

## Performance and Process Evaluations of ADB-GEF Projects

- The GEF was set up in 1991 to help developing countries protect the global **natural environment**. To date, it has committed \$6.2 billion in grants—and generated over \$20 billion in cofinancing from other sources. This has supported about 1,800 projects in 140 countries in the areas of **biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants**.
- Thus far, the GEF has approved 21 proposals from ADB, of which 13 led to projects in 12 countries. ADB's GEF portfolio is small, young, but growing. What are the lessons of experience up to now? Can project processing be improved?

### Background

The **environment policy** of the Asian Development Bank (ADB) aims to promote environmental interventions to reduce poverty, mainstream environmental considerations in economic growth, maintain global and regional life-support systems, facilitate environmental partnerships, and integrate environmental considerations in ADB's operations. ADB's association with the **Global Environment Facility** (GEF), which began a dozen years ago in support of **environmental conservation beyond borders**, is an important feature of the policy.

In 2005–2006, the Operations Evaluation Department undertook a two-part **Special Evaluation Study on Asian Development Bank–Global Environment Facility Cofinanced Projects: Performance and Process Evaluations**.<sup>1</sup> A performance evaluation examined the performance of three mature, challenging projects. It drew on the lessons of their experience, and rapid review of the other ten ADB–GEF projects. Next, a **process evaluation** conducted jointly with the **GEF Evaluation Office** and the evaluation units in the **GEF partner agencies** analyzed the GEF activity cycle.<sup>2</sup>

### Summary of Findings

The study reviewed the **Sundarbans Biodiversity Conservation Project** in Bangladesh, the **Protected Area Management and Wildlife Conservation Project** in Sri Lanka, and the Technical Assistance for

### Prevention and Control of Dust and Sandstorms in Northeast Asia.

#### Performance Assessment

Criterion	Sundarbans Biodiversity Conservation	Protected Area Management and Wildlife Conservation	Prevention and Control of Dust and Sandstorms in Northeast Asia
Relevance	Partly relevant	Partly relevant	Relevant
Effectiveness	Less effective	Effective	Effective
Efficiency	Inefficient	Less efficient	Highly efficient
Sustainability	Unlikely	Less likely	Less likely
<b>Overall Rating</b>	<b>Unsuccessful</b>	<b>Partly successful</b>	<b>Successful</b>

The key lessons of the performance evaluation were:

- Phased implementation approaches to complex natural resource management projects increase the probability of achieving development results.
- Incentives to seek GEF financing should be balanced by the need to ensure project quality-at-entry.
- Time should be spent on developing project ownership at all levels of government and the public.
- Public awareness campaigns and mass media initiatives should be used to gain support for project activities and minimize conflicts with vested interest groups. Transparency of project objectives and activities is essential.

- Grant cofinancing arrangements should be selected with care and designed to ensure that associated incremental transaction costs are not excessive.
- Complex projects involving an ambitious agenda and diverse stakeholders require a strong project management structure and clear project management processes.
- Delegation of implementation supervision to country resident missions makes a vast difference in terms of timely resolution of implementation issues.
- Project monitoring mechanisms should be used as a management tool rather than a fulfillment of GEF or ADB design requirements.
- ADB staff skills in managing complex natural resource management projects should be complemented with the specialized technical skills associated with GEF projects.
- Sustainability and threats to it should be given serious attention in project formulation, for example regarding budgets for maintenance of project facilities and activities, and delegation of authority to field levels.
- ADB should take a long-term approach to project development for global environmental protection, and not be overly optimistic.

The joint process evaluation provided lessons to ADB on conducting joint evaluations:

- The topic of the joint evaluation was fundamental to its success. Partners found a process evaluation less threatening than a performance evaluation.
- Buy-in from important stakeholders is essential. Partners must allocate sufficient funds and personnel for joint exercises, and provide for these in their work programs and budgets.
- The establishment of a small core group for day-to-day decision making facilitates consensus building and validation of results.
- Synergistic opportunities can be found to reduce financial and transactions costs by combining joint evaluations with other work.
- Clear terms of reference, especially regarding what information should be provided, are important.
- The GEF Evaluation Office can provide valuable leadership, especially when the evaluation approach

and methodology and personal relationships among team members must be developed.

- Use of templates, guidelines, protocols, websites, and strategies for dissemination of information allows partners to communicate efficiently and reliably.
- Although core groups of staff can deliver most joint evaluation work, conveying the objectives of process evaluations to other members in each partner agency is important, especially if they are requested to contribute information in the field.

## Recommendations

The joint process evaluation recommended that the GEF Council:

- Consider a radical redrawing of the GEF activity cycle to simplify all aspects, improve transparency and predictability, and reduce transaction costs.
- Expand GEF initiatives to the next level of results-based management.
- Confine the identification phase to establishing project eligibility and availability of resources, and concept endorsement by the recipient country.
- Require that the work program give evidence of strategic orientation.
- Request the GEF Chief Executive Officer to endorse fully-documented project proposals on a rolling basis, as envisaged in the GEF instrument.

## Feedback

At the time of preparation of these *Learning Curves*, **ADB Management's Response** and the **Chair's Summary of the Development Effectiveness Committee Discussions** were not yet available for disclosure to the public. The study was completed in June 2007.

- <sup>1</sup> ADB. 2007. *Special Evaluation Study on Asian Development Bank–Global Environment Facility Cofinanced Projects: Performance and Process Evaluations*. Manila. Available: <http://www.adb.org/Documents/SES/REG/SST-REG-2007-08/SST-REG-2007-08.pdf>
- <sup>2</sup> GEF. 2007. *Joint Evaluation of the GEF Activity Cycle and Modalities*. Washington, DC. Available: <http://www.gefweb.org/MonitoringandEvaluation/METemesTopics/JointEvaluationoftheGEFActivityCycleandModalities.html>