

# GEF Country Portfolio Evaluation: Costa Rica (1992–2005)

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**Global Environment Facility  
Evaluation Office**

# **GEF Country Portfolio Evaluation: Costa Rica (1992–2005)**

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## Abbreviations

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CEO	Chief Executive Officer	NDP	national development plan
ExA	Executing Agency	NGO	nongovernmental organization
FAO	Food and Agriculture Organization	OED	Operations Evaluation Department (World Bank)
FONAFIFO	National Fund for Forestry Financing (Fondo Nacional de Financiamiento Forestal)	OEO	Office of Evaluation and Oversight (Inter-American Development Bank)
FSP	full-size project	PDF	Project Development Facility
GEF	Global Environment Facility	PIR	Project Implementation Review
IA	Implementing Agency	POP	persistent organic pollutant
ICE	Costa Rican Electricity Institute (Instituto Costarricense de Electricidad)	RAF	Resource Allocation Framework
IDB	Inter-American Development Bank	SINAC	National System of Protected Areas (Sistema Nacional de Areas de Conservación)
INBIO	National Institute for Biodiversity (Instituto Nacional de Biodiversidad)	SGP	Small Grants Programme
MINAE	Ministry of Environment and Energy (Ministerio de Ambiental y Energía)	UNCCD	United Nations Convention to Combat Desertification
MIRENEM	Ministry of Natural Resources, Energy, and Mines (Ministerio de Recursos Naturales, Energía y Minas)	UNDP	United Nations Development Programme
MSP	medium-size project	UNEP	United Nations Environment Programme
		UNFCCC	United Nations Framework Convention on Climate Change



The present evaluation is the first of its kind produced by the Evaluation Office of the Global Environment Facility (GEF). Although the GEF Council had signaled its interest in country-level evaluations for some years, budgetary constraints did not allow one to be undertaken until fiscal year 2006. The Council had two objectives in undertaking such a study: (1) to provide the Council with additional information on the results of GEF-supported activities and how they are implemented, and (2) to evaluate how GEF-supported activities fit into national strategies and priorities as well as within GEF-mandated global environmental objectives. The Costa Rica evaluation was a pilot study whose aim was to determine whether this new evaluation modality can be implemented in other countries in the future.

Costa Rica was selected for this pilot based on several criteria, including the range of its GEF portfolio, modalities of GEF support, and involvement of relevant Implementing and Executing Agencies. In addition, a wealth of information on Costa Rica's experiences with environmental issues was available.

This evaluation has succeeded in showing how Costa Rica and the GEF have, since the GEF's establishment, worked together successfully as partners in seeking to reverse the decline in global environmental conditions. Costa Rica has been the recipient of GEF financial support since 1992 through a variety of activities conducted in collab-

oration with the GEF's Implementing and Executing Agencies. The activities supported by the GEF have assisted Costa Rica in developing its environmental and national development strategies. Costa Rica's rich natural endowments, well-developed environmental sector, and national human resources have spurred on the many achievements attained in the country with GEF support.

The GEF Council reviewed this evaluation at its 28th meeting in June 2006. It requested that the Evaluation Office continue to conduct GEF country portfolio evaluations in other countries, to be selected with transparent criteria and within the limitations of the Office's budget as approved by the Council. The Council asked that a short note be presented at its December 2006 meeting regarding potential countries for future evaluations. The GEF Secretariat was asked to take steps to improve the information mechanisms in the GEF—most notably the GEF Web site—to make essential operational information available at the national level. Furthermore, the GEF Evaluation Office was invited to continue to interact with the government of Costa Rica on the evaluation report and to report back to the Council on Costa Rica's response to the evaluation. Lastly, the Council reiterated its June 2005 decision that “the transparency of the GEF project approval process should be increased” and requested that the GEF Secretariat reinforce its efforts to improve this transparency.

The Costa Rica Country Portfolio Evaluation has proven to be a useful basis for discussion in the GEF Council. The evaluation is relevant to the GEF system, in particular in establishing a historic assessment of how the GEF has been implemented in the country. Based on the experience in Costa Rica, the evaluation produced recommendations to improve GEF functioning in its new phase, under the implementation of the Resource Allocation Framework.

GEF management did not respond to this evaluation and was not asked by the Council to do so. Several international agencies also do not require management responses to country strategy or policy evaluations, primarily because such evaluations are so tightly focused on the country perspective that it is usually considered to be more relevant that the country itself respond. Furthermore, in many organizations, these evaluations precede new country strategies, and both the country's perspective and management's response are incorporated in these. With the new Resource Allocation Framework, a GEF management response may become standard with new country portfolio evaluations; this will be further explored in the future.

The evaluation was conducted by a team of consultants under the leadership of Claudio Volonte, Chief Evaluation Officer in the GEF Evaluation Office, and Alejandro Imbach, consultant. A draft document was presented in Costa Rica on April 20, 2006, to national stakeholders, including national government, Implementing and Executing Agencies, nongovernmental organizations, and other civil society partners. Feedback was very positive, and the comments received have been incorporated in this evaluation report. The Office remains fully responsible for the contents of the report.

The Evaluation Office would like to thank the government of Costa Rica, especially the GEF focal point and the Division of International Cooperation and Relationships of the Ministry of Environment and Energy for their full support in this exercise and their willingness to be the first GEF country to be evaluated using this new modality.



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# 1. Main Conclusions and Recommendations

## 1.1 Background

Costa Rica has been the recipient of Global Environment Facility (GEF) financial support since 1992 through a variety of projects and activities in collaboration with the GEF's Implementing and Executing Agencies (IA/ExAs). From the end of 2005 until April 2006, the GEF Evaluation Office undertook an evaluation of GEF support to Costa Rica—the first time it has performed such an evaluation. The evaluation came about as a result of the GEF Council's requesting the Evaluation Office to evaluate activities supported by the GEF at the country level so as to provide pertinent information to the Council on how those activities relate to the country's sustainable development agenda, national environmental strategies and priorities, and the GEF's mandate. Costa Rica was selected as a pilot case for testing the methodology and, based on that experience, for drawing up terms of reference for similar future evaluations.

The focus of the evaluation is a portfolio of 12 projects funded by the GEF during the period from 1992 to the present with an investment of almost \$32 million.<sup>1</sup> Eight of those projects have been completed, and four are under execution. This portfolio was not developed based on a predetermined program or strategy, but consists of various projects with different aims and objectives developed and implemented over a 14-year period.

All GEF focal areas are represented in this group, as are all GEF IAs—the World Bank, the United Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP)—and the Inter-American Development Bank (IDB). The evaluation also looked at the Small Grants Programme (SGP) that has been under implementation in Costa Rica since 1993 and which has funded 354 projects worth \$5 million.

## 1.2 Conclusions

### Relevance of the Portfolio

On the relevance of GEF support for the country's sustainable development agenda and its environmental priorities, as well as its relevance to the GEF mandate and programs, the following conclusions were reached.

### **Conclusion 1: GEF support to Costa Rica has been relevant to the progress of the country's environmental agenda.**

The analysis of the GEF portfolio shows that it is in line with national development plans (NDPs) and national environmental strategies. Also, an analysis of the origins and results of completed projects shows that Costa Rica has full ownership of the GEF portfolio in the country and has managed it in accordance with its national agenda. Projects

that were completed several years ago demonstrated catalytic and replication effects.

GEF support has become increasingly important relative to development grants, given the relative constancy of the former compared to the drastic reduction of the latter over the last few years.

### **Conclusion 2: GEF support could be more relevant in terms of the country's contribution to global benefits.**

Notwithstanding the aforementioned alignment of GEF support with Costa Rica's agenda, and of the latter's alignment with the GEF global agenda, Costa Rica has not clearly defined its potential contribution to global benefits. The country obviously has the capabilities and information to do so, as evidenced by the work done in preparing its 2000 GEF Programmatic Framework on Biodiversity. Doing so would allow even better alignment of the GEF mandate and the country's priorities and projects.

Although the GEF does not require or implement a country-level specific programmatic focus in the activities it supports, GEF support in Costa Rica puts a particular emphasis on biodiversity—which accounts for almost 70 percent of the GEF funds committed to the country—and little on land degradation, marine and coastal areas, and so on. This might be because other donors support the country in those areas,<sup>2</sup> but further analysis was outside the scope of this evaluation.

## **Results of the Portfolio**

### **Conclusion 3: GEF support of Costa Rica has produced global benefits and has been in accordance with the GEF mandate.**

The analysis shows many successes in several areas:

- Impacts at the global environmental level, particularly in biodiversity conservation through protected area management programs and payment for environmental services and the abatement of carbon dioxide emissions through wind energy projects
- Catalytic and replication effects in terms of wind energy, payment for environmental services, and development of a national implementation plan on persistent organic pollutants (POPs)
- Improvement in institutional sustainability for the National Institute for Biodiversity (INBIO) and the National Fund for Forestry Financing (FONAFIFO) through full-size projects (FSPs) and for other local organizations through the SGP; and capacity building in protected area management, taxonomy, payment for environmental services, and wind energy, among others

## **The Portfolio's Efficiency**

Efficiency questions focus on determining the time, energy, and financial resources needed to develop and implement GEF projects; the roles, coordination, lessons, and synergies among the various players and GEF projects; and the various challenges critical to the entire GEF operation—communications, information on projects, GEF focal point, and level of preparation for the Resource Allocation Framework (RAF).

### **Conclusion 4: The length of time required for project preparation and approval varied greatly among projects. No common "bottle-neck" problem areas were identified.**

Past experience of the Evaluation Office has shown that the main problem when attempting to conduct an analysis of this kind is the lack of systematized information on the progress of projects throughout the GEF Activity Cycle.

Analysis of existing information compiled for the evaluation shows considerable variation in the duration of phases for the same funding modality. It was noted that, on average, preparation (from entry into the pipeline until project start) for FSPs took much longer than for medium-size projects (MSPs)—33 months and 10 months, respectively—while the comparable time was only about 4 months for enabling activities. There is no readily available information on time spent on preparing projects before they enter the pipeline.

This variation in duration seems to be explained by factors unique to each project, such as prolonged negotiations between executors and IA/ExAs, technical discussions among the various players, conflicts with public finance regulatory entities in Costa Rica, staff rotation in IA/ExAs, and changes in GEF priorities.

**Conclusion 5: The mechanisms available for tracking project preparation and negotiation processes are generally very limited, and the parties involved in these processes at the national level do not have direct access to them. This limitation is particularly severe in the pre-pipeline and post-GEF Council approval stages.**

During interviews and visits, it was noted that there is no access to mechanisms for tracking the progress of project proposals by parties acting at the national level (in both IA/ExAs and national organizations), which leads to apprehension and frustration. Several cases were found where many months went by without project proponents at the national level receiving any information on progress in the review of their proposals. Tracking mechanisms do exist at the central headquarters level of the IA/ExAs, but the public does not have access to these.

**Conclusion 6: GEF operational information (such as project procedures and requirements, and Council decisions) is not easily available or clearly presented, sometimes leading to confusion among GEF stakeholders.**

National parties (including some IA/ExA local representatives) tend to lack knowledge and information about the GEF in general, its operation, and the differing operating procedures of the IA/ExAs and the GEF for submitting projects and navigating them successfully through the Activity Cycle. Performance in these areas was deemed to be poor, deficient, or nonexistent by most of the national executors interviewed—a conclusion confirmed by the experience of the evaluation team. The GEF Web site is not visited regularly, since it is perceived as confusing and not user friendly. In general, it is hard to access the operational information relevant to national players. Council decisions are not indexed by subject on the Web site, which was pointed out as a serious deficiency. Also, various people interviewed mentioned the lack of direct communication between the GEF Secretariat and interested national parties.

**Conclusion 7: Costa Rica is preparing for the challenges of dealing with the GEF's new Resource Allocation Framework, though with some delay, particularly in relatively weak areas such as institutional coordination and project prioritization.**

There are no GEF-related participatory mechanisms in operation at the national level for analyzing the country's priorities based on requirements arising from the scheduled July 2006 implementation of the RAF. Progress in this area can be shown within the national capacity self-assessment project funded by the GEF, which is beginning to look into operational and strategic RAF issues and expects to address this subject. Pertinent lessons can also

be drawn from the process set up by the SGP, for example, using participatory mechanisms to allocate GEF resources efficiently.

At this time, however, there is still no country program that sets specific priorities for projects supported by the GEF. Existing instruments (such as the Biodiversity Strategy and National Environmental Agenda) are still very generic and will need to be made more operational to access GEF funding.

### Country Portfolio Evaluations

A parallel goal for the GEF portfolio evaluation in Costa Rica was to evaluate the feasibility of this new kind of evaluation at the GEF.

### **Conclusion 8: GEF portfolio evaluations at the country level are valid and feasible despite the fact that there is no national GEF program or strategy.**

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The pilot evaluation conducted in Costa Rica made it possible to answer key questions regarding the relevance and efficiency of the portfolio. In addition, it was possible to identify the results and achievements of projects terminated several years ago (note, however, that the results of these projects cannot be aggregated at the national level but only by focal area). The choice of Costa Rica as a pilot case was satisfactory, particularly as an experiment in evaluating countries with small or medium-size GEF portfolios.

A significant added value of this kind of evaluation is the ability to assess the results of projects several years after they were completed, creating a perspective that is not possible with a typical end-of-project evaluation conducted upon completion of the project.

A fuller picture would emerge if the contributions of regional and global projects could be included. However, unless the coordination offices of such

projects are based in the country in question, the inclusion of these projects would substantially raise the costs of this kind of evaluation. Furthermore, their inclusion would increase the complexity of the evaluation by introducing contexts beyond the national one—for example, regional environmental problems and agreements.

## 1.3 Recommendations

### Recommendations to the GEF Council

#### **Recommendation 1: Continue with GEF portfolio evaluations in other countries.**

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These portfolio evaluations will increase the body of evidence on GEF support at the country level. Moreover, such evaluations will add evidence to, and possibly confirm the findings and conclusions of, other evaluations with different focuses such as program evaluations or global results evaluations, as well as provide inputs and questions to explore in future exercises.

#### **Recommendation 2: Evaluate regional projects in Central America.**

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The Costa Rica evaluation demonstrated that this methodology is not an efficient way to analyze regional projects. In Central America, regional projects have constituted a large part of GEF support. Any comprehensive evaluation of these projects should consider their performance, costs, and relevance at the national and regional levels, given the various regional environmental agreements and treaties in place in Central America.

#### **Recommendation 3: Reinforce the effort to improve transparency in the GEF on project proposals in the approval process.**

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The GEF Council should reiterate the decision set down in the *Annual Performance Report 2004* that “the transparency of the GEF project approval

process should be increased” (GEF EO 2006a). The Costa Rica portfolio evaluation highlights the difficulties experienced at the national level in following the project approval process and reinforces the need for action on this issue—a need that was also emphasized in the GEF’s Third Overall Performance Study (GEF EO 2005b).

**Recommendation 4: GEF information mechanisms, most notably the GEF Web site, need to be improved to make essential operational information available to the national level.**

At the national level, it is difficult to ascertain whether the information provided on GEF operations is up to date and in line with the decisions of the GEF Council. This deficiency could be addressed by improving the accessibility of the Web site.

**Recommendations to the Government of Costa Rica**

**Recommendation 1: Explicitly define the potential national contribution to global environmental benefits and use this definition in prioritizing proposals to the GEF in the future.**

Costa Rica has an opportunity and the ability to increase its national contribution to achieve global benefits. To this end, it must develop a strategic focus based on its environmental potential and its national environmental and development strategies. The Programmatic Framework for Biodiversity prepared by the government in 2000 could be further improved and even extended to the other GEF focal areas.

**Recommendation 2: Speed up processes for meeting the challenges inherent in the introduction of the RAF.**

Implementation of the RAF will provide countries with funding specifically for the biodiversity and climate change focal areas. This will require developing new institutional processes for prioritizing the use of those limited resources, mainly when a country is part of an RAF group, such as Costa Rica for the climate change focal area. Although Costa Rica has already begun to address this challenge, it should speed up its efforts so as not to miss opportunities in areas that will be open to competition.

**1.4 Observation**

The GEF Evaluation Office has conducted, in conjunction with the IA/ExA evaluation units, a Joint Evaluation on the GEF Activity Cycle and Modalities.<sup>3</sup> The subject of efficiency, which is dealt with in chapter 7, was an input for this evaluation, especially with regard to certain suggestions proposed to mitigate the negative effects of long project preparation times.

**Notes**

1. All dollars cited in this report are current U.S. dollars unless otherwise noted.
2. This idea was suggested during the workshop on the draft evaluation report held in San José, Costa Rica, April 20, 2006.
3. Published by the GEF Evaluation Office as *Joint Evaluation on the GEF Activity Cycle and Modalities*, Evaluation Report No. 33.

## 2. Description of the Evaluation

### 2.1 Background

The GEF Council asked the GEF Evaluation Office to conduct an evaluation of the GEF portfolio at the country level. Such evaluations will provide the Council with additional information on how the GEF functions at the country level and on the results of the activities it supports, allowing it to better understand how these activities respond both to the country's sustainable development, national strategies, and priorities and to the GEF mandate. Interestingly, no evaluations of this kind using a country as the evaluation unit have ever been conducted within the GEF system. Since the recently approved Resource Allocation Framework will be implemented in the next GEF replenishment period (GEF-4, 2006–10), it is expected that evaluations of GEF support at the national level will provide useful feedback on work at that level.

The Council approved, as part of the Evaluation Office's 2006 work program, this new evaluation modality as a pilot plan for evaluating its viability and developing a methodology for future country evaluations based on this experiment. The evaluation of the Costa Rica pilot case was conducted in accordance with the terms of reference prepared by the Evaluation Office and discussed with the Implementing Agencies, GEF Secretariat, and government of Costa Rica (see annex A for the terms of reference).

The Office selected Costa Rica for this first pilot evaluation for a number of reasons, including the fact that the GEF portfolio in Costa Rica entails a wide variety of national, regional, and global projects, enabling activities, and small grants implemented by the three Implementing Agencies and one of the Executing Agencies (IDB). Additionally, there is a very good knowledge base on the country's development and its environmental sector.

### 2.2 Objectives of the Evaluation

The GEF support to Costa Rica pilot evaluation has three objectives:

- Independently evaluate the relevance and efficiency of GEF support in the country from various viewpoints: national sustainable development and environmental priorities framework, the GEF mandate (achievement of global environmental benefits), and GEF policies and procedures
- Explore methodologies that might be used to measure the aggregated results and effectiveness of the GEF portfolio at the focal area and country levels
- Provide feedback and knowledge to be shared with (1) the GEF Council in its decision-making process on distributing resources and developing policies and strategies and (2) Costa Rica regarding its GEF participation



## 2.3 Key Questions for the Evaluation

The key questions explored during this evaluation were as follows.

- Is GEF support relevant to:
  - the national sustainable development agenda and environmental priorities;
  - national development needs and challenges (has the country directed/appropriated various GEF activities?);
  - action plans for the GEF’s national focal areas (for example, enabling activities);
  - the GEF mandate and focal area programs and strategies, and what is the relationship between the results of GEF support and impacts (proposed and actual) and the global environmental indicators of each focal area?
- Is GEF support efficient?
  - How much time, effort, and money are needed to develop and implement GEF projects (based on the various kinds of GEF support)?
  - Are the roles and responsibilities of the various players involved with the GEF during the project design and implementation phases clear?
  - Are execution agreements, partnerships, and synergies created within GEF projects and between them and other projects funded by other donors and the government?
  - How efficient are the various kinds of GEF activities (for example, FSPs versus MSPs)?
- What methodologies are available for measuring GEF products, results, and impacts, and the effectiveness of its support at the project, focal area, and work framework levels and to explore various indicators for measuring these factors (for example, aggregation to measure progress in

achieving global environmental benefits)? And how can attribution to the GEF be determined?

## 2.4 Focus and Limitations of the Pilot Phase

The evaluation included all the activities supported by the GEF at the national level (full- and medium-size projects, enabling activities, and the Small Grants Programme) at various stages of implementation (completed, ongoing, and in the pipeline) and implemented by the three IAs and IDB in all the focal areas. This set of projects is defined as the GEF portfolio in the country.

In this evaluation exercise, environmental sector activities supported by other funding sources—whether national, binational, or multinational—were not included, since the base information for performing an analysis of this kind has not been compiled or systematized. At the evaluation results presentation and validation meeting (April 20, 2006), the participants pointed out the importance of those supplementary funding sources. As far as possible, mention is made of them in the results analysis sections of this document, and it is recommended that this subject be considered in future evaluations of this kind.

The way in which the GEF has operated at the country level causes various difficulties for this kind of evaluation. For example, the GEF does not have national strategic programs. Thus, there is no GEF national framework against which to evaluate results or effectiveness. On the other hand, the GEF rarely supports work in isolation but does so in association with different institutions. This circumstance makes it difficult to attribute results. On the positive side, an evaluation with the objectives described above might lead to important findings and increased understanding that will allow the GEF to be more effective at the country level and within the RAF’s operational context.

The evaluation of the GEF portfolio in this pilot project is not intended to be an evaluation of the performance of the GEF, the IA/ExAs, or the country.

Given the financial and time constraints and other limiting factors described above, this evaluation cannot be considered exhaustive. It was based mainly on the existing literature (for example, independent evaluations of projects and country programs and reports from various studies and evaluations carried out by the GEF Evaluation Office and IA/ExA evaluation offices) and consultations with the major stakeholders involved.

The evaluation was carried out by staff in the GEF Evaluation Office and by local and international consultants who made up the evaluation team.

## 2.5 Methodology

The methodology used included a combination of quantitative and qualitative methods:

- An in-depth review and analysis of over 10 documents containing information on the develop-

ment of Costa Rica's environmental, political, and legal sectors; over 20 on the GEF and the implementation of the GEF IA/ExA assistance programs in Costa Rica; and almost 100 documents with information on progress in implementation and evaluative information on the results of GEF projects (see annex C)

- Two consultation workshops with key players in GEF implementation in Costa Rica, including the government, nongovernmental organizations (NGOs), and other civil society stakeholders (see annex D for a list of the participants at the workshops): the first workshop discussed the evaluation's terms of reference, including the methodology; the second presented the first draft of the evaluation report for feedback from all major stakeholders
- Extensive coverage of interviews with over 30 individuals and 20 global, national, and local institutions associated with the GEF and analysis of their contents (see annex E for a list of the people interviewed)
- Field visits to five projects

## 3. Context of the Evaluation

As noted in the preceding chapter, one of the fundamental objectives of this evaluation was to analyze the relevance of GEF support, both for Costa Rica and for the GEF itself. This chapter thus presents a brief summary of the context for this evaluation in terms of both the environmental sector in Costa Rica and the mandate and operations of the GEF.<sup>1</sup>

### 3.1 General Description

Costa Rica is a small country (land area: 51,100 square kilometers; marine area: 589,000 square kilometers) located in the Central American tropics north of the Equator. It has a medium population density—80 inhabitants per square kilometer—and a total population of 4.2 million (as of 2002), of which approximately half (48 percent in 2002) lives in urban areas.

Costa Rica is rated high on UNDP's Human Development Index; its rank on the 2005 index was 47, because of high ratings on various key indicators:

- **Child mortality:** 9.5 per 1,000 (2005)
- **Life expectancy at birth:** 79.7 years for women; 75.0 years for men (2000–05)
- **Literacy among the general adult population:** 95.8 percent (UNESCO)
- **Per capita gross domestic product and purchasing power parity:** \$4,271 and \$8,840, respectively

- **Equality:** 46.4, according to the Gini Index for income distribution by quintiles; this is the fourth highest among high human development countries and is surpassed only by Mexico, Chile, and Argentina
- **Gender equity:** 44, according to the Gender-Related Development Index; and 19 according to the Gender Empowerment Measure

In 2005, the Environmental Sustainability Index presented at the World Economic Forum placed Costa Rica in position 18 among 146 nations. That index analyzes the performance and ability of countries to protect the environment in coming decades, considering investment in natural resources, past and present pollution levels, environment management efforts, and society's ability to improve its management in that area (Programa Estado de la Nación 2005).

### 3.2 Environmental Resources in Key GEF Support Areas

#### Biodiversity and Its Conservation

According to the INBIO documentation and Web site, Costa Rica is among the 20 most biologically diverse countries in the world, with over 500,000 living species (4 percent of the planet's land species), of which 300,000 are insects. Approximately 11 percent of its plant species are endemic, as are 14 percent of its freshwater fish, 16 percent of

its reptiles, and 20 percent of its amphibians. To protect some of this extensive endowment, Costa Rica has developed a world-class model protected areas system. The development of this system began in the mid–20th century and now includes over 25 percent of the country’s land. Table 3.1 summarizes the system’s status as of 2001.

**Table 3.1**

**Protected areas in Costa Rica**

Management category	Number	Area (ha)	% of total area
National park	26	621,267	12.23
Biological reserve	8	21,663	0.42
Buffer zone	32	166,604	3.06
Forest reserve	11	227,545	4.47
Wildlife refuge	65	182,473	3.53
Wetlands	15	62,195	1.53
Other	12	23,264	0.34
<b>Total</b>	<b>169</b>	<b>1,305,011</b>	<b>25.58</b>

Source: MINAE/SINAC 2001.

In addition to the numbers mentioned above, there are over 55,000 hectares in 10 private reserves (as of 2001) and over 320,000 hectares in 21 indigenous territories. The latter are not protected areas, but, in general, they contain critical biodiversity and are an important part of the conservation system.

This protected areas system is supplemented by a network of biological corridors (see figure 3.1) that is intended to ensure the system’s effectiveness and viability. These corridors play an important role in the migration and dispersion of plant and animal species, thus reducing the vulnerability of protected areas to global and local threats. This biological corridor strategy has become more relevant nationally and regionally because of the Mesoamerican Biological Corridor project funded by the GEF through the World Bank and the impetus given to the concept by the Central American Commission for Environment and Development

**Figure 3.1**

**Biological corridors and protected areas in Costa Rica**



Source: MINAE/SINAC 2002.

Note: Light gray represents protected areas; dark gray shows biological corridors.

(Programa Estado de la Nación 2005). Moreover, both the Ecomarkets project (funded by the World Bank and the GEF) and the GEF Small Grants Programme have designated biological corridors as high-priority intervention areas.

In recent years, the biological corridors concept has been extended to the marine sector through a new initiative aimed at establishing the Eastern Tropical Pacific Marine Conservation Corridor through Costa Rica, Ecuador, and Panama. In 2004, Costa Rica’s Ministry of Environment and Energy (MINAE) established, by executive decree, the Interdisciplinary Exclusive Economic Zone Marine Coastal Committee to determine the feasibility of dedicating up to 25 percent of the exclusive economic zone (200-mile zone from the coastline) to the conservation, restoration, management, and sustainable use of existing species and ecosystems. This decree provides Costa Rica with the opportunity to protect as much marine area as it is currently protecting land area.

## Climate Change

According to *World Resources 2000–2001* (UNEP, UNDP, WB, and WRI 2000), Costa Rica has quantifiable emissions from just three sources: liquid fuels, cement production, and land use change. For all three sources, its global and regional contribution to carbon dioxide emissions is marginal (see table 3.2). However, its emissions are increasing, and domestic transportation is the sector having the greatest impact—66 percent of emissions (see figure 3.2).

**Table 3.2**

**Carbon dioxide emissions by source, 2000**

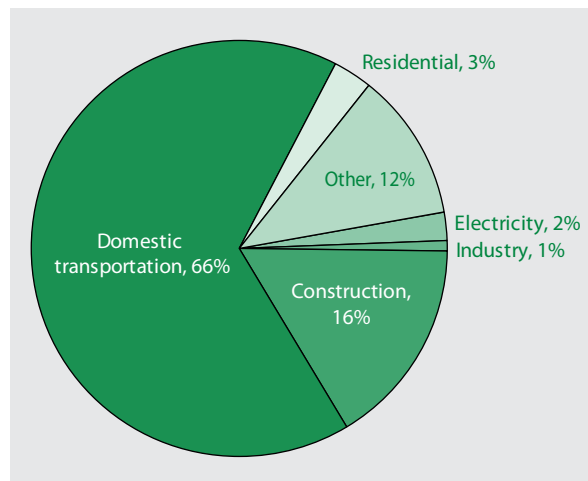
Region	Liquid fuels	Cement production	Land use change
<b>Thousands of metric tons</b>			
World	10,636,592	824,400	7,618,621
Mesoamerica and the Caribbean	445,575	23,137	303,227
Costa Rica	4,851	573	9,876
Costa Rica, 1990	2,609	309	14,076
<b>Percent</b>			
Costa Rica (% of world)	0.0	0.1	0.1
Costa Rica (% of Mesoamerica and the Caribbean)	1.1	2.5	3.3
Change 1990–2000	85.9	85.4	-29.8

**Sources:** Carbon Dioxide Information Analysis Center; UNEP, UNDP, WB, and WRI (2000).

Three main sources provide Costa Rica’s consumable energy: petroleum derivatives, electricity, and biomass (MINAE 2000). Energy demand has increased over the past decade. This increase has mostly been answered by importing hydrocarbons and, to a lesser extent, by producing energy domestically (Program Estado de la Nación 2005). In 2004, 70 percent of commercial energy consumption came from imported hydrocarbons, 20 percent from electricity, and the remaining

**Figure 3.2**

**Carbon dioxide emissions by sector, 2001**



**Source:** International Energy Agency.

**Note:** “Other” refers to other commercial, public, or agricultural uses.

10 percent from biomass resources. The largest source of energy (42 percent) consumed by the residential sector (including family and personal vehicles) is electricity (ICE 2005).

In 2004, 97 percent of Costa Rica was electrified. The population without access to electricity is located in very remote areas where it is not feasible to extend the network. To address this need, the government has undertaken a rural electrification program with isolated sources of renewable energy, in cooperation with international agencies and financial support from the GEF.

Costa Rica is vulnerable to climate change impacts in various ways. In its First Communication to the United Nations Framework Convention on Climate Change (UNFCCC), Costa Rica presented a study on the vulnerability of various sectors to possible climate change impacts: (1) according to simulations, runoff patterns in most basins could be altered; (2) changes in sea levels would negatively affect the present coastline and extend areas subject to flooding; (3) temperature changes could affect planting dates and cultivation areas;

and (4) climate changes might reduce tropical and mountain zone areas and increase foothill floor life areas (MINAE 2000).

### International Waters

Costa Rica has 589,000 square kilometers of ocean, and 210 kilometers of coastline on the Caribbean and 1,106 kilometers on the Pacific. The broad continental shelf along the Pacific Coast is one of the main factors contributing to the country’s fishing wealth. The Gulf of Nicoya is the most degraded marine area, because of both overexploitation of its resources and pollution, particularly that resulting from waste carried by the Río Grande de Tárcoles. Various migratory marine species have routes that pass through the country’s oceans, including different species of turtles, whales, lobsters, and others.

The country has established marine protected areas (see table 3.3). While these are beneficial, their impact is limited, given the country’s extensive coastal and marine resources.

**Table 3.3**

#### Marine wildlife protected areas in Costa Rica

Management category	Area (ha)
National park	368,120
Biological reserve	2,700
National wildlife refuge	12,436
<b>Total</b>	<b>383,256</b>

Source: [www.inbio.org](http://www.inbio.org).

The Cocos Island marine ecosystems are noteworthy for their coral reefs and their abundant highly endemic fish communities (approximately 17 percent of the country’s 300 fish species are found here), as well as for their importance as a distribution center for many species of the Indo-Pacific region.

Costa Rica shares two transborder basins with neighboring countries: to the north with Nicaragua (San Juan River) and to the south with Panama (Sixaola-Yorquin Rivers). The San Juan River begins in Lake Nicaragua and flows into the Caribbean Sea. At its head, it runs through Nicaraguan territory and then forms the international border. The river basin (excluding the Lake Nicaragua Basin) covers 38,500 square kilometers, of which 64 percent belongs to Nicaragua and 36 percent to Costa Rica. The river has various large sub-basins in both countries and borders very important protected areas such as the Indio-Maíz Reserve in Nicaragua and the Barra del Colorado Wildlife Reserve in Costa Rica. The Sixaola River begins in the Talamanca mountain range, which divides the waters between the Pacific Ocean and the Caribbean Sea, and empties into the Caribbean. In its lower course, it forms Panama’s northern border with Costa Rica. It is 146 kilometers long, and its basin covers 5,094 square kilometers. Biodiversity and natural resources are safeguarded by six protected areas (comprising 155,848 hectares), two national biological corridors, and six indigenous territories (comprising 112,789 hectares) legally established by the governments of Costa Rica and Panama.

### Persistent Organic Pollutants

Costa Rica has signed the main international conventions on chemical pollutants: Basel, Rotterdam, and Stockholm. Consistent with them, Costa Rica has prohibited, through decrees, the production, importation, transportation, registration, trade in, and use of raw materials and manufactured products that contain polychlorinated or polybrominated biphenyls, heptachlor, pentachlorophenol, aldrin, clordane, DDT, dieldrin, endrin, mirex, or toxaphene. The country is in the process of inventorying its toxic substances, developing an action plan for them, and creating the organizations needed to work effectively in that area.

## Land Degradation

Costa Rica signed and ratified the United Nations Convention to Combat Desertification (UNCCD) and established an official advisory committee on the matter in 1998, the Land Degradation Advisory Commission. Work in this area has progressed as far as approval of the General Law on Soils and creation of the National Action Program to Combat Land Degradation; the various UNCCD requirements have been fulfilled. The land degradation situation in the country is summarized in table 3.4.

**Table 3.4**

### Current land use in Costa Rica

Use class	Area (ha)	% of total area
Well used	2,714,977	54.9
Used in accordance with capacity, but requires special conservation measures	521,598	10.5
Underutilized	732,217	14.8
Overutilized	475,204	9.6
Severely overutilized	504,584	10.2
<b>Total</b>	<b>4,948,580</b>	<b>100.0</b>

**Source:** National Land Degradation in Costa Rica Action Program, 2004.

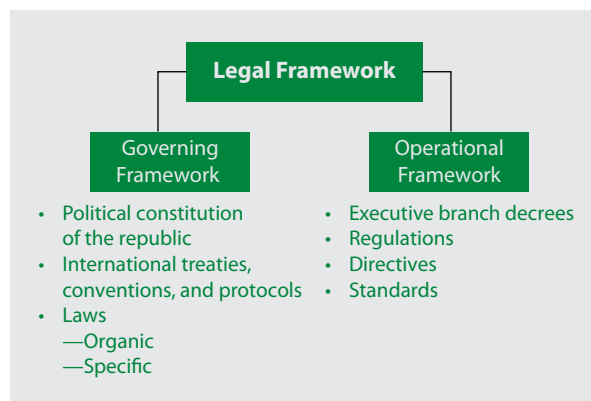
## 3.3 The Environmental Legal Framework in Costa Rica

Environmental legislation covering biodiversity and natural resources is well developed and up to date in Costa Rica. The nation's entire legal system consists of approximately 20,000 in-force instruments, of which approximately 10 percent deals with environmental matters in general.<sup>2</sup>

The hierarchy of legal rules in Costa Rica is set out in accordance with Roman/Germanic tradition, as shown in figure 3.3.

**Figure 3.3**

### Costa Rica's legal framework



## Constitution of the Republic of Costa Rica and the Environment

In 1994, the following amendment to article 50 of Costa Rica's constitution was approved:<sup>3</sup>

The State shall attempt to ensure the greatest welfare of all inhabitants of the country, organizing and stimulating the most appropriate production and distribution of wealth. All persons have a right to a healthy and ecologically balanced environment and thus may denounce any acts that infringe upon that right and demand that any damage caused be repaired. The State shall guarantee, defend, and preserve that right. The law shall determine the pertinent responsibilities and sanctions.

This amendment is very significant, since by incorporating the right to an “ecologically balanced environment” in the constitution, no administrative rule or act may oppose this right, and it is protected against all infractions.

### Relevant International Treaties, Conventions, and Protocols

Costa Rica has signed and ratified most international treaties and conventions related to environmental issues (see table 3.5).

**Table 3.5****Costa Rica's participation in key international environmental treaties and conventions**

Year	Milestone
1975	Ratification of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Law 5605)
1991	Ratification of the Montreal Protocol (Law 7223)
	Ratification of the Vienna Convention (Law 7228)
	Ratification of the Ramsar Convention on Wetlands of International Importance (Law 7224)
1994	Ratification of the Convention on Biological Diversity (Law 7416)
	Ratification of the United Nations Framework Convention on Climate Change (Law 7414)
	Ratification of the Convention for the Conservation of Biodiversity and the Protection of Priority Protected Wildlife Areas in Central America (Law 7433)
	Ratification of the Basel Concordat on the Control of Transborder Movements of Dangerous Waste (Law 7438)
1995	Ratification of the Regional Convention (Central American) on Climate Change (Law 7513)
	Ratification of the pertinent Regional Agreement of the Basel Concordat (Law 7520)
1997	Ratification of the United Nations Convention to Combat Desertification
	Ratification of the Kyoto Protocol
	Signature of the Stockholm Convention on Persistent Organic Pollutants (not yet ratified)
	Signature of the Cartagena Biosecurity Protocol (not yet ratified)

**Relevant Laws**

In 1995, the Environmental Organic Law (Law 7554) was passed. Under its various sections, this law establishes guidelines in numerous sectors and resources (protected areas; marine, coastal, wetland, biodiversity, forest, air, water, soil, and energy resources) and on numerous matters (administration and public participation, environmental education and research, environmental impacts, protection and improvement of environment in human settlements, land use planning, funding, sanctions, pollution, and environmentally friendly production). Subsequently, various laws have dealt with many of those issues in greater detail, including the following:

- Forest Law of 1996 (Law 7575)—established the Forest Fund and FONAFIFO
- Soil Use, Management, and Conservation Law of 1998 (Law 7779)
- Biodiversity Law of 1998 (Law 7788)—created the National Commission for Biodiversity

Management and the National System of Protected Areas (SINAC)

The Water Law should also be mentioned, even though as of this writing it is still being discussed in the Assembly and has not yet been approved. Similarly, the regulatory framework for coastal and marine areas still has weaknesses.

**Operational Framework**

The operational framework that supplements and applies the legal framework is broad and covers all existing legislation. Certain important areas, such as those related to agrochemicals, are almost totally regulated by various decrees.

In this regard, it should be mentioned that Costa Rica has strong continuity within its public sector. Technical and middle management personnel in state institutions retain their positions when administrations change and are not replaced automatically when a government is formed by a different political party. Only political personnel



(senior managers and high-ranking officials) are replaced when administrations change. Because employees' jobs are secure, a good institutional memory is maintained in most state institutions.

### Environmental Political Framework

The legal framework described above has governed national life in Costa Rica despite political dynamics and the periodic changes in government that have occurred since 1948. However, the various administrations and governments have left their mark on the national process through such instruments as plans and strategies. Some of these were created in response to obligations contracted under international conventions (such as the National Biodiversity Strategy). Notable among those relevant to this evaluation include the following:

- National Conservation and Development Strategy (1989)
- National Conservation and Sustainable Use of Biodiversity Strategy (1999)
- 2001–2020 National Forest Development Plan
- National Forest Development Plan action plan (2001)
- National Environmental Strategy 2005–2020

The meshing of the political agendas of the various administrations with the current legal framework is achieved through the national development plan, developed by the various government institutions and coordinated by the Ministry of National Planning and Economic Policies (MIDEPLAN). The NDP is a medium-term plan, the duration of which coincides with the four-year term of each administration, prepared at the beginning of each democratically elected administration's mandate. Recently, the NDP has been directly linked to the national budget allocation process, which

includes monitoring and accountability through the National Evaluation System. Public participation and national discussions on environmental issues are a fundamental aspect of the formation of the environmental political framework in Costa Rica, contributing to a high level of awareness and involvement by civil society in decision making. This social capital is particularly notable in the environmental sector.

To some extent, work with international organizations such as multilateral banks, the GEF, and others has been subject to political shifts over time, since these entities negotiate with high-ranking officials from the ongoing administrations. All this activity takes place within the prevailing legal framework, but with political and ideological nuances introduced by the rotation of different political parties in the government.

### 3.4 The Global Environment Facility

The GEF is an international financial mechanism whose goal is to provide new and additional funding, in the form of grants and concessionary funding, to cover the additional agreed incremental cost of measures necessary to achieve global environmental benefits in the areas of

- biological diversity, in accordance with the Convention on Biological Diversity;
- climate change, in accordance with the UNFCCC;
- international waters;
- depletion of the ozone layer, in accordance with the Montreal Protocol;
- POPs, in accordance with the Stockholm Convention;
- land degradation, in accordance with the UNCCD;

- multifocal areas for initiatives that combine two or more of the above thematic areas.

The GEF is governed by an Assembly of almost 160 member countries which meets every four years and a 32-member Council (representing all the member countries) which meets semiannually. A Secretariat located in Washington, D.C., is responsible for the institution's operational matters.<sup>4</sup>

GEF activities are carried out through three Implementing Agencies: the World Bank, UNDP, and UNEP. Since 2004, seven Executing Agencies have been approved—regional banks: Inter-American, African, European, and Asian; the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development, and the United Nations Industrial Development Organization—to execute GEF activities, although the great majority of projects are still being implemented through the three IAs.

GEF support modalities can be summarized as follows:

- Full-size projects (funding of over \$1 million)
- Medium-size projects (funding of under \$1 million)
- Small grants (funding of under \$50,000), directed to NGOs and local organizations; small GEF grants are structured into a global program (the SGP) administered by UNDP and support initiatives included in any of the GEF focal areas but executed through national strategies
- Enabling activities, intended to help countries meet their obligations under the various conventions the GEF services
- Project development facility (PDF) modality, which provides funding for project preparation and development at three levels of support—

block A grants are for up to \$50,000, block B for up to \$500,000, and block C for up to \$1 million

Activities funded by the GEF are governed by operational programs and priority strategies in each of the focal areas. Global conventions provide the GEF with guidelines on projects that should be funded; the GEF Council approves those guidelines, and the Secretariat makes them operational.

At the national level, the GEF operates through a focal point mechanism, which is structured differently in each national context. The GEF recommends that two focal points be established (one political and the other operational), along with transparent mechanisms to ensure strong participation from all sectors. The GEF uses several different focal point structures ranging from single-person models (as is the case in Costa Rica, which has one person designated by the government as both the political and operational focal point) to schemes based on multi-institutional committees (Colombia), multisector committees (Bolivia), specific offices within the formal state structure (China), and others. The GEF provides guidelines defining the functions and responsibilities of the focal point mechanism. There are also basic support programs for those functions.

The GEF Trust Fund is made up of contributions from donor countries plus interest on them generated over time. This fund is administered by the World Bank. Once the Trust Fund is replenished (every four years), funding is allocated through grants as countries develop projects and the Council approves them.

Officially, the GEF began with a two-year pilot phase from 1992 to 1994. This was followed by three regular four-year replenishment periods: GEF-1 (1994–98), GEF-2 (1998–2002), and GEF-3 (2002–06). In mid-2006, GEF-4 was initiated;

this replenishment period will continue until 2010. Through GEF-3, grants were allocated by means of a funding windows process whereby a global amount was allocated to each of the seven thematic areas listed above; allocation was not made by country. Eligible GEF member countries submitted their requests to the various windows through the different IAs/ExAs.

GEF-3 donors recommended the establishment of a system for allocating resources by country, specifically for biodiversity and climate change, to be implemented in GEF-4. The GEF Council approved this new framework—the Resource Allocation Framework—in August 2005 for implementation beginning in July 2006 for the duration of GEF-4 (until June 2010).<sup>5</sup> Unlike the mechanism used previously, the RAF sets funding allocations for each country for the two focal areas (biodiversity and climate change). Depending on the importance of the country to each area, these allocations might be made individually (country allocation) or to a group of countries (group allocation). For example, in the case of Costa Rica, the country will receive an individual allocation for biodiversity but a group allocation for climate change, reflecting its great importance in the

first case and its limited relevance to emissions abatement.

Since this evaluation focuses on projects approved before July 2006, the subject of the RAF is considered to be outside its terms of reference, despite the fact that it is considered as the framework of relevance for any recommendations and suggestions that might be made.

## Notes

1. Numerous documents treat this subject in depth; many of these are listed in annex C.
2. Although the number of instruments may seem large, the Attorney General's Office, as the official attorney of the state, operates and periodically updates the National System of In-Force Legislation, resolving any contradictions or overlap in the legislation being produced.
3. This is not an official translation of the original article, but is included here to illustrate the importance of the environmental sector in the country.
4. More information may be found on the GEF Web site at [www.theGEF.org](http://www.theGEF.org).
5. More information about the RAF is provided on the GEF Web site at [www.theGEF.org/operational\\_policies/raf/](http://www.theGEF.org/operational_policies/raf/).

## 4. Activities Funded by the GEF in Costa Rica

The GEF has supported a wide and diverse range of activities and projects in Costa Rica in collaboration with national and multinational partners.<sup>1</sup> The GEF portfolio of projects is formed by a series of individual initiatives that were approved and implemented in relative isolation since neither the GEF nor Costa Rica have developed a strategic plan or program to guide GEF support. It is thus not possible to speak of a country program or other instruments that involve a pre-existing higher level design for GEF support.

It should be pointed out that in 2000 a group of national experts prepared a strategic document to guide biodiversity-related activities to be funded by the GEF, following recommendations on the matter contained in GEF Council Resolution C14-11 of December 1999. That document (Programmatic Framework for Biodiversity 2000) was developed to the level of project profiles, but was never used in practice.<sup>2</sup>

In short, GEF support to Costa Rica can only be described as a portfolio or group of projects that have been approved over the years. In this and subsequent chapters, it is discussed whether this was a weakness in GEF support, or if, in reality, projects in Costa Rica in some way succeeded in filling gaps in the National Environmental Strategy, support the national sustainable development agenda, and achieve the GEF mandates.

For analytic purposes, the portfolio may be broken down into six basic groups:

- All projects (full- and medium-size) completed or being implemented within the country
- PDF initiatives, which constitute the country's "pipeline"
- Enabling activities
- Small grants awarded through the GEF SGP
- Regional projects shared by Costa Rica and other Latin American and Caribbean countries
- Global projects shared by Costa Rica and countries on other continents

Annex F presents a complete list of the activities funded by the GEF in Costa Rica.

### 4.1 Activities Considered in the Evaluation

Not all activities supported by the GEF were included in this pilot evaluation because of time and financial limitations. Only those that met the following criteria were included:

- Activities carried out exclusively in Costa Rica—that is, all regional and global activities were excluded
- Activities completed and under implementation, excluding pipeline activities

Those criteria were used to define a group of homogeneous and feasible activities to be analyzed with available resources of money and time. A very brief description of activities that were not considered is provided in annex G. The group of activities that were considered in this evaluation are presented in table 4.1. As shown in the table, most of the GEF focal areas and all of its IAs are involved in the selected projects.

### By Implementing and Executing Agency

Figure 4.1 shows the activities supported by the GEF in Costa Rica by IA/ExA.

As can be seen, the main IAs are the World Bank (which has executed projects accounting for 53.2 percent of the GEF funds included in the evalu-

ation) and UNDP (responsible for 45.5 percent). The World Bank has participated in fewer activities than UNDP, but has larger budgets in all of them. The figure shows that the World Bank:

- has participated in four activities—three FSPs (two in biodiversity and one in climate change) and one MSP in biodiversity;
- has executed a total budget of \$19.67 million;
- has an average budget of \$4.92 million per activity;
- as of July 2006 had no activities in execution.

UNDP's participation has been more varied and has included all the funding modalities available through the GEF. UNDP:

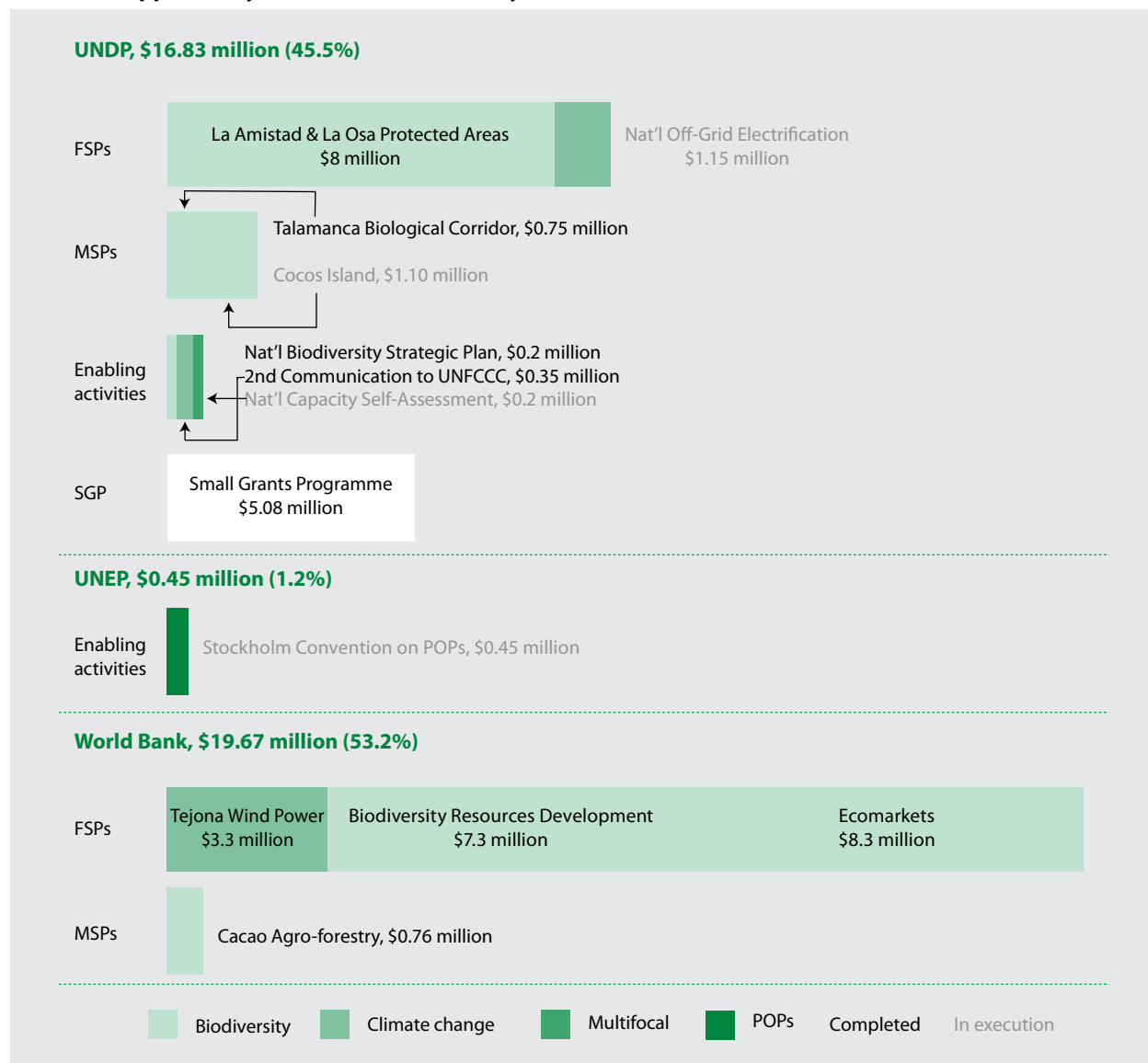
**Table 4.1**

#### GEF-supported activities in Costa Rica included in the evaluation

Project	Focal area	IA/ExA	Modality
<b>Completed activities</b>			
Tejona Wind Power	Climate change	World Bank/IDB	FSP
Biodiversity Resources Development	Biodiversity	World Bank	FSP
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	Biodiversity	UNDP	FSP
Ecomarkets	Biodiversity	World Bank <sup>a</sup>	FSP
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	Biodiversity	UNDP	MSP
Biodiversity Conservation in Cacao Agro-forestry	Biodiversity	World Bank	MSP
National Biodiversity Strategy and Action Plan	Biodiversity	UNDP	Enabling activity
Second National Communication to the UNFCCC	Climate change	UNDP	Enabling activity
<b>Activities under implementation</b>			
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1	Climate change	UNDP	FSP
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	Biodiversity	UNDP	MSP
National Capacity Self-Assessment for Global Environmental Management	Multifocal	UNDP	Enabling activity
Enabling Activities for the Stockholm Convention on POPs: National Implementation Plan for Costa Rica	POPs	UNEP	Enabling activity
<b>Small Grants Programme (UNDP)</b>	—	—	SGP

**Figure 4.1**

**Activities supported by the GEF in Costa Rica, by IA**



**Note:** All project budgets include PDF funds.

- has participated in seven activities—two FSPs (one each in biodiversity and climate change), two MSPs (both in biodiversity), and three enabling activities (one each in biodiversity, climate change, and multifocal);
  - has executed the SGP since 1992, through which it has distributed about \$5.08 million in Costa Rica in 354 projects (an average of \$14,350);
  - has executed a total budget of \$11.75 million (not including the SGP);
  - has an average budget of \$1.68 million per activity;
  - has three activities in execution, plus the SGP.
- UNEP has participated only marginally in the projects selected for this evaluation, accounting

for only \$450,000, or 1.2 percent, of all GEF funds executed in Costa Rica. As in most countries, UNEP’s portfolio includes regional and global projects, but, as mentioned earlier, activities of that type were not included in this analysis.

The GEF ExAs are not shown in figure 4.1 because they do not have any activities currently in execution or completed.<sup>3</sup>

### By Focal Area

Figure 4.2 looks at GEF activities in Costa Rica by focal area. It clearly shows the particular emphasis placed on the biodiversity focal area, which accounts for 68.6 percent of the GEF funds for projects. In second place is the SGP, which has executed approximately 13.2 percent of GEF funds. In third place, with 12.5 percent of funds, are activities related to the climate change focal area. Last are the POPs focal area funds (1.2 percent) and the multifocal area (0.5 percent).

For the biodiversity focal area:

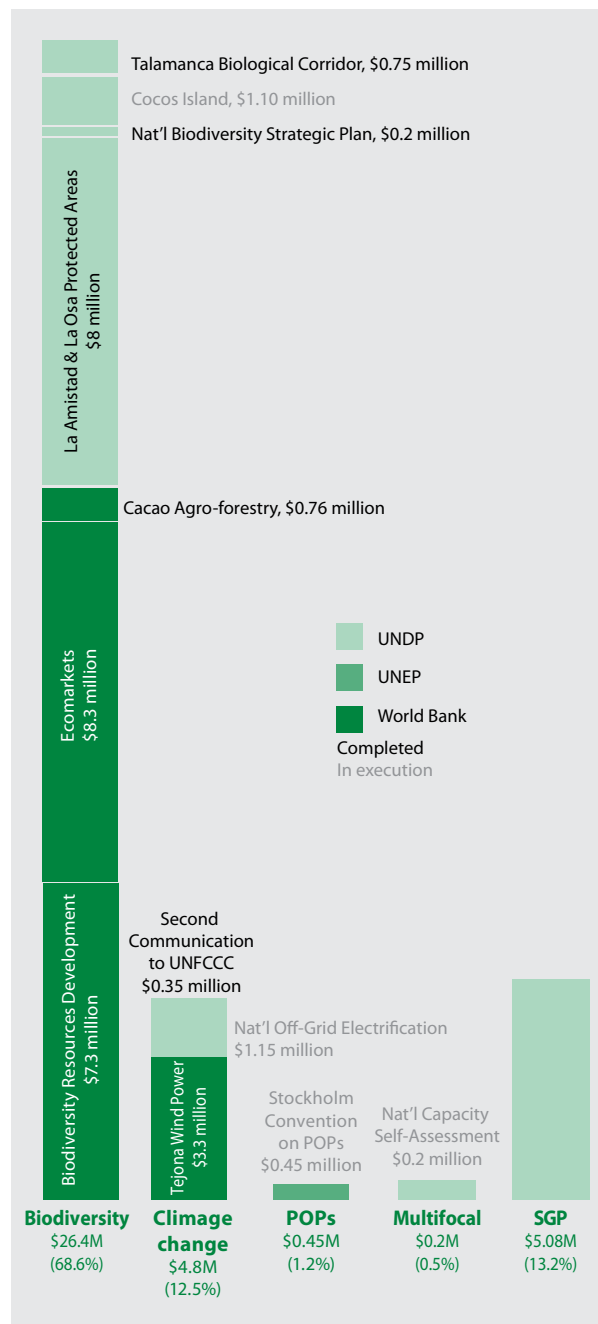
- Seven activities have been executed—three by the World Bank and four by UNDP; three are FSPs, three MSPs, and one an enabling activity; six have been completed, and one is still in execution.
- A total of \$26.4 million has been executed, for an average of \$3.8 million per activity.

In the climate change focal area:

- Three activities have been implemented—one by the World Bank and two by UNDP; two are FSPs and one an enabling activity; two have been completed, and one is still in execution.
- A total of \$4.8 million has been executed for an average of \$1.6 million per activity.
- The total budget for this focal area is 5.5 times less than for the biodiversity focal area.

**Figure 4.2**

### Activities supported by the GEF in Costa Rica, by focal area



**Note:** All project budgets include PDF funds.

The remaining focal areas each have one activity in execution—in both cases, an enabling activity—one implemented by UNDP (multifocal) and the other by UNEP (POPs).

There are no activities in Costa Rica currently in execution or completed in the international waters or land degradation focal areas; consequently, these are not shown in figure 4.2.

### By Objective

The objectives addressed in the activities supported by the GEF in Costa Rica and included in this evaluation are summarized in table 4.2. (A more detailed description of each of the projects' objectives and their results is in annex H.) Tables 4.3 and 4.4 provide comparable information about regional and global projects; note, however, that these projects were *not* considered in this pilot evaluation.

## 4.2 Small Grants Programme

Costa Rica was one of the first countries to participate in the SGP, starting in 1993. The program in Costa Rica has steadily increased its budget and the number of projects funded over the years. Currently, approximately 40 projects per year are being executed in all the GEF focal areas. UNDP implements this GEF corporate program. Since the SGP began, it has invested the equivalent of

a full-size project (\$5.08 million) and has funded 354 projects.

The distribution of funds through the SGP shows tendencies similar to that in the general support the GEF provides to Costa Rica (see table 4.5): strong emphasis on the biodiversity focal area, distantly followed by the multifocal area and, with smaller allocations, the climate change and land degradation areas. The remaining two focal areas (POPs and international waters) have received limited allocations (less than 1 percent).

At the national level, the SGP is managed by a committee that includes representatives from UNDP, MINAE, and various NGOs representing indigenous and farmer groups. Among its functions, this committee selects projects to be funded and sets strategic priorities for each phase of the program. For example, although the SGP has established that projects have a maximum total ceiling of \$50,000, in the specific case of Costa Rica, the committee set an annual ceiling of \$25,000. In this way, it has been possible to support a larger number of projects over more years. Moreover, according to the committee, this approach has provided

**Table 4.2**

### Main objectives of GEF-supported activities included in the evaluation

Focal area	Activity objective			
	FSPs	MSPs	Enabling activities	SGP projects
Biodiversity	<ul style="list-style-type: none"> <li>Strengthening of La Amistad and La Osa Protected Areas</li> <li>Biodiversity inventories</li> <li>Payment for environmental services</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening of Cocos Island Marine Conservation Area</li> <li>Biological corridors</li> <li>Agrobiodiversity (Cacao)</li> </ul>	National Biodiversity Strategy and Action Plan	Projects related to all focal areas
Climate change	<ul style="list-style-type: none"> <li>Solar power production</li> <li>Electrification with alternative energy sources</li> </ul>		Inventory of greenhouse gases	
POPs			National plan for implementing the Stockholm Convention	
Multifocal			National capacity self-assessment to manage the global environment	



**Table 4.3**

**Main objectives of GEF-supported regional projects in which Costa Rica participates**

Focal area	Activity objective	
	FSPs	MSPs
Biodiversity	<ul style="list-style-type: none"> <li>Establishing a program for consolidating the Mesoamerican Biological Corridor</li> <li>Integrated management of ecosystems in indigenous communities*</li> <li>Conserving biodiversity and socioeconomic values of mangrove ecosystems in tropical America</li> <li>Conserving biodiversity in private lands in Latin America</li> <li>Conservation and sustainable use of native neotropical crops and the wild relatives of cultivated species</li> <li>Developing Central American markets for biodiversity</li> <li>Building technical capacity for the safe development of transgenic crops</li> </ul>	Eco-business fund
Climate change	<ul style="list-style-type: none"> <li>Accelerating renewable energy investments in Central America</li> <li>Energy efficiency in El Salvador, Nicaragua, Costa Rica, and Panama*</li> </ul>	Creating and enhancing capacity for the sustainable development of renewable energy in Central America
International waters	<ul style="list-style-type: none"> <li>Formulating a strategic action program for the integrated management of water resources and the sustainable development of the San Juan River Basin and its coastal areas*</li> <li>Reducing pesticide runoff into the Caribbean</li> <li>Demonstrating sustainable alternatives to DDT for controlling the malaria vector in Mexico and Central America</li> </ul>	
Multifocal	<ul style="list-style-type: none"> <li>Global environmental citizenship</li> <li>Applying an integrated forest/pasture focus in ecosystem management<sup>a</sup></li> <li>Sustainable environmental management for the Sixaola River Basin</li> </ul>	Participatory focus in environmental management

**Table 4.4**

**Main objectives of GEF-supported global projects in which Costa Rica participates**

Focal area	Activity objective		
	FSPs	MSPs	Enabling activities
Biodiversity	Implementing a global strategy for conserving plant species		Training in biodiversity data management and information networks
Climate change		Developing a market strategy transformation for on-grid solar power technologies	National case studies on greenhouse gas sources and sinks
International waters	Reducing the environmental impact of fishing lobster with dragnets by introducing catch technologies and changing management practices		
Multifocal		Participatory approaches for managing the environment	

**Table 4.5****SGP grants awarded, by focal area**

Focal area	Number of grants	Estimated value (million \$)	% of total
Biodiversity	269	3.860	76.0
Multifocal	57	0.818	16.1
Climate change	13	0.187	3.7
Land degradation	11	0.158	3.1
POPs	3	0.043	0.8
International waters	1	0.014	0.3
<b>Total</b>	<b>354</b>	<b>5.08</b>	<b>100.0</b>

more opportunities for capacity building and to improve the financial sustainability of the beneficiary organizations.

In recent years, the SGP in Costa Rica has gone through a process of reflection and adjustment that has led to focusing its work exclusively on five priority areas:

- Biological corridors (in conjunction with the Mesoamerican Biological Corridor Regional Project and other national corridors)
- Rural community tourism
- Support to volunteer environmental work
- Sustainable production, basically organic agriculture
- Indigenous territories

Proposed projects must meet the following conditions:

- Be located in the buffer zone of a protected area, in a biological corridor, or in an indigenous territory
- Be clearly within one of the five priority issues
- Be clearly related to one of the GEF focal areas

The financial future of the SGP in Costa Rica during the next GEF replenishment period (GEF-4) has caused some concern, since, at the global level, the SGP continues to add countries in the program, but its funding is not increasing proportionally. One of the alternatives proposed for GEF-4 is that the country use part of the funds assigned from the biodiversity and/or climate change RAF to maintain the level of operations of the SGP. At the time of the evaluation, government authorities seemed to be sympathetic to this alternative, although no formal decisions have been taken in the matter.

Two points that became apparent during the interviews explain the reasons for the favorable opinion generally held of the SGP:

- The program has the most synergies with other projects funded by the GEF in Costa Rica (for example, with the Mesoamerican Biological Corridor Regional Project, the Ecomarkets project, and so on).
- The great majority of those interviewed during the evaluation assigned high value and impact to the actions of the SGP in Costa Rica.

### 4.3 Activities over Time

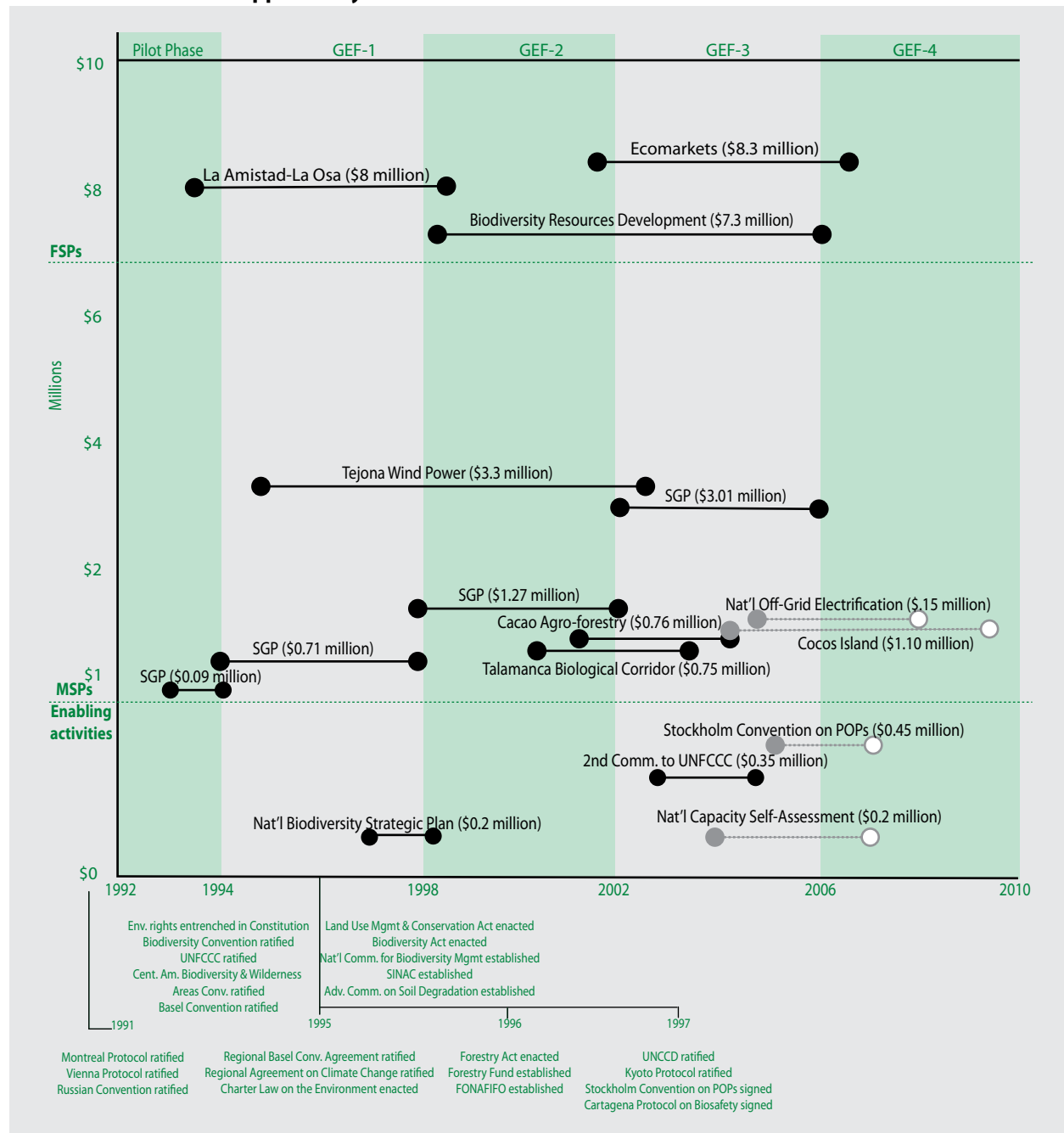
Figure 4.3 provides an overview of the GEF portfolio in Costa Rica and the changes it has experienced over the past 13 years. It includes milestones in changes in the national legal framework and is subdivided by the GEF replenishment periods; note that these periods coincide almost precisely with the terms of the country's various political administrations.

Some interesting observations based on an analysis of this time line follow.

- In each GEF replenishment period, Costa Rica has executed at least one FSP with a budget exceeding \$7 million.

**Figure 4.3**

**Time line for activities supported by the GEF in Costa Rica**



**Notes:** All project budgets include PDF funds. Project spans indicated in gray are in execution; those in black have been completed.

● In its early years, the GEF primarily supported biodiversity conservation. Beginning in GEF-2, the portfolio began to diversify, funding proj-

ects in climate change, biodiversity use, and payment for environmental services, among others.

- Resources provided through the SGP show a marked and steady increase in each subsequent GEF replenishment period.
- The greatest legal activity in environmental matters in Costa Rica took place between 1994 and 1998, during GEF-1.

## 4.4 Evolution of GEF Funding to Costa Rica

Table 4.6 shows the evolution of GEF funding to Costa Rica for various modalities over the course of the GEF's replenishment periods. From these data, it can be seen that GEF support to Costa Rica has remained relatively constant since the

GEF's initial establishment. The importance of the regional programs in which Costa Rica participates can also be seen, although the proportion of those amounts used in the country has not been calculated.

### Cofunding of GEF Projects

Table 4.7 shows the average ratio of cofunding to GEF support by phase. Because the cofunding data are taken from project documents prepared for Council approval before project start-up, actual cofunding during implementation or at completion may have been more or less than estimated. In the absence of actual cofunding data, however, these estimates were used in this analysis.

**Table 4.6**

#### GEF funds provided to Costa Rica by replenishment period, focal area, and IA, as of December 2005

Project	Pilot phase	GEF-1	GEF-2	GEF-3	Pipeline	Total
National	11.30	7.48	9.83	3.15 13.15 <sup>a</sup>	23.54 13.54 <sup>a</sup>	55.30
<b>By focal area</b>						
Biodiversity	8.00	7.48	9.83	–	20.06 10.06 <sup>a</sup>	45.37
Climate change	3.30	–	–	1.50	2.50	7.30
Land degradation	–	–	–	–	0.98	0.98
Multifocal	–	–	–	0.20	–	0.20
POPs	–	–	–	0.45	–	0.45
SGP	0.09	0.71	1.27	3.01	–	5.08
<b>By IA</b>						
World Bank	3.30	7.28	9.08	–	10.00 0.00 <sup>a</sup>	29.66
UNDP	8.00	0.20	0.75	2.70	13.51	25.16
UNEP	–	–	–	0.45	–	0.45
Regional	–	14.87	22.53	29.48	29.14	96.02
Global	8.70	–	5.53	1.00	3.35	18.58
Cofunding	28.00	13.08	54.71	3.26 73.26 <sup>a</sup>	124.95 54.92 <sup>a</sup>	224.01

**Notes:** The GEF Council approval date was used rather than the effectiveness date when assigning a project to a GEF phase. Details may not sum to totals because of rounding.

- In the first quarter of 2006, a \$10 million project in the biodiversity focal area—the Generalization of Payment for Environmental Services—was endorsed by the GEF Chief Executive Officer. The project came on line too late to be included in this evaluation, but its inclusion in GEF-3 is indicated in this table.

**Table 4.7****Cofunding/GEF contribution ratio by replenishment period**

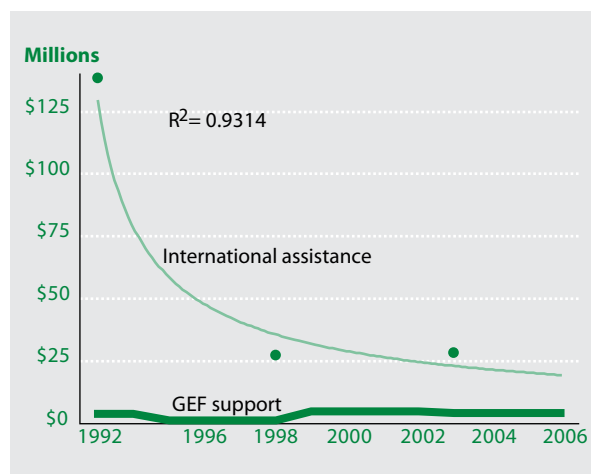
GEF replenishment period	Ratio
Pilot phase	2.48
GEF-1	1.75
GEF-2	5.57
GEF-3	5.31
Average	3.78

The average cofunding/GEF contribution ratios for GEF-2 and GEF-3 are very similar to each other and significantly higher than the ratio for GEF-1. The average ratio for all phases (3.78) is quite close to the global average estimated in the GEF's 2003 Annual Performance Report (4).

### Changes in International Cooperation Assistance to Costa Rica

Figure 4.4 shows changes in international cooperation assistance to Costa Rica over the period of GEF operations, as well as changes in GEF financial support over that same period. Neither regional nor global projects are taken into account. The Generalization of Payment for Environmental Services in Costa Rica project is included in this set of GEF financial support data.

International assistance to Costa Rica has declined dramatically in recent years. A significant drop is noted in the decade between 1992 and 2002. However, GEF financial support was increased during that period, reaching a relatively stable level in recent years (ranging from \$4.13 million to \$4.78 million annually between 1999 and 2006). Note that the data on international assistance to Costa Rica presented here (the actual amounts are represented as dots in the graph; the curve represents an approximation of the assistance given) are aggregated data for all assistance received by the country, not just funding support for the envi-

**Figure 4.4****Changes in international assistance to development in Costa Rica and in GEF support**

Note: No data are available for 1993.

ronmental agenda. GEF financial support is of course limited to environmental issues.

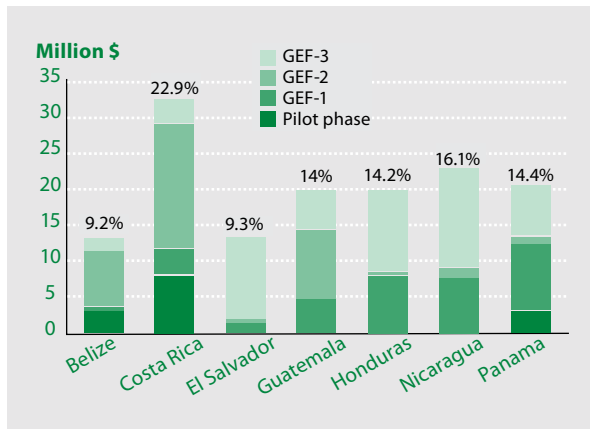
The data indicate that the importance of GEF support in Costa Rica is increasing and that the role this support plays in implementing the national environmental agenda is becoming increasingly strategic.

### Evolution of GEF Support to Costa Rica Compared to Other Central American Countries

Figure 4.5 shows the pattern of GEF support, excluding SGP funds, to various Central American countries (including Costa Rica) over time. Costa Rica is the Central American country that has received the most support from the GEF (22.9 percent of funds provided to Central America); as already stated, this support has been relatively constant over the last 13 years. Nicaragua receives the second largest share of GEF funds (16.1 percent); followed by Panama (14.4 percent), Honduras (14.2 percent), and Guatemala (14 percent), which receive almost identical shares; and finally by El Salvador (9.3 percent) and Belize

**Figure 4.5**

**Changes in GEF support to Central American countries**



**Note:** Does not include SGP funds allocated to these countries.

(9.2 percent). GEF support to these other Central American countries has been irregular or almost

completely absent during some GEF replenishment periods, particularly GEF-1 and GEF-2.

**Notes**

1. There are many sources of support and funding for the environmental sector in Costa Rica. However, the analysis presented in this chapter is limited to support provided by the GEF and its cofunders.
2. In the late 1990s and early 2000s, a number of countries, including Costa Rica, developed guide strategies and programs for GEF intervention at the national level. None of those initiatives were formalized or approved by the GEF Council or the GEF Secretariat.
3. The IDB executed the Tejona project but did so through the World Bank, since at that time the IDB was not one of the GEF's ExAs. The IDB was recently added to the list of ExAs, but its national projects in Costa Rica are still in the development phase.

## 5. Results of GEF Support to Costa Rica

This chapter reviews the results, in terms of outcomes and impacts, of the various projects undertaken in Costa Rica with GEF support. To assess whether the projects have helped advance the policy debate in the country, the origins of these projects are also reviewed. Results were measured using the following parameters:

- Global environmental impacts
- Catalytic and replication effects
- Institutional sustainability and capacity building

Information on results was compiled from interviews and final project evaluations which focused mostly on presenting results at the outcome level but provided limited information on impacts, suggesting that the existing documentation may not be an efficient tool for identifying and evaluating project impacts.

### 5.1 Global Environmental Impacts

GEF support has achieved impacts in several biodiversity areas. GEF support to the critical ecoregion of the La Osa and La Amistad Protected Areas, one of the last stands of Pacific Coast rainforest, has assisted in its conservation. GEF support to INBIO has significantly expanded its body of knowledge concerning species in ecoregions throughout the country. The Ecomarkets project has markedly increased the areas participating in the environmental services payments program and has helped reclaim forest cover; the initiative

now extends over 5 percent of the country's land surface, outside protected areas. The community-based rural tourism program supported by the Small Grants Programme has helped reforest more than 1,000 hectares along biological corridors and conserved over 15,000 hectares of privately held forests.

In the area of climate change, the Tejona Wind Power project has had an impact that cannot be measured solely in terms of carbon dioxide emissions avoided. New wind energy facilities owned by other utilities have tripled the installed capacity and are now supplying up to 6 percent of the country's energy needs. The SGP has helped more than 400 households switch to biogas.

### 5.2 Catalytic and Replication Effects

GEF-supported activities have been replicated by other donor and government programs. INBIO's taxonomy and bio-prospecting work, for example, has been adapted for use abroad. The lessons learned on infrastructure development for the La Osa and La Amistad Protected Areas have helped set standards for Costa Rica's entire system of protected areas. And, as noted, Tejona's original 20-megawatt capacity has been tripled as utilities such as Compañía Nacional de Fuerza y Luz, Coopesantos, Empresa de Servicios Públicos de Heredia, and Coopeguanacaste have brought wind energy facilities of their own on stream.

The SGP has had an important effect on the community-based rural tourism that is a mainstay of Costa Rica's tourist industry—and the country's largest income earner. Several SGP projects have joined forces with rural stakeholders to set up a local tourism infrastructure, build their capacity, and organize local groups into associations with a view to promoting rural tourism and finding solutions to common issues.

While designed to comply with the requirements of the Stockholm Convention, enabling activities addressing persistent organic pollutants have also served as catalysts for application of the Basel and Rotterdam Conventions, thus helping merge key components of hazardous chemical management policy into a single process.

### 5.3 Institutional Sustainability and Capacity Building

Key outcomes of the support to INBIO by the GEF and the governments of the Netherlands and Norway include this institution's new standing as an internationally recognized biodiversity research organization as well as its financial stability. The financial sustainability of INBIO has improved as

demonstrated by the decrease of INBIO's financial needs from external projects to finance its recurring costs.

The SGP has strengthened institutional sustainability and capacity building in a significant number of local and national organizations concerned with organic farming, community-based rural tourism, and other environmentally related issues.

GEF support has also contributed to the institutional development of community-based NGOs such as the Biomass Users Network-Central America. This network first collaborated with the GEF as an SGP recipient, then progressed to conducting medium-size projects, and is now executing a full-size energy efficiency regional project in the climate change focal area.

GEF and World Bank support have greatly enhanced national technical capacities, notably FONAFIFO's strengths in the area of environmental services payments.

### 5.4 Project Results

A summary of completed full-size GEF projects and relevant SGP projects appears in box 5.1.

#### Box 5.1

##### Origins and Outcomes of Completed GEF-Supported Activities in Costa Rica

###### *Tejona Wind Power*

Following a dramatic increase in world oil prices that hit Costa Rica hard in the mid-1970s, the Costa Rican Electricity Institute (ICE) set out to consider various renewable energy options. These included wind energy generation in Lago Arenal, an area of the northern Central Volcanic Mountain Range noted for strong, constant winds. ICE's first step was to set up wind-gauging stations in several parts of the country. These soon confirmed the region's enormous wind power generation potential, estimated to surpass that of California's well-known wind farms. By 1989, ICE was ready to seek assistance for a pilot site in Tejona. Based on the encouraging results of a prefeasibility study conducted in 1990 with funding from the U.S. Agency for International Development, ICE secured World Bank and IDB support for a GEF project to complement the main IDB investment in a pilot wind energy plant at Tejona. For a number of reasons, IDB funding was later replaced by a Clean Development Mechanism Joint Implementation grant from the Netherlands.

The Tejona pilot project paved the way for wind energy generation in Costa Rica. It provided a valuable opportunity to conduct trials, train local technicians, and determine cost and revenue streams with some precision. It also addressed critical issues such



as how to connect with a national power grid fed from a variety of hydroelectric, thermoelectric, geothermal, and other sources. Following on Tejona's successes, utilities such as the Compañía Nacional de Fuerza y Luz, Coopesantos, Empresa de Servicios Públicos de Heredia, and Coopeguanacaste have commissioned wind energy facilities that have tripled the country's installed capacity. Today, 6 percent of Costa Rica's energy needs are supplied by wind power; the expected ceiling is 15 percent.

### ***Biodiversity Resources Development***

Costa Rica began establishing protected areas in the second half of the last century. In 1986, protected areas were transferred to the jurisdiction of the new Ministry of Natural Resources, Energy, and Mines (MIRENEM), thus giving new momentum to biodiversity issues in Costa Rica. The not-for-profit INBIO was created in 1989 with a mandate to assemble a national biodiversity inventory, manage collections of flora and fauna, and provide effective public access to biodiversity-related information. INBIO proceeded to take an inventory of biodiversity in protected areas under sole or joint MIRENEM administration. This undertaking led to the GEF proposal, which dovetailed with Netherlands and Norway support and eventually resulted in the Joint Biodiversity Resource Programme.

In addition to the project objectives attained, key outcomes are INBIO's current standing as an internationally recognized biodiversity research institution and its financial stability. The share of INBIO needs financed from own sources rose from 20 percent in 1998 to 70 percent in 2006, effectively keeping its budget at project execution levels. The project was also instrumental in helping INBIO greatly increase its body of knowledge concerning the Seasonal, Pacific Coast, and Talamanca rainforests, the first two of which are currently listed as in critical or endangered condition.

### ***Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas***

This project also originated in the protected areas established in the 1970s and 1980s and their subsequent transfer to MIRENEM jurisdiction. Funding was needed to protect these areas against deforestation, mining, hunting, and other threats arising from the prevailing unawareness of their value. The debt-for-nature swap mechanism provided a successful start. MIRENEM then organized conservation areas into clusters, the forerunners of today's National System of Protected Areas. MIRENEM and then MINAE set out to enlist support for these clusters. They succeeded in involving support from Canada in Arenal, the U.S. Agency for International Development in the Central Volcanic Mountain Range, and the European Union in Tortuguero. They also requested and received GEF support for the La Osa and La Amistad Protected Areas.

While project outcomes have been local in nature, the area involved is a key section of a critical ecoregion and, as such, is of high global importance. Project outcomes include a consolidated MINAE/SINAC presence in the region and effective conservation of area resources facing a severe threat from deforestation and gold mining. These outcomes have translated into renewed interest from conservation groups and a proliferation of conservation efforts in the area.

### ***Ecomarkets***

As protected areas were being established in the 1970s and 1980s, vast tracts of Costa Rican forest were being cleared for cattle ranching and, to a lesser extent, farming. In 1979, a Forestry Law sought to address these issues by providing incentives for reforestation. In 1996 a new Forestry Law (Law 7575) built upon this scheme. Formally recognizing that forests provide four types of environmental services—carbon sequestration, hydrological services, biodiversity conservation, and scenic beauty—the law established a mechanism to compensate forest owners for the provision of these services. Payments were funded by a 3.5 percent tax on gasoline, the sale of certified tradable offsets, and other methods. The initial success of this mechanism led to a request for a World Bank loan and a GEF project grant. The GEF-financed Ecomarkets project was launched in 2001.

Together, the GEF grant and World Bank loan helped to significantly enlarge forest areas earning environmental services payments as well as achieve sustained replenishment of the forest cover, as a result of both payments and a concurrent fall in cattle ranching and farming profits. The vast land surface involved in the program (over 250,000 hectares, or 5 percent of the country's entire land surface, not including protected areas) turned Costa Rica into a conservation world leader and attracted much interest from countries looking to implement similar mechanisms. As domestic demand remains higher than the system can accommodate, new options—including a water use tax and several innovative scenic beauty schemes—continue to be explored. Adoption of these initiatives and a GEF project associated with a new World Bank loan are expected to provide greater system stability and significantly increase awareness of environmental costs throughout Costa Rica.

## 6. Relevance of GEF Support to Costa Rica

This chapter reviews the relevance of GEF support in Costa Rica in the context of both the country's and GEF's goals and priorities. The evaluation asked, and this chapter summarizes its findings about, the following:

- Is GEF support within the country's sustainable development agenda and environmental priorities?
- Does GEF support have country ownership and is it country driven?
- What is the level of GEF funding compared to other official development assistance in the environment sector?
- Does GEF support help development needs (technology transfer, income generation, capacity building) and reduce challenges (gaps in capacity building)?
- Are the different GEF modalities and project components and instruments (FSPs, MSPs, enabling activities, small grants, and so on) pertinent to the country's needs and challenges?
- Is GEF support linked to Costa Rica's National Biodiversity Strategic Action Plan, National Communication to the UNFCCC, National Implementation Plan on POPs, and National Capacity Self-Assessment for Global Environmental Management?
- Are project outcomes and impacts related to the RAF Global Benefit Indexes for Biodiversity and Climate Change and to other global indicators for POPs, land degradation, and international waters?
- Do GEF activities, country commitments, and project counterparts support the GEF mandate and focal area programs and strategies?

### 6.1 Relevance to Country's Sustainable Development Agenda and Environmental Priorities

#### Relevance to Country Agenda and Priorities

Relevance of GEF support to Costa Rica's development agenda was evaluated on the basis of the appropriateness of the project development process and project results relative to national development plans. This section provides a summary of this evaluation; for more detail, see annex I.

The results generally indicate that, as shown in chapter 5, GEF support to Costa Rica has had a significant biodiversity focus (69 percent of all support). This is aligned with Costa Rica's development agenda (as stated in national development plans since 1994), where environmental issues have consistently ranked among the four or five topmost priorities. Biodiversity has always ranked

in the first sublevel. In the 2002–06 NDP, biodiversity was included alongside climate, energy, institutional development, environmental education, environmental rights, and economic valuation issues as key aspects of the national development agenda.

A review of biodiversity activities shows that GEF support has closely tracked country progress in this area. The GEF has provided support for important components of the National System of Protected Areas, improving knowledge of biodiversity, and innovative conservation funding mechanisms such as payments for environmental services.

GEF support in other areas has been less relevant. On climate change, the current NDP focuses on vulnerability and power generation from renewable resources.<sup>1</sup> The GEF has supported the latter but not the former. While it could be argued that vulnerability only became an explicit part of the GEF agenda in 2004, it could also be argued that the GEF has supported this topic as part of projects in other areas of the world.

Available data for Costa Rica indicate that the leading source of carbon dioxide emissions is internal transportation. Should future GEF support focus on this issue and on vulnerability to climate change, it would require a substantial shift from the current focus on wind power generation and electrification, in a context where Costa Rica's power sources remain decidedly green (that is, hydroelectric).

With respect to international waters, a regional project with Nicaragua involving the San Juan River is nearing completion, and a second regional project with Panama involving the Sixaola River is in preparation. Thus, the GEF is supporting activities in both of the country's most important international river basins.

Marine areas were a priority in the first two NDPs (1994–2002), although they are not in the current NDP. However, marine areas apparently have not been selected for GEF funding, and MINAE has begun talks with Ecuador and Panama to establish marine corridors along the Pacific Coast.

In other focal areas, the GEF is supporting enabling activities (POPs) or projects that are in the planning stages (land degradation). The National Implementation Plan on POPs, supported by an enabling activity, is having a significant impact on sector standing within government structures.

GEF support through the SGP has been highly relevant to consolidation of the national sustainable development agenda, especially with regard to local organizations and synergies with full- and medium-size GEF-supported projects. SGP support for community-based rural tourism, for example, has helped this type of tourism rise to fourth place of importance within the industry. The SGP has also supported the National Organic Farming Awareness Strategy, the drafting of related proposed legislation, and the creation of a network of organic farming stakeholders.

### **Country Base and Ownership**

Chapter 5 reviewed the origins and results of FSPs supported by the GEF in Costa Rica. This assessment clearly shows that these projects have originated within the country and are fully locally owned, and that they implement national priorities that align with GEF priorities.

In all cases, GEF projects have provided an opportunity to implement or build on pre-existing initiatives originating in-country as national ideas and experiences evolve. While IAs have helped improve certain operational aspects and assisted in making adjustments whenever necessary, leadership has remained in local hands. Much of the credit goes to a modern, adequate legal frame-

work, a stable civil service, and efficient coordination of political and legal issues.

### **GEF and Other Official Development Assistance**

GEF support through the 1990s was overshadowed by official development assistance from the Netherlands, Sweden, Norway, and the United States, among others. More recently, the end of armed conflict in the region and of the Cold War in general, as well as a renewed focus on poverty (exemplified by the Millennium Development Goals approved at the 2002 Johannesburg Summit) have made GEF support more important (see chapter 4).

GEF-supported projects have also been instrumental in helping secure bilateral and multilateral funding, as demonstrated by World Bank and IDB loans linked to GEF projects in the same areas.

In Costa Rica, the shift in official development assistance flows has created new opportunities for involvement in environmental issues by international NGOs such as the Nature Conservancy, Conservation International, the World Wildlife Fund, and the World Conservation Union. However, while their contribution (not estimated for this report) is growing, it has yet to compensate for the decline in official development assistance.

## **6.2 Relevance to Country's Development Needs and Challenges**

### **Development Needs**

All GEF projects have capacity-building and technology transfer (when necessary) components built in. The desk review and interview process did not detect implementation issues in this regard.

Some criticism was expressed about the role of outside consultants in local communities: while using consultants can help expedite compliance with requirements, this method fails to build local

capacities, as consultants essentially collect data and then provide a finished product.

### **Modalities of Support**

Consistency of GEF modalities of support with country needs is best evidenced by the extent of use. In Costa Rica, all existing GEF modalities except PDF block C grants have been used, often more than once. This reflects well on the capacity of Costa Rica's institutions and organizations, the stability of its civil service, and its commitment to exploring and using available options to build on and advance its environmental agenda.

The availability of PDF funding (blocks A and B) is highly valued, as this funding makes it possible to devote the time and resources needed to achieve a thorough understanding of the issues and modalities of intervention.

The improvement in project quality over the various GEF replenishment periods is noteworthy. Newer projects are more precise, better defined, more realistic, and easier to evaluate. Obviously, better projects require a more significant investment of time and money, which further highlights the relevance of funding.

The role played by the Small Grants Programme should be noted. The SGP provides local NGOs and community groups with transparent access to GEF support, based on processes and requirements specifically targeted to them. Local activities can thus become part of larger, more comprehensive undertakings aimed at obtaining global environmental benefits.

## **6.3 Relevance to National Action Plans within GEF Focal Areas**

### **National Biodiversity Strategic Action Plan**

The National Biodiversity Strategic Action Plan was completed in 1998. All subsequent GEF-supported

biodiversity projects (Biodiversity Resources Development, Ecomarkets, Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor, Biodiversity Conservation in Cacao Agro-forestry, and Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area, as well as projects currently under way) are priorities in the action plan. The GEF Programmatic Framework for Biodiversity (2000) is also based on these priorities. Not all priorities in this framework have received GEF support.

### **Communications to the UNFCCC**

The Second National Communication to the UNFCCC process led to the development of the Costa Rica greenhouse gas emissions inventory and to identification of the steps needed to implement the convention. This activity concluded in 2005.

### **National Implementation Plan for the Stockholm Convention on POPs**

This process began in 2005 and has not yet concluded. As a result, no projects have yet been developed for GEF consideration. However, the plan development process has been instrumental as a framework for interconnecting actions under the Stockholm, Basel, and Rotterdam Conventions. Plans to institutionalize this framework include setting up a MINAE technical office and convening an intersectoral, interagency commission to address the chemical agenda, which remains a clear concern to many in both the public and private sectors.

### **National Capacity Self-Assessment for Global Environmental Management**

This very recent process remains under way and has not yet produced any GEF project proposals. A key expected product is a proposal to restructure the mechanism in which the GEF focal point functions in Costa Rica.

## **6.4 Relevance to Global Environmental Indicators**

The GEF does not have standardized indicators to measure global environmental benefits. The lack of such indicators has constrained past evaluations, as noted in focal area studies conducted by the Evaluation Office in 2001 and 2004.<sup>2</sup>

Nevertheless, it was decided that this evaluation would explore the relevance of the portfolio to the global environmental agenda. Since all projects are indeed relevant to a GEF area—a basic condition for their approval—the evaluation attempted to go beyond the merely obvious. To this end, the evaluation used the implicit RAF criteria for biodiversity and climate change (briefly presented below) as potential environmental indicators. The evaluation took into account the fact that, because these criteria were adopted after completion of the projects under review, the projects were not designed in accordance with the criteria.

### **Biodiversity**

The GEF Benefits Index for Biodiversity allows the GEF to make “maximum possible use of the available, scientifically reliable information for a cross-country assessment of terrestrial and marine biodiversity” (GEF 2005d). For purposes of applying the index, the world’s land area is divided into 867 terrestrial ecoregions (as per the World Wildlife Fund’s map), for each of which a biodiversity index is compiled based on

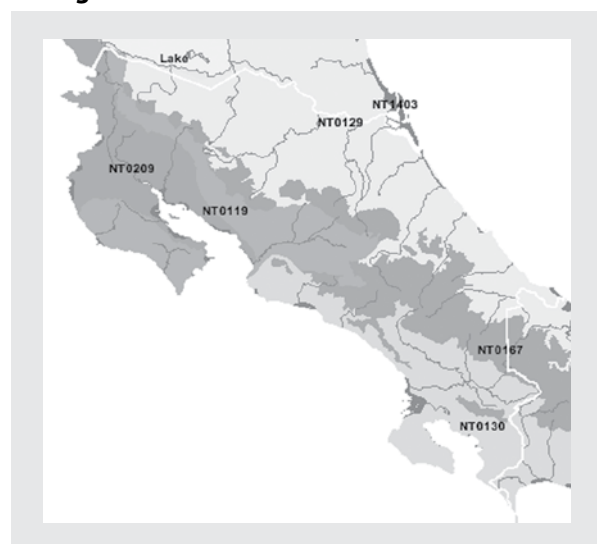
- represented species,
- threatened species,
- represented ecoregions,
- threatened ecoregions.

The biodiversity index for marine ecoregions is created by the represented species (rather than by the threatened, as in terrestrial ecoregions).

Costa Rica has eight terrestrial ecoregions. Each has a corresponding threat level, as shown in figure 6.1. Correlating these ecoregions to the locations of GEF-supported activities in Costa Rica shows that projects specifically address two of three critical/endangered ecoregions, and one of three vulnerable ecoregions (see table 6.1).

**Figure 6.1**

**Ecoregions of Costa Rica**



**Source:** World Wildlife Fund.

**Notes:** “NT” in the ecoregion designations refers to “neotropical.” Names and threat levels for the ecoregions are provided in table 6.1.

Because three additional GEF initiatives were countrywide in scope—National Biodiversity Strategy and Action Plan, Ecomarkets, and the SGP—GEF action on biodiversity has thus focused on all represented ecoregions in Costa Rica, with a reasonable emphasis placed on those facing threats.

This cursory review shows that the GEF agenda in Costa Rica has, to some extent, focused on stable or intact ecoregions (such as the Cocos Island rainforest) over critical or endangered ecoregions (such as the Seasonal Rainforest). Further consideration of these issues may help both Costa Rica and the GEF improve Costa Rica’s contribution to global environmental benefits.

**Climate Change**

The GEF Benefits Index for Climate Change “provides a relative ranking of countries” in meeting the GEF’s RAF climate change objectives (GEF 2005e). The index is derived from the following indicators:

- Greenhouse gas emissions in 2000 from fossil fuels, cement production, and other sources

**Table 6.1**

**GEF-supported activities and key ecoregions of Costa Rica**

Ecoregion	Threat level	GEF project
NT 0209 Central American Dry Forest	Critical/Endangered	Biodiversity Resources Development
NT 0119 Costa Rica Seasonal Rainforest	Critical/Endangered	
NT 0130 Pacific Coast Rainforest	Critical/Endangered	Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas
NT 0129 Atlantic Coast Rainforest	Vulnerable	Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor Biodiversity Conservation in Cacao Agro-forestry
NT 1403 Bahamian Mangroves	Vulnerable	
NT 1407 Bocas del Toro – San Blas Mangroves	Vulnerable	
NT 0116 Cocos Island Rainforest	Stable/Intact	Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area
NT 0167 Talamanca Rainforest	Stable/Intact	

(emissions from changes in land use are not considered).

- Carbon intensity adjustment factor—carbon intensity is the amount of carbon equivalent emitted per unit of economic activity (kilograms carbon/\$1 gross domestic product); the adjustment factor is the ratio of carbon intensity in 1990 to carbon intensity in 2000. The adjustment factor is multiplied by the level of the above emissions. This seeks to reward countries that have reduced carbon intensity levels through energy efficiency or increased use of renewable energy sources.

The Costa Rica projects reviewed both focus on electricity generation using renewable sources (wind and solar power) and thus help reduce carbon emissions and carbon intensity. Consequently, they are clearly aligned with the RAF climate change index.

## 6.5 Relevance of the GEF Portfolio to Other Global and National Organizations

GEF-supported projects in Costa Rica were not developed or executed in isolation. In fact, most

are part of larger undertakings, with some supplementing a larger effort, and others complemented and given continuity by smaller projects (see table 6.2).

With respect to catalytic and replication effects, special mention should be made of the global standing achieved by the payment for environmental services scheme (the Ecomarkets project) funded in part by the GEF, which has effectively turned Costa Rica into a world leader in this field. Representatives of numerous public, private, and civil society groups from around the globe continue to visit Costa Rica to learn more about the system. Many of the lessons learned in this process are being adapted or replicated by similar initiatives currently under implementation abroad.

### Notes

1. The NDP does not, however, make specific mention of carbon dioxide emissions. This may be because the NDP predates the completion of the greenhouse gases inventory (Second Communication to the United Nations Framework Convention on Climate Change UNFCCC, supported by the GEF).
2. See, for example, GEF Evaluation Office (2004a, 2004b, 2004c).

**Table 6.2**

**GEF-supported projects relative to other national and international support**

Project	Status and size	Other national and international support
Tejona Wind Power	Completed FSP	<ul style="list-style-type: none"> <li>• Cofinanced by a \$4.5 million Joint Implementation Pilot Program grant from NV EDON Group of the Netherlands</li> <li>• New facilities brought on stream by Compañía Nacional de Fuerza y Luz, Coopesantos, Empresa de Servicios Públicos de Heredia, and Coopeguanacaste have increased the installed capacity threefold</li> <li>• Wind power currently supplies 6 percent of Costa Rica's energy needs out of the 15 percent expected ceiling</li> </ul>
Biodiversity Resources Development	Completed FSP	<ul style="list-style-type: none"> <li>• Part of the Joint Biodiversity Resources Programme cofinanced by the Netherlands and Norway, tripling GEF support</li> <li>• INBIO, the executing agency, is now essentially self-sustaining and recognized as an international leader in the field</li> </ul>
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	Completed FSP	<ul style="list-style-type: none"> <li>• SINAC maintains activities in the protected areas to this day</li> <li>• FONAFIFO has several payment for environmental services projects in this area</li> <li>• Conservation agencies such as the Nature Conservancy have significant programs in the La Osa area</li> </ul>
Ecomarkets	Completed FSP	<ul style="list-style-type: none"> <li>• Cofinanced by Costa Rica with a World Bank loan which helped increase investment in the project sixfold</li> <li>• Activities are also currently cofinanced by a 3.5 percent levy on gasoline, the sale of carbon bonds, and other revenues</li> </ul>
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	Completed MSP	<ul style="list-style-type: none"> <li>• Project activities were given continuity by SINAC and the Talamanca-Caribe Biological Corridor Association, which executes projects funded by various sources</li> <li>• The French GEF and the Nature Conservancy are also active in the area</li> </ul>
Biodiversity Conservation in Cacao Agro-forestry	Completed MSP	<ul style="list-style-type: none"> <li>• Project activities continue under a Tropical Agriculture Research and Higher Education Center program with JICA (Japan development agency) support</li> <li>• An IDB-GEF regional project on natural resource management by indigenous communities is also being executed in the area</li> </ul>
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1	Ongoing FSP	<ul style="list-style-type: none"> <li>• Matching funds from ICE and MINAE</li> <li>• ICE is the national power generator and distributor, and is expected to continue providing support and services from renewable sources</li> </ul>
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	Ongoing MSP	<ul style="list-style-type: none"> <li>• SINAC (using public funds earmarked for the Cocos Island Conservation Area) and the French GEF are the main cofinancing sources</li> </ul>



## 7. Efficiency of GEF-Supported Activities in Costa Rica

This chapter reviews the efficiency of GEF-supported activities in Costa Rica as per the following indicators:

- Time, effort, and money needed to develop and implement a project, by type of GEF support modality
- Roles and responsibilities among different stakeholders in project implementation
- The GEF focal point mechanism in Costa Rica
- Lessons learned across GEF projects
- Synergies among GEF stakeholders and projects

Consistent with the findings of other GEF Evaluation Office reviews, the foremost issue facing this type of analysis was the absence of baseline project information, particularly Activity Cycle details. This type of information has yet to be properly compiled and systematized.

In most cases, dating the different Activity Cycle phases required a perusal of original project documents—including ProDoc, GEF Chief Executive Officer (CEO) endorsement letters, GEF Secretariat emails, GEF CEO correspondence, final evaluations, and project implementation reviews (PIRs). Furthermore, IA and Secretariat data are often mutually inconsistent, making for a significant information gap. Not surprisingly, most local

executors interviewed regarded these gaps in documentation as critical issues.

### 7.1 Time, Effort, and Money Needed to Develop and Implement a Project, by GEF Support Modality

The evaluation looked at the following indicators to assess these issues:

- Project processing timing (according to Activity Cycle phases)
- GEF Activity Cycle phases in Costa Rica
- Actual project completion dates

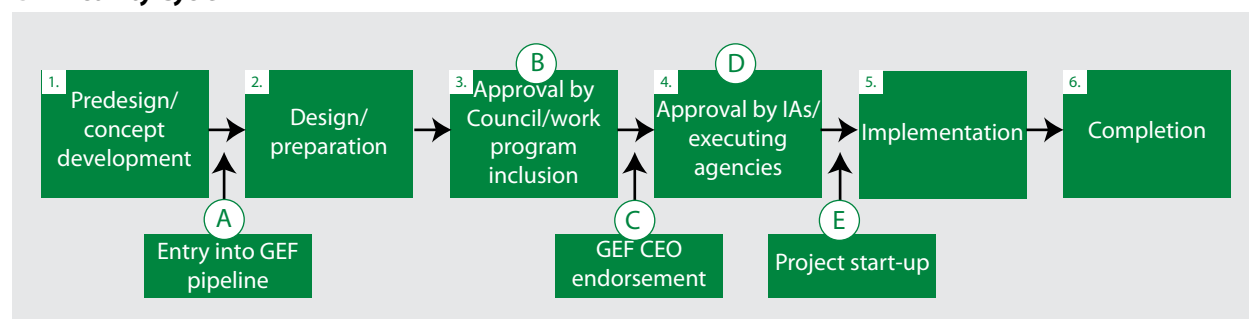
#### The GEF Activity Cycle

To most local executors interviewed, the GEF project approval process—and the Activity Cycle in general—remains confusing. While IA/ExA staff have a better understanding of its workings, the process is not fully self-evident even to some of them. One of the criticisms most often heard is the long-drawn-out nature of the Activity Cycle. It is perceived as a complex process where there is limited knowledge about the expected or actual timing of each phase or the factors that prolong their duration.

Figure 7.1 shows all phases of the GEF Activity Cycle, from preparation of proposals through to implementation and completion.

Figure 7.1

GEF Activity Cycle



GEF Activity Cycle Duration in Costa Rica

Table 7.1 was prepared on the basis of the flow shown in figure 7.1 and the baseline information obtained from project documents. The table estimates the duration in days of some phases in the projects reviewed.

The lack of information (green cells) is evident. As Activity Cycle and approval procedures have varied through the life of the GEF and are different for each IA, many phases do not apply to all projects, especially the early ones. (For example, the pipeline or CEO endorsement mechanisms have

Table 7.1

Duration of Activity Cycle phases in GEF-supported activities in Costa Rica (days)

Project	Project phases					
	A→B	B→C	C→D	D→E	B→E	A→E
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1	328	721	7	NA	728	1,056
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	NA			NA	548	NA
Biodiversity Resources Development	NA	360	7	133	500	NA
Ecomarkets	NA	169	19	315	503	NA
Tejona Wind Power	NA			436	1,088	NA
<b>Average, all FSPs</b>	<b>328</b>	<b>417</b>	<b>11</b>	<b>295</b>	<b>673</b>	<b>1,056</b>
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	NA	NA			NA	345
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	266	NA		NA	175	441
Biodiversity Conservation in Cacao Agro-forestry	106	NA	13	6	20	126
Average, all MSPs	186	NA	13	6	98	304
National Biodiversity Strategy and Action Plan	36	1	132		133	169
Second National Communication to the UNFCCC	179	3				
National Capacity Self-Assessment for Global Environmental Management	18	1				
Enabling Activities for the Stockholm Convention on POPs: National Implementation Plan for Costa Rica	10	1	58		59	69
<b>Average, all enabling activities</b>	<b>61</b>	<b>1.5</b>	<b>95</b>		<b>96</b>	<b>119</b>

Notes: NA: not applicable; shaded cells indicate that there is no information available.

not been in formal existence since the inception of the GEF; in the case of UNDP, for example, phases D and E are the same).

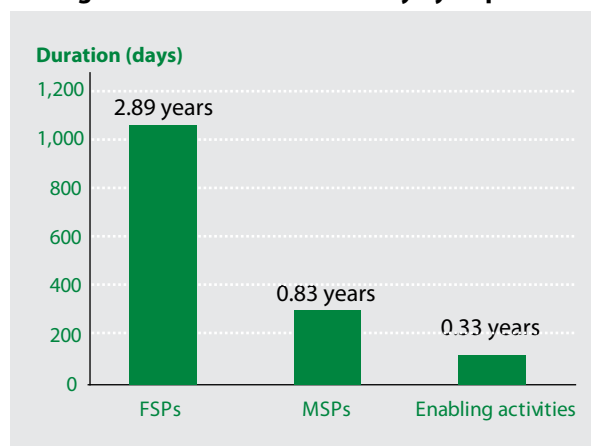
As shown in table 7.1, phase duration is highly variable. For any given modality of GEF support—MSPs, for example—the coefficient of variation on the interval from point A to point E is 55 percent. For enabling activities, the coefficient of variation on the interval from point A to point B is 131 percent. In some cases, this coefficient for the entire data set is as high as 164 percent. Given the limited number of projects reviewed and the unique nature of the planning, preparation, and development processes, no clear trends about the duration of the various phases of the GEF Activity Cycle can be said to have emerged from these data. Nevertheless, certain observations can be made. Predictably, the table shows that the preparation stage (from entry into pipeline to start-up) is clearly longer (by about three years) for FSPs than for MSPs, which is in turn longer than for enabling activities. This is clearly evident when charting the average interval (in years) from points A to E of the GEF Activity Cycle for each modality of GEF support (see figure 7.2).

In conclusion, the length of the development and negotiation stage varies widely among the projects reviewed, and the data collected show no evidence of particularly protracted phases or process bottlenecks. A comprehensive Joint Evaluation on the GEF Activity Cycle and Modalities recently conducted by the Evaluation Office and other evaluation offices from IAs/ExAs may answer lingering questions and concerns in this respect.

It should be noted that the Activity Cycle and intervals herein refer exclusively to the GEF process. The duration of the pre-pipeline phase was not reviewed because no adequate baseline information was available. In addition, many projects reviewed in this evaluation were prepared during

**Figure 7.2**

**Average duration between Activity Cycle phases**



the initial GEF replenishment periods, when PDF grants were not available and project cycles were not necessarily alike.

The variability of Activity Cycle phases seems to stem from the peculiarities of each case, including protracted discussions between executors and IA/ExAs, technical debates among stakeholders, and conflicts with fiscal public regulators in Costa Rica.

To address the issue of prolonged GEF project cycles, several people interviewed proposed various options.

- **For NGOs:** Have reserve funds and be ready for a lengthy project preparation and negotiation process. Carefully weigh these factors before making a decision to turn to the GEF for funding.
- **For governmental organizations:** Take all reasonable steps to ensure that changes in the public sector do not affect project negotiations.
- **For the GEF Secretariat:** Recognize that a lengthy project process leads to proposals designed for one phase (for example, GEF-2) being submitted under another (for example,

GEF-3). As a result, proposals may be evaluated under GEF priorities that differ from those in effect at the time of project preparation. At present, such proposals are sent back to be reformulated and rewritten to conform to the new GEF priorities, adding several extra months—even years—to the preparation process.

- **For the GEF Secretariat and IA/ExAs:** High staff turnover and the absence of standards and procedures lead to most project proposals being reviewed by two or sometimes three IA, ExA, and GEF Secretariat staff members. This causes two types of problems:
  - Different staff use different criteria.
  - Staff positions go unfilled for long periods, sometimes months, while proposals go unattended.

### Access to Procedural Information

Many of those interviewed expressed concern at the absence of information regarding (1) requirements, norms, and mechanisms of the GEF Activity Cycle; and (2) the progress of proposal reviews within the GEF Activity Cycle.

Information about the GEF Activity Cycle in general, and its workings and proposal tracking procedures in particular, were rated as poor, deficient, or nonexistent by most local executors interviewed. Evaluator experience bears out this perception.

In addition, project executors do not use the GEF Web site regularly. They perceive it as a confusing and user-unfriendly site that makes access to pertinent operating data a difficult proposition.

Several respondents identified poor information as a more critical issue than process duration in terms of affecting efficiency. Most agreed that not knowing what stage a proposal is in, which requirements or priorities are set by the GEF and which by IA/ExAs, and so on, is a leading source of frustration. The absence of a clear, publicly accessible proposal tracking mechanism is a critical shortcoming.

### Actual Project Completion Dates

Project executors have fewer issues with the implementation stage (block 5 in the GEF Activity Cycle as illustrated in figure 7.1) than with the planning and approval stages. In their view, once implementation norms and mechanisms are understood, following them is a straightforward matter. From the point of view of the public at large, however, information about project implementation remains confusing and hard to obtain.

Predictably, the projects and activities reviewed showed that the average length of the implementation stage varies for each modality of GEF support (see table 7.2).

**Table 7.2**

#### Average length of implementation stage by GEF support modality

GEF support modality	Average length (months)
FSP	50
MSP	40
Enabling activity	20

Table 7.3 presents an analysis of the difference between completion dates as expected at project start-up and actual dates, as reported in completion reports. Enabling activities were not assessed because of insufficient information.

**Table 7.3****Target and actual completion dates for GEF-supported activities in Costa Rica**

Project	Target completion date	Actual completion date	Difference
<b>FSPs</b>			
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1	October 12, 2006	Ongoing	This 24-month project effectively began in March 2006; expected difference: at least 15 months
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	June 1, 1996	July 1, 1998	25 months
Biodiversity Resources Development	June 30, 2005	December 31, 2005	6 months
Ecomarkets	June 30, 2006	Near completion	Expected to complete on schedule
Tejona Wind Power	November 24, 1999	July 1, 2002	32 months
<b>MSPs</b>			
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	March 31, 2008	Ongoing	Completion date moved to March 31, 2009; difference: at least 12 months
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	March 6, 2003	May 31, 2003	2.8 months
Biodiversity Conservation in Cacao Agro-forestry	February 21, 2004	February 28, 2004	7 days

## 7.2 Stakeholder Roles and Responsibilities in Project Implementation

Evaluation of these issues focused on the following:

- Who implements projects?
- Are stakeholder roles and responsibilities clear?
- How is coordination among projects handled?

### Who Implements Projects?

The leading IAs active in Costa Rica (UNDP and the World Bank) have implemented their respective GEF-supported activities in partnership with both governmental organizations and NGOs (see tables 7.4 and 7.5). Both types of organizations have implemented at least one project per modality of GEF support.

A majority (62 percent) of the GEF funds earmarked for Costa Rica have been allocated to eight governmental organizations. Activities implemented by NGOs (a total of four, plus the SGP) account for the remaining 38 percent. It is worth noting the distributive effect of the SGP, whose \$5.08 million in funding (14 percent of the total) is specifically targeted at civil society groups, mostly NGOs.

All NGO activities started implementation during GEF-1 or GEF-2; none were started during the pilot phase or GEF-3. The Costa Rican government's growing interest in GEF funds to support its own programs is a cause for concern in the NGO community, which fears that access to GEF support may become increasingly difficult as a result. In their view, the new Resource Allocation Framework will restrict NGO involvement with the GEF. They fear it will be practi-

**Table 7.4****GEF-supported activities in Costa Rica executed by governmental organizations**

Project	IA/ExA	Executor	Phase	Budget (millions)
Tejona Wind Power	World Bank	ICE	GEF-1	\$3.30
Ecomarkets	World Bank	FONAFIFO	GEF-2	\$8.30
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1	UNDP	ICE	GEF-3	\$1.15
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	UNDP	SINAC	Pilot	\$8.00
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	UNDP	SINAC	GEF-3	\$1.10
Second National Communication to the UNFCCC	UNDP	National Meteorological Institute	GEF-3	\$0.35
National Capacity Self-Assessment for Global Environmental Management	UNDP	MINAE	GEF-3	\$0.20
Enabling Activities for the Stockholm Convention on POPs: National Implementation Plan for Costa Rica	UNEP	Ministry of Health	GEF-3	\$0.45
<b>Total</b>				<b>\$22.85</b>

**Table 7.5****GEF-supported activities in Costa Rica executed by NGOs**

Project	IA/ExA	Executor	Phase	Budget (millions)
Biodiversity Resources Development	World Bank	INBIO	GEF-2	\$7.30
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	UNDP	Talamanca-Caribbean Biological Corridor Association	GEF-2	\$0.75
Biodiversity Conservation in Cacao Agro-forestry	World Bank	Tropical Agriculture Research and Higher Education Center	GEF-2	\$0.76
National Biodiversity Strategy and Action Plan	UNDP	INBIO	GEF-1	\$0.20
Small Grants Programme	UNDP	Various	Ongoing	\$5.08

cally impossible for national or regional NGOs to obtain access to national GEF support allocated through the RAE.

### Are Stakeholder Roles and Responsibilities Clear?

As noted, national executors do not consider the implementation stage to be problematic or contentious. The protracted, detailed, and often highly participatory process of project prepara-

tion helps stakeholders become well acquainted with each other and with project objectives and activities. As a result, implementation and coordination often proceed without any difficulties.

### How Is Coordination among Projects Handled?

IAs and ExAs each have their own particular way of implementing GEF projects in Costa Rica. Table 7.6 summarizes their respective strategies.

**Table 7.6****IA/ExA implementation strategies for GEF-supported activities**

IA/ExA	Implementation strategy
UNDP	Implements directly in coordination with local partners, mostly government agencies such as SINAC or MINAE or with NGOs
World Bank	Implements indirectly through arm's-length government agencies such as FONAFIFO or NGOs such as INBIO
UNEP	Implements indirectly through regional bodies such as the Organization of American States or government agencies such as MINAE
IDB	Implements indirectly through a variety of mechanisms, including government agencies, private firms, or consortiums formed by private firms, local counterparts, or others

The data gathered and the interviews conducted do not support the conclusion that one implementation strategy is more effective or efficient than another. All have advantages and disadvantages, and project executors had no special difficulties with any in particular.

### 7.3 The GEF Focal Point Mechanism in Costa Rica

In Costa Rica, the focal point function was initially performed by Fundecooperación, a not-for-profit civic foundation administering project funds under a bilateral sustainable development agreement with the Netherlands. During that period, the GEF focal point was advised by a committee of governmental organizations and NGOs.

In 1999, the Minister for the Environment transferred both the political and operational focal point functions to the MINAE director for international cooperation. As noted in chapter 3, while the GEF sets some basic guidelines for the focal point function, it refrains from mandating specific structures or mechanisms and leaves the final decision to each country. As a result, the focal

point mechanism may be a small committee, a large commission, a specific office, or—as in Costa Rica—a single individual. Although Costa Rica's current focal point structure is thus within GEF guidelines, many respondents regarded it as weak and not transparent for a country with a strong tradition of public participation. These remarks were not aimed at the individual in charge and referred only to the mechanism and method chosen by MINAE to discharge this function.

In the past, the GEF Council approved a support program for focal points that included an \$8,000 annual stipend toward the cost of coordination meetings, consultation workshops, translation, and other expenses. Costa Rica has not used these funds in recent years because of the high administrative and reporting costs involved in obtaining these funds through UNDP. In November 2005, the GEF Council approved a more substantial program of focal point support which will include, in addition to the above, the following assistance:

- Focal point training activities
- Additional funds for travel to meetings with Council members at least twice a year
- A new information support framework, including an Internet-based system of support
- Subregional consultation meetings with focal points from various countries

This program is to be administered by UNEP-GEF. Because this is a very recent initiative, people interviewed did not know about it.

Another type of GEF support to focal points includes informational email and the *Talking Points* newsletter, published about three times a year since 2001, on average. While the quality of information provided through these channels has improved significantly in the last year, the focal

point and the public remain without clear access to general GEF information or specific project details. The online GEF database is incomplete, information on many projects has critical gaps, and some documentation is incorrectly filed.

While the focal point in Costa Rica has performed its basic function according to GEF guidelines, it has done so with distinct weaknesses in the areas of public consultation and information flow. There is significant concern across national GEF stakeholders about the future operations of the focal point within the RAE, which will put the GEF focal point at the center of decision making for allocation of funds. Most respondents would like a participatory, transparent mechanism to review projects based on strategic priorities, thus removing the risk associated with the current first-come, first-served practices.

## 7.4 Lessons Learned across GEF Projects

In line with related findings in previous Evaluation Office reports (see, for example, GEF EO 2005b), Costa Rica exhibits serious weaknesses with regard to the systematization and management of information on GEF-supported activities.

Although some new projects have been able to benefit from lessons learned by past or current projects, this end has owed more to project staff initiative than to explicitly established mechanisms and processes.

Projects appear to make rather limited efforts to share results. This task is not a formal component of project documents and, with the exception of the Biodiversity Resources Development project and the SGP, there are no specific budget allocations for these tasks. In most projects, culling and sharing lessons learned seems to be the isolated

work of inspired individuals rather than the norm. Only the SGP has a number of evaluations and publications in this regard.

## 7.5 Synergies among GEF Stakeholders and Projects

Most IA/ExAs have a basic understanding and knowledge of each other's ongoing and future projects. The communication that exists among IA/ExA officials is mostly informal in nature and owes more to chance meetings at certain events than to explicit, formal, established processes or mechanisms.

Technical support among GEF projects implemented by different Agencies is practically non-existent. A remarkable exception is the SGP, which systematically encourages coordination and collaboration among GEF-supported projects at both the national and regional levels.

Government bodies involved in GEF projects often work alone. Their mostly informal meetings and exchanges owe little to synergies promoted or encouraged by GEF projects and much more to outside factors, such as institutional policy or government initiatives.

In this regard, SINAC has made an effort to encourage meetings and exchanges among staff members coordinating projects supported by nongovernment funds. The results of this initiative, however, remain unclear.

Strong synergies among GEF-supported activities and activities supported by other donors do materialize when both sets of activities are coordinated or implemented by the same body (for example, SINAC or MINAE). These links are more tenuous when the only common factor is geographical area or field of intervention.



## Annex A. Terms of Reference

### A.1 Background and Rationale

The GEF Council has requested the GEF Evaluation Office to begin conducting evaluations of the GEF's portfolio at the country level. These evaluations are supposed to provide Council with additional information on the results of GEF-supported activities and a better understanding of how these activities fit into the sustainable development and environmental national strategies and priorities as well as within the mandate of the GEF, the achievement of global environmental benefits. Since this is a new modality for the GEF Evaluation Office, it proposed in its FY 2006 work program to conduct a first GEF country portfolio evaluation as a pilot and to develop a methodology to fully implement this type of evaluation in subsequent years if it is found feasible and cost effective. An approach paper on these subjects was discussed with members of the GEF partnership (GEF Council, Secretariat, and Implementing Agencies).<sup>1</sup> The present terms of reference has more detailed information on how the GEF country portfolio evaluation will be implemented during the pilot phase. Separate terms of reference will be prepared to guide the second aspect of the task, that is, future GEF country portfolio evaluations.

In addition to the request from the GEF Council, the other main reason for conducting this type of evaluation is that although the GEF has been in existence for more than a decade, no assessment

has ever been conducted of a GEF portfolio using a country as a basis for analysis, regardless of the GEF focal area or Implementing Agency. Given the recently approved Resource Allocation Framework to be implemented during the next phase of the GEF (GEF-4, 2006–10), the proposed GEF country portfolio evaluations could provide useful feedback on how the GEF works at the country level.

The GEF Evaluation Office decided that Costa Rica will be selected for the first GEF country portfolio evaluation during the pilot phase. The selection was based on several criteria (see approach paper for more details). Although there is an emphasis on the biodiversity GEF focal area, the Costa Rican portfolio includes three full-size projects in climate change and several medium-size projects and enabling activities. All Implementing Agencies and IDB have at least one project (UNIDO, FAO, and IFAD are also eligible to work in this country). Costa Rica's portfolio is presented in table A.1. The World Bank's Operations Evaluation Department (OED) conducted a Country Assistance Evaluation about five years ago, and the Inter-American Development Bank's Office of Evaluation and Oversight (OEO) conducted one about two years ago and is presently conducting another to be delivered in 2006. These two documents will provide a baseline of the country's development. While OED's report briefly mentions GEF-

Table A.1

## Selection criteria for countries during pilot phase: Costa Rica

Criterion	Description			
	Number of projects		GEF support (millions)	
(1) GEF portfolio (as of October 2005)	Approved	Pipeline	Approved	Pipeline
<b>By focal area</b>				
Biodiversity	7	3	\$26.31	\$20.06
Climate change	3	1	\$5.27	\$2.50
International waters	0 national (3 regional)	0	No information	No information
Persistent organic pollutants	1	0	\$0.45	0
Land degradation	0	1	0	\$0.98
Multifocal	1	0	\$0.20	0
Small Grants Programme	Unknown	Unknown	Unknown	Unknown
<b>Total</b>	<b>12</b>	<b>5</b>	<b>\$32.23</b>	<b>\$23.54</b>
<b>By IA/ExA</b>				
World Bank	3	1	\$16.36	\$10.00
UNDP	8	3	\$12.11	\$13.51
UNEP	1	0	\$0.45	–
World Bank/IDB	1	0	\$3.30	–
IDB	0	1	0	\$0.03
(2) IA/ExA country assessment	World Bank OED (2002); IDB OEO (2003)			
(3) National evaluation counterpart	Unknown			
(4) Logistics cost	Low			

supported projects, OEO's does not. Finally, the experience of Costa Rica with the environment sector has been reviewed for many years, adding to the baseline knowledge necessary to conduct a country portfolio evaluation. No information was available about Costa Rica's evaluation capacity.

## A.2 Objectives

It is proposed during the pilot phase that the Costa Rica Country Portfolio Evaluation should have three primary three objectives:

- To independently evaluate the *relevance* and *efficiency* of GEF support in a country from several points of view:<sup>2</sup> national sustainable development and environmental frameworks, the GEF mandate, achievement of global envi-

ronmental benefits, and GEF policies and procedures

- To explore methodologies on how to measure the *results* and *effectiveness* of the GEF portfolio at the aggregate and country levels
- To provide *feedback* and *knowledge sharing* to (1) the GEF Council in its decision-making process to allocate resources and to develop policies and strategies and (2) Costa Rica on its GEF participation

These objectives will be tested during the pilot phase and further developed in the terms of reference for the implementation of country portfolio evaluations in the future. Therefore, in addition to conducting a pilot country portfolio evaluation

with the objectives proposed in the previous paragraphs, the pilot phase will produce terms of reference for future country portfolio evaluations.

### A.3 Key Questions and Evaluation Matrix

Following are the key questions to be explored during the evaluation of the GEF portfolio in Costa Rica:

- **Is GEF support relevant to:** (1) the country's sustainable development agenda and environmental priorities? (2) the country's development needs and challenges (that is, country drivenness and ownership; use of different types of GEF activities)? (3) national GEF focal area action plans (that is, enabling activities)? and (4) achieving the GEF mandate and focal area programs and strategies, and, in particular, the relationship between GEF support outcomes and impacts (proposed and actual) and the global environmental indicators in each focal area?
- **Is GEF support efficient?** (1) How much time, effort, and money does it take to develop and implement a GEF project (by type of GEF support)? (2) Are roles and responsibilities among different GEF stakeholders clear during project design and implementation? (3) Are implementation arrangements, partnerships, and synergies created within and between GEF and other donor projects and nationally sponsored projects? (4) How efficient are the different types of GEF activities (that is, comparison between full- and medium-size projects)?
- **What are the methodologies available to measure the results (outcomes and impacts) and effectiveness of the GEF support:** (1) at the project, focal area, and country levels (for example, aggregation to measure progress

toward attainment of global environmental benefits); and (2) how can attribution to GEF be determined?

Annex B presents an evaluation matrix that will assist in the country portfolio evaluation. The matrix uses the key questions and subquestions as a framework and explores different indicators to measure these questions. In addition, the matrix identifies the different sources of information and the methodology to be used. The following sections provide further explanation of the different elements presented in the matrix.

### A.4 Focus and Limitations of the Pilot Phase

The evaluation will focus on all project modalities supported by the GEF (full- and medium-size projects, enabling activities, Small Grants Programme, and so on) at different stages (completed, ongoing, and in the pipeline) and implemented by all IA/ExAs in all focal areas. All of these modalities will define the GEF portfolio. The stage of the project will determine the expected focus (see table A.2).

**Table A.2**

**Focus of evaluation by project status**

Project status	Relevance	Efficiency	Effectiveness	Results
Completed	Full	Full	Full	Full
Ongoing	Full	Partially	NA	NA
In pipeline	Expected	Processes	NA	NA

**Notes:** NA: not applicable. The main focus of the evaluation was on relevance and efficiency; the evaluation only explored possible methodologies on how to evaluate project effectiveness and results.

The evaluation will be carried out as much as possible, and as appropriate, in collaboration with the evaluation departments of GEF partners as well as the operations departments and taking into full consideration their own impact assessments and country evaluation work program.

The way the GEF operates imposes several difficulties on GEF country portfolio evaluations at this time (others may be identified during the pilot phase). For example, the GEF does not have country programs, so there is no GEF framework against which to assess results or effectiveness. Furthermore, GEF support rarely works in isolation but instead through partnerships with many institutions. This makes the issue of attribution difficult to determine. On the positive side, an assessment with the objectives as described above may provide important insights which may allow the GEF to become more effective at the country level and within the context of the RAF's operationalization.

The proposed GEF country portfolio evaluation during the pilot phase is not intended to be a performance assessment of the GEF or the country regarding their effectiveness and achievement of results. Furthermore, given financial and time constraints and the limitations presented above, these evaluations cannot be considered exhaustive but rather limited, based heavily on existing literature (that is, independent project and country program evaluations as well as findings reported in several of the studies and evaluations conducted by the GEF Evaluation Office) and consultations with relevant stakeholders.

## A.5 Methodology

The GEF country portfolio evaluation will be conducted by staff of the GEF Evaluation Office and international and local consultants; this will comprise the *evaluation team*.

The *methodology* will include a series of components using a combination of qualitative and quantitative methods and tools. The *qualitative* aspects of the evaluation will include desk reviews of existing documentation such as GEF project documents, policy and strategy documents (GEF, national, and convention, for example), relevant

scientific literature, IAs' national strategic frameworks (particularly those related to the GEF focal areas), extensive interviews with GEF stakeholders, consultation workshops, and field visits to a few project sites. The *quantitative* analysis will use indicators to assess the relevance and efficiency of GEF support using projects as the unit of analysis (linkages with national priorities, time and cost of preparing and implementing projects, among others) and to explore methodologies on how to measure GEF results (that is, progress toward achieving global environmental impacts) and performance of projects (that is, implementation and completion ratings).

Different tools and protocols will be developed during the evaluation. For example, a *review protocol* will be prepared to conduct the desk and field reviews of GEF projects. *Questionnaires* will be also developed to conduct interviews with different stakeholders.

As mentioned before, the evaluation will be primarily based on the review of existing information and on additional information gathered for the purpose of this evaluation. The expected *sources of information* to be utilized include:

- Project level: project document for Council approval, project implementation reports, terminal evaluations, reports from field visits, scientific literature
- GEF-supported National Biodiversity Strategic Action Plan, National Communication to the UNFCCC, National Capacity Self-Assessment, National Implementation Plan on POPs
- Country level: national sustainable development agendas, environmental priorities (Environmental Law 1996, Biodiversity Law implementation plan, Forestry Law, implementation of UNFCCC), National Environmental Strategy, global and national environmental indicators

- IA/ExA country strategies: World Bank Country Assistance Strategy (1994) and Country Partnership Strategy (2004), Country Assistance Evaluation (OED 2000), Country Program 1990–2001 (IDB 1999), Country Program Evaluation (OEO 2003)
- Evaluative evidence at the country level from GEF Evaluation Office evaluations, the Second and Third Overall Performance Studies, literature review
- Interviews with GEF stakeholders and beneficiaries
- Information from national consultation workshops

The GEF country portfolio evaluation will try to reach as many GEF *stakeholders and beneficiaries* as possible. The following is a potential list of stakeholders to be contacted:

- Government officials at national, provincial, and local levels within different ministries, in particular within the Ministry of Environment and Energy, which is the GEF focal point
- IA/ExA task managers, national resident representatives, management, GEF coordinating units
- GEF Secretariat
- Regional, national, and local NGOs
- Bilateral donors
- Private sector
- Community-based organizations
- Indigenous groups
- Academic and scientific groups
- National evaluation network

The evaluation will consist of the following *components*:

1. Definition of GEF support: establishment of GEF portfolio and other GEF activities in Costa Rica
2. Development of project review protocol and questionnaires
3. Collection of documentation at the project, focal area, and country levels
4. Desk review of country-level information
5. Desk review of project-level information
6. Desk review of IA/ExA country strategies and portfolios
7. Project field visits
8. National consultation workshops with government officials, project coordinators, and NGOs to discuss methodology and terms of reference, and to present the report's first draft
9. Extensive interviews
10. Draft report
11. Final report

## A.6 Output and Timetable

The main output of the evaluation will be a report, the GEF country portfolio evaluation. Following GEF Evaluation Office practice, the report will be discussed with the government of Costa Rica—the GEF recipient government—other national stakeholders (including project staff), the GEF Secretariat, and GEF Implementing and Executing Agencies. Comments will be requested from them on factual issues. The final report, a document from the GEF Evaluation Office, will be presented to Council for its information.

The evaluation will be conducted between December 2005 and May 2006, with the final report to be presented to Council at its June 2006 meeting. The key milestones are presented in table A.3.

**Table A.3****Evaluation's key milestones**

Milestone	Deadline
1. GEF EO field mission to finalize the terms of reference with international consultant, contact major stakeholders (GEF focal point, IA/ExA representatives, NGOs)	December 5–9, 2005
2. Project review protocol and questionnaires	December 31
3. Desk review of country and IA/ExA information	January 15, 2006
4. GEF EO field mission to: (a) make presentation to National Environment Council (to be confirmed); (b) participate in National Capacity Self-Assessment meeting; (c) conduct field visits to projects; (d) conduct interviews	January 23–27
5. GEF EO field mission to conduct: (a) consultation workshops with government officials, project coordinators, and NGOs; and (b) field visits to projects	February 20-25
6. Consultant to Washington and New York to conduct interviews with the GEF Secretariat, World Bank, UNDP, and IDB	February 27–March 3
7. First draft TORs for future Country Portfolio Evaluations	March 3
8. Project desk reviews and field visits and interviews	March 15
9. Drafting of report	April 3-7
10. First draft	April 14
11. GEF EO field missions to present draft report to government officials and NGOs	April 27–28
12. Final draft	May 8
13. Presentation to Council	June 9

## A.7 Key Audience and Partners

There are several audiences for this evaluation. As for all evaluations prepared by the GEF Evaluation Office, the key audience is the GEF Council. Given the potential future implications of findings and recommendations emanating from this type of evaluation, national audiences are very important, in particular the GEF focal points and project executors and proponents. Finally, the GEF Secretariat as well as the GEF Implementing and Executing Agencies will also be considered relevant audiences as recipients of lessons learned and a means of feedback to GEF management.

There are two types of partners that will be involved in this evaluation. The first type will be those comprising the evaluation team: GEF Evaluation Office staff and international and national consultants. The other type of partners will include those key stakeholders that hold the main

sources of information relevant to the evaluation regarding GEF activities in the country: the GEF focal point and other key government officials and beneficiaries/civil society at the national and local levels, GEF IA/ExAs, NGOs, and other project implementers and proponents.

## Notes

1. “GEF Country Portfolio Evaluations: Pilot Phase FY06”; this is available on the GEF Web site, [www.theGEF.org](http://www.theGEF.org) (click on Evaluation Office/Ongoing Evaluations/Country Portfolio Evaluations).
2. *Relevance*: the extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities, and partners’ and donors’ policies; *efficiency*: a measure of how economically resources/inputs (funds, expertise, time, and so on) are converted to results (as per the Organisation for Economic Co-operation and Development’s Development Assistance Committee).

## Annex B. Evaluation Matrix

Key question	Indicators/basic data	Sources of information	Methodology component
<b>Is GEF support relevant to...</b>			
Country's sustainable development agenda and environmental priorities?	<ul style="list-style-type: none"> <li>• GEF support is within the country's sustainable development agenda and environmental priorities</li> <li>• GEF support has country ownership and is country based (in terms of project origin, design, and implementation)</li> <li>• Level of GEF funding compared to other official development assistance in the environment sector</li> <li>• National committee to coordinate GEF support</li> <li>• Relevance of GEF focal point</li> </ul>	<ul style="list-style-type: none"> <li>• Country level over time</li> <li>• Interviews with government officials</li> <li>• Project reviews</li> <li>• National consultation workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review of relevant country-level information</li> <li>• Desk review of project-level information</li> <li>• Two national consultation workshops</li> <li>• Interviews</li> </ul>
Country's development needs and challenges?	<ul style="list-style-type: none"> <li>• The GEF supports development needs (such as technology transfer, income generation, capacity building) and reduces challenges (for example, gaps in capacity building)</li> <li>• The GEF's various modalities, project components, and instruments (including FSPs, MSPs, enabling activities, small grants, IA/ExA blended projects, technical assistance, microcredits) are applied according to the country's needs and challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Country level and IA/ExA strategies</li> <li>• Interviews with government officials</li> <li>• Project reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review of relevant country-level information</li> <li>• Desk review of project-level information</li> <li>• Desk review of IA/ExA country strategies</li> <li>• Two national consultation workshops</li> <li>• Interviews</li> </ul>
National GEF focal area action plans (enabling activities)?	GEF support is linked to the National Biodiversity Strategic Action Plan, National Communication to the UNFCCC, National Implementation Plan on POPs, National Capacity Self-Assessment	<ul style="list-style-type: none"> <li>• GEF-supported enabling activities</li> <li>• Interviews with government, NGOs, IA/ExAs</li> <li>• Project reviews</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> </ul>
Global environmental indicators and vice versa (biodiversity, greenhouse gases, international waters, POPs, land degradation)?	Project outcomes and impacts are related to the GEF Benefits Indexes for biodiversity and climate change and to other global indicators for POPs, land degradation, and international waters	<ul style="list-style-type: none"> <li>• Country level</li> <li>• Project reviews</li> </ul>	Desk review of project-level information

Key question	Indicators/basic data	Sources of information	Methodology component
<b>Is the GEF support efficient?</b>			
Time, effort, and money required to develop and implement a project, by type of GEF support modality	<ul style="list-style-type: none"> <li>• Process indicators: project processing timing (according to Activity Cycle phases), preparation and implementation cost by modality; Activity Cycle phases in Costa Rica</li> <li>• Project dropouts from PDF and cancellations</li> </ul>	<ul style="list-style-type: none"> <li>• Project reviews</li> <li>• Interviews with GEF Secretariat, IA/ExAs, and government</li> <li>• Field visits</li> </ul>	Desk review of project-level information and project field visits
Roles, engagement, and coordination among different stakeholders in project implementation	<ul style="list-style-type: none"> <li>• Full participation</li> <li>• Clear roles and responsibilities</li> <li>• Coordination among projects</li> </ul>	<ul style="list-style-type: none"> <li>• Project reviews</li> <li>• Interviews with project staff</li> <li>• Field visits</li> </ul>	Desk review of project-level information, extensive interviews, and consultation workshops
Lessons learned between GEF projects	Project design, preparation, and implementation have fully incorporated lessons from previous projects within and outside the GEF	<ul style="list-style-type: none"> <li>• Field visits</li> </ul>	
Synergies among IA/ExAs for GEF support programming and implementation	<ul style="list-style-type: none"> <li>• Acknowledgment of each others' projects</li> <li>• Communication</li> <li>• Technical support</li> </ul>	<ul style="list-style-type: none"> <li>• Project reviews</li> <li>• Interviews with IA/ExAs</li> </ul>	
Synergies among national institutions for GEF support programming and implementation		<ul style="list-style-type: none"> <li>• Project reviews</li> <li>• Interviews with project staff</li> <li>• Field visits</li> </ul>	
Synergies between GEF projects and other donors support		<ul style="list-style-type: none"> <li>• Project reviews</li> <li>• Interviews with NGOs and bilateral donors</li> <li>• Field visits</li> </ul>	
<b>What are the methodologies to measure the results and effectiveness of the GEF support?</b>			
Project level	<ul style="list-style-type: none"> <li>• Project outcomes and impacts according to GEF programs</li> <li>• Existing ratings for project outcomes (self-ratings; independent ratings)</li> <li>• Changes in global benefit indexes and other global environmental indicators</li> <li>• Attribution to the GEF</li> </ul>	<ul style="list-style-type: none"> <li>• Project reviews</li> <li>• Field visits</li> <li>• Evaluative evidence</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review of projects and field visits</li> <li>• Interviews with government officials</li> </ul>
Aggregate level (portfolio/program) by focal area and IA/ExA	<ul style="list-style-type: none"> <li>• Aggregated indicators from above</li> <li>• Catalytic and replication effects</li> <li>• Attribution to the GEF</li> </ul>		
Country level	<ul style="list-style-type: none"> <li>• Aggregated indicators from above</li> <li>• Overall outcomes and impacts of the GEF</li> <li>• Catalytic and replication effects</li> </ul>		



## Annex C. Documents Reviewed

### C.1 Documents about Costa Rica

- Advisory Committee on Soil Degradation (CADETI). 2004. *Programa de Acción Nacional de Lucha contra la Degradación de Tierras en Costa Rica*. San José, Costa Rica: MINAE.
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- Ministry of National Planning and Economic Policies (MIDEPLAN). Web site. [www.mideplan.go.cr](http://www.mideplan.go.cr).
- National Fund for Forestry Financing (FONAFIFO). Web site. [www.fonafifo.com](http://www.fonafifo.com).
- National Institute for Biodiversity (INBIO). Web site. [www.inbio.ac.cr/es/default2.html](http://www.inbio.ac.cr/es/default2.html).
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### C.2 Documents about GEF

- Global Environment Facility (GEF). 1996. *Operational Strategy of the Global Environment Facility*. Washington, DC: GEF Secretariat.
- . 1997. *GEF Operational Programs*. Washington, DC.
- . 2000. "Revised Guidelines for Support to Strengthen the National Coordination Activities of the GEF Focal Point through One of Its Implementing Agencies." Included as annex A to "Elements for Strengthening National Focal Points and Enhancing Constituency Coordination in GEF Recipient Countries," GEF/C.23/12, agenda item 15 presented at GEF Council Meeting May 2004. Washington, DC.
- . 2002a. *The First Decade of the GEF: Second Overall Performance Study*. Washington, DC.
- . 2002b. *Overview of GEF Program & Project Results*. Washington, DC.
- . 2003. *GEF: Effective, Responsive, Targeted*. Washington, DC.

- . 2004. *Instrument for the Establishment of the Restructured Global Environment Facility*. Washington, DC.
- . 2005a. *Achieving the Millennium Development Goals: A GEF Progress Report*. Washington, DC.
- . 2005b. *OPS3: Progressing Towards Environmental Results—Third Overall Performance Study of the Global Environment Facility, Executive Version*. Washington, DC.
- . 2005c. “The GEF Resource Allocation Framework.” GEF/C.27/Inf.8/Rev.1. Information document presented at GEF Council Meeting November 2005. Washington, DC.
- . 2005d. “GEF Resource Allocation Framework: Technical Note 5: GEF Benefits Index for Biodiversity (GBI<sub>BIO</sub>).” [www.theGEF.org/whats\\_New/RAF\\_Technical\\_Note\\_5-Benefits\\_Index\\_for\\_Bio.pdf](http://www.theGEF.org/whats_New/RAF_Technical_Note_5-Benefits_Index_for_Bio.pdf).
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### C.3 Documents about Projects

In the interest of brevity, only titles are presented rather than full bibliographic citations.

#### Tejona Wind Power

- PIR 2002
- Evaluation Review
- Project report and supporting documents

#### Biodiversity Resources Development

- Aide Memoire 2002, 2004
- PIR 2002, 2003, 2004, 2005
- Proposal for Review

#### National Biodiversity Strategy and Action Plan

- Enabling Activity Proposal
- CEO endorsement letter, tracking sheet, and UNDP letter
- Miscellaneous correspondence
- Project proposal; revised final project proposal
- Signed project document

## **Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas**

- GEF Review Sheet
- PIR 1996, 1998 (OS92G31)
- Project Document 1, 2
- Costa Rica BD 364 Terminal Evaluation

## **Ecomarkets**

- Aide Memoire 2003
- PIR 2003
- Project Document
- CEO memo
- PIR 2002, 2003, 2004, 2005
- North Carolina State University Blue Ribbon Panel Final Evaluation

## **Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor**

- GEF Biodiversity Programme Study Review 2004
- PIR 2002, 2003
- Project Document
- Terminal Evaluation

## **Biodiversity Conservation in Cacao Agro-forestry**

- Focal Point Letter of Endorsement – Fundecooperación, 10/98
- Aide Memoire 2002
- PIR 2002
- Miscellaneous documentation, including memos, reply to questions raised by GEF reviewing committee
- Completion Report 2004
- Terminal Evaluation 2004, 2005

## **National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1**

- CEO endorsement letters
- Project brief, final brief
- ProDocs
- Project review
- Cofinancing letter
- Miscellaneous correspondence
- Project Document

## **Second National Communication to the UNFCCC**

- Focal Point Letter of Endorsement
- Executive Summary
- Second National Communication draft, revisions, UNFCCC comments, final
- Proposal for Review, revisions, final
- Miscellaneous correspondence
- Project Reviews

## **Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area**

- Approval letter to IA
- Project summary
- MSP Briefs
- PIR 2005
- Annual Project Report 2005
- Miscellaneous correspondence

## **National Capacity Self-Assessment for Global Environmental Management**

- Project brief
- Approval letter to IA
- Miscellaneous correspondence

## **Enabling Activities for the Stockholm Convention on POPs: National Implementation Plan for Costa Rica**

- CEO Approval Letter
- Project proposal
- Project Document
- Project review sheets
- Miscellaneous correspondence

## Annex D. Consultation Workshop Participants

### **First Consultation Workshop (San José, Costa Rica, February 20–21, 2006)**

Mario Ballar Calvo, ICE  
Patricia M. Bartol, Geolatina  
José María Blanco, Biomass Users Network-Central America  
Juan Diego Bolaños, Empresa de Servicios Públicos de Heredia  
Claudia Bouroncle, Geolatina  
Wilson Campos, Mesa Nacional Campesina  
Randall Campos Vargas, SINAC Arenal Tempisque Conservation Area  
Jesús Cisneros, IUCN Mesoamerica Regional Office  
Jaime Echeverría, UNDP, Costa Rica  
Mariano Espinoza C., SINAC/UNCCD  
Victoria Hernández, Observatorio del Desarrollo  
James Hirsch, Interpreter  
Alejandro A. Imbach, Geolatina  
Alejandro C. Imbach, GEF Consultant  
Sandra Jiménez C., SINAC  
Jeffrey Jones, Tropical Agriculture Research and Higher Education Center - Geographical Information System  
Diego Lynch, ANAI  
Patricia Marín G., SINAC/Directorate of International Cooperation  
Rubén Muñoz Robles, MINAE  
Jeffrey Orozco, CINPE-UNA  
Saskia Rodríguez, MIDEPLAN/Directorate of International Cooperation  
Nobelty Sanchez, MINAE/Energy Department  
Oscar Sánchez Chávez, FONAFIFO

Carlos Serrano Bulakar, Central Pacific Conservation Area

Ricardo Valerio V., MINAE/SINAC

Rob van den Berg, GEF Evaluation Office

Roberto Villalobos Flores, MINAE/National Meteorological Institute

Claudio Volonte, GEF Evaluation Office

Eugenia Wo Ching, Environmental and Natural Resources Law Center, Costa Rica

José Zeledón C., MINAE/AGUAS

### **Meeting with GEF Evaluation Office (Washington, DC, March 29, 2006)**

Antonio del Monaco

Jarle Harstad

Alejandro A. Imbach

Alejandro C. Imbach

Lee Risby

David M. Todd

Siv Tokle

Anna Vigh

Claudio Volonte

Aaron Zazueta

### **Meeting with GEF Secretariat (Washington, DC, April 3, 2006)**

Patricia Bliss

Nicole Glineur

Alejandro A. Imbach

Alejandro C. Imbach

Funke Oyewole

Ramesh Ramankutty

Mario Ramos

Rob van den Berg

Claudio Volonte

Anna Vigh

Mark Zimsky

**Meeting with UNDP/GEF  
(New York, April 4, 2006)**

Steve Gold  
Raquel Guerrero  
Alejandro A. Imbach  
Alejandro C. Imbach  
Faris Khader  
Frank Pinto  
Claudio Volonte

**Meeting with UNDP Evaluation Office  
(New York, April 4, 2006)**

Oscar García  
Alejandro A. Imbach  
Alejandro C. Imbach  
Juha Itto  
Faris Khader  
David Smith  
Claudio Volonte

## Annex E. People Interviewed

Florita Azofeifa, MIDEPLAN, Viceminister

Rudy Azofeifa, Acosta and Aserri Producers Association, SGP beneficiaries

José María Blanco, Biomass Users Network-Central America, Regional Director and Coordinator of Energy Efficiency Project

Esther Camac, Independent Consultant/Conservation International Fellow

Enid Chaverri, MINAE, Director, National Focal Point for Stockholm Convention on POPs

Rebeca Chávez, San José Rural Association for Sustainable Development, SGP beneficiaries

Olga Corrales, Model Forests Regional Network, Latin America and the Caribbean; former UNDP Environmental Officer, Costa Rica

Olivier Deleuze, UNEP/GEF, UNEP Headquarters, Nairobi

Jaime Echeverría, UNDP Costa Rica, Environmental Officer

Mariano Espinosa, SINAC, National Focal Point for UNFCCC

Katia Fajardo, Biomass Users Network-Central America, Project Officer, Energy Efficiency Project

Melba Fallas, Grupo Giras, San Ignacio de Acosta, SGP beneficiaries

Marco Hidalgo, Grupo Giras, San Ignacio de Acosta, SGP beneficiaries

Luis Hernando Hintze, IDB, Costa Rica, Sectoral Expert

Patricia Marín, SINAC, International Cooperation Directorate, Officer

Eduardo Mata, UNDP SGP Costa Rica, Coordinator

Alonso Matamoros, INBIO, Assistant Director of Institutional Planning

Rubén Muñoz, MINAE, International Cooperation Directorate

Frank Pinto, UNDP/GEF, GEF Executive Coordinator

Gunnars Platais, World Bank

Ramesh Ramankutty, GEF Secretariat, Head, Operations and Business Strategy

Saskia Rodríguez, MIDEPLAN, International Cooperation Directorate

Nobelty Sánchez, MINAE, Energy Department

Alaa A. Sarhan, GEF Secretariat, Senior Operations Officer for Country Relations

Lesbia Sevilla Estrada, SINAC, International Cooperation Directorate, Coordinator

Raúl Solórzano Soto, SINAC, Director and National Focal Point for United Nations Convention on Biological Diversity

Sofía Stein, Cuencas de Limón Foundation, Executive Director, SGP beneficiaries

Levi Sucre, Central American Association of Indigenous and Peasant Forestry Organizations, Project Coordinator, GEF/IDB Natural Resources Management by Indigenous Communities Project

Siv Tokle, GEF Evaluation Office, Coordinator of Joint Evaluation of GEF Activity Cycle and Modalities

Ricardo Ulate, GEF Focal Point Costa Rica (political and operational)

Olga Villa, MINAE, Energy Department, Director

Marylin Villalobos, Tropical Agriculture Research and Higher Education Center Project Coordinator, Organic Cacao and Biodiversity in Cacao Indigenous Farms in Talamanca, Costa Rica, Project

Florangel Villegas, Consultant, GEF/UNDP, National Capacity Self-Assessment

Eugenia Wo Ching, Fundecooperación, President of the Board representing MINAE; Environmental and Natural Resources Law Center, Member and Consultant

In addition, leaders from the following community-based organizations were also interviewed:

- Ocoa Women's Association
- Guaitil Women's Association
- Acosta and Aserrí Producers Association
- Bri Bri Women's Association
- Watershed Committee for the Banano, Bananito and Estrella Rivers.

## Annex F. All GEF-Funded Activities in Costa Rica

Project name	Focal area	Modality	IA/ExA	GEF funding (millions)	Co-financing (millions)
Tejona Wind Power	Climate change	FSP	World Bank/IDB	\$3.30	\$28.00
Biodiversity Resources Development	Biodiversity	FSP	World Bank	\$7.80	\$13.00
National Biodiversity Strategy and Action Plan	Biodiversity	Enabling activity	UNDP	\$0.20	\$0.08
Building National Capacity to Develop Policy Options for Greenhouse Gas Emissions Reductions and Sink Enhancements	Climate change	Enabling activity	UNDP	\$0.47	0
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	Biodiversity	FSP	UNDP	\$8.00	0
Ecomarkets	Biodiversity	FSP	World Bank	\$8.33	\$51.90
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	Biodiversity	MSP	UNDP	\$0.75	\$0.52
Biodiversity Conservation in Cacao Agro-forestry	Biodiversity	MSP	World Bank	\$0.75	\$2.29
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 1	Climate change		UNDP	\$1.15	\$0.91
Second National Communication to the UNFCCC	Climate change	Enabling activity	UNDP	\$0.35	\$0.14
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	Biodiversity	MSP	UNDP	\$1.00	\$2.17
National Capacity Self-Assessment for Global Environmental Management	Multifocal	Enabling activity	UNDP	\$0.20	\$0.02
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 2	Climate change	FSP	UNDP	\$2.50	\$16.90
Community-Based Land Management and Recovery in the Dry Pacific of Costa Rica	Land degradation	MSP	UNDP	\$0.98	0
Enabling Activities for the Stockholm Convention on POPs: National Implementation Plan for Costa Rica	POPs	Enabling activity	UNEP	\$0.45	\$0.03
Overcoming Barriers to Sustainability of Costa Rica's Protected Areas System	Biodiversity	FSP	UNDP	\$10.04	\$38.00
Marine and Coastal Ecosystem Management and Conservation in Puntarenas	Biodiversity	FSP	IDB	\$0.30	\$0.05



Project name	Focal area	Modality	IA/ExA	GEF funding (millions)	Co-financing (millions)
Scaling Up and Mainstreaming Payments for Environmental Services Project	Biodiversity	FSP	World Bank	\$10.00	\$70.00
Creation and Strengthening of the Capacity for Sustainable Renewable Energy Development in Central America – Regional	Climate change	MSP	UNDP	\$0.75	\$0.80
A Participatory Approach to Managing the Environment: An Input to the Inter-American Strategy for Participation – Regional	Multifocal	MSP	UNEP	\$0.72	\$0.84
Establishment of a Program for the Consolidation of the Meso-american Biological Corridor – Regional	Biodiversity	FSP	UNDP/UNEP	\$10.94	\$12.77
Global Environmental Citizenship – Regional	Multifocal	FSP	UNDP/UNEP	\$3.21	\$3.17
Formulation of a Strategic Action Program for the Integrated Management of Water Resources and the Sustainable Development of the San Juan River Basin and Its Coastal Zone – Regional	International waters	FSP	UNEP	\$3.93	\$1.44
Integrated Silvo-Pastoral Approaches to Ecosystem Management – Regional	Multifocal	FSP	World Bank	\$4.77	\$3.90
Accelerating Renewable Energy Investments through CABEL [the Central American Bank for Economic Integration] in Central America – Regional	Climate change	FSP	UNDP	\$7.02	\$82.67
Integrated Ecosystem Management in Indigenous Communities – Regional	Biodiversity	FSP	World Bank/IDB	\$9.70	\$39.89
Reducing Pesticide Runoff to Caribbean Sea – Regional	Int'l waters	FSP	UNEP	\$4.59	\$5.75
Ecoenterprises Fund – Regional	Biodiversity	MSP	World Bank/IFC	\$1.00	\$9.00
Regional Program of Action and Demonstration of Sustainable Alternatives to DDT for Malaria Vector Control in Mexico and Central America – Regional	International waters	FSP	UNEP	\$7.50	\$6.41
Energy Efficiency in El Salvador, Nicaragua, Costa Rica, and Panama – Regional	Climate change	FSP	UNDP	\$10.23	\$17.75
Preserving Biodiversity and Socioeconomic Value of Mangrove Ecosystems in Tropical America – Regional	Biodiversity	FSP	UNEDP/UNESCO	0	0
Sustainable Environmental Management for Sixaola River Basin – Regional	Multifocal	FSP	IDB	\$3.50	\$8.50
Conserving Biodiversity on Private Lands in Latin America – Regional	Biodiversity	FSP	IDB	\$10.03	0
Conservation and Sustainable Use of Neotropical Native Crops and Wild Relatives of Crops – Regional	Biodiversity	FSP	World Bank	\$10.35	\$10.27
Central American Markets for Biodiversity: Mainstreaming Biodiversity Conservation and Sustainable Use with Micro, Small and Medium Size Enterprise Development and Financing – Regional	Biodiversity	FSP	UNDP	\$10.23	\$17.75
Biosafety in Centers of Biodiversity: Building Technical Capacity in Latin America for Safe Development of Transgenic Crops – Regional	Biodiversity	FSP	World Bank	\$5.26	\$5.18
Country Case Studies on Sources and Sinks of Greenhouse Gases – Global	Climate change	Enabling activity	UNEP	\$4.70	\$1.72
Biodiversity Data Management Capacitation in Developing Countries and Networking Biodiversity Information – Global	Biodiversity	Enabling activity	UNEP	\$4.00	\$1.39

Project name	Focal area	Modality	IA/ExA	GEF funding (millions)	Co-financing (millions)
Harnessing Multi-Stakeholder Mechanisms to Promote Global Environmental Priorities – Global	Multifocal	MSP	UNDP	\$0.75	0
Reduction of Environmental Impact from Tropical Shrimp Trawling through Introduction of By-catch Technologies and Change of Management – Global	International waters	FSP	UNEP/FAO	\$4.78	\$4.44
Development of a Strategic Market Intervention Approach for Grid-Connected Solar Energy Technologies (EMPower) – Global	Climate change	MSP	UNEP	\$1.00	0
Implementing the Global Strategy for Plant Conservation: Identification of Threatened Plant Species and Protection of Important Plant Areas in Six Priority Countries – Global	BB	FSP	UNEP	\$3.35	\$3.90

IFC: International Finance Corporation

## Annex G. GEF-Funded Activities Not Included in Evaluation

### G.1 Pipeline Activities Financed by PDF Grants

The following PDF-financed projects were excluded from this analysis. All four represent full-size projects.

Project name	Focal area	Estimated GEF support
Overcoming Barriers to Sustainability of Costa Rica's Protected Areas System	Biodiversity	\$9,700,000
Marine and Coastal Ecosystem Management and Conservation in Puntarenas	Biodiversity	Undefined
Scaling Up and Mainstreaming Payments for Environmental Services Project	Biodiversity	\$10,000,000
National Off-Grid Electrification Based on Renewable Sources of Energy Programme – Phase 2	Climate Change	\$2,500,000

### G.2 Regional Projects

Costa Rica is participating in 18 projects that are implemented at the regional level. Some of the people working on these projects were interviewed during the evaluation. The total financed through this modality is more than \$70 million, which is more than double the funding provided to any one country.

### G.3 Global Projects

Costa Rica is participating in six global projects; none of these is headquartered in Costa Rica. No one working on these projects was interviewed.

## Annex H. Description and Results of Projects Included in Evaluation

Project	Description and major outputs
<b>Full- and medium-size projects</b>	
Tejona Wind Power	<p>To promote national capacity to generate wind energy, this project entails the installation of a series of wind turbines along two ranges on the west coast of Arenal Lake, generating 20 megawatts of wind energy; and establishment of central control facilities—the La Tejona substation and the Arenal substation extension.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• 30 660-kilowatt wind turbines, contributing a total of 20 megawatts of wind energy to the national interconnected system</li> <li>• 40 megawatts of wind energy capacity installed by private enterprises</li> <li>• Avoidance of 800,000 metric tons of carbon dioxide emissions</li> <li>• Training/research center on this type of renewable energy</li> </ul>
Biodiversity Resources Development	<p>This project intended to demonstrate that increased knowledge about species leads to conservation benefits and sustainable use. Project funding supported the development of protocols, methodology, and a system to develop biodiversity inventories; specimen collection for taxonomic identification in conservation areas; identification of sustainable uses for biodiversity (for example, pharmaceutical bioprospection, ecotourism, and research); and institutional strengthening (increase in staff, equipment, coordination, etc.).</p> <p><b>Outputs (as of December 31, 2004, unless otherwise noted)</b></p> <ul style="list-style-type: none"> <li>• 38 biodiversity conservation management measures (as of December 31, 2003) applied in protected areas and other natural habitats</li> <li>• 51 agreements among enterprises, research centers, NGOs, and grassroots organizations using or incorporating project-generated information in sustainable use of biodiversity activities</li> <li>• 256 international scientists trained in the methods and protocols developed by the project</li> <li>• 327,048 additional specimens in the agreed taxa, identified at the species level and incorporated into the Biodiversity Information Management System</li> </ul>
Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	<p>This project intended to consolidate an integrated model of biodiversity conservation and sustainable development based on institutional and operative strengthening, biodiversity research, sustainable production practices, and financial sustainability in the protected areas.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• National Park Service capacities for management and administration of the protected areas were enhanced by building/reconstructing 12 administrative, educational, and operational centers; establishing borders along 105 kilometers; repairing access roads; developing global information system thematic maps; and training staff</li> <li>• 111 new species were identified and registered, and their economic potential determined</li> <li>• Two endowments were established for sustainable productive initiatives in the buffer zones, thus providing economic alternatives for neighboring communities</li> <li>• System for tourism administration and research was designed and installed</li> </ul>

Project	Description and major outputs
Ecomarkets	<p>This project develops a market-based payment for environmental services program for private forest owners to increase forest conservation. The project aims to promote the offer and demand of environmental services supplied by forest ecosystems, strengthen management capacities and ensure funding for the public forest sector programs, and strengthen local NGO management capacities.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Local NGOs provide services to the payment for environmental services program and facilitate small owners' access in priority areas of the Mesoamerican Biological Corridor in Costa Rica; some half-dozen NGOs participated in training events on institutional strengthening, dissemination, web hosting, and other activities</li> <li>• Local capacity to value and sell environmental services has been increased: several private organizations have bought environmental services through FONAFIFO, and many studies on natural resource valuation have been carried out</li> <li>• Endowments have been established to contract biodiversity conservation agreements: FONAFIFO has issued certificates of environmental services, non-negotiable bonds have been used to raise conservation funds, and FONAFIFO has established REFORESTA to reactivate commercial forestry</li> <li>• 131,000 hectares have been incorporated in priority areas in the Mesoamerican Biological Corridor, and 81,000 hectares have been incorporated in other areas</li> <li>• Both women-headed households and indigenous communities are participating in the payment for environmental services program, which is especially targeting small and medium-size properties</li> </ul>
Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor	<p>The project addresses protection and recovery of globally significant biodiversity with the participation of community organizations. Its main components are ecotourism promotion, institutional strengthening of community organizations, development of biodiversity-respectful practices, forest planting, application of incentives to promote forest cover conservation and recovery, identification and purchase of key land areas for the corridor, environmental education, organization of a community forest ranger system, and improvement of shaded-cacao production and strengthening of farmers' associations.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Forest ecotypes identified and purchased (when necessary) and local organizations and communities trained about how to protect them.</li> <li>• Conservation plan approved by consensus</li> <li>• Incipient land bio-monitoring system as well as surveillance and community relationship systems implemented by 10 community guards from 11 communities</li> <li>• Aquatic bio-monitoring system implemented by local high schools and volunteers</li> <li>• 202 hectares of priority forests bought and currently under conservation; 4,539 hectares of forests under a payment for environmental services scheme; 300 hectares of abandoned cacao plantations rehabilitated; 4 hectares of riverine forests planted by community brigade; and 117 hectares of private forests managed under a sustainable forest management model</li> <li>• Local Forest Committee (including NGOs, forest managers, loggers, indigenous population, volunteers, local aqueduct committee) established; actions include improving system for logging permit approvals and monitoring system for timber extraction</li> <li>• Illegal timber extraction prevented by district attorney</li> <li>• Forest timber extraction vulnerability index developed</li> <li>• Talamanca Ecotourism Network established, comprised of 20 community initiatives; the network has an operational fund and serves as a forum for standardization, practice improvement, and exchange of knowledge and experiences</li> <li>• Community ecotourism initiatives, featuring good reception practices, benefits management, financial sustainability, and participation by community members (including women), have been established</li> <li>• 8 local guides accredited by MINAE</li> <li>• Zone Committee of the Gandoca- Manzanillo Wildlife Refuge and the Talamanca Small Farmers Association strengthened to participate in biodiversity comanagement</li> </ul>

Project	Description and major outputs
Biodiversity Conservation in Cacao Agro-forestry	<p>The overall objective of the project is to promote and maintain on-farm biodiversity while improving livelihoods of organic cacao producers (indigenous, Latin mestizos and Afro-Caribbean groups) in the Talamanca-Caribbean corridor in Costa Rica.</p> <p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>• Consultative council established integrating indigenous and grassroots organizations</li> <li>• Farmer-to-farmer training program reaches more than 300 families</li> <li>• Updated database of plants, birds, nonflying mammals, bats, and beetles; data analyzed and partially published</li> <li>• 150 farmers able to monitor birds, mammals, and beetles</li> <li>• Complete flora inventory</li> <li>• Recommendations made for species management and conservation</li> </ul>
Improved Management and Conservation Practices for the Cocos Island Marine Conservation Area	<p>This project aims to improve the management of the Cocos Island Conservation Area, including a land component, to strengthen associated conservation practices, allow environmental processes to reduce threats in the long term, and promote sustainable use of natural resources and the conservation of globally important biodiversity. The project's main components are to strengthen legislation and regulatory enforcement in the marine park, restore native species and ecological processes, improve tourism management, generate incentives and funds to improve the sustainable management of natural resources, and reform policies and laws to ensure the sustainable management of natural resources. Implementation started in 2004.</p>
Enabling activities	
National Biodiversity Strategy and Action Plan	<p>This project develops the National Biodiversity Strategy and Action Plan, which complements the National Strategy for Sustainable Development and will be implemented through the decentralized and participatory approach used by SINAC. The project's main components are to gather and organize existing biodiversity information, store information on an easy-access system, fill in information gaps and evaluation needs, and prepare the First Report to the Conference of the Parties of the United Nations Convention on Biological Diversity.</p>
Second National Communication to the UNFCCC	<p>This project improves the quality of the greenhouse gas inventory in Costa Rica and implements studies on proposed mitigation options to reduce the negative impacts of climate change. It also aims to improve the national capacity to implement future strategic options for mitigation and adaptation. Its key components are to inventory greenhouse gases and identify the steps needed to implement the UNFCCC in Costa Rica.</p>
National Capacity Self-Assessment for Global Environmental Management	<p>This project involves a self-assessment of the country's capacity to improve the implementation of the multilateral agreements it has adopted with regard to global environmental management. Its main components are to identify information needs, systematize and assess critical weaknesses and prioritization, build capacity to address global environmental problems, and build capacity in government organizations.</p>
Enabling Activities for the Stockholm Convention on POPs: National Implementation Plan for Costa Rica	<p>This project entails completing the preparatory steps for implementing the Stockholm Convention in Costa Rica. It advises the country about the obligations it has taken by adopting the convention and strengthens national capacity to deal with POPs and other chemicals. Its key activities are to define the coordination mechanisms and organization of different processes, assess the national capacity and infrastructure, complete a national POPs inventory, set priorities and define objectives, prepare a National Implementation Plan and several specific action plans, and obtain the commitment of national stakeholders to the plan.</p>

## Annex I. Relevance of Project Objectives to National Development Plans

GEF phase/ NDP in Effect	Project name and objectives	NDP text
Pilot Phase 1992–94 MIDEPLAN was created in 1994, there- fore there is no NDP for this period	<b>Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas</b>	
GEF-1 1994–1998	<b>Tejona Wind Power</b>	The entire project fits within NDP Area 5: Sustainability
GEF-2 1998–2002 National Human Development Plan Pillar 4: Sustainabil- ity (Action Area: Natural Capital)	<b>Biodiversity Resources Development</b>	The issue of taxonomy is not referenced in the NDP
	<b>Conservation of Biodiversity in the Talamanca-Caribbean Biological Corridor</b>	The entire project fits within Thematic Area 5: Environmental Services, Sub-thematic area 2: Biodiversity
	<ul style="list-style-type: none"> <li>• Forest ecotypes identified and purchased (when necessary) and local organizations and communities trained about how to protect them</li> </ul>	<p>This component in particular fits within Action 5: Research efforts to promote a transparent, wide and participative mechanism, item 2, “Initiatives that promote participation in knowledge and biodiversity use processes”</p> <p>Action 1: Natural resources research, use and protection, item 2, “Promote land and marine natural resource knowledge, use and protection”</p>
<ul style="list-style-type: none"> <li>• Sustainable Forest Management Model developed and disseminated to forest managers and forest users and communities</li> </ul>	This component fits within Action 3: Legal and institutional framework suitable for the implementation of different biodiversity initiatives, item 3, “Promote civil society participation, from representative platforms according to their activities, nature and their direct relationship with the sector”	

GEF phase/ NDP in Effect	Project name and objectives	NDP text
	<ul style="list-style-type: none"> <li>Capacities of local organizations, communities and government strengthened to participate in biodiversity co-management inside the Biological Corridor</li> </ul>	Action 3, Item 3 (see above)
	<b>Biodiversity Conservation in Cacao Agro-forestry</b>	The entire project fits within Thematic Area 5: Environmental Services, Sub-thematic area 2: Biodiversity
	<ul style="list-style-type: none"> <li>Strengthening producer organizations</li> </ul>	In particular, this component fits within Action 3, Item 3 (see above)
	<ul style="list-style-type: none"> <li>Participatory Biodiversity Monitoring Program</li> </ul>	This component fits within Action 5, Item 2 (see above)
	<b>Ecomarkets</b>	The entire project fits within Thematic Area 5, Environmental Services, Sub-thematic area 2, Biodiversity
	<ul style="list-style-type: none"> <li>Increasing local capacity to value and sell environmental services</li> <li>Endowments established to contract biodiversity conservation agreements according to GEF “better practices.”</li> <li>100,000 ha of land under conservation contracts in the Mesoamerican Biological Corridor-Costa Rica priority areas</li> </ul>	<p>These components fit within Action 2: Develop an integrated strategy for biodiversity conservation, protection and use, as well as its corresponding implementation plan in order to pay, collect payments, monitor and follow up, Item 3, “Negotiate use of GEF resources to protect biodiversity in public and private areas”</p> <p>Action 3 (see above), Item 1, “Define, using a value table, the cost of environmental service of biodiversity conservation, protection and sustainable use, starting from each economic use that would be possible to market, taking into account each unit characteristics”; Item 2, “Establish the mechanisms and channels to follow to ensure a fair and equitable distribution of benefits, according to the nature of the activity, its current and historical stakeholders and geographic zone, among other issues”; Item 3; and Item 4, “Include social, ethical and national perspective beyond exclusively economic criteria”</p>

**Sources:** Final Evaluations, ICE (2005), North Carolina State University Blue Ribbon Panel Final Evaluation.







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