Global Environment Facility

GEF/ME/C.27/4
October 12, 2005

GEF Council
November 8-10, 2005

Agenda Item 7 (d)

THE ROLE OF LOCAL BENEFITS IN GLOBAL ENVIRONMENTAL PROGRAMS PART ONE: NATURE AND CONCLUSIONS OF THE STUDY

(Prepared by the GEF Office of Monitoring and Evaluation)

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 SUMMERY

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.

THE ROLE
OF
LOCAL BENEFITS IN GLOBAL ENVIRONMENTAL PROGRAMS

PART ONE: NATURE AND CONCLUSIONS OF THE STUDY

GEF OFFICE OF MONITORING AND EVALUATION

SEPTEMBER 2005

THE ROLE OF LOCAL BENEFITS IN GLOBAL ENVIRONMENTAL PROGRAMS

PART ONE: NATURE AND CONCLUSIONS OF THE STUDY

TABLE OF CONTENTS

Annexes

PART TWO: STUDY FINDINGS (published separately)

Acronyms

Chapter 5 Biodiversity

Chapter 6 Climate Change

Chapter 7 International Waters

Annexes

1	Local Costs and Benefits and the Sustainability of GEF-Assisted Projects: An Economics Overview
2—16	Project Samples

Acronyms

CBO	Community Based-Organization
CIDA	Canadian International Development Agency
COP	Conference of Parties
CEO	Chief Executive Officer
GEF	Global Environment Facility
GEFOME	Global Environment Facility Office of Monitoring and Evaluation
GEFSEC	Global Environment Facility Secretariat
IA	Implementing Agencies (UNDP / UNEP / World Bank)
IGAs	Income Generating Activities
IW	International Waters
IUCN	The World Conservation Union
LDCs	Least Developed Countries
MDGs	Millennium Development Goals
NGO	Non-Government Organization
OD	Operational Directive
OED	Operations Evaluation Department (World Bank)
OP	Operational Program
OPS2 / 3	Overall Performance Study 2 / 3
OS	Operational Strategy
PA	Protected Areas
PDF	Project Development Funds (A & B)
PIR	Project Implementation Review
PRSP	Poverty Reduction Strategy Plan
SBSTTA	Subsidiary Body on Scientific, Technical and Technological Advice
STAP	Scientific and Technical Advisory Panel
TDA–SAP	Trans-boundary Diagnostic and Strategic Action Plan
UNCBD	United Nations Convention on Biological Diversity (CBD)
UNCCD	United Nations Convention on Combating Desertification
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNFCCC	United Nations Framework Convention on Climate Change

CHAPTER 1. MAIN CONCLUSIONS AND RECOMMENDATIONS

1.1 Introduction

1. This study analyzes the inter-relationship between local benefits and global environment benefits in the GEF strategy and projects in order to:

- Enhance GEF **policies, strategies and project design and implementation,** so these can effectively promote the potential for local gains in those global environmental programs where these are necessary to mobilize actors for long term support of sound environmental management, to reduce costs incurred by local communities for supplying global environmental goods, and to ameliorate possible negative impacts.
- Strengthen GEF **monitoring and evaluation policies and processes,** so these can develop indicators for and strengthen the tracking of local benefits and negative impacts.
- Expand the body of existing **operational knowledge** of good practices and experiences germane to pursuing global environmental issues and of constraints or fallacies to be avoided in operations.
- Disseminate widely the most valuable lessons of existing experience and show **how** these lessons can be implemented in future GEF operations.

2. GEF funding is focused on the attainment of global benefits rather than local benefits, in accordance with the principle that the GEF will fund only the agreed incremental costs necessary to achieve global environmental benefits. Local benefits should, in principle, be funded by the recipient country. This means that local benefits can be funded by the GEF only when they are clearly part of the incremental cost – in other words, when the recipient country will fund no or a lower level of local benefits, which would be insufficient to generate or sustain the intended global environment change. In many cases, components intended to generate local benefits are funded mainly or entirely by co-financing institutions.

3. The GEF mandate incorporates the role of local benefits through its focus on sustainable development: "The GEF shall fund programs and projects which are country-driven and based on national priorities designed to support sustainable development". From its inception, the GEF aimed to focus on one aspect of sustainable development, namely global environmental benefits, in a manner which, in principle, recognized the links to wider conservation and development frameworks.

4. Local benefits are defined by this study as outcomes which, directly or indirectly, have positive impacts upon people and ecosystems within or adjacent to project areas and which provide gains, present and future, in the livelihoods of communities and to the integrity of ecosystems. Global environment benefits are defined as outcomes which, directly or indirectly, have positive impacts on global environmental sustainability

through reducing the risks of climate change, stemming biodiversity loss, safeguarding international waters, preventing ozone depletion, eliminating persistent organic pollutants or preventing land degradation.

5. 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. In other areas, issues concerning local populations may be minor or absent. The recommendations of this study therefore apply specifically to those parts of the portfolio, which affect local communities and do not imply that all GEF projects need to focus on social and participatory aspects. Financial analysis of case studies established that GEF has provided substantial funding for local incentives for global environmental benefits in some (predominantly larger) projects. The majority of GEF projects did not provide funding specifically for local benefits.

6. The GEF family has historically not defined "local benefits" but has treated all non-global benefits as such. Under this approach, all benefits, which are not of a global nature fall under the category of local benefits. This therefore includes benefits for local (project area) communities, regions within countries, national benefits and some international benefits of a regional or intergovernmental nature. This study focuses primarily on benefits for local project area communities, although benefits at a regional level and national benefits are also touched upon in focal area analyses.

7. To understand how potential local and global benefits links may support the GEF mandate and its operational activities, the study scope covered the following dimensions of selected projects in the GEF portfolio:

- The nature of links between attaining **global environmental benefits and generating local benefits,** based on an analysis of how global environmental benefits can affect benefit streams at the level of project area communities and how the generation of local benefits can affect global environmental goals.
- The types and scale of **local benefits and of any negative impacts**, intended or unintended, which have resulted from GEF projects, including local perceptions of these impacts.
- The extent to which project design and the environmental management options selected in the project **can maximize opportunities** to generate greater levels of local benefits, or can **miss out** on or not sufficiently exploit such opportunities. Essentially, this implies taking stock of good project practices and identifying existing constraints, weaknesses and lessons for improving future projects.

1.2 Study Design, Analytical Framework and Methodology[1]

8. The study design was based on three distinct but related approaches. Firstly, a series of case studies, including both field-based and non-field studies, aimed at addressing causal links in project implementation and broader program effects between local and global benefits. Secondly, the assessments provided by previous evaluative studies at the project, program and thematic scale, were reviewed. Thirdly, the study examined related donor agency and research community experiences.

9. In view of the complex nature of the issues studied, qualitative field research methods, including semi-structured interviews and focus groups, were used to provide detailed evidence. Some of the field studies also used quantitative approaches in a 'mixed-method approach'. The first hand evidence of the field studies was supplemented by documentary analysis of all available GEF program and project evaluations (as of July 31, 2004); detailed review of project files and documents; discussions with Implementing Agency staff and external literature reviews. Case studies were developed at three levels:

- Detailed field case studies (18 project studies) based on qualitative and quantitative fieldwork;
- Non-field in-depth studies (25 project studies) based on a detailed review of documents including records of implementation, aide-memoires, correspondence, social and environmental assessments, and where possible, supplemented by interviews with project staff;
- Desk review (89 project studies) based on documentary analysis of project implementation reports and where available evaluations.

10. The study sample included 132 projects spanning the GEF pilot phase to GEF-2 replenishment period (1991 – 2000). The selection was based on those projects under implementation or completed and included in the 2001 Project Implementation Review (PIR), as of July 31st 2001. The selection procedure was purposive in terms of selecting those projects that had a stated intention to provide local incentives as one of the means to generate global environmental gains. The Small Grants Program, which generates many local benefits related to sustainable environmental management, was not included in the study, since it had recently been evaluated.

11. A supplementary sample of 113 terminal evaluations of the Implementing Agencies was analyzed to provide further inputs into the development of key findings and lessons. This covered all the terminal evaluations, and related implementation completion reports received by the GEF Office of Monitoring and Evaluation up to 31st July 2004. To provide an initial perspective on changes concerning approaches towards issues affecting local communities within the GEF portfolio, documents of 30 new projects approved between December 2001 and 2004 were also reviewed.

12. A case-focused analytical framework was applied to explore comparable aspects of each project such as: types and scale of local incentives; linkages with attainment of global environmental benefits; impacts on vulnerable stakeholders; negative impacts, and project finances. This framework was based on a sustainable livelihoods approach and a typology of local benefits which identifies seven generic categories of improvement to livelihoods found in global environmental projects and programs. In accordance with the livelihoods framework, the study analyzed the links between local benefits and global environmental benefits in four ways:

- Changes to **consumption patterns**, such as switching to renewable energy sources, changing diet or acquiring more sustainable consumer goods.

- Improvements to the **local resource base** as global environmental processes in areas such as the hydrological cycle, land degradation and atmospheric pollution are the accumulation of local resource dynamics over larger areas.
- **Reduced vulnerability**, so the global processes such as climate change are less of a threat to vulnerable people. Reduced vulnerability also means that people will be less risk aversive, reducing pressures on the resource base.
- Changes to the **external institutional environment** as a consequence of local level empowerment, public awareness and political support for environmental issues. Such changes will potentially foster revisions in the balance of priorities as the urgency of poverty reduction and development pressures are reduced.

13. Potentially, almost every aspect of the interaction between humans and nature can be addressed in this framework through its range of livelihoods capitals. For example, health benefits are incorporated into the concept of human capital and intangible gains are often included under the category of social capital. However, it is recognized that some intangible gains may be underemphasized in this framework, like the aesthetic enjoyment of unspoiled nature.

1.2 Main Conclusions

Conclusion 1 – In many areas in which the GEF is active, local and global benefits are strongly interlinked.

14. Global-local inter-linkages are particularly found in activities which depend on lasting changes in human behavior to achieve and sustain global environment gains. Such inter-linkages often have positive and negative aspects. Behavior which produces current gains to local residents may generate lasting environmental damage. Interventions designed to protect the environment may therefore reduce the livelihood options of communities as a whole or of groups within these. Within the portfolio areas studied, projects based on restricting access to natural resources impose local costs which may be unacceptable to populations affected, unless adequate measures are taken to compensate for these losses. Protected Areas (PAs), which are a major part of the biodiversity portfolio and also feature in some International Waters projects, often impose costs on communities in or around the PA. The study found that local support for such interventions, which is an important factor in their sustainability, can be generated through a combination of compensatory opportunities and environmental education.

15. One approach found to generate positive inter-linkages between local and global benefits is the provision of incentives for changes in resource consumption patterns that improve livelihoods, whilst promoting environmental protection. Another major option is to strengthen external enabling environments, such as policies and legislation, which provide enhanced opportunities for technological change and/or local natural resource management. This element provides strong connections with the GEF requirement of country-drivenness, as well as the opportunity to mainstream environmental concerns into national policy, including Poverty Reduction Strategies. A further opportunity is the generation of environmental improvements that reduce vulnerability of community

livelihoods to environmental degradation and natural disasters, thereby demonstrating and encouraging sustainable environmental management. Linkages between local and global dimensions will become increasingly important for the GEF portfolio as activities related to mainstreaming biodiversity production landscapes, land degradation and adaptation to climate change gain greater prominence.

Conclusion 2 – In some GEF projects there were considerable achievements in developing local incentives to ensure environmental gains.

16. Lessons from successful projects can be developed as good practice guidelines. A number of factors contributed to positive gains. At the national scale, the development of supportive policy and legislative frameworks enabled socio-economic and political incentives for local environmental management (such as decentralization, co-management, financial and institutional incentives for market transformation). Connected to the national framework, local institutional and individual capacity building activities strengthened accountability and transparency of existing bodies; or developed new institutions. Capacity building enabled institutions to better manage and deliver incentives for sound environmental management. Achievements in these areas built on good project design and delivery, which targeted long-term objectives, whilst meeting local development needs.

17. One of the key tools and approaches employed by good practice projects was the use of social assessment during design and implementation of project interventions to identify, disaggregate, target and involve local communities and institutions. Also important were market and affordability assessment for income generating activities and energy alternatives. Other factors included the role of committed and skilled internal and external project stakeholders (often referred to as 'champions') and the systematic monitoring of local–global linkages to clearly establish what works and what does not and thereby allow for effective lesson development and learning. Finally, local participation in design and implementation was critical to building ownership, relevance and effectiveness of local incentives for environmental management.

18. However, the presence of one or more positive factors or tools did not always guarantee success. Successful approaches and good practices were often highly context specific, and were underpinned by a good understanding of local contexts and active use of monitoring and evaluation to learn from and address problems adaptively. Successful approaches were also developed over longer time scales than the GEF project alone. This finding points towards the advantage of locating interventions within broader development strategies, which can be achieved through programmatic approaches, or through the blending of GEF activities with other activities of the Implementing Agencies. Concrete suggestions for improving approaches can be found in the body of this study. More detailed knowledge products on specific issues will be developed separately from this report.

Conclusion 3 – 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.

19. Shortcomings that were encountered often started with inadequate understanding of 'the community' in terms of socio-economics, institutions, resource access, use and needs. This hindered project attempts to develop relevant and effective linkages between local incentives and changes contributing to global environmental gains. It also resulted in a number of "missed opportunities" for providing stronger benefits and reasons to local communities to participate in global asset protection. Such weaknesses were often exacerbated by the time constraints of short project implementation cycles, uneven implementation of the local incentive components, non-materialization of co-financing for local activities, and inconsistent supervision of activities necessary to generate linkages. Approaches to institution building also encountered challenges, in part caused by inadequate assessment of the strengths and weaknesses of local management capacity. Incentives for improved environmental management, such as income generating activities, eco-tourism and new energy technologies, were in several cases delivered without sufficient consideration of the potential market, affordability or local capacity. Finally, monitoring of local–global linkages proved to be particularly challenging in the majority of projects, reducing the opportunities to learn from success and failure.

20. New projects approved during the GEF-3 programming period demonstrate a more consistent and nuanced approach to the integration of local incentives and social issues into global environmental projects and programs across all focal areas. The development of the strategic priorities for GEF-3 and their continued refinement for GEF-4 represent a move toward a strategic, programmatic and project level inclusion of development and environmental aims. The agencies' own analyses and quality control systems (e.g., World Bank Quality Assessment Group) confirm improvements at the project level in design and implementation. This study's review of recently approved projects shows that there is a trend towards improved design.

Conclusion 4 – Win-win situations for global and local benefits proved in many cases to be unattainable.

21. It has been difficult to attain in practice win-win situations that are sustainable and replicable. This is partly due to the incomplete development of alternative courses of action with a range of trade-offs between local costs, compensatory measures and levels of environmental protection. Also responsible is a tendency towards inadequate attention to the potential for negative impacts and the need to develop mitigation strategies. Successful projects and programs had assessed varying possible relationships between resource users and the environment and managed the trade-offs between different levels of intervention (such as policy support, institutional strengthening and income generation). In essence, there are winners and losers in almost all interventions and attaining the best compromise between these is a key factor in sustainable environmental improvement.

22. The GEF has relied heavily on alternative income-generating activities, and specifically on eco-tourism, as potential approaches to substitute for destructive local livelihoods in many biodiversity interventions. The study found that in general, income-generating activities and eco-tourism were not able to act as a substitution for livelihood sources lost as a result of projects. In the context of poor local communities, they were

rather regarded as additions to the range of available opportunities, without rejecting the natural resource use intended to be displaced. Thus the intended 'win-win' situation did not materialize. In countries with an underdeveloped tourism sector and infrastructure, eco-tourism rarely thrived, due to structural constraints beyond the control of the project. When market contexts for alternatives and ecotourism were favorable and the project undertook preparatory socio-economic assessment, the evidence shows that benefits for livelihoods and the global environment were attainable. Some people were better-placed than others to take advantage of the new opportunities, so that there were still those who lost as a result of the intervention, indicating the need to recognize and respond to opportunities for trade-offs.

1.3 Recommendations

Recommendation 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.

23. Improved integration of local benefits in GEF activities, where they can play a role in generating support for steps necessary to move towards the global objectives of the GEF, would open the way for more effective and sustainable progress towards those objectives. This should be pursued without changes to the current GEF mandate or its funding of incremental costs for global environmental benefits. Such integration promotes local support for improved natural resource management, enabling the adoption of new approaches and generating sustainability through containment and compensation of local losses and provision of gains.

Recommendation 2 – Integration of local benefits should be more systematically carried forward into all stages of the project cycle

24. Integration of local benefits into the project cycle may include complementary or alternative means of delivering GEF objectives, such as programmatic approaches, co-financed or "blended" projects (as they are named by the World Bank), which enable development and environmental objectives to be pursued in a coordinated manner. At an early stage of project development, the potential local dimensions should be assessed, to ensure that they are adequately addressed during the design phase. If it is not anticipated that a project has local implications, this should also be stated. Issues to be addressed include:

- Ensuring that relevant project concept papers address local benefits issues as key elements to achieve and sustain global benefits;
- Assessment of project proposals (including appraisal by STAP-roster experts) on local benefits issues;
- Ensuring a good fit between the task to be undertaken by national level partners and their capabilities. Many Government agencies need capacity building with regard to stakeholder involvement. In other instances it may be appropriate to

accord a greater role in implementation to NGOs that are experienced in participatory approaches;
- Systematic supervision of activities intended to generate local-global linkages, by the Implementing and Executing Agencies;
- Strengthening the emphasis on linkages between local buy-in and sound environmental management in knowledge sharing, project evaluations and other studies.

Recommendation 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.

25. Mechanisms for establishing trade-offs could be addressed through the adoption of guidelines; or by requiring projects to specify how they will monitor issues of local costs and benefits and what adaptive approaches they may adopt, if it emerges that the project is not going to generate its intended "win-win" solution. The foundation for anticipating and dealing with trade-offs is generated during project preparation. It depends on accurate information concerning current natural resource use practices; how the intervention will affect these and identification of who can be expected to gain and lose by the changes. Based on such knowledge, systems of projects-at-risk and supervision systems can be tailored to play a role in monitoring the achievement of balanced trade-offs, which ensure that local stakeholders are not disadvantaged by GEF interventions, whilst contributing towards an improved global environment.

Recommendation 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.

26. The GEF and its Implementing Agencies have various mechanisms and systems to address the issues of linkages, local buy-in to interventions and generation of sustainable outcomes. In actual practice, these mechanisms have not always been effective in bringing a broad range of perspectives to bear on project development and implementation. Improvement of linkages may be addressed by consistently applying a balanced and appropriate expertise, by:

- Ensuring involvement of social and institutional expertise when preparing concept papers and at the PDF-A and PDF-B stage;
- Ensuring involvement of a full range of appropriate expertise when reviewing and appraising project proposals; in IAs, the STAP and the GEF Secretariat. Neither the STAP nor the Secretariat currently has sufficient capacity for this purpose;
- Including a broad range of expertise in supervision, monitoring and evaluation.

1.4 Other major issues arising from the study

27. The study has identified some issues beyond the scope of its recommendations, but which are critical to the future success of the GEF portfolio in assisting to develop and sustain improved management of the global environment.

28. The first of these is the need for the GEF to articulate the relationship between environment and development within 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, which lie outside of the mandate and funding capacity of the GEF. This requires more emphasis, where appropriate, on programmatic approaches, blended projects and multi-phased projects. Council would need to discuss such a change of emphasis and approve any major move of the portfolio away from individual "stand-alone" projects.

29. Related to the above, the GEF needs to develop a coherent position on the relationship between its activities and the **poverty reduction** goals of most of its Implementing and Executing Agencies, as well as many partner countries. This position should be established based on discussions within the GEF Council. The study found that the failure to address this relationship has reduced the effectiveness of the GEF portfolio in meeting its global environmental goals; since poor people often remain with no alternative to unsustainable natural resource use practices.

30. Deriving from the ambiguity in the GEF position on development and environment linkages, it has become essential to re-assess the GEF practices of incremental cost calculation and the associated interpretations of what is "GEF-able". The narrow interpretation of incremental costs derived from Council guidelines and adopted by the GEF Secretariat, has led to the rejection of proposals for GEF funding, on the basis that they are targeting local development or welfare benefits. This interpretation is often incorrect, since these elements are the means to develop local support for improved natural resource management practices, without which global environment gains cannot be reached or sustained. The Office of Monitoring and Evaluation plans to evaluate the application of incremental cost calculations in the GEF portfolio, commencing the Financial Year 2006. The current study provides material showing the implications of the methods adopted for this calculation for activities at field level (see also PART 2 annex 1).

CHAPTER 2. PURPOSE AND METHODOLOGY OF THE STUDY

2.1 Origins and Purpose of the Study

31. The GEF mandate incorporates the role of local benefits through its emphasis on sustainable development: "The GEF shall fund programs and projects which are country-driven and based on national priorities designed to support sustainable development". From its inception, the GEF aimed to focus on one aspect of sustainable development—global environmental benefits—but in a manner which explicitly recognized the links to wider conservation and development frameworks.

> *"The main rationale of the GEF is (…) to fund the incremental costs of achieving global environmental benefits. This principle was intended to be applied in a context that supports sustainable development goals. The Implementing Agencies were expected to address these larger sustainable development dimensions by relating GEF-funded activities, through national-level strategies and programs, to a development and environment policy framework." (Overall Performance Study 2)*

32. Within the international community, which now largely focuses its efforts on poverty reduction, specialist entities on environment, most notably the GEF, have a specific and important role to play by promoting the centrality of sound management of the global environment to the relationship between sustainable development and poverty.

33. Previous GEF evaluations and program studies have focused on identifying impacts that produce global environmental benefits. The Second GEF Overall Performance Study[2] found it difficult to assess stakeholder participation, and pointed out that "GEF projects would benefit from addressing socioeconomic and livelihood issues more thoroughly and systematically". It also recommended that the GEF develop an "effective and systematic way to document information on stakeholder consultations and participation, including the involvement of indigenous communities" (Recommendation 9).

34. To fill this gap and promote the sharing of knowledge and good practice in this area, this study analyzes how local benefits can contribute to the attainment of global environmental goals and vice versa, in accordance with the GEF mandate. Findings on linkages between global and local benefits will support the overall **objectives** of the study, namely to:

- Enhance GEF **policies, strategies and project design and implementation,** so these can effectively promote the potential for local gains in those global environmental programs where these are necessary to mobilize actors for long term support to sound environmental management, to reduce costs incurred by local communities for supplying global environmental goods, and to ameliorate possible negative impacts.

- Strengthen GEF **Monitoring and Evaluation policies and processes,** so these can identify and develop indicators for and strengthen the tracking of local benefits and negative impacts.
- Expand the body of existing **operational knowledge** of good practices and experiences germane to pursuing global environmental issues and of constraints or fallacies to be avoided in operations.
- Disseminate widely (thru its Final Report and follow-up products) the most valuable lessons of existing experience and show **how** these lessons can be implemented in future GEF operations.

35. The study was co-funded by three bilateral agencies (Canada, Norway and Sweden) and the GEF Office of Monitoring and Evaluation. It was approved at the November 2003 GEF Council.

2.2 Scope of the Study

36. The concept "local," in a GEF context, is characteristically understood as a contrasting category to global. While the present study pays particular attention to communities in and around a project intervention, where actions must be taken to protect specific resources of global importance (see Box 2.1), the concept of local is seen as flexible and not limited to this level. It may also encompass a range of other levels, depending on context, including regions within countries, countries or groups of countries involved in interventions, particularly in the field of International Waters.

37. Secondly, local benefits represent for the GEF a strategic instrument, rather than a goal. This is an important distinction between the mandate of the GEF and those of development agencies, which pursue local benefits as part of their primary task of poverty reduction.

38. To understand how the intentions of the GEF mandate have been expressed in the development of its operational activities, with regard to potential local and global benefits links, the **scope** of the study covered the following dimensions of selected projects in the GEF portfolio:

- The nature of links between attaining **global environmental benefits and generating local benefits,** based on an analysis of how global environmental benefits can affect benefit streams at the level of project area communities and how the generation of local benefits can affect global environmental goals. Box 2.1 covers the definitions of local and global benefits for the purposes of the study.
- The types and scale of **local benefits and of any negative impacts**, intended or unintended, which have resulted from GEF projects, including local perceptions of these impacts.
- The extent to which project design and the environmental management options selected in the project **can maximize opportunities** to generate greater levels of local benefits, in order to promote and sustain support for their environmental objectives, or can **miss out** on or not sufficiently exploit such opportunities.

Essentially, this implies taking stock of good project practices and identifying existing constraints, weaknesses and lessons for improving future projects.

39. An **analytical framework** was developed based on a livelihoods approach and a typology of local benefits[3], which identifies seven generic categories of improvement to livelihoods that can be found in global or local environmental projects:

Box 2.1 Definitions of local and global benefits

Local benefits are defined as outcomes which, directly or indirectly, have positive impacts upon people and ecosystems within or adjacent to project areas and which provide gains, present and future, in the livelihoods of communities and to the integrity of ecosystems.

Global environment benefits are defined as project outcomes which, directly or indirectly, benefit the global environmental, by reducing the risks of climate change, stemming biodiversity loss, safeguarding international waters, preventing ozone depletion, eliminating persistent organic pollutants or preventing land degradation.

- Improved access to **natural capital**, including plants and animals, water, fuelwood and environmental services such as safe waste disposal.
- Improved **social capital** (including perceived well-being) and **institutional capacities** in local communities, including contact networks and the improved ability to deal with outside agencies. Specific attention was paid to the different roles of women and men in relation to natural resources management and flows of local benefits.
- Improvements to **physical capital**, including investments in tools and machinery, access to or ownership of buildings, and access to infrastructure such as transport, telecommunications or water supply and irrigation.
- Improvements to **human capital** which include skills, knowledge, health, work ability and management capabilities of local community members.
- The cumulative outcomes of the above four forms of capitals are to be identified in increased **livelihood opportunities and incomes.** This includes higher productivity of existing activities and new livelihood opportunities, increases in cash income and improvements to the ability to save, or access to micro-capital.
- Increases in the livelihood capitals available to communities will promote improved **health** and **food security**.
- Strengthened livelihood capitals and improved health and food security will reduce the **vulnerability** of local communities to external factors such as floods, droughts and cyclones, environmental degradation, loss of ecosystem integrity, deforestration, climate change and variability and social, political and market disruption.

40. In accordance with this framework, the study analyzed the potential links between local benefits and enhanced **global environmental benefits** in four ways:

- Changes to **consumption patterns** such as switching to renewable energy sources, changing in diet or acquiring more sustainable consumer goods.
- Improvements to the **local resource base**, as global environmental processes in areas such as the hydrological cycle, land degradation and atmospheric pollution are the accumulation of local resource dynamics over larger areas.

- **Reduced vulnerability**, so that global processes such as climate change are less of a threat to vulnerable people. Reduced vulnerability also means that people will be less risk aversive, reducing pressures on the resource base.
- Changes to the **external institutional environment** as a consequence of local level empowerment and public awareness and political support for environmental issues will potentially foster changes in the balance of priorities as the urgency of poverty reduction and development pressures is reduced.

41. The dynamics and variability of local level social and economic processes, and the interactions between local communities and their natural resource base, is complex and many factors may influence linkages. Such factors include local social dynamics; patterns of incentives that exist to conserve or exploit resources; the extent of people's understanding of the long-term consequences of actions; gender-based knowledge bases and differential patterns of access to natural resources; and the structure, approaches and operational modalities of support provided.

42. The framework proved particularly useful in developing an understanding of the relationship of local communities to global environmental resources in specific case studies and projects. More broadly, it helped to understand the extent to which the conceptual and operational characteristics of the GEF have included strategies to motivate local actors, as distinct from state-level actors, to protect global assets and pursue global environmental objectives.

43. This analytical framework on local benefits is derived from international experiences of sustainable development approaches. The global consensus on the meaning of and approaches to sustainable development is expressed in the outcomes of the global summits in Rio de Janeiro in 1992 and Johannesburg in 2002. The Rio summit was a catalytic factor in the establishment of the GEF. It produced Agenda 21 and established the idea that sustainable development involves the linked and mutually dependent challenges of environmental protection and social and economic development.

2.3 Audiences for the Study

44. The study objectives will respond to the interests of several audiences. This includes the GEF Council, management and staff of GEF Secretariat and its Implementing and Executing Agencies.

2.4 Collaborative Approach

45. The study adopted a collaborative approach, both in terms of its external relations and with regard to the GEF family. It was guided at critical points by an Advisory Panel, which consisted of representatives of the three donor agencies providing external financial support to the study (CIDA, Royal Ministry of Foreign Affairs of Norway and Ministry of Foreign Affairs of Sweden), as well as representatives of the GEF NGO and Indigenous Peoples' Network, international NGOs, the Scientific, Technical and Advisory Panel of GEF (STAP), and experienced development practitioners.

46. Most of the fieldwork studies included GEF Secretariat or IA participants, under the overall leadership of a representative of the study team. The study also cooperated with many other studies and organizations, including internal studies of the World Bank, as well as several major NGOs and academic groups. Most importantly, the study included national level workshops in almost all of the countries where field case studies were undertaken. The national workshops were of critical importance in providing feedback to national-level stakeholders on the initial findings and for ensuring that the perspectives of these different stakeholders were incorporated into the final case study reports (see Annex 1, 2 and 4).

47. The Advisory Panel played an active role in guiding the study. The study team and consultants from the Stockholm Environment Institute together undertook the bulk of the field research, analysis and documentation of the study. Further assistance was provided by more than 25 national consultants in fieldwork countries and by project personnel, government officials, NGO staff and others in these countries (see Annex 3).

2.6 Study Methodology and Process

48. The methodology was developed on the basis of verbal and written inputs from the Implementing Agencies, the Advisory Panel and the GEF Office of Monitoring and Evaluation[4]. The original methodology, together with the Inception Report containing the study work plan and procedures, are available on the GEF web site, under the Monitoring and Evaluation heading.

49. The **main phases** of the study include:

- Phase One: Preliminary stock-taking and portfolio analysis, including consultations among the review's supporting agencies and GEF implementing agencies. The development and approval of a conceptual framework, methodology and work plan, including refinement of definitions and scope.
- Phase Two: Analytical and empirical field work, local and national consultations on selected projects in member countries.
- Phase Three: Overall analysis of findings, preliminary report writing and Final Report completion.

50. The initial conceptual framework was developed through preparatory desk reviews of 132 projects in the biodiversity, climate change and international waters portfolios, all of which had stated intentions to generate some form of local benefit. A separate review was conducted by Stockholm Environment Institute to summarize salient examples of broader international (non-GEF) experience of connections between local and global benefits in environmental activities.

51. In order to ensure consistency across the nearly 50 projects included in the field and non-field studies, a common conceptual framework for understanding local benefits (see Section 2.2) was detailed in the Methodology and Inception Report documents and carried forward into the Terms of Reference for each case study. The conceptual model

proved a robust instrument in its ability to provide consistency across a broad range of field and non-field studies undertaken by different specialist teams.

52. Eighteen **in-country fieldwork studies** were conducted by case study teams and in total more than three years of fieldwork were undertaken over a twelve-month period. The field case studies were based on a careful review of project and other documents[5] and discussions with Implementing and Executing Agencies' staff who assisted the study team in identifying appropriate field research sites. The fieldwork was generally undertaken in two phases: an initial phase that included local consultants and the external team, during which consultations with key stakeholders were undertaken, the main issues for further analysis were identified, and a plan for the rest of the case study was prepared. This was followed by a second phase of more in-depth local level fieldwork by the national consultants when a wide range of local, national and regional stakeholders were reached. A wide range of qualitative and quantitative methods were used, based on options outlined in the Inception and Methodology Report, but adapted to local needs through discussions within the field study team. Most studies concluded with local and/or national workshops, at which the key conclusions from the fieldwork were discussed with relevant stakeholders (see Annex 4).

53. Based on the fieldwork (and secondary) data collected using the conceptual model, the **case study analysis framework** explored the following dimensions of each project:

- Overview of the project being evaluated, including the policy and institutional context, structure, objectives and anticipated results (outputs, outcomes, impacts), related to the host country's development context. This specifies intended local incentives and target groups.
- Overview of Global Environmental objectives and achievements of the project, based on existing documents and interviews with expert stakeholders.
- The types and scale of local incentives and negative impacts identified and analyzed on the basis of the study's Model of Livelihoods and Benefit Flows.
- The relationship of local incentives and/or negative impacts to the livelihoods of different stakeholder groups, based on the Model. This analysis incorporates gender differences and a focus on vulnerable groups, such as indigenous people and scheduled castes, where these constitute a distinct group in the project area.
- The relationship of local level processes to wider social (including gender), economic and environmental processes, including external institutions, global environmental processes and vulnerability context components of the model.
- The nature of the links achieved between local level benefits/ impacts and the attainment of global environmental benefits.
- The extent to which the project's environmental management options represent missed opportunities to generate greater levels of local incentives, relevant to its global objectives. Specific attention is paid to opportunities for women, the poor and minority groups.
- Lessons to be learned from the project, including any relevant accountability issues.

54. The Draft Final Reports of the field case studies were posted on the GEF web site in October/ November 2004.

55. The 25 **non field case studies** explored the same issues as the field studies, using the same conceptual model and the case study analysis framework outlined above. They primarily focused on reviewing available internal documentation and evaluations, supplemented on many occasions by interviews or email exchanges with key stakeholders to add depth and clarity to the information available on specific issues. One of the roles of these case studies was to triangulate with the data gained from the field case studies and to see how these are reflected in a wider range of project experiences (see PART 2 annexes).

56. **Analysis of Independent Evaluations**: whilst the study proceeded, projects not included in its sample reached completion and were evaluated by the Implementing Agencies. As an additional component to the original methodology, the Study Team reviewed all evaluations officially submitted to the Office of Monitoring and Evaluation by July 31st 2004, which totaled 113. Since these projects were a mix of those which had stated local benefits goals and others which did not, they were treated as a separate subset of data and were not amalgamated with earlier data sets. The review drew out the IA evaluators' findings, interpretation and recommendations on issues related to the themes of the local benefits study (LBS). Since these evaluations were independent of the LBS, they provided another useful source of 'triangulation' of the key themes emerging from the desk, field and non-field studies (see PART 2 annexes).

57. **Analysis of Project Finances**: the study team attempted to assess the extent to which projects, which had stated local incentives objectives and which sought to engage local communities in participation in project activities, expended resources on these purposes. A review was undertaken of the financial information available to the GEF for 132 projects, which fulfilled the criteria outlined above. The review found that there is insufficient financial information within the GEF data base to make an informed assessment of the amount of funds expended for purposes of developing local participation or incentives. A follow-up review was undertaken of the same projects, but focusing only on the planned allocation of resources for stakeholder involvement and activities related to local benefits. It was found that 101 out of 132 projects had sufficient information for this analysis (see PART 2 annexes).

58. **Analysis of New Projects**: the GEF portfolio is evolving. In order to maximize the possibility of applying lessons from completed projects to the present and future portfolio, the study reviewed 30 projects that attained CEO approval December 2001 and November 2004, to understand new approaches developed and adopted towards participation and the possibility of linkages between local and global benefits. The review focused on IA project documents submitted to the GEF for funding approval and assessed the extent to which new approaches have been adopted (see PART 2 annexes).

59. **Liaison with Related Studies, Institutions or Activities**: the study team networked to establish contacts with external parties concerned with the issues it covers.

Documents from the study have been shared with many relevant practitioners, reviewers and academics and team members participated in major events, such as the World Parks Congress in Durban and the IUCN World Conservation Forum in Bangkok. This enables the study to place its approach and conclusions within a broader context (see Annex 5).

60. Findings from the data sources presented above were initially analyzed on a sectoral basis, as presented in Chapters Five to Seven (PART 2). This analysis provided a foundation for building an understanding of good practice and of the challenges facing the GEF. On the basis of this initial analysis, wider characteristics, good practices and challenges emerged in addition to sector-specific issues. These broader issues are covered in Chapter 4.

2.7 Limitations

61. The complex subject matter of the study necessitated a case study approach to establish how intended relationships between local and global benefits were realized. These data provided the foundation for the analysis of achievements and challenges and were supported by desk studies. Although 132 project cases were covered in total, these do not provide the possibility of statistically valid generalizations about the GEF portfolio as a whole, or any of the focal areas.

62. The study concentrated exclusively on projects, which had stated intentions to generate local benefits and its findings and recommendations apply only to such projects. Although these constitute a substantial portion of overall GEF activities, the study cannot precisely specify this proportion. The study focused on projects which were completed or in process as of July 2001. Although a modest attempt was made to assess new project designs (see Para.58), the study does not cover later developments in GEF programs such as land degradation, persistent organic pollutants, adaptation to climate change and multi-focal projects.

CHAPTER 3. LOCAL AND SOCIAL DIMENSIONS IN GEF GUIDANCE AND POLICY

63. This Chapter provides the necessary context to the local benefit–global environmental benefit linkages within the context of the Conventions and the GEF Instrument, Operational Strategy and programs and policies.

3.1 The Conventions and the Mandate of the GEF

64. The mandate of the GEF was developed on the basis of UN Convention on Biological Diversity (CBD) and the UN Framework Convention on Climate Change (UNFCCC). The GEF was appointed the interim financial mechanism to both conventions in 1992 to provide support for 'new and additional' efforts to address the underlying causes of global environmental degradation on an 'agreed full incremental cost basis.'

65. In 2002 the GEF Assembly requested that GEF resources be made available to finance activities under the UN Convention to Combat Desertification (UNCCD). In 2003 GEF became 'a' financial mechanism for the UNCCD to support efforts to address desertification and land degradation in developing countries on an incremental cost basis[6].

66. The Conference of Parties (COP) for each convention determines the policy, strategic direction, program priorities and eligibility criteria for access to and utilization of financial resources available through the financial mechanism. In agreeing to act as financial mechanism to the conventions, the GEF agreed to conform to guidance provided to it by the COPs.

3.1.1 UN Convention on Biological Diversity

67. The GEF is the financial mechanism of the CBD and supports the goals[7] of the Convention:

> *"… conservation of biological diversity, the sustainable use of its components and the fair and equitable sharing of benefits arising out of the utilization of genetic resources, including appropriate access to genetic resources and by appropriate transfer of relevant technologies taking into account all rights over those resources and to technologies and by appropriate funding."* (Article 1)

68. The Convention guidance is primarily aimed at the level of countries and inter-country issues and responsibilities. The articles of the convention also place emphasis on linkages between social development and biodiversity conservation and the roles of stakeholders (e.g., national government, local and indigenous peoples). Specific areas of synergy are to be found in the sustainable use of biodiversity (Article 10); economically

and socially sound incentive measures (Article 11); public education and awareness (Article 13); importance of traditional knowledge (Article 8, 10); and the participation of indigenous and local communities and women in biodiversity conservation[8] (Preamble and Article 8, 10). It is notable that the issues of access and equitable sharing of benefits (Article 15) are associated with the national level and are not explicitly cited with regard to social equity. Over the course of successive CBD Conferences of Parties (COPs), the links between local community and indigenous livelihoods, broader development processes, and more recently the Millennium Development Goals (MDGs)[9] have received increasing attention[10], including through guidance to the GEF.

69. The CBD in COP I (in 1994) set program priorities for the GEF.[11] These placed emphasis on sustainable use of biological diversity, including local and indigenous community involvement, on social dimensions, and on integration within the framework of poverty reduction efforts. Subsequent COPs (II – VII) have given more detailed guidance to the GEF relevant to local–global benefit linkages. This guidance has stressed the need for activities that address capacity building; stakeholder involvement; education and awareness; ecosystem approaches[12]; sustainable use (Addis Ababa Principles); access and benefit sharing (Bonn Guidelines)[13]; financial, social and institutional incentives for indigenous and local community partners' participation in the implementation of the convention articles[14]; and synergies with national priorities for sustainable development. The COP VII called for synergies between the Convention implementation and larger macro-policy frameworks by inviting the GEF to support capacity building for the mainstreaming of biodiversity concerns into MDG processes.

70. This guidance was influenced by the increasing international debate surrounding poverty reduction and conservation, and the nature of policy and programmatic links between conservation and achievement of the MDGs[15]. Moreover, specific issues surrounding the rights of local, indigenous and mobile peoples in the governance of Protected Areas (PAs) (e.g., co-management and community management areas), gender relations, sustainable use (e.g., tourism)[16] and equitable sharing of benefits[17] are being debated and discussed by the Subsidiary Body on Scientific, Technical and Technological Advice (SBSTTA). At present, there is no overall consensus within the conservation community regarding the above issues, or on the relationship between them and the broader issue of conservation and poverty alleviation.

71. Much of this guidance was provided after the majority of the projects included in the study[18] were designed. A sample of new biodiversity projects (see Para.58) provides insights into how GEF is operationalizing COPIV – VI guidance.

3.1.2 UN Framework Convention on Climate Change

72. Article 11 of the UNFCCC established GEF as the interim financial mechanism to support the objectives of the convention:

> *"The ultimate objective of this convention and any related legal instruments that the COP may adopt is to achieve, in accordance with the relevant provisions of the convention, stabilization of greenhouse gas concentrations in the atmosphere*

at a level that would prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time-frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner." (Article 2)

73. The preamble of the convention 'affirms' that responses to climate change should be coordinated with social and economic development in an integrated manner, taking into account priority needs of developing countries and poverty reduction. Article 6 (a) (iii) requests parties to 'promote and facilitate public participation in addressing climate change and … in developing responses'[19]. At COP1 the convention set out a broad and short and long term strategies to mitigate emissions; transfer technology; build capacity and strengthen institutions; and research and educate to facilitate 'effective response measures' (in accordance with Article 4)[20] within the context of 'local conditions'. Subsequent COPs (2 – 10) have placed some emphasis on adaptation activities for small island states and least developed countries (LDCs) including the funding of pilot projects that 'will provide real benefits'[21] and capacity building for technology transfer. COP7 in 2001 called on the GEF to provide financial resources for community involvement[22] [23].

74. The new responsibilities imply a stronger requirement on interdisciplinary approaches, local involvement, incentives, and poverty considerations in climate change mitigation and adaptation. Socio-economic/ cultural issues relating to gender and local and indigenous communities are important to implementation of the convention (particularly Article 4) in terms of reception, adoption, replication and sustainability of technologies for mitigation and adaptation. To date the convention and COP decisions and guidance to the GEF have not consistently stressed socio-economic and socio-cultural issues related to implementation activities. Guidance to the GEF has been at a general level and requires active interpretation to inform the design of projects and programs.

3.1.3 UN Convention to Combat Desertification

75. The GEF Beijing Assembly decided to designate GEF as 'a' financial mechanism for the UNCCD to provide new and additional support for efforts to reduce land degradation and desertification[24]. The goal of the UNCCD is to:

> *"… combat desertification and mitigate the effects of drought in countries experiencing serious drought and/or desertification, particularly in Africa, through effective actions at all levels, supported by international cooperation and partnership arrangements, in the framework of an integrated approach which is consistent with Agenda 21, with a view to contributing to the achievement of sustainable development in the affected areas.[25]"*

76. The preamble of the convention recognizes that implementation of the convention will to a large extent depend on local actors; including the critical role of women in resource management and that their full participation must be obtained in the measures to

mitigate desertification. Article 3 of the convention outlines key principles and places particular emphasis on participation of NGOs, landowners and communities in facilitating and implementing mitigation measures.

77. In fulfilling its role under Article 20 of the UNCCD, GEF financing is directed towards capacity building and implementation of innovative and indigenous sustainable land management practices. GEF has agreed to assist countries in implementing national and regional programs. COP6 invited the GEF to give support in its activities to livelihood systems that prevent (or provide) incentives against land degradation.

78. UNCCD is the only convention of those involving the GEF that has clearly addressed the importance of targeting women as well as men in all stages of implementation. It has also stressed the linkage between poverty and desertification and in doing so seeks to combine local knowledge and socio-economic perspectives with Western science[26]. The recently approved GEF Operational Program 15 (OP15) 'sustainable land management,' which aims to address land degradation and desertification, also recognizes these links and the need to involve local stakeholders, gender sensitive approaches and indigenous knowledge.

79. The Land Degradation Focal Area was added to the GEF in 2003. The OP15 "Sustainable Land Management" incorporates a strong social and environmental emphasis, based on lessons learned from previous GEF land degradation interventions under the Biodiversity Focal Area.

3.2 GEF Instrument, Strategy, Programs and Policies

80. The following sections provide the background on the integration of local benefit and social issues in the GEF Instrument, Operational Strategy and policies.

3.2.1 The Instrument

81. The instrument of the restructured GEF states:

> *"The GEF shall operate on the basis of collaboration and partnership among the Implementing Agencies, as a mechanism for international collaboration for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits."* [27]

82. Within the context of the global environmental objectives, the instrument places emphasis on the need to 'integrate' environmental and development approaches through consultative and participatory processes as means to bring international, national and local stakeholders together to address environmental problems. It does not provide specific guidance on the character or scale of integration and so allows for flexible interpretation of what socio-economic incentives might be needed to produce appropriate local action to sustain global environmental benefits over time.

3.2.2 GEF Operational Strategy

83. The Strategy[28] is based on 10 'Operational Principles' and provides overall direction to the biodiversity, climate change, international waters focal areas 'to maximize global environmental benefits.'[29]. Principle 7 relates directly to local benefit and social issues and states:

> *"GEF project shall provide for full consultation with, and participation as appropriate of, the beneficiaries and affected groups of people."* [30]

84. At a more abstract level Principle 4 implies the need for linkages between development and environmental programs based on country driven priorities:

> *"The GEF will fund projects that are country driven and based on national priorities designed to support sustainable development, as identified within the context of national Programs"*[31]

85. The strategy also asserts the following social aspects in the 'strategic considerations' for the design of GEF activities. They should be consistent with national and where appropriate regional priorities and include consultations and involvement of local communities, build awareness, and be environmentally and socially sustainable to ensure the quality and relevance of GEF activities[32]:

> *"…focus of GEF activities will concern long-term measures. Such measures if they are to be part of a long-term solution will have to be environmentally and socially sustainable…"*

86. Table 3.1 below summarizes the main social considerations laid out in the Operational Strategy across the Focal Areas[33]. Social and local community issues receive significant consideration in the Biodiversity and Land Degradation Focal Areas including recognition of the importance of poverty–environment linkages, role of key local stakeholders, such as indigenous peoples and women, and socio-cultural contexts of conservation activities[34]. Climate Change and International Waters tend to emphasize the need for consultation, public awareness and education and therefore pay less attention to spelling out the social and local aspects of GEF activities.

TABLE 3.1: STRATEGIC SOCIAL CONSIDERATIONS: GEF FOCAL AREAS

	BIODIVERSITY	CLIMATE CHANGE	INTERNATIONAL WATERS	LAND DEGRADATION
Social Considerations in design and implementation of GEF Operations	• Country-driven GEF activities related to social development and economic plans; • Poverty issues; • Social development; • Sustainable livelihoods; • Common property; • Participation of indigenous peoples and local communities; • Public awareness and community-based outreach; • Social, economic and cultural knowledge of local and indigenous peoples; • Governance and devolution to local groups and NGOs; • Distribution of benefits and accountability for conserving resources; • Demographics • Gender roles; • Social organization processes as related to human/ environment interactions[35]; • Incorporation of lessons from implementing participatory approaches; • Use of social assessment;	• Country-driven measures satisfying sustainable development needs; • Public participation; • Public awareness and education[36]	• Country-driven needs; • Stakeholder involvement; • Public awareness and education; • Stakeholder analysis and involvement to include economic and social aspects[37]	• Country-driven and integrated with sustainable development plans and PRSPs; • Poverty issues; • Effective participation of stakeholders including women at all stages; • Economic incentives to support local, national and international responses;

87. The Operational Strategy does not attempt to define the range of socio-economic incentives for local stakeholders to participate, beyond references to the need for economic, financial and social sustainability. Only financial sustainability was examined in detail in the strategy. The lack of clear definition of social and economic sustainability and of the role which tools such as stakeholder analysis and social assessment play in operationalizing the socio-economic sustainability of environmental protection, highlight the role of Implementing Agencies in defining and incorporating these dimensions into project activities.

88. The Operational Strategy did not discuss possible negative social impacts on local community stakeholders of activities designed to produce global environmental benefits[38].

89. The Operational Strategy is applied across all 15 Operational Programs (OPs) (see Box 3.1) of the GEF. The individual OPs also contain more specific details on the integration of environmental, social and local community issues where appropriate. The biodiversity and new land degradation OPs provide the relatively detailed consideration of social and local community issues in GEF activities.

BOX 3.1 GEF OPERATIONAL PROGRAMS

The GEF has 15 Operational Programs (see Box 3.1) that provide specific guidance for the development of projects across the Focal Areas. The OPs have evolved over time – ten were developed in 1996 following the Operational Strategies covering Biodiversity, Climate Change and International Waters, with a further five being added since 2000[39]. The OPs follow a common structure, laying out key program objectives[40], expected outcomes, assumptions and risks, outputs, 'typical' project activities and public involvement guidelines.

Biodiversity
OP1 – Arid and Semi-Arid Ecosystems
OP2 – Coastal, Marine and Freshwater Ecosystems
OP3 – Forest Ecosystems
OP4 – Mountain Ecosystems
OP13 – Conservation and Sustainable Use of Biodiversity Important to Agriculture

Climate Change
OP5 – Removal of Barriers to Energy Efficiency and Energy Conservation
OP6 – Promoting Adoption of Renewable Energy by Removing Barriers and Reducing Implementation Costs
OP7 – Reducing the Long-term costs of Low Greenhouse Gas Emitting Energy Technologies
OP11 – Promoting Environmentally Sustainable Transport

International Waters
OP8 – Waterbody-based Operational Program
OP9 – Integrated Land and Water Multiple Focal Area
OP10 – Contaminant-Based Operational Program

Land Degradation
OP15 – Sustainable Land Management

Multi-Focal Area
OP12 – Integrated Ecosystem Management

Persistent Organic Pollutants
OP14 – Persistent Organic Pollutants

3.2.3 Operational Policies and Guidelines

90. In 1995 GEF Council requested the GEFSEC to prepare a 'policy on information disclosure and public involvement.'[41] The request was in large part based on the challenges concerning stakeholder involvement and particularly local community and NGO involvement that were highlighted by the Pilot Phase evaluation;[42] and the special emphasis placed on stakeholder involvement in the GEF Instrument. The GEF policy on 'public involvement in GEF financed activities'[43] is the only operational policy that relates specifically to social issues and local stakeholders/ beneficiaries[44] [45]. The policy applies to all GEF focal areas, programs and projects and spells out the rationale, terms and principles for public involvement and solidifies the operational requirement for stakeholder involvement and partnership in the design, implementation and evaluation of GEF financed activities (see Box 3.2).

BOX 3.2: GEF PUBLIC INVOLVEMENT POLICY

Rationale

Effective public involvement is critical to the success of GEF financed projects. Public involvement improves the impacts of projects by:

- Enhancing country ownership and accountability;
- Addressing social and economic needs of affected people;
- Building partnerships among project executing agencies and stakeholders;
- Making use of skills, experiences and knowledge, in particular of NGOs, community and local groups in the design, implementation and evaluation of project activities.

Definition

3 types:

- *Information Dissemination:* refers to the availability and distribution of timely and relevant information on GEF financed projects. Aspects include appropriate notification and disclosure of project information to the public;
- *Consultation*: pertains to information exchanges among the government, IAs, and other stakeholders. Although decision-making authority rests with the government, consultation allows for informed choices based on local community contributions to the project design, implementation and evaluation;
- *Stakeholder participation:* is where stakeholders collaboratively engage, as appropriate, in the identification of project concepts and objectives, selection of sites, design and implementation of activities, and monitoring and evaluation of projects. Developing strategies for incorporating stakeholder participation throughout the project cycle is particularly necessary in projects which impact the incomes and livelihoods of local groups, especially disadvantaged populations in and around project sites (for example, women, indigenous communities and poor households).

Principles

- Effective public involvement should enhance social, environmental and financial sustainability of projects;
- Responsibility for assuring public involvement rests within the country, normally with the government and project executing agency or agencies. The IAs should be supportive to this end;
- Public involvement activities should be designed and implemented in a flexible manner, adapting to national and local conditions;
- To be effective public involvement activities should be broad and sustainable. The IAs will include project budgets, as needed, and the financial and technical assistance necessary for recipient governments and project executing agencies to ensure effective public involvement;
- Public involvement activities will be conducted in a transparent and open manner. All GEF financed projects should have full documentation of public involvement activities.

GEFSEC will undertake

- In consultation with the IAs establish operational guidelines for assessing the effectiveness of public involvement activities in design and implementation plans … evaluation of the impacts of public involvement;
- Facilitate the exchange of best practices on public involvement among recipient governments, IAs, project executing agencies and other stakeholders with a view to ensuring that lessons are incorporated into future design;
- In collaboration with IAs explore ways in which roles of NGOs and other stakeholders can be strengthened in project preparation, design, implementation and evaluation;
- Ensure that funding is available … for conducting effective public involvement.

91. There has been no evaluation of the implementation of the Public Involvement Policy since 1996, although OPS2 and 3 and the Program Studies have to some extent assessed stakeholder involvement. This Study in part, assesses local stakeholder involvement within the context of the delivery of local livelihood benefits and linkages to global environmental gains (see Part 2; Chapters 5 – 7).

92. Council policy papers and operational guidelines have stated in various ways the concept that "costs of the proposed GEF activity associated with an expansion of the project beyond what is strictly required for global environmental benefits are ineligible for GEF support".[46]

93. The GEF project cycle sets out the various steps that projects have to progress through to obtain financial support from the GEF, including project review criteria and considerations (See Table 3.2). The initial project cycle policy/ regulations were set out in 1995, followed by revision in 2000 and 2003.

TABLE 3.2: GEF PROJECT CYCLE: SOCIAL CONSIDERATIONS

	1995	2000	2003
Social Criteria or Considerations for Projects	Social assessment and consultation including: • Demonstration of local participation/ consultation in project preparation and measures for ongoing participation and consultation under implementation; • Role of local communities; • Role of Indigenous people; • Resettlement plans if human populations are going to be resettled; • Plans for public awareness, environmental education, and social communication; • Gender considerations; • Capacity building	**At pipeline entry stage:** • Stakeholder involvement • Identification of major stakeholders relevant to project objectives including NGOs, communities, public agencies and private sector. **At Work Program inclusion stage:** • Describe how stakeholders have been involved in project development; • Describe the approach for stakeholder involvement in further project development and implementation. **At CEO Endorsement:** • Finalize the roles and responsibilities of relevant stakeholders in project implementation, including a public participation strategy	**At pipeline entry stage:** • Stakeholder involvement/ intended beneficiaries • Identification of major stakeholders relevant to project objectives including NGOs, communities, marginal groups in ecosystem-based projects such as nomads, trans-humants, young people and women, others, public agencies and private sector. **At Work Program inclusion stage:** • Describe how stakeholders have been involved in project development; • Describe the approach for stakeholder involvement in further project development and implementation; • Describe how marginal groups are going to be involved in project implementation

94. In 1995 the social considerations/ criteria were relatively broad, requesting that specific tools such as social assessment be applied in defining the roles of local and indigenous community stakeholders as well as gender considerations. In 2000 and 2003 the social considerations/ criteria for GEF projects were more narrowly limited to stakeholder involvement, including descriptions of 'how stakeholders were involved in project development and in implementation', including marginal groups[47]. The need to consider social assessment was removed.

3.3 Conclusions

95. The Conventions in general recognize the importance of local development for the sustainability of global environmental gains and look favorably on integrating these concerns into activities designed to improve the environment.

96. The UNCBD and UNCCD provide for local community[48] and socio-economic and cultural issues in the implementation of their objectives. UNCBD has provided the GEF with significant guidance on the integration of local community concerns into key convention issues: concerning incentive measures, sustainable use and access, and Protected Areas. UNCCD has yet to provide specific guidance to the GEF, although the new OP15 on sustainable land management has taken an active approach to addressing key social concerns and linkages. UNFCCC guidance has been at a general level, and it has yet to provide specific guidance to GEF on socio-economic issues[49].

97. Although there is a tendency to perceive the GEF as a funding mechanism to be exclusively used on global benefits, the GEF Instrument and Operational Strategy provide a broad framework for the consideration of social and local community issues beyond stakeholder involvement. However, they do not specify precise approaches to socio-economic benefits or incentives, to produce and sustain global environmental gains. Stakeholder involvement processes are stressed throughout the Operational Strategy, programs and policies of the GEF.

98. Neither the Instrument nor the Operational Strategy prohibits a maximization of, or emphasis on, local benefit issues to ensure the sustainability of global environmental benefits.

CHAPTER 4. CROSS-CUTTING FINDINGS AND CHALLENGES

99. This chapter summarizes the evidence and analysis which support the key findings presented in Chapter 1. It does not imply that these findings are also relevant for those areas of GEF activity which do not engage with or impact on local communities. Part Two of this study presents the detailed findings for each focal area, which provide the foundation for this analysis.

4.1 Linkages between Local and Global Benefits

100. The first study finding is that local and global benefits are strongly interlinked in many areas where the GEF is active. Changing human behavior is one of the critical underlying premises of the GEF approach to achieving global environmental gains, and local benefits play a central role in stimulating changes that produce and sustain such gains.

101. Linkages between local and global benefits led to **changes in consumption patterns** in effective projects. Such changes included the adoption of new natural resource uses and practices, as well as improved management of existing resource use to promote biodiversity conservation, carbon sequestration, energy use changes or improved water resource management.

102. One of the main approaches used to encourage changes in natural resource management was to generate direct and material benefits to local communities, both in terms of improved livelihood opportunities and access to natural resources. For example, of the 88 projects studied from the biodiversity portfolio, 68 proposed to increase or introduce tourism-related activities, 76 proposed to create alternative Income Generating Activities (IGAs) and increased employment opportunities and 27 aimed to assist in the development of small businesses.

103. In the climate change portfolio**,** a group of projects was developed on the assumption that the renewable energy technology would be a viable substitute for the existing, mainly biomass, fuels used by the target households; and that solar PV units would be affordable to local communities and commercially attractive to distributors. These assumptions proved largely incorrect in the projects studied. The International Waters portfolio adopts a long-term and programmatic approach that reflects the size and complexity of its interventions. Most of its projects were by nature multi-country and covered large geographical areas. The key to achieving environmental objectives was the systematic approach of detailed and sequenced studies, followed by a comprehensive planning and strategy development, identification of site-specific priority activities and participatory institutional mechanisms.

104. **Improvements in the natural resource base** depended on a wide range of financial and non-financial local benefits, including improvements in social and human capital, which provided the incentives and capacity for change. Particularly in

Biodiversity and International Waters, the co-management of resources was a means of engendering conditions for improved resource management and providing disincentives for destructive practices. The findings in relation to changes in local people's access to the local natural resource base are mixed. In some cases, improvements were found; in others access restrictions led to a decline in the availability of natural capital. While in many projects the actions taken made little difference to access.

105. The ability to balance local and global interests cannot be pursued just at the local level. It is dependent on a favorable overall policy framework that facilitates local community solutions. **Changes in external enabling environments** provided an important basis to support and allow local–global linkages. Projects in the reviewed focal areas made significant contributions to inter-linkages, through new policies and legislation to enable local resource management opportunities and to promote new technologies.

106. **Reduced vulnerability of communities to environmental events** encouraged support for new natural resource management practices. Communities quickly noticed improvements in resource protection that led to reduced vulnerability. For example, communities affected by biodiversity projects attributed improved reliability of local water supply to forest cover promoted by Protected Area status. Similarly, enhanced local fish stocks were associated by local communities with the establishment of Marine Protected areas. Such gains provided local incentives, which contributed towards global environmental gains.

4.2 Local Benefits Achievements for Global Environmental Gains

107. The second finding is that some GEF projects recorded considerable achievements in local benefits to ensure environmental gains, based on effective approaches and practices which are discussed in this section.

108. Social and stakeholder analysis proved valuable to identify and disaggregate local communities and to provide a basis for targeting interventions. Social analysis or assessment and regular monitoring of socio-economic, behavioral and attitudinal changes played an important role in understanding the extent of local commitment to project objectives, which proved to contribute to the sustainability of the behavioral changes necessary to ensure the project's environmental objectives.

109. Such social analysis enabled the development of differentiated project approaches to local communities. Social differentiation in projects enabled the involvement of women, indigenous peoples and other vulnerable groups. These two categories of local people are, in many places, of particular importance for the attainment of both local benefit flows and global environmental goals. They often have a higher level of dependence on the local resource base than other local residents: it is usually women who collect foods and fuels from local ecosystems, who manage water and tend small livestock. Similarly, many indigenous peoples still live in close harmony with and dependence on local ecosystems that provide for most of their needs. Whether this is the case in specific project localities can only be ascertained by detailed social analysis.

Some of the advantages of systematically applied social and stakeholder analysis as a tool, derived from the projects studied are presented in Box 4.1.

Box 4.1. Gains from Including Social and Stakeholder Analysis in Project Design and Implementation

- Knowledge gained from such analysis makes it possible to assess the most effective means of incorporating local communities into project processes
- The analysis enables project designers to develop approaches, which will maximize local support in a sustainable manner on the basis of long term and equitably distributed benefits to the communities
- Such analysis enables project proponents to assess the extent, duration and distribution of any potential negative impacts from the project and make a preliminary design for a program intended to mitigate these impacts
- Social analysis can provide social baselines, against which changes resulting from the project can be measured.
- Such baselines are a key component of project monitoring and evaluation systems and ensure that these include social as well as environmental factors

110. A related approach, which generated improved performance, was the incorporation of local knowledge and institutions into project design and implementation. Good practices in this regard are outlined in Box 4.2.

Box 4.2 Good Practice Concerning Local Knowledge and Institutions

- Willingness to understand and find compromises between external scientific knowledge and local knowledge, which is based on historical interaction with the specific environment to be protected
- Close teamwork between social and environmental specialists to establish and develop appropriate areas for building practical bridges between local and external knowledge and strategies for environmental management
- Careful examination of the mandates, composition and effectiveness of local institutions active in environmental management, including local units of national government, local government, NGOs, CBOs and "traditional and customary institutions"
- Development of a strategy which maximizes use of or collaboration with existing local and customary bodies where these appear legitimate and effective, together with a capacity building program to strengthen these bodies
- Creation of new bodies only as a last resort, where existing bodies are demonstrably unlikely to be able to shoulder responsibilities during and beyond the project duration
- Where new bodies must be created, development in a participatory manner, which draws upon existing resources as far as possible, together with a plan to demonstrate and develop the local legitimacy of the new body, as a step towards promoting its sustainability beyond the period of project support and a system to collaborate with other local bodies.

111. An approach found effective was the building of conservation strategies, and especially the management of protected areas, on the basis of **sustainable management** of natural resources by local communities. This means, for example, working with these communities in defining, using both local and external knowledge, what levels of off-take can be harvested sustainably, agreeing which areas or times of year should have particular restrictions to allow breeding or accommodate times of stress, and identifying what sorts of management regimes will maximize potential off-takes without compromising ecological integrity.

4.2.1 Community Participation

112. GEF activities are required to conform to the public involvement policy. This provides for levels of involvement, ranging from activities intended to generate support for project objectives (awareness-raising) through consultation (in which the public are asked to respond to and collaborate with externally designed interventions) to participation (in which they play an active role in shaping and implementing the intervention).

113. The involvement of local communities was mainly focused on information sharing as a means to support the attainment of global goals, by persuading communities to change their natural resource management practices and customs. Almost all projects intended to undertake awareness-raising and information dissemination; considered to be achieved in 82% of the sample. Of the sample of 132 projects, 87 (66%) achieved stakeholder consultation at various levels in their design. The active participation (decision-making) of local communities in the conception and design of activities intended to benefit them was much less common.

114. Some GEF projects implemented effective approaches to **participation** that generated local benefits such as strengthened institutional and social capital at the local level, for example, through the formation of community groups and revolving credit schemes. In turn, participation in these activities generated local commitment to the sustainable actions necessary for improved environmental management.

115. Some factors contributing to successful participatory approaches, on the basis of projects studied, are shown in Box 4.3

116. below.

Box 4.3 Factors Contributing to Effective Approaches to Participation

- Understanding differences within the community, rather than assuming that all members share a common understanding and interests with regard to the environment
- Developing an approach which sees community members as active partners, with their own beliefs, viewpoints and knowledge, rather than as recipients of externally generated wisdom and instructions
- Changing project procedures to reflect inputs from the community, rather than "consulting" the community about a pre-conceived approach
- Engaging communities actively in the selection, design and implementation of any major inputs such as physical capital improvements
- Encouraging appropriate community inputs of time and labor to engender ownership in any new community assets
- Ensuring that the approach to participation is transparent and accountable and that it manages to include a broad spectrum of people, including women, the poor, Indigenous Peoples and other vulnerable groups
- Applying adequate expertise and resources to participation to ensure that it is as effective as possible
- Providing adequate support and capacity building to individuals and institutions to enable participation to increase in quality and quantity as the project progresses
- Carefully monitoring and influencing approaches to participation of local government and non-government partners to ensure that these conform to those of the project concept
- Including participation as a topic for the attention of M&E systems and of project management and supervision.

117. Co-management of resources with local communities was recorded in 28 (32%) of the 88 biodiversity projects in the study sample. The field experiences showed that these approaches were often limited in scope. Local stakeholders participated in IW Projects in such activities as the removal of pollution or the management of marine or coastal resources. Notable achievements in ensuring participation were made despite political and institutional barriers in several locations.

4.2.2 Capacity Building

118. Within **capacity building**, the projects reviewed largely focused on enhancing organizational capabilities through the creation of local groups to strengthen participation in project activities.

Box 4.4 Good Practices in Capacity Building

On the basis of capacity building programs studied, good practices include:

- Capacity building should be based on local needs and tailored to project objectives. The temptation to utilize existing programs which are not specifically relevant should be avoided
- Developing approaches which can blend the most effective elements of traditional knowledge and values with those derived from external science and conservation experience
- Ensuring that training components, including field trips, are tailored to the needs, experience and institutional location of participants
- Careful selection of participants to ensure that they have the capacity and intention to engage in natural resource management activities
- Clear linkages between capacity building and the generation of livelihood benefits at individual and community level, either directly through employment in project related activities or through other appropriate income generating activities
- Capacity building should aim to produce institutions, which can sustain the intended project benefits in the long term, whether these are enhanced existing bodies or newly created institutions.

4.2.3 Income Generation

119. Several projects demonstrated that there is scope for effective integration of viable and locally relevant livelihood enhancement activities in project design. Some good practice elements from such successful income generating activities projects are presented in Box 4.5. treatise

120. In the biodiversity projects studied, (eco)tourism was included in the design of 68 (77%) of the 88 projects, with some degree of success recorded in 25 (28%). Successful projects were implemented in areas with well-developed tourism industries, good infrastructure and a supportive economic and political environment.

Box 4.5 Good Practice Elements in Income Generating Activities

- Working with the right institutions, namely those with expertise and a track record in appropriate areas, such as micro-finance and development of non-farm income programs, rather than relying on conservation-oriented government or non-government bodies to deliver income-generating activities
- Conduct of detailed and realistic market assessment of the local possibilities, in relation to location, human resources, capacity and finance, rather than reliance on "one size fits all" approaches such as eco tourism and handicrafts
- Careful development and implementation of training programs, which will enable potential enterprises to start up and survive in what are often difficult locations, together with sustained programs of follow up and support, which can be assured beyond the limited project time span
- Creation of opportunities for small scale community capital inputs (e.g. through savings and credit schemes) to encourage a sustainable sense of ownership of the income-generating activities

4.2.4 Policy Frameworks

121. Building supportive policy and legislation often provided essential support to enable local–global linkages. The development of national policies (in the case of IW projects and also international agreements) was an objective of many projects and was often successfully implemented. A total of 82 (62%) projects in the sample included policy changes that would enhance local impacts as an objective, with 54 (66% of the 82 or 41% of the total sample) recording some achievement. The inclusion of policy measures to accompany actions that enhance local benefits can be regarded as a key component of a comprehensive approach, which has strong potential to generate sustainable environmental results.

122. The long term approach, based on the TDA-SAP model, utilized by many activities in the sampled International Waters projects has often proved effective in catalyzing policy changes; whilst in climate change, many projects have successfully promoted positive actions of Government to enable or even promote the uptake of renewable energy. In biodiversity, projects have promoted increased government support for protected areas and some have even succeeded in the most difficult task of obtaining Government commitment to share revenues generated from protected areas with local communities affected by the new regime. Box 4.6 highlights the type of actions, which have been taken by effective projects in the GEF portfolio to influence regulatory frameworks.

Box 4.6 Creating a Favorable Policy Framework for Local Benefits Necessary for Sustainable Environmental Gains

Good practice elements which have promoted effective and sustainable results include:

- Detailed analysis of existing policies and legislation, highlighting areas where these need to be strengthened to assist in attainment and sustainability of desired changes in behavior towards the environment
- Development of effective relationships with politicians and administrators engaged in the processes of policy and legislation, including through third parties such as local NGOs and locally influential international NGOs
- Implementation of programs to support and develop government ownership and political will towards positive environmental management as well as the capacity and resources to deliver
- Building into the project realistic timelines for changes and contingency plans in case of non-realization of objectives during project life time
- Program of actions related to national policy and strategic measures, to assist in the process of facilitating intended changes at local level
- Assessment of financial implications of policy changes and development of strategies to ensure spread and sustainability of measures required under new approaches
- Adoption of long term strategies through programmatic or collaborative approaches with local or customary institutions, which will have a sustained presence in the country and project localities, to ensure that commitment to improved approaches to natural resource management are continued
- Addressing national policies in other sectors to ensure synergies and consistencies with environmental policies.

4.2.5 Project Supervision and Management System

123. With regard to local benefits and their linkages to environmental objectives, a number of good practices in supervision were identified (see Box 4.7).

Box 4.7 Elements of Supervision Good Practice Concerning Local Benefits

- Matching the skills mix of supervision personnel to the objectives of the project, including local participation and benefits objectives
- Ensuring that project supervision systems require coverage of poverty, gender, Indigenous Peoples and participation, where these are part of the project design
- Specifying a minimum level of actual field engagement of supervisors, including contact with community stakeholders
- Carefully assessing the quality and independence of project evaluations

4.3 Challenges to Achievement of Local-Global Linkages

124. The third finding is that the majority of projects did not fully operationalize their intent to link local and global benefits in design or implementation. Intended linkages were not sufficiently taken into account, resulting in less local and global benefits than intended. Several common shortcomings limited the effective linkage of local benefits to the attainment of global environment benefits.

4.3.1 Undifferentiated Approaches to the Local Population

125. Many projects included in the study demonstrated inadequate **differentiation of the local population** to enable them to take account of social factors relevant to project performance.

126. The communities affected by projects often contained structural inequalities along gender, class, ethnic or other lines. Participatory processes that did not take account of the poor and marginalized further alienated the disadvantaged from resources upon which they depend. The limited approach to both gender and poverty targeting is significant: poverty issues were considered in the design of 36 of 132 projects (27%), while gender was a consideration in 50 of the 132 projects (37%).

127. Different stakeholder groups were found to have structurally different patterns of needs and relationships to the natural resources that are the target of the projects. Women, indigenous people and the poor were often more dependent upon harvesting foods and fuels and accessing natural resources for their livelihoods. Better-off sections of the community were more interested in the commercial exploitation of these resources or in converting common lands for private productive purposes.

128. In general, the projects reviewed lacked a coherent gender orientation. They showed limited attention to gender issues, even though the needs, interests and capabilities of women were habitually structurally different from those of men in relation to the resources focused on by the projects. Many projects in which gender analysis and gender-specific measures were weak or absent were also characterized by low involvement of women in decision-making. In some instances, the lack of adequate gender analysis and awareness led to negative impacts on women. Women in many project areas were often economically, socially and politically marginalized, with poor access to government institutions and little voice in local decision-making. Building on an analysis of the role of women in natural resource use and management, GEF projects have the opportunity to promote women's role in decision making in local and national institutions associated with delivering the projects' objectives. They can create valuable precedents in the field of environmental management by directly encouraging inclusion. This was rarely done.

129. The skills and knowledge base of Indigenous Peoples often varied from those of other communities. In some project localities, they have long been engaged in sustainable harvesting of natural products, are highly dependent on local resources and have relevant knowledge concerning sustainable management possibilities. Despite these factors, they often faced barriers to their involvement in decision-making on new management regimes.

4.3.2 Social Analyses

130. A major factor underlying the undifferentiated approach adopted by many projects was the lack of **social analysis or assessment**[50] to identify differences within local communities along resource access and use, gender, ethnic and poverty lines and for

developing appropriate strategies. Less than one quarter of all project documents referred to any aspects of social analysis in their design process. Project documents for 19 out of 132 projects (14%) included reference to a full social assessment and a further 12 (9%) to other forms of social analysis at the design stage.

131. There was greater emphasis on aspects of social analyses during implementation in 51 of the 132 (39%) projects, with a further 6 (4.5%) also carrying out social assessment. The use of social analyses in evaluation was infrequent.

132. The lack of analysis during design and preparation contributed to the finding that project components that were intended to generate community level incentives did not fully reflect the reality of local livelihoods. Without a design process based on an understanding of the structure and dynamics of local social structures and livelihood processes, the integration of viable and locally relevant livelihood enhancement activities into projects was often ineffective.

133. Furthermore, projects were unable to use local knowledge and values or to base themselves on an informed assessment of the long-term sustainability, social organization and environmental impacts of the use of natural resources by local communities and outsiders. This was particularly an issue for effective and sustainable conservation of protected areas, where projects missed the opportunity to tap into the potential of traditional patterns of ecosystems management by local communities and explore the extent to which these could be blended with scientific knowledge to provide a basis for effective and sustainable conservation of threatened ecosystems.

134. Even where social analysis was undertaken, a number of weaknesses reduced its usefulness. Social assessment components were often treated as an "add-on" activity and not as an essential building block for the entire project, which needs to be interlinked with and inform the design of other components. Other unfavorable characteristics of social assessments or analysis were found to include: (a) lack of specified methods and components; (b) unclear objectives and focus; and (c) weak analysis of policies that may impact attempts to foster local community involvement in resource management.

135. Projects reviewed which were prepared during the GEF pilot phase showed a lack of design guidelines or standards for local development aspects. There are signs of improvement in this situation over time and of 30 new projects reviewed by the study, 24 included some level of social analysis in their design. The challenge now is to build on the inclusion of these dimensions in project design and to ensure that local social dynamics are more effectively incorporated into implementation. The field research showed that social data and analysis, even when available, are often not accorded priority by project implementation teams

4.3.3 Negative Social Impacts

136. The study discovered that projects commonly faced challenges in dealing with negative social impacts they caused. The following aspects contributed to this. Firstly, not all agencies have specific policies covering such complex issues as relocation and

restriction of access, which greatly affect local support for new patterns of environmental management. (The World Bank's revised policy on resettlement, OD4.12 has comprehensive requirements covering these issues). In Agencies without such policies, measures taken to redress loss of local assets are influenced by guidelines and the discretion of project designers and implementers. This produces variable approaches, including uncompensated losses. Such losses produce negative social impacts, reducing the possibility of those sustainable environmental management approaches which projects seek to foster. Secondly, many of the responsible officers in the IAs have substantial competing interests for their management attention and GEF project issues may not be their top priority. Thirdly, the (correct) emphasis on the global environmental ends to be achieved according to the GEF mandate often marginalizes the social means which may be necessary to attain them. Fourthly, risks posed to environmental well-being by local resource management practices are not adequately situated within the appropriate context of poverty and limited alternatives available to the population. Fifthly, project preparation is often weak in its understanding of local communities and their livelihoods, so the project managers are unaware in advance of potential conflicts and therefore, do not make decisions on them at the best time.

4.3.4 Timing and Resources of Local Benefits Activities

137. Local benefits components, which were essential to generate changed resource use patterns, were often not pursued with the resources or timing necessary to play their intended role in project implementation. Projects were based on **unrealistic expectations of how quickly complex social and institutional processes could materialize**. This was particularly observed in relation to (a) the introduction of new policies and national strategies, (b) the establishment and creation of sustainable operational capabilities of new institutions, (c) the development of participatory processes, (d) the establishment of new resource management regimes, and (e) the development of new livelihood activities and business opportunities.

138. A related challenge was **the ineffective sequencing of activities** in project design and/or implementation. The study found that activities to generate participation and local support often occurred too late in the implementation process to play their intended role in institutional development, resulting in limited local commitment to the mechanisms intended to ensure attainment and sustainability of project objectives.

139. As implementation constraints emerged, projects gave less attention to the underlying processes that activities were intended to influence. In projects needing to scale down or speed up their activities, the first items to be reduced or omitted were those considered to make an indirect contribution to project objectives, such as social assessments, participatory approaches, and the development of livelihood alternatives

140. The incomplete implementation of such locally focused activities had substantial consequences in relation to the sustainability of project outcomes and to activities such as enhancing policy and regulatory frameworks, the development of participatory processes, institutional capacity enhancement, building alternative livelihood opportunities and the introduction of new resource management regimes.

4.3.5 Limitations of Projects and Funding Uncertainties

141. In part these constraints to local involvement and benefits stem from the **nature of projects**, defined as stand-alone actions with discrete boundaries in time and space. Local participation, creating community benefits, and changing people's behavior are long-term processes that require sustained commitment and a set of activities that interact with and seek to influence local processes of change.

142. Projects often correctly identified the scope of work at national policy levels in institutional strengthening, stakeholder awareness-raising, creating effective local level participation, and implementing specific investments and actions on the ground. However, the time and resources available within the project framework did not permit the necessary sequencing to take place.

143. These limitations of projects as vehicles for intervention are not GEF-specific. Many international agencies have reduced their reliance on projects in favor of program and sectoral approaches. Given that the GEF is dealing with inherently long-term, complex and diffuse processes, its current reliance on projects as a major tool has implications for its capacity to deliver effective and sustainable outcomes.

144. Many project proponents at IA and national levels indicated their preference for more attention to the social dimensions of environmental management in the projects they were implementing. Uncertainty over what the GEF would be willing to fund, coupled with the long time taken to develop projects, influenced project designers to limit the scope of proposed activities to those that they felt were unequivocally within the GEF sphere. The GEF has not offered any clear guidelines in support of the role played by local benefits in generating support for improved environmental management. National authorities have therefore often perceived that activities that had strong local and developmental elements should be excluded, to minimize the possibility of delay or rejection.

145. These uncertainties resulted in decisions to **exclude local level activities** that would further community engagement and generate local benefits. In several cases, national authorities said that they thought these activities were essential for sustainable changes in environmental management and should have been included, but that their perception was that they would be rejected by the GEF. As a result, project proponents exhibited a tendency to define new activities in terms of what has been successfully funded in the past. This indirectly discouraged the development of innovative approaches in new projects, which are intended to be a major characteristic of the GEF approach. The area of the perceptions and understandings of different stakeholders concerning what is "GEF-able" is an important one, since these perceptions play a major role in determining the direction and structure of GEF activities at national level. The study team felt this to be an area, which could fruitfully be studied in more depth at a later stage.

4.3.6 National Dimensions of Implementation

146. The GEF relies on its **partnership with program country** governments. Based on the adherence to the relevant international conventions and agreements, these governments are seen as the main actors in projects intended to conserve global resources. Since many projects deal with national policy frameworks, capacity building, coordination, national park management, industrial development and regulation of the private sector, government bodies appear well placed to manage them. However, project implementation was often found to be restricted to a narrow range of technical line agencies, with little participation from other branches of government, civil society or the private sector.

147. In practice, implementation through a government line agency often proved problematic in projects that depend on the active participation of local communities. Particular problems arising included (a) determining the most appropriate form and scope of local involvement; (b) determining appropriate institutional modalities for project delivery, (c) lack of capacities and experience of centralized departments in interacting with local communities; (d) unfavorable budgetary decisions in cases of financial constraints; and (e) lack of openness to and trust of local populations, where previous government interventions are perceived to have failed or disadvantaged local communities.

148. The concept of national ownership was often found to follow a narrow interpretation of "country endorsement". Broad involvement—beyond central government to include lower levels of government, the private sector and civil society—was rarely pursued, although such an approach is more likely to foster a truly national sense of ownership which can sustain environmental gains beyond the duration of individual projects.

149. National authorities often reported that their ability to define and direct GEF-supported activities was limited. Case study respondents referred to the broad range of institutions and systems involved in GEF activities, which seem to them to be poorly coordinated. This situation is compounded by uncertainties at country level over the roles and responsibilities of the different agencies and actors in the GEF network, notably concerning the role of the GEFSEC, which has a low profile within partner countries and concerning how the IAs operate differently as GEF implementers, than in their own mainstream portfolios.

150. The **capacity** of the implementing **national institutions**, whether government, NGO or other, was often found to be insufficient to deliver the anticipated results. This included examples of projects in which centralized, traditionally non-participatory Ministries were given the responsibility for implementing projects intended to be decentralized and participatory; as well as cases in which local NGOs were given responsibilities which were too far removed from their previous experience. **Institutional analysis,** which can assist in terms of defining what capabilities already exist and in relation to the definition of local benefit strategies, was often not undertaken or did not address these issues.

151. Few project designs included assessment of existing **local institutional capacities** or attempted to integrate existing local bodies into project implementation. Project community-level participatory activities were usually based on establishing new institutions at the local level, such as forest users' groups and fishermen' cooperatives. As a result, the new institutions often duplicated or came into conflict with existing local associations, bodies or groups. Since projects did not capture the knowledge base of local communities, the steps taken to build institutional capacities were less effective than anticipated. The process of institutional capacity building and skills development was primarily a one-way transfer of external concepts and approaches to communities, reducing likelihood of internalization and sustainability.

152. The involvement of **civil society organizations**, such as community based organizations and NGOs, as well as the private sector was shown by the study to present a substantial challenge to GEF activities. The role of national and local NGOs needs to be further developed. Currently, they are often involved in a subordinate capacity to international NGOs or government agencies and play the role of implementers or sub-contractors of activities, the development of which has been undertaken by others. This misses one of the key benefits of working with such bodies, namely the important role they can play in bringing the local perspective into project development. The positive side of such arrangements is that they allow local NGOs to gain experience in the relatively complex procedures of GEF projects. The study found that, where they have played a substantial role, such NGOs (including local branches of some international NGOs) have been particularly effective at building local support and participation, thereby making a positive contribution to the sustainability of project objectives. As part of the essential preparations for collaboration with national NGOs, a careful assessment should be made of their skills and capacities and of any strengthening needed to enable them to effectively play the role foreseen for them.

4.3.7 Capacity Building

153. The study found that, in addition to the need to broaden the range of stakeholders involved in GEF projects, the capacities of these partners often need support and enhancement. This applies to the full range of stakeholders. The capacity of government departments to interact effectively with local communities is often low. Project staff (whether national or internationally-recruited) often lack skills in participatory approaches and NGOs may lack the experience and capacity to implement large project components. Local communities also need assistance to manage natural resources better or to develop new livelihoods and business capacities.

154. Often, the process of capacity building was delivered as a one-way transmission of external knowledge, which was assumed to be able to replace the existing knowledge amongst local communities and government staff, who have lived and worked for long periods in close proximity to the resources targeted for conservation. Local knowledge was not seen as an asset that can play an important role in improved environmental management regimes.

155. Finally, a challenge is to ensure that capacities that are built in project lifetimes and with project resources are **sustainable**. The purpose of GEF projects is in general to create long-term changes to conditions that support conservation, but staff trained by projects are often re-deployed or are unable to use their new skills in existing institutional structures and procedures. Equipment purchased cannot be maintained and is not replaced when redundant. Expected revenue streams do not materialize, which is particularly challenging where these revenues are meant to support community level facilities or activities. Above all, adequate long-term budgets are not allocated to keep systems going once projects finish. Often, the project timescale of three to five years is not sufficient to develop such long term capacity strengthening, leaving project implementers with an unsolvable problem. This points towards the need to design and approve projects with longer time frames, to make project objectives less ambitious, or to move towards more programmatic or blended approaches in those countries where this is possible with the available resources.

4.3.8 Participation and Involvement of Local Communities

156. Where the involvement of local communities was identified as important in project design, projects commonly focused on ensuring community support for pre-defined project objectives. The projects generally applied awareness campaigns to persuade communities to change their behavior towards the environment without exploring the role that natural resources played in their own livelihood strategies. The study found few examples of projects engaging communities in dialogue concerning their perspective on the proposed intervention, which could be used to develop approaches that met local needs, as well as those of the global environment.

157. The involvement of local communities to directly generate alternative opportunities or other forms of incentives was also uncommon. For example, in the 24 International Waters projects for which completion evaluation reports are available, half made reference to community participation in their design and of these less than half (i.e. less than 25% of the 24 projects) considered the local population as agents in and direct beneficiaries of the projects. Whilst IW projects often have components which can succeed without such participation, they also have substantial elements that ultimately depend on changed behavior (such as fishing practices, waste management and agricultural techniques) and ultimately depend on community level support.

158. Of the 31 IA completion reports for Climate Change projects reviewed, less than half emphasized participation in design and, in those that did, local people were primarily seen as consumers of renewable energy technologies, rather than active agents of change who should be involved in decision-making. Comparing this body of evidence with that from the field studies, it emerged that this approach produces difficulties in meeting local expectations of an energy supply and over-estimates the degree of priority communities attach to the limited supply of household energy which most renewable sources deliver.

159. In-depth case studies revealed that participation components of projects tended to be marginal to overall project activities. For example, participation was confined to responses to decisions already made by external stakeholders with limited possibility of

substantive influence by local communities or training was identified by outsiders to advance project goals in relation to global environmental assets, but did not respond to local needs and interests.

160. In general, the approaches to participation in project design were not based on an effective assessment of local social dynamics and capabilities and were therefore not adequately tailored to the specific circumstances. This limited their scope and effectiveness. In particular, the inclusion of local participation in decision-making was found to be limited. Even when information from social analysis was available, there was little evidence of its use to guide project decision-making. Often participation was reduced to informing people of decisions taken by government or project authorities and organizing local people to contribute to the implementation of activities defined by others. Participation rarely entailed empowerment under which local stakeholders could exercise influence over key decisions on the allocation and management of natural resources. Where such an approach was adopted, it proved more effective in generating sustainable local "buy-in" than less intensive forms of stakeholder involvement.

4.3.9 Project Design and Implementation

161. **Inadequate assessment** of the feasibility of activities upon which the attainment of project objectives depended was found to be a pervasive challenge. In many of the solar PV projects in the climate change portfolio, the design was based on the establishment of widespread dissemination through commercial channels based on small-scale local entrepreneurs. The commercial feasibility of this business was not established through market research and cost analysis. The same was observed in biodiversity projects that sought to establish tourism as a key livelihood alternative to the extraction of resources from conservation areas. Alternative income generating activities and eco-tourism were promoted on the basis of insufficient market or capacity assessment to enable the development of effective socio-economic incentives and ensure affordability of technologies among poor rural communities. In many locations, where opportunities for sustainable livelihoods are very limited, alternative income generating programs did not deliver the anticipated benefits and it was clear that the best options for generating and sustaining local support lie in linking improved environmental management with broader development programs through co-financing or blended approaches

162. A contributory factor to low awareness and integration of local community concerns is the **skills mix** deployed at portfolio and project levels. The GEF project cycle currently depends largely on "technical" skills in design, appraisal, monitoring and evaluation. Although the Implementing Agencies have staff or consultant expertise on rural development, poverty, NGO cooperation and social involvement, it is clear that inputs to most GEF projects are heavily weighted towards specialists with natural science and economic expertise. Furthermore, the GEF Secretariat currently incorporates no social science experts and is advised by a Scientific, Technical and Advisory panel with a strong predominance of natural scientists.

163. In view of the conclusion of this study, that local benefits play a key role in substantial areas of the GEF portfolio, in generating and sustaining improved

environmental management, the inconsistent application of social science expertise across the GEF family is a shortcoming, which needs to be addressed.

164. The study found limitations in the **supervision, monitoring and evaluation** of projects related to aspects of local benefits. These made it difficult to identify problems as they emerged, to assess the effectiveness of activities, and to generate lessons that could guide changes to approaches and implementation modalities. For example, a total of 131 projects included the intention of participation in their design, but only 55 referred to this participation in their supervision or evaluation reports.

165. With regard to **monitoring** during implementation, the systems of reporting to the GEF do not provide sufficient information on stakeholder involvement or local livelihood benefits and impacts. Participation is often referred to in terms of the number and attendance of project meetings, without verification of local responses to the process or detailed assessment of community involvement in stakeholder participation. Poverty and gender, two factors intrinsically linked to natural resource management, were rarely addressed in supervision reports. The failure to undertake planned project components intended to provide local benefits was often not mentioned in supervision reports. In practice, there is a clear downward trend in project intention from awareness raising exercises, which are almost universally present, towards full participation, which is relatively rare. Project management documents are generally vague concerning the level of actual community engagement achieved and almost any level of contact with local communities is counted as participation.

166. Further, a number of **evaluations** did not analyze why project components related to local participation or benefits were not implemented; while many lacked substantive analysis of the practice and achievements of community involvement. One underlying cause is that the GEF project design systems do not require detailed information in these areas and they are not therefore included in Terms of Reference for Evaluations. The lack of specificity in project design of participatory processes, intended local benefits and development outcomes makes their subsequent assessment difficult.

167. Many evaluations were limited by Terms of Reference, which did not grasp the importance of social issues because these do not figure prominently in the original project documents. Since the GEF has not yet attempted on any scale to evaluate impacts after project completion, there is little objective information to assess the most effective approaches in the long term for linking local to global benefits, which could inform approaches to replication or to the adaptation of approaches of projects in the pipeline or under implementation.

4.3.10 Knowledge Sharing and Strengthening Management Systems

168. The GEF portfolio now encompasses more than a thousand projects, many of which have been evaluated by the relevant IAs. Yet, the study found little evidence of systematic learning on issues relevant to local-global benefits linkages. **Knowledge sharing and learning from experience did not emerge as major themes in the GEF portfolio**. This is an important constraint given the intention of the GEF to use its limited

resources to develop innovative and catalytic approaches, which others may replicate or learn from. The GEF Secretariat has welcomed the recommendations of the recent Program Studies that it should develop a knowledge management strategy and system and tap into the systems of the IAs in a more effective manner. Recently, project review criteria have placed more emphasis on this dimension.

169. This study finds that GEF processes present specific impediments to lesson learning with regard to local community involvement, linkages between local and global benefits and participation. Primarily, knowledge is generated within focal areas and for focal area practitioners, and tailored accordingly. Cross-cutting lessons are less regularly captured. The emerging GEF Knowledge Management strategy is proposed to be implemented through a focal area pilot, the Climate Change area, which has already been active in producing lessons documents. So far, these have been mainly organized according to technology or Operational Program. There is a danger that the lack of a clear institutional champion for lessons on social aspects of the portfolio will mean that this area is under-represented in the emerging knowledge products.

170. This presents a challenge: how to establish an **effective process of learning** from experience which incorporates the areas of local community involvement and benefits. This process should not just be internal to the GEF. Other institutions, large and small, local and international, have a wealth of experience from which lessons could be derived. It will be important for Council to ensure that its emphasis on measurable results does not promote a conservative and uncritical approach. Some of the elements of a potentially effective approach, derived from the current shortcomings, are suggested in Box 4.8.

Box 4.8 Elements of an Approach to Generate More Effective Learning from Experience of Linkages Between Local and Global Benefits

- Availability of staff with appropriate specializations to address the issue
- More effective use by the inter-agency Task Forces of evidence from evaluations and other independent studies commissioned by IAs or by GEFOME
- More effective recording of innovative activities in the portfolio and of their achievements
- Systematic gathering and verification of evidence of good practice, together with analysis of which elements are context specific and which can provide a more generic basis for improvement
- Incentives for the adoption of improved approaches
- Increased sharing of experiences and lessons with external players active in fields relevant to the GEF

4.4 Constraints on "Win-Win" Outcomes

171. The fourth finding is that expectations of 'Win-Win' situations for global and local benefits proved unrealistic in many cases. It has been difficult to attain in practice win-win situations that are sustainable and replicable, partly due to insufficient attention to the development of alternative courses of action and trade-offs, the potential for negative impacts, and the need to develop mitigation strategies. Many GEF interventions require trade-offs to be made between environmental conservation or restoration and existing local or national resource uses. This is implicit in the core GEF concept of incremental costs.

172. Most projects in the biodiversity portfolio and many in international waters involve some form of restriction of existing patterns of resource exploitation, which will lead to a loss of livelihood to communities or sectors of communities. Indeed, the provision of alternative income generating activities and eco-tourism incentives in many projects implicitly acknowledges a trade-off relationship, but such interventions often lacked analyses of the community to ascertain appropriate targeting of interventions. The climate change portfolio is in this sense less involved in trade-offs at community level, since provision of energy or gains in energy efficiency are likely to produce both local and global benefits.

173. The evidence of this study points to the need for projects and programs to assess varying possible relationships between resource users and the environment, as well as trade-offs between different levels of intervention. In essence, there are initially winners and losers at local and national scales in almost all interventions. One of the key contributions of local benefits components is to provide opportunities for recompense to local community members who have suffered livelihood loss from project-induced changes in environmental management regimes, thereby promoting sustainable support for those changes.

174. Projects studied, which carefully assessed losses likely to be sustained by different community groups and tailored appropriate compensatory approaches, achieved significant improvements in local support for enhanced environmental management. Such approaches were based on detailed understanding of existing natural resource use and management obtained through early social and stakeholder analysis. Effective interventions were built on community participation at the design stage, producing an appropriate blend of sustainable use and additional income generating opportunities, combined with well-focused capacity-building and strengthened local and customary institutions.

END-NOTES

[1] See GEF (2003) *The Nature and Role of Local Benefits in GEF Program Areas: Inception Report and Methodology*. GEF Office of Monitoring and Evaluation. Washington DC.
[2] GEF (2002) *The First Decade of the GEF: Second Overall Performance Study*, Washington D.C., page 5.
[3] This typology is discussed in detail in the study inception report GEF (2003) *The Nature and Role of Local Benefits in GEF Program Areas: Inception Report and Methodology Outline* GEF, Washington D.C. http://thegef.org/MonitoringandEvaluation/MEOngoingEvaluations/MEOLocalBenefits/DOC13__Methodology15th_AUG.doc and http://thegef.org/MonitoringandEvaluation/MEOngoingEvaluations/MEOLocalBenefits/DOC14__Inception_report.doc
[4] GEF (2003) *The Nature and Role of Local Benefits in GEF Program Areas: Inception Report and Methodology Outline* GEF, Washington D.C.
[5] Including national policy contexts.
[6] See also UNCCD Article 20; GEF also serves as 'a' financial mechanism to the Stockholm Convention on Persistent Organic Pollutants and also provides financial support for the Montreal Protocol of the Vienna Convention on Ozone Depleting Substances and the regional seas and international waters agreements such as the UN Law of the Sea.
[7] As the financial mechanism to the GEF agreed that financed activities would conform to the CBD articles and guidance received from the Conference of Parties (COP).
[8] See Preamble and Articles 8 (c), (j); 10; 11; 13 of the UNCBD
[9] Although issues surrounding access and benefit sharing have yet to be resolved.
[10] The COP meets biannually to provide further guidance and specificity to the parties (countries) on the implementation of the Convention. Critically, it also provides guidance to the GEF, in terms of funding priorities.
[11] Decision I/2 annex III. Program priorities.
[12] Decision V/6. The ecosystem approach is a 'strategy for the integrated management of land, water and living resources that promotes conservation and sustainable use in an equitable way. Thus, the application assists the convention in reaching a balance between the objectives of conservation, sustainable use and benefit sharing. The ecosystem approach principles place a strong emphasis on interdisciplinary management through – decentralization of governance over biological diversity and stress 'ownership, accountability, participation and use of local knowledge'; management of temporal and spatial scales involving managers, scientists and indigenous and local communities; consideration of all forms of relevant knowledge including scientific and local, and indigenous knowledge, innovations and practices; and involvement of all relevant sectors of society and scientific disciplines.
[13] See Decision VII/20. The Bonn Guidelines (Decision VI/24) and the Addis Principles stress involvement of local and indigenous communities, synergies between conservation and poverty alleviation efforts.
[14] Particularly in relation to articles 8 – 11, 13 & 15 and Decision II/6 para.10 (UNEP, 2003: 341); Decision III/5 para 2; 3 – 5 (ibid: 374); Decision IV/13 para 8 (ibid: 501); Decision V/13 para 2 (a), (b), (g), (h), (i), (l); Decision VI/17 (ibid: 775)
[15] For example the IUCN World Parks Congress in 2003 with its focus on 'benefits beyond boundaries' raised the issue of poverty and conservation prior to COPVII. The issue was further debated and explored at the World Conservation Congress in November 2004. The GEF has not actively been involved in the discussion of these issues.
[16] The CBD has recently issued guidelines on biodiversity and tourism development - http://www.biodiv.org/programmes/socio-eco/tourism/guidelines.asp
[17] SBSTTA Program of Work on Protected Areas – Decision VII/28.
[18] The sampled projects in the study span COPI (1994) to IV (1998).
[19] Article 6 para.1
[20] Particularly Articles 4.1, 4.6, 4.8 and 4.10.
[21] Decision 6/CP.7 para.1 (b).
[22] Ibid para 1 (h)

[23] At COP7 it was decided that there was a need for new and additional funding beyond allocation already made to the GEF Trust Fund[23]. The Special Climate Change Fund (SCCF) was established to provide support for technology transfer and capacity building, adaptation, forestry, energy, transport and economic diversification.[23] The Least Developed Countries Fund (LDCF) was established to fund national adaptation strategic planning for LDCs[23] in recognition of their particular constraints and vulnerability to climate change; and the Adaptation Fund (AF) will provide 'concrete funding' for projects and programs under the Protocol. COP9 further decided that the SCCF activities should be linked to poverty reduction strategies. These activities are not covered by any of the sampled projects.
[24] Previous to this GEF viewed implemented measures related to land degradation and desertification under the aegis of guidance from UNCBD and UNFCCC. See UNCCD Article 20, para.2 (b).
[25] See Article 2, para.1
[26] See UNCCD Articles 4 – 6
[27] Page 10: GEF (2004) *Instrument for the Establishment of the Restructured Global Environment Facility.* GEF Secretariat. Washington DC.
[28] GEF (1996) *Operational Strategy*. GEF Secretariat. Washington DC.
[29] Ibid: 3.
[30] Ibid: 3
[31] Ibid: 4
[32] Ibid: 3 – 7
[33] Note: land degradation was not included as a Focal Area. It is included in Table 1 based on the draft scoping paper presented to GEF Council in November 2004 – GEF/C.24/6 and OP15.
[34] GEF (1996) *Operational Strategy*. GEF Secretariat. Washington DC
[35] Ibid: 20
[36] Ibid: 32 – 33
[37] Ibid: 49 & 51
[38] See page 85 – 87 in Griffiths, T (2004) *Indigenous Peoples and the Global Environment Facility (GEF) Indigenous Peoples' experiences of GEF- funded Biodiversity Conservation - A critical study*. Forest Peoples Program. Morten-in-the-Marsh.
[39] One added to Biodiversity and Climate Change; one for Persistent Organic Pollutants and Land Degradation; and one Multi-Focal OP covering 'integrated ecosystem management'
[40] Based on convention guidance where necessary and appropriate.
[41] GEF Council Joint Summary of the Chairs (February 1995): para.3
[42] GEF (1994) *Global Environment Facility: Independent Evaluation of the Pilot Phase.* UNDP, UNEP and World Bank. Washington DC.
[43] GEF (1996) *Public Involvement Policy*. GEF Secretariat. Washington DC.
[44] In 1995 GEF Council requested the GEFSEC to prepare a 'policy on information disclosure and public involvement. GEF Council Joint Summary of the Chairs (February 1995): para.3
[45] The need for a policy on public involvement stemmed from problems concerning stakeholder involvement and particularly in relation to local community and NGO that were highlighted by the Pilot Phase evaluation. GEF (1994) *Global Environment Facility: Independent Evaluation of the Pilot Phase.* UNDP, UNEP and World Bank. Washington DC.
[46] GEF/C.10/Inf.6 – Finance for GEF projects that have Incremental Domestic Benefits.
[47] The project cycle does not provide a clear definition of 'marginal groups'.
[48] Including indigenous peoples.
[49] For example, related to sustaining social and cultural reception of climate change mitigation technologies
[50] Social assessment is a process for ensuring that development operation (i) are informed by and take into account the key relevant social issues; and (ii) incorporate a participation strategy for involving a wide range of stakeholders. Social assessment typically identifies stakeholders (including institutional arrangements) and identifies and prioritizes social issues such as poverty, age, ethnicity and gender and also establishes a participatory process. Social analysis is a one of the components of social assessment – it focuses on one or more of the following – demographics, socio-economics (including resource access and use), social and institutional organization and capacities and needs and values; in order to account for social difference, assess risk and impact, mitigate adverse impacts and build capacity of individuals and institutions. See Rietbergen-McCracken et al., (1997) *A Resource Kit for Participation and Social Assessment.* World Bank. Washington DC

ANNEXES

1. STUDY TEAM

David Michael Todd – Senior Monitoring and Evaluation Specialist, Task Manager
Lee Alexander Risby – Consultant Evaluation Specialist
Professor John Soussan – Stockholm Environment Institute
Aaron Zazueta – Senior Monitoring and Evaluation Specialist
Siv Tokle – Senior Monitoring and Evaluation Specialist
Rebecca Frischkorn – Consultant Research Assistant

2. GEF SECRETARIAT AND IMPLEMENTING AGENCY PARTICIPANTS

Gonzalo Castro – GEFSEC Team Leader Biodiversity Program
Mario Ramos – GEFSEC Biodiversity Program Manager
Juha Uitto – Senior Evaluation Specialist UNDP Evaluation Office
Jyotsna Puri – Consultant Evaluation Specialist UNDP GEF
Olaf Lundstol – Senior Climate Change Specialist UNDP Regional Office (Bangkok)
Miguel Perez-Torralba – Monitoring and Evaluation Specialist UNDP GEF
Kanta Kumari-Rigaud – World Bank Senior Environmental Specialist
Kathy Mackinnon – World Bank Lead Biodiversity Specialist
Sam Wedderburn – World Bank Senior Operations Officer

3. ADVISORY PANEL

Professor Michael Cernea – Department of Anthropology, GW University
Dr. Jon Hutton – Regional Director Africa Program. Fauna and Flora International
Dr. Julia Carabias – STAP Chairperson
Christoper Whaley – STAP Coordinator
Esther Camac – NGO Representative
Clemencia Vela – Indigenous Peoples Representative
Eric Bjornebye – Government of Norway
Ole Overaas – Government of Norway
Eva Tobisson – Government of Sweden
Amalia Garcia-Tharn – Government of Sweden
Britt-Marie Hartvig – Government of Sweden
Valerie Young – Canadian International Development Agency
Ellen Hagerman – Canadian International Development Agency

4. NATIONAL CASE STUDY TEAMS

Argentina and Bolivia (International Waters)
Aaron Zazueta (GEFOME)
Christoper van Dam (National Consultant)
Miguel Castro-Arze (National Consultant)

Belize (Biodiversity)
Professor John Soussan (SEI)
Kanta Kumari (GEFSEC now World Bank)
Kathy Mackinnon (World Bank)
Stacey Noel (National Consultant)
Rachael Graham (National Consultant)

Bolivia (Biodiversity)
Miguel Castro-Arze (National Consultant)

Ghana (Biodiversity)
David M. Todd (GEFOME)
Sam Wedderburn (World Bank)
Dr. Paul Sarfo-Mensah (National Consultant)
Ernestina Fredua Antoh (National Consultant)
Rev. Dr. Akwasi Owusu-Bi (National Consultant)

Ghana (Climate Change)
David M. Todd (GEFOME)
Sam Wedderburn (World Bank)
Stephen Nkansa Buabeng (National Consultant)
Ernestina Fredua Antoh (National Consultant)

India (Climate Change)
Juha Uitto (UNDP)
Dirk R Frans (SEI)
Nilufar Matin (SEI)
V. Ratna Reddy (SEI)

Indonesia (Biodiversity)
Andreas Liebenthal (World Bank OED)

Kenya (Biodiversity)
Lee Alexander Risby (GEFOME)
Jyotsna Puri (UNDP)

Dr. Robert Malpas (National Consultant)
Robert Craig (National Consultant)
Elizabeth Kamau (National Consultant)

Nepal (Biodiversity)
Lee Alexander Risby (GEFOME)
Mario Ramos (GEFSEC)
Jyotsna Puri (UNDP)
Santosh Rayamajhi (National Consultant)
Kanta Singh (National Consultant)

Pakistan (Climate Change)
Lee Alexander Risby (GEFOME)
Jyotsna Puri (UNDP)

Philippines (Biodiversity)
David M. Todd (GEFOME)
Enrique A. Nuñez, Jr. (National Consultant)

Philippines (Climate Change)
David M. Todd (GEFOME)
Olav Lundstol (UNDP)
Sam Wedderburn (World Bank)
Enrique A. Nuñez, Jr. (National Consultant)

Romania (Biodiversity)
Professor Michael Cernea (Advisory Panel Member)
Gonzalo Castro (GEFSEC)
Mirela Apostol (National Consultant)
Alexandra Clemett (SEI)
Nicoleta Damian (National Consultant)
Dirk R Frans (SEI)
Veronica Mitroi (National Consultant)
Emil Pîslaru (National Consultant)
Cosima Rughiniş (National Consultant)

Senegal (Climate Change)
Siv Tokle (GEFOME)
Miguel Perez-Torralba (UNDP)
Abdoulaye Sene (National Consultant)
Ndickou Fatou Diaw (National Consultant)
Ibrahima Dieng (National Consultant)

Tanzania (Biodiversity)
Lee Alexander Risby (GEFOME)

Jyotsna Puri (UNDP)
Professor George Jambiya (National Consultant)
Yemen (International Waters)
Professor John Soussan (SEI)
Professor Michael Cernea (Advisory Panel Member)
Dr. Khalid I Al-Hariri (National Consultant)

Yemen (Biodiversity)
Professor John Soussan (SEI)
Professor Michael Cernea (Advisory Panel Member)
Dr. Khalid I Al-Hariri (National Consultant)

5. CONSULTATIONS

The study team undertook a number of informal and formal internal and external consultations during the study to gain additional insights and input, including from other studies.

GEF Secretariat
Yasemin Biro – Environmental Specialist
Chona Cruz – Former Senior Social Scientist (Now World Bank)
Al Duda – Lead Environmental Specialist
Mohammed El-Ashry – Former CEO
Len Good – CEO
Andrea Kutter – Natural Resource Specialist
Walter Lusigi – Senior Environmental Specialist
Ramesh Ramankutty – Head, Operations and Business Strategy

UNDP
Clarissa Arida – Project Officer (Philippines)
Benoit Bihamiriza – Project Manager (Tanzania)
Darshani De Silva – Project Officer (Sri Lanka)
John Hough – Principle Technical Adviser (Biodiversity)
Alexandra Kakekaho – Program Officer (Uganda)
Abdul Qadir – Program Officer (Pakistan)
Asenaca Ravuvu – Project Officer (Fiji)
Alan Rodgers – Regional Coordinator (East Africa)
Nina Saalisma – Project Officer (Guatemala)
Vijaya Singh – Project Officer (Nepal)
Godfrey Turyahikayo – Project Manager (Uganda)

UNEP
Shelia Aggrawal-Khan – Assistant Director (GEF)
Segbedzi Norgbey – Director Evaluation and Oversight Office

World Bank
Gabriella Arcos – Operations Officer (Ecuador)
Koffi Ekouvei – Energy Economist (Mali)
Anil Cabraal – Lead Energy Specialist (Indonesia)
Steve Gorman – Lead Environmental Specialist
Kristine Ivarsdotter – Senior Social Development Specialist (Kenya)
Ian Johnson – Vice President ESSD
Steen Jorgensen – Sector Director Social Development
Richard Kaguamba – Natural Resources Specialist (Kenya)
Asmeen Khan – Senior Rural Development Specialist (Indonesia)
Andreas Liebenthal – Lead Evaluation Officer (Indonesia)
Ernst Lutz – Senior Economist (Kenya / Tanzania / Uganda)
Patience Mensah – Senior Agricultural Economist (Ghana)
William Magrath – Lead Natural Resource Economist (Lao)
Fanny Missfeldt-Ringius – Energy Specialist (Tunisia)
Keith Oblitas – Lead Operations Officer (Philippines)
Felicity Proctor – Rural Development Adviser
Robert Ragland-Davis – Senior Forestry Specialist (Argentina)
Claudia Sobrevila – Senior Environmental Specialist
Warren van Wicklin III – Consultant Quality Assurance Group
Alonso Zarzar-Casis – Senior Social Scientist

IUCN
Alejandro Imbach – IUCN Asia Program Coordinator
Nancy MacPherson – IUCN Senior Adviser Performance Management
Stewart Maginnis – IUCN Head Forest Conservation
Edmund Barrow – IUCN East Africa Regional Office
Eldad Tukahirwa – IUCN East Africa Regional Office
Grazia Borrini-Feyerabend – IUCN CEESP
Taghi Farvar – IUCN CEESP Chairperson

Others
Tom Blomley – Royal Danish Embassy (Tanzania)
Dan Brockington – Institute of Development Policy & Management, Manchester Uni
Jock Campbell – Exeter University
Marcus Colchester – Forest Peoples Program
Phil Franks – CARE International Integrated Conservation & Development Coordinator
Joanna Elliot – Department for International Development (UK)
David Howlett – Department for International Development (UK)
Sam Kanyambiwa – World Wildlife Fund East Africa Regional Director
Michel Pimbert – International Institute of Environment and Development
Dilys Roe – International Institute of Environment and Development
Kai Schmidt-Soltau – GTZ conservation consultant
Michael Wells – Independent consultant / evaluator
Karen Zwick – Social Scientist (Tanzania)