



Global Environment Facility

Summary of Document GEF/C.25/11

Cost Effectiveness Analysis in GEF Projects

Recommended Council Decision

The Council, having reviewed GEF/C.25/11, *Cost Effectiveness Analysis in GEF Projects*, urges the Secretariat and the Implementing and Executing Agencies to continue undertaking cost-effectiveness analysis in GEF project preparation as outlined in the document, and to document their cost effectiveness analysis more clearly in the project executive summaries submitted for work program inclusion.

Executive Summary

Several Council Members have raised questions regarding how cost-effectiveness is addressed in GEF projects. This document describes the cost-effectiveness analysis of GEF projects, illustrating approaches in the biodiversity and climate change focal areas.

The Implementing/Executing Agencies take a very pragmatic approach to cost-effectiveness analysis during project preparation. Various means to achieve a stated objective are considered and evaluated with the most effective and least-cost approach being selected. The approach builds upon knowledge of lessons learned from past programming experience.

Reflecting the above understanding, the project review criteria employed by the Secretariat when reviewing projects at work program inclusion focus on alternate project approaches considered and discarded. Quantitative estimates of cost-effectiveness are required only where feasible and useful.

The Secretariat and the Agencies will continue to follow the cost-effectiveness analysis approach outlined in the document. Increased attention will be paid to documentation of cost-effectiveness analysis in the project executive summary.