross-project learning.

Within the Biodiversity Focal Area, so far the networks have been driven by the projects with the objective of improving their performance by looking beyond their own boundaries. The *Mountain Biodiversity* project in Lesotho used staff and community groups from one project site to participate in consultations and training in other project sites. The exchange of views and experience across geographical areas proved extremely useful and encouraged replication of best practices across protected sites. The *Bohol Reef* project in the Philippines was part of a thematic Tripartite Review (TPR) with other projects sharing similar experiences and problems.

Demonstration of technologies and approaches is frequently an objective of climate change projects. In order to be able to achieve replication in other projects and geographical areas, dissemination of the lessons learned is essential. In other cases has for example the *India Coal-Bed Methane* project not yet been replicated in other countries. Networks for projects of various sub-clusters within the Climate Change Focal Area is planned (one for biomass already exists). The purpose of these efforts is to create ongoing mutual learning networks of similar projects that would allow for the exchange of experiences and lessons.

The International Waters Focal Area is paying particular attention to cross-project learning. Two of the projects in the PIR portfolio, *IW:LEARN* and *Train-Sea-Coast*, are specifically targeted at knowledge sharing involving both more traditional training as well as networking and distance learning through electronic media. *IW: LEARN* manages a network that involves all GEF International Waters projects. The experiences with both projects have been overwhelmingly positive and these could provide replicable models for horizontal exchanges and structured learning in other focal areas as well.

Mobilization of the private sector to conservation and sustainable development efforts is an essential goal for UNDP/GEF projects. How far this process has gone varies considerably between the focal areas. There are also significant barriers that remain to be overcome. It is equally important that the incentives for private sector participation are in place.

The Climate Change Focal Area has over the years demonstrated successful involvement of the private sector through various channels, including technology development and transfer, market transformations, and financing. The *Guatemala Quiché* project is utilizing a participatory approach to promoting businesses in local communities through renewable energy. In Jordan, a local company partners with an international partner in the operation and expansion of a landfill gas operation and a liquid waste biogas generator. The success of the *Pakistan Road Transport Sector* project has largely depended on the extensive public-private sector partnerships involving automotive manufacturers and workshops.

In the Biodiversity Focal Area, several projects report on partnerships and collaboration agreements with the private sector. Successful links have been established with the tourism sector and particularly in coastal and marine projects (*Tubbataha Reef* in the Philippines, and *Madagascar Coastal Development* and *MedWet,* the *In-situ Conservation* in Lebanon). In the *Upper Guinea Forest Ecosystem* project Rio Tinto has provided funding for biological and sociological assessments. In the *Community Conservation* project in Micronesia, a private research company is providing subsidized satellite imagery and vegetation mapping. In Lesotho, the *Mountain Biodiversity* project is exploring private sector involvement in sustainable use projects based on extraction and use of natural resources such as oils, fruit extracts, and aloes. Regardless of the above-mentioned examples, partnerships with the private sector remain very limited in general. Further guidance and support – particularly during exploratory phases at early stages of project implementation – on aspects such as small enterprise development and links with regional or international partners might be very useful. Cross project learning and transfer of lessons should be encouraged.

Several projects in the International Waters Focal Area involve private sector participation. This involvement takes different forms. The *GloBallast* project approach relies on the shipping industry collaboration. The project has exceeded its target rates of ballast water reporting by ships in its six pilot sites. The *Caspian Sea* and the *Red Sea* projects have involved the oil and gas industry and have been able to secure a limited amount of co-financing from companies and organizations.

A crosscutting issue for all focal areas relate to challenges experienced by using **performance indicators** when reporting on impacts of the projects at the level of development objective and at outcome level. These might be explained by lengthy periods needed for these to appear- in particular in relation to impacts on environmental status- and by the limited availability of appropriate parameters to assess and measure impact. Most of the indicators provided in logframes are process – not impact – indicators, therefore compromising projects' capacity to identify and report on impact.

In the Biodiversity Focal Area most impacts reported – or progress towards its achievement – are related to changes in response. Capacities for conservation and sustainable use are built and developed by strengthening enabling environments, establishing and extending protected areas, developing and improving management plans and frameworks, fostering wider stakeholder involvement and participation, and developing alternative sustainable livelihoods, among others. However it is often difficult to assess the extent to which this have actually been achieved in those cases where indicators refer to number of people trained, research or studies completed. An effort has to be made to go beyond processes and measure actual changes in the ability to respond to the biodiversity problem. Better indicators need to accompany objectives that define precisely what has changed, to what extent, and whether it is sustainable. Qualifiers such as "improvement" or "strengthening" need to be defined precisely and include appropriate targets. Intermediate milestones will allow assessment of progress.

In the CC focal area, the projects are often aimed at market transformations to facilitate the adoption of specific technologies through capacity development, demonstrations and transfer of technologies and best practices, and policy influence. The indicators are mostly geared towards measuring these, while the achievement of the project's intended impacts is harder to demonstrate. For instance, it has been noted in the case of the renewable energy cluster that most of the projects will achieve the indicators related to project outputs while there is no measuring that the overall goal will be achieved. Similarly, the projects dealing with marked transformation of the building sector to promote energy efficiency demonstrate strong implementation progress when it comes to transfer of best practices and capacity development, while evidence of market transformation and subsequent investments can only be expected after completion of the projects.

The International Waters Focal Area promotes an indicator framework that tracks three levels of indicators: process indicators, stress reduction indicators, and environmental status indicators. The projects included in the PIR report basically on process indicators. There are, however, modest impacts reported concerning stress reduction in the international waters environments that are subject to the projects. This is inevitable due to the long-term nature of the environmental status impacts resulting from interventions in international waters.

All GEF projects are **dealing with external risks** as they operate in an external environment that affects their efficiency and effectiveness. These external factors that are beyond the control of the project can pose serious risks both to project implementation progress, as well as to how well the project achieves its intended development objective.

Biodiversity changes might depend on factors beyond the influence of the project. Identified risks and assumptions will need to be monitored and reported on as a complement to impact indicators. These "reality checks" need to be kept in mind at all times to avoid frustration and sense of under-achievement as far as impact.

The Climate Change Focal Area reports several cases where project performance has been negatively influenced by external factors such

as political, economic and social aspects (Peru, Malawi and Latvia). Thus, it is essential that the projects identify the external risks at the outset and continue to vigilantly monitor the risk factors throughout to project cycle in order to be able to adapt to the changing conditions. In general, it is important to identify what are the conditions that will be necessary and sufficient to allow climate change projects to achieve their development objectives, beyond producing the mere outputs.

International Waters projects are equally susceptible to disturbances by external factors. It might be argued that the multi-country nature multiplies the risks, as unexpected occurrences in one country may affect the entire project. Therefore, vigilance in relation to the external risks is essential in the focal area. The International Waters PIR portfolio demonstrates positive cases, such as those of the *Red Sea* and *Danube TEST*, of how projects have adopted flexible implementation approaches in order to better respond to changes in external conditions or the recommendations of evaluations.

The **project modality often limits the duration** of the GEF intervention and poses time constraints that hamper the achievement of the long-term benefits and sustainable outcomes and impacts. Whether a full project or an MSP, it is essential to set the project period realistically in order to allow for all activities to be undertaken with sufficient time as many of the processes involved are complex and time consuming. Furthermore, the innovative nature of GEF interventions requires institutional capacity to absorb these new approaches which is a long-term process. Another dimension needing attention is that project activities are often interlinked so that coordination or sequencing of the activities is essential.

APPENDIX C3

UNITED NATIONS ENVIRONMENT PROGRAMME GLOBAL ENVIRONMENT FACILITY PROJECT IMPLEMENTATION REVIEW 2002 OVERVIEW

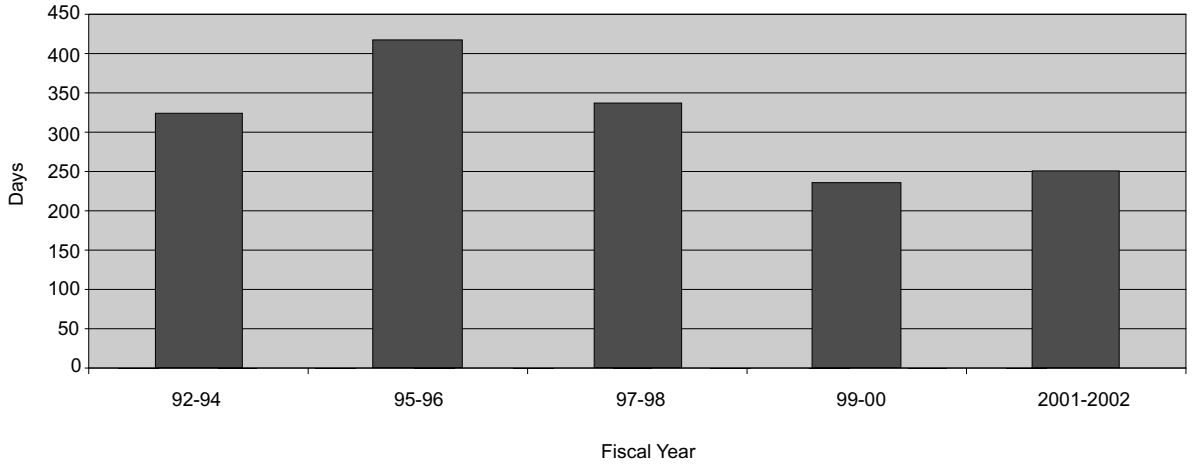
PORTFOLIO OVERVIEW AND STATUS

UNEP's GEF Project Implementation Review (PIR) for FY 2002 covered a total of 27 full and medium size projects. This excludes jointly implemented projects, in which UNEP is not the lead agency. The portfolio under review included 12 biodiversity projects, 3 climate change projects, 10 international waters projects and 2 projects dealing with protection of the ozone layer.

UNEP's overall GEF portfolio in FY2002 consists of fifty-one full size and medium sized projects, thirty-one PDF activities. UNEP is assisting sixty countries with enabling activities for biodiversity (27 countries), climate change (24 countries) and POPs (17 countries). Thus, UNEP's PIR for FY 2002 is reviewing approximately 52.4% of the overall portfolio of UNEP's GEF full and medium size projects. The UNEP portfolio of Activities on-going in FY2002, is valued at $369 million including $ 194 million GEF financing. In addition, UNEP is currently co-implementing, with partner agencies, fifteen projects whose UNEP component is valued at $ 30 million. The overall work programme has involved participation of 144 countries directly. Through the wider environmental benefits arising from these activities and through the major global assessments, UNEP's work within the GEF impacts globally.

All UNEP GEF financed projects endorsed into the GEF Work Programme before June 30, 2001 have been committed (i.e. internally ap-

FIGURE 1
AVERAGE PROCESSING TIME FROM GEF APPROVAL TO PROJECT ?????????????
UNEP GEF PROJECTS, BY YEAR



proved by UNEP). Among them, those projects, which have not yet been under implementation for more than one year, are not subject to the FY 2002 PIR, but will be under review in the FY 2003 PIR.

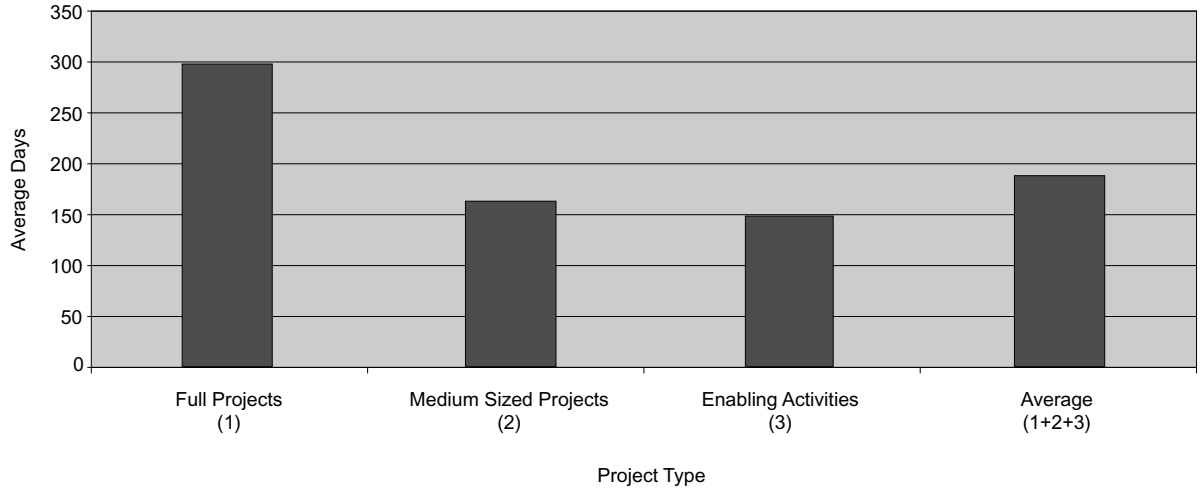
SUMMARY PERFORMANCE AND LESSONS LEARNED

Overview

(i) Time from Allocation to Implementation
Since the number of UNEP projects is rather limited, only aggregated analysis is possible to see the general trend of time from allocation to implementation. Figure 1 shows the general trend in processing time for full projects. Data are basically averaged for every two years. Although a slight increase is recorded in FY 01-02, there has been a decrease in average processing time, from 420 days in FY 95-96 down to 237 days and 252 days in FY99-00 and FY 01-02 respectively. Figure 2 shows the difference in the processing time by project type. While on average 298 days are necessary for a full project to be effected, much shorter time is necessary for a medium-size project (163 days) and an enabling activity (148 days).

(ii) Co-financing
Actual levels of co-financing were collected for those projects whose implementation has come close to completion. In most projects, co-finance has been realised as originally planned, although changes in the amount and contributors are not uncommon. A few projects have surpassed the co-financing levels originally envisaged. For example, the Carbon Cycles project obtained co-finance almost three times more than planned. Other projects, which raised funds additional to the originally planned, include the Alien Species project, PLEC, the Clean Technologies Clearinghouse project, and Sub-Saharan Africa project. The Alien Species project informally reported that the actual level of in-kind contribution from scientists could have been twice as much as planned. The actual level of co-financing is sometimes difficult to estimate. This is so in particular with in-kind contribution. Sound guid-

FIGURE 2
AVERAGE TIME BETWEEN GEF APPROVAL AND PROJECT IMPLEMENTATION BY ?????????????
(1992–2001)



ance is necessary to obtain consistent co-finance figures.

(iii) Ratings of Implementation Progress
On average, UNEP projects reviewed during PIR 2002 had a rating of (S) for Implementation Progress. This was similar to the average ratings of the FY 2001 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.

(iv) Accomplishment of project purpose
Among 27 projects covered by this year's PIR, 8 were assessed "Highly Satisfactory", and 19 "Satisfactory. In terms of percentage, those evaluated "Highly Satisfactory" have increased, while no project was rated either "Partially Satisfactory" or "Unsatisfactory" this year. In addition, two brief status reports were added to the PIR 2002 on the implementation of UNEP enabling activities: one report for climate change and the other for biodiversity.

Lessons Learned

Introduction

The PIR 2002 contains individual reports for twenty-seven UNEP GEF financed projects and two brief status reports on UNEP's enabling activities. Of the 27 projects reviewed, 22 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 summarize various lessons learned through the implementation of these projects under three broad categories, (i) Project Impacts, (ii) Issues during Implementation, and (iii) Participation/Communications/ Demonstrations.

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, (vi) sound project design, and (vii) long-term consideration.

International Impacts

Project impacts could be created at the international or regional levels 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.

Being global assessments, the results of the MA (Millennium Ecosystems Assessment), GIWA (Global International Waters Assessment) and

RBA/PTS (Regionally Based Assessment of Persistent Toxic Substances) will have fundamental international impacts. In fact, they lay a basis upon which future global policy directions and priorities will be deliberated. Any technical guidelines and methodologies adopted by these global assessments could have significant global implications.

The Alien Species project was instrumental in launching GISP (The Global Invasive Species Programme) Phase I. GISP successfully elevated the profile of the invasive species issue. GISP II is underway by successfully leveraging various donors' support. GISP involvement in the CBD process via SBSTTA resulted in incorporation of the invasive species as an important consideration in development of National Biodiversity and Management Plans. Furthermore, this issue has been targeted as one component of the Framework Action Plan for the Environment under NEPAD (The New Partnership for African Development).

The ODS Compliance project raised the issue of illegal trade in ODS and ODS containing products to the Meeting of Parties (MOP) of the Montreal 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.

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 Mediterranean project saw a need to create a sustainable financial platform for continued implementation of SAP/MED. The project has a component to address this concern. The component consists of, among other things, the use of appropriate economic instruments, and their implementation at the national level. The draft analysis on application of economic instruments was finalized, and five MOUs for the pilot projects were signed.

The Investment Advisory Facility (IAF) activity introduced by the Technology Transfer Clearinghouse project demonstrated significant effectiveness of this approach. By addressing information barriers for financiers, IAF functioned as an effective way to provide significant leverage to GEF resources. The success of this approach has led to two follow-up actions.

AIACC (Assessment of Impacts of and Adaptation to Climate Change in Multiple Regions and Sectors) adopted the regional mentor system to ensure quality and timely technical assistance to researchers in developing countries for the full duration of their projects. IPCC lead authors contribute their time for this activity.

Legislative Impacts
Projects that have successfully prompted relevant national legislation or framework of action 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 Biosafety project aims at assisting up to 100 countries to prepare their national biosafety frameworks, major elements of which are legal instruments, administrative systems, risk assessment procedures and systems of public participation. Assistance is provided so that participating countries could take into account their national needs and priorities within the common framework. This process will ensure the sustainability of the national biosafty frameworks.

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 20 out of 21 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.

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.

UNEP has been instrumental in facilitating a strong linkage with the scientific community in conducting global assessments such as the MA, GIWA and RBA/PTS. In fact, all of these assessments are being conducted on a sound scientific basis, involving numerous top class scientists in the world.

AIACC also represents an important part of the international effort of UNEP to support better management and development decisions by scientific capacity building and understanding. World leading scientists and relevant scientific networks such as IPCC are fully involved in the project.

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 trans-boundary ecosystems. Without coordinated actions agreed upon and taken by the countries concerned, trans-boundary ecosystems will never be managed in a sustainable manner.

UNEP has been catalysing regional agreements to sustainably manage trans-boundary ecosystems. The Forest Fire project resulted in the ASEAN Haze Agreement, which was signed in June 2002, which lays the basis for coordinated action to combat a common environmental issue in the region.

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. Given the encouraging impacts created by the project, two countries joined this project in middle 2001. The cost for these two additional countries was provided by non-GEF sources.

Sound Project Design

Without sound project design, projects cannot deliver intended results, hence no significant impacts are created. Indeed, clear understanding of project objectives and corresponding sound design of the project are a key to smooth and successful project implementation.

The Baringo project was designed based upon a sound concept of strategic partnerships. The project has drawn upon existing activities already established in the area, promoted farmer-to-farmer extension, capitalising on indigenous knowledge, and maximized use of data and information already existing.

The MA intended to strengthen the capacity of institutions involved in the projects for promoting replication and self-reliance. A lot of research institutes and government agencies are directly involved in sub-regional ecosystem assessments. Capacities built during this process at the local, national, regional, and global levels will not be lost at the completion of the assessment.

Long-term Consideration
Any project has to end. Thus, it is imperative to consider, even at the design stage, a strategy on how to retain impacts created by a project after its completion. There are a number of ways to sustain project impacts.

The Cleaner Technologies Clearinghouse project succeeded in catalysing climate friendly investments. The success of this project resulted in continued support of the same approach by the Sustainable Alternatives Network project and similar service by UNEP for a different target group (i.e. policy decision makers).

The Carbon Cycles project ended in May 2002. But the scientists' network developed under the project is still active. They are developing additional nutrient budgets, and providing a test database for developed models. This is considered as a result of successful network building exercises adopted by the project.

Issues During Implementation
There are many factors, which influence smooth and effective implementation of a project. Flexible project management ensures the successful delivery of the project. Projects are, in general, managed in terms of (i) time, (ii) resources, (iii) institution, and (iv) staffing.

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 Biosafety project quickly set up a database, for sound management and timely execution of the project activities. This database allowed the project team to keep tabs on all contacts and countries. The database facilitated monitoring of the progress in each country, which enabled the project team to focus their attention on potential bottlenecks.

The Mediterranean project experienced an initial delay due to the late recruitment of the Project Manager. The timetable for the project was modified accordingly. Also the project suffered from rather slow responses from participating countries. To address this issue, a number of measures were taken, which included (i) preparation of clear ToRs for national coordinators, (ii) financial supports to assist operations of national coordinators etc, and (iii) five sub-regional courses to train technical experts.

The biodiversity enabling activities portfolio is suffering from a large variation in speed of implementation by different countries. A concerted effort has been made to bring the countries into better synchronicity (for reporting, etc.) and speed implementation of slow countries. This is now beginning to show results.

The Pantanal project continued to suffer from the frequent changes of key project staff and difficult coordination between the project technical unit and the backstopping government agency. The situation has been rectified as more attention is being paid by the government and international agencies concerned to address this issue.

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.

AIACC added two major activities to those included in the project document. One was the addition of the outreach programme and the other was the addition of the climate change scenarios advisory group. Furthermore, a project kick-off workshop was added to con-

duct training on key methodologies. The cost of this workshop was covered by the balance of PDF-B funds.

RBA/PTS had re-configuration of the budget in response to requests from the supporting countries regarding for which regions funds should be spent. Sub-projects were developed for each region, and participation in regional workshops was expanded to include all countries of each region.

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.

The MA has a rather complicated institutional and operational framework, which consists of the MA Board, Executive Committee, Assessment Panel, Working Groups, Secretariat, etc. There are certain drawbacks from this arrangement in terms of administrative burdens, but the benefits derived from this outweigh the drawbacks.

The strength of project institutional set-up changes during implementation.

In climate change enabling activities, widely different technical and institutional capabilities of countries have affected the costs and time required to prepare their national communications. Organising regional technical assistance has been helpful in addressing this issue, though the different time-scales of countries have made this a challenging task.

Staffing
Without appropriate 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. Also important is to flexibly hire a necessary expert(s) even in the middle of the project, responding to the changing needs that were not envisaged at the project design stage.

GIWA found that coordination with sub-regional teams is more difficult than originally anticipated. Extensive efforts were necessary for improved supervision, coordination and training. It was decided to strengthen the core team so that proper supervision and backstopping could be provided to sub-regional teams.

The ODS Compliance project found the importance of using local consultants. In fact local consultants hired under this project were quite instrumental in narrowing the language and cultural gap that otherwise might have affected the implementation of the project.

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.

Communications/networking
Although use of the 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.

For better communications among those concerned, the San Juan project, developed "institutional mapping", which has been incorporated in the stakeholder database developed under the project. The institutional mapping monitors developments of institutional arrangements under the project, as new partners, collaboration agreements, and joint endeavours are being added to the project.

Under the Carbon Cycles project, the network among regional scientists was strengthened through re-engagement of regional participants in subsequent workshops. This network building approach was better than conventional a "single regional visit of experts" in obtaining a committed cadre of regional scientists.

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.

First, a number of projects not only accommodated participation of stakeholders, but responded to the needs of stakeholders in a constructive manner.

The MA created many opportunities for dialogue at the regional, national and local levels with various users of the assessment. Discussions at these "User Forums" and others resulted in "User Needs Document". This document greatly influenced the design of the project. This will ensure maximum utilization and dissemination of the MA results in the future.

The Russian North project took one step further. Indigenous peoples are main stakeholders of the project. The project selected an indigenous peoples' organization as the project coordinator. This ensures not only indigenous peoples are actively involved in the project, but also their concerns are fully addressed. This is reflected in the statements made by leaders of indigenous peoples that they are for the first time involved in the project as equal partners. The project empowered arctic indigenous organizations in their participation in the Stockholm POPs Convention processes.

Second, the participation of the private sector, whenever applicable, will significantly contribute sustainability of the project impacts.

The Arun Valley project involved the private sector for installation and commissioning of the mini-hydro scheme. A private company will be involved in maintenance of the scheme even after the project closure. Local communities are already committed to generating revenue to support the system.

Third, for most projects, the participation of stakeholders constitutes an essential part of the project.

The international waters' projects in Latin America (i.e. the San Juan, the Bermejo, the Sao Franscisco and the Pantanal projects) put utmost emphasis on public involvement. The popular participation component of these projects has been promoted from the planning to the implementation through seminars, courses, workshops and publications across most of its sub-project activities. In San Juan project,for example, about 230 institutions are

collaborating under some kind of legal agreement. They include universities, municipalities and NGOs, and mostly involved in binational demonstration projects and basic studies. One of such examples is the collaboration between the National University of Nicaragua and the University of Costa Rica. They started a number of joint studies on the San Juan River basin and its coastal zones.

The Methyl Bromide project was carried out in such a way that countries were fully involved and had 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. The countries themselves organized their own national surveys, while UNEP provided technical advice and peer review.

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, and innovative approaches successfully introduced by some projects as outlined above could generate far-reaching replication effects.

The PTS monitoring system developed under the Russian North project is considered as an advanced model for the future national POPs monitoring system in Russia. Thus, the project Secretariat has been requested to make a presentation at the All-Russian POPs Conference.

The Baringo project prompted the designation of the Lake Baringo as a Ramsar site. In addition, the project was privileged to host the 02 commemoration of World Day to Combat Desertification in Kenya. These events have raised awareness among local communities on the importance of the project, which in turn demonstrated the success of this project to other communities in the region.

CONCLUSIONS

Overall the performance of UNEP's GEF projects for FY 2002 has been "Satisfactory", although the level of progress is different from project to project. Most 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 project objectives. Given considerable risks and uncertainties associated with most UNEP's GEF projects, flexible management of projects becomes essential. Flexible project management should ensure appropriate project monitoring and subsequent corrective actions. In this respect, many lessons learned through the implementation of UNEP's GEF projects this year should be shared with all those concerned. It is hoped that lessons leaned through this year's PIR will be useful in further improving overall performance of GEF projects.

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

(continued on next page)

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
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
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

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
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	
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

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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
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
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

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
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 Rehabi-litation 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 Rehabi-litation 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	Ghana	AFR	UNDP	Conservation priority setting for the Upper Guinea Forest Ecosystem, West Africa	Biodiversity	3	$.742	$.949		May-98		
105	Yemen	ARB	UNDP	Conservation and Sustainable Use of the Biodiversity of Socotra Archipielago	Biodiversity	2	$4.970	$12.983		Oct-96		
106	China	ASP	UNDP	Preparation of Strategic Actino Programme (SAP) and Transboundary Diagnostic Análisis (TDA) for the Tumen River Area, Its coastal regions and related Northeast Asian Environs.	International Waters	9	$5.199	$10.666		Mar-98		
107	Hungary	EIS	UNDP	Building Environmental Citizenship to Support transboundary pollution reduction in the Danube: A pilot project in Hungary and Slovenia.	International Waters	8	$.750	$1.583		Feb-00		
108	Belize	LAC	UNDP	MSP Creating a Co-Managed Protected Areas System in Belize: A plan for joint Stewardship between Government and Community.	Biodiversity	3	$.750	$1.130		Nov-98		
109	Costa Rica	LAC	UNDP	The creation and strenhtening of Capacity for Sustainable Renewable Energy Development in Central America.	Climate Change	6	$.750	$1.546		Oct-99		
110	Guatemala	LAC	UNDP	Renewable Energy Based Small . Enterprise Development in the Quiche Region of Guatemala	Climate Change	6	$.468	$.781		Oct-99		
111	Kenya	AFR	WB	Tana River Nationale Primate Reserve	Biodiversity	1	$6.20	$7.14	May-91	Nov-96		
112	Mauritius	AFR	WB	Biodiversity Restoration	Biodiversity	3	$1.20	$1.60	May-95	Nov-95		
113	Seychelles	AFR	WB	Management of Avian Ecosystems	Biodiversity	2	$0.74	$1.061	Jun-98	Jul-98		
114	Uganda	AFR	WB	Kibale Forest Wild Coffee Project	Biodiversity	3	$0.75	$0.75	Dec-98	Feb-99		
115	China	EAP	WB	Nature Reserves Management	Biodiversity	3	$17.90	$23.60	Feb-95	Jun-95		
116	Guatemala	LCR	WB	Management and Protection of Laguna del Tigre National Park.	Biodiversity	3	$0.72	$1.66	Jul-99	Sep-99		
117	Regional	LCR	WB	Planning for Adaptation to Climate Change.	Climate Change	EA	$6.30	$6.30	May-95	Mar-97		

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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
118	India	SAR	WB	Alternate Energy	Climate Change	6	$26.00	$450.00	Dec-91	Nov-92		
119	Global		UNEP	People, Land Management, and Environmental Change (PLEC)	Biodiversity	STRM	$6.176	$11.993		Mar-97		
120	Global		UNEP	Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problems of Alien Species that Threaten Biological Diversity.	Biodiversity	2	$.750	$3.983		Mar-98		
121	Global		UNEP	Redirecting Commercial Investment Decisions to Cleaner Technologies a Technology Transfer Clearinghouse	Climate Change	5	$.750	$.930		Mar-99		
122	Global		UNEP	Fuel Cell Bus and Distributed Power Generation market Prospect and Intervention Strategy Options.	Climate Change	9	$.691	$.691		Apr-00		
123	Global		UNEP	Role of Coastal Ocean in the Disturbed and Undisturbed Nutrients and Carbon Cycles.	International Waters	10	$.720	$1.178		Nov-98		
124	Global		UNEP	Initiating Early Phase-out of Methyl Bromide through Awareness Raising, Policy development and Demostrations/Training Activities.	Climate Change							

Appendix E

List of Projects under TER's

Implementing agency, country/region, Project name	Referred to in Report as:
Biodiversity	
UNDP Panama – Project BioDarien: Conservation of Biodiversity in Darien through Community Sustainable Development	*Panama*
UNDP Regional, West Africa – Conservation Priority-Setting for the Upper Guinea Forest Ecosystems	*West Africa*
UNDP Regional, South Pacific – Biodiversity Conservation Programme	*South Pacific*
WB Bolivia – Biodiversity Conservation Project	*Bolivia*
WB Indonesia – Biodiversity Collections Project	*Indonesia*
WB Lao – Forest Management and Conservation Project	*Lao*
WB Uganda – Bwindi Impenetrable National Park and Mgahinga Gorilla National Park Conservation Project	*Uganda – Bwindi*
WB Uganda – Kibale Forest Wild Coffee Project	*Uganda – Kibale*
Climate Change	
UNDP Cote d'Ivoire and Senegal – Control of Greenhouse Gas Emissions through Energy Efficient Building Technology	*Cote d'Ivoire and Senegal*
UNDP Sudan – Community Rangeland Rehabilitation for Carbon Sequestration and Biodiversity	*Sudan*
WB Czech Rep – Kyjov Waste Heat Utilization Project	*Czech*
WB India – Renewable Resources Development Project (Alternate Energy)	*India*
WB Mali – Household Energy Project	*Mali*
International Waters	
UNDP Hungary and Slovenia – Building Environmental Citizenship to Support Transboundary Pollution Reduction in the Danube	*Hungary and Slovenia*
UNDP Regional – Developing the Implementation of the Black Sea Strategic Action Plan	*Black Sea*
UNDP Yemen – Protection of Marine Ecosystems of the Red Sea Coast	*Yemen*
Ozone	
WB Belarus – Ozone Depleting Substance Phaseout	*Belarus*
WB Poland – Phaseout of Ozone Depleting Substances	*Poland*

Appendix F

List of Projects under SMPRs 2002Desk Reviews

Focal Area	Project Name	Country/Region	IA	Implementation Period	ProjectCost ($ millions USD)
Biodiversity	Community Conservation and Compatible Enterprise Development in Pohnpei	Micronesia – Asia/ Pacific	UNDP	2000–2003	GEF: 0.748 Total: 1.929
Biodiversity	Conservation and Sustainable Use of the Barrier Reef Complex	Belize – Latin America/ Caribbean	UNDP	1999–2004	GEF: 5.355 Total: 7.440
Biodiversity	Conservation of Biodiversity and Protected Areas Management Project	Syria – Middle East and North Africa	World Bank	2000–2003	GEF: 0.75 Total: 1.43
Climate Change	Redirecting Commercial Investment to Cleaner Technologies	Global	UNEP	1999–2002	GEF: 0.75 Total: 0.75
Climate Change	Energy Efficiency Market Development	Cote D'Ivoire - Africa	World Bank	1999–2002	GEF: 0.73 Total: 0.995
Climate Change	Coal-to-Gas Conversion Project	Poland – Eastern Europe/Central Asia	World Bank	1995–2000 (original) 1995–2002 (revised)	GEF: 25 Total: 48.32
International Waters	Building Partnerships for the Environmental Protection and Management of the East Asian Seas	Regional – Asia/ Pacific	UNDP	1999–2004	GEF: 16.224 Total: 28.545
International Waters	Western Indian Ocean Islands Oil Spill Contingency Planning	Regional – Africa	World Bank	1999–2003	GEF: 3.152 Total: 4.637
Field Visits					
Biodiversity	Creating Protected Areas for Resource Conservation using Landscape Ecology	Vietnam – Asia/Pacific	UNDP	1998–2003	GEF: 6.009 Total: 8.279
Biodiversity	Terra Capital Fund	Regional – Latin America/Caribbean	World Bank	1998–2007	GEF: 5.0 Total: N/A
Biodiversity	Biodiversity and Protected Area Management Pilot Project for Virachey National Park	Cambodia – Asia/Pacific	World Bank	2000–2003	GEF: 2.75 Total: 5.0
Biodiversity	Integrated Coastal Zone Management	Georgia – Eastern Europe /Central Asia	World Bank	1999–2004	GEF: 1.3 Total: 7.6
Climate Change	Barrier Removal to Secure PV Market Penetration in Semi-Urban Sudan	Sudan – Middle East and North Africa	UNDP	1999–2002	GEF: 0.765 Total: 1.325
Climate Change	Low Cost and Low Energy Buildings in the Czech Republic	Czech Republic – Eastern Europe/ Central Asia	UNDP	1999–2002	GEF: 0.448 Total: 1.428
International Waters	Implementation of Integrated Watershed Management Practices for the Pantanal and Upper Paraguay River Basin	Brazil – Latin America/ Caribbean	UNEP	1999–2003	GEF: 6.615 Total: 16.403