



Global Environment Facility

GEF/C.17/8
April 10, 2001

GEF Council
May 9-11, 2001
Agenda Item 9

PROJECT PERFORMANCE REPORT 2000

Recommended Council Decision

The GEF Council reviewed the 2000 Project Performance Report (GEF/C.17/8) and supports the conclusions of the review. The Council stressed in particular that the GEF should identify and monitor more systematically the risks to project success. The Council also underlined the importance of promoting demonstration and replication effect of GEF projects.

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EXECUTIVE SUMMARY

1. This GEF Project Performance Report presents the results of the 2000 GEF Project Implementation Review (PIR). This is essentially a monitoring process based upon reporting by the GEF Implementing Agencies. The report also draws upon additional information and insights about the performance of GEF's programs from evaluations and other studies. This broader focus provides insights into important cross-cutting issues and lessons identified from implementation experience.
2. Following guidelines developed by the GEF Senior Monitoring and Evaluation Coordinator, each agency prepared an analysis of its GEF portfolio, an overview emphasizing key trends and lessons to date, and individual reports on all full and medium-sized projects that had been in implementation for at least a year as of June 30, 2000. The agencies rated each project on two accounts: implementation progress and the likelihood that the project's global environmental objectives would be achieved. This report has been compiled by the GEF Monitoring and Evaluation Team.
3. As of June 30, 2000, a total of 753 projects, including full and medium-sized projects as well as enabling activities, had been allocated funding in approved GEF work programs. The total funding for these projects was US\$2,947 million. By value, 40 percent were biological diversity projects and 37 percent in the climate change focal area. The international waters focal area stood for 13 percent, while projects to phase out ozone-depleting substances and multiple focal area projects each had five percent of the total value.
4. During FY2000, 40 full projects, 48 medium-sized projects and 35 enabling activities with total GEF funding of US\$485.1 million were approved by the GEF Council. Cumulative disbursements for the entire GEF portfolio increased during the FY2000 to US\$1,024 million, up from US\$805 million in the year before. In 2000, the time between work program allocation, final agency approval (commitment) and the beginning of project implementation increased for GEF projects implemented by the World Bank, while that for UNDP decreased.
5. The 2000 PIR, which does not cover enabling activities under expedited procedures, includes 171 projects that have been in implementation for at least one year as of June 30, 2000. This represents an increase from 135 projects in 1999 and 119 in the year before. It is apparent that as the GEF portfolio matures, more projects enter into the PIR. Almost one-fourth and one-fifth of the projects covered by the PIR are in Africa and Asia, respectively.
6. A total of 42 projects (25 percent) were rated by the Implementing Agencies as highly satisfactory. Percentage-wise, this is down from 29 percent in 1999. By focal area, the percentages of projects with highly satisfactory ratings vary from 8 percent in ozone to 29 percent in biodiversity. Only 15 projects (9 percent) were rated as unsatisfactory on implementation progress, prospects for achieving global environmental objectives, or both. Out of the 15 projects rated as unsatisfactory, 7 were in Africa, 5 in Asia, and 2 in Latin America and the Caribbean. One was a global project. The analysis suggests that in some cases the ratings may be overly optimistic. There is a need to agree on

more clear and detailed criteria that will reduce subjectivity and will make PIR reviews more comparable between the Implementing Agencies.

7. General lessons emerging from the review of the focal areas include the following. In biodiversity, there is evidence that projects are now reporting improvements in some aspects of project implementation that had been reported as problems in previous PPRs. It is reported that the issue of stakeholder involvement in project design and implementation is still crucial for project success. Some projects are successfully linking biodiversity conservation and sustainable use with improvements in the well-being of stakeholders. GEF projects have also played a major role in attracting co-financing from other sources during project preparation and implementation. In particular UNEP has worked with GEF to develop new technical guidelines and methodologies both at the international and national levels to assist countries in developing national strategies and frameworks for biosafety and other topics. New projects are including activities to enhance local capacity for project implementation in the early phases in an effort to ensure that participants have the skills and will be in an environment where they are able to carry out the needed tasks.

8. In the climate change focal area, the portfolio contains several projects that have been instrumental in bringing about important policy reforms in countries to promote renewable energy development. Efforts to strengthen institutions and raise awareness continue to provide the basis for further promotion of project approaches and concepts. In several cases, projects have encouraged private sector entrants into the market. In order to ensure that this catalytic role is not undermined, it is important that during implementation projects be dynamically managed, fine-tuning activities to respond to a changing contextual environment. Capacity building is a central theme in GEF climate change activities. Projects target a wide range of capacity building to public agencies, private sector firms, financiers, consumers, community organizations and NGOs.

9. As emphasis in the international waters focal area is increasingly placed on implementing the strategic action programs, there is a need to think in broader terms about how GEF can play a catalytic role in demonstrating approaches that can lead to replication. It appears clear that replication cannot be achieved only by disseminating a successful technical approach. There are examples in the GEF portfolio of how demonstration projects or projects with demonstration components have instigated replication of successful approaches to, e.g., biological pest control, and management of land degradation and sedimentation.

10. Although the implementation of projects included in the GEF ozone portfolio has been progressing slower than originally expected, the portfolio is maturing rapidly. All GEF supported activities are expected to be completed within the next two years in accordance with revised ODS phase-out schedules and milestones accepted by the Montreal Protocol parties.

11. During the year 2000, one full evaluation and two thematic reviews were completed by the GEF Secretariat M&E unit. All of them found that that GEF has had several positive impacts but that there were areas where improvements were needed. The review of the climate change enabling activities concluded that the GEF projects had significantly assisted non-Annex I countries to meet their

communication commitments under the climate change convention. Similarly, the GEF support had strengthened the countries capacities in the climate change area. However, the evaluation raised questions about the sustainability of the capacity development actions and noted that the emphasis was generally on meeting the convention obligations rather than helping the countries to develop policies and strategies to deal with climate change in the long term.

12. The thematic review of multi-country project arrangements recognized GEF's beneficial role as a facilitator of creating a shared vision and political commitment between countries to address environmental issues pertaining to a transboundary resource. It also noted that creating this commitment is a long-term process and complex projects involving several countries often requires lengthy preparation periods. The review suggested that it is essential to work simultaneously on three institutional levels: regional, national and sub-national. Initiating early demonstrations and pilot projects as well as addressing root causes of environmental problems through packages of financing is important to build commitment at the local level. The thematic review of land degradation linkages in all GEF focal areas showed that the components addressing land degradation in projects are less strong than anticipated and that their number is not increasing. Therefore, new strategies to deal with land degradation in GEF projects are proposed.

13. Important work during the year took place in developing program-level indicators in the biodiversity and climate change focal areas. In particular, significant advances were made in the latter area where the team was able to develop a framework using seven core indicators to be measured at three levels to assess progress in the GEF climate change portfolio. The development of biodiversity program indicators resulted in less progress and substantive work is still required in this field. Similarly, many challenges lie ahead in developing indicators for international waters programs, as well as the new OPs on transportation, integrated ecosystem management, and agrobiodiversity. In the future, it is intended that these indicators can be used as a basis for measuring progress in the entire GEF portfolio.

14. Two cross-cutting issues were highlighted specifically during the 2000 performance review:

- (a) **Addressing Political, Institutional and Economic Risks in Projects.** GEF projects are susceptible to political, institutional and economic risks, which often results in temporary delays and sometimes disruptions. Projects will often achieve all intermediary objectives or direct deliverables, but may not reach the overall objectives due to adverse external circumstances. It was agreed that there is a need to identify how GEF projects could be rendered more robust against external as well as internal risks. It is important to identify more systematically the risks at the time of project design and to build in measures to reduce the vulnerability of the project against the risks. Secondly, it is essential to have good monitoring systems in place and to reassess the risk landscape constantly during project implementation. This is particularly important as not all risks can be envisioned at the time of project preparation. It is necessary to be prepared to restructure projects so that they can better respond to changing conditions. This will require flexible procedures and an iterative approach to

project management. Canceling a project should be the last resort when the costs of continuing the project clearly exceed the potential benefits. Efforts should be made to restructure or extend the closing date of even older projects if there is a possibility that this will result in the project reaching its objectives. Effective supervision is vital for flexible management of projects.

- (b) **Promoting Demonstration and Replication Effects.** GEF's catalytic role is central to the Operational Strategy. As part of the project review criteria, replicability needs to be fully addressed in every GEF project. General dissemination of information on projects and best practices is not enough to ascertain replication. GEF must target its dissemination activities in a much clearer manner taking into account the characteristics and needs of different target groups. Especially at the policy-maker level there is still far too little knowledge about GEF. There is scope for significant horizontal exchange of information and lessons amongst projects, countries and across Implementing Agencies. This should be encouraged. Medium-sized projects could provide a suitable mechanism for promoting actions that aim for horizontal exchange. It also seems that regional networks are not sufficiently exploited. It is also suggested that pilot sites, especially in biodiversity and international waters projects, could be more systematically promoted as demonstration sites to encourage information dissemination and replication. A distinction should be drawn between cases depending on who would be in charge of replication and under which conditions. There is frequently a need for knowledge transfer, training and capacity development to enable replication by countries and NGOs.

15. The challenges vary amongst the focal areas. In biodiversity, adaptation of processes and approaches appears more feasible than does straightforward replication. GEF can act as a catalyst to change attitudes, establish new policies and guidelines, improve the access to information and participation of stakeholders, and to share information and best practices. In climate change the role of markets is more pronounced. There is, nevertheless, a need to distinguish between situations which still require concessional financing and those where barrier removal alone can promote replication. It is emphasized that economic incentives should be better utilized to promote adoption of conservation practices and replication also in biodiversity. It is important for countries sharing a common resource to agree upon and commit to a common vision on the development and protection this resource in international waters or biodiversity.

INTRODUCTION

16. This GEF Project Performance Report presents the results of the 2000 GEF Project Implementation Review (PIR). This is essentially a monitoring process based upon reporting by the GEF Implementing Agencies. The report also draws upon additional information and insights about the performance of GEF's programs from evaluations and other studies. This broader focus provides insights into important cross-cutting issues and lessons identified from implementation experience. The focal area Program Studies that will contribute to the Second Study of GEF's Overall Performance (OPS2) to be carried out during the 2001 calendar year are not covered by this report, as they were started only after the reporting period was over.

17. At the request of the GEF Council, PIRs are carried out annually by the GEF Implementing Agencies and Secretariat. They have two purposes: (1) to provide a comprehensive overview of the GEF portfolio and trends in performance; and (2) to highlight themes or issues that may lead to: (a) refining the GEF Operational Programs; (b) improving project design and management; (c) identifying scientific and technical questions for further consideration, including by GEF's Scientific and Technical Advisory Panel (STAP); and (d) identifying lessons from experience and topics for further examination through evaluations and other studies.

18. Following guidelines developed by the GEF Senior Monitoring and Evaluation Coordinator, each agency prepared an analysis of its GEF portfolio, an overview emphasizing key trends and lessons to date, and individual reports on all full and medium-sized projects that had been in implementation for at least a year as of June 30, 2000. The agencies rated each project on two accounts: implementation progress and the likelihood that the project's global environmental objectives would be achieved.

19. The three Implementing Agencies – United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP) and the World Bank – shared the results of their reviews and the individual project reports with the GEF Secretariat and the other agencies. These reports formed the basis for reviews by GEF's focal area task forces: biological diversity, climate change, international waters, and phase out of ozone-depleting substances (ODS). An interagency review meeting organized by the Senior Monitoring and Evaluation Coordinator was held in Washington, DC, on December 5, 2000. It centered around discussions on the highlights of the task force reviews and the identified cross-cutting issues.

20. A large number of project managers and other staff in the Implementing Agencies and the GEF Secretariat contributed to the 2000 PIR. This report, compiled by the GEF Monitoring and Evaluation (M&E) Team, is structured as follows. Chapter 2 contains an analysis of the GEF portfolio and financial information pertaining to it up until June 30, 2000. Chapter 3 summarizes the 2000 PIR in sections that cover the portfolio overview and trends, an analysis of the project ratings supplemented with a discussion of projects with improved and unsatisfactory ratings, and highlights by focal area. Chapter 4 presents the main findings of the evaluations and thematic reviews carried out by the GEF Secretariat and Implementing Agencies during the past year. It also provides information on

methodological development of M&E indicators that has taken place during the period. Drawing on the PIR and these evaluations, Chapter 5 synthesizes the principal conclusions and recommendations of this year's project performance review. Annex A lists all projects that were included in the 2000 PIR and Annex B presents the guidelines for carrying out the PIR process. The PIR overview reports by each of the Implementing Agencies are featured in Annex C of the report. Finally, Annex D contains a list of all projects that have been completed.

GEF PORTFOLIO ANALYSIS

I. Overall GEF Portfolio

21. As of June 30, 2000, a total of 753 projects¹ had been allocated funding in approved GEF work programs. As shown in Table 1, 53 percent of these are implemented by UNDP, 30 percent by the World Bank, and 13 percent by UNEP. Only 3 percent of the projects have more than one Implementing Agency. One early project was implemented by the GEF Secretariat. The total funding for these projects was US\$2,947 million, of which 60 percent was in World Bank projects, 31 percent in UNDP projects, four percent in UNEP projects, and five percent in projects with multiple Implementing Agencies.

Table 1: GEF Project Allocations by Implementing Agency (as of June 2000)

Implementing Agency	Pilot Phase		GEF I -		Total	
	# Projects	(US\$ M)	# Projects	(US\$ M)	# Projects	(US\$ M)
UNDP	58	259	342	668	400	928
UNEP	6	22	96	97	102	119
World Bank	53	453	175	1,302	228	1,755
Multiple IAs	-	-	22	143	22	143
Others*	1	3	-	-	1	3
	118	736	635	2,211	753	2,947

* PRINCE project managed by GEF Secretariat

Source: GEF project database

22. Table 2 shows the distribution of the GEF portfolio by focal area as of June 30, 2000. By value, 40 percent were biological diversity projects and 37 percent in the climate change focal area. These two focal areas thus accounted for 77 percent of the total value of GEF projects. The

¹ The figures in this section include full and medium-sized projects, as well as enabling activities. Inclusion of the climate change and biodiversity enabling activities under expedited procedures in the PIR 2000 report does not make the total number of projects fully comparable to the figures provided by the Implementing Agencies in their reports.

international waters focal area stood for 13 percent, while projects to phase out ozone-depleting substances and multiple focal area projects each had five percent of the total value.

Table 2: GEF Project Allocations by Focal Area (as of June 2000)

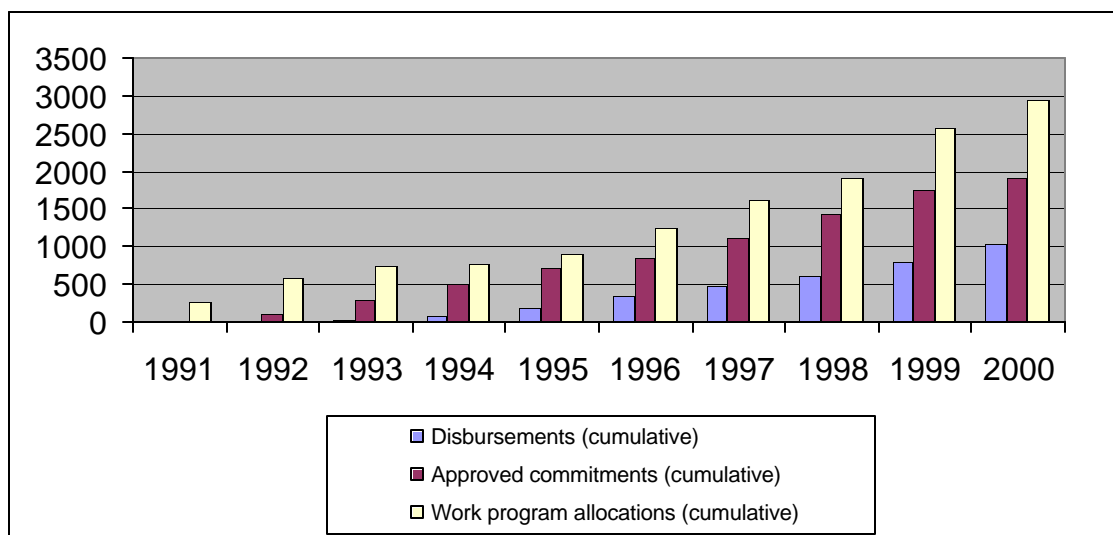
Focal Area	Pilot Phase		GEF I -		Total	
	# Projects	(US\$ M)	# Projects	(US\$ M)	# Projects	(US\$ M)
Biodiversity	60	336	336	838	396	1,174
Climate Change	42	260	230	821	272	1,081
International Waters	12	118	36	281	48	399
Ozone Depletion	1	2	21	157	22	160
Multiple Focal Areas	3	20	12	113	15	133
Total	118	736	635	2,211	753	2,947

Source: GEF project database

II. Growth of Portfolio and Disbursements

23. Figure 1 illustrates the growth of the entire GEF portfolio (including enabling activities and project development funds) by amounts allocated, committed and disbursed, from June 1991 through June 2000. During FY 2000, 40 full projects, 48 medium-sized projects and 35 enabling activities with total GEF funding of US\$485.1 million were approved by the GEF Council. The value breakdown was US\$438.5 million for full projects; US\$36.6 million for medium-sized projects; and US\$10.6 million for the enabling activities. This compares with US\$500 million approved for 60 full projects and 30 medium-sized projects in the previous fiscal year. Implementation of 27 projects was completed in FY2000.

Figure 1: Cumulative GEF Portfolio – Allocation, Commitments and Disbursements 1991-2000



24. Cumulative disbursements for the entire GEF portfolio (including enabling activities and project development funds) increased during the FY2000 to US\$1,024 million, up from US\$805 million in the year before². Overall, the disbursement trends were mostly positive. Disbursements in relation to commitments were 53 percent as of June 2000, up from 46 percent in June 1999 and 43 percent in June 1998. For UNEP, the ratio has shown steady improvement to 60 percent in June 2000, from 56 percent a year earlier and 52 percent the year before that. In the same period the World Bank disbursements-to-commitments ratio has gone up to 43 percent from 39 percent in June 1999. UNDP's disbursements-to-commitments ratio was close to the previous year: 55 percent as of June 2000, as compared with 58 percent in June 1999. There are several reasons to the ratios. In the World Bank 2000 PIR portfolio, about one-third of the full-sized projects (27) were experiencing disbursement lags of 50 percent or more, largely due to delays in project effectiveness. This is a significant improvement since 1999 when nearly half of the projects had disbursement lags of 50 percent or more. Similarly UNDP reports a number of reasons for delays in project implementation, including the socio-political situation in countries where government support and stability are overestimated at the time of project design; frequent personnel changes in projects; and complexities in project start-up phases.

25. Amounts disbursed for all GEF projects during FY2000 were US\$219 million³. There has been a significant upward trend in the annual disbursements from US\$133 million in FY1998 and US\$184 million in FY1999. Disbursements for the three Implementing Agencies were as follows: World Bank US\$124.2 (up from US\$107.6 million in FY1999); UNDP US\$85.6 million (up from US\$63.3 million in FY1999); and UNEP US\$9.2 (down from US\$12.6 million in FY1999). The

² Sources: 1999 *Project Performance Report* and Global Environment Facility Trust Fund Consolidated Financial Statement

³ Source: Global Environment Facility Trust Fund Consolidated Financial Statement

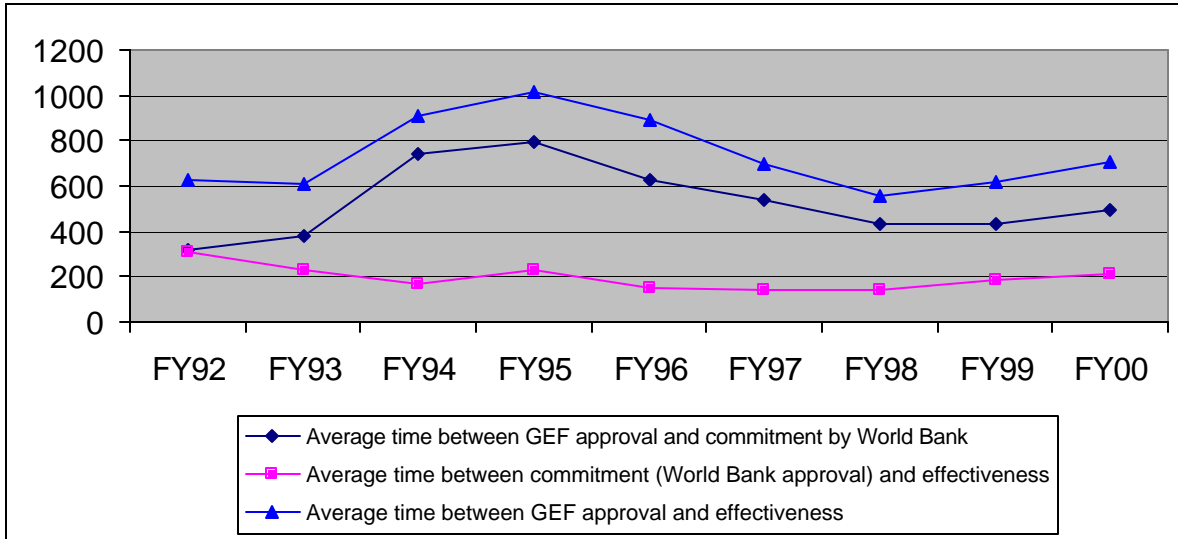
World Bank and UNDP thus showed an increase in disbursements of 15 percent and 35 percent, respectively. UNEP's disbursements fell by 27 percent.

III. Time from Allocation to Implementation

26. For the World Bank GEF projects in FY2000, the time between GEF Council approval, World Bank management approval, and project effectiveness increased both for full and medium-sized projects (Figure 2⁴). For full-sized projects, there was a 9 percent increase in elapsed time from GEF Council approval to World Bank Board approval compared with the previous year (from 448 to 490 days). Nine out of the 16 full projects approved in FY2000 went from the GEF Council to the World Bank Board within a year or less. The slight increase in the average, however, is explained by four projects that took more than 800 days to go from Council to the Board approval. The average time for the 18 medium-sized projects approved by the World Bank in FY2000 also increased from 95 days in the previous year to 135 days. This increase was entirely due to three projects that all took more than 300 days. However, only seven out of the total 18 were within the range of the service norm of eight weeks proposed by GEF. The time lag from the World Bank management approval to project effectiveness for full projects averaged 215 days. This, too, was up from 205 days in FY1999 representing an increase for the third successive year. Again, the standard deviation was very large and there was one particular project that took 790 days from management approval to effectiveness. Almost half (6) of the 13 projects that became effective in FY2000 met the World Bank's service standard of four months for elapsed time between Board approval and effectiveness. For the 16 medium-sized projects that became effective in FY2000 the average time lag from management approval to effectiveness was 45 days. The majority of the projects took less than three weeks to become effective after the World Bank's management approval.

Figure 2..Average Time Between GEF Allocation, Commitment and Effectiveness for World Bank Projects, by Fiscal Year of Commitment

⁴ The figures for FY 2000 include only full projects.



27. In the case of UNDP (Figure 3), there has been a significant decrease in the time from approval by the GEF Council to the beginning of implementation (project agreement signature): to 362 days in FY2000 from 433 days in FY1999.

28. Since the number of UNEP projects is rather limited, only aggregated analysis is possible. Figure 4 shows an overall trend in processing time for full projects. Data are averaged for every two years. There has been a decrease in UNEP's average processing time, down to 304 days for 1999-2000. Figure 5 shows the difference in the processing time by project type. While on average 339 days are necessary for a full project to be effected, much shorter time is necessary for a Medium-Sized Project (160 days) and an Enabling Activity (96 days).

Figure 3: Average Time Between GEF Approval and Project Agreement Signature for UNDP GEF Projects, by Fiscal Year of Project Agreement Signature

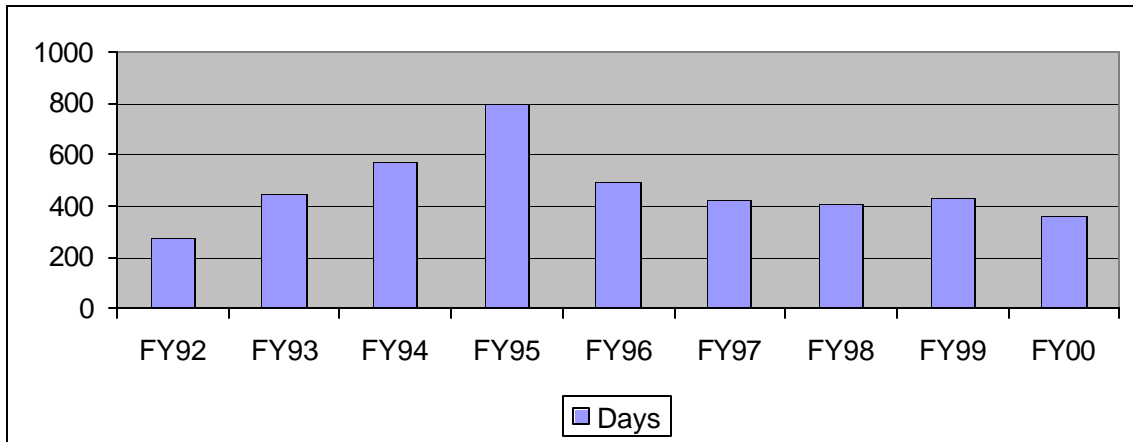


Figure 4: Average Processing Time from GEF Approval to Project Internalization for UNEP GEF Projects, by Year

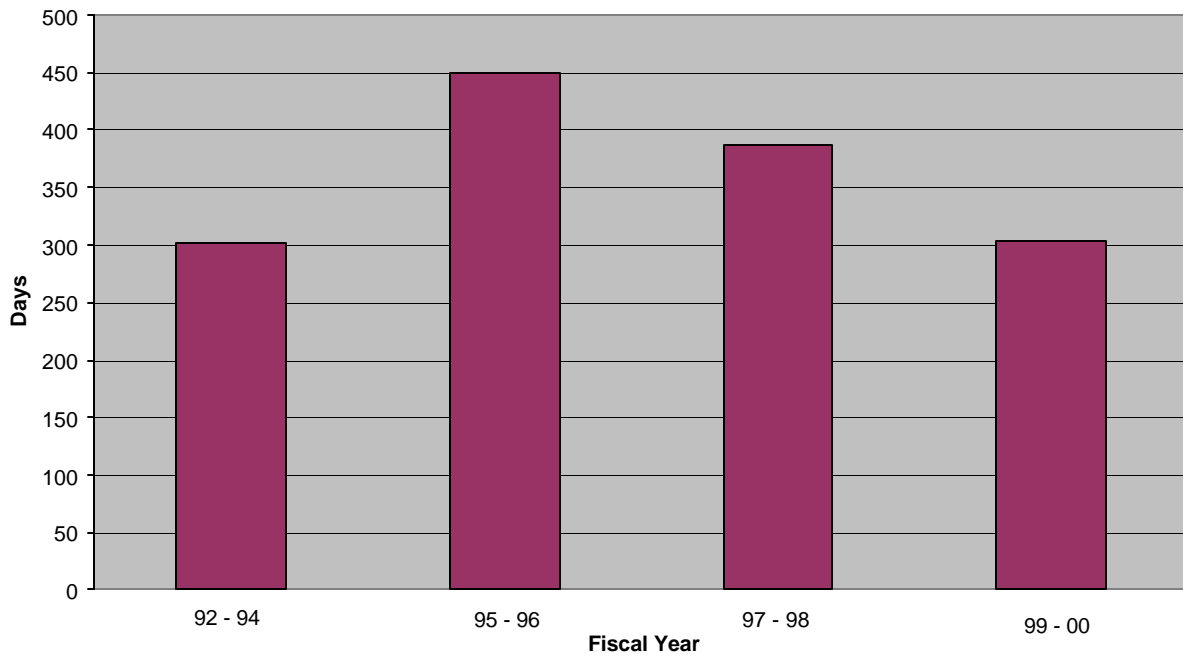
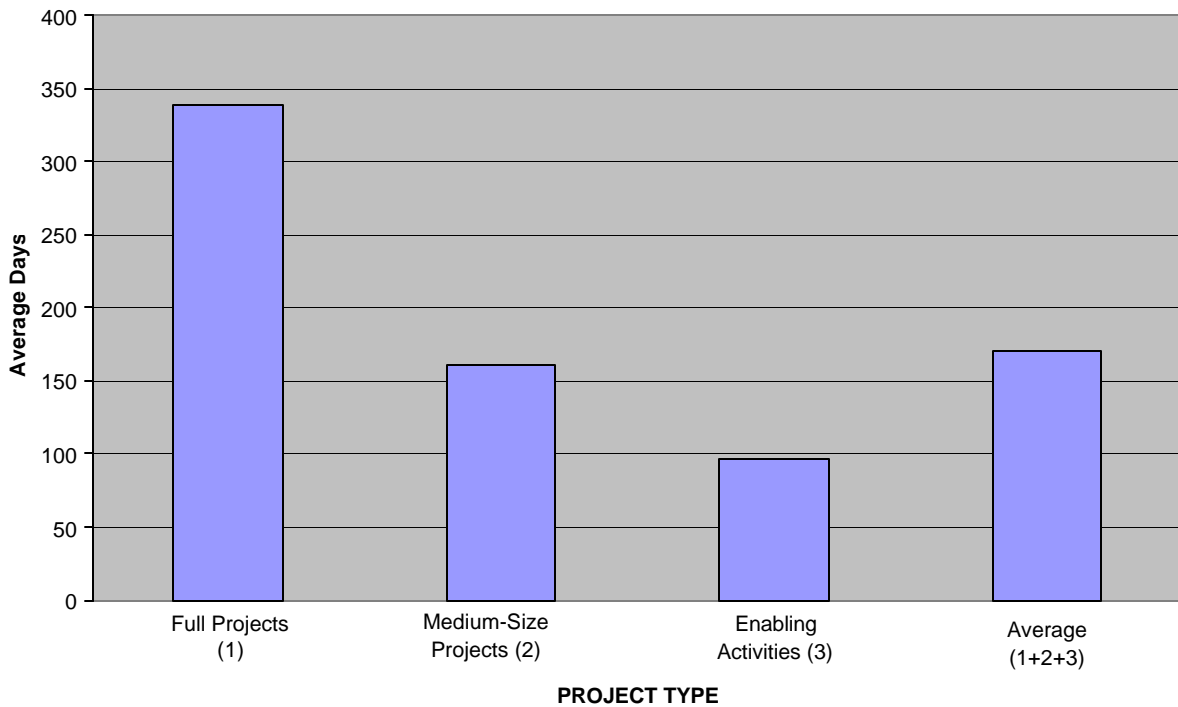


Figure 5: Average Time Between GEF Approval and Project Internalization by UNEP



2000 PROJECT IMPLEMENTATION REVIEW

A. Overview of Projects Covered in the Review and Trends

29. The 2000 PIR includes 171 projects that have been in implementation for at least one year as of June 30, 2000. This represents an increase from 135 projects in 1999 and 119 in the year before. It is apparent that as the GEF portfolio matures, more projects enter into the PIR. Table 3 provides a breakdown of the projects included in this year's review by focal area and Implementing Agency.

Table 3: Number of Projects Included in 2000 Project Implementation Review

	UNDP	UNEP	World Bank	Total	%	1999 PIR %	New in 2000	Completed in PIR
Biodiversity	28	10	45	83	49	50	29	11
Climate Change	32	2	25	59	35	33	20	10
International Waters	5	2	8	15	9	9	7	2
Ozone	5	1	6	12	7	7	-	1
Multiple	1	1	-	2	1	1	-	-
Total	71	16	84	171			56	24

30. As in 1999, half of the projects (83) included in the PIR are in the biodiversity focal area. More than half of these (45) are implemented by the World Bank. The largest Operational Program (OP) by number of projects (31) is Forests Ecosystems OP3, followed by Coastal, Marine and Freshwater Ecosystems OP2 which has 19 projects. It is, however, important to bear in mind that the classification of the projects according to OPs does not give the full picture of the ecosystem coverage, as most projects operate in more than one ecosystem. UNDP is implementing more than half of the projects reported in the PIR in the climate change focal area. With 59 projects (35 percent) this is the second largest in the PIR. Both OP5 (removal of barriers to energy efficiency and energy conservation) and OP6 (promoting the adoption of renewable energy by removing barriers and reducing implementation costs) have 20 projects each included in the PIR. However, by GEF allocation, OP6 is the largest climate change OP. There are also 17 projects in the focal area that are classified as either enabling activities or short-term response measures. The PIR portfolio includes 15 projects in the international waters focal area, only three of which stem from the pilot phase. There are also 12 ozone projects and two multiple focal area projects – the GEF Small Grants Program and the ISP/UNEP project.

31. A total of 56 projects are included in the PIR for the first time this year. This represents one-third (33 percent) of the total 2000 PIR portfolio and indicates a significant renewal of the portfolio. At the same time, 24 projects (14 percent) were completed during the PIR period. More than a third of the projects in both biodiversity (35 percent) and climate change (34 percent), and almost half (47 percent) of the projects in international waters were included in the PIR for the first time in 2000.

32. Table 4 shows the regional distribution of the portfolio under review. It reveals that, in total, almost one-fourth (23 percent) and one-fifth (20 percent) of the projects covered by the PIR are in Africa and Asia, respectively. Their share of the overall PIR portfolio has, however, slightly decreased to 43 percent of the total, as compared with 50 percent a year earlier. There are, moreover, major differences in the regional distribution between the focal areas. In biodiversity, 35 percent of the projects are in Africa and 26 percent in the Latin America and the Caribbean region. In climate change area, 32 percent and 17 percent of the projects are, respectively, in Asia and the Europe and Central Asia region, whereas Africa, Latin America and the Caribbean, and the Middle East and North Africa region each has only 12 percent of the climate change projects. Fifteen percent of the climate change

projects are global in scope. Eleven (73 percent) of the international waters projects are located in the hemisphere that covers Europe and Central Asia, Middle East and North Africa, and Africa regions. In accordance with the GEF mandate, all ozone projects are in the Europe and Central Asia region.

Table 4: Regional Distribution of 2000 PIR Portfolio

	BD	CC	IW	OZ	Multi	Total no. of projects	2000 PIR %	1999 PIR %
Africa	29	7	3	-	-	39	23	26
Asia	16	19	-	-	-	35	20	24
Europe/ Central Asia	3	10	4	12	-	29	17	16
Latin America/ Caribbean	22	7	2	-	1	32	19	17
Middle East/ North Africa	5	7	4	-	-	16	9	7
Global	8	9	2	-	1	20	12	10
Total	83	59	15	12	2	171		

B. Ratings

33. Each agency rated performance with regard to implementation progress and prospects for achieving development/global environmental objectives for its projects in the PIR. They used a 4-point scale: highly satisfactory (HS), satisfactory (S), unsatisfactory (U) and highly unsatisfactory (HU). Definitions for these ratings are in Annex B.

34. A total of 42 projects (25 percent) were rated by the Implementing Agencies as highly satisfactory. Percentage-wise, this is down from 29 percent in 1999. By focal area, the percentages of projects with highly satisfactory ratings vary from 8 percent in ozone to 29 percent in biodiversity (also, the one of the two multiple focal area projects was rated as highly satisfactory).

35. Only 15 projects, or 9 percent of the total, were rated as unsatisfactory on implementation progress, prospects for achieving global environmental objectives, or both. Out of the 15 projects rated as unsatisfactory, 7 were in Africa, 5 in Asia, and 2 in Latin America and the Caribbean. One was a global project.

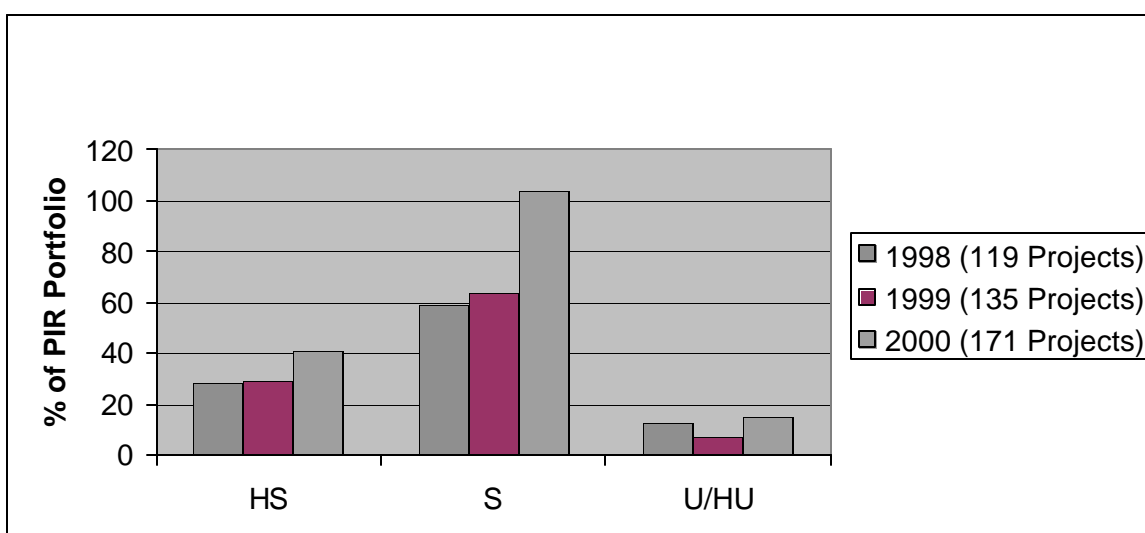
36. Table 5 disaggregates the ratings by focal area and Implementing Agency. This comparison shows differences between the ratings by agency which may be resulting from somewhat differing rating systems. This highlights the need to adopt uniform rating criteria between the various agencies.

Table 5: Ratings of Projects in 2000 PIR

	HS (2000)	S (2000)	U (2000)	Not rated
Biodiversity	24 (29%)	47 (57%)	9 (11%)	3 (4%)
Climate Change	13 (22%)	39 (66%)	3 (5%)	4 (7%)
Int'l Waters	3 (20%)	9 (60%)	3 (20%)	-
Ozone	1 (8%)	11 (92%)	-	-
Multiple	1 (50%)	1 (50%)	-	-
Total	42 (25%)	107 (63%)	15 (9%)	7 (4%)
UNDP	16 (22%)	46 (65%)	2 (3%)	7 (10%)
UNEP	10 (62%)	5 (31%)	1 (6%)	-
World Bank	16 (19%)	56 (67%)	12 (14%)	-

37. The trends in ratings made by the Implementing Agencies are shown in Figure 6. This year's percentage of "highly satisfactory" (25 percent) compares with 29 percent in FY1999 and 28 percent in FY1998. The number of projects rated as "satisfactory" by the Implementing Agencies is 63 percent of the total portfolio. This is also a slight decrease from the 64 percent in the previous year. Project rated as "unsatisfactory" account only for 9 percent of the total, a figure comparably to the 7 percent the year before.

Figure 6: Trends in PIR Project Ratings, 1998-2000



38. **Projects with improved ratings.** Projects with improved ratings since the 1999 PIR were discussed in the focal area task force meetings with the aim of identifying the reasons for these improved ratings. In the biodiversity portfolio, there were two projects that had improved their ratings in the past year. The *Côte d'Ivoire Control of Aquatic Weeds to Enhance/Restore Biodiversity in the Waterbodies* and *Cameroon Biodiversity Conservation* projects were both raised from unsatisfactory to satisfactory. In Côte d'Ivoire, the problems with administrative and disbursement procedures were solved. In Cameroon, the upgrade took place because the government followed up

on the recommendations made during the mid-term review. Similarly, in the international waters portfolio, the *Jordan Gulf of Aqaba Environmental Action Plan* project had moved from unsatisfactory to satisfactory following the demonstration of renewed government commitment to the project. The *Argentina-Bolivia Strategic Action Program for the Binational Basin of the Bermejo River* was completed during FY00 and subjected to an in-depth independent evaluation⁵, which found that the project had been highly satisfactory in reaching its objectives. In the climate change focal area, the *Lithuania Klapeida Geothermal Demonstration* project had its rating for implementation progress improved from S to HS. In the ozone focal area, the *Belarus Phaseout of Ozone Depleting Substances* project had its ratings for both implementation progress and development objective improved from S to HS.

39. **Projects with unsatisfactory ratings.** There were 15 projects which the Implementing Agencies have given the “unsatisfactory” rating in the 2000 PIR. Each of these was discussed during the relevant task force review. In many of the projects, problems leading to an unsatisfactory rating have been caused by (a) delays in project start-up and initial implementation, (b) institutional or management difficulties or (c) a combination of the above. In one project, the unsatisfactory rating was caused by weak project management. Two biodiversity projects have been rated unsatisfactory due to unresolved issues related to resettlement and demarcation, and lack of progress in the development of regulatory enforcement of forest management guidelines, respectively. One multi-country project is reported to have improved its performance in two of the countries, while serious management problems continue in the third. In the latter case, the problems relate to the lack of accessibility to funds at field level, although the funds have been made available to the country. One project that was rated unsatisfactory already in the 1999 PIR is now undergoing redesign and is expected to make a restart this year.

40. Based on individual project reporting, the Monitoring and Evaluation team of the GEF Secretariat has identified ten cases where the project has been rated highly satisfactory while the evidence would suggest that this rating is not justified. In one case, a project has been rated satisfactory but independent verification has revealed unsatisfactory progress. This project has been downgraded to unsatisfactory by the Implementing Agency after the current reporting period. Out of these projects, 9 are implemented by UNDP and one each by UNEP and the World Bank.

41. While it was recognized that all of the three Implementing Agencies have differing organizational cultures and that the project monitoring systems need to be grounded in the organizations, there is a need to work together in order to agree on more clear and detailed criteria that will reduce subjectivity and will make PIR reviews more comparable between the agencies. It is important to bring in multiple groups to rate projects in each agency, so that the ratings are not based exclusively on the perceptions of project teams. It is crucial to place emphasis on monitoring and the utilization of project reviews and evaluations in the PIR process. More attention needs to be dedicated to the identification and monitoring of risks as well as the application of remedial action when needed.

⁵ In-depth Evaluation of the UNEP/GEF Project GF/1100-97-07: A Strategic Action Programme for the Binational Basin of the Bermejo River. UNEP, September 2000.

42. It was agreed to develop more detailed guidelines on how to rate PIR projects, including new projects with limited implementation experience as well as projects affected by “special” circumstances, such as security issues and other risks. These guidelines shall include concrete project examples from the GEF portfolio.

C. Portfolio Highlights by Focal Area

43. Each of the four GEF focal area task forces reviewed its PIR portfolio and meetings were organized in each as part of the PIR process. The discussions were organized around topics in accordance with the PIR objectives, including: (a) the performance of the GEF portfolio; (b) ratings of implementation progress (IP) and accomplishment of project purposes (DO), trends in each focal area, and common factors that appear to account for either deterioration or improvements in ratings in relation to those included in the 1999 PIR; and (c) issues or topics for which operational programs require clarification or elaboration; additional operational guidance is needed on project development, implementation or evaluation; referral to STAP for scientific or technical advice is indicated; review in greater depth in M&E studies would be beneficial; and/or dissemination of good practices and lessons learned is recommended. A paper summarizing the respective portfolio and identifying key issues for discussion was prepared prior to each meeting in each of the focal areas. Following the meetings, this paper was revised to reflect the task force discussions. This section highlights some of the main findings and conclusions from each task force review.

1. *Biological Diversity*

44. **Portfolio assessment.** This year’s review includes 83 projects (full and medium-sized projects and enabling activities not approved under expedited procedures), with a total of US\$508.76 million of GEF funding. This compares to 67 biodiversity projects included in the 1999 PIR⁶, 57 in the 1998 and 51 in 1997 reviews. A total of 29 projects or US\$136.25 million (35 percent and 27 percent respectively) are included in the PIR 2000 process for the first time and 11 projects (5 from UNEP and 6 from the World Bank) were completed in fiscal year 2000 (US\$52.09 million). As of June 30, 2000, 32 projects (8 percent of total biodiversity portfolio), accounting for US\$122.2 million (10 percent), have been completed (no PIRs are prepared any longer for these projects). The 83 projects included in this year’s PIR account for 21 percent of the total of 395 projects in the GEF biodiversity portfolio (43 percent of the funding). Almost half (44 percent) of the funding in the GEF work program is allocated to projects with less than one year of implementation and, therefore, are not yet included in the PIR process.

45. As it has been also in previous years, about two-thirds of the GEF funding for biodiversity conservation and sustainable use is implemented through the World Bank, accounting for about half of the projects. The average project size for the World Bank is US\$8.12 million, while for UNDP it is

⁶ The 67 projects includes a project, UNEP-Inter-American Strategy for Participation, that is not included in this year’s PIR since this project is considered multi-focal and it is not included in the GEF Biodiversity database.

US\$4.16 million and for UNEP US\$2.10 million. The average project size for the PIR 2000 biodiversity portfolio as a whole is about US\$6.00 million.

46. More than one-third of projects (and GEF funding) for biodiversity in this year's PIR portfolio were approved under OP3. The distribution of biodiversity projects according to the OP in which they were approved should not be considered as a representation of the portfolio ecosystem coverage. Most biodiversity projects include activities in more than one type of ecosystem and, therefore, in practice could be classified under more than one OP. About one-third of biodiversity projects (and funding) in this year's PIR are under implementation in Africa. Although the same amount of GEF funding is implemented in Latin America and the Caribbean and Asia and the Pacific, on average projects in Asia and the Pacific are larger than those in Latin America and the Caribbean. The biodiversity portfolio in the Arab States and Europe remains relatively small both in number of projects and funding. The World Bank is the only Implementing Agency with projects in Europe and Central Asia in this year's PIR portfolio.

47. The biodiversity portfolio in the 2000 PIR represents a younger group of projects than in previous years: about two thirds or 65 percent of the projects were approved into the GEF work program after February 1995, beginning of the operational phase of GEF1.

48. **General lessons.** The previous PPR (1999) identified several lessons from the biodiversity portfolio: a need for full community involvement at all stages of project design, implementation and M&E; conservation efforts need to be combined with activities aimed at meeting socio-economic needs; assessment of broader political, social and economic environment; and flexible, long-term approaches that build in adaptive management. It is too early to see a direct impact of these lessons (or those brought up in the previous two PIRs) in this year's PIR projects since most of the projects were prepared before the PPRs were issued. This is particularly the case for those lessons relevant and applicable to new project design.

49. On the other hand, some lessons could have already been applied to the implementation of the ongoing projects. Some examples from the 2000 PIR show that projects are now reporting improvements in some aspects of project implementation that had been reported as problems in previous PPRs⁷. For example, linking biodiversity conservation and sustainable use to improvements in the well-being of stakeholders have been shown in projects such as *India Ecodevelopment* (World Bank) and UNDP's *Jordan Azraq Wetlands*. Start-up delays in several projects confirmed again the need to have a flexible and adaptive management to initiate implementation as soon as problems are resolved. Most of these projects are now under implementation (e.g., *Pakistan Mountain Areas Conservancy* – UNDP, *Southern Africa SABONET* – UNDP). The three Implementing Agencies reported that the issue of stakeholder involvement in all aspects of project design and implementation still are crucial for project success.

⁷ A direct relationship between lessons learned and this year's PIR may be too premature but at least PIRs are now reporting on the issues brought up in previous PPR.

50. **Replicability and catalytic effects.** There are several reasons why replication of approaches does not easily apply in biodiversity. First, there are no other sources of funding similar to GEF that could actually support such exercises. Secondly, some of the concepts implemented by GEF actually predate it and it would consequently be difficult to argue that they are only replicating GEF. Finally, most biodiversity areas are unique and, thus, replication of approaches may not be appropriate. The PIR concluded that in the case of biodiversity, it may be more appropriate to discuss and gauge project success by the adaptation of processes or approaches rather than their direct replication. For example, the modalities for protected areas management pioneered under the *China Nature Reserve* project have been adapted to the design of the proposed World Bank *China Sustainable Forest Development* project. The World Bank also reports that in the case of the *India Ecodevelopment* project participatory approaches for protected area management have been adopted to a number of non-GEF financed projects throughout the country and that this has led to a re-evaluation of the existing criteria for support of government funded participatory programs around protected areas.

51. Several examples of GEF as a catalytic force were reported by the World Bank. For example, the *Indonesia Biodiversity Collection* project produced local language field guides that encouraged the World Bank/IUCN Asia Field Guide project; the need of impact indicators for the biodiversity portfolio led to the development of the Monitoring and Evaluation Guidelines for World Bank Biodiversity Projects; the community management approach to wildlife used in the *West Africa Pilot Community-based* project was adapted in the community management guidelines for IDA projects. The IFC's Terra Capital Fund is a catalytic project in its success at mobilizing private investment funds to support conservation and sustainable use of biodiversity in Latin America. Some of the unintended impacts of GEF projects have had a catalytic effect, like in the case of the *SABONET* in the South Africa (UNDP) that fed into other regional conservation processes; the *Uruguay Banados del Este* (UNDP) project that facilitated the approval of a national law for protected areas; and the *Comoros Conservation of Biodiversity* (UNDP) project that collaborated with the legislation to establish environmental impact assessments in the forestry sector. In the case of UNEP's *Invasive Alien Species* project, the project played a central role in providing the framework for discussions on this topic at the last Conference of the Parties (COP) of the Convention on Biological Diversity (CBD).

52. **Results and achievements.** Given that the PIR reviews projects under implementation, results and achievements presented here are those that occurred during project implementation and may not represent the ultimate or final impacts of the projects. Impacts should present the systematic gains obtained by the investment in the project. Nevertheless, several projects are already showing some initial achievements and impacts that have the potential to enhance biodiversity at different scales through:

- (a) Leveraging financial resources. GEF projects have played a major role in attracting other co-financing during project preparation and project implementation. Prime examples are the conservation trust fund projects that have fund-raising as an explicit project objective. The *Peru National Trust Fund* project has been one of the World Bank's most successful trust fund examples, mobilizing to date US\$27 million. The

IFC's Terra Capital Fund is the first private equity investment fund (as distinguished from a conservation trust fund) to target conservation and sustainable use of biodiversity and it has used US\$5 million in GEF resources to leverage US\$15 million in private capital so far. GEF efforts in the *Meso American Biological Corridor* have had an impact both in terms of leveraging financing and creating catalytic effects in the region and transforming a bio-regional concept into a platform for sustainable development. On the other hand, the World Bank reports that financial leverage has been lower than anticipated in the East Asia region due to small contributions by the private sector and other higher priorities for scarce funding. In the case of the *South Pacific Biodiversity Conservation* program (UNDP) leveraged resources have come mainly from bilateral and multilateral funding sources. The Canadian South Pacific Oceans Development Program is investing in the turtle conservation program over the next two years. The government of New Zealand has set aside funding to support the development of the Pacific Conservation Trust Fund. It could be argued that in some cases, the actual resources leveraged are higher than reported; for example, projects rarely account for the actual cost of in-kind government counterpart contributions.

- (b) Developing new technical guidelines and methodologies both at the international and national levels. Projects have assisted countries in developing national strategies and frameworks for the GEF focal areas. UNEP's *Biodiversity Country Studies* produced two sets of global guidelines, both of which have been widely distributed and used for meeting the objective of Article 6 of CBD. Likewise, UNEP's *Biosafety Project* helped participating countries to prepare national biosafety frameworks and, subsequently, 17 of them have requested additional funding to implement the Cartagena Protocol on Biosafety.
- (c) Enhancing local capacity for project implementation. New projects are including activities to enhance local capacity for project implementation in the early phases in an effort to ensure that participants will have the skills and will be in an environment where they will be able to carry out the needed tasks. The *Lebanon Strengthening of National Capacity and Grassroots In-Situ Conservation* project (UNDP) is an example in which external technical assistance was needed to initiate activities and train local participants. Now the project is fully in the hands of these trained personnel. In addition, frequent monitoring of a project's institutional capacity during implementation improves results. The agencies proposed that GEF should also invest in strengthening the capacity of project stakeholders for follow-up activities after project completion. This is a key factor related to project sustainability.
- (d) Assessing political, institutional and economic risks. Adverse political situations have influenced smooth implementation of a project although many times this is beyond the control of the project management. Several projects in the World Bank's portfolio were affected by issues that are often external to the project, such as political change

and economic crises, changes in personnel and institutional relationships, or restructuring of counterpart institutions.

- (e) Linking biodiversity conservation and sustainable use with improvements in the well-being of stakeholders. The biodiversity portfolio is offering more examples of these linkages by providing community-based livelihood schemes and development benefits that encourage conservation and/or provide alternative to unsustainable use (e.g., in parts of the *India Ecodevelopment* or *Jordan Azraq Wetlands* projects). It is suggested that the message emerging from the implementation of the GEF portfolio is that there are clear opportunities for poverty alleviation, improved livelihood and empowerment of rural communities in the implementation of GEF projects. Similarly, it is considered that for successful sustainability of the projects, stakeholders need to perceive that benefits are fairly distributed and that they are offered tangible benefits when requested to conserve or use sustainably the bio-resources.

Box 1: The Challenge of Reconciling Conservation and Local Development

The World Bank implemented *India Ecodevelopment* project provides an example of the difficulties of implementing projects that try to use sustainable development as a conservation tool by supporting the dual goals of conservation and poverty alleviation and resolve the competitive demands of communities and wildlife for land and resource use. On the one hand, the project has been praised because it presents a successful application of the direct relationship between conservation of biodiversity and improved local livelihood and incomes, along with increased empowerment and decision-making responsibility to the community-level. In the majority of the project sites the project has secured the trust of the local people and built their confidence so that they take charge of the creation and implementation of the village micro-plans (one of the innovative aspects of the project) by creating a collaborative bond among state forestry agencies, NGOs and participating villages to conserve biodiversity and improve grassroots economy. On the other hand, the project has received criticisms, particularly in the Nagarhole National Park (one of the seven protected areas included in the project), because the project design specified site-specific consultation and decision-making during implementation and did not provide for comprehensive consultation covering all indigenous people resident in the park prior to project appraisal. Project proponents argue that extensive consultations prior to project appraisal would have raised expectations amongst park communities that the project would have been unable to meet in a timely fashion on account of the usually long time-lag between initial planning and implementation that would have resulted in a loss of trust and confidence in the project.

53. **Initial conditions (baselines) and indicators.** There is a need to develop indicators for each of the biodiversity OPs. Specific biodiversity indicators will ultimate assist in the assessment of project impacts and achievements. In addition to indicators, projects should include baselines or initial conditions so that changes in biodiversity could be better assessed⁸. UNPD reported three cases where improvements can already be shown, mainly because they included an inventory of initial conditions

⁸ Initial conditions are defined here as the conditions prior to the initiation of the project. Examples of activities that could provide a recount of the initial conditions include an inventory or an assessment of socio-economic conditions.

against which to measure improvements. For example, the *Mongolia Biodiversity Conservation and Sustainable Livelihood* project attempted to measure vegetation changes using low resolution satellite imagery, allowing monitoring at relatively low cost. The *Jordan Azraq Wetlands, Lebanon Sustainable Biodiversity Protection* and *Comoros Conservation of Biodiversity* projects are already showing improvements in vegetation cover and species diversity or in the density of endangered animal species. These are important achievements and impacts since the expectation had been that during the life of the project only changes in the pressures (threats) on the ecosystems would be measurable. It was suggested by the Biodiversity Task Force to undertake a thematic review on experiences of using indicators and initial conditions analysis in GEF and other donors projects to develop a “tool kit of best practices.” This review should be widely disseminated. Furthermore, each Implementing Agency should consider providing capacity development assistance to project proponents on how to use indicators and how to design baselines or initial conditions analysis, including determining allocation of resources. In addition, the inclusion of initial conditions in project design should be checked as part of the GEF project review criteria.

2. *Climate Change*

54. The 2000 PIR includes 59 projects in the climate change focal area covering the three OPs 5, 6 and 7, enabling activities, and short-term response measures. This is a significant increase compared with 1999 PIR which included 45 projects in the climate change focal area. These projects account for a GEF allocation of US\$393 million; with co-financing for the total climate change portfolio in PIR 2000 worth US\$1.4 billion. Six projects that were included in the 1999 PIR are not included in the current PIR. Twenty new projects entered the PIR portfolio for 2000.

55. The oldest project (in terms of number of years of implementation) is the *Global Monitoring of Greenhouse Gases*, which has been under implementation since October 1992; this project completed implementation during fiscal year 2000. The youngest project is the *Côte d'Ivoire Energy Efficiency Service Market* project which has been under implementation only since June 1999.

56. In terms of the number of projects, UNDP accounts for 54 percent of the portfolio, followed by the World Bank which accounts for 42 percent. Projects under OPs 5 and 6 together account for nearly two-thirds of the total number of climate change projects in PIR 2000. The World Bank (including the IFC) accounts for nearly three-quarters of the climate change portfolio in PIR 2000. Projects under OPs 5 and 6 account for nearly three-quarters of the portfolio in terms of GEF resources allocated.

57. Twenty projects (nearly a third of the portfolio) included in the PIR 2000 are under OP 6 (renewable energy). These projects focus on one or more of five types of renewable energy sources: solar photovoltaic or water heating (9), wind (3), geothermal (2), biogas from waste (3), mini-hydro (3), substitution of woodfuels (1), or capacity building (3). Another 20 projects focus on energy efficiency and conservation under OP 5. There are five focal areas in this OP: demand side management (3 projects); boiler conversion (1); buildings (1); capacity building (4); efficient lighting (2); guarantee for

energy efficiency financing (1); small and medium industries (1); and, transport (1). There are eleven projects classified as short-term response measures and another six are regarded as enabling activities that help developing country parties to the UN Framework Convention on Climate Change (UNFCCC) prepare their national communications to the COP. There is one project in Brazil under OP7 – *Biomass Power Generation: Sugar Cane Bagasse and Trash* – and one project under multiple operational programs (and even focal areas) – the IFC *Small and Medium Scale Enterprise(SME) Program*.

58. In terms of numbers of projects, the portfolio is well representative of the major regions of the world. Of the 59 projects in the portfolio, 9 are global projects covering countries in more than one geographical region. The portfolio also contains four regional projects covering several countries in a particular region – one each in Middle East and North Africa, Latin America and the Caribbean, Africa, and East Asia and the Pacific.

59. **Demonstration effects on policy and legislation.** The portfolio contains several projects that have been instrumental in bringing about important policy reforms. Examples of these include measures that were taken to reduce custom duties for renewable energy equipment in India (*Renewable Resources Development Project*); an investment plan, institutional framework and policies to encourage private investment were set up in Mauritius (*Sugar Energy Development Project*); key information was made available to decision-makers on energy issues for the adoption of the National Environmental Code in West Africa (*Energy Efficient Building Project*); and a decree was launched to stop expansion of agriculture in Sudan (*Community-based Rangeland Rehabilitation Project*).

60. **Catalytic effects and replicability.** The notion that its projects exert a catalytic role is central to the purpose of the GEF. Efforts to strengthen institutions and raise awareness continue to provide the basis for further promotion of project approaches and concepts. In several cases, projects have encouraged private sector entrants into the market. A number of projects being implemented by the Bank Group's private sector affiliate IFC have played a more direct role in seeking to redirect and mobilize private capital and expertise including: the Hungary Energy Efficiency Co-Financing Program (HEECP); the solar PV Market Transformation Initiative (PVM TI) in India, Kenya and Morocco; the multi-country Efficient Lighting Initiative (ELI); and the global Renewable Energy and Energy Efficiency Fund (REEF). There are also a number of other projects with important linkages to the private sector including:

- (a) In the *Renewable Resources Development Project in India*, GEF financing for private wind farms has catalyzed over 1000 MW of private power investments in wind farm capacity. The number of manufacturers has increased from three to fifteen.
- (b) The 3 MW pilot wind-farm project under *the Sri Lanka Energy Services Delivery project* has attracted further interest in wind power market in the country. The project has also been catalytic in bringing large multinational companies into the solar home system market. Shell Solar Inc. has substantially increased the production of solar

home systems in recent months from an existing national production capacity of 30-40 systems to 300-400 systems, making these systems accessible to a large number of people.

- (c) The *Costa Rica Wind Turbine Project* offers one of the most compelling examples of GEF's influence on the private sector. While the project implemented by the World Bank, has hardly made any progress, the removal of non-financial barriers through the creation of an appropriate regulatory framework has led to the creation of a private market for wind-turbine electricity in Costa Rica.
- (d) In the *Egypt Energy Efficiency Improvement and Greenhouse Gas Reduction* project, resources are being indirectly leveraged through encouraging end-users to finance energy efficiency improvement through their own means.

61. **Market transformation.** To ensure that this catalytic role is not undermined, it is important that during implementation projects be dynamically managed, fine-tuning activities to respond to a changing contextual environment. The lessons from the *Ghana Solar PV* project and the *IFC's PVMTI* demonstrate two different approaches to "market transformation," the Ghana project being a more benign approach to influencing the market, with little influence on major policy or institutional issues, while the PVMTI is more private sector oriented supporting individual private sector entrepreneurs. Owing to a non-supportive policy and institutional environment, the potential for the Ghana project to create conditions for development of a near commercial market for Solar PV systems in Ghana has been very seriously undermined. The PVMTI project's activities in one country have been slowed by the slow pace of government action to award private concession contracts and GEF's various constituencies could benefit from additional effort to undertake early dissemination of results from the different business models as a step towards encouraging replication and further market development.

62. **Capacity building.** Capacity building is a central theme in GEF climate change activities. Projects target a wide range of capacity building to public agencies, private-sector firms, financiers, consumers, community organizations, and NGOs. There are some interesting issues that emerged in the PIR regarding the global enabling activities. Many of them were started before the UNFCCC had formally defined enabling activities in its guidance to the GEF. Each of these have dealt with the emerging guidance from the COP in different ways. Five of these projects are now complete and terminal evaluations are available.

63. The five pilot phase global science and observation capacity building projects have resulted in important ripple effects elsewhere in the portfolio (Table 6). For example, the *Global Monitoring of Greenhouse Gases, including Ozone* project has created six stations that are unique outside of the OECD countries. The China station has been involved in the recent findings of the enlarged ozone hole over the western part of the country, while the Argentina station has been instrumental in monitoring the Southern Cone ozone hole. The *Global Change System for Analysis, Research and Training*

(*START*) project has raised significant funding from outside sources and has supported the creation of scientific networks in the developing countries of Africa and Asia.

Table 6: Pilot Phase Global Science and Observation Capacity Building Projects (implemented by the UNDP)

Project Title and Number	Implementing/ Executing Agency	Objective	GEF Contribution	Leveraging Effects	Ripple Effects Elsewhere in Portfolio
Global Monitoring of GHG's Including Ozone GLO/91/G32	World Meteorological Organization (WMO)	To support the construction and operation of Met Observation Stations capable of measuring GHG concentrations in 6 countries: Algeria, Argentina, Brazil, China, Indonesia, and Kenya	US\$4.8 m	Additional contributions: Host Countries US\$4.5m Contributions (in-kind) from twinning partner countries US\$2.1m Co-financing Total Contribution US\$6.6m (not included in PRODOC)	The 6 stations created in this project are now the only stations of their kind operating outside of OECD where 25 such stations are in operation. The China station has been involved in the recent findings of the enlarged ozone hole over western China. Argentina station has been instrumental in monitoring the southern Cone ozone hole.
Climate Change Training Phase II-Training Program to Support the Implementation of the UNFCCC (CC:TRAIN I and II) GLO/95/G31	UNITAR	1) Enhance capacity of countries to respond to UNFCCC; 2) To enhance the capacity of regional partners to play role in carrying out the first objective; and 3) To create an informal training network to allow sharing of training resources	Phase I US\$0.9m Phase II US\$ 2.7m	Swiss contribution to Phase II US\$0.5m	Project initially stimulated concept of "country team" used in EA's; Training material widely available; Some regional partner agencies have been successful—others have not.

Project Title and Number	Implementing/ Executing Agency	Objective	GEF Contribution	Leveraging Effects	Ripple Effects Elsewhere in Portfolio
Global Change System for Analysis Research and Training (START) (GLO 92/G31)	START (UN OPS)	To build capacity in the climate change field, collect and analyze regional data and to incorporate this data into global modeling efforts. Project focuses on Southeast Asia and Northern Africa—IAI (splinter project) focused on South America	US\$ 7.0m (US\$ 2.9m devoted to IAI)	START's Secretariat was initiated with support from GEF—START system itself continues to operate using funds raised from other sources (IGBP, etc). IAI effort ceased operation in 1998	Successful support to START which now supports itself from other sources and has supported the creation of scientific networks in North Africa and SE Asia
Research Programme on Methane Emissions from Rice Fields GLO/91/G31	IRRI (UN OPS)	To quantify the impact of different rice growing ecosystems on methane emissions and to improve knowledge of processes that control methane fluxes from flooded rice	US\$ 5.0m	Limited involvement of national rice research centers. Low methane emitting rice varieties identified—still require field test under actual production conditions	Researchers and inventory experts from all over Asia were exposed to these research findings—close work with ALGAS—preliminary results cited in national communications—field trials for low -methane alternatives not yet carried out
Alternatives to Slash and Burn (I and II) GLO/93/G32	ICRAF (UN OPS)	To reduce global warming; conserve biodiversity and alleviate poverty in tropical forest margins by identifying and promoting sustainable alternatives to slash and burn agriculture	Phase I US\$3.0m Phase II US\$3.0m	Phase I US\$4.5m Phase II US\$3.37m Involved ag research centers in Peru, Brazil, Kenya, Indonesia	Overall evaluation of project raised questions about achievements in BD Policy impacts claimed in Indonesia ASB continues as a focal area for CG centers—raising funds from other sources

3. International Waters

64. The international waters portfolio included in the 2000 PIR is significantly newer than that of the previous year. This year's PIR includes 15 international waters projects – up from 12 in 1998 and 1999 – to the total GEF funding of US\$142.2 million. The new character of the PIR portfolio can be seen in the fact that 7 of the projects (47 percent) are included for the first time in PIR. Only 3 projects stem from the Pilot Phase (*Egypt – Lake Manzala Engineered Wetlands; Oil Pollution Management Project for the Southwest Mediterranean Sea; and Ship-generated Waste*

Management in the Eastern Caribbean). Two of the projects were completed during the FY2000 (*Strategic Action Programme for the Binational Basin of the Bermejo River* and *Developing the Implementation of the Black Sea Strategic Action Plan*).

65. The largest PIR portfolio in international waters this year is with the World Bank (8 projects). UNDP has 5 projects, and UNEP 2 projects. The World Bank portfolio has increased most since last year (from 4 to 8 projects). UNDP's PIR portfolio was reduced from 7 last year, while UNEP's was doubled from one to two. The portfolio is concentrated in Europe and Central Asia, Middle East and Africa. There are no projects in Asia and in Latin America and the Caribbean there are only two projects.

66. **Geographically based approaches.** Considerable progress has been made during the year in review in moving towards a geographically based programmatic approach in the *Black Sea Environmental Programme*, which is aiming towards coordination of national and international activities for the protection of the Black Sea basin. This involves importantly the establishment of formal linkages to the *Environmental Programme for the Danube River* basin, links with an accompanying Dnieper Basin project, and links with biodiversity projects related to wetlands in the basin and around the sea. Major impacts have been recorded in achieving basin-wide priority setting in which the coastal countries have prepared national strategic action plans based on the regional framework development in the overall strategic action program. The demonstrated political commitment amongst the countries has been identified as a key factor in the Black Sea region. The *Environmental Management of the Aral Sea Basin* project illustrates how a lack of political commitment in the basin countries has resulted in serious implementation difficulties.

67. **TDA/SAP processes.** The transboundary diagnostic analysis (TDA) and strategic action program (SAP) processes are common features in the international waters focal area and the 2000 PIR contained several projects employing this approach: *Pollution Control and Other Measures to Protect Biodiversity in Lake Tanganyika*, *Black Sea II*, *Addressing Transboundary Environmental Issues in the Caspian Sea Environment Programme*, *Implementation of the Strategic Action Programme for the Red Sea and Gulf of Aden*, and *Strategic Action Programme for the Binational Basin of the Bermejo River*. The joint multicountry processes for the development of SAP were featured in the operational strategy as essential for gaining political agreement between countries to focus on priority transboundary issues and to identify country-driven policy, legal and institutional reforms and investments for addressing them. In many cases, this joint vision and commitment is a central outcome and a prerequisite for action that will lead to improvement of the transboundary environment. Producing a SAP can, thus, be seen as enabling the countries to address the transboundary environmental problems. There have, nevertheless, been concerns expressed that the process of producing a SAP through a TDA is time consuming. As GEF is gaining increasing experiences with the TDA/SAP processes and a number of SAPs are entering into the implementation phase, an opportunity exists to review the experiences with and the effectiveness of the approach in comparison with other possible planning approaches.

68. **Demonstration projects and replicability.** A closely related topic that was highlighted relates to demonstration projects and the replicability of the approaches promoted by GEF. The discussion was informed in particular by experiences gained at the *Egypt Lake Manzala Engineered Wetlands* project and other projects included in the PIR that have demonstration components. As emphasis is increasingly placed on the implementation of the SAPs, there is a need to think in broader terms about how GEF can play a catalytic role in demonstrating approaches that can lead to replication. It appears clear that replication cannot be achieved only by disseminating a successful technical approach through workshops, web sites, etc. Demonstrations in projects, such as *Strategic Action Programme for the Binational Basin of the Bermejo River* and *Lake Victoria Environmental Management Project*, appear to have been largely successful and hold great potential for replication. GEF should expand on these experiences. Helping the countries to achieve a common vision and to promote successfully the replication of needed actions would be fully incremental from the GEF point of view. GEF should encourage the Implementing Agencies and project designers to improve the design of projects with innovative demonstration and replication schemes.

Box 2: Approaches to Promote Replication of Demonstrations

Egypt's Lake Manzala receives a significant portion of Cairo's untreated sewage, which in turn contributes to the deterioration of the Mediterranean Sea. This pollution also threatens the lake's fishery, which represents 25-30 percent of Egypt's annual fish harvest and is therefore a significant source of protein for the Egyptian population. The main objective of the UNDP-implemented *Lake Manzala Engineered Wetlands* project is to use constructed wetland technology already established elsewhere in the world, to demonstrate the deployment of low cost, relatively "low tech" biofiltration approaches to reducing levels of pollutants entering Lake Manzala. Using constructed wetlands, tertiary treatment (e.g. nutrient removal) can often be achieved for a fraction of the cost (capital and O&M) of conventional wastewater treatment facilities that are typically much more expensive and difficult to maintain and operate successfully. The successful demonstration of the technique is expected to ensure the replication in other parts of the country as an optimum alternative to increase water use efficiency in Egypt, reduce health hazards, and protect international waters from pollution. In particular, this method has a large potential for application in other northern Egyptian lakes and also as a decentralized wastewater treatment technique for communities close to deserts.

In addition to serving as an easily replicable national, regional and global demonstration of low cost wastewater treatment technology transfer, the project will derive lessons relating to the levels of local technical and scientific capacities required to integrate and maintain such technologies, and the associated levels of capacity building such projects should typically include. The project has involved local research institutions and NGOs from the start and has enhanced the awareness of local and national government on the potential of this low-cost technology which has resulted in strong support for this and similar initiatives. The demonstration aspects shall investigate the economics and efficiency of the treatment, reuse of reclaimed water for irrigation and production of clean fish. Despite the fact that the wetland is still under construction, the project has already established contacts with interested research bodies and NGOs to raise awareness about the project, its design and its progress.

Other projects with demonstration components have also instigated replication of successful approaches. The World Bank –implemented *Lake Victoria Environmental Management Project* (LVEMP) operating in Kenya, Tanzania and Uganda has experimented with various approaches to controlling water hyacinth and other aquatic weed infestations in the lake. It appears that the use of weevils for biological control of the weeds has been the most successful approach and this is now being replicated with positive effects around the lake. Furthermore, the newly developed GEF SADC aquatic weed control project builds upon the experiences gained in LVEMP. Similarly, UNEP's *Strategic Action Programme for the Binational Basin on the Bermejo River* in Argentina and Bolivia commenced pilot projects to control land degradation and sedimentation while a SAP was being prepared for the basin. These pilot projects are now being expanded significantly in the new phase of the project for the implementation of the SAP.

69. **Need for a regular review and communications process.** Successful implementation of international waters projects and ensuring complementarity and integration of land and water issues requires collaboration amongst the Implementing Agencies. Regular dialogue between the Implementing Agencies and the GEF Secretariat is essential to share experiences and to ensure that the lessons from the PIR process are sufficiently fed into new project designs and programmatic approaches.

4. Phase-Out of Ozone Depleting Substances

70. GEF activities in the ozone layer depletion (ODS phase-out) focal area constitute short-term response measures to enable compliance of countries in Eastern Europe and Central Asia with economies in transition with Montreal Protocol ODS control provisions.

71. Although the implementation of projects included in the GEF ozone portfolio has been progressing slower than originally expected – mainly because of viability problems in the factories and other enterprises concerned – the portfolio is maturing rapidly. Projects in Belarus, Bulgaria, the Czech Republic, Hungary, Poland, Slovakia and Slovenia have been completed and countries have already reported compliance to the Implementation Committee of the Montreal Protocol. All other GEF supported activities are expected to be completed within the next two years in accordance with revised ODS phase-out schedules and milestones accepted by the Montreal Protocol parties.

72. **Emerging lessons.** Continued country commitment is essential to achieve success, especially since the GEF does not cover all the costs related to ODS phase-out. Government efforts are very much needed in areas, such as institution building, legislation and enforcement. There is a need to continue to monitor progress on the phase-out of ODS technologies in factories and businesses. Providing support to the implementation of coherently planned, country-wide ozone programs, with coordination between the GEF Implementing Agencies, has proven to be the most effective way to enable ODS phase-out. The GEF experiences in the ozone focal area have provided lessons which may be of importance also for other focal areas, especially the emerging one on Persistent Organic Pollutants (POPs).

73. **Reporting.** During the 1999 PIR process, a specific review format for the ozone focal area was agreed by the GEF Secretariat and the Implementing Agencies. This included (a) reporting by the national government on the progress of the phase-out of ODS, and (b) reporting by the Implementing Agency on the progress and achievements in the GEF subprojects.

74. It was agreed that the results of the efforts in the Russian Republic is of particular interest, because production facilities are about to be closed down. This may have repercussions for trade, storage and consumption in many countries in the region. The development in Ukraine is also of great importance. It was discussed whether GEF should consider possible support to actions to prevent illegal traffic in ODS. It was agreed that the PIR reporting on the progress of the phase-out of ODS would be continued for some time, even after the completion of the national projects.

SUMMARY OF RECENT EVALUATION FINDINGS

75. Program evaluations and other studies and reviews conducted by the GEF M&E Team or the Implementing Agencies provide insights into the GEF programs and identify lessons that can be fed into the development of new projects. This section summarizes the findings of evaluations and thematic reviews carried out and completed during the past year. The chapter also contains information on the

important issue of development of program-level indicators for the biodiversity and climate change focal areas.

A. Review of Climate Change Enabling Activities

76. Beginning in February 2000, an independent review of GEF's support for climate change enabling activities was undertaken in collaboration with the M&E unit. At that time, 115 countries had implemented national climate change enabling activity projects, while ten other regional/global climate change enabling activity projects had also been launched.

77. The main objective of the review was to take stock of the past and ongoing experience with the enabling activity projects for climate change, assess their effectiveness and extract lessons for the future. More specifically, the review had to examine: (i) the effectiveness of the enabling activity modality; (ii) the effectiveness and efficiency of both GEF approval and national execution processes; (iii) influence on broader capacity building and/or planning in countries through the preparation of initial national communication process; and (iv) best practices for the implementation of enabling activity projects from country experiences.

78. The review included close examination of 18 enabling activity projects. Twelve national projects were visited by the review core team⁹, four other national projects were covered by country studies¹⁰, and two regional projects in the Pacific Islands and Caribbean¹¹ were reviewed by regional consultants.

79. **Overall conclusion.** The overall conclusion of the review is that support provided by the GEF for climate change enabling activities has substantially contributed towards assisting non-Annex I Parties in meeting their communication commitments under the UNFCCC. To some extent, many of the difficulties faced appear to be "teething" problems. While each of the main partners (Implementing Agencies, GEF Secretariat, the countries) is partly responsible for the excessive lapsed time during different stages of project design and processing, some of this delay can be attributed to a necessary learning period in the implementation of COP guidance – compounded by a lack of clarity in COP guidance – and different interpretations of the GEF guidelines. Both the Implementing Agencies and the GEF Secretariat have learned from their experiences and their performance has improved through time.

80. Of the 132 countries that have received GEF grants through the enabling activity process, 25 have already transmitted their initial communication to the UNFCCC as of May 2000. Among these countries, 23 implemented enabling activity projects through UNDP, and two through UNEP. A large

⁶ Armenia, Azerbaijan, Brazil, Bolivia, Cameroon, Mali, Lebanon, Lesotho, Philippines, South Africa, Vietnam, and Zambia.

⁷ Egypt, Honduras, India, and Malaysia.

⁸ Five countries each in the Pacific (Fiji, Kiribati, Marshall Islands, Samoa and Vanuatu) and Caribbean (Antigua and Barbuda, Barbados, Saint Lucia, Saint Vincent and The Grenadines, Guyana) were visited/studied by each of the regional consultants for the PICCAP and CPACC projects respectively.

number of countries were progressing towards the completion of their initial communication for a possible transmission by COP6 in November 2000.

81. **Capacity building** was one of the key objectives of the enabling activity process. The review found undeniable evidence that enabling activity projects made considerable progress in strengthening the capacities of countries to deal with climate change issues.

82. While the overall impact is positive, the enabling activity program experienced many difficulties, largely due to the novelty and complexity of climate change issues, as well as the constraints that surrounded the development of enabling activity projects. These constraints included definition of the scope and objectives of the projects, time pressure, funding limitations, etc. For instance, the review found that the enabling activity projects placed undue emphasis on obligations of the countries (i.e. preparation of the national communication) at the expense of responding to country needs and priorities.

83. During the period 1995-1998, there was a significant decrease (60 percent) in the time taken to process a project under expedited procedures – from an average of 499 days in 1995 to 188 days in 1998. Nevertheless, this review finds that 188 days for processing enabling activity projects under a procedure that is supposed to be expedited is still too long and the review believes that there is still room for reducing the elapsed time even further.

84. While the results achieved are more than the minimum required for initial communications, the GEF-sponsored enabling activities are neither a clear step in the direction of sustainable capacity building, nor have they helped countries prepare to develop policies and strategies required to deal with climate change. Supporting this finding, the review also found that the countries had higher expectations for capacity building than what the enabling activity projects could offer.

85. **Unrealistic expectations**. Enabling activity projects also focused on achieving other ambitious objectives, including sustainability of capacities, establishment of information systems for GHG inventories, public awareness, sustainability of institutional arrangements, and integration of climate change concerns into national development policies. Considering the limited funding allocations, short duration of the projects (1-2 years), and limited national capacities at the beginning of the process, this review finds that the enabling activity projects had unrealistic expectations when setting such objectives.

86. Thus, the first round of enabling activities should be considered a first step in a continuous and long-term series of efforts to establish a sustainable framework for meeting Convention obligations while also leading to concrete actions.

B. Multi-country Project Arrangements

87. A sizable portion of the GEF portfolio – all but a handful of international waters projects and about two dozen biodiversity projects – involve more than one country. To better understand these

challenging efforts, a thematic review of GEF's multi-country project arrangements¹² was completed in 2000. The review included an examination of 36 projects from the international waters (28) and biodiversity (8) focal areas. Of these 36 projects, ten were selected for in-depth studies, and a smaller subset received a visit by the review team. The objective of the review was to identify emerging lessons from the GEF portfolio about what kinds of multi-country approaches have worked, what have not, why, and under what circumstances. For activities that require joint efforts and commitments by more than one country, what characteristics of project design and institutional collaboration best facilitate effective decision making and implementation of measures to address transboundary issues?

88. The review highlights a number of specific lessons and areas of consideration for the GEF. It must be noted, however, that the history of multi-country projects in the GEF is still short and few projects have been completed. These findings, therefore, reflect early experiences and should be treated as tentative.

89. **Facilitating shared commitment and vision.** The review found that GEF has played an important role in facilitating multi-country approaches and assisting countries as they deal with their priority transboundary environmental problems. Joint fact finding and sharing of information can help countries to develop a shared vision and to proceed towards determining country-specific and regional actions that are needed to address identified transboundary priorities. The review found that GEF can play a proactive role in promoting regional implementation and leadership by facilitating the processes for setting priorities based on scientifically solid analyses of the causes of environmental problems and agreeing on actions to address them. Achieving shared commitment and vision can be facilitated by initial strategic projects that lower the barriers to cooperation among countries and enable them to jointly focus on priority transboundary issues.

90. **Importance of broad-based participation.** Political commitment at the highest level is essential for ensuring efficient operation of multi-country institutions and on-the-ground implementation of actions identified in strategic projects. Where the only demonstrated political commitment has been the agreement to proceed with a GEF-financed project, commitments for policy, institutional and/or legal reforms and investments have been slow to emerge. Ensuring motivation and ownership of multi-country projects also requires that all relevant stakeholders, including regional, national, and local governments, NGOs, the scientific community and private sector, are involved in the process.

91. **Multiple levels of intervention.** Action involving multiple levels of institutions is essential in addressing environmental problems facing transboundary waterbodies and basins. A regional agreement or convention may facilitate countries in reaching binding agreements to harmonize their legislation. At the national level, there should be broad, inter-ministerial coordination across sectors to address national impacts on the resource and provide support to communities and groups at the sub-national level. The link to the sub-national level is essential if practical changes agreed to at the other

¹² Ollila, P., J.I. Uitto, C. Crepin and A.M. Duda. *Multicountry Project Arrangements: Report of a Thematic Review*. Monitoring and Evaluation Working Paper 3. GEF, September 2000. Available also on GEF web site: <http://www.gefweb.org>

levels are realistically expected to occur. In the *Strategic Action Programme for the Binational Basin of the Bermejo River*, for example, demonstration activities were used to involve stakeholders up-front at the same time that strategic work in producing a TDA and SAP was undertaken. Importantly, such an action-oriented approach helps maintain commitment at the local and national levels.

92. When regional bodies are utilized, the sustainability of those bodies beyond the conclusion of GEF support should be taken into account. This means that the multicountry organizations should be effectively integrated into the participating countries' organizational structures. In GEF projects in the Black Sea and Danube region, and *Implementation of the Strategic Action Program for the Red Sea and Gulf of Aden*, participating countries have agreed to provide sufficient funding for the regional secretariats addressing their transboundary water concerns. Where regional conventions or secretariats are not in place, channeling funds through national recipients may be appropriate. Project design, however, often benefits from the incorporation of a truly regional component, and the proposed process for building this component should be clearly spelled out in project documents.

93. **Addressing root causes.** The threats to the global and regional environment often stem from unsustainable local development. It is, therefore, important to diagnose and address these root causes in order to improve the transboundary environmental conditions. Creating comprehensive financing packages that foster the accrual of national benefits to participating countries at the same time that transboundary issues are addressed is often important. This suggests the need to combine GEF support with projects by the Implementing Agencies or other donors addressing development issues in the context of national benefits. This has been the case, for example, in the *Lake Victoria Environmental Management Project* which combines a GEF grant with a matching concessional IDA loan financing in each country for productive activities with direct local and national benefits. This combination has had beneficial impacts on the perception of the project in the region.

94. **Monitoring and evaluation.** Effective M&E systems can provide transparency among participating countries and project components on the progress and results of the project. While the GEF may play a key role in starting such a system, the collection of M&E data should be internalized and taken over by the participating countries. The review suggested that multi-country project designs can benefit from the inclusion of indicators at three levels: (1) *process indicators* (focusing on the processes that are likely to lead towards a desirable outcome; an example would be completion of a SAP); (2) *stress reduction indicators* (concrete actions that will reduce the environmental stress on the shared ecosystem, such as installation of a sewage treatment system); and (3) *environmental status indicators* (actual improvement of ecosystem quality).

C. Land Degradation Linkages

95. As an input to the program studies in the three focal areas of biodiversity conservation, climate change, and international waters, a linkage study on land degradation was conducted in 2000 by a team

of consultants¹³, under the guidance of an inter-agency steering committee comprised of staff from the GEF Secretariat and the three Implementing Agencies.

96. The overall objective of the study was to identify whether and how land degradation linkages are being effectively pursued in the land degradation projects identified by the Implementing Agencies in their 1999 report to the Council¹⁴ and to assess how these interventions have contributed to achieving the objectives of the operational programs in the three focal areas. Specific objectives were to:

- (a) Identify land degradation activities supported by the GEF in its portfolio;
- (b) Identify results and initial impacts of land degradation interventions;
- (c) Document lessons learned; and
- (d) Provide recommendations on how land degradation issues should be addressed in the focal area studies mentioned above.

97. A total of 103 land degradation linkage projects were examined in a desk analysis. Thirty-five of these projects were subject to more detailed assessment and eight of these were chosen for specific review.

98. In general, the study shows that the land degradation component of projects is not as strong as projected and that the number of projects with a land degradation component in the GEF portfolio is not increasing. There are basic reasons which limit the focus on land degradation in some project types, but in others especially in climatic change and international waters projects there are considerable opportunities to expand the number and strength of land degradation linkage activities.

99. A more detailed review of strong land degradation linkage projects shows that an initial problem assessment, which incorporates land degradation as a critical element of the project and subsequent project design, is a crucial factor for a successful linkage. A strong people orientation and a focus on land use change and relevant policy or administrative issues were also important.

100. Recommendations include the development of new strategies for dealing with the land degradation component of the GEF portfolio, the continuance of an active interagency working group on this topic, and the composition of specific guidelines and criteria for land degradation linkage projects.

¹³ Dr. Leonard Berry, and Dr. Jennifer Olson

¹⁴ Relevant projects were identified in GEF/C.14/4, *An Action Plan for enhancing GEF Support in Land Degradation*, November 1999.

D. Developing Indicators for GEF Programs

1. *Biodiversity Indicators for Monitoring GEF Program Implementation and Impacts*

101. The GEF M&E Team commissioned a study on potential indicators to report in a variety of contexts on the extent and impact of GEF supported activities in the biodiversity focal area. The report¹⁵ was prepared by the World Conservation Monitoring Centre (WCMC) under the supervision of an interagency steering committee. It proposes a broad portfolio of candidate indicators for the biodiversity focal area. These indicators are structured along three main groups: (i) four types of indicators: coverage, impacts on pressures and behaviors affecting biodiversity, impacts on biodiversity status and trends, and context indicators; (ii) according to the theme addressed, given by the GEF OPs; and, (iii) whether the indicator reflects direct measures taken or results achieved to meet GEF objectives or reflects measures taken to influence the wider enabling environment such as political, economic and social conditions. The consultants concluded that the main problem with implementing such as program of indicators will be the acquiring and management of the necessary data. The proposed set of indicators and implementation plan will be reviewed after the completion of the biodiversity program study.

2. *Measuring Impacts from Climate Change Programs*

102. The exercise was initiated in 1999 to develop performance indicators for climate change programs of the GEF. The exercise was undertaken by an team of external consultants¹⁶ working under the guidance of an inter-agency Steering Committee, comprised of staff working on climate change issues from the GEF Secretariat and the three Implementing Agencies. The work was completed in September 2000 with the publication of *Measuring Results from Climate Change Programs: Performance Indicators for the GEF*¹⁷.

103. Performance indicators are measures, qualitative or quantitative, used to reflect progress towards achievement of objectives. The study began with a complete review of the GEF project portfolio and strategy documents and interviews with climate change specialists within and outside the GEF. It emphasized five major types of results from GEF climate change strategies:

- (a) Promote market transformation and technology transfer and diffusion through barrier removal;

¹⁵ Jenkins, M. and V. Kapos. *Biodiversity Indicators for Monitoring GEF Programme Implementation and Impacts*. World Conservation Monitoring Center, 2000. Available on GEF web site: <http://www.gefweb.org>

¹⁶ David Nichols, Tellus Institute; Eric Martinot (then with Tellus Institute); Keith Kozloff, Haigler-Bailly; Edward Vine, Lawrence Berkeley Laboratory.

¹⁷ Monitoring and Evaluation Working Paper 4. Global Environment Facility, Washington, DC, September 2000.

- (b) Build policymaker’s capacity to address challenges ranging from meaningful participation in the UNFCCC, to incorporating climate change objectives in economic policy, to reformulating specific regulatory tax, or economic policies;
- (c) Build business infrastructures by triggering additional development aid, public financing, or private investment, and by demonstrating the business viability of sustainable energy products and services;
- (d) Add to social reservoirs of both expert and community awareness and knowledge about climate change issues in general and sustainable energy technologies, in particular, and translate such awareness into active involvement of non-governmental and private sector groups in activities related to climate change; and
- (e) Demonstrate creative project approaches that promote climate-friendly economic growth, including impacts on improved quality of life, by bringing together mixes of government, business, community, and other stakeholders in ways that bridge gaps and cause change.

104. Drawing from the GEF project portfolio, the interviews, and indicators from other organizations, seven core program indicators were developed:

- (a) Energy production or savings and installed capacities;
- (b) Technology cost trajectories;
- (c) Business and supporting services development;
- (d) Financing availability and mechanisms;
- (e) Policy development;
- (f) Awareness and understanding of technologies;
- (g) Energy consumption, fuel-use patterns, and impacts on end-users.

105. The seven core indicators can be measured at three levels:

- (a) At the project level, indicators measure a project’s direct activities and outputs – the project-level results for which the Implementing Agencies are directly responsible. These are the types of indicators generally put forth in project evaluation and supervision reports by Implementing Agencies;
- (b) At the country level, indicators become “national profiles” showing national technology, market and policy trends for energy efficiency and/or renewable energy in a specific country. Linkages can be inferred between direct GEF project results and national trends to show areas of relevance and influence. Usually GEF projects are designed to influence national trends directly; in these cases, country-level indicators are an inherent

part of the monitoring and evaluation activities for individual projects performed by Implementing Agencies.

- (c) At the international level, the indicators show international trends and linkages. Linkages can be inferred between direct GEF interventions and international trends to show areas of relevance and influence (for example, international costs of solar thermal power plants or the number of countries with regulatory frameworks that support utility power purchases of wind, biomass, or mini-hydro generation), or to show how successful GEF-supported experiences in one country have contributed to market or policy development in other countries.

106. It is difficult to apply these seven indicators in the same way across the entire diversity of projects in the GEF climate change project portfolio. Rather, these seven generic program indicators are most usefully discussed in the context of specific clusters of projects.

107. A first application of these indicators are being attempted in the climate change program study, which is nearing completion.

CONCLUSIONS OF THE REVIEW

108. This final chapter of the report draws on the results of the PIR, including the focal area task force reviews and the interagency meeting, highlighting the cross-cutting conclusions arrived at.

A. Addressing Political, Institutional and Economic Risks in Projects

109. The PIR reports showed how GEF projects are susceptible to political, institutional and economic risks, which often results in temporary delays and sometimes disruptions. Projects will often achieve all intermediary objectives or direct deliverables, but may not reach the overall objectives due to the external circumstances. At the review meeting it was agreed that there is a need to identify how GEF projects could be rendered more robust against external as well as internal risks. There were discussions particularly related to World Bank projects where the Bank has made conscious efforts to tackle the problems of external risks.

110. It was agreed that, as a first step, it is important to identify more systematically the risks at the time of project design and to build in measures to reduce the vulnerability of the project against the risks. Secondly, it is essential to have good monitoring systems in place and to reassess the risk landscape constantly during project implementation. This is particularly important as not all risks can be envisioned at the time of project preparation.

111. It is necessary to be prepared to restructure projects so that they can better respond to changing conditions. This will require flexible procedures and an iterative approach to project management (adaptive management approach). Canceling a project should be the last resort when the costs of continuing the project clearly exceed the potential benefits. The choice between restructuring

and canceling a project depends partly on the phase in which it is in the project cycle. However, efforts should normally be made to restructure or extend the closing date of even older projects if there is a possibility that this will result in the project reaching its objectives.

112. The PIR process included a discussion on the acceptable risk level and whether GEF projects that are intended to be innovative are inherently more risky than regular projects of the Implementing Agencies. It was recognized that, especially in the case of biodiversity where loss is permanent, taking a higher risk of failure could be justified. At least a low level of GEF presence should be maintained even if full project implementation becomes impossible due to external circumstances (an example of this would be the security situation in Congo).

113. It is suggested that GEF should study case material on conflict management in natural resource utilization, particularly in the context of policy and regulatory reform, legislation and enforcement affecting project implementation.

114. Effective supervision is vital for flexible management of projects. As GEF projects are mainstreamed into the Implementing Agencies' regular programs, full systems available at the agencies should be used to detect and monitor a full range of risks, including those political and macroeconomic conditions that are beyond the control of the project. For example, in the World Bank supervision system issues of a macroeconomic and political nature are monitored at country level, and countries with serious risks are monitored at the Vice Presidential level. It is also essential to maintain incentives in the Implementing Agencies that encourage task managers and field personnel to report accurately on projects and alert the management when problems arise and restructuring is needed. Institutionalized systems, such as the Quality of Supervision Reviews at the World Bank, are seen as very useful.

B. Promoting Demonstration and Replication Effects

115. GEF's catalytic role is central to the Operational Strategy. As part of the project review criteria, replicability needs to be fully addressed in every GEF project. The issues related to demonstration and replication effects arose in all focal areas in the 2000 PIR but the conclusions were somewhat dissimilar in all. The questions were: How to promote replication in each of the focal areas at program and project levels? How to mobilize all actors, including the private sector? Is dissemination of information and best practices enough?

116. The answer to the last question is clear: General dissemination of information on projects and best practices is not enough to ascertain replication. GEF must target its dissemination activities in a much clearer manner taking into account the characteristics and needs of different target groups. Especially at the policy-maker level there is still far too little knowledge about GEF.

BOX 3: INDONESIA SOLAR HOME SYSTEMS (SHS) PROJECT AND NON-PROJECT RISKS

The political and economic crisis in Indonesia, and the consequent impact on the GEF Solar Home Systems Project, provides useful lessons for project design and the importance of non-project risks for GEF projects.

The fundamental problem for the Indonesia SHS project was that its primary objective was to enhance the development of the market for solar PV. Specifically, the project encouraged market development through:

- (a) The expansion of credit sales as a means of expanding affordability and consumer sales;
- (b) The involvement of local banks in the market by providing credit to companies selling SHS and directly to consumers for purchases;
- (c) The improvement and standardization of solar PV technology, and after-sales service.

Shortly after the project became effective in October 1997, the price of the project standard SHS (50Wp) rose from 1 million Rupiah to 3.5 million. Interest rates from local bank loans rose to 50 percent or more, followed by a bank liquidity crisis which resulted in a suspension of lending altogether. Civil unrest in many areas disrupted and reduced the level of commercial activities. Not surprisingly, the market for SHS in Indonesia collapsed, despite the underlying demand for rural household energy and the fact that SHS remained a least-cost option in many areas.

Flexibility in project design is essential for reducing or averting non-project risks and allowing scope to adjust to market changes, and has been beneficial to the GEF portfolio and the Indonesian project. In the case of the Indonesia SHS, initial restructuring allowed for cash sales as credit markets collapsed. Later, the target for system sales was reduced, grants were changed from a per system basis to a capacity basis to encourage the sale of smaller, less costly, systems, and the time frame for implementation was lengthened to accommodate the pace of economic recovery in Indonesia. Over the past year, the economic situation in Indonesia has improved, with local bank loan rates in the 18-19 percent range, and SHS prices stabilized at around \$300 equivalent for a 40 Wp system.

Implementation of "Market transformation" approaches for renewables or other technologies will always be affected by changes in the broader business environment. Certain risks, such as client capacity, or policy and regulatory reform, can be assessed during project preparation and the project design modified accordingly to reduce risks. However, "country" or "macro-economic management" risks can not be eliminated, and implementation of a market based approach will always be set back by a broad collapse of markets in a country. The GEF should be in the business of promoting market-based solutions in all of its programs, and in most instances (including in countries with weak product and capital markets) this is an appropriate guiding principle.

117. There is scope for significant horizontal exchange of information and lessons amongst projects and across Implementing Agencies. This should be encouraged. The UNDP-led process in international waters, including *IW:LEARN* and the First GEF International Waters Conference held in Budapest in October 2000, can be highlighted as a promising example of this type of mutual learning. It is recommended that similar types of projects that aim for horizontal exchange could be promoted in other focal areas as well. A suitable modality for this could be the medium-sized projects. It also

seems that regional networks are not sufficiently exploited. It is noted that UNEP has a specific mandate to draw lessons at a global scale.

118. It is also suggested that pilot sites, especially in biodiversity and international waters projects, could be more systematically promoted as demonstration sites to encourage information dissemination and replication.

119. A distinction should be drawn between cases depending on who would be in charge of replication and under which conditions. If replication is to be done by non-GEF actors, demonstration and information dissemination is often not enough. There is frequently a need for knowledge transfer, training and capacity development to enable replication by countries and NGOs.

120. The challenges vary amongst the focal areas. In biodiversity, adaptation of processes and approaches appears more feasible than straightforward replication. GEF can act as a catalyst to change attitudes, establish new policies and guidelines, improve the access to information and participation of stakeholders, and to share information and best practices. In climate change the role of markets is more pronounced. There is, nevertheless, a need to distinguish between situations which still require concessional financing and those where barrier removal alone can promote replication. It is, however, emphasized that economic incentives should be better utilized to promote adoption of conservation practices and replication also in biodiversity. In international waters, the barriers to replication are often at policy and institutional level. It is important for countries sharing a common resource to agree upon and commit to a shared vision on its development and protection.

APPENDIX A

BIODIVERSITY PROJECTS IN PROJECT IMPLEMENTATION REVIEW 2000

Country	Region	IA	Project Title	OP	Type	Work Program	Effective Date	GEF funding (US\$ mil.)	Status	IP-00	GO-00	Overall-00	Disbursed as of 6/30/00	% disbursed
Bhutan	A&P	UNDP	Integrated Management of Jigme Dorji National Park	4	FP	Oct-96	Aug-97	\$1.50	PIR 2000 Active	HS	S	HS	\$ 0.69	46%
Mongolia	A&P	UNDP	Biodiversity Conservation and Sustainable Livelihood Options in the Grasslands of Eastern Mongolia	1	FP	Dec-97	Nov-98	\$5.16	PIR 2000 Active	S	S	S	No info	N/A
Pakistan	A&P	UNDP	Mountain Areas Conservancy Project	4	FP	Oct-98	Jun-99	\$10.60	PIR 2000 Active New	Not Rated	Not Rated	Not Rated	\$ 0.40	4%
Regional	A&P	UNDP	South Pacific Biodiversity Conservation Programme	2	FP	Jan-92	Apr-93	\$10.00	PIR 2000 Active	S	S	S	\$ 1.06	11%
Sri Lanka	A&P	UNDP	Wildlife Conservation and Protected Area Management	2	FP	Nov-91	May-92	\$4.10	PIR 2000 Active	HS	HS	HS	No info	N/A
Viet Nam	A&P	UNDP	Protected Areas for resource conservation (PARC)	3	FP	Oct-95	Nov-98	\$6.04	PIR 2000 Active New	S	S	S	No info	N/A
Burkina Faso	Africa	UNDP	Optimizing Biological Diversity within Wildlife Ranching Systems: a Pilot Demonstration in a Semi-arid Zone	1	FP	Dec-92	Jul-94	\$2.50	PIR 2000 Active	Not Rated	Not Rated	Not Rated	No info	N/A
CAF	Africa	UNDP	A highly decentralized approach to biodiversity protection and use: the Bangassou Dense Forest	3	FP	May-95	Mar-98	\$2.50	PIR 2000 Active	S	S	S	No info	N/A
Comoros	Africa	UNDP	Island Biodiversity and Participatory Conservation in the Federal Islamic Republic of Comoros	3	FP	Oct-95	Nov-97	\$ 2.44	PIR 2000 Active	HS	S	HS	\$ 0.86	35%
Eritrea	Africa	UNDP	Conservation Management of Eritrea's Coastal, marine & island biodiversity	2	FP	Apr-97	Aug-98	\$5.39	PIR 2000 Active New	U	S	U	\$ 0.37	7%

Country	Region	IA	Project Title	OP	Type	Work Program	Effective Date	GEF funding (US\$ mil.)	Status	IP-00	GO-00	Overall-00	Disbursed as of 6/30/00	% disbursed
Ethiopia	Africa	UNDP	A dynamic farmer-based approach to the conservation of African plant genetic resources	3	FP	Dec-92	Sep-94	\$2.46	PIR 2000 Active	S	S	S	\$ 0.53	21%
Ivory Coast	Africa	UNDP	Control of exotic aquatic weeds in rivers and coastal lagoons to enhance and restore biodiversity	2	FP	Dec-92	Dec-95	\$3.00	PIR 2000 Active	S	S	S	\$ 1.21	40%
Lesotho	Africa	UNDP	Conserving mountain BD	4	FP	Nov-97	May-99	\$2.51	PIR 2000 Active New	S	U	U	\$ 0.31	12%
Regional	Africa	UNDP	Inventory, Evaluation and Monitoring of Botanical Diversity in Southern Africa: A Regional Capacity and Institution Building Network (SABONET)	ST	FP	Feb-96	Oct-97	\$4.73	PIR 2000 Active	S	S	S	\$ 1.68	35%
Regional	Africa	UNDP	Reducing Biodiversity Loss at Cross-Border Sites in East Africa	4	FP	Mar-97	Mar-98	\$12.90	PIR 2000 Active	S	S	S	\$ 1.04	8%
Regional	Africa	UNDP	African NGO-Government Partnership for Sustainable Biodiversity Action (Birdlife)	ST	FP	May-97	May-98	\$4.52	PIR 2000 Active	S	S	S	\$ 1.80	40%
Regional	Africa	UNDP	Conservation Priority-Setting for the Upper Guinea Forest Ecosystems, West Africa	3	MSP	May-98	Sep-98	\$ 0.74	PIR 2000 Active	HS	HS	HS	No info	N/A
Jordan	ASME	UNDP	Final Consolidation and Conservation of Azraq Wetlands and Dana Wildlands by RSCN to Address New Pressures	1	FP	Oct-96	Apr-97	\$1.95	PIR 2000 Active	HS	HS	HS	\$ 1.97	101%
Lebanon	ASME	UNDP	Strengthening of National Capacity and Grassroots In-Situ Conservation for Sustainable Biodiversity Protection	4	FP	May-95	Feb-96	\$ 2.53	PIR 2000 Active	S	S	S	\$ 1.80	71%
Regional	ASME	UNDP	Conservation and Sustainable Use of Dryland Agro-Biodiversity of the Fertile Crescent	1	FP	Nov-97	Mar-99	\$ 8.18	PIR 2000 Active New	S	S	S	No info	N/A
Yemen	ASME	UNDP	Conservation and Sustainable Use of the Biodiversity of Socotra Archipelago	2	FP	Oct-96	May-97	\$ 4.97	PIR 2000 Active	HS	HS	HS	No info	N/A

Country	Region	IA	Project Title	OP	Type	Work Program	Effective Date	GEF funding (US\$ mil.)	Status	IP-00	GO-00	Overall-00	Disbursed as of 6/30/00	% disbursed
Belize	LAC	UNDP	Conservation And Sustainable Use of the Barrier Reef Complex	2	FP	Oct-98	Apr-99	\$ 5.36	PIR 2000 Active New	S	S	S	\$ 0.54	10%
Belize	LAC	UNDP	Creating a Co-Managed Protected Areas System in Belize	3	MSP	Nov-98	Apr-99	\$ 0.75	PIR 2000 Active New	S	S	S	No info	N/A
Guatemala	LAC	UNDP	Integrated Biodiversity Protection in the Sarstun-Motagua Region (RECOSMO)	3	FP	Feb-95	Apr-97	\$4.00	PIR 2000 Active	S	S	S	No info	N/A
Panama	LAC	UNDP	Biodiversity Conservation in the Darien Region	3	FP	Jan-92	May-94	\$ 3.00	PIR 2000 Active	HS	HS	HS	\$ 2.07	69%
Regional	LAC	UNDP	Conservation of Biodiversity in the Lake Titicaca Basin	2	FP	Feb-95	Dec-98	\$3.11	PIR 2000 Active New	U	Not Rated	Not Rated	No info	N/A
Uruguay	LAC	UNDP	Consolidation of the Banados del Este Biosphere Reserve	2	FP	Apr-97	Sep-97	\$ 2.50	PIR 2000 Active	HS	HS	HS	\$ 2.16	87%
Global	Global	UNDP/UNEP	Biodiversity Planning Support Programme	EA	EA	Jul-98	Apr-99	\$3.43	PIR 2000 Active New	S	S	S	\$ 0.53	15%
China	A&P	UNEP	Lop Nur Nature Sanctuary Biodiversity Conservation	1	MSP	Jan-99	Mar-99	\$ 0.75	PIR 2000 Active New	S	S	S	\$ 0.05	7%
Regional	A&P	UNEP	Emergency Response to Combat Forest Fires in Indonesia	Multi	MSP	Jun-98	Jul-98	\$ 0.75	PIR 2000 Active New	S	HS	HS	\$ 0.42	56%
Mauritania	Africa	UNEP	Rescue Plan for the Cap Blanc Colony of the Mediterranean Monk Seal	ST	MSP	Aug-97	Nov-97	\$ 0.15	PIR 2000 Completed	S	HS	HS	\$ 0.15	100%
Global	Global	UNEP	Biodiversity Country Studies-Phase I	EA	EA	Dec-91	Mar-92	\$ 5.00	PIR 2000 Completed	S	HS	HS	\$ 4.62	92%
Global	Global	UNEP	Global Biodiversity Assessment	ST/PP	FP	Dec-92	May-93	\$ 3.30	PIR 2000 Completed	S	HS	HS	\$ 3.12	95%
Global	Global	UNEP	Biodiversity Country Studies-Phase II	EA	EA	Dec-92	Jun-94	\$ 2.00	PIR 2000 Completed	S	HS	HS	\$ 1.96	98%
Global	Global	UNEP	People, Land Management, & Environmental Change (PLEC)	ST	FP	May-97	Mar-98	\$ 6.28	PIR 2000 Active	HS	HS	HS	\$ 2.13	34%

Country	Region	IA	Project Title	OP	Type	Work Program	Effective Date	GEF funding (US\$ mil.)	Status	IP-00	GO-00	Overall-00	Disbursed as of 6/30/00	% disbursed
Global	Global	UNEP	Pilot Biosafety Enabling Activity Project	EA	EA	Dec-97	Mar-98	\$ 2.74	PIR 2000 Completed	S	HS	HS	\$ 1.88	69%
Global	Global	UNEP	Development of Best Practices and Dissemination of Lessons Learned for Dealing with the Global Problem of Alien Species that Threaten Biological Diversity	2	MSP	Jan-98	May-98	\$ 0.75	PIR 2000 Active New	HS	HS	HS	\$ 0.49	65%
Global	Global	UNEP	Global Biodiversity Forum Phase II	ST	MSP	Feb-98	Apr-98	\$ 0.75	PIR 2000 Active	S	S	S	\$ 0.44	59%
Argentina	LAC	WB	Biodiversity Conservation	ST	FP	May-97	29-May-98	\$ 10.39	PIR 2000 Active	S	S	S	\$ 0.76	7%
Belize	LAC	WB	Northern Belize Biological Corridors Consolidation and Maintenance (MSP)	3	MSP	Nov-98	16-Apr-99	\$ 0.77	PIR 2000 Active New	S	S	S	\$ 0.27	34%
Brazil	LAC	WB	National Biodiversity Project (PROBIO)	ST/PP	FP	May-91	05-Dec-96	\$ 10.00	PIR 2000 Active	S	S	S	\$ 2.45	24%
Brazil	LAC	WB	Brazilian Biodiversity Fund (FUNBIO)	ST/PP	FP	May-91	05-Sep-96	\$ 20.00	PIR 2000 Active	S	S	S	\$ 6.95	35%
Cameroon	Africa	WB	Biodiversity Conservation and Management	3	FP	May-93	22-Dec-95	\$5.96	PIR 2000 Active	S	S	S	\$ 2.90	49%
China	A&P	WB	Nature Reserves Management	3	FP	Feb-95	28-Aug-95	\$17.80	PIR 2000 Active	S	S	S	\$ 10.63	60%
Congo	Africa	WB	Wildlands Protection and Management	3	FP	May-91	13-Oct-93	\$10.00	PIR 2000 Completed	S	S	S	\$ 6.73	67%
Costa Rica	LAC	WB	Biodiversity Resources Development	3	FP	May-97	14-Jul-98	\$7.28	PIR 2000 Active New	HS	HS	HS	\$ 1.70	23%
Ecuador	LAC	WB	Biodiversity Protection	3	FP	Apr-92	25-Jul-94	\$ 7.20	PIR 2000 Completed	S	S	S	\$ 5.20	72%
Ecuador	LAC	WB	Monitoring System for the Galapagos Islands (MSP)	2	MSP	Nov-98	12-Feb-99	\$ 0.94	PIR 2000 Active New	S	S	S	\$ 0.33	35%
Ecuador	LAC	WB	Wetland Priorities for Conservation Action (MSP)	2	MSP	Mar-99	26-Apr-99	\$ 0.74	PIR 2000 Active New	S	S	S	\$ 0.25	34%

Country	Region	IA	Project Title	OP	Type	Work Program	Effective Date	GEF funding (US\$ mil.)	Status	IP-00	GO-00	Overall-00	Disbursed as of 6/30/00	% disbursed
Egypt	Arab States	WB	Red Sea Coastal and Marine Resource Management	2	FP	Apr-92	30-Dec-94	\$ 4.75	PIR 2000 Active	S	S	S	\$ 2.32	49%
El Salvador	LAC	WB	Promotion of Biodiversity Conservation within Coffee Landscapes (MSP)	3	MSP	May-98	17-Jul-99	\$ 0.75	PIR 2000 Active New	S	S	S	\$ 0.61	81%
Georgia	E&CA	WB	Integrated Coastal Zone Management	2	FP	Jul-98	21-May-99	\$ 1.30	PIR 2000 Active New	S	S	S	\$ 0.29	22%
Ghana	Africa	WB	Coastal Wetlands Management	2	FP	Dec-91	12-Mar-93	\$ 7.20	PIR 2000 Completed	U	S	U	\$ 4.35	60%
Ghana	Africa	WB	Natural Resource Management	3	FP	Nov-97	01-Dec-98	\$ 8.93	PIR 2000 Active New	U	U	U	No info	N/A
Honduras	LAC	WB/UNDP	Biodiversity Conservation in Priority Protected Areas	3	FP	May-97	20-Aug-98	\$ 7.30	PIR 2000 Active	S	S	S	\$ 0.91	13%
India	A&P	WB	Ecodevelopment	3	FP	May-95	27-Dec-96	\$20.21	PIR 2000 Active	U	S	U	\$ 5.17	26%
Indonesia	A&P	WB	Biodiversity Collections	3	FP	Apr-92	25-Jul-94	\$7.20	PIR 2000 Active	S	HS	HS	\$ 4.89	68%
Indonesia	A&P	WB	Kerinci Seblat Integrated Conservation and Development	3	FP	May-95	14-Aug-96	\$14.40	PIR 2000 Active	S	S	S	\$ 3.81	26%
Indonesia	A&P	WB	Coral Reef Rehabilitation and Management Project (COREMAP)	2	FP	May-97	30-Jun-98	\$12.28	PIR 2000 Active	U	U	U	\$ 1.33	11%
Kenya	Africa	WB	Tana River National Primate Reserve	1	FP	May-91	01-Jul-97	\$ 6.20	PIR 2000 Active	U	U	U	\$ 0.54	9%
Lao PDR	A&P	WB	Wildlife and Protected Areas Conservation	3	FP	May-91	10-Jan-95	\$ 5.00	PIR 2000 Active	U	U	U	\$ 2.07	41%
Madagascar	Africa	WB/UNDP	Environment Program Support II	3	FP	Oct-96	12-Jun-97	\$ 21.30	PIR 2000 Active	S	S	S	\$ 14.78	69%
Mauritius	Africa	WB	Biodiversity Restoration	3	FP	May-95	21-Feb-96	\$ 1.20	PIR 2000 Active	S	HS	HS	\$ 0.75	63%
Mexico	LAC	WB	Protected Areas Program (FANP)	ST/PP	FP	May-91	09-Jul-97	\$25.00	PIR 2000 Active New	Not Rated	Not Rated	Not Rated	No info	N/A

Country	Region	IA	Project Title	OP	Type	Work Program	Effective Date	GEF funding (US\$ mil.)	Status	IP-00	GO-00	Overall-00	Disbursed as of 6/30/00	% disbursed
Mozambique	Africa	WB	Transfrontier Conservation Areas Pilot and Institutional Strengthening	ST/PP	FP	Dec-92	21-May-97	\$5.00	PIR 2000 Active	S	S	S	\$ 2.18	44%
Nicaragua	LAC	WB	Atlantic Biological Corridor	3	FP	Oct-96	20-Oct-98	\$ 7.43	PIR 2000 Active New	S	HS	HS	\$ 1.10	15%
Panama	LAC	WB	Atlantic Mesoamerican Biological Corridor	3	FP	May-97	20-Nov-98	\$ 8.60	PIR 2000 Active New	S	S	S	\$ 0.98	11%
Peru	LAC	WB	National Trust Fund for Protected Areas	3	FP	Dec-91	06-Sep-95	\$ 5.00	PIR 2000 Completed	S	S	S	\$ 3.50	70%
Philippines	A&P	WB	Conservation of Priority Protected Areas	ST/PP	FP	May-91	14-Oct-94	\$20.00	PIR 2000 Active	S	S	S	\$ 6.15	31%
Regional	Africa	WB	West Africa Pilot Community-Based Natural Resource and Wildlife Management (GEPRENAF)	1	FP	Dec-92	06-May-96	\$ 7.00	PIR 2000 Active	U	S	U	\$ 2.26	32%
Regional	Africa	WB	Lake Malawi	2	FP	Dec-91	31-Jul-95	\$ 5.00	PIR 2000 Completed	S	S	S	\$ 3.50	70%
Regional	Africa	WB	Central Africa region: Regional Environment Information Management Project (REIMP)	3	FP	May-97	21-Apr-98	\$ 4.35	PIR 2000 Active New	S	S	S	\$ -	0%
Regional (Latin America)	LAC	WB	Terra Capital Biodiversity Fund	ST	FP	Oct-95	27-Oct-98	\$ 5.00	PIR 2000 Active New	S	S	S	\$ 0.78	16%

Romania	E&CA	WB	Danube Delta Biodiversity	2	FP	Apr-92	06-Feb-95	\$ 4.50	PIR 2000 Completed	S	S	S	\$ 2.99	66%
Russian Federation	E&CA	WB	Biodiversity Conservation	3	FP	Nov-94	27-Nov-96	\$20.10	PIR 2000 Active	S	S	S	\$ 6.94	35%
Seychelles	Africa	WB	Management of Avian Ecosystems (MSP)	2	FP	Jun-98	30-Sep-98	\$ 0.74	PIR 2000 Active New	HS	HS	HS	\$ 0.29	39%
South Africa	Africa	WB	Cape Peninsula Biodiversity	3	FP	Nov-97	01-Jun-98	\$12.40	PIR 2000 Active	S	S	S	\$ 8.09	65%
Sri Lanka	A&P	WB	Conservation and Sustainable Use of Medicinal Plants	3	FP	May-97	08-May-98	\$ 5.42	PIR 2000 Active	S	S	S	\$ 1.04	19%
Uganda	Africa	WB	Bwindi Impenetrable National Park & Mgahinga Gorilla National Park Conservation	4	FP	May-91	12-Jul-95	\$ 4.00	PIR 2000 Active	HS	HS	HS	\$ 2.90	73%
Uganda	Africa	WB	Protected Areas Management and Sustainable Use (ICB-PAMSU)	1	FP	May-97	25-Mar-99	\$ 10.29	PIR 2000 Active New	S	S	S	\$ 4.74	46%
Uganda	Africa	WB	Kibale Forest Wild Coffee Project (MSP)	3	MSP	Dec-98	23-Feb-99	\$ 0.75	PIR 2000 Active New	HS	HS	HS	\$ -	0%
Venezuela	LAC	WB	Conservation & Sustainable Use of the Llanos Ecoregion (MSP)	2	FP	Jun-99	21-Jun-99	\$ 0.96	PIR 2000 Active New	S	S	S	\$ 0.34	35%
Zimbabwe	Africa	WB	Park Rehabilitation and Conservation	1	FP	Apr-92	15-Mar-99	\$ 4.80	PIR 2000 Active New	S	S	S	\$ 2.93	61%

CLIMATE CHANGE PROJECTS IN PROJECT IMPLEMENTATION REVIEW 2000

N0	Country	Region	IA	Project	OP	Date of Work program Entry	Date of approval by IA	Date of project start
1	Argentina	LAC	World Bank/IFC	Argentina Efficient Streetlighting Project	5		Nov-98	Feb-99
2	Brazil	LAC	UNDP	Biomass Power Generation: Sugar Cane Bagasse and Trash	7	Apr-96	Mar-97	Jun-97
3	Bulgaria	ECA	UNDP	Energy Efficiency Strategy to Mitigate GHG Emissions	5	Oct-96	Oct-96	May-98
4	Chile	LAC	UNDP	Reduction of Greenhouse Gases	5	Dec-92	Jun-95	Jun-95
5	China	EAP	UNDP	Capacity Building for the Rapid Commercialization of Renewable Energy	6	Apr-97		Feb-99
6	China	EAP	World Bank	Efficient Industrial Boilers	5	Apr-96	Dec-96	Feb-97
7	China	EAP	UNDP	Energy Conservation and GHG Emissions Reduction in Township and Village Enterprise Industries in China - Phase I	5	Feb-95		Dec-97
8	China	EAP	World Bank	Energy Conservation Project	5		Mar-98	Dec-98
9	China	EAP	UNDP	Promoting Methane Recovery and Utilization from Mixed Municipal Waste	STRM	Apr-96		May-97
10	China	EAP	World Bank	Sichuan Gas Development & Conservation	STRM	Apr-92	Jan-94	Sep-94
11	Costa Rica	LAC	World Bank	Tejona Wind Power	6	Dec-92	Dec-93	Nov-95
12	Cote d'Ivoire	AFR	World Bank	Energy Efficiency Service Market	5	Jul-98	Jan-99	Jun-99
13	Czech Republic	ECA	World Bank	Kyjov Waste	STRM		Aug-98	Nov-98

N0	Country	Region	IA	Project	OP	Date of Work program Entry	Date of approval by IA	Date of project start
14	Czech Republic	ECA	UNDP	Low Cost/Low Energy Buildings in the Czech Republic	5	Jul-98		Jan-99
15	Egypt	MNA	UNDP	Energy Efficiency Improvement & Greenhouse Gas Reduction Project	5	Oct-96		Aug-98
16	Ghana	AFR	UNDP	Renewable Energy-Based Electricity for Rural, Social and Economic Development	6	Aug-96		Jun-98
17	Global	Global	UNDP	Climate Change Training Phase II (CC TRAIN)	EA	May-95	Mar-96	Mar-96
18	Global	Global	UNEP	Economics of GHG Limitations	EA	Feb-95	Mar-96	
19	Global	Global	UNDP	Global Alternatives to Slash and Burn Agriculture Phase II	STRM	May-95	Jun-96	Jun-96
20	Global	Global	UNDP	Global Change System for Analysis, Research and Training (START)	STRM	May-92	May-93	May-93
21	Global	Global	UNDP	Monitoring of Greenhouse gases	STRM	May-91	Oct-92	Oct-92
22	Global	Global	UNDP	National Communications Support Program on Climate Change	EA			Aug-98
23	Global	Global	World Bank/IFC	Photovoltaic Market Transformation Initiative	6		Jun-98	Jul-98
24	Global	Global	UNDP	Research Programme on Methane Emissions from Rice Fields	STRM	May-91	Jan-92	Jan-93
25	Global	Global	World Bank/IFC	Small and Medium Enterprises Program 1 and 2	multi	Oct-96	May-97	Aug-97
26	Hungary	ECA	World Bank/IFC	Energy Efficiency Co-Financing Program	5	Apr-96	Sep-96	Feb-97

N0	Country	Region	IA	Project	OP	Date of Work program Entry	Date of approval by IA	Date of project start
27	India	SAS	UNDP	Coalbed Methane Recovery and Commercial Utilization	6			May-98
28	India	SAS	UNDP	Cost-effective options for limiting greenhouse gas emissions (Selected Options for Stabilizing GHG Emissions for Sustainable Development.	EA	May-93		Jun-98
29	India	SAS	UNDP	Development of High Rate Biomethanation Processes as Means of Reducing Greenhouse Gas Emissions	6	May-92	Jan-94	Mar-94
30	India	SAS	UNDP	Optimizing Development of Small Hydel Resources in Hilly Areas	6	Dec-91	Jan-94	Mar-94
31	India	SAS	World Bank	Renewable Resources Management Project (Alternate Energy)	6	Dec-91	Dec-92	Apr-93
32	Indonesia	EAP	World Bank	Solar Home Systems	6	Oct-95	Jan-97	Oct-97
33	Jamaica	LAC	World Bank	Demand Side Management Demonstration	5	May-93	Mar-94	Aug-94
34	Jordan	MNA	UNDP	Reduction of Methane Emissions and Utilization of Municipal Waste for Energy in Amman	6	Apr-96	Apr-96	Aug-97
35	Lao PDR	EAP	World Bank	Southern Provinces Rural Electrification Project	6			Feb-98
36	Latvia	ECA	World Bank	Solid Waste Management	6		Feb-98	Jul-98
37	Lithuania	ECA	World Bank	Klaipeda Geothermal Demonstration	6	May-95	May-96	Oct-96
38	Mali	AFR	World Bank	Household Energy Project	6	Dec-92	Jun-95	Oct-95
39	Pakistan	SAS	UNDP	Fuel Efficiency in the Road Transport Sector	5	May-92	Jul-95	May-96

N0	Country	Region	IA	Project	OP	Date of Work program Entry	Date of approval by IA	Date of project start
40	Palestinian Authority and Egypt	MN A	UNDP	Energy Efficiency Improvement & Greenhouse Gas Reduction	5	May-97		Jul-98
41	Peru	LAC	UNDP	Photovoltaic-based Rural Electrification in Peru	6	Apr-98		Apr-99
42	Philippines	EAP	World Bank	Leyte Luzon Geothermal Project	6	May-91	Jun-94	Mar-95
43	Poland	ECA	World Bank	Coal to Gas Conversion	STRM	Dec-91	Nov-94	Jun-95
44	Poland	ECA	World Bank/IFC	Efficient Lighting Project	5	Dec-94	May-95	Aug-95
45	Regional	MN A	UNDP	Building Capacity in the Maghreb to respond to the Challenges and Opportunities created by National Response to the Framework Convention on Climate Change.	EA	May-93	Sep-94	Dec-94
46	Regional	LAC	World Bank	CARICOM: Planning for Adaptation to Climate Change	EA	May-95	Mar-97	Apr-97
47	Regional	AFR	UNDP	Control of greenhouse gas emissions through energy efficient building technology in West Africa (Cote d'Ivoire, Senegal)	5	Dec-92	Dec-94	Feb-95
48	Regional	EAP	UNEP	Emergency Response to Combat Forest Fires in Indonesia to prevent Haze in South East Asia	STRM			
49	Romania	ECA	UNDP	Capacity Building for GHG Emission Reduction through Energy Efficiency Improvement	5			Dec-98
50	Russian Federation	ECA	UNDP	Capacity Building to Reduce Key Barriers to Energy Efficiency in Russian Residential Buildings and Heat Supply	5	Oct-96	Oct-96	Feb-98

N0	Country	Region	IA	Project	OP	Date of Work program Entry	Date of approval by IA	Date of project start
51	Senegal	AFR	World Bank	Sustainable Participatory Energy Management	STRM	Apr-96	Jun-97	Dec-97
52	Sri Lanka	SAS	World Bank	Energy Services Delivery	6	Apr-96	Mar-97	Jul-97
53	Sri Lanka	SAS	UNDP	Renewable Energy and Energy Capacity Building	6	Apr-96		Jan-98
54	Sudan	AFR	UNDP	Community Based Rangeland Rehabilitation for Carbon Sequestration and Biodiversity	STRM	Dec-92	Aug-94	Oct-94
55	Syria	MN A	UNDP	Supply-side Efficiency and Energy Conservation and Planning.	5	Oct-96		Nov-98
56	Thailand	EAP	World Bank	Promotion of Electricity Energy Efficiency	5	Dec-91	Apr-93	Nov-93
57	Tunisia	MN A	UNDP	Barrier Removal to Encourage & Secure Implementation of Standards and Labeling of Cold Appliances and Transformation of the Cold Appliance Market	5	Feb-99		Apr-99
58	Tunisia	MN A	World Bank	Solar Water Heating	6	May-93	Nov-94	May-95
59	Uganda	AFR	UNDP	Photovoltaic pilot project for rural electrification	6	Oct-95		Nov-97

INTERNATIONAL WATERS PROJECTS IN PROJECT IMPLEMENTATION REVIEW 2000

Project	Focal Area	OP	GEF Funding (US\$ mil)	Total Project Cost (US\$ mil)	Date of Work program Entry	Date of Approval by IA	Date of Project Start
Egypt: Lake Manzala Engineered Wetlands	International Waters	8	4.5	4.5	Dec-92	Jun-97	
Global International Waters Assessment (GIWA)	International Waters	10	6.79	6.79	Nov-97	Mar-99	Mar-99
World Water Vision - Water and Nature	International Waters	10	0.7	13.845	Apr-99	Apr-99	Jun-99
Pollution Control and Other Measures to Protect Biodiversity in Lake Tanganyika	International Waters	8	10	10	Dec-91	Feb-95	
Black Sea II	International Waters	8	1.79	8.745	Apr-97	Sep-97	
Addressing Transboundary Environmental Issues in the Caspian Environment Program	International Waters	8	8.34	18.317	Oct-98	Apr-99	
Implementation of the Strategic Action Program for the Red Sea and Gulf of Aden	International Waters	9	19.34	44.99	Nov-97	Jan-99	
Strategic Action Programme for the Binational Basin of the Bermejo River	International Waters	9	3.221	5.956	Nov-96	Mar-97	Apr-97
Western Indian Ocean Oil Spill Contingency Planning	International Waters	10	3.16	4.29	Mar-98	Dec-98	Mar-99
Water and Environmental Management of the Aral Sea Basin	International Waters	9	12	71.5	May-97	Jun-98	Sep-98
Lake Ohrid Management	International Waters	8	4.28	4.28	Dec-95	Jun-98	Dec-98
Oil Pollution Management Project for the Southwest Mediterranean Sea	International Waters	10	18.26	20	Apr-92	Apr-94	May-94
Lake Victoria Environmental Management Project	International Waters	8	77.6	35	Apr-96	Jul-96	Mar-97
Caribbean: Ship-Generated Waste Management	International Waters	10	12.5	50.5	Dec-92	May-95	Nov-96
Gulf of Aqaba Environmental Action Plan	International Waters	8	2.7	12.673	Oct-95	Jun-96	Jun-96

APPENDIX B

GUIDELINES FOR FY 2000 GEF PROJECT IMPLEMENTATION REVIEW (PIR)

1. The 2000 PIR Process and Schedule

The 2000 GEF PIR process will, as in 1999, involve: (1) internal portfolio reviews by the IAs that will be submitted to the GEF M&E Team (2) reviews of the PIR reports by GEF focal area task forces in their respective portfolios, and (3) a one-day interagency review meeting.

- (1) The internal IA project implementation reviews for 2000 will be conducted between July and September, 2000. IA reports to GEF M&E team will be submitted no later than September 25, 2000. The agencies will submit (or make available on electronic databases)
 - individual project reports
 - an overview of agency experience
 - summary tables with project data
- (2) Once the IA reports are received by GEF M&E team, they will be distributed to program managers within GEFSEC and IA members of the four GEF focal area task forces. Each focal area task force will schedule a review meeting of their respective portfolios during early to mid-November, 2000. These reviews will focus on trends identified in the project reports, program and project cycle issues. The task force reviews will also draw on other material like the agency overviews and conclusions of earlier studies)
- (3) Based on the task force reviews, an interagency meeting will be held in Washington the week of December 4, 2000.

2. Individual Project Reports

Reports will be submitted on all full and medium-sized (but not pre-investment or individual country enabling activities) GEF projects which began implementation on or before June 30, 1999 and were in implementation during FY 2000, or for which the Implementation Completion Report was prepared during that year. The reports should comprise:

- 2.1. Project Name, Country and GEF Operational Program/EA/STRM
- 2.2. Brief Project Description

A brief description (50-100 words) —in simple and direct language—of the project, what it is trying to achieve, its principal activities, and major accomplishments and/or problems during the past year. (Please do not repeat the project goal or objective in this section.)

- 2.3. Project “Goal”¹⁸
A statement of the goal to which the project contributes.
- 2.3. Indicators of Goal Achievement and Related Targets

List the indicators being used to monitor progress toward achievement of the project’s goal, together with any relevant target values for these indicators. If specific indicators are not identified, include a discussion of how the project manager is determining progress toward achievement of the goal, and state when project indicators will be put in place. For each indicator, include the actual level achieved.¹⁹

- 2.5. Project Purpose²⁰
State the project’s purpose or purposes.
- 2.6. Indicators of Purpose Achievement and Related Targets

List the indicators being used to monitor progress toward achievement of the project purpose(s), together with any relevant target values for each indicator. If specific indicators are not identified, include a discussion of how the project manager is determining progress toward achievement of the project purpose(s)²¹, and state when project indicators will be put in place. For each indicator, include the actual level achieved.

- 2.7. Assumptions and Risks Ratings

List major assumptions identified in the project design and others that have been made since. Rate the risk that each assumption may seriously affect implementation or prospects for achieving project objectives. For this purpose, use the 4 point scale in Annex 1: high (H), substantial (S), modest (M) and low (L).

- 2.8. Project Progress and Achievement Ratings

Using the 4-point scales described in Annex 1, list the ratings for implementation progress (IP) and achievement of the project’s purpose²² for each project for 1999 and 2000. This section should include assessment of risks and a brief explanation of the basis for the 2000 PIR ratings. The reasons for any

¹⁸ This should be the highest level in the project’s Logical Framework, which is often labeled the “goal” to which the project contributes. Different implementing agencies are using different terms for this level. The World Bank often refers to this level as the “CAS Objective” and/or the “GEF Operational Program” or “Program Purpose”. UNEP uses “overall objective” to describe this level, while UNDP recently has used “goal”.

¹⁹ It is understood that at this level, information may not be available on every indicator each year. Reports should include the most recent data on the goal-level indicators.

²⁰ This should be the second highest level in the project’s Logical Framework, which is typically labeled as the “project purpose”. Different implementing agencies are using different terms for this level. The World Bank often refers to this level as the “development objective” and/or “global objective”. UNEP uses “outcomes” to describe this level, while recent UNDP projects use “purpose”.

²¹ For example, UNDP projects are supposed to have “indicators of performance” that are rated and reported on in APRs.

²² This has been referred to in past PIRs as the prospects for achieving the project’s development/global environmental objective(s) (DO).

changes in ratings since 1999 should be discussed. For all projects rated “unsatisfactory” on either measure, and for projects where ratings have declined since 1999, this section should also include a description of actions being taken to address implementation problems.

2.9. Resources Leveraged/Demonstration and Catalytic Effects

A brief description of the funding leveraged, as well as actual and potential demonstration and catalytic effects of GEF involvement in the project. In the last Council Meeting (GEF/14/10) it was decided to use “leverage” as a term to denote additional financial resources, but that GEF will focus attentively on its catalytic role, through “demonstration effects” and “replication.”

2.10. Issues During Implementation/ Assessments of Risks and Assumptions

A brief discussion of significant policy, institutional, scientific and technical issues that have arisen during project implementation, including changes in project assumptions/risks.

2.11. Lessons Learned/Good Practice

Identify lessons from experience and examples of good practice that have resulted from project implementation to date.

3. Summary Performance and Lessons Learned Overview

On the basis of the individual project reports each IA should provide a narrative report that summarizes the conclusions of its internal PIR. This should include analysis of:

- (a) the performance of its GEF projects (possibly relative to comparable non-GEF portfolios) on (i) length of time from formal IA approval to first disbursement, (ii) disbursement history, and (iii) project ratings;
- (b) ratings of implementation progress (IP) and accomplishment of project purposes (DO), trends in each focal area, and common factors that appear to account for either deterioration or improvements in ratings in relation to those included in the 1999 PIR; and
- (c) issues or topics for which:
 - OPs require clarification or elaboration;
 - additional operational guidance is needed on project development, implementation or evaluation;
 - referral to STAP for scientific or technical advice is indicated;
 - review in greater depth in M&E studies would be beneficial; and/or
 - dissemination of good practices and lessons learned is recommended.

4. Project Lists/Status

The IAs should provide lists/portfolio status, as follows:

- 4.1 A list of all full and medium-sized (but not pre-investment or individual country enabling activities) GEF projects which began implementation on or before June 30, 1999 and were in implementation at least some part of FY2000 (for which individual reports will be prepared)
- 4.2. A brief status report on all projects for which:
 - a) funding was allocated in GEF Work Programs before June 30, 1998, but which have not been approved formally by the IA.
 - b) formal approval was made by the IA on or before September 30, 1999, but which have not begun disbursements by June 30, 2000.
- 4.3. A list of all GEF projects that were operationally completed during FY00. Reports on these projects should also be included in the PIR. (Reports for projects that were operationally completed before July 1, 1999 should normally not be included in the review.)
- 4.4. A list of (a) all mid-term reviews, evaluation reports (self evaluations or independent evaluations) and/or project completion reports that have been completed from July 1, 1999 through June 30, 2000, and (b) mid-term reviews, evaluation reports and/or implementation completion reports underway as of June 30, 2000, or planned through June 2001.

ANNEX A

DEFINITION OF RATINGS

Implementation Progress Ratings

Highly Satisfactory (HS)	Implementation of all components is in substantial compliance with the original (or formally revised) implementation plan for the project.
Satisfactory (S)	Implementation of most components is in substantial compliance with the original/formally revised plan except for a few that are subject to remedial action.
Unsatisfactory (U)	Implementation of most components is not in substantial compliance with the original/formally revised plan but remedial action has been agreed.
Highly Unsatisfactory (HU)	As in “U,” but remedial action has not been agreed.

Project Purpose (Global Environment Objective/Development Objective) Ratings

Highly Satisfactory (HS)	Project is expected to achieve or exceed all its major purposes and global environmental objectives and yield substantial global environment benefits.
Satisfactory (S)	Project is expected to achieve most of its major global environmental objectives and purposes and to yield satisfactory global environmental benefits without major shortcomings.
Unsatisfactory (U)	Project is expected not to achieve most of its major global environmental objectives or purposes nor yield substantial global environmental results.
Highly Unsatisfactory (HU)	Project is expected not to achieve any of its major global environment objectives or purposes nor to yield worthwhile global environmental results.

Assumption and Risk Rating

The risk that individual assumptions relevant to the project may not prove to be accurate, and, may seriously affect implementation or prospects for achieving project objectives, should be rated on the following scale:

High (H)	There is a probability of greater than 75 % that the assumption may fail to hold or materialize.
Substantial (S)	There is a probability of between 51 % and 75 % that the assumption may fail to hold or materialize.
Modest (M)	There is a probability of between 26 % and 50 % that the assumption may fail to hold or materialize.
Low (L)	There is a probability of less than 25 % that the assumption may fail to hold or materialize.

APPENDIX C1

UNITED NATIONS DEVELOPMENT PROGRAM PROJECT IMPLEMENTATION REVIEW OVERVIEW

INTRODUCTION

The annual GEF Project Implementation Review (PIR) complements the regular UNDP Monitoring and Evaluation procedures employed during project implementation.

The PIR covers only a subset of the UNDP/GEF's portfolio. According to the PIR selection criteria individual project information was collected for all full and medium-sized projects under implementation for a minimum of one year, as of June 30, 2000. Projects that were operationally completed before June 30, 1999 were not included in this year's review. A total of 72 projects qualified for the 2000 PIR. This year's PIR also includes reports on the BD Planning Support program, the National Communications Support Program and the Small Grants Programme (second Operational Phase).

In addition to reporting on the general performance of GEF projects, implementation progress and impact achievements, the 2000 PIR is the third year in which we have attempted to gather information on leveraging efforts. This chapter also includes a summary of trends and lessons learned from the capacity development activities of UNDP/GEF projects.

TRENDS AND LESSONS LEARNED

Leveraging Additional Resources and Actions

Actions "leveraged" refer to activities that are taking place "around the project" without being part of the project strategy itself but which are stimulated or initiated by the project. Financial leveraging refers to funds mobilized in association with a GEF project.

Actions leveraged

Projects have stimulated and initiated a wide range of actions internal and external to institutions directly involved in projects that go beyond project specific goals and help to create an environment conducive to the achievement of GEF, CBD and UNFCCC goals. These actions are reflected in greater awareness about global environmental issues, changed attitudes, the establishment of new policies and regulations, the replication of successful project approaches, support for international treaties and conventions and interactions/synergies with other projects and organizations.

Through their efforts to strengthen institutions and raise awareness UNDP/GEF projects often provide the inspirational basis for **replication**, further project development and follow-up actions. In some cases, due to their innovative nature, UNDP/GEF projects are conceived as pilot or

demonstrative projects intended to scale up during implementation or after project completion (*Uganda Photovoltaic Project for Rural Electrification*). In other cases a new low cost technical approach with high replication potential is introduced (*Egypt Lake Manzala Engineered Wetland project*).

Data collected during implementation, training materials prepared, lessons learned, examples of good practice and contacts obtained with institutions, organizations, consultants, and experts are already being made available through websites *or periodic publications in some projects (Russia Capacity Building for Energy Efficiency in Residential Buildings, Southern Africa SABONET)* in order to foster replication of successful interventions elsewhere.

UNDP/GEF project objectives and activities are increasingly dealing both directly and indirectly with the **formulation and review of new and existing environmental policies and legislation** at the national and local level. This happens for example through the provision of key information such as specific research results and technical concepts to decision makers (*Energy Efficient Building project in West Africa*), or through the preparation and defense of proposed legislation as in the case of the *Bañados del Este Biosphere Reserve project, in Uruguay*, which organized several workshops for the Formulation of the National Strategy for Biological Diversity, and also through multiple seminars, publications and awareness raising, contributed to the final approval of the national protected areas law.

Where environmental policies are already in place but enforcement is rather weak, UNDP/GEF projects have helped to strengthen support for these policies and increase their enforcement by raising awareness. In the case of the *Bhutan Integrated Management of Dorji National Park project*, environmental impact assessment is implemented for the first time at the park area, which will lead to wider recognition and implementation of EIA nationwide.

UNDP/GEF projects interact with similar interventions, benefiting from **synergy effects** and engaging in joint activities. This contributes to reducing overlaps between projects and donor competition.

PIR reporting shows numerous examples of collaborative work with a wide range of projects and organizations, including UNDP programs (*Sudan Community-Based Rangeland Rehabilitation project*) other UN Agencies, multilateral and bilateral donors, regional development banks, foundations, corporations, and government and non-governmental organizations. Coordination is many times enhanced by information networks and contacts made available to UNDP/GEF projects by UNDP Country Offices. Examples of synergies are the formalization of agreements for the sharing of information, local human resources, trainees, and experiences (*Vietnam Protected Areas*) and the *development of thematic networks (Jordan, Lebanon, Syria and the Palestinian Authority Agrobiodiversity project)*

Financial Leveraging

UNDP/GEF projects in the PIR 2000 portfolio continue to be successful in their leveraging efforts totaling US\$ 273.9 million in resources to complement the funding from GEF resources maintaining the ratio of **one additional dollar leveraged for each dollar allocated by GEF** (or approximately 3.7 million on average per project) reported in last year's PIR.

Leveraging encompasses amounts mobilized up-front, during implementation and after completion including funds used for replication of successful projects and follow-up investments.

Sources of Leverage for UNDP/GEF Projects

	<u>UNDP</u> <u>(TRAC)</u>		<u>Government</u>	<u>Donors*</u>	<u>Others**</u>	<u>Associated</u> <u>Financing</u>	<u>Total</u>
Co-financing leveraged before start-up (US\$ million)	\$14.2	\$1.5	\$83.2	\$21.4	\$76.2	\$59.6	\$255.7
Co-financing leveraged during implementation (US\$ million)	\$0	\$0.1	\$4.1	\$4.2	\$9.4		\$17.8
Total	\$14.2	\$1.6	\$87.3	\$25.6	\$85.6	\$59.6	\$273.9

* Besides bilateral funding agencies these numbers include funding from Multilaterals, Regional Development Banks, Donor government ministries (or special funds) and foreign embassies.

** This column also includes funding from NGOs and private sector.

It is estimated that the actual resources leveraged are even higher than reported since many times these resources are not being adequately quantified and are not being included in the reports. Non-cash contributions such as sharing of equipment and office space, provision of free labor in the form of volunteers or non-remunerated part time collaboration, free or reduced cost of services such as advertising or coordination activities are common and result in important savings for the project.

Co-financing is leveraged from a number of different sources. **UNDP** contributes more than US\$ 14 million in co-financing to GEF projects as grant money from core resources (e.g. *Vietnam*

Protected Areas, Pakistan Mountain Areas Conservancy) and also provides additional resources from related projects for particular activities during implementation (*Uganda Photovoltaics*).

Several projects have managed to leverage substantial amounts from the **private sector** for follow-up investments, funding of project activities and surveys. One good example is *India Biomethanation* project where the beneficiary industries are contributing more than US\$1.2 million for financing the set up cost of the demonstration Biomethanation plants.

Another major share of leveraged resources comes from **bilateral and multilateral funding sources**, especially for follow-up projects or projects implemented parallel to UNDP/GEF projects. The *South Pacific Biodiversity Conservation* for example has leveraged C\$600,000 from the Canadian South Pacific Oceans Development Programme for the turtle conservation programme and NZ\$400,000 from the government of New Zealand in support of the development of the Pacific Conservation Trust Fund. The *Brazil Biomass Power Generation* project has secured additional funding from the European Union and STEM (Sweden).-US\$ 500,000 and US\$ 300,000, respectively- that will help to increase the number of pilot plant gasification tests using trash and trash / bagasse mixtures as fuels.

NGOs, either international or national, seem to play an increasing role as a source of additional funding. For example, *Madagascar Environment Support Programme* reports securing more than US\$0.8 million in leveraged funds from International NGOs plus an additional US\$0.1 estimated in-kind contributions from others participating actors such as Universities, research institutions and community groups.

Capacity Development

Capacity Development is a central part of almost all UNDP/GEF projects. UNDP promotes the concept of “capacity development” that encompasses utilizing and improving capacities that exist in individuals, entities, as well as the overall system or enabling environment in which organizations operate and interact.

The Capacity Development Initiative (CDI) currently at the end of its assessment phase has adopted this approach and is dedicating considerable time and resources for the assessment of capacity development needs. It is expected that the CDI will provide insight and value to this discussion and will serve as a basis for a future GEF strategy on Capacity Development.

Almost all projects address CD at the entity level. Over the years the systemic and individual dimensions of capacity development have received increased attention, balancing the earlier emphasis on institutional strengthening.

This shift of focus has improved the performance of UNDP/GEF projects in linking both "upstream" and "downstream" contexts - targeting macro issues pertaining to the enabling environment (i.e. addressing policy needs, revising institutional and legal frameworks, encouraging cross-sectoral

collaboration), while supporting regional/local pilot initiatives that test new approaches, generate visible impact and offer demonstrative case studies for replication.

Tools and approaches applied in UNDP/GEF projects also seem to have experienced a gradual shift from a relatively structured and traditional approach to capacity development towards greater diversification both methodologically and institutionally. Newer approaches - networking, horizontal exchanges and cooperation, creation of multi-stakeholder project steering committees, internships and the sharing of project management responsibilities with stakeholders - have become increasingly common among GEF projects.

The development of **human capacity** is an essential ingredient for the achievement of project objectives even though the actual impact and long-term sustainability of capacity development activities at this level are often difficult to measure. Training sessions and workshops, visits to similar project sites, internships and staff exchanges, and hiring national consultants, are an integral part of many UNDP/GEF projects.

UNDP/GEF's **institutional capacity** development activities (entity level) are targeting a variety of institutions and organizations, among them governmental agencies, non-governmental organizations, community-based organizations, municipalities, research and environmental information centers, and others. PIR 2000 confirms the need for a more thorough assessment of both existing capacities and training needs of collaborating organizations particularly at project design (*Guatemala RECOSMO*, or *Southern Africa SABONET*)

The **systemic capacity** (political, legal and economical) of the country or region is not only of utmost importance for impact achievement and sustaining project results beyond project completion, but also has a strong influence on project implementation progress.

UNDP/GEF project's efforts to build capacity at this level include for example contributions to strengthen the coordination activities of national institutions, help to clarify mandates and also playing an effective role in promoting information exchange between groups that normally do not communicate well. The *Africa Birdlife* project and the *Jordan Azraq Wetlands Conservation* project for example, have led to increased acceptance by national governments of the value of active cooperation with NGOs and other stakeholders, leading even to formal agreements for cooperation in the case of the former. Other projects such as *China Energy Conservation* have established a National Coordination Group integrated by the National Environment Protection Agency, the Ministry of Agriculture, UNIDO and international and national experts to advice on strategy and information promotion for the introduction of energy efficiency measures.

Awareness raising

The PIR 2000 portfolio confirms that UNDP/GEF projects contribute directly and also through catalytic effects to awareness raising at the national and local level. In some cases, awareness on global environmental issues is raised merely through implementation of regular project activities by interacting

with communities, institutions at all levels and attracting also the attention of the general public. In addition to these indirect benefits, many projects dedicate important resources to public information campaigns through local or even national media, carry out training and seminars at the local level, prepare and disseminate widely accessible information materials, etc. These efforts have resulted in stronger support at the national and local level for new technologies, alternative agricultural practices, better understanding of the local economic benefits of conservation, and an increased interest of the private sector in project results and studies.

Phased Approach

Last year's PIR highlighted the benefits associated to a phased approach in implementation in terms of building trust amongst the stakeholders, assess and develop capacities and lay a solid ground for a successful intervention. Several projects in PIR 2000 such as *Burkina Faso Nazinga Ranch*, *Vietnam Protected Areas* and *Madagascar Environment Program* confirm the need for more flexibility during planning of project activities allowing for a more adaptive approach in general during implementation.

The adequate planning and management of transition periods between phases is crucial to ensure the success of the phased approach. The *Mongolia Grasslands Conservation* project and the *Pakistan Mountain Areas Conservancy* project provide valuable experiences in this regard.

Sustainability

Sustainability of project results is directly linked to ensuring institutional as well financial sustainability. Particularly in the case of Biodiversity conservation projects recurrent costs associated with conservation management requires that the project make strong provision for ensuring that these expenditures are covered. Several projects such as *Mongolia Biodiversity Conservation*, *Yemen Socotra*, and *Pakistan Mountain Areas Conservancy* report different level of progress towards establishing trust funds to contribute to sustainable financing.

Project Impact

PIR requires projects to rate the level of progress towards the achievement of the Development Objective. Several reports have highlighted the difficulty of undertaking this task in light of the limited GEF experience with impact indicators -even the work regarding identification of programme level indicators for BD, CC and IW is still in progress- and particularly in those cases where projects are only at early stages of implementation. Using the logframe terminology a project can only contribute to the achievement of a development objective by successfully achieving its immediate objectives. The actual achievement of a development objective lies outside the influence of the project and depends on the contribution of other factors and the validity of certain assumptions.

Project impact in terms of conservation and sustainable use of BD, removal of barriers to energy efficiency and conservation, promotion of renewable energy or the reduction of stress to the

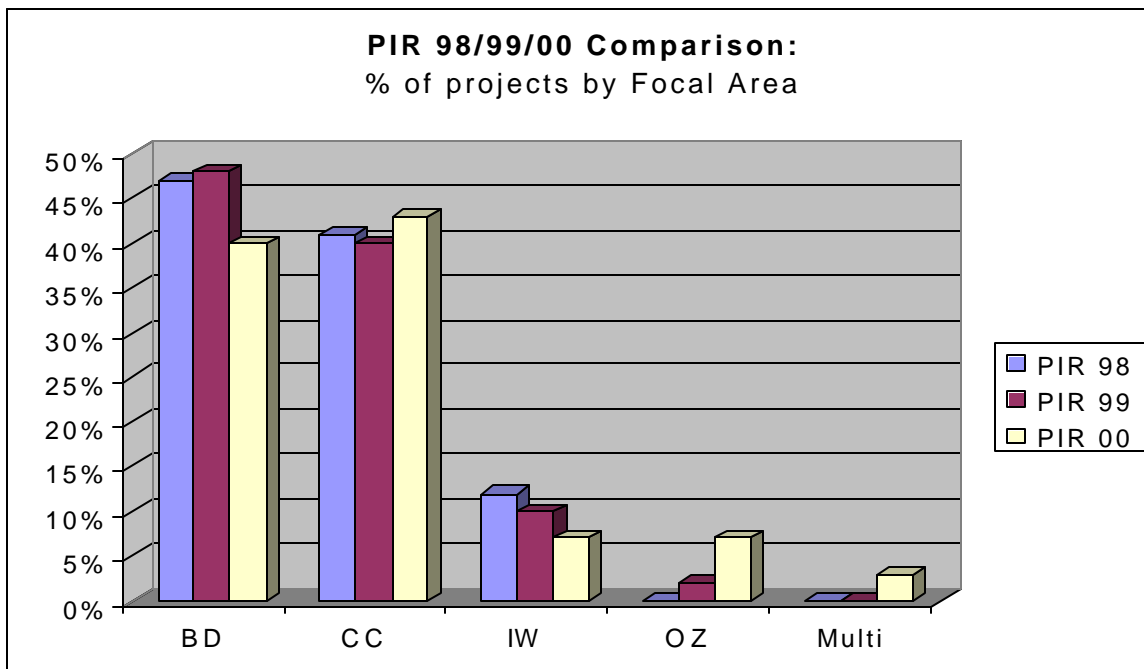
international waters can only be evaluated after project completion in most cases, and therefore post-project evaluations appear to be the best approach to assess these impacts in the case of UNDP/GEF projects.

PORTFOLIO OVERVIEW

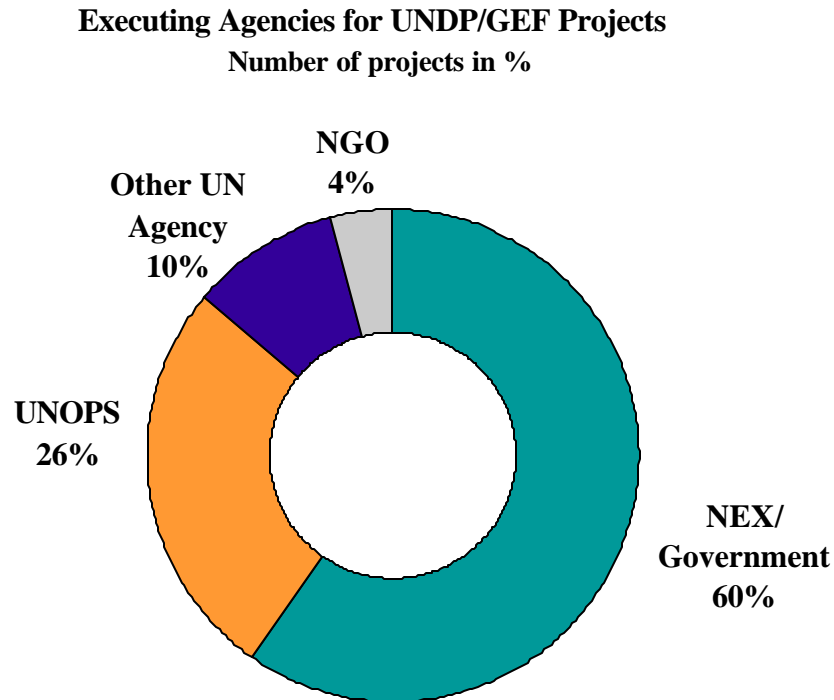
Since the initiation of the annual Project Implementation Review in 1995 the UNDP/GEF annual approved Work Programme has grown from \$30 million in FY 95 to over \$ 180 million in FY 00. Consequently the number of projects for which monitoring information needs to be collected, analyzed and consolidated during the PIR process is increasing steadily. With 32 projects (or 44%) the climate change focal area has the biggest share of the PIR portfolio, with the biodiversity portfolio being a close second with 29 projects (or 40 %). There were 5 international waters projects under review and the PIR this year did also include 5 ozone depletion projects and one in the multiple focal area category (GEF Small Grants Programme) This year's PIR includes only 11% Pilot Phase projects compared to 59% in PIR 99 resulting in a much "younger" portfolio. The projects participating in this year's PIR exercise have on average been under implementation for 24.5 months compared to 45 months in PIR 99.

The distribution of PIR projects by focal area over the last three years is presented in the following graph:

Distribution of PIR of projects by Focal Area 98/99/00

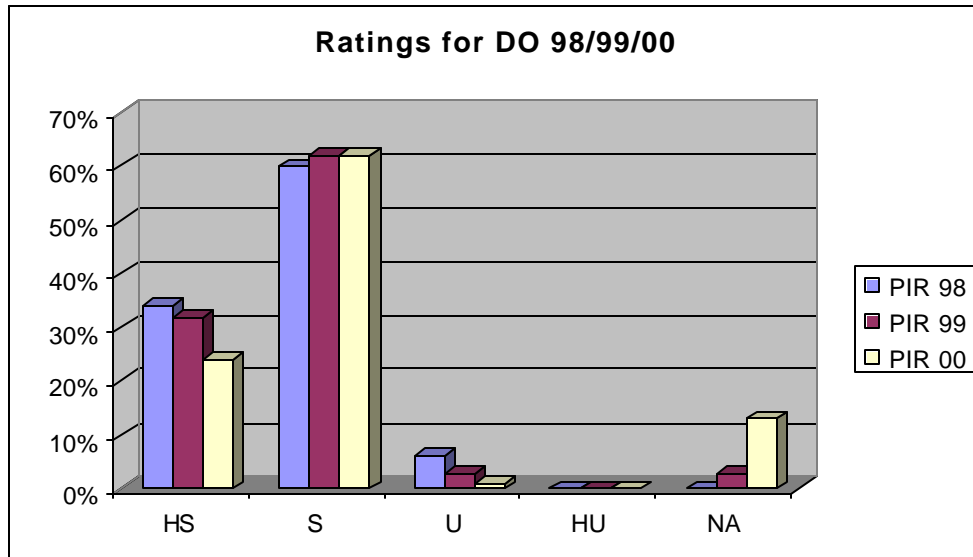


The distribution of PIR projects by type of executing agency is presented in the following graph:

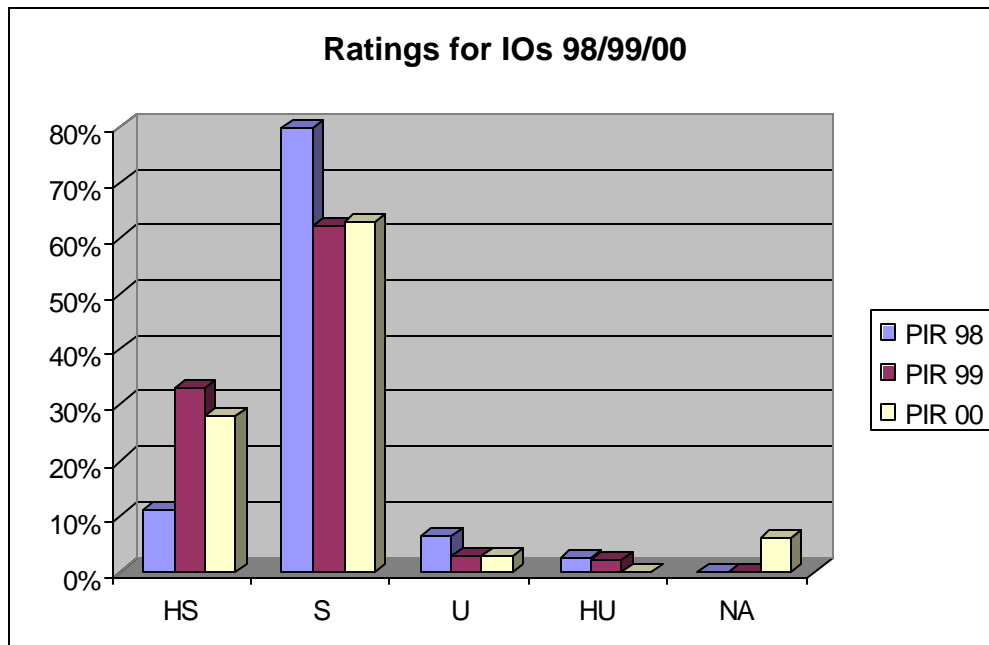


Using the rating categories provided in the PIR guidelines a total of 17 projects were rated highly satisfactory (HS) and 44 projects satisfactory (S) on impact achievement, representing about 85% of the PIR 99 portfolio. Reflecting the younger PIR00 portfolio, nine projects reported that it was too early in implementation to measure the potential impact of project activities. Only one project rated its potential impact achievement with unsatisfactory (U) and there is no project with a highly unsatisfactory (HU) rating. Compared to FY 98 and FY 99, this seems to continue a trend of high potential impact achievement for UNDP/GEF projects. The picture for the rating of implementation progress looks fairly similar. 20 projects report highly satisfactory progress and 45 projects satisfactory progress in implementation. Only two projects rated the achievement of its immediate objectives as unsatisfactory. These figures translate into a success rate of 97% for UNDP/GEF rated projects.

Comparison 98/99/00: Ratings for Development Objective



Comparison 98/99/00: Ratings for Immediate Objectives



APPENDIX C2

UNITED NATIONS ENVIRONMENT PROGRAMME PROJECT IMPLEMENTATION REVIEW OVERVIEW

PORTFOLIO OVERVIEW AND STATUS

1. UNEP's GEF Project Implementation Review (PIR) for FY 2000 covered a total of 15 full and medium size projects. This excludes jointly implemented projects, in which UNEP is not the lead agency. The portfolio under review included 11 biodiversity projects, 1 climate change project, 2 international waters projects and 1 project dealing with protection of the ozone layer.
2. It should be noted that UNEP's overall GEF portfolio consists of 32 full size projects, 20 medium size projects, 32 PDF As, 42 PDF Bs, and 68 Enabling Activities, including the clearinghouse add-on modules for biodiversity enabling activities. Of the 32 full size projects in the portfolio, 12 are on biodiversity, 7 on climate change, 12 on international waters, 7 on protection of the ozone layer and 2 cut across the four GEF focal areas. Of the 20 medium sized projects, 10 are on biodiversity, 3 on climate change, 4 on international waters, 5 on protection of the ozone layer. The PIR for FY 2000 is therefore reviewing approximately 30 % of the overall portfolio of UNEP's GEF full and medium size projects.
3. All UNEP GEF financed projects endorsed into the GEF Work Programme before June 30, 1998 have been committed (i.e. internally approved by UNEP). These projects except for one have not yet been under implementation for more than one year and are therefore not subject to the FY 2000 PIR, but will be under review in the FY 2001 PIR.
4. Annex 1 shows the list of UNEP projects that have operationally completed during FY 2000, and Annex 2 contains the list of evaluation reports prepared during the same period. The "Country Studies on Climate Change Impacts and Adaptation Assessments" project was completed in the preceding fiscal year.

SUMMARY PERFORMANCE AND LESSONS LEARNED

Overview

5. Performance of GEF projects relative to comparable non-GEF projects-length of time from formal IA approval to first disbursement; analysis of disbursement history. The average time frame from formal IA approval to first disbursement of UNEP's GEF project has been reduced from an average of 4 months down to 2 weeks. For all GEF funded projects that have been formally approved by UNEP on or before September 30 1999, disbursements have already begun. Annex 3 provides a disbursement history of the projects covered by the FY 2000 PIR.

6. **Ratings of Implementation Progress.** On average, UNEP projects covered during PIR 2000 had a rating of (S) for Implementation Progress. This was similar to the average ratings of the FY 1999 PIR. The Implementation Progress for multi-country projects was significantly influenced by the level and effectiveness of coordination and mobilization of the many institutions and individuals participating in project design and implementation. Multi-country projects in general exceeded the original project implementation plans by approximately one year, having to undergo Internal UNEP Project Revisions to enable an extension of project duration.

7. Given that the projects experiencing such a delay involved a large number of countries than in most conventional GEF projects, thus requiring a higher level of co-ordination among various participating countries, such delays were not viewed as a major problem toward ensuring that projects did indeed meet their objectives. Detailed discussions concerning the implementation of multi-country projects are presented in the chapter on “Lessons Learned”.

8. **Accomplishment of project purpose.** UNEP’s projects covered under this year’s PIR achieved the same average ratings as for the previous year’s PIR (S/HS). This year’s portfolio could be divided into four different types of projects: assessment and knowledge management, development of tools and methodologies, trans-boundary environmental management, and short-term emergency response measures.

9. UNEP’s GEF projects reviewed in the FY 2000 PIR exercise include some activities related to assessment and good practices on selected issues.

The Global International Waters Assessment (GIWA) project, the first systematic global assessment of the environmental conditions and problems in International Waters, has encountered delays in execution.

The Global Biodiversity Assessment (GBA) has completed all planned activities with the publication of the “Cultural and Spiritual Values of Biodiversity”. The major objective of GBA was to examine the current status of knowledge on biodiversity and identify important gaps in biodiversity conservation.

The project on Invasive Alien Species was instrumental in generating best practices to prevent, control and eradicate alien species that threaten biodiversity.

10. A substantial part of UNEP’s portfolio is related to development of tools, methodologies and guidelines for sound environmental management. These projects have assisted countries in strengthening necessary building blocks and a scientific basis for developing national strategies and frameworks for the GEF focal areas.

The “Pilot Biosafety Enabling Activity” project assisted participating countries to develop National Biosafety Frameworks and organised 8 regional meetings at which risk and risk

assessment and issues related to the development of biosafety frameworks at a national level were discussed.

The project titled “Promoting Compliance with the Trade and Licensing Provisions of the Montreal protocol in Countries with Economies in Transition” promoted adoption of licensing regulations to prevent illegal trade in ozone depleting substances.

Projects such as the “Support to the Preparation of Biodiversity Country Studies (I and II)” and the “Economics of Greenhouse Gas Limitations- Establishment of a Methodological Framework for Climate Change Mitigation Assessment” provided countries with tools to carry out assessments and economic analysis of various options to reduce greenhouse gas emissions or conserve biodiversity, while meeting other economic or developmental goals.

The “Inter-American Strategy for Participation” project applied participation methodologies to three demonstration sites to test and further refine such methodologies.

The “Global Biodiversity Forum” project activated an existing forum (GBF) to function as an effective mechanism that provides for an independent open process to foster analysis and dialogue to address key questions concerning biodiversity.

The project titled “People, Land Management and Environmental Change (PLEC)” has been developing sustainable and participatory approaches to biodiversity conservation within agricultural and other natural resource management systems. PLEC has about 20 demonstration sites in the eight project countries.

11. UNEP’s only project covered in the FY 2000 PIR on the management of a trans-boundary ecosystem, the Bermejo River Basin project, completed its activities including the Trans-boundary Diagnostic Analysis, and the Strategic Action Programme for management of this shared water body and its basin. The project has promoted a holistic management of the Bermejo Basin by establishing institutional, legal, and informational foundations for follow up environmental action.

12. The last type of UNEP GEF financed projects covered in the FY 2000 PIR include three emergency short-term measure projects. The main issue at hand is to ensure that these projects put in place plans and build capacity to help prevent such a situation from recurring or address it in an effective manner, should the situation arise again.

The Mediterranean Monk Seal project succeeded in developing a national Monk Seal conservation strategy for Mauritania, which was not originally envisaged. This positive development became possible through a wide participatory consultation process.

The Indonesian Forest Fires project assisted countries in the region to coordinate their efforts to mitigate the short and long-term impacts of forest fires.

The “Lop Nur Nature Sanctuary Biodiversity Conservation” project in China started strengthening management of the nature sanctuary established to protect wild camels and other species.

LESSONS LEARNT

Introduction

13. All UNEP GEF financed projects reviewed this year, except for two of the three emergency short-term measure projects, are multi-country projects. Major components of those projects have been assessment, development of tools, methodologies and guidelines for sound environmental management, preparation of environmental plans and strategies, enabling activities, and demonstration projects. Experience in implementing such multi-country projects could enrich the GEF’s body of knowledge, which in turn contributes to more effective implementation of similar projects in the future. The UNEP’s PIR review for FY 2000 focuses on reviewing experience in the implementation of multi-country projects.

14. In the first part, “impact” of multi-country projects is considered, which will be followed by a section on the importance of participation. The last part will examine some implementation difficulties associated with multi-country projects.

Project Impact

15. Sustainability, leveraging and replicability can be seen as important elements for deriving the maximum benefit or positive impact from project intervention. Sustainability is about how benefits generated by a project can be maintained, leveraging is about how project benefits and burdens could be shared by others, and replicability is about how created benefits could be multiplied.

16. Impact cannot come all of a sudden at the end of a project. As a matter of fact a project can be seen as a process to create an intended impact over a certain period of time. Project impact is initiated at the project preparation stage, is magnified during project implementation and fades/ is maintained/ or proliferates at the stage following project completion.

17. Project impact could take various forms. Impact could be observed in the form of (i) new technical guidelines, (ii) strengthened organisational structure, (iii) leveraged activities, (iv) improved human capacity, and (v) expanded and upgraded information.

18. Many multi-country projects set new technical guidelines and methodologies both at international and national levels. In fact, some projects have developed guidelines, which can be applied to many countries. In addition, some other projects promoted national level legislation and guidelines.

The Biodiversity Country Studies project produced two sets of global guidelines, both of which

have been widely distributed and used for meeting the objective of Article 6 of the Convention on Biodiversity.

The Bermejo River project has developed the Strategic Action Program for the Bi-national Basin to solve priority trans-boundary environmental issues as part of the implementation of the water resource and environmental agreements between the two countries concerned.

The ISP project contributed to the approval by the Inter-American Committee on Integral Development of a resolution for the further support to the development of the Inter-American Strategy for Participation.

The Invasive Species project has begun dissemination of a toolkit of best prevention and management practices for invasive alien species, which can be utilised in management purposes across all ecosystems.

The Biosafety project helped participating countries to prepare national biosafety frameworks. Subsequently 17 participating countries have requested additional funding to implement the framework in accordance with the Cartagena Protocol on Biosafety.

The project on trade and licensing provisions of the Montreal Protocol in CEITs successfully prompted participating countries to adopt licensing regulations. This is considered a first process to internalise a requirement of the Montreal Protocol.

19. The second impact is organisational strengthening. This includes creation of a distinct unit at the multi-national and national levels. Creation of a distinct unit is in fact considered a reflection of continued commitment to address the issue in question.

The Forest Fire project has prompted the creation of a new coordination body within ASEAN.

The Biodiversity Country Studies project encouraged participating countries to establish Government structures to address biodiversity issues. 26 national biodiversity units were established and most of them have evolved into a permanent structure.

20. The third impact may be seen in the generation of parallel or subsequent activities. Most multi-country projects form part of longer-term processes to create sustainable societies. Thus to what extent parallel and subsequent activities are generated is a crucial issue.

The Biosafety project has culminated in substantial follow up activities, which include Support to the Development of National Biosafety Frameworks for 100 countries, Support to the Implementation of the Frameworks for 25 countries, and Strengthening of Sub-regional/regional Centres of Expertise.

The two demonstration activities of the ISP project were developed into full GEF investment projects, which are to be executed by the Inter-American Development Bank.

The Forest Fire project leveraged several parallel activities worth 4.6 million US dollars.

The GBF project leveraged more than half of the project funds from non-GEF sources.

The Biodiversity Country Studies project was instrumental in initiating two important subsequent activities: Implementation of National Biodiversity Strategies and Action Plans, and GEF biodiversity enabling activities.

21. The fourth area is in improved human capacity particularly on the part of participating countries. Unless a country has a certain number of trained experts, momentum created by a project cannot be sustained.

The Forest Fire project enhanced national and regional expertise with regard to aerial surveillance and GIS database. Furthermore additional training was provided to the staff of a unit established for coordinating ASEAN action in this field.

Another example is the Biodiversity Country Studies project, in which national level studies were carried out utilising national expertise.

The Economics of Greenhouse Gases Limitation project involved more countries than originally planned in regional workshops by linking regional workshops under this project to other climate change related activities. This project succeeded in building significant capacity for conducting mitigation analysis in participating countries. One important lesson learnt was that the human capacity should be built upon existing structures whenever possible.

22. The fifth impact is an expanded and updated information base. An improved information base regarding assessment and good practices is a key foundation for effective environmental actions. In addition sound knowledge management by, for example, sharing experiences/lessons among countries dealing with similar issues could lead to improved actions.

The most notable example is the Global Biodiversity Assessment (GBA). This project produced two major publications, namely the “Global Biodiversity Assessment” and the “Cultural and Spiritual Value of Biodiversity”. They are the only comprehensive analysis of current theories and scientific issues on biodiversity. GBA has become a key tool for biodiversity experts both working at national and international levels.

The information collected under the Biodiversity Country Studies project helped countries establish priorities for biodiversity conservation and sustainable use.

The Invasive Alien Species project has broadened the knowledge base by analysing best practices to improve the efficiency and effectiveness of preventing, controlling and eradicating invasive alien species that threaten biological diversity.

The PLEC project has been identifying and testing good practices to conserve biodiversity within agricultural and other natural resource management systems.

Participation

23. Participation is an essential element to determine the impact of a project. As a matter of fact, participation could be viewed as the most important factor underlying sustainability, leveraging and replicability. More specifically participation is important because (i) various concerns of stakeholders can be accommodated to avoid future potential conflicts, (ii) diversified information/ideas can be obtained and generated in the process, and more importantly (iii) overall increase in the level of commitments through strengthened ownership of those included.

24. Participation in multi-country projects is more complicated than that in most single country projects. This is mainly because stakeholders of multi-country projects are, generally speaking, more diverse. Stakeholders could include all those concerned, both in the public and private sectors, at international, regional, sub-regional, national, and local levels.

The objective of the ISP project was to promote community participation in the decision-making process concerning environment and sustainable development. Three demonstration activities were conducted under the project. Active participation of communities resulted in sound proposals including co-management, institutionalisation of citizen's participation in port area development and conservation, and collaborative development of an environmental action plan.

The enthusiastic participation of communities was a hallmark of the Bermejo River project. This project provides a model for multi-country level participation. Participation took place at all levels: from the Binational level through governmental, provincial, and municipal levels down to the community level. More than 140 project concepts were developed through this active public involvement. These concepts were used for the development of the SAP and project brief for the next programming phase.

The PLEC project has involved over 200 scientists and several hundred farmers. Through this participatory approach, PLEC has helped further identify good practices for agro-diversity conservation and expert farmers / natural resource users who can train other farmers in good resource management practices.

The major objective of the Global Biodiversity Forum project is to promote participation from developing countries and countries with economies in transition in on-going biodiversity related

open dialogue processes. The most important catalytic effect GBF has had is its impact on formal decisions and recommendations taken at the CBD intergovernmental level.

The Global Biodiversity Assessment project involved significant number of world scientists. Without this extensive participation of scientists, authoritative global assessment was not possible.

The Biosafety project acknowledged as one of the most important lessons the need to work with all stakeholders at the national as well as sub-regional/regional levels. Stakeholders in this case included both public and private institutions, and NGOs.

25. Participation takes time and resources. Thus there should always be a sensible balance between benefits to be created by an additional unit of participation and costs associated with that. The Bermejo River project and the Biodiversity Country Studies project attributed their delays partly to the difficulties associated with co-ordinating multi-stakeholder participation. In the latter case it was due to the fact that mobilisation and co-ordination of many institutions and individuals took more time than originally expected. Still both projects acknowledged participation was a key to success.

Project Implementation Issues

26. There are many factors, which influence smooth and effective implementation of a project. They include: (i) Administration, (ii) Competence of Executing Agencies, (iii) Co-ordination, (iv) Communications including reporting and access to data and information, and (v) Political and other factors. Because multi-country projects involve many countries and organisations, all of the five factors above make the project management even more difficult. The rate of progress is in fact determined by the relevant participating countries and organisations.

27. The administration of multi-country projects is a complex task. Thus, it is not uncommon for multi-country projects to experience administration problems. The Biodiversity Country Studies project was delayed partly because of uneven administrative support provided by the country offices concerned. In the implementation of the PLEC project, inability of conducting financial management and insufficient logistical arrangements (i.e. ground transport) in some participating institutions delayed the process.

28. Competence of the executing agencies is a must for effective project implementation. Projects reviewed this year encountered no serious problems in this respect. Only a couple of minor problems were observed. The GIWA project reported that capacity of the executing agency has been influenced to a minor extent by slow staff recruitment. The PLEC project experienced over-extension of the technical backup capacity, when a key staff left the executing agency.

29. Co-ordination issues are mentioned in many individual PIR reports. To agree roles and responsibilities of each participating organisation is a time consuming task. Under the ISP project, one demonstration site had to be given up and all three other demonstration activities were significantly

delayed due mainly to difficulties in working out roles of government agencies and NGOs. In the Bermejo River project, a change in the organisational arrangement in one participating government affected smooth implementation of the project.

30. Without swift and sound communications and reporting, smooth project implementation is not possible. Messages may not reach some countries easily. In this respect use of the internet has improved communications situation in some countries.

Reporting tends to delay the process. This was experienced in particular with the Biodiversity Country Studies project and the Economics of Greenhouse Gases Limitation project.

Poor communications and delayed reporting have sometimes reasons other than inappropriate communication hardware and negligence. An example is difficulty in obtaining first hand data and information. Under certain situations, provision of such data and information could become politically sensitive. This is quoted as a reason for delay by the Biodiversity Country Studies project.

31. Finally, political situation could influence smooth implementation of a project. This is usually beyond the control of project activities. Political instability in Indonesia has delayed the implementation of the Forest Fire project. One demonstration site of the PLEC project was dropped due to serious violence in Papua New Guinea, which took place in 1999.

32. All of these implementation uncertainties could result in either delay in project implementation and/or change in project objectives and budget.

33. Delay in project implementation is not uncommon. It seems this is more conspicuous when many countries are involved in a project. However the consequence of delays are not always negative. In some cases the original time frame could be viewed as an optimistic estimation. Often delays result in improved co-ordination and participation, which will, in the end, contribute to the successful implementation of a project.

The Biosafety project and the Global Biodiversity Assessment project concluded that the original timeframe was too short and inadequate. In the case of the Global Biodiversity Assessment, the component of cultural and social values influencing biodiversity conservation was not envisaged in the original project design. Full inclusion of this component in the later stage, financed by UNEP and at no cost to the GEF, delayed the project completion.

34. On the other hand there are delays, which do not contribute to the successful completion of a project. These are delays caused by, for example, negligence in reporting or some other administrative reasons.

The Economics of Greenhouse Gases project completed almost all activities with minimal delay. It even exceeded originally planned activities and outputs by adding a regional workshop and a

number of publications. Still due to the fact that two national reports are not yet submitted, the preparation of the final report and hence closure of the project have been delayed. The same problems were experienced with the Biodiversity Country Studies project. Delays of this kind dampen the project momentum and tend to damage otherwise excellent project image. Since the responsibility for preparing national reports rests with national teams, there is not much project executing agencies or implementing agencies can do to rectify the situation. This problem is being investigated internally by UNEP.

35. Addition or deletion of certain project components or changes in project design could sometimes result in significant change in project budget. In the Biodiversity Country Studies project, costs for peer review of country reports were not included in the original budget. As a consequence, project funding was not available to convene expert meetings to review the final outputs. Due to insufficient funding, the Biosafety project could not convene additional national workshops with appropriate participation of international experts. An independent midterm review on the PLEC project indicated a need for some additional funding to enhance scientific impact of the project.

CONCLUSIONS

36. Multi-country projects create various forms of impact. They are institutional, organisational, financial, human-developmental and informational. Some impacts such as development of global technical guidelines and databases can be created only by multi-country projects, while other impacts such as organisational strengthening and human capacity development could be generated more efficiently by multi-country projects. Thus multi-country projects should continue to play a significant role within the overall GEF portfolio.

37. However multi-country projects have some difficulties, in particular in relation to implementation. Activities initially planned have to be changed, and project implementation tends to be delayed. UNEP has learned many lessons to address these implementation risks associated with many multi-country projects. Participation is one of the key approaches to deal with this potential weakness of multi-country projects.

38. What is most important is to meet original objectives of a project. Since multi-country projects have more uncertainties, project management should be as flexible as possible. Management of time and budget is of particular importance. Significant extension of the time frame and/or considerable increase in the project budget have to be always considered carefully. But it should be recognised that uncertainties and complexities associated with multi-country projects could possibly result in such changes. Flexible project management that ensures appropriate project monitoring and subsequent corrective actions thus becomes essential. Also important is the flexibility that relevant rules and procedures of the GEF and the Implementing Agencies should have to accommodate these unexpected changes during the project implementation.

APPENDIX C3

WORLD BANK PROJECT IMPLEMENTATION REVIEW SUMMARY REPORT

PORTFOLIO

1. As of June 30, 2000, The World Bank's GEF-approved portfolio consisted of 202 projects, totaling \$1.736 billion in GEF grants, with 161 full-sized projects (\$1.705 billion) and 41 medium-sized projects (\$31.28 million).
2. The Bank's active portfolio included 130 projects (GEF grants of \$1.041 billion) -- 93 full-sized projects (1.013 billion) and 37 medium-sized projects (\$28.06 million). 16 full-sized projects (\$122 million) and 18 medium-sized projects (\$13.5 million) were approved by the Bank's management in FY00. 13 full-sized projects (\$125.17 million) and 16 medium-sized projects (\$12.16 million) became effective in FY00. Ten full-sized projects exited the portfolio in FY00.
3. Nine projects had been approved by the GEF Council on or before June 30, 1998 and had not yet been approved by the Bank's management at the end of FY00. Four of these projects are now on track for their expected Board dates, two projects have subsequently been dropped by the Bank, and the prospects for the other three will be clarified in the near future.
4. The FY00 Project Implementation Review covered 84 projects (\$830.01 million) that had been effective on or before June 30, 2000. This included 73 full-sized projects and 11 medium-sized projects. There were 45 biodiversity projects (38 full-sized and 7 MSPs), 24 climate change projects (21 full-sized projects and 3 MSPs), 8 international waters projects (7 full-sized projects and 1 MSP), 6 ozone projects and one multi-focal area project. Overall there was a 50% increase in the number of projects over the Bank's FY99 PIR portfolio, driven substantially by the inclusion of MSPs that have now been under implementation for more than one year -- none were included in the FY99 PIR. Full-sized projects also saw a significant 30% growth in the portfolio under implementation.

PERFORMANCE

Implementation Progress/Global Objectives Ratings

5. The percentage of projects rated satisfactory and highly satisfactory for Implementation Progress has remained relatively constant since FY97. The percentage of projects rated as unsatisfactory is below FY97-98 levels, although FY00 saw a slight increase over FY99. As in FY99, the proportion of projects with satisfactory and highly satisfactory ratings was about evenly split between biodiversity and climate change. However, biodiversity projects continue to account for most of the unsatisfactory ratings (78%, while biodiversity projects constitute 54% of the PIR portfolio). As in FY99, about half of the unsatisfactory projects for IP in FY00 are AFR biodiversity projects. No MSP was rated unsatisfactory for IP.

6. For Development Objectives, while the percentage of highly satisfactory projects increased slightly in FY00, there was a decline in the percentage of projects that were rated satisfactory and an increase in projects rated unsatisfactory. AFR and EAP account for the largest proportion of unsatisfactory ratings – in absolute terms as well as relative to their share of the portfolio. The increase in unsatisfactory ratings is mostly the result of poor performance of GEF projects in two EAP countries, and as a consequence EAP now accounts for one third of the U ratings for IP and one third of the U ratings for DO.

Box 1: Implementation Progress and Global Objectives Ratings, FY97-00.

	FY97 (49 projects)	FY98 (62 projects)	FY99 (56 projects)	FY00 (84 projects)
Implementation Progress				
Highly Satisfactory	20%	18%	12%	12%
Satisfactory	67%	66%	79%	77%
Unsatisfactory	12%	16%	9%	11%
Development/Global Objective				
Highly Satisfactory	28%	18%	16%	17%
Satisfactory	65%	74%	80%	76%
Unsatisfactory	6%	8%	4%	7%

Projects at risk

7. GEF projects at risk declined for the second successive year from 21% in FY98 to 15% in FY99 to 11% in FY00, which is below the Bank-wide average of 15%. Improvements in the AFR GEF portfolio contributed to the reduction in the percentage of projects at risk. Although AFR's percentage of GEF projects at risk (29%) is lower than FY99's 37%, it is still higher than the FY98 level of 24%, substantially higher than any other region (which ranged from 0% to 8%), and higher than the AFR region-wide average (15%).

8. Out of the five actual problem projects in FY99, three remained in the active portfolio by the end of FY00 and two of these had been upgraded from problem project status (Cameroon Biodiversity and Jordan Gulf of Aqaba). In FY00, there were five new actual problem projects, resulting in a net increase of one over FY99 to a total of six (in addition to Kenya Tana River continuing from FY99, West Africa Community-Based Natural Resources and Wildlife Management, Lake Victoria, Ghana Natural Resource Management, Indonesia COREMAP, and Ukraine ODS).

9. Of the six potential problem projects in FY99, five remained in the active portfolio by the end of FY00 and four of these were upgraded from potential problem project status (Madagascar Environment Program, Zimbabwe Park Rehabilitation, Belarus ODS and Russia Biodiversity), while one was downgraded to actual problem project status (Lake Victoria). In FY00, there were only two potential problem projects (Honduras Biodiversity and Congo Wildlands; the latter was subsequently closed in FY00).

Quality at Entry

10. Five GEF projects were selected through random sampling for the Bank-wide Quality at Entry Assessment for CY99, of which two were rated highly satisfactory (China Renewable Energy Development and Poland Rural Environmental Protection), and the balance satisfactory (Romania Biodiversity, Bangladesh Aquatic Biodiversity, and Red Sea SAP). GEF projects – albeit a small sample—have achieved the Bank-wide Strategic Compact performance benchmark of 100% for quality at entry for the second year in a row, and compared to a Bank-wide percentage of 89% for 1999.

11. Projects included in the QAE sample were assessed for overall likelihood of achieving their objectives, based on quality along the selected dimensions (with operations being rated on a four-point scale of highly satisfactory, satisfactory, marginal and unsatisfactory). GEF projects rated consistently satisfactory in the following areas: the project's concept, objectives and approach; technical and economic aspects; environmental aspects; poverty and social aspects; financial management aspects; readiness for implementation; and Bank inputs and processes. However, there were some marginal ratings in institutional capacity aspects as well as risk assessment and sustainability.

Quality of Supervision

12. With respect to quality of supervision, eight GEF projects were included through random sampling in the Rapid Supervision Assessment for 1999, of which six were rated satisfactory (Jordan Gulf of Aqaba Environmental Action Plan, Morocco component of the Oil Pollution Management Project for the Southwest Mediterranean, Russian Federation ODS Phase-Out, China Efficient Industrial Boilers, Honduras Biodiversity Conservation, and Brazil Biodiversity Fund) and two marginal (Ghana Coastal Wetlands Management and Tunisia Solar Water Heating). This is slightly below the Bank-wide performance benchmark (85%) and lower than the Bank-wide percentage of 82% for FY99 – although it should be recognized that the sample of GEF projects is relatively small.

13. In general, the RSA concluded that the supervision of Bank GEF projects has been of high quality and effective, with task teams demonstrating competence and adopting skillful approaches to address implementation problems. The RSA also showed that there is scope for improvement, such as in supervision reporting and follow-up, increasing the level of funding for supervision, more direct involvement of regional managers in identifying and resolving implementation issues in GEF projects, and the need to maintain the appropriate skills mix in task teams given the scope and complexity of GEF operations.

Net Disconnect²³

14. Out of the ten projects that exited the portfolio in FY00, only two had received OED ratings at the time of reporting, neither of which were rated as unsatisfactory by OED. OED also conducted Evaluation Summaries in FY00 for five other projects that closed in earlier years – only one project was rated unsatisfactory in both the ICR and the OED review, and therefore the net disconnect was zero.

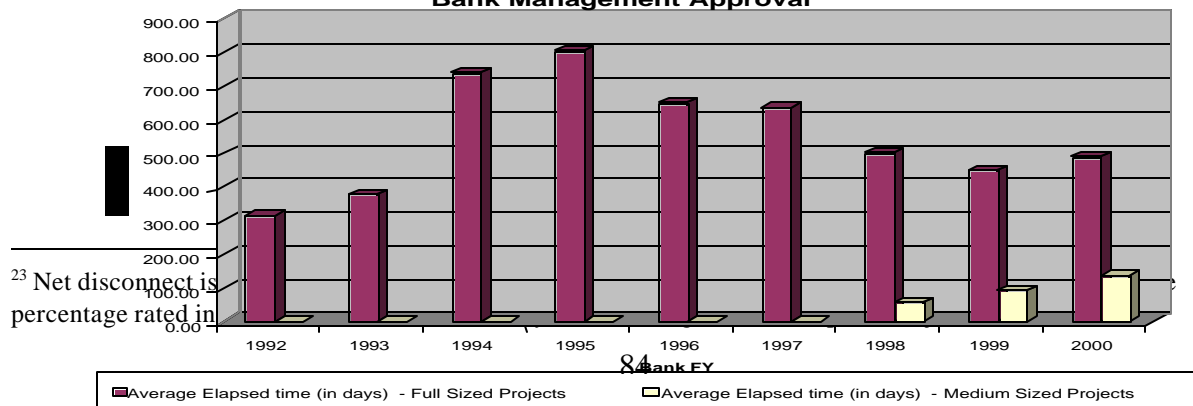
Disbursements

15. Disbursement performance continues to improve. There was a 28% increase in cumulative disbursements in FY00. Disbursements in relation to commitments increased to 43% at the end of FY00, compared to 39% in FY99 and 41% in FY98. The proportion of projects with disbursement lags of 50% or more declined from nearly half to about one-third. Nine projects approved on or before September 30, 1999 had not started disbursing as of the end of FY00. Reasons for the delays vary considerably, and include the lack of government staffing and institutional arrangements necessary for implementation, changes in administration, delays in policy changes, lengthy resource mobilization process, and due diligence efforts. All but one of these projects has subsequently begun disbursements or will begin shortly.

Elapsed time between project cycle steps

16. Time elapsed from GEF Council approval to Bank Board approval for full-sized projects is showing an overall downward trend since the beginning of GEF-1, although there was a small increase in FY00 (490 days) relative to FY99 (448 days). This was caused by a few outliers, such as one project that took 940 days primarily due to the fact that presentation to the Board of all projects for that country were put on hold for policy reasons. Other projects were delayed by project-specific factors such as the policy dialogue or enabling environment not permitting projects to move forward, delays in finalizing co-financing arrangements or the need to conclude donor coordination efforts, and country-specific requirements or crises that are largely outside the Bank's control (e.g. economic crises, change of government). Over-optimistic programming and under-estimating the complexity and requirements of project preparation have also been common factors. Although the FY00 average is below FY94-98 levels, the Bank will monitor that the elapsed time continues its overall downward trend (and whether FY00 is a slight variation around the average).

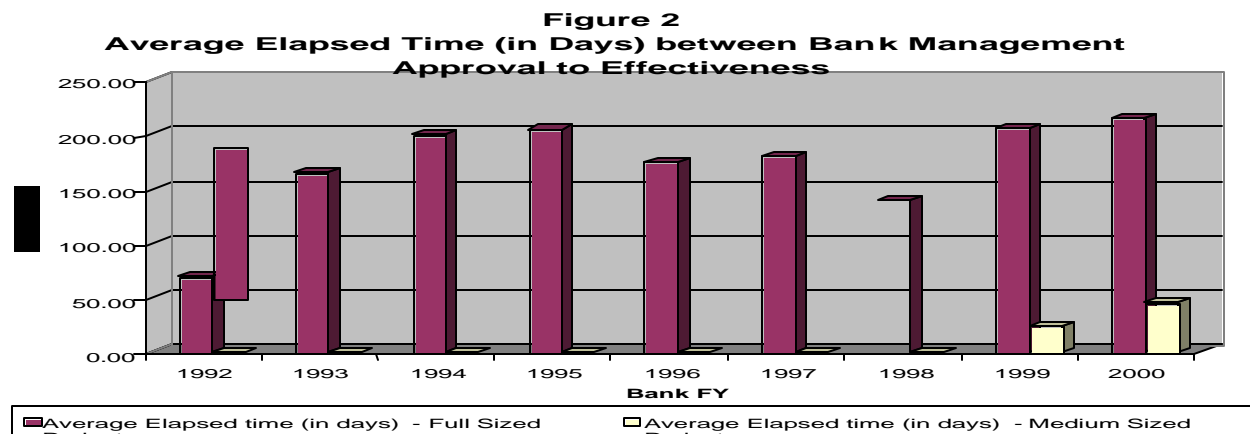
Figure 1
Average Elapsed Time (in Days) between GEF Approval to Bank Management Approval



²³ Net disconnect is percentage rated in

17. For the 18 Medium-Sized Projects approved by Bank management in FY00, the average number of days from GEF CEO approval to Bank management approval increased substantially in FY00 to 138 days, compared to 95 days in FY99. This increase is almost entirely due to the significant delays in three MSPs in South Africa – all of which took more than 300 days – caused by uncertainty about the signing authority in the government for MSP grant agreements, a matter that has now been settled. In general, it appears that the learning curve for processing MSPs remains steep, as the Bank engages new partners and adjusts its internal modalities for MSPs. Only seven out of 18 MSPs approved in FY00 were within the range of the service norm of 8 weeks proposed by the GEF. It might be necessary for the GEF to review the practicality of this service norm. In any event, the Bank’s management will need to assess how the current trend of increasing elapsed time between GEF approval and Bank approval of MSPs can be reversed.

18. Time elapsed from Bank Board approval to effectiveness has increased for the third successive year, although six out of the 13 projects met the Bank’s service standard of four months for elapsed time between Board approval and effectiveness. An assessment will be needed of project-specific factors contributing to effectiveness delays, as well as broader programming and preparation issues, in order to reverse the trend. In particular, there was one outlier that took 790 days from management approval to effectiveness. In that case – a complex global project -- the executing agency needed two years to complete due diligence on the early pipeline generated by the solicitation for investment proposals. As in the case of delays in Board presentation, these causes are primarily project specific conditionalities (issues such as policy/institutional reform or legislative actions, co-financing, land allocations, sub-agreements, etc.), but also frequent are delays due to country-specific requirements or crises that are largely outside the Bank’s control (e.g. government procedures required for effectiveness of projects). For the 16 medium-sized projects that became effective in FY00, although the mean time lag from Bank management approval to effectiveness has also increased substantially (from 24 days in FY99 to 45 days in FY00), the majority of projects took less than three weeks to become effective after Bank management approval.



World Bank - GEF Portfolio at a Glance

	FY 96	FY 97	FY 98	FY 99	FY 00
Product					
Active Portfolio					
Number	59	74	89	99	130
Net Commitments (\$ Million)	506	701	886	950	1041
Management Approvals					
Number	15	16	18	27	34
Net Commitments (\$ Million)	126.1	198.7	211.5	122.1	135.5
Completed Projects					
Number	1	3	9	9	10
Net Commitments (\$ Million)	4.5	31.5	39.9	49.5	92.7
Portfolio Performance (%)					
Project At Risk	12	19	21	15	11
Share of Problem Projects	7	15	15	15	8
Realism Index	57	77	71	45	75
Disbursement to Commitment Ratio		33	41	39	43

Notes:

- 1) Since FY 99, MSPs were also included in the analysis.
- 2) Active Portfolio include those projects which are approved by Bank Management but excludes completed projects.
- 3) Net commitments are the GEF grant amount.
- 4) Management Approvals include those projects which are approved by Bank Management in a given FY.
- 5) Completed projects are those which are closed in a given FY.
- 6) Portfolio performance indicators are based on projects included in ARPP report, i.e., projects approved by the Bank management but excluding completed projects as of FY, IFC projects, and regional development banks projects.
- 7) Project At Risk means actual and potential problem projects. Potential problem projects are those which have three or more risk flags.
- 8) Share of Problem Projects means Actual Problem projects divided by number of projects (see note 6 above).
- 9) Realism Index is the ratio of Actual Problem projects to Total Projects at Risk.

Resources Leveraged/Demonstration and Catalytic Effects

19. Several projects in the PIR portfolio reported significant demonstration effects that helped leverage resources and catalyze new actions on the global environment. These actions are reflected in changed attitudes, the establishment of new policies and guidelines, improved access and participation of stakeholders to decision-making, the replication of tested project approaches to non-project areas, and improved sharing of information and best practice. This has led to an increase in funding (notably

by the private sector) and implementation of similar projects and approaches beyond the GEF funded activities.

Leveraging and Catalytic Effects

20. Although there were many instances of projects that mobilized finances beyond the anticipated project co-financing, the experience in leveraging financing, particularly in the biodiversity focal area, has not been uniform. In general, the expectation that projects will generate substantial additional financial support during implementation is not realistic (although the GEF has played a major role in attracting other co-financing during project preparation). The exception occurs with conservation Trust Funds, particularly when fund raising is an explicit project objective. For example, the Peruvian Environmental Fund Project has been one of the most successful, mobilizing to date \$27 million. Similarly, efforts in the MesoAmerican Biological Corridor have had a positive impact in terms of leveraging financing nearly \$200 million from IBRD/IDA/IDF and additional half a billion dollars from other bilateral and multilateral donors; creating catalytic effects in the region particularly in mainstreaming the MBC within strategic development planning and sectoral investments; and transforming a bio-regional concept into a platform for sustainable development.

21. However, the EAP region's biodiversity portfolio has not leveraged significant resources for biodiversity conservation *over and above* project co-financing. The main reasons are thought to be: (a) potential resources are very scarce, because their main sources are governments and development donors (there is little private sector interest); and (b) the economic benefits of applying those scarce resources to biodiversity conservation are perceived to be lower (and probably are lower) than their alternative uses in the rural sector, such as food and water supply, health and education. This is a consequence of poor rural people's high rate of time preference, which means they value consumption today much higher than the prospect of consumption tomorrow. It also contrasts sharply with the EAP's experience in the climate change focal area, where the GEF's strategy of supporting near-commercial technologies is targeted at more plentiful private sector resources and can raise the returns on those resources to commercially competitive levels. For example, the barely two year-old China Energy Conservation Project has established three flourishing Energy Management Companies (EMCs) and catalyzed over 100 energy efficiency investment projects, into which the EMCs have invested over \$5 million of their own resources - a quick leverage effect. While still "young", the project has clearly demonstrated the feasibility and potential of the EMC modality, and attracted considerable interest throughout the country.

Demonstration Effects

22. GEF efforts to strengthen institutions and raise awareness have provided the basis for further promotion of project approaches and concepts. Replication of successful GEF innovations, capitalization on opportunities from GEF projects in the Bank's regular programs, and attracting resources that are additional to agreed project financing, are all developments that add to the effective mobilization of resources for the global environment.

- The India Ecodevelopment Project’s participatory approach at protected area management has been extended to a number of non-GEF financed Bank and donor projects throughout the country and has led to a re-evaluation of the existing criteria for support of government funded participatory programs around protected areas. The approach being piloted in the Ecodevelopment Project recognizes a process driven approach to planning and implementation of alternative resource development opportunities around protected areas to reduce unsustainable exploitation from the protected areas, as opposed to target driven funding. The expansion of the approach outside of the project has provided opportunity for sharing of lessons and experiences, and training and study exchange visits across States and Protected Areas.
- The Indonesia Kerinci-Seblat Project has introduced a community-based protected area management concept known as “village conservation agreements”. Indonesia’s Ministry of Home Affairs is so impressed with the approach that it intends to apply it and its operational guidelines to other Indonesian national parks.
- The Thailand Electric Energy Efficiency has achieved global recognition and attracted significant interest from neighboring countries, and so has had a considerable (and greater than expected) demonstration effect. Indonesia, Philippines and Vietnam (the former two without Bank or GEF support; the latter with bilateral donor funding administered by the Bank) have launched demand-side management programs that were partially inspired by and modeled on Thailand’s experience.
- A GEF-funded workshop was held on financing Protected Areas held for PAs practitioners from Ecuador and Brazil provided opportunities for information sharing and dissemination of lessons learned among PA practitioners and international experts on financing PAs. The workshop included the development of concrete work plans to implement the most promising mechanisms for the two GEF PA projects in Brazil and Ecuador.

Promoting Private Sector Participation

23. Bank GEF projects, particularly through the involvement of the IFC, have played a major role in seeking to redirect and mobilize private capital, expertise and privately held technology.

- Until the implementation of the India Renewable Resources Development Project, renewable energy operations were managed by government agencies using government procurement and subsidies to support local industry. The private sector’s role was limited to supplying equipment and design and installation services. The Bank-GEF project has helped the renewable energy industry to make a transition from a supply-driven approach to a market-based, demand-driven one in which the consumer has a choice of product and effective after-sales. When the project started in 1993, the country had only 40MW of installed capacity. Today, the installed capacity is over 1,000 MW. Over 95% of the wind power capacity in India has been installed by the private sector. The number of private manufacturers has gone up from three to 15. Policy

initiatives that have been supported either indirectly or directly under the project include reduction in custom duties for renewable energy equipment, sales tax exemptions (in selected States), and assured power purchase rates by State Utility Companies, power wheeling arrangements through the grids and sales to third party consumers.

- In the IFC Hungary Energy Efficiency Project, the guarantee program has been expanded with a parallel recently-approved IFC investment. This investment will improve the leverage of GEF funds and allow the Program to expand beyond the pilot stage and provide guarantee support to a large subset of the principal commercial financial intermediaries (FIs) in Hungary, thus setting the stage to have greater impact on the overall market. Additional FIs have expressed strong interest in and submitted applications to participate in the program.
- The Energy Services Delivery program in Sri Lanka facilitated significant private sector investments in renewable energy. In the mini-hydro component of the project, which is funded outside the GEF, but where GEF has been responsible for development of the standards and protocols, roughly 55% of the component costs are met by the private investors and local Commercial Banks. The project has been catalytic in bringing large multi-national companies into the solar home system market in Sri Lanka. Shell Solar Inc. has substantially increased the production of solar home system in recent months from an existing national production capacity of 30-40 systems to 300-400 systems per month, making these systems accessible to a larger number of people.
- OED's Performance Audit Report for the Mauritius Sugar Energy Development Project concluded that the Bank can be highly valuable as a catalyst and honest broker in the early stages of promoting private involvement, when it is important to have effective consultation mechanisms that foster cooperation and trust among public and private stakeholders. In the Mauritius project, the Bank played an important role in identifying the issues, setting priorities in the complex agenda, bringing in new knowledge, building linkages among traditionally isolated entities, and fostering a collaborative approach to resolving the difficult issues in which no-one at the negotiating table had much expertise. Bagasse cogeneration now accounts for about 60% of firm capacity with 10 out of 14 sugar factories operating bagasse units. The institutional and regulatory framework for private sector development in power generation has been established, bagasse/coal generation has been mainstreamed as a possible alternative in the process of preparing least-cost power expansion plans, and private sugar plants are using bagasse for part of their power needs.

Issues During Implementation/ Assessments of Risks and Assumptions

24. External factors, such as government elections, institutional changes, and economic trends can significantly affect a project's performance, and can even overpower the most well designed strategy to minimize exposure to project risks. The significant percentage of projects affected by "Risky Country" and "Macro-economic Management" at-risk flags would suggest the need to strengthen the assessment

of such external risks during project preparation and to be more flexible in project implementation in order to respond to such risks.

25. The Bank is applying lessons learned from experience in such external risks. For instance in EAP, by far the most serious implementation issue affecting the region's climate change projects was the 1997-98 Asian economic crisis. Thailand and Indonesia suffered massive capital flight and currency devaluation, a severe banking crisis, and a major fall in real incomes, consumer spending and investment. The extent of this crisis and its impact on the Thailand Electric Energy Efficiency and Indonesia Solar Home System projects were not foreseen by the project designers (or by expert economic forecasters). The risk assessments for both projects focussed only on risks related to the projects' implementation mechanisms, not the market conditions under which they would be operating. As a result of the Thailand and Indonesia experience, economic risks have been explicitly evaluated in all of the region's recently prepared climate change projects.

26. Anecdotal evidence suggests that reform schedules – particularly the political barriers to reform, the complexity of the policy and institutional changes involved, and the time taken to resolve reform issues -- are under-estimated in project preparation. Many projects face delays in the finalization of legislation and regulations required to formally establish protected area systems and codify institutional and management arrangements.

- In the Laos Forest Management and Conservation Project, management regulations for the four National Biodiversity Conservation Areas targeted by the project have not been issued even as it enters its final year. Enforcement of protected area regulations has recently become a major issue in the Laos Forest Management and Conservation Project. Government-approved commercial logging has been reported in two Conservation Areas, and peat extraction at another, despite the fact that these actions clearly contravene the law. In fact, the unsatisfactory ratings for the project are due to the declining government commitment to protected area management.
- In the West Africa Community Conservation & Wildlife Management Project, the government of Burkina Faso was taking initial steps to enable the communities to efficiently and legally manage their wildlife areas (recognition of inter-village Community Wildlife Associations; concession of wildlife area management rights; exoneration of wildlife taxes; authorization of a pilot safari by the community). However, the government of Cote d'Ivoire did not take the necessary steps towards community empowerment, which led to a slow withdrawal of the villagers' commitment from the project in Cote d'Ivoire. In Burkina Faso, in contrast, community investments were stepped up with the help of a Local Development Fund and participatory procurement methods.

27. Capacity constraints are one of the most serious implementation issues affecting many GEF biodiversity conservation projects. In general, existing protected area management capacity is significantly less than is required for effective conservation. So the projects are trying to bridge a wide gap between existing "Baseline" capacities and what is required under "GEF Alternative" conservation

scenarios. And there is no “quick fix” for this gap, because the required capacity is primarily human, not mechanical, and additional human capacity takes a long time to create.

Emerging Lessons and Good Practice

28. The PIR identified emerging lessons and good practice in the following areas:
Opportunities and challenges in integrating global environmental action with rural development.

29. The PIR identifies lessons from several projects that use sustainable rural development as a conservation tool to support the dual goals of conservation and poverty alleviation and resolve the competitive demands of communities and wildlife for land and resource use. Box 7 provides an example of successful efforts to relieve poverty and indebtedness amongst tribal communities in Kerala. By exploiting such linkages, the projects provide one of the best opportunities for mainstreaming biodiversity into national sustainable development and poverty alleviation agendas. The success of linking poverty and biodiversity depends upon numerous factors including the existence of the proper policy framework, the political will to allow meaningful community participation, and the existence of strong institutions at the local level.

Box 2: Relieving poverty and indebtedness through Ecodevelopment

Around the Periya Tiger Reserve, local villagers had been in the past exploited by unscrupulous moneylenders that resulted in a great debt burden and poverty amongst the villagers. In order to pay back the high interest loans provided by the moneylenders, the villagers would mortgage their agricultural produce to the moneylenders at prices well below market value and often resulting in them becoming entrapped in a vicious cycle of debt burden. This surfaced as a major obstacle to the successful participation of local tribal families in the implementation of activities under the Ecodevelopment project. In order to address the issue of debt burden, the project provided very low interest loans to the villagers through village ecodevelopment committee organizations for initially paying back the loans to the money lenders and for later improving agricultural productivity and incomes. The program has been a tremendous success and many tribal families are now free of debt and have substantially improved their incomes and capital. The loans have been repaid to Village Committee accounts and a substantial capital has accumulated at the village level, which is being ploughed back for further investment in improving agricultural production and marketing and improving village community development services and infrastructure.

Critical need for institutional strengthening and capacity building within projects in order to ensure project results

30. One of the key lessons learned is that the right balance between project complexity and capacity is hard to find. Ecosystem conservation is a tough challenge, because it must be pursued over a fairly large area, and involves tackling complex issues and working with many different stakeholders. Moreover, the capacity and motivation of those stakeholders and their institutions are usually very limited. Focussing on smaller areas is not the answer, because “small conservation islands” are not biologically viable. Sidestepping the issue of conservation and development trade-offs is not an option either, because then local commitment to conservation is too weak. Experience from the Bank’s portfolio suggests that making a long-term commitment to support an entire ecosystem, including protected and buffer areas, and then phasing-in a comprehensive approach to conservation and development seems to be the right approach. Projects must strengthen conservation incentives, management plans and capacity, institutions, collaborative systems, and the legal/regulatory framework.

31. Highly accurate pre-assessment of institutional capacity is difficult during project preparation, particularly for projects with complex institutional frameworks or relatively new partnerships. In these cases, frequent monitoring of the project's institutional capacity building efforts during implementation improves results. In the area of institutional strengthening and capacity building, particularly in Africa, experience has shown the importance of (a) addressing institutional development and capacity building needs early on; (b) providing targeted training linked to the project's objectives; (c) effective legislative frameworks; and (d) coordination of complex projects requires specific capacity building efforts.

Impact of strengthening local and community institutional capacity in terms of project performance, sustainability and replicability

32. Stakeholder involvement, community participation, and replicability are inter-related and, in practice, the probability of developing replicable models depend on strong community participation and stakeholder involvement. Capacity development has an important role in promoting effective participation of stakeholders in addressing local and global concerns. The development of techniques and processes for effective community involvement in conservation and sustainable use of biodiversity can contribute to increasing the capacity of local people to generate economic benefits and livelihood opportunities for themselves.

Box 3: Enlisting local communities to conserve biodiversity

The India Ecodevelopment Project has been able to demonstrate a direct relationship between conservation of biodiversity and improved local livelihood and incomes, along with increased empowerment and decision-making responsibility to the community-level. Village Ecodevelopment Committees (EDCs) now represent the most effectively functioning institution at the village level. These EDCs are officially recognized by the local governments and financial institutions, increasing opportunities for local people to collectively access benefits for other government schemes and programs. In some of the Ecodevelopment project sites, local communities have been able to attract substantial outside funding for water resources and agricultural development, income-generation activities and infrastructure improvements in the village.

In some of the Ecodevelopment sites, government policy now favors the direct transfer of financial resources to local community organizations for implementation of project activities. In Periya and Pench Tiger Reserves *all* the Ecodevelopment investment funds are transferred to EDC accounts thus providing greater financial and decision making authority to local communities than ever provided in the past. This represents a major deviation from normal government accounting and financial practice and policy and has been extended to non-project protected areas in other states in India as well. Strong transparency within the committees, arrangements for systematic audits, and leadership within some of the Project entities have given the program a strong local reputation for honesty relative to other government investment programs. Planned steps to further increase transparency through systematic annual public reviews of protected area wide expenditures and to disseminate experiences are expected to further improve understanding and support for the program. Concern for sustainability has already been demonstrated through the focus on revolving funds, local contribution requirement, and community monitoring. Similarly, some sites have achieved relatively strong participation of women, both in decision-making of the EDCs, and as beneficiaries and in some cases women represent over 50% of the total alternative livelihood beneficiaries.

Design elements in climate change projects

33. Several lessons have been learned from the Thailand Electric Energy Efficiency Project that have been and are being systematically applied to the design of related DSM operations and other energy efficiency initiatives, such as the China Energy Efficiency Project. The major lessons that are applicable to a wide range of energy efficiency projects are: (a) obtain quality baseline data at the start of the project in order to accurately measure its impacts (the China project is doing this); and (b) begin by implementing modest-sized pilot programs to gain a track record before scaling up (hence the China Energy Efficiency project's two-phased approach and a similar approach to DSM in Vietnam). Lessons that are specific to demand-side management projects are: (c) locate the activities in power distribution companies because they are closest to consumers; (d) anticipate power sector reform and plan accordingly; and (e) launch a range of initiatives, compare their impact and cost effectiveness, and focus later on the most successful. These lessons are being applied to the Vietnam DSM program.

34. The major lesson learned from the China Efficient Industrial Boilers project is that the Bank's standard two-phase procurement procedure (technical qualification followed by competitive tenders) may not be appropriate for projects that involve the transfer of complex technologies for which there are relatively few suppliers. The two-phase procedure is very lengthy, and, because there are few suppliers, the cost savings are likely to be modest and contract opportunities may be lost. Direct contracting with a qualified supplier may be a better option for this type of project.

35. Three major lessons have been learned from the Indonesia Solar Home Systems project that are being and will be applied in other projects (e.g. China Renewable Energy Development): (a) avoid linking the fate of such projects closely to the performance of the financial sector and the condition of the commercial banks; (b) provide RE equipment dealers with some up-front, performance-linked seed money to provide the capacity and incentive to scale-up their activities from the beginning, instead of only rewarding them retroactively for improved performance; and (c) carefully review the economic prospects of the host economies for such projects and tailor their design accordingly. For example, if the exchange rate is weak and interest rates are high and/or rising, emphasize cash rather than credit sales, shorten credit terms and focus on smaller, less costly systems.

Design of environmental funds and implications for the sustainability of project benefits

36. Environmental funds can be effective mechanisms to finance biodiversity conservation. However, there are important strategic management issues that need to be addressed when choosing between fixed instruments with lower average returns and the riskier stock market with higher average returns. When choosing the riskier investment strategy, a delicate balance must be struck between planned activities and revenue stream and the fund's financial performance should be assessed over the medium-term to account for short-term fluctuations in financial markets.

37. OED's Evaluation Summary of the Peru National Trust Fund for Protected Areas (FONANPE) Project concluded that FONANPE has demonstrated its viability as a mechanism to attract external funds and provide long term and sustainable funding for biodiversity conservation. However, the trust fund's experience with its excessive concentration of funds in a single risky emerging

market and inadequate investment guidelines provides useful lessons for the design of such projects: (a) the Board of Directors needs to be selected to include individuals with private sector financial management and investment expertise; (b) portfolio manager contracts need to include clear guidelines for investment risk, asset quality and portfolio diversity; and (c) portfolio manager contracts need to include performance standards and indicators, with provisions for removal if performance is inadequate.

Project and portfolio management

38. Continuity in project staffing and carefully-designed institutional arrangement have been significant factors in sound project performance. The need for systematic and consistent supervision is one of the key lessons that is currently being applied to the portfolio. Across all regions, the CMUs are much more closely involved in supervision now, with the GEF portfolio subject to all the quality control measures of regular Bank projects. For example, it was due to the close management attention that was accorded to the Jordan Gulf of Aqaba project that the project has now been upgraded to a satisfactory status. Now all projects in the pipeline also have to be included in the WPAs, CASs/CDFs in order to ensure that there is country management buy-in.

Looking to the future

39. Efforts to consolidate the achievements of the portfolio and continually improve project performance will need to cover the following areas:

- **Replicability:** To help realize the full potential for replication and scaling up of GEF initiated interventions, the Bank intends to (a) more systematically build into project design measures to support dissemination of results of innovative GEF approaches and investments; (b) promote timely access by Bank task teams and client partners to lessons learnt through GEF and global environment related knowledge management; (c) intensify its efforts to provide longer-term, programmatic, Bank/GEF assistance; and to (d) support the required corporate GEF outreach and M&E dissemination efforts.
- **Mainstreaming:** A high priority for the Bank's GEF team is the mainstreaming of GEF operations into the Bank's regular pipeline and portfolio management, in terms of linking programmatically to the country assistance dialogue and lending program, as well as integrating GEF operations with the Bank's policies and procedures, regional portfolio management activities, Bank quality assurance assessments, SAP and the Business Warehouse. GEF projects need to be placed in the broader sectoral development context and its related environmental management priorities. The Strategic Partnerships for Renewable Energy and Nutrient Reduction in the Black Sea/Danube Basins illustrate the way forward.
- **Linkages between global and local benefits:** The World Bank will need to strengthen its capacity to link GEF funding and local development priorities. The global environment and GEF are still frequently looked upon as a separate and externally driven agenda. This calls for a program to strengthen and accelerate in-house and client training. The message emerging from the

implementation of GEF portfolio is that there are clear opportunities for poverty alleviation, improved livelihood and empowerment of rural communities in the implementation of GEF projects. This is particularly so in the biodiversity focal area, where the frontiers of global biodiversity are usually areas where the poorest and less empowered communities live. Consequently activities aimed at improving global biodiversity provide great scope of enhancing benefits at the local level. Similarly, climate change projects provide good opportunity to improve the poor's health and livelihood through improved and reliable rural energy development options.

- Private sector: Recognizing that the greatest potential for action on global environmental issues is in the private sector (from corporations to communities), the World Bank will accelerate its efforts to engage the private sector more effectively. This will include creative mechanisms for funding conservation and sustainable use of biodiversity, as well as supporting other ecosystem services, including carbon management.

APPENDIX D
LIST OF COMPLETED PROJECTS

No	Country	Region	IA	Project	Focal Area	OP	GEF Funding (US\$ mil)	Total Project Cost (US\$ mil)	Date of Work program Entry	Date of approval by IA	Date of project start	Closing date
1	Algeria	AFR	World Bank	El Kala National Park and Wetlands Management	Biodiversity	2	9.32	11.68	May-91	Apr-94	Sep-94	Jun-99
2	Argentina	LAC	UNDP	Patagonian Coastal Zone Management Plan	Biodiversity	2	2.80	2.80	Dec-91	Feb-93	Dec-93	
3	Belarus	ECA	World Bank	Forest Biodiversity Protection	Biodiversity	3	1.00	1.25	May-91	Sep-92	Jan-93	Jun-97
4	Belize	LAC	UNDP	Sustainable Development and Management of Biologically Diverse Coastal Resources	Biodiversity	2	3.00	3.00	Dec-91	Feb-93	Mar-93	Feb-98
5	Benin	AFR	UNDP	Carbon Sequestration and Rangeland	Climate Change	STRM			Dec-92	Jul-93	Jan-94	
6	Bhutan	SAS	World Bank	Trust Fund for Environmental Conservation	Biodiversity		10.00	20.59	May-91	May-92	Nov-92	Dec-97
7	Bolivia	LAC	World Bank	Biodiversity Conservation	Biodiversity	3	4.50	8.35	Apr-92	Nov-92	Jul-93	Dec-98
8	Brazil	LAC	UNDP	Biomass Integrated Gasification/Gas Turbine	Climate Change	7			Sep-92	Sep-92	Sep-92	Feb-96
9	Bulgaria	ECA	World Bank	Ozone Depleting Substances Phase-out	Ozone	STRM	10.50	13.50	05/1995	Nov-95	May-96	Apr-00
10	China	EAP	UNDP	Development of Coal Bed Methane Resources	Climate Change	STRM			May-91	Apr-92	Jun-92	Dec-98
11	China	EAP	World Bank	China Ship Waste Disposal	International Waters	9	30.00	67.20	May-91	May-92	Dec-92	Jun-97
12	Colombia	LAC	UNDP	Conservation of Biodiversity in the Choco Region	Biodiversity	3	6.00	9.00	May-91	Feb-92	Sep-92	Dec-99
13	Costa Rica	LAC	UNDP	Conservation of Biodiversity and Sustainable Development in La Amistad and La Osa Conservation Areas	Biodiversity	3	8.00	8.00	Dec-91	Apr-93	May-93	
14	Cuba	LAC	UNDP	Protecting Biodiversity and Establishing Sustainable Development in the Sabana-Camaguey Region	Biodiversity	2	2.00	2.00	Dec-91	Jul-93	Dec-93	Aug-97

15	Czech Republic	ECA	World Bank	Biodiversity Protection	Biodiversity	3	2.00	2.75	Dec-91	Oct-93	Jan-94	Dec-97
16	Czech Republic	ECA	World Bank	Phaseout of Ozone Depleting Substances	Ozone	7	2.30	4.15	12/1992	Aug-94	Dec-94	Mar-98
17	Dominican Republic	LAC	UNDP	Biodiversity Conservation and management in the Coastal Zone	Biodiversity	3	3.00	3.00	May-92	Dec-93	May-94	Oct-97
18	Ecuador	LAC	World Bank	Biodiversity Protection	Biodiversity	3	7.20	8.80	Apr-92	May-94	Jul-94	Jun-00
19	Gabon	AFR	UNDP	Conservation of Biodiversity through effective management of wildlife trade	Biodiversity	3	1.00	1.00	May-91	Jan-94	Jul-94	Jun-97
20	Ghana	AFR	World Bank	Coastal Wetlands Management	Biodiversity	2	7.20	8.30	Dec-91	Aug-92	Mar-93	Dec-99
21	Global	Global	UNEP	Biodiversity Country Studies-Phase I	Biodiversity	EA	5.00	5.22	Mar-92			Dec-97
22	Global	Global	UNEP	Global Biodiversity Assessment	Biodiversity	STRM	3.30	3.48	May-93			Apr-98
23	Global	Global	UNEP	Biodiversity Data Management	Biodiversity	EA	4.00	5.39	Jun-94			Dec-97
24	Global	Global	UNEP	Biodiversity Country Studies-Phase II	Biodiversity	EA	2.00	2.10	Jun-94			Dec-97
25	Global	Global	UNEP	Pilot Biosafety Enabling Activity	Biodiversity	EA	2.74	2.74	Nov-97			Sep-98
26	Global	Global	UNEP	Global Biodiversity Forum - Phase II	Biodiversity	STRM	0.75	1.64	Feb-98			
27	Global	Global	UNDP	Monitoring of Greenhouse gases	Climate Change	STRM	4.80	11.50	May-91	Oct-92	Jan-93	Dec-98
28	Global	Global	UNDP	Research Programme on Methane Emissions from Rice Fields	Climate Change	STRM	5.00	5.00	May-91	Jan-92	Jul-92	Jun-98
29	Global	Global	UNDP	Alternatives to Slash and Burn	Climate Change	STRM	3.00	4.50	Feb-92	Nov-93	Apr-94	Dec-95
30	Global	Global	UNDP	Global Change System for Analysis, Research and Training (START)	Climate Change	STRM	4.10	5.58	May-92	May-93	May-93	Jun-98
31	Global	Global	UNDP	Climate Change Capacity Building	Climate Change	EA			May-93	Jan-94	Sep-95	May-97
32	Global	Global	UNDP	Climate Change Training Phase II (CC TRAIN)	Climate Change	EA	2.58	3.70	May-95	Mar-96	Mar-96	

33	Global	Global	UNDP	Global Alternatives to Slash and Burn Agriculture Phase II	Climate Change	STRM	2.94	6.31	May-95	May-95	Jun-96	Jun-98
34	Global	Global	UNEP	Country Studies on Sources and Sinks of Greenhouse gases	Climate Change	EA			Dec-91	Jul-92	Sep-92	Mar-97
35	Global	Global	UNEP	Economics of GHG Limitations	Climate Change	EA	3.00	3.00	Feb-95	Mar-96		
36	Global	Global	World Bank	Water for Nature (MSP)	International Waters		0.70					
37	Global	Global	World Bank/IFC	Small and Medium Enterprise Program (pilot phase)	Multiple	STRM	4.3	15.7	Jul-94	Dec-95	Mar-96	Dec-98
38	Guyana	LAC	UNDP	Programme for Sustainable Forestry (IwoKrama Rain Forest Programme)	Biodiversity	3	3.00	3.40	May-91	Apr-92	Feb-93	May-97
39	Hungary	ECA	World Bank	Phaseout of Ozone Depleting Substances	Ozone	STRM	6.90	8.39	11/1994	Nov-95	Feb-96	Dec-98
40	Iran	ECA	World Bank	Teheran Transport Emissions Reduction	Climate Change	5	2.00	4.00	Apr-92	Oct-93	Jan-94	Dec-97
41	Jamaica	LAC	World Bank	Demand Side Management Demonstration	Climate Change	5	3.80	12.50	May-93	Mar-94	Aug-94	Dec-99
42	Jordan	MNA	UNDP	Conservation of Dana and Azraq Protected Areas	Biodiversity	2	6.30	6.30	May-92	May-93	Oct-93	May-96
	Jordan	MNA	World Bank	Gulf of Aqaba Environmental Action	International Waters	8	2.70	12.67	Oct-95	Jun-96		Dec-99
43	Mauritania	AFR	UNEP	Rescue Plan for the Cap Blanc Colony of Mediterranean Monk Seal - MSP	Biodiversity	STRM	0.15	0.23	Oct-97			Aug-98
44	Mauritania	AFR	UNDP	Decentralized wind electric power for social and economic development	Climate Change	6			Dec-92	Jun-94	Sep-94	Jul-96
45	Mauritius	AFR	UNDP	Restoration fo Highly Degraded and threatened native forests	Biodiversity	3	0.20	0.20	May-93		Jun-95	May-98
46	Mauritius	AFR	World Bank	Sugar Bio-energy project	Climate Change	6	3.30	55.10	May-91	Feb-92	Dec-93	Dec-97
47	Mexico	LAC	World Bank	Protected Areas Program	Biodiversity	3	8.70	16.30	May-91	Mar-92	Apr-93	Dec-97
48	Mexico	LAC	World Bank	High Efficiency Lighting Project	Climate Change	5	10.70	25.00	Dec-91	Mar-94	Feb-95	Dec-97
49	Mongolia	EAP	UNDP	Biodiversity Project	Biodiversity	1	1.50	1.50	May-93		Mar-94	Apr-98

50	Nepal	SAS	UNDP	Biodiversity Conservation	Biodiversity	4	3.80	8.40	Dec-91	Jun-93	Sep-93	Nov-98
51	Pakistan	SAS	UNDP	Maintaining Biodiversity with Rural Community Development	Biodiversity	3	2.50				Feb-94	
52	Papua New Guinea	EAP	UNDP	Biodiversity Conservation and Resource Management	Biodiversity	3	5.00	5.00	Dec-91	Jul-93		Jul-98
53	Peru	LAC	World Bank	National Trust Fund for Protected Areas	Biodiversity	3	5.00	7.86	Dec-91	Mar-95	Sep-95	Jun-96
54	Peru	LAC	UNDP	Technical Assistance to the Centre for Energy Conservation	Climate Change	5	0.90	0.90	Dec-91	Nov-92	Feb-93	Jun-95
55	Philippines	EAP	World Bank	Leyte/Luzon Geothermal	Climate Change	6	30.00	1,334.00	May-91	May-94	Mar-95	Mar-00
56	Poland	ECA	World Bank	Forst Biodiversity Protection	Biodiversity	3	4.50	6.20	May-91	Dec-91	Feb-92	Dec-95
57	Poland	ECA	World Bank/IFC	Efficient Lighting Project	Climate Change	5	5.00	5.00	Dec-94	Jun-95		Jul-98
58	Regional	AFR	UNDP	Institutional Support for the Protection of East African Biodiversity	Biodiversity	STRM	10.00	10.00	May-91	Mar-92	Sep-92	Sep-96
59	Regional	EAP	UNDP	Conservation Strategies for Rhinos in South East Asia	Biodiversity	3	2.00	2.00	May-93		Dec-94	
60	Regional	AFR	World Bank	Lake Malawi/Nyasa Biodiversity Conservation	Biodiversity	2	5.00	5.44	Dec-91	Dec-94	Jul-95	Jun-00
61	Regional	EAP	UNDP	Asia Least Cost GHG Abatement Strategy (ALGAS)	Climate Change	EA	9.50	13.00	Dec-91	Aug-93	Aug-94	Aug-97
62	Regional	AFR	UNDP	Building Capacity in sub-saharan Africa to respond to the UNFCCC	Climate Change	EA	2.00	2.00	Dec-92	Nov-94	Aug-95	Feb-97
63	Regional	AFR	UNDP	Building Capacity in the Maghreb to respond to challenges and opportunities created by National Response to the Framework Convention on Climate Change	Climate Change	EA	2.50	2.50	May-93			Mar-98
64	Regional	LAC	UNDP	START Global Change Initiative (sub-project)	Climate Change	STRM	2.90	2.90			Jan-94	
65	Regional	ECA	UNDP	Danube River Basin Environmental Management	International Waters	8	8.50	43.50	May-91	Feb-92	Sep-92	Mar-96

66	Regional	AFR	UNDP	Industrial Water Pollution in the Gulf of Guinea Large Marine Ecosystem	International Waters	9	6.00	6.00	Dec-91	Oct-93	Oct-94	Mar-98
67	Regional	AFR	UNDP	Pollution Control and Other Measures to Protect Biodiversity in Lake Tanganyika	International Waters	9	10.00	10.00	Dec-91	Oct-93	Feb-95	Oct-98
68	Regional	Regional	UNDP	Regional Oceans Training Program	International Waters		2.58	5.18	Dec-91			Feb-98
69	Regional	ECA	UNDP	Black Sea Environmental Management	International Waters	8	9.30	32.60	May-92		Sep-92	Jun-96
70	Regional	ECA	UNDP	Developing the Danube River Basin Pollution Reduction Program	International Waters	8	3.90	3.90	Oct-96	Oct-96	Sep-97	Sep-98
71	Regional	ECA	UNDP	Developing the Implementation of the Black Sea Strategic Action Plan	International Waters	8	1.79	8.14	Oct-96	Oct-96	Nov-96	Sep-97
72	Regional	LAC	UNDP	Planning and Management of Heavily Contaminated Bays and Coastal Areas	International Waters	10	2.50	2.50			Aug-93	
73	Regional	AFR	UNDP	Lake Victoria Environmental Management Programme	International Waters	9	0.40			Jul-95		
74	Regional	LAC	UNEP	Argentina-Bolivia: Strategic Action Program for the Binational Basin of the Bermejo River	International Waters	9	3.22	5.96	Nov-96			Nov-98
75	Regional	ECA	World Bank	Oil Pollution Management for the Southwest Mediterranean Sea	International Waters		18.26	20.00	Apr-92	Apr-94		Dec-99
76	Regional	LAC	World Bank	Wider Caribbean Initiative for Ship Generated Waste	International Waters	9	5.50	5.50	May-93	Jun-94	Sep-94	Jan-98
77	Regional	LAC	UNEP	A Participatory Approach to Managing the Environment: An Input to the Inter-American Strategy for Participation (ISP) - MSP	Multiple		0.72	1.56	Aug-97			Oct-98
78	Russian Federation	ECA	World Bank	Greenhouse Gas Reduction	Climate Change	5	3.20	73.20	Dec-92	Dec-95	Dec-96	Jun-99

79	Seychelles	SAS	World Bank	Biodiversity Conservation and Marine Pollution Abatement	Biodiversity	2	1.80	2.00	Dec-91	Nov-92	Mar-93	Dec-97
80	Slovak Republic	ECA	World Bank	Biodiversity Protection	Biodiversity	3	2.30	3.17	Dec-91	Sep-93	Oct-93	Jun-98
81	Slovak Republic	ECA	World Bank	Ozone Depleting Substances Reduction (IFC)	Ozone	STRM	3.50	5.95	05/1995	Jun-96	Nov-96	Jun-98
82	Slovenia	ECA	World Bank	Phaseout of Ozone Depleting Substances	Ozone	STRM	6.20	9.72	11/1994	Nov-95	Dec-95	Jun-98
83	Sri Lanka	SAS	UNDP	Wildlife Conservation and Protected Areas Management	Biodiversity	3	4.10	4.10	Dec-91	Jan-92	May-92	Jan-97
84	Sudan	AFR	UNDP	Community-based Rangeland Rehabilitation for Carbon Sequestration	Climate Change	STRM	1.50	1.50	Dec-92	Aug-94	Oct-94	Feb-00
85	Tanzania	AFR	UNDP	Electricity, fuel and fertilizer from municipal, and industrial waste in Tanzania	Climate Change	6	2.50	3.99	May-93	Dec-93	Mar-94	Jun-97
86	Thailand	EAP	World Bank	Promotion of Electricity Energy Efficiency	Climate Change	5	9.50	189.00	Dec-91	Apr-93	Nov-93	Dec-99
87	Turkey	ECA	World Bank	In-situ Conservation of Genetic Biodiversity/E. Anatolia Watershed Management	Biodiversity	3	5.10	5.70	Apr-92	Mar-93	Mar-93	Sep-98
88	Ukraine	ECA	World Bank	Transcarpathian biodiversity protection	Biodiversity	4	0.50	0.58	Dec-91	Jul-93	Oct-93	Mar-97
89	Ukraine	ECA	World Bank	Danube Delta Biodiversity	Biodiversity	2	1.50	1.74	Apr-92	Jun-94	Aug-94	Jun-99
90	Uruguay	LAC	UNDP	Conservation of Biodiversity in the Eastern Wetlands	Biodiversity	2	3.00	3.00	May-92	Nov-92	Apr-93	Sep-96
91	Venezuela	LAC	UNDP	Methane leaks in Maracaibo Network	Climate Change	STRM					Oct-94	
92	Vietnam	EAP	UNDP	Conservation Training and Biodiversity Action Plan	Biodiversity	EA	3.00	3.00	Jan-92	Jan-92	Jul-92	Mar-97
93	Yemen	MNA	UNDP	Protection of Marine Ecosystems of the Red Sea Coast	International Waters	8	2.80	2.80	May-92	Apr-93	Jun-93	Mar-96
94	Zimbabwe	AFR	UNDP	Photovoltaics for household and community use	Climate Change	6	7.00	7.00	May-91	Feb-92	Sep-92	Aug-97