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MANAGEMENT RESPONSE TO THE GEF ANNUAL REPORT ON IMPACT 2007

INTRODUCTION

1. This is the management response to document, GEF/ME/C.32/4, *GEF Annual Report on Impact 2007*, prepared by the GEF Evaluation Office. The management response has been prepared by the GEF Secretariat in consultation with the GEF Agencies.
2. We welcome the effort taken by the Evaluation Office to test and develop two parallel approaches to this first Annual Report on Impact. The first approach was to use a Theory Based Approach to link outcomes to impact and the second was to use a statistical analysis of existing time series data on deforestation and protected areas in Costa Rica. We believe both approaches have provided valuable insight into the impacts of GEF protected area projects and look forward to the continued work of the Evaluation Office in producing an Annual Report on Impact.
3. We are pleased with many of the conclusions that came out of these studies. The Lewa project was part of the Local Benefits Study, and these findings are consistent with those from the earlier study. We would also like to note that in the case of Bwindi, the findings are consistent with conclusions reached in an independent post impact study commissioned by the World Bank using resources from Canadian Consultant Trust Funds, and with a project assessment conducted by the Bank's Independent Evaluation Group. The three studies were all concluded within the past eighteen months.
4. We agree with the importance that the report places on “institutional continuity” as one key contributing factor to sustaining project outcomes and achieving impact. We support the intent of the recommendation that protected area projects should address the issue of institutional continuity as part of the project design and implementation.
5. We do not agree, however, with the recommendation that plans for “institutional continuity” be included for all of GEF’s protected area projects or that tracking “institutional continuity” be included as part of the biodiversity tracking tools. The recommendation fails to acknowledge the evolution of GEF’s strategy to improve the management of protected areas and protected area systems and misunderstands the function of the tracking tools to monitor progress in improving protected area management. Instead, we propose an alternative approach to ensure that the issue of “institutional continuity” is properly addressed as part of biodiversity project design and implementation as appropriate for each project.

Evaluation Conclusions

Conclusion 1: There are measurable and recorded improvements to the status of two key threatened species in Bwindi (Mountain Gorillas) and Lewa (Black Rhino)

6. We are pleased that the Bwindi-Mgahinga project has contributed to the stabilization and later increase of a globally significant mountain gorilla population. The findings also

pointed to the challenges of achieving specific impacts when dealing with complex ecological systems and the need for appropriate indicators to measure conservation outcomes at the ecosystem level.

Conclusion 2: Two of the three Protected Area projects have contributed to a sustained reduction in the threats to key conservation targets.

7. We are pleased that the project conditions have led to the fulfillment of achieving major impacts by stabilizing gorilla and rhino populations in Bwindi and Lewa respectively. This demonstrates successful achievement of expected global environmental benefits and a reduction in the threat levels to the continued generation of these benefits.

Conclusion 3: The third Protected Area project has not been able to effectively continue with its threat-reduction mechanisms after GEF support ended.

8. We take note that while project outcomes had been achieved with regard to enhanced forest management the project was not able to effectively continue with its threat-reduction mechanisms, specifically to establish sustainable community institutions within a limited project time frame. This conclusion provides the opportunity to assess how these kinds of interventions can be improved during project design to achieve sustainability.

Conclusion 4: Impact was achieved in two of the three Protected Area projects because an explicit plan for institutional continuity was built into the project from the start.

9. We are pleased that the findings pointed to reasons why impact was achieved in two out of the three protected area projects, although there may be other factors that have influenced the achievements identified. The conclusion that impacts were achieved because an explicit plan for institutional continuity was built into the project from the start is important and should be taken into account when looking at future protected area projects, when relevant.

Conclusion 5: The Bwindi and Lewa projects have both contributed towards substantial additional benefits through catalytic effects.

10. We are pleased with the findings that two of the protected area projects contributed towards additional benefits through catalytic effects, such as catalyzing further replication and scaling up in the wider ecosystem. Since GEF interventions are often developed with the purpose of producing catalytic effects, it is important that impact evaluations continue to look into how and whether catalytic effects are in fact achieved.

Conclusion 6: The Bwindi project has not yet satisfactorily resolved some negative impacts of the Projected Areas on the indigenous Batwa.

11. We take note that the Bwindi project was only partially successful in re-orienting the livelihoods and lifestyle of the Batwa indigenous community. The findings support the notion that the promotion of income generating opportunities could be better supported and potentially more successful through training in financial management.

Conclusion 7: Even though Costa Rica's protected area policy was not primarily focused on avoiding deforestation within a specified time frame, it achieved a measurable impact on avoided deforestation of about 110,000 hectares between 1986 and 1997. GEF supported protected areas in Costa Rica were between 2% and 7% more effective at achieving avoided deforestation than similar projects funded by other sources

12. We note with great interest the claim that GEF supported protected areas in Costa Rica were effective in reducing deforestation over and above what was intended by the protected areas investments in the country. The paper's supported finding that protected areas largely block deforestation pressures, even as those pressures grow, suggests that protected areas will have a fundamental role in strategies to both achieve biodiversity benefits and reduce emissions from deforestation and degradation.

Conclusion 8: The most cost-effective and realistic approach to impact evaluation for the GEF Evaluation Office is a combination of opportunistic quasi-experimental analysis, using available data, with targeted case studies utilizing a theory-based approach.

13. We are pleased with the Evaluation Office's approach to this first impact evaluation. It is cost-effective and has provided important conclusions from which the GEF can build on and benefit from in the design and implementation of future interventions.

Evaluation Recommendations

Recommendation 1: Protected Area projects should include a specific plan for institutional continuity, which should be included in the biodiversity tracking tools of the GEF, or through the development of an alternative system, under the direction of the GEF Secretariat.

14. With regards to this recommendation and the projects reviewed to arrive at this conclusion, it is important to note that GEF's strategy to improve the management of protected areas and protected area systems has evolved considerably since these projects were designed and approved (ranging from 8-14 years ago). Thus, while we agree that project designs for protected area projects should consider "institutional continuity" as one of many contributing factors to sustainability of project outcomes and eventual impact, we can not agree with the prescriptive recommendation proposed by the EO that evolves from this finding. The recommendation fails to acknowledge the maturation of GEF's protected area strategy, the project designs that are being developed in response to this strategy, GEF's own understanding of the factors necessary for sustaining the conservation outcomes that protected areas are designed to achieve, and finally, GEF's own experience in applying and modifying its biodiversity tracking tools.

15. Currently, and in part to sustain project interventions and their outcomes and to ensure “institutional continuity” as one contributing factor to achieving impact post-project, the GEF’s protected area strategy is now focused on effecting the systemic change required to ensure the sustainability of protected area systems and the achievement of their management objectives to conserve and sustainably use biodiversity . Beginning in GEF-3 and more explicitly in GEF-4, GEF has made a concerted effort to address three aspects of protected area system sustainability through individual projects that: a) ensure that sufficient and predictable revenue, including external funding, is available to support protected area management costs; b) improve the coverage of ecologically viable representative samples of ecosystems in the protected area system; and c) strengthen individual, institutional and systemic capacity to manage protected areas such that they achieve their management objectives. Going forward, the GEF will support comprehensive interventions that address these three aspects of protected area management in order to catalyze the long-term sustainability of the system, of which institutional capacity is but one part.
16. The tracking tools were developed for GEF-3 and GEF-4 as part of the Secretariat’s monitoring system and aim to measure outputs and progress toward outcomes agreed at the time of each replenishment at the portfolio level. In addition, they provide equally useful information for tracking progress at the project level as an adjunct to regular project level monitoring. We do not believe that the tracking tools represent the best solution for remedying project design flaws that the report has identified, given that the tracking tools have been developed for tracking specific outcomes that will reflect the success or failure of the intervention strategy to catalyze sustainable protected area systems.
17. We do agree, however, with the implicit premise in the EO recommendation that the tracking tool should not be seen as a static tool but a dynamic one that should be flexible enough to change to reflect what has been learned through its application. Thus, in order to reflect global experience with the use of the management effectiveness tracking tool for protected areas, the GEF plans to introduce a revised tracking tool for protected areas during GEF-4 which reflects global best practice. In addition, on a provisional basis, we have included the use of a financial sustainability scorecard as part of the GEF-4 project cohort which will allow the GEF to measure progress towards financial sustainability, a key contributing factor to sustainability of project activities, outputs, outcomes and eventual impacts from a GEF protected area intervention. When combined, the results of these two tracking tools provide a comprehensive overview of management effectiveness, protected area management capacity, and financial sustainability trends in protected area systems which are the key characteristics that the GEF is trying to improve through its protected area projects.
18. We have serious reservations about requiring that all projects include “institutional continuity plans” and that we then track them through the biodiversity tracking tools. We do not believe that the solution proposed is the correct remedy for the institutional continuity problems identified through the evaluation of three projects funded in previous

phases of the GEF. As noted above, the recommendation provided fails to reflect the GEF's current strategy for protected areas and ignores the function for which the tracking tools were created and are currently being applied as well as the content of the tracking tools themselves.

19. However, we do agree that the GEF needs to place greater emphasis on “institutional continuity” as a factor in project design and that this should be addressed in the project design phase and be adequately monitored throughout project implementation. As an alternative to the approach suggested by the EO, we propose the following course of action. First, within the Project Information Form (PIF) as part of the presentation of the project design, the issue of post-project sustainability, including “institutional continuity”, will be addressed as relevant to each project, given that this issue affects all projects, not only those dealing with protected areas. Second, at the time of CEO endorsement and as part of the project's sustainability strategy, the project design will identify how institutional continuity will be addressed and monitored during project implementation and how institutional continuity will be secured by the time of project closure. Finally, during the mid-term and final-evaluations, the Terms of Reference will specifically highlight this issue as an area for examination for the evaluator. We believe that this approach provides a more comprehensive remedy to the problem identified.