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## **COUNTRY PORTFOLIO EVALUATION – INDIA MAIN FINDINGS AND RECOMMENDATIONS**

**(Prepared by the GEF Independent Evaluation Office)**

# 1. Main Conclusions and Recommendations

## 1.1 Background

Country Portfolio Evaluation (CPE) is among the main streams of work of the GEF Evaluation Office. By capturing aggregate portfolio results and performance of the GEF at the country level, country portfolio evaluations provide useful information to the GEF Council and the national governments in the form of an assessment of the results and performance of GEF-supported activities at the country level, and of how these activities fit with the national strategies and priorities, as well as with the global environmental mandate of GEF.

As detailed in the terms of reference (Annex C), India was selected for a CPE primarily because its GEF project portfolio is relatively large, mature and diverse, and it has not yet been adequately covered by the Evaluation Office through its work.

Based on the overall purpose stated in the standard terms of reference for the GEF CPEs, the evaluation of GEF support to India had the following specific objectives:

- i. independently evaluate the **relevance** and **efficiency** of GEF support in the country from several points of view: environmental frameworks and decision-making processes; the GEF mandate and the achievement of global environmental benefits; and GEF policies and procedures;
- ii. assess the **effectiveness** and **results** of completed projects aggregated at the focal areas;
- iii. provide additional evaluative evidence to other evaluations conducted or sponsored by the Office; and
- iv. provide **feedback** and **knowledge** sharing to (1) the GEF Council in its decision making process to allocate resources and to develop policies and strategies; (2) the Country on its participation in, or collaboration with the GEF; and (3) the different agencies and organizations involved in the preparation and implementation of GEF funded projects and activities.

With an area of 3.29 million km<sup>2</sup>, India is the seventh largest country in the world. It has a population of more than 1.2 billion, which makes it the second most populous country. India has experienced rapid economic growth over the last 20 years and is fast emerging as a major economic power. India has a very wide range of ecosystems and habitats, and is recognized as one of the mega bio-diverse countries in the world. Rapid population growth, gaps in institutional capacities, and trade-offs made for rapid economic development has, however, put India's significant natural resources under pressure. Given the size of its geographical area, population and its economic growth, India is also important for any global strategy for climate change mitigation and adaptation, as well as from the biodiversity conservation and land degradation perspective.

Since its inception, GEF has, therefore, been supporting projects in India to generate global environmental benefits. India's participation with the GEF began during the GEF pilot phase in 1991.

The World-Bank implemented *Alternate Energy* project (GEF ID 76) was the first GEF project in India. The GEF Small Grants Programme (SGP) started its operations in India in the year 1995. Up to July 2012, GEF had allocated US\$ 411.2 million through 55 approved national projects and 319 small grants in India. These activities involved aggregated co-financing commitments of US\$ 3,214.5 million by other partner organisations. Fourteen (25 percent) of these national projects have been completed and 22 (40 percent) are under implementation. Further, India is also a participant country in 16 regional and global projects supported by the GEF that involve aggregate GEF grants of US\$ 99.2 million.<sup>1</sup>

Table 1.1: *GEF support to National, Global & Regional projects in India, by Focal Area*

Focal Area	National Projects			Regional and Global Projects		
	No.	GEF Grant (US\$ mn)	Co-financing (US\$ mn)	No.	GEF Grant (US\$ mn)*	Co-financing (US\$ mn)*
CC	31 55%	251.6 62%	2485.9 77%	7 44%	46.1 46%	119.9 56%
BD	12 22%	65.9 16%	178.9 6%	5 31%	22.6 23%	44.2 21%
POPs	4 7%	38.4 10%	107.6 4%	1 6%	11.1 11%	13 6%
IW	— —	— —	— —	2 13%	18.5 19%	36.6 17%
LD	1 2%	1.0 0%	1.0 0%	— —	— —	— —
MF	7 13%	46.1 11%	428.9 13%	1 6%	0.9 1%	1.0 0%
<b>Total</b>	<b>55</b> <b>100%</b>	<b>403.0</b> <b>100.0%</b>	<b>3202.4</b> <b>100%</b>	<b>16</b> <b>100%</b>	<b>99.2</b> <b>100%</b>	<b>214.7</b> <b>100%</b>
<b>SGP: Multi Focal</b>	<b>319</b>	<b>8.2</b>	<b>12.1</b>			
<b>Grand Total</b>	<b>—</b>	<b>411.2</b>	<b>3214.5</b>	<b>16</b>	<b>99.2</b>	<b>214.7</b>

CC: Climate Change, BD: Biodiversity, POPs: Persistent Organic Pollutants (Chemicals), IW: International Waters, LD: Land Degradation, MF: Multi-focal

\* The GEF funds and co-financing amount given for the Global and Regional projects corresponds to the overall figures for all the participating countries together.

Table 1.1 presents the distribution of GEF portfolio in India. All the GEF focal areas – other than ozone depleting substances – are represented in the India portfolio. More than half of the GEF funding in India has supported projects in climate change. Biodiversity, persistent organic pollutants (POPs) and multi-focal area projects are other focal areas that received significant proportion of GEF funding in India. Recently GEF has also started funding activities in the land degradation focal area.

<sup>1</sup> For seven of these projects, GEF allocation for the national components to be executed in India was US\$ 19.9 million. For the remainder, either no national component was included in the project's design or data on allocation for the national component is not available. If the total GEF grant is divided by the number of participating countries for each of the 9 projects, it is estimated that US\$ 26 million of GEF funds for the regional and global projects are for activities that were taken up or are being executed in India.

## **1.2 Objectives, Scope and Methodology**

The overall objective of the India Country Portfolio Evaluation (India CPE) was to assess the performance of GEF portfolio in India in terms of relevance, efficiency, effectiveness, and results of the GEF activities and processes in India; and the factors contributing to its performance. The evaluative phase of the India CPE was conducted between April 2012 and February 2013, by an evaluation team comprised of staff from the GEF Evaluation Office and a team of consultants from the InsPIRE Network for Environment. A quality assurance panel provided feedback to the team on quality aspects related to methodology and evaluation products.

The methodology included a series of qualitative and quantitative data collection methods. Standardized CPE analysis tools and project review protocols were used after adapting these to the Indian context. The quantitative analysis used indicators to assess the efficiency of GEF support using projects as the unit of analysis (for example, analyzing the time and cost of preparing and implementing projects).

The evaluation drew on several sources to gather evaluative evidence. These sources include desk reviews, interviews with the key stakeholders, field verification, analysis of the GEF datasets, and survey of publications and documents relevant to GEF's engagement in India. The information from different sources was systematically triangulated.

The India CPE focussed on the 71 projects (55 national projects and the national components of 16 global projects) implemented within the boundaries of India. India's Small Grants Programme (SGP) was also reviewed. National and regional project proposals under preparation were not considered as part of the evaluation. The full GEF portfolio in India is presented in Annex H.

A multi-tiered approach to the coverage of projects included in the GEF India portfolio was adopted. Progress of all the projects that were in the portfolio was assessed through desk reviews using different instruments for under-preparation, under implementation, and completed projects. Projects were selected for field visits based on their implementation status, project approach, accessibility, and time/resource constraints. Ten projects that were under implementation were selected for field verification. During the evaluative phase, 9 of the 10 projects were covered and one was dropped. Similarly, eleven projects that had been completed were selected for the Review of Outcomes to Impact (ROtI) assessments. Of these, 10 were covered and one was dropped. Of the 10 completed projects covered through ROtI, two projects are sequential and had been approved as separate tranches. The 'progress to impact' made by these two projects was assessed by considering them as a combined project. SGP grants were covered on an opportunistic basis and site visits were conducted for five of them.

Before GEF-4, the GEF did not operate in India based on a country portfolio planning approach. This posed a challenge because, on the one hand, the country portfolio evaluation tends to assess

coherence within the portfolio, while on the other, very few completed projects were actually developed and implemented with a country program approach in mind. There were several data gaps due to which achievements of completed projects were difficult to assess. Another challenge was to isolate the long term impact of GEF activities, especially the impact on legal, policy and regulatory framework, within the context of actions taken by other actors and influence of other factors. This made it difficult to address attribution.

Despite limitations, the evaluation team developed a fairly reliable database on GEF's portfolio in India. The preliminary emerging findings of the evaluation were presented in a stakeholder consultation workshop held at New Delhi on November 07, 2012. The feedback received during the workshop was taken into account in conducting the remaining evaluative phase of the evaluation and in preparation of this report. The draft report of the India CPE was shared with the stakeholders to seek their feedback on the findings, emerging conclusions and recommendations presented in the report. The feedback received from the stakeholders has been addressed in the final report.

## 1.3 Conclusions

### *A. Effectiveness, Results and Sustainability of GEF Support*

***Conclusion 1: The GEF projects in India have generally been effective in achieving their outcomes at the point of their implementation completion. In the post completion phase, in several instances, projects have made significant progress to long term impacts.***

The Evaluation Office rates outcome achievements of completed projects at the point of project completion through its terminal evaluation review process<sup>2</sup>. Of the 22 completed projects, the GEF EO has provided the outcome ratings for 11. The remainder have not been rated because the GEF EO started providing outcome ratings since FY 2005 and some of the terminal evaluations had been submitted earlier. Further, the GEF EO does not provide outcome ratings for enabling activities that involve less than US\$ 500,000 of GEF funding.<sup>3</sup>

Of the 11 projects that have been rated by the GEF EO, outcomes of 10 have been rated in the 'satisfactory range': outcome achievements of five of these were rated 'moderately satisfactory' and the remaining five as 'satisfactory'. Outcome achievements of the project 'Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants (POPs)' (PID 1520) were rated as moderately unsatisfactory. A general

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<sup>2</sup> Since FY 2009, the GEF Evaluation Office has also started adopting the outcome ratings provided by the independent evaluation offices of some of the GEF agencies where there is sufficient track record to indicate consistency in ratings provided by the GEF EO and the respective agency evaluation office.

<sup>3</sup> Two of the enabling activities do not meet the US\$ 0.5 million criteria. In addition to the 11 projects mentioned in this section, GEF EO has also provided an outcome rating for the Photovoltaic Market Transformation Initiative (PMVTI) project (GEF ID 112) through its terminal evaluation review process. However, this project was implemented in three different countries. While the project activities were not successful in the other countries (i.e. in Kenya and Morocco), they achieved moderate success in India. Given the difference in performance across countries, for this evaluation, a separate rating was provided by the evaluation team for the India component of this project.

high level of ratings for completed projects is indicative of the overall satisfactory performance of the portfolio in terms of outcome achievements at the point of project completion.

Table 1.2: *ROtI Ratings – comparison of ratings based on desk review and field verification*<sup>4</sup>

GEF ID	Project Name	Progress to Impact Rating based on Desk reviews (status at point of project completion)	Progress to Impact Rating based on Field Verification (post completion status at the time of field verification)
76	Alternate Energy	Moderate progress	Significant progress
84	India Eco-development	Moderate progress	Significant progress
112	Photovoltaic Market Transformation Initiative (PMVTI)	Unable to Assess	Moderate Progress
325	Coal Bed Methane Capture (CBM) and Commercial Utilization	Moderate progress	Moderate progress
370	Development of High-Rate Biomethanation Processes as Means of Reducing Greenhouse Gas Emissions	Moderate progress	Significant progress
386	Optimizing Development of Small Hydel Resources in Hilly Areas	Moderate progress	Significant progress
404	Energy Efficiency Project	Moderate progress	Moderate progress
1224	Conservation and Sustainable Management of Below-Ground Biodiversity (Phase 1)	Unable to Assess	Moderate progress
2342	Conservation and Sustainable Management of Below-Ground Biodiversity (Phase 2)		
1520	Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants (POPs)	Low or negligible progress	Unable to assess
4215	Low Carbon Campaign for Commonwealth Games 2010 Delhi	Moderate Progress	Moderate Progress

The CPE evaluation team undertook desk review based ‘progress to impact’ assessments to determine the progress made by completed projects at the point of implementation completion. The team was able to rate 10 of the 11 completed projects – where sufficient evidence is available through terminal evaluations and other independent publications – on progress to their respective long term environmental impacts. Four projects were assessed to have made “significant progress” and six to have made “moderate progress” to their long term environmental impacts at the point of implementation completion.

The evaluation team undertook field based Review of Outcomes to Impact (ROtI) assessments to verify the progress to impact made by the completed projects, including progress made in the post project completion period. As part of the India CPE, 11 completed projects were selected for field based Review of Outcomes to Impact (ROtI) assessments. Of these 11, the field verification was not undertaken for ‘*Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants (POPs)*’ project (GEF ID 1520). For those

<sup>4</sup> See annex J11 for the rating scale and explanation of ratings

that were actually covered through field based ROtI assessments, limited availability of baseline and post completion data on project accomplishments posed a challenge in ascertaining the long term impacts. As a result, most of these assessments are primarily based on discussions with the stakeholders and perceptions of the beneficiaries. In general, compared to the status at the point of project completion, these projects have shown progress to long term impacts (table 1.2).

***Conclusion 2: GEF projects are generating global environmental benefits at a higher scale through broader adoption of the promoted technologies and approaches.***

Completed GEF projects in India have addressed environmental concerns related to climate change mitigation, biodiversity conservation, and chemicals. The technologies and approaches promoted through these projects have generated global environmental benefits. Several of these projects have been able to catalyze adoption of the promoted technologies and approaches at a higher scale.

There have been several notable successes. In the biodiversity focal area the ‘*India Eco-development*’ project (GEF ID 84) pioneered the community-based approach to protected area management, which has gained widespread acceptance across India. Technologies and approaches promoted through projects such as ‘*Coal Bed Methane (CBM) Capture and Commercial Utilization*’ (GEF ID 325) and ‘*Optimizing Development of Small Hydel Resources in Hilly Areas*’ (GEF ID 386) have been adopted at a higher scale. The experience in India shows that broader adoption of promoted technologies and approaches is aided by successful demonstrations along with proper dissemination, mobilization of appropriate partners, an enabling legal and regulatory context, country ownership, and project’s relevance to the national priorities.

The GEF has played an important role in supporting promising new ideas and approaches that are expected to generate global environmental benefits. In most instances, although GEF has not been the first one to come up with ideas or approaches it promoted, it has nurtured these by providing support at a higher and substantial scale so that these may advance significantly. There are several well documented examples of innovative elements in GEF projects. These include GEF led effort to address concerns related to below ground biodiversity<sup>5</sup>, promote capture and commercial utilization of coal bed methane<sup>6</sup>, and facilitate development of locally suited designs of efficient turbines for development of small hydel resources in hilly areas<sup>7</sup>.

***Conclusion 3: Contributions of GEF activities to changes in the legal, policy and regulatory framework have been significant.***

The development of India’s environmental legal framework is complex in nature and hence, the impact of GEF projects – given the overlapping and interacting contributions of several other actors

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<sup>5</sup> ‘*Conservation and Sustainable Management of Below Ground Biodiversity, Tranche 1 and 2*’ (GEF ID 1224, 2342)

<sup>6</sup> *Coal Bed Methane Capture and Commercial Utilization* project (GEF ID 325)

<sup>7</sup> *Optimizing Development of Small Hydel Resources in Hilly Areas* project (GEF ID 386)

and factors – is difficult to isolate. Nonetheless, several GEF projects are perceived to have contributed to the development of legal, policy and regulatory environment of the country.

The major contributions that may be linked to GEF projects include changes reflected in the national Five-Year Plan document<sup>8</sup> and national laws regulating wild life management<sup>9</sup>, and inputs for development of National Working Plan Code<sup>10</sup>. Another effect of the GEF projects such as the '*Coal Bed Methane Recovery and Commercial Utilization*' project (GEF ID 325) has been increasing the profile of the addressed concerns and motivating the government in identifying nodal agencies and establishing mechanisms for further work on the issue. For example, the '*Conservation and Sustainable Use of the Gulf of Mannar Biosphere Reserve's Coastal Biodiversity*' project (GEF ID 634) established the Gulf of Mannar Biosphere Reserve Trust (GOMBRT), which has now been made a statutory body of the Government of Tamil Nadu.

**Conclusion 4: GEF support for 'communication and outreach' activities has been effective in facilitating broader adoption. There is also evidence that lessons from past interventions are being mainstreamed in formulation of GEF projects.**

The GEF projects have disseminated the project experiences and lessons through publications, conferences, project websites, research papers, books, workshops, CDs, toolkits, handbooks, etc. Of the 22 completed projects, information about communication and outreach was available for 11 projects. Terminal evaluations for all of these 11 projects report that the projects have supported activities focused at communication, outreach, experience sharing, publication, etc. Given that it is difficult to track long term results of such activities, effectiveness of these communication and outreach efforts has not been assessed.

The information gathered through field visits and interviews of the stakeholders show that the communication and outreach efforts, and publications developed by some of the GEF projects have been effective. This includes materials developed for promoting environment friendly life styles ('*Low Carbon Campaign for Commonwealth Games 2010 Delhi*' project (GEF ID 4215)), documentation of the biodiversity richness ('*Conservation and Sustainable use of the Gulf of Mannar Biosphere Reserve's Coastal Biodiversity*' project (GEF ID 634)), establishment of long term mechanisms including e-libraries for information sharing ('*Coal Bed Methane Capture and Commercial Utilization*' project (GEF ID 325)), and publications to share good practices ('*Sustainable Land and Ecosystem Management Partnership Program*' (GEF ID 3468)). Final output documents from several GEF supported enabling activities have become important base documents for that

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<sup>8</sup> The eco-development strategy promoted by the *India Eco-development* project (GEF ID 84) was included in the 10<sup>th</sup> national Five-Year Plan.

<sup>9</sup> Influenced by the *India Eco-development* project (GEF ID 84), an amendment (Amendment no. 38X) in the Wildlife Act was enacted in 2006, making it mandatory for all the Tiger Reserves in the country to establish a foundation for its management.

<sup>10</sup> The '*Mainstreaming Conservation and Sustainable use of Medicinal Plant Diversity in Three Indian States*' project (GEF ID 1156) is reported to have provided inputs for inclusion of management of medicinal plant related aspects in the development of the National Working Plan Code. Similarly, other projects such as the '*Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants (POPs)*' (GEF ID 1520), have also contributed to development of the national action plans.



specific sector to build upon (e.g. the national communication reports and the data contained in these reports is widely referred to by practitioners and cited by academics).

There is also sufficient evidence to suggest that the design of GEF projects in India incorporates lessons from past interventions. Several GEF projects and programs have been designed based on the experiences from past interventions. For example, projects formulated within the framework of Energy Efficiency (GEF ID 3538) and SLEM Program (GEF ID 3268). However, generally project proposals do not describe with clarity the manner in which lessons from past experiences have been incorporated.

There is also evidence to show that lessons from GEF projects are being incorporated by agencies in projects and activities that are not supported by GEF. For example: In the case of '*Financing Energy Efficiency at Micro, Small and Medium enterprises (MSME)*' project (GEF ID 3551), the Institute of Industrial Productivity (IIP) and GIZ have funded and invested in demonstration projects in other sectors (eg: Foundry) that are not covered through the GEF support, as a result of the awareness and interest generated by the GEF MSME project. The Tea Board of the Government of India has taken up the lessons learnt from the project '*Energy Conservation in Small Sector Tea Processing Units in South India*' (GEF ID 2500) and initiated a replication of the project in Assam under the 12<sup>th</sup> Five Year Plan of the Government of India.

## **B. Relevance of the Portfolio**

**Conclusion 5: The GEF support to India is relevant to the country's priorities, needs and emerging challenges, and has led to country ownership.**

A majority of GEF support in India has been in the areas of climate change, biodiversity and persistent organic pollutants. Over the years, support for projects addressing concerns related to land degradation has also increased. GEF support has also addressed capacity development. It has given attention to building capacities of government institutions such as the Indian Renewable Energy Development Agency (IREDA) and Bureau of Energy Efficiency (BEE) through long term engagement with them. Projects such as the '*India Eco-development*' project (GEF ID 84) and '*Optimizing Development of Small Hydel Resources in Hilly Areas*' project (GEF ID 386) have played an important role in enhancing capacities and raising awareness and skills of local stakeholders. The '*India Eco-Development*' project (GEF ID 84) developed capacities of the individuals, households and village communities through development of local infrastructure, training, development of self-help groups. The '*Optimizing Development of Small Hydel Resources in Hilly Areas*' project (GEF ID 386) played an important role in developing relevant capacities of the key technical institutes such as AHEC-IIT Roorkee, NERIST Itanagar and BIT Ranchi; state nodal agencies; financial institutions and the Ministry of New and Renewable Energy (MNRE).

The projects developed within the framework of Sustainable Land and Ecosystem Management (SLEM) Program (GEF IDs 3869, 3870, 3871, 3872, 3873), alongside generation of global environmental benefits, focus on income generation activities for the local community members and, thus, contribute directly to one of the main development objectives of the country. This is particularly evident from the '*SLEM/CPP – Sustainable Rural Livelihood Security through Innovations in Land and Ecosystem Management*' (GEF ID 3470) – sub-projects at Sundarbans and Andamans – whereby the local community's involvement in the project activities is being ensured to deal with the newly emerging challenges of soil salinity in paddy fields in the two respective areas.

Given the size of India and the need for resources, the overall level of GEF support is quite small. Nonetheless, GEF support has been well aligned with India's overall sustainable development agenda and environmental priorities of supporting energy efficiency, biodiversity conservation, land and water ecosystem management, management of protected area, addressing land degradation, and concerns related to persistent pollutants. All 51 GEF projects that were rated on relevance by the India CPE team were assessed to be relevant and in line with the country's environmental and sustainable development priorities.<sup>11</sup>

In general, GEF projects have received considerable government support. Among the completed projects, in several instances, the government has funded follow up activities through alternate funding sources. In addition, involvement of the national government in portfolio formulation has been increasing.

Up to GEF-3, involvement of the national government in shaping the country portfolio was largely passive. When GEF adopted a Resource Allocation Framework (RAF) for GEF-4, India was among the few countries that started a country-driven national portfolio planning exercise on their own. Thereafter, the central government's involvement in planning of the GEF activities has increased. Increase in central government's involvement is, however, only one of the dimensions of country ownership. In India, the country ownership not only visible at the central government level, but also in terms of ownership demonstrated by the relevant state governments.

While government institutions have played an important role in execution of GEF projects, where applicable, the role of civil society organizations and private sector has also been equally important. The Government has been supportive of NGO participation, especially through the SGP, which primarily focuses on providing small grants that are executed by NGOs and Community Based Organizations (CBOs). In addition to GEF funding, the Government has also provided funding to SGP to increase the level of grants made by the program. This support from the government, even though the program is run by CEE, an NGO, is indicative of a higher level of ownership for the GEF program.

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<sup>11</sup> Although there are 71 approved projects in the India portfolio, 65 projects were reviewed because six projects were approved after reviews had been conducted. Of those reviewed, sufficient data was not available to assess relevance of 14 projects. All the rated projects were assessed to be relevant.

### ***C. Efficiency of the Portfolio***

***Conclusion 6: Proposals for the majority of GEF projects require considerable preparation time and once implementation starts, most projects also require extensions for completion. In some instances this has limited outcome achievements.***

The data on project preparation has several gaps, especially for projects that pertain to the earlier GEF periods. Of the national projects, data on time taken from first submission of a project proposal to its CEO endorsement is available for 22 FSPs. Of these for 13 FSPs (59 percent) it took more than 2 years from first submission of their respective proposal to the GEF to CEO endorsement. Of the six MSPs for which data is available, for three MSPs it took more than 2 years to move from first submission of its proposal to CEO endorsement / approval. There is, nonetheless, wide variation among projects in terms of project preparation time. It ranges from six months taken by the 'Low Carbon Campaign for Commonwealth Games 2010 Delhi' project (GEF ID 4215) to eight years for the 'Mainstreaming Conservation and Sustainable use of Medicinal Plant Diversity in Three Indian States' project (GEF ID 1156) from their first submission to disbursement.

From GEF 4 onwards due to adoption of a resource allocation framework by the GEF, enhanced role of the GEF Operational Focal Point in the national level programming of GEF resources, and streamlining of the GEF project cycle, the manner in which project proposals are developed and prioritized has changed. Although the number of observations is small to indicate a definitive trend in terms of reduction in project preparation time, some of the stakeholders feel that overall the time required in project preparation has reduced.

Of the 13 completed projects for which data was available, 12 required extensions to complete project activities. The reasons that made extensions necessary include slow start-up, overly optimistic estimation of the time required for implementation of activities, inadequate support from some critical stakeholders, unexpected delays on part of technology suppliers, and issues related to inter-agency and intra-agency coordination, etc. Some of the stakeholders opined that delay in completion of project activities may limit effectiveness of GEF projects. Some of the projects whose effectiveness was reported to have been constrained due to delays include 'Mainstreaming Conservation and Sustainable use of Medicinal Plant Diversity in Three Indian States' (GEF ID 1156) and 'Removal of Barriers to Energy Efficiency Improvement in the Steel Rerolling Mill Sector in India' (GEF ID 1240).

***Conclusion 7: Due to adoption of a resource allocation framework by the GEF and increased attention given to portfolio planning by India, the rate at which projects and proposals were being dropped or cancelled has declined.***

The total number of projects or proposals supported in India listed in the GEF PMIS is 130. Of these

71 have been allocated GEF resources (at least PIF approved but not dropped or cancelled) and 51 have been dropped or cancelled, whereas the remainder are in the pre-PIF approval stage.

The available data shows that from GEF-2 onwards, there has been a decline in the project proposals that were dropped or cancelled.<sup>12</sup> Of the proposals that pertain to GEF-2, 15 projects were dropped or cancelled. This is more than twice the number of project proposals that made it to the implementation stage. For GEF-3, although the number of dropped or cancelled projects increased to 21, the number of approved projects also increased to 14. In GEF-4, nine projects were dropped or cancelled whereas 28 were endorsed or approved. The GEF-5 project portfolio is still developing. Till now, five projects have been dropped or cancelled in GEF-5, whereas 11 project proposals have been endorsed or approved. Regardless of how the trend for GEF-5 would eventually turn out, it is unlikely that the rate of dropped or cancelled project proposals would be as high as it was for GEF-2 or GEF-3.

Much of this improvement could be linked to the national portfolio planning effort led by India from GEF-4 onwards, along with the complementary context of GEF having adopted a resource allocation framework that ex-ante provides indicative allocations to countries, based on which they could actually plan their portfolios.

***Conclusion 8: Contrary to expectations, for an overwhelming majority of GEF projects, executing agencies report sufficiency of administrative budget.***

During the first workshop with the national stakeholders that was conducted to scope the evaluation, several participants indicated that the administrative budget in GEF projects may be insufficient. The interviews conducted for this evaluation, however, revealed a different picture. Discussions with key stakeholders of different GEF projects visited for field verification indicated that the administrative budget is sufficient to provide for the administrative costs incurred in project execution. This is particularly applicable to situations where administrative budget was also funded from co-financing by the corresponding executing agencies (Government Ministries or Departments). In one instance, however, inadequacy of administrative budget was reported. This was reported to have limited the number of supervision visits that the project management staff could undertake and reduced the scope of monitoring and evaluation activities. While administrative budget is generally sufficient, it is reported to become a constraint when projects are extended without provisioning additional resources for administrative costs.

***Conclusion 9: The GEF projects in India are reported to have mobilized a significant amount of co-financing that is often made available in a timely manner. Activities supported through co-***

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<sup>12</sup> The information on period before GEF-2 is not complete because the Project Management Information System (PMIS) of GEF started operating during GEF-2. While the information on projects from the earlier cycles (Pilot Phase and GEF-1) was uploaded, in several cases, the information on project proposals that were dropped or cancelled without implementation was not uploaded. As a result, an analysis of drop out and cancellation rate is appropriate only from GEF-2 onwards.

***financing are generally well integrated into the project design.***

For the 55 national projects in GEF's India portfolio, compared to US\$ 403 million of GEF grant, US\$ 3,202 million of co-financing had been promised. Of the 22 completed projects, data on materialization of co-financing is available for 16 projects. Of this, for 10 completed projects, 100 percent or more of the committed co-financing is reported to have materialized – two of these projects are reported to have achieved more than three times co-financing of that originally planned. There is only one project where less than 50 percent of the committed co-financing materialized. Meanwhile, rest of the five projects materialized 50 to 100 percent of the committed co-financing. In addition to GEF projects, the SGP has also mobilized co-financing of US\$ 12.1 million in India, as against the aggregate of US\$ 8.2 million that was approved in the country through GEF-SGP small grants.

The level of co-financing vis-à-vis GEF grant varies based on the nature of activities supported through co-financing. A major proportion of co-financing is accounted for by the projects that were implemented by the World Bank. Although the level of cofinancing mobilized by the UN agencies is lower, when the nature of projects implemented by them is taken into account they seem to have been effective in mobilizing cofinancing. For the regional and global projects, data on co-financing commitments and materialization for national components is not available.

In general, timely availability of co-financing has been noted in the country portfolio (for 14 of the 15 projects covered through field verification), and it has had no effect whatsoever on delays that have occurred in the projects. However, an exception was noted in the UNDP implemented '*Sustainable Participatory Management of Natural Resources to promote ecosystem health and resilience in the Thar desert ecosystem*' project (GEF ID 3024). Inability of project management to leverage co-financing from the state government was one of the reasons for stalling of the project mid-way, apart from other fiduciary irregularities that were noted by the implementing agency.

Although a majority of co-financing is in-cash (primarily through loans from multi-lateral development banks), these in-cash contributions are concentrated in a few projects that have been implemented by the development banks. For most projects, contributions by partner institutions are in the form of in-kind co-financing (in the form of personnel costs for technical support and infrastructure rental costs). The project management has little direct oversight over the activities supported through such co-financing. While in-kind contributions are important in facilitating delivery of project outputs, they may not be used for activities that require in-cash expenditure. Some respondents had an opinion that cash co-financing may facilitate greater progress to project results. For example, some respondents appreciated the role of cash contributions in enhancing the results of the projects such as '*Energy Conservation in Small Sector Tea Processing Units in South India*' (GEF ID 2500) and '*Low carbon campaign for CWG 2010 Delhi*' (GEF ID 4215).

**Conclusion 10: *Although quality of Monitoring and Evaluation (M&E) in GEF portfolio is improving,***

***it remains an area of weak performance.***

Based on the desk reviews undertaken as part of the India CPE, of the 14 completed projects for which there was sufficient information to allow an assessment of quality of indicators, indicators used to track results for eight projects were assessed to have not been appropriate given the project objectives and activities. This appraisal is consistent with the ratings provided by the GEF Evaluation Office through its terminal evaluation review process. Of the seven completed GEF projects in India – for which the GEF Evaluation Office provided ratings – quality of M&E in only three of the seven projects was assessed to be in the satisfactory range. Overly optimistic reporting of progress of GEF activities through the Project Implementation Reports (PIRs) has emerged as one of the concerns. At least one implementing agency (UNDP), even though aware of the problems being faced on ground and despite it taking appropriate corrective actions, did not report the concerns through the PIRs submitted to the GEF.

There is, however, some evidence that quality of M&E arrangements may be improving as M&E design of projects that are under implementation or are in the pre-implementation stage were assessed to have a relatively better M&E design. The M&E system of most of the pre-implementation projects is ‘*satisfactory*’. Appropriate performance and impact indicators have been included along with their corresponding means of verification. There is an appropriate level of emphasis on reporting requirements, external evaluations, and inclusion of M&E costs in the project budget.

An improvement in recent years has been in terms of greater involvement of the Operational Focal Point (OFP) in tracking the status of projects and proposals that are at different stages of the project cycle. However, attention is primarily focused on projects that are under preparation and less so on tracking progress of projects that are under implementation or have been completed.

**Conclusion 11: *Inadequate understanding and arrangements prevented access of the GEF Evaluation Office for independent field verification of two chemicals projects in India.***

To report on project results and agency performance, the GEF Evaluation Office not only relies on the information reported by the agencies but also on independent verification carried out by the GEF Evaluation Office in the field. The GEF M&E Policy (2010) requires that the GEF agencies respond promptly and fully to requests from the GEF Evaluation Office for information or support relating to M&E of GEF activities<sup>13</sup>.

During the course of the evaluation the evaluation team was not able to conduct field verification for two UNIDO implemented and MoEF executed chemicals focal area projects: ‘*Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on*

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<sup>13</sup> Paragraph 57, ‘The GEF Monitoring and Evaluation Policy’ (2010): <http://www.gefio.org/evaluations/gef-monitoring-and-evaluation-me-policy-2010>

*Persistent Organic Pollutants (POPs)* (GEF ID 1520) and *'Environmentally Sound Management and Final Disposal of PCBs in India'* (GEF ID 3775). While the former had been completed, the latter was under implementation. The evaluation team had first contacted the executing agency in July 2012, intimating them of selection of these two projects for field work along with a request for support in conducting the field visits. The executing agency refused to provide access to the project sites as the contract between UNIDO and MoEF did not require the latter to provide support to and facilitate the GEF EO evaluations.

In November 2012, after intervention from the GEF Operational Focal Point, the executing agency agreed to facilitate field verification. The Director of GEF EO requested that the agencies facilitate the field visits with a sense of urgency as the field work component of the evaluation would be closed by early December. In its email dated 11<sup>th</sup> of December 2012, the executing agency informed the evaluation team that the team may undertake the field visits, however with a condition that the representatives from UNIDO and the executing agency would be present during the visits to "oversee" the evaluation. This condition was unacceptable because it compromised the independence of the evaluation. UNIDO subsequently clarified that although the executing agency had put this condition, UNIDO does not endorse such conditions being put for field verifications as it's a violation of UNIDO's M&E policies.

Although the evaluation team could have requested another intervention from the GEF Operational Focal Point, which could have persuaded the executing agency to give up their condition, it had to drop the field verification for the two projects because the evaluation had been delayed for too long. As result of this, the GEF Evaluation Office is unable to report on the persistent pollutants focal area projects based on the data collected through field work. All the reporting on the persistent pollutants projects is based on desk review of available information and interviews of the national stakeholders.

## **1.4 Recommendations**

### **A. Recommendations to the GEF Council**

**Recommendation 1: *The GEF Council should request agencies to ensure that their contracts with the executing agencies require the latter to provide support to evaluations undertaken by the GEF Evaluation Office, without any conditions that would compromise the independence of the evaluation. The Council should also request the agencies to ensure that lack of adequate contractual arrangements with executing agencies do not become a barrier to GEF EO conducting independent field verifications of projects that are already under implementation or have been completed.***

Inadequate contractual arrangements between UNIDO and the executing agency was a barrier to the GEF Evaluation Office in undertaking field verifications for the sampled projects of the chemicals focal area. When the problem surfaced, UNIDO acknowledged this as a gap and made changes in its contractual requirements. With appropriate changes in contractual arrangements with executing agencies, GEF agencies would be able to prevent such situations in future for projects that are under preparation. For projects that are under implementation, it might be difficult to address the gaps through contractual measures. Agencies may, therefore, need to work closely with its executing agencies so that in future, inadequacies in their contractual arrangements does not present itself as a barrier in GEF EO conducting field verifications for them.

***Recommendation 2: The experience in India shows how country focused programming of GEF support may increase efficiency in the portfolio. This should be taken into account in further promoting programming in GEF-6, together with the NPFE and STAR findings that will emerge in OPS5.***

Country focused programming implemented by the GEF for some focal areas since GEF-4 has helped foster greater country ownership of GEF activities in India. During GEF-4, the Operational Focal Point's Office took lead in bringing various national stakeholders together to identify priority areas for GEF programming in the country and activities that may be undertaken in the identified areas. During GEF-5, India further strengthened its national portfolio formulation process and undertook the exercise with its own resources. One of the results of this effort has been greater country ownership of GEF activities and also lower incidence of project cancellations from GEF-4 onwards. To draw conclusions at the global portfolio level, in addition to the Indian experience, experiences from other parts of the world also need to be taken into account. The on-going mid-term evaluations on National Portfolio Formulation Exercise (NPFE) initiative and the System for Transparent Allocation of Resources (STAR) will provide further information on effectiveness of country focused programming. The evidence generated from these sources needs to be taken into account in programming for GEF-6.

## **B. Recommendation to the GEF Council and India**

***Recommendation 3: Knowledge Management is once again confirmed as an important factor that will help progress toward impact and that could be further strengthened.***

GEF has provided considerable support for activities that generate and disseminate knowledge. During the evaluation, several examples of learning from past GEF activities being mainstreamed in to new activities (both GEF and non-GEF) came to light. Several projects were able to catalyse further action from other stakeholders through effective dissemination. However, during the course of evaluation, limited systematic tracking of the long term impacts of activities supported by the GEF by relevant national stakeholders also became obvious. This is an area that the GEF and the national counterparts need to strengthen.



### **C. Recommendation to India**

***Recommendation 4: India should integrate GEF support to chemicals in its rich tradition to collaborate fully with the GEF and its agencies.***

GEF has been working in India since 1992. It has had a relatively long engagement in biodiversity and climate change focal areas. In contrast, its engagement in chemicals is relatively new. In general, GEF support is being implemented in the country with a spirit of collaboration and partnership. During the course of the evaluation, the evaluation team received full support from the Operation Focal Point's Office, the GEF agencies and from all the executing agencies except the lead executing agency for the chemicals projects. Given GEF's fairly recent engagement in chemicals in India, this gap is understandable. However, if this were to continue it would prevent the GEF partnership from learning from the experience in the chemicals focal area. There is a need to find ways to implement GEF support to chemicals as smoothly as it is being implemented in the other focal areas.