

GEF Country Portfolio Evaluation: Nicaragua (1996–2010)



The Evaluation Office of the Global Environment Facility (GEF) conducted a country portfolio evaluation of GEF support to Nicaragua for the period 1996–2010. Nicaragua was selected mostly on the basis of its comparatively diverse, large, and mature portfolio. Considered the second poorest country in the Western hemisphere, Nicaragua is particularly vulnerable to global market trends and price fluctuations as well as to climate variability. Since its initial involvement with the GEF in preparing the World Bank–implemented Atlantic Biological Corridor project, Nicaragua has been involved in an additional 15 national projects. Overall, the GEF has invested about \$32.27 million in Nicaragua, with \$165.24 million in cofinancing. The climate change and biodiversity portfolios account for, respectively, 38 and 32 percent of the projects supported by the GEF.

Findings

Results and Effectiveness

Capacity development has been a strong component in all projects with sustainable achievements, establishing an adequate enabling policy environment for future larger scale actions. In the biodiversity focal area, the GEF supported a series of enabling activities that has set the stage for future work in biodiversity conservation in Nicaragua. In addition, capacity has been built at the national level in the Ministry of Environment and Natural Resources to meet the country's global convention commitments. Capacity was also developed through national and regional projects. Support for biosafety enabling actions—aimed at fostering the development of a national regulatory framework for biosafety—appears to have been effective.

In the biodiversity focal area, goals have tended to be over-ambitious, leading to unfulfilled expectations for actual results and impacts; modest progress toward impacts can be reported. At the policy level, GEF support to biodiversity projects was instrumental in raising the profile of biodiversity

conservation at the national level through the management of a biological corridor and protected areas. Effective management and monitoring of such protected areas and ecosystems is needed to ensure this biodiversity conservation.

Climate change mitigation projects have, on the whole, been successful in yielding both environmental and socio-economic benefits. A large proportion of GEF support in Nicaragua has addressed climate change. Although the full- and medium-size project portfolio has faced challenges in terms of achievement of results, it has yielded sizable impacts—notably, by providing access to energy through the development of microhydro and solar renewable energy schemes for isolated rural communities.

Adaptation to climate change is not well mainstreamed in the GEF Trust Fund portfolio, nor is it a focus of GEF project interventions, even though it is increasingly a central priority for Nicaragua. Although recognized by Nicaraguan authorities as a priority for the country, only one project in the GEF Nicaraguan portfolio focuses on adaptation to climate change. That project, a regional initiative, focused on capacity building at the individual and institutional levels, and on providing support in the production of national reports on adaptation issues. However, adaptation is not a mandated focus of the GEF Trust Fund, which is concerned with global environmental benefits. Adaptation that yields national- and local-level benefits is expressly supported by other funds.

Support in the land degradation and persistent organic pollutants (POPs) focal areas is promising in terms of progress toward impact. Efforts in both areas are still at an early stage, but to date, they have achieved the majority of key outcomes. At the national level, GEF support of POPs initiatives has contributed toward establishing an appropriate enabling environment for POPs management.

The financial and economic sustainability of results, particularly in the biodiversity focal area, remains a challenge. The sustainability of GEF-supported results are partially guar-

anted by financial resources from the Nicaraguan government: by law, the Ministry of Environment and Natural Resources has been allocated treasury resources amounting to \$3.4 million per year for the period 2011–14. International cooperation funds are also tapped to cover GEF project support; these are estimated at \$4.5 million per year for the 2011–14 period. Clearly, given the scope of the task to promote the global environmental agenda in Nicaragua, sufficient financing remains a challenge.

Relevance

In general, GEF support has been relevant to national human development/sustainable development strategies and environmental priorities, international conventions, regional processes, and the GEF mandate. Without exception, projects have targeted social and development issues addressed in the country's National Human Development Plan (2007–2011), its National Environmental and Climate Change Strategy (2010–2015), and the government's medium-term priorities (2010–2016). Seven of the 16 national projects have a strong focus on poverty reduction. Nearly all biodiversity projects are tied to Nicaragua's Tropical Forestry Action Plan. In climate change, projects are integrally tied to the National Action Plan for confronting Climate Change and Nicaragua's Renewable Energy Policy Framework.

Efficiency

Full-size projects take about twice as long as medium-size projects to move from pipeline entry to the effectiveness milestone in the GEF activity cycle. Stakeholders in Nicaragua believe that, overall, projects have taken too long to be approved by the GEF and its Agencies—even without taking into account any time needed for project restructuring. Negotiating among the many actors involved in a project is a factor in slowing activity cycle processes.

Monitoring and evaluation information is used inconsistently throughout the portfolio to enhance project performance. Combined with weak GEF Agency supervision, this shortcoming has been an impediment to the efficiency and effectiveness of several projects. Monitoring and evaluation of GEF support in Nicaragua occurs mainly at the project level, and difficulties at this level regarding baseline information and the wording of indicators and outcomes were present in a number of the projects reviewed. In some cases, integrating

information obtained from monitoring and evaluation to effect change has been challenging.

There has been significant involvement of actors from various sectors in GEF projects. The extent of coordination among them was mixed. Overall, a wide variety of different actors has been involved to a great extent in the implementation of the GEF portfolio. However, there appears to be a lack of coordination among government ministries at times. On the other hand, synergies were noted between sustainable livelihoods and biodiversity conservation efforts, and full- and medium-size project initiatives were sometimes complemented by Small Grants Programme support in a given area.

Recommendations

- In highly vulnerable countries such as Nicaragua, the GEF should put more effort into mainstreaming adaptation to climate change in project design in all focal areas. Such mainstreaming will help ensure more resilient results and impacts of GEF projects. The GEF should also seek to build synergies with adaptation actions funded by other donors and through support from the Adaptation Fund or Special Climate Change Fund.
- The government of Nicaragua should provide for proper baseline, monitoring, and evaluation data in project implementation and at the national level, working closely with the GEF Agencies.
- Both the GEF and the Nicaraguan government should avoid overly ambitious project designs and ensure an adequate focus on building the institutional and financial capacity of local actors needed in helping to secure the sustainability of results.

Photo: Estero Real River, Puerto Morazán municipality, Nicaragua, by Anna Viggh, GEF Evaluation Office.

The GEF Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF.

The full version of *Evaluación de la cartera de proyectos del FMAM en Nicaragua (1996–2010)* (Evaluation Report No. 71, 2012; in Spanish, with conclusions and recommendations in English) is available on the GEF Evaluation Office website, www.gefeo.org. For more information, please contact the GEF Evaluation Office at gefevaluation@thegef.org.