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SUMMARY REPORT OF THE STUDY OF
GEF PROJECT LESSONS



The Global Environment Facility (GEF) is a financial mechanism that promotes international cooperation and fosters actions to protect the global environment. The grants and concessional funds disbursed complement traditional development assistance by covering the additional costs (also known as "agreed incremental costs") incurred when a national, regional, or global development project also targets global environmental objectives. The GEF has defined four focal areas for its programs: biological diversity, climate change, international waters, and ozone layer depletion. Land degradation issues, primarily desertification and deforestation, as they relate to these four areas, are also being addressed. The GEF operates the financial mechanism for the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change. GEF projects are carried out by three implementing agencies: the United Nations Development Programme (UNDP), the United National Environment Programme (UNEP), and the World Bank.



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STUDY OF GEF PROJECT LESSONS**

1. The Study of GEF Project Lessons was commissioned by GEF's Senior Monitoring and Evaluation Coordinator in April 1997. The study, conducted by Resource Futures International of Ottawa, Canada, synthesizes lessons learned to date from projects financed during GEF's Pilot Phase. It was prepared primarily for the benefit of project and task managers of GEF projects. This summary highlights the study's principal findings and their implications for the GEF.¹

2. In 1995 and 1996, the GEF conducted Project Implementation Reviews (PIRs) of projects active for at least one year. The first phase of the study built on these PIRs. The team analyzed 30 Pilot Phase projects that broadly represent GEF's focal areas and the portfolio's geographic distribution. Some of these projects were performing well and others had implementation problems. The study team examined documents and interviewed task managers, implementing agency GEF coordination units, NGO representatives and others. Their initial findings, together with a strong desire by implementing agencies for more detailed analysis of factors related specifically to the GEF and the fact that stakeholder participation is a key feature of the GEF, led the team to highlight three specific lessons that stood out from the experience to date and were identified as high priority by project managers and staff:

¹ This summary was prepared by the Monitoring and Evaluation team in the GEF secretariat in collaboration with RFI, based on the December 1997 report of the Project Lessons study. That report, *Lessons Learned During the GEF Pilot Phase*, is presently being circulated for comment. Anyone interested in receiving a copy for review may contact Scott E. Smith, Monitoring and Evaluation Officer, GEF secretariat, telephone: (202) 473-1618, fax: (202) 522-3240, or email: geflessons@gefweb.org. In addition to this summary, the findings of the Project Lessons study have been reflected in the 1997 GEF Project Implementation Review and will be the basis for a series of "Project Lessons Notes" planned by the secretariat's Monitoring and Evaluation team beginning in 1998.

sustainable use of biological diversity. Thus, *effectively engaging the private sector is essential, but often remains difficult to do in practice*. The first generation of GEF projects provides lessons that offer some insights on the opportunities and pitfalls in this area.

5. A key finding of the Project Lessons study is that *successful projects created a place or forum where the private sector could participate as a partner in addressing global environmental issues*. Even when such vehicles exist, however, participation by private interests will not be automatic. One incentive that was particularly effective was *providing an opportunity for direct involvement with government agencies in decision-making on issues that affect them*. An example is the Batangas Bay demonstration site in the Philippines, part of the Prevention and Management of Marine Pollution in the East Asian Seas project. An association of private companies is a member of the council that oversees and implements the environmental management plans for the bay region. As a result, these companies have negotiated voluntary agreements with central and local governments on waste reduction and participate in marine pollution monitoring programs. Some firms have provided technical assistance to help others develop waste audits and management plans. Such fora can also help erode unproductive stereotypes that cloud communication and understanding between business and government. This approach requires a willingness by national governments to delegate responsibilities to local governments and to groups on which private firms are represented.

6. Appeals to the private sector cannot be based on altruistic concepts related to the global environment. *They must directly address costs and perceived risks, and offer benefits to private firms*. For example, the Patagonia Coastal Zone Management project in Argentina provided information to local whale-watching and fishing industries that helped make them more efficient, without continuing to threaten coastal biodiversity. These groups

Provide a forum
for public-private
sector cooperation

Reduce risks and
provide specific
benefits

with which the project has mostly worked. The latter had a variety of experience and resources that required the project, unexpectedly, to devote efforts to build business skills. Direct assistance to strengthen private companies can also require new approaches and changes in government perspectives and roles.

9. **Successful projects played a role in raising the awareness of potential customers of new products and services offered by participating companies, and in assuring product and company legitimacy and quality.** Setting and enforcing quality and performance standards by governments or industry associations have been effective, especially when continued participation in project activities depends on remaining in good standing. The Tunisia Solar Water Heating and Zimbabwe PV projects employed such mechanisms. Another approach is the development of a project label for use in marketing information or on the product itself. For example, the Zimbabwe project designed T-shirts, caps and stickers to promote solar energy, and the Poland Efficient Lighting project developed a logo that was affixed to energy efficient light bulbs to increase awareness of, and confidence in, these products. These marketing efforts were complemented with presentations at trade fairs, workshops and other events, and radio and newspaper advertisements.

10. Projects need to **identify vehicles to engage the private sector as a partner** on an equal footing with others with a stake in an issue or activity. These vehicles are most successful when they **offer firms an input on decisions that affect them, or when they provide information that allows them to conduct their businesses more efficiently**, as well as more soundly from a global environmental perspective. **Subsidies and other incentives** to reduce risk and attract private companies into providing new products or serving new customers **should not distort the marketplace** in ways that will make continuation of these initiatives difficult. Where such incentives are needed, there should be a **specific strategy from the outset to gradually migrate to**

Raise awareness among customers and assure product quality

What are the implications of these lessons for GEF programs?

at ten field sites supported by the Biodiversity Conservation and Management project are uncoordinated and represent different approaches in the absence of a national strategy. There has been little contact between the project and a strategy development process. In Zimbabwe, high import duties affect the affordability of alternative energy sources such as solar equipment. The Photo-voltaics project dealt with this problem by importing the equip-ment it financed duty free, but this had adverse effects on local manufacturers and avoided addressing the general impact of the duties. Zimbabwe's solar industry has been hesitant to commit greater resources of its own in the absence of a clear direction from government. In India, high price subsidies for rural electricity effectively eliminated the market for solar energy, despite substan-tial incentives in the GEF project. And in Jordan, even though the Conservation of Dana Wildlands and Azraq Wetland project succeeded in building political support to bring the Azraq oasis back to life, a long term solution will require fundamental changes in national water policy to ease pressure from growing urban water demands. Experience in Jordan also shows that arrangements to address local problems—e.g., establishing legal tenure for refugee pastoralists to land in buffer zones adjacent to the Dana Reserve—can sometimes be made only if they are acceptable at the national level and do not set what could be considered by others as precedents for change elsewhere.

14. GEF-funded projects cannot ignore politics and how *political events, such as elections and other changes in leadership, affect the pace of project implementation and extent of policy change that is possible*. For example, in Papua New Guinea, a logging contractor active in the project area had substantial political influence at the national level and had established a strong local power base. The Biodiversity Conservation and Resource Man-agement project, on the other hand, had little political support and a smaller local network on which to draw, and was ultimately

Projects cannot ignore politics

16. ***The management and administrative structure of a project can help or hinder its integration with national policies.***

Experience under the Coastal Zone Management project in Belize illustrates this point. The project was originally located in the fisheries department, but was later placed under four ministries, including environment and tourism, natural resources, and economic development. This helped efforts to integrate marine issues across the government, but reduced project ownership since no one agency was responsible. The project design also called for a ministerial-level council. However, it was later agreed not to create this body but to let the steering committee of senior officials in each ministry take on both policy and coordination functions. The steering committee helped define policies for marine management, clarify departmental jurisdictions, and develop links to the government's wider economic goals. But, in retrospect, the absence of ministerial commitment to the project and understanding of marine issues has contributed to delays in passing legislation needed for the project to achieve its objectives.

How a project is structured makes a difference

17. Another area where coherence between projects and their context is important can be government attitudes ***about public participation (including by NGOs and private businesses), iterative project implementation, coordination among agencies, and delegation of authority to lower administrative levels and/or local governments.*** While these approaches are increasingly seen as associated with successful projects, ***not all governments are used to working this way.***

Recognize existing attitudes

18. Designers and implementers ***must look beyond individual projects,*** and the immediate actions they can take to make them work, to ***understand the policy context*** in which project activities occur. Sometimes, national strategies or policy development should precede project activities. Unless there is a favorable policy environment, a conscious plan for focusing attention on policy issues as part of the project may be needed. GEF projects should be, by definition, "country-driven". However, they often ***need to***

What are the implications of these lessons for GEF programs?

are often complex and diverse, leadership is not necessarily clear, and communications with outsiders are sometimes channeled through members who may not fully represent community views.

22. Community-based projects must address community priorities and provide benefits to community members. In fact, one of the first lessons from the experience of the Papua New Guinea project is that *socio-economic criteria—the feasibility of addressing communities' social and economic needs—should determine the selection of sites for biodiversity conservation projects*. Community priorities usually include earning a living. Therefore, *identifying alternative sources of income that conserve or sustainably use biological resources will be very important*. Several GEF projects have successfully addressed this need. For example, in the Conservation of Dana Wildlands and Azraq Wetland project in Jordan a variety of activities that were alternatives to grazing and hunting in the Dana Reserve were designed and carried out jointly by the reserve managers and the community. They include jobs in managing the reserve itself, growing and preserving organic fruits and vegetables, and producing handicrafts (e.g., jewelry, camel hair rugs) using local materials, as well as sharing reserve entrance fees with local communities and developing sustainable agricultural activities in a newly-created buffer zone. The Seychelles Biodiversity Conservation project retrained artisans who produced souvenirs from shells of threatened turtles, and directly involved them in designing the training program.

Address
community
needs

23. *The way project staff interact with communities, especially at the outset, is critical to gaining and keeping their respect, and avoiding expectations of rapid or easy returns*. It is important to understand communities' past experience with outsiders and how that shapes their expectations about the project. For example, in Jordan, the earlier approach to reserve management led surrounding communities to see the reserve as a threat to

Work with
communities

the chances to succeed. Implementing agencies need to **resist pressures for rapid implementation** in order to give project staff sufficient time to understand and build lasting partnerships with communities. In this regard, it is clear in retrospect that most implementation plans for Pilot Phase GEF projects have been extremely optimistic, and this experience needs to be reflected in expectations about current and future projects. Finally, **people and organizations (including NGOs) involved in community-based projects must have a collaborative, sensitive, and empowering attitude.** In addition to technical knowledge, they need skills and training in listening, teamwork, conflict management, and social assessment. This is not a one-time process: project staff **need constant support from implementing and executing agencies and freedom of action to flexibly work with and respond to communities.**

OVERALL CONCLUSIONS

26. The Project Lessons study underscores that even well designed projects evolve continuously, and their managers need to be able to deal with a variety of technical, social and political issues at the same time. **Successful projects and their staff consistently learn and benefit from their own experience, and that of others.** They pay **careful attention to feedback** from project staff and participants, and make modifications and improvements promptly in response. In addition, they **regularly look beyond their own four walls for ideas and solutions.** Although it is sometimes difficult to get this information—and almost always difficult to find time to read and digest it—the most effective project managers make this a priority. The projects examined by the study provide many examples to illustrate this point. The Slovakia biodiversity project is one of several projects in Central and Eastern Europe that regularly share experiences through workshops. Lessons learned in working with the Dana village in Jordan were applied to more recent work with pastoral communities. That project also experimented with many potential income

Learn from
experience

neutrally, in a political environment. This cannot be achieved by intermittently informing participants of what the project intends to do, or even by periodic consultations with them. It must be a *continuous, long-term process to involve them in making decisions about matters that affect them.* For this to occur, *a vehicle is often needed to bring together stakeholders and give them a voice.* This all takes time and is hurried at the expense of project success and sustainability. It means that project staff and organizations need social, political and managerial skills as much as technical knowledge, which *requires training and continuous support.* Attention to these matters is a central feature of projects that have succeeded, and needs to be *explicitly built into current and future GEF activities.*