



Global Environment Facility

Summary of Document GEF/ME/C.27/4

The Role of Local Benefits in Global Environmental Programs Part One: Nature and Conclusions of the Study

Recommended Council Decision

The Council takes note of document GEF/ME/C.27/4, *The Role of Local Benefits in Global Environmental Programs, Part One: Nature and Conclusions of the Study* and endorses its recommendations, as follows:

1. Where local benefits are an essential means to achieve and sustain global benefits, the GEF portfolio should integrate them more strongly into its programming.
2. Integration of local benefits should be more systematically carried forward into all stages of the project cycle.
3. GEF activities should include processes for dealing with trade-offs between global and local benefits in situations where win-win results do not materialize.
4. In order to strengthen generation of linkages between local and global benefits, the GEF should ensure adequate involvement of expertise on social and institutional issues at all levels of the portfolio.

Council requests the GEF Secretariat, with the collaboration of the Implementing/Executing Agencies, to develop an appropriate set of actions to address these recommendations. The Council also requests the GEF Secretariat and the Office of Monitoring and Evaluation to record follow up actions taken to implement the management response to the study and to report on these actions through the proposed GEF Management Action Record, to be submitted by the Office of Monitoring and Evaluation at the May/June session of Council.

EXECUTIVE SUMMARY

This study analyzes the inter-relationship between local benefits and global environment benefits in the GEF strategy and projects. In several GEF focal areas, local benefits, or recompense for costs incurred locally to protect the environment, are an essential means of generating and sustaining intended global benefits.

The study design was based on three distinct, but inter-related approaches: firstly, a series of case studies, including both field-based and non-field studies; secondly a review of assessments provided by previous evaluative studies at the project, program and thematic level; thirdly, an examination of relevant donor agency, NGO and research community experiences.

The study drew four main conclusions. Firstly, in many areas in which the GEF is active, local and global benefits are strongly interlinked. Secondly, in some GEF projects there were considerable achievements in developing local incentives to ensure environmental gains. Thirdly, in many projects where local-global linkages were intended to be addressed, they were not sufficiently taken into account, resulting in less local and global benefits than anticipated. Fourthly, “win-win” situations for global and local benefits proved in many cases to be unattainable.

On the basis of its findings, the study made four recommendations, as follows:

- Where local benefits are an essential means to achieve and sustain global benefits, the GEF portfolio should integrate them more strongly into its programming.
- Integration of local benefits should be more systematically carried forward into all stages of the project cycle.
- GEF activities should include processes for dealing with trade-offs between global and local benefits in situations where win-win results do not materialize.
- In order to strengthen generation of linkages between local and global benefits, the GEF should ensure adequate involvement of expertise on social and institutional issues at all levels of the portfolio.

The study also noted that the GEF needs to better articulate the relationship between environment and development in its mandate. The study has shown that in many situations, the GEF’s environmental objectives cannot be achieved and sustained independently of broader development processes. The failure to address this relationship fully has reduced the effectiveness of the GEF portfolio in meeting its global environmental goals. It is important to re-assess the GEF practices of incremental cost calculations and the associated interpretations of what is “GEF-able”, without undermining the principle that all GEF funding needs to be spent on achieving global environmental benefits. The Office of Monitoring and Evaluation will undertake an evaluation of incremental cost analysis which will make use of the material gathered in this study and bring this to the Council for further discussion.

The main findings of the study, on which its conclusions and recommendations are based, are presented in Part Two. This has not been produced as a Council Working Document, since it is a large document and there would be insufficient time to discuss it fully. It has been placed in the Monitoring and Evaluation section of the GEF web site, under the Local Benefits Study heading. This area of the GEF web site contains a range of documents, including the field case studies, which comprised one of the major sources of data for the analysis, conclusions and recommendations. Council members are invited to consult this material, if they wish to know more about the empirical basis of study findings.