IEO BRIEF

Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio

Biodiversity loss, degraded land, climate change, and lack of income sources are issues that can be tackled together, as seen in this evaluation of the GEF's multifocal area projects.

KEY FINDINGS

1. The proportion of MFA projects in the GEF portfolio is increasing, with most projects addressing multiple focal area priorities through integrated approaches. Since GEF-3, the number of MFA projects and the total amount of GEF grants have each increased by about 50 percent with every GEF replenishment period (figures 1 and 2).

2. Most MFA projects respond to convention guidance, as well as to both global trends and national priorities. Of the MFA projects funded through biodiversity or climate change focal area allocations, at least 79 percent respond directly to convention guidance by addressing strategic priorities related to land use and land use change, protected areas, and biodiversity mainstreaming. The MFA portfolio reflects global trends toward integration across sectors, and between environmental and socioeconomic objectives as stated in the three Rio conventions and the Sustainable Development Goals. MFA projects also respond to national priorities through flexibility in addressing global environmental commitments (e.g., the Paris Agreement) and national sustainable development goals together. The GEF has promoted focal area integration by providing financial incentives and strategically engaging with countries to implement projects as MFA.

3. The large majority of completed MFA projects report achievement of multiple benefits and broader adoption by project end. All completed projects in the MFA portfolio reported positive environmental outcomes in their terminal evaluations (n = 49). Of these, 80 percent reported benefits in the same focal area combinations they had targeted, as well as in socioeconomic aspects. Broader adoption was reported to have begun or taken place in 80 percent of projects by project end, primarily in the form of mainstreaming and replication.

PURPOSE AND METHODS: This evaluation aimed to assess the extent to which support from the Global Environment Facility (GEF)—as the funding mechanism of several multilateral environmental agreements—has generated multiple benefits, including synergies and trade-offs. The multifocal area (MFA) portfolio was chosen as the focus of this evaluation because it explicitly aims to achieve benefits for more than one focal area. The evaluation draws on analyses of portfolios, geospatial data, case studies, and institutional processes.

WEB PAGE: http://www.gefieo.org/evaluations/evaluation-multiple-benefits-gef-support-through-its-multifocal-area-portfolio-2016

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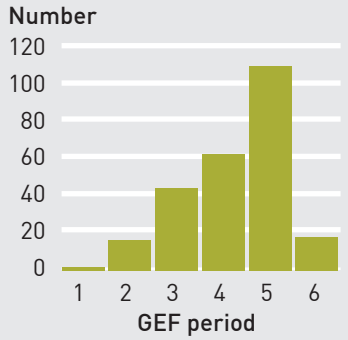
ABOUT US: The Independent Evaluation Office (IEO) of the GEF has a central role in ensuring the independent evaluation function within the GEF. www.gefieo.org

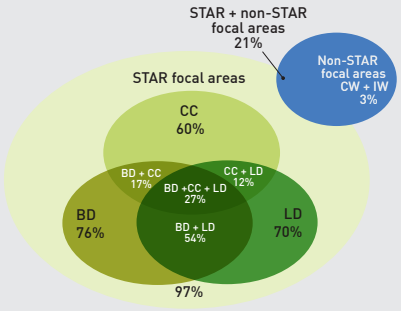
OPS6
SIXTH COMPREHENSIVE EVALUATION OF THE GEF

FIGURE 1: Number of MFA projects by GEF period



NOTE: GEF-6 = 17 projects as of September 30, 2016.

FIGURE 2: Focal area combinations of MFA projects in GEF-4 and GEF-5



NOTE: *n* = 169.

4. MFA projects that reported the highest number and diversity of types of benefits had three common features: intervention designs that integrated additional types of benefits, mechanisms for integrated decision making among multiple sectors, and delivery of a set of interventions within an integrated spatial unit. These project features enhanced synergies and mitigated trade-offs. Opportunities for synergies across focal areas—as well as with socioeconomic objectives—were commonly found in tree planting, ecosystem protection and rehabilitation, clean energy technologies that reduced fuelwood use, and sustainable land management practices. The most common trade-off was observed between environmental and socioeconomic objectives. Potential losses from trade-offs were reduced through three types of mitigating measures: compensation, compromise, and value addition.

5. Implementing projects as MFA rather than single focal area generates institutional benefits, but is also associated with higher costs. The option to integrate funds from multiple focal areas has allowed each focal area's priorities to be addressed through more interventions while using less of each focal area's allocation. This is particularly true for the land degradation focal area, which typically receives lower funding; and for the biodiversity focal area, which has leveraged higher cofinancing. Since MFA projects tend to be larger on average, they allow for economies of scale in project management relative to implementing the same interventions through several smaller projects. The involvement of more actors provides an opportunity for interaction among sectors that might not otherwise typically interact.

Costs accrue as efficiency declines (mainly during project design, review, and monitoring) due to increasing numbers of stakeholders and sectors providing inputs. The more actors involved, the more complex and time-consuming the decision making, as each actor tries to maximize benefits for its respective focal area or sector. Current monitoring requirements for MFA projects increase operating costs, while failing to account for synergies generated and trade-offs mitigated.

6. Implementing a project as MFA is most appropriate when its targeted environmental issues or management approaches provide opportunities to enhance synergies and mitigate trade-offs. Merely pooling focal area allocations in an MFA project may result in multiple benefits, but does not guarantee synergies or mitigation of trade-offs. These synergies and mitigation measures were best fostered when environmental issues and management approaches were inherently linked to multiple focal areas—i.e., (1) environmental issues whose causes, consequences, or spatial occurrence are linked to multiple focal areas; and (2) management approaches that inherently address multiple focal area priorities, such as sustainable land management and ecosystem-based adaptation. In some cases where conditions for an MFA project were appropriate, opportunities for synergies and trade-off mitigation were nonetheless limited by a lack of institutional arrangements for sectoral integration. Lack of strategic and operational guidelines for MFA projects contribute to this limitation.

BACKGROUND

GEF-3 (2002–06). In 2000, the GEF Secretariat issues official guidance to simultaneously address concerns and provide benefits across multiple focal areas. The GEF's Operational Program 12, Integrated Ecosystem Management (OP12), specifically aims to bring synergies among the biodiversity, climate change, land degradation, and international waters focal areas, and is considered the precursor of the GEF's current MFA programming.

GEF-4 (2006–10). The Resource Allocation Framework (RAF)—and subsequently, the System for Transparent Allocation of Resources (STAR)—are introduced. The GEF transitions from approving projects by operational program to focal area strategies. Under the new system, each country is given a specific funding envelope for the biodiversity, climate change, and land degradation focal areas. Countries have the option to combine focal area allocations into MFA projects if these address the priorities of multiple focal areas simultaneously.

GEF-5 (2010–14). Piloted in GEF-4 through the $50 million Sustainable Forest Management (SFM) Program, an additional funding envelope for SFM provides an incentive for countries.

Projects that combine at least two STAR focal areas to specifically address cross-focal forestry concerns are matched with SFM funding.

GEF-6 (2014–18). GEF Agencies are required to specify at the design stage how each project will contribute to corporate environmental targets linked with different focal areas, regardless of funding source. The GEF Secretariat introduces the integrated approach pilots (IAPs), which are MFA programs intended to address drivers of environmental decline and catalyze transformational change at higher scales. Countries receive additional matching funds when part of their STAR allocations are used toward IAPs.

CONCLUSIONS

Interventions generating synergies. Tree planting was a synergistic intervention implemented in all five MFA case study projects. It contributed to increases in vegetative cover and wildlife populations, improved water quality, and reduced wind erosion of soil. In the long term, it also has the potential for sequestering carbon. Planting indigenous fruit trees generated additional income in some communities.

Ecosystem protection and rehabilitation was also common across all MFA case study projects, through various forms of sustainable use arrangements. Protecting or restoring the integrity of ecosystems has the potential synergy of improving biodiversity, stabilizing soil, improving water quality and quantity, and maintaining carbon sinks to offset climate change.

Clean energy technologies such as solar and fuel-efficient clay stoves, solar panels, and biodigesters were introduced in three MFA case study projects. These technologies aimed to reduce use of firewood and, to a lesser extent, fossil fuel. They also brought socioeconomic benefits, including new sources of livelihood and access to drinking water.

The sustainable land management (SLM) approach was also found to be highly synergistic. SLM interventions often included some combination of the activities mentioned above with those primarily intended to improve agricultural productivity. SLM practices adopted in case study projects were said to reduce chemical use and agricultural expenses, and were also inferred to reduce hazards to soil, wildlife, and human health.

The interaction of benefits produced by the interventions mentioned above has the potential to reduce vulnerability to climate change, which is another synergy.

Types of trade-offs. Trade-offs were identified between environmental and socioeconomic benefits, among objectives within or between focal areas, between short- and long-term objectives, and between local and national benefits.

A common trade-off between environmental and socioeconomic objectives involved restricting local beneficiaries' access to a particular area in order to benefit biodiversity. While increasing the areas under protection, these interventions reduced the potential socioeconomic benefits from forest resources such as meat and timber.

Trade-offs were found between short-term economic benefits and long-term environmental benefits. The establishment of private natural reserves in Brazil, for example, traded short-term economic benefits from consuming timber, for long-term biodiversity protection and the corresponding ecosystem services that benefit agricultural productivity.

Potential trade-offs between biodiversity and climate change objectives were identified where villages in Senegal were converting natural habitats into Jatropha plantations to produce lower-carbon biofuel. While gaining climate change benefits from carbon sequestration, monoculture plantations are an opportunity cost for biodiversity.

There is also a potential trade-off between objectives at different geographical scales. Community nature reserves in Senegal were found to provide local benefits through access to resources, which are an opportunity cost for use of these lands for zircon mining that could benefit the national economy.

Measures mitigating trade-offs. Potential losses from trade-offs were mitigated through compensation, compromise, and value addition. Compensation involved direct payment or replacement of income to address lost socioeconomic benefits. Compromise occurred when the benefit to one focal area was decreased to reduce the anticipated loss to another focal area or social aspect. Value addition occurred when an intervention not only addressed the trade-off, but also created focal area and socioeconomic benefits beyond the status quo, essentially producing synergies.

Design characteristics contributing to enhanced synergies. Integrating additional benefits in intervention design was found in MFA case

"Targeting multiple sectoral objectives within the same project can have both potential and actual trade-offs. But some projects have been designed in ways that turn potential losses into actual wins. These interventions not only addressed the trade-off, but also created benefits beyond what already existed – essentially producing synergies." *—Jeneen R. Garcia, IEO Evaluation Officer*

study projects where synergies were observed. For example, beyond the synergistic benefits of tree planting to biodiversity and climate, economic benefits were also generated in projects that chose to plant indigenous fruit trees instead of nonedible species. In Senegal, the choice to plant trees as hedges rather than as plantations has not only mitigated climate change and land degradation, but has enhanced the use of public spaces as well.

Four out of five MFA case study projects had national or local multisectoral mechanisms that facilitated integrated decision making on what and how interventions would be delivered. These mechanisms provided opportunities to share ideas, reduce conflicts or overlaps in mandates, and develop integrated solutions.

Projects that implemented multiple interventions generated more synergistic benefits when the interventions benefiting multiple sectors were delivered within integrated spatial units, such as villages, landscapes, or watersheds. Such spatial units link multiple sectors within their boundaries. Thus, the outcomes of one intervention may synergistically affect the outcomes of another.

Contextual conditions conducive to enhancing synergies. Addressing multiple sector objectives together in one project was found to provide more opportunities for enhancing synergies and mitigating trade-offs better for environmental issues whose causes, consequences, or spatial occurrence are linked to multiple focal areas. Examples of such issues are deforestation, climate change adaptation, and lack of access to energy in a village. Although many countries have such environmental issues, they often lack the institutional structure or mechanism for integrating different sectors. This limits their opportunities for enhancing synergies and mitigating trade-offs.

RECOMMENDATIONS

1. Identify conditions appropriate for implementing MFA projects at the design and review stage. Projects successful at enhancing synergies and mitigating trade-offs share conditions and characteristics that have enabled them to maximize the benefits of having multiple focal area objectives. GEF Agencies must ensure that the environmental issues and management approaches targeted by MFA projects allow for such benefits while managing the higher transaction costs. Existing capacities and institutional arrangements for sectoral integration at the corporate and country levels should be assessed for MFA projects. Opportunities for good stakeholder engagement and partnerships to leverage resources from multiple sectors should also be considered in this assessment.

2. Streamline and enhance monitoring and reporting of MFA projects, including their synergies and trade-offs. Although a few MFA programs have attempted to remove repetitive and irrelevant indicators from tracking tools, such streamlining is also needed at the institutional level. Project monitoring tools should also measure and report on the synergies generated and trade-offs mitigated.

3. Develop shared guidance on the conditions for designing, reviewing, and implementing MFA projects across the GEF partnership. As a starting point, members of the GEF partnership need to adopt a common understanding of key concepts, such as multiple benefits, synergies, trade-offs, and integration. Minimum criteria or standards for designing and monitoring MFA projects will ensure that the benefits of focal area integration are maximized, while transaction costs at the corporate and country levels are managed.

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Photo: Jeneen R. Garcia/GEF IEO