



**Independent
Evaluation Office**
GLOBAL ENVIRONMENT FACILITY

GEF Portfolio and Performance

Peru

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Portfolio overview

The GEF has invested \$182 million in 54 national projects in Peru.

Since its inception in 1991, the Global Environment Facility (GEF) has supported projects in Peru. Thus far, the GEF has provided support for 54 national projects in the country (table 1). In addition, it has provided support for 53 regional and global projects where Peru is one of the participating countries. It is also among the countries that are covered through the GEF Small Grants Programme (SGP).

National projects. The GEF has so far approved \$182 million for national projects in Peru. Almost all funding is from the GEF Trust Fund, with only one national project supported through the Capacity-Building Initiative for Transparency Trust Fund. Of the national projects, 27 are full size, 14 are medium size, 13 are enabling activities. Full-size projects account for 91 percent (\$164.7 million) of GEF funding for national projects. Medium-size projects and enabling activities account for 8 percent and 2 percent, respectively. Thus, much of the funding to Peru is provided through full-size projects, which mirrors the pattern of the GEF portfolio as a whole. These national projects have mobilized \$1.2 billion in promised cofinancing.¹

Regional projects and the SGP. In addition to national-level projects, significant GEF funding has been channeled to Peru through regional or global projects. When the estimated portion of funding for Peru from regional projects (\$40 million) is included, the cumulative approved funds increase to \$222.0 million.² The GEF SGP has been operational in the country since 1996. Up to 1999, the program was supported in the country through SGP core funds. Since 1999, SGP activities in the country are supported through funds from Peru's System for Transparent Allocation of Resources (STAR) allocation.

More than half of Peru's GEF-supported projects focus on biodiversity.

Focal area. Given the country's rich biodiversity, much of the GEF's support to Peru has been focused on biodiversity conservation. Of the national projects, 21 (39 percent) are supported through the biodiversity focal area (table 1). Eight of the 10 multifocal area national projects also address biodiversity conservation. Thus, more than half of the GEF-supported projects in the country focus on addressing biodiversity-related concerns. Among other focal areas, climate change accounts for a substantial share of GEF support to Peru. Regional projects in which Peru has participated generally address biodiversity-related concerns or are multifocal in their approach.

¹ Based on cofinancing information in the GEF's Project Management Information System at project endorsement.

² Estimate derived by dividing each GEF project grant equally among the countries involved in the respective project.

TABLE 1 Distribution of GEF project portfolio in Peru

Item		Number of projects			
		National	Regional	Global	Total
GEF replenishment period	Pilot	2	1	1	4
	GEF-1	4	3	2	9
	GEF-2	10	3	1	14
	GEF-3	10	3	1	14
	GEF-4	7	6	6	19
	GEF-5	10	8	5	23
	GEF-6	11	8	5	24
Focal area	Biodiversity	21	12	4	37
	Multifocal	10	12	5	27
	Climate change	16	1	5	22
	Chemicals and waste	5	4	4	13
	International waters		3	1	4
	Land degradation	2		2	4
Lead Agency	United Nations Development Programme	27	11	6	44
	United Nations Environment Programme	5	13	11	29
	World Bank	12	5	2	19
	United Nations Industrial Development Organization	4	2		6
	Food and Agriculture Organization of the United Nations	1		2	3
	Inter-American Development Bank	2			2
	International Fund for Agricultural Development	2			2
	Development Bank of Latin America		1		1
	World Wildlife Fund-US	1			1
Trust fund	GEF Trust Fund	53	30	21	104
	Capacity-Building Initiative for Transparency	1			1
	Multiple trust funds		1		1
	Special Climate Change Fund		1		1
Total		54	32	21	107
GEF funding (million \$)		181.8	144.2	149.1	475.1
Cofinancing (million \$)		1,226.7	768.4	202.9	2,197.9

SOURCE: GEF Project Management Information System.

Half of Peru's national projects have been implemented by the United Nations Development Programme.

Agencies. Among the GEF Agencies, the United Nations Development Programme accounts for the largest number of national projects implemented in Peru (50 percent) and for 36 percent of GEF funding for national projects. The United Nations Environment Programme, on the other hand, accounts for more regional and global projects than the other GEF Agencies. The World Bank has implemented 12 national projects (22 percent), and accounts for the largest share of GEF funding for national projects in Peru (38 percent). Among the Agencies accredited during the second round of expansion of the GEF partnership, the World Wildlife Fund-US and the Development Bank of Latin America are represented in the GEF portfolio in Peru.

STAR utilization

Peru has demonstrated strong performance in utilization of the STAR resources allocated to the country. Although it used only 80 percent of its allocation during GEF-4, the country's utilization during GEF-5 and GEF-6 has been close to 100 percent (table 2). Its prompt use of its GEF-6 allocation minimized the effects of the reduced GEF-6 replenishment due to currency exchange fluctuations. During GEF-5, activities in the land degradation focal area benefited from cross-focal utilization of resources from biodiversity. During GEF-6, there was little cross-focal resource utilization.

TABLE 2 Peru's STAR utilization

GEF period	Focal area	Allocation (million \$)	Utilization (million \$)	Utilization (%)
GEF-4	Biodiversity	25.75	20.40	79
	Climate change	4.90	4.03	82
	Total	30.65	24.42	80
GEF-5	Biodiversity	26.25	24.99	95
	Climate change	8.71	8.71	100
	Land degradation	2.97	3.91	132
	Total	37.93	37.61	99
GEF-6	Biodiversity	29.72	29.46	99
	Climate change	7.12	7.12	100
	Land degradation	3.14	2.40	76
	Total	39.98	38.99	98

SOURCE: GEF Project Management Information System.

Performance of completed projects

To date, 26 projects implemented in Peru have been completed and reported on in the GEF Independent Evaluation Office's Annual Performance Report (table 3): 19 national, 5 regional, and 2 global. The percentages of completed national projects whose performance outcomes were rated in the satisfactory range and whose sustainability of outcomes was rated as likely are nominally lower than the ratings for the GEF portfolio as a whole—68 and 58 percent for Peru versus 80 and 62 percent GEF-wide—but the differences are not statistically significant. Quality of implementation is rated in the satisfactory range for 94 percent of projects, compared to 79 percent for the GEF portfolio. Again, this difference is not statistically significant. Cofinancing ratios for national projects are in line with GEF portfolio levels, with \$6.50 in cofinancing having materialized for each dollar of GEF financing.

TABLE 3 Performance of and funding for completed GEF projects in Peru

Item		National	Regional	Global	Total
Number of projects		19	5	2	26
Performance: projects with ratings in the satisfactory or likely range (%)	Outcomes	68	80	100	73
	Sustainability	58	20	0	46
	Implementation	94	50	50	85
Funding	GEF funding (million \$)	73.8	16.0	3.0	92.8
	Cofinancing to GEF ratio at appraisal	5.0	1.0	1.1	4.2
	Cofinancing to GEF ratio at completion	6.5	1.6	1.5	5.8
	% cofinancing materialized (portfolio)	127	129	183	127

SOURCE: GEF IEO Terminal Evaluation Review Data Set.

While completed projects in Peru have achieved noteworthy results, performance of climate change projects has been lower. Only two out of seven projects—of which one pertains to reporting to the United Nations Framework Convention on Climate Change—were rated in the satisfactory range for outcomes. In comparison, eight out of nine projects in the biodiversity focal area received ratings in the satisfactory range.

The reasons for underperformance of climate change projects varied. For one thing, all projects rated in the unsatisfactory range on achievement of project outcomes experienced significant delays during startup and/or implementation. These delays were often linked to flaws in the project design—either related to issues in targeting or overly ambitious objectives—leading to the need to restructure the project.

Flaws in initial project design are among the reasons for underperformance in Peru's climate change projects.

TABLE 4 Performance of completed GEF projects by focal area and project size

Item		Number of projects	% with outcomes in the satisfactory range	% with sustainability in the likely range	% with implementation in the satisfactory range
Focal area	Biodiversity	9	89	56	100
	Climate change	7	29	57	80
	Other	3	100	67	100
Project size	Full size	11	64	64	89
	Medium size	8	75	50	100
Total		19	68	58	94

SOURCE: GEF IEO Terminal Evaluation Review Data Set.

Incomplete implementation and delivery on project objectives also accounts for unsatisfactory performance.

In some cases, while a project delivered benefits in some areas, other components were not implemented successfully. For example, the rural electrification project implemented by the World Bank (GEF ID 2607) delivered technical assistance for bottom-up provision of rural electrification and delivered a pilot program for productive uses of electricity, which helped over 20,000 new enterprises and families adopt electricity using equipment supplied by the project. On the other hand, the project failed to deliver a small hydro financing facility as planned. Another project, Obtaining Biofuels and Non-wood Cellulose Fiber from Agricultural Residues/Waste (GEF ID 1558), was discontinued when a fire destroyed the prototype sugarcane harvesting equipment that would have been piloted in a Peruvian sugar mill.

GEF funding has helped promote conservation of Peru's protected areas.

Highlights of performance: biodiversity. During 2009–10, the GEF's Independent Evaluation Office reviewed the portfolio of completed GEF-supported biodiversity projects in Peru in its Annual Impact Report 2010. The evaluation found that GEF funding has played an important role in promoting conservation of Peru's protected areas, and that the five biodiversity projects reviewed as part of the evaluation "have successfully generated a catalytic effect through participatory models for protected area management, demonstration projects, and livelihood improvement efforts." GEF projects also contributed to the establishment of the Peruvian National System of Protected Areas (Sistema Nacional de Áreas Naturales Protegidas por el Estado, or SINANPE). The evaluation reported that financial sustainability appeared likely for priority protected areas due to the establishment of the Peruvian Trust Fund for National Parks and Protected Areas, but noted that additional funds were still needed. The participatory management model piloted through GEF projects in Peru's protected areas was also found to be likely sustainable.

The portfolio of completed biodiversity projects implemented in Peru demonstrates the ways in which the GEF has strengthened conservation in the country, often by working with civil society. A project focused on conservation and sustainable use of Peruvian Amazonian biodiversity by the Ashaninka Indigenous population (GEF ID 1446) established cacao cultivation, leading to the abandonment of slash-and-burn and contour-slope cultivation, as well as the creation of community producer associations under the Producers Association of the Tambo River. The project also raised public awareness on the importance of setting aside territory for community reserves. By the project's end, 17 communities had set aside 20,000 hectares and established community management committees.

Another project that promoted conservation and sustainable use of biodiversity in the Amarakaeri Communal Reserve and Adjoining Indigenous Lands (GEF ID 957) strengthened protected area management, including through demarcating boundaries, developing management plans, and training personnel. As measured by GEF Management Effectiveness Tracking Tools, management scores improved, and short- and long-term funding was achieved.

Highlights of performance: other focal areas. The climate change project Energy Efficiency Standards and Labels in Peru (GEF ID 3791) led to—among other achievements—government approval of technical regulations for labeling and strengthened standardization of testing institutes. A chemicals and waste project, Environmentally Sound Management and Disposal of PCBs (GEF ID 3709), helped strengthen regulatory and enforcement capacities, providing technical support and facilitating drafting of proposals for regulation.

Peru's management, and citizen awareness of the importance, of protected areas has improved through GEF-supported projects.

Annex: Completed projects implemented in Peru

GEF ID	Project title	Lead Agency	Project size	Focal area	GEF period	GEF grant (million \$)	Outcome rating
National projects							
449	Photovoltaic-Based Rural Electrification in Peru	UNDP	Full	CC	GEF-1	3.930	MU
500	In-Situ Conservation of Native Cultivars and Their Wild Relatives	UNDP	Full	BD	GEF-2	5.050	MU
538	National Trust Fund for Protected Areas	World Bank	Full	BD	Pilot	5.000	S
651	Indigenous Management of Protected Areas in the Amazon	World Bank	Full	BD	GEF-2	10.000	S
857	PERU Renewable Energy Systems in the Peruvian Amazon Region (RESPAR) 1672	UNDP	Medium	CC	GEF-2	0.748	U
957	Conservation and Sustainable Use of Biodiversity in the Amaraeri Communal Reserve and Adjoining Indigenous Lands	UNDP	Medium	BD	GEF-3	0.964	MS
1035	Integrated Ecosystem Management in the Cotahuasi Basin	UNDP	Medium	FM	GEF-3	0.870	MS
1061	Inka Terra: An Innovative Partnership for Self-Financing Biodiversity Conservation & Community Development	World Bank	Medium	BD	GEF-3	0.7	S
1081	Peru Lima Transport Project	World Bank	Full	CC	GEF-3	7.930	MU
1101	Participatory Management of Protected Areas	World Bank	Full	BD	GEF-3	14.830	MS
1408	Biodiversity Conservation and Community Natural Resource Management in the Nanay River Basin (Peruvian Amazon)	World Bank	Medium	BD	GEF-2	0.748	S
1416	Community -based Conservation and Sustainable Use of the Atiquipa and Taimara Lomas Ecosystems	UNDP	Medium	BD	GEF-2	0.725	S
1446	Conservation and Sustainable Use of Biodiversity in the Peruvian Amazon by the Indigenous Ashaninka Population	UNDP	Medium	BD	GEF-3	0.975	MS
1558	Obtaining Biofuels and Non-wood Cellulose Fiber from Agricultural Residues/Waste	World Bank	Medium	CC	GEF-2	1.0	U
2607	Rural Electrification	World Bank	Full	CC	GEF-3	10.0	MU
2780	Second National Communication of Peru to the UNFCCC	UNDP	Full	CC	GEF-3	1.8	MS
3276	Promoting Sustainable Land Management in Las Bambas	UNDP	Full	LD	GEF-4	4.00	S
3709	Environmentally Sound Management and Disposal of PCBs	UNIDO	Full	CW	GEF-4	2.58	S

GEF ID	Project title	Lead Agency	Project size	Focal area	GEF period	GEF grant (million \$)	Outcome rating
3791	Energy Efficiency Standards and Labels in Peru	UNDP	Full	CC	GEF-4	2.00	S
Regional projects involving Peru							
202	Regional (Bolivia, Peru)-Conservation of Biodiversity in the Lake Titicaca Basin	UNDP	Full	BD	GEF-1	3.110	U
464	Global Environmental Citizenship (GEC)	UNEP	Full	MF	GEF-1	2.977	MS
794	Regional - Catalyzing Conservation Action in Latin America: Identifying Priority Sites and Best management Alternatives in five Globally Significant Ecoregions. GFL/2711-00-4271	UNEP	Medium	BD	GEF-2	0.725	MS
1310	Regional (Mexico) - Building Wider Public and Private Constituencies for the GEF in Latin America and the Caribbean: Regional Promotion of Global Environment Protection through the Electronic Media	UNDP	Medium	MF	GEF-2	0.998	MS
1918	Conservation of the Biodiversity of the Paramo in the Northern and Central Andes	UNEP	Full	BD	GEF-3	8.2	S
Global projects involving Peru							
1599	Development of a Strategic Market Intervention Approach for Grid-Connected Solar Energy Technologies (EMPower)	UNEP	Medium	CC	GEF-3	1.0	MS
2043	Technology Transfer Networks (TTN) Phase II: Prototype Verification and Expansion at the Country Level	UNEP	Full	MF	GEF-3	2.0	MS

SOURCE: GEF IEO Terminal Evaluation Review Data Set.

NOTE: *Agencies:* UNDP = United Nations Development Programme; UNEP = United Nations Environment Programme. *Focal areas:* BD = biodiversity; CC = climate change; CW = chemicals and waste; LD = land degradation; MF = multifocal. *Ratings:* S = satisfactory; MS = moderately satisfactory, MU = moderately unsatisfactory; U = unsatisfactory.





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Website: www.gefio.org

email: gefevaluation@thegef.org

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