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**FINAL REPORT OF THE FIFTH OVERALL
PERFORMANCE STUDY
OF THE GEF:
AT CROSSROADS FOR HIGHER IMPACT**

(Prepared by the GEF Evaluation Office)

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1 INTRODUCTION

1.1 The role of Overall Performance Studies and OPS5

1. The Global Environment Facility (GEF) is one of the most thoroughly evaluated international organizations. Its pilot phase was evaluated by an external independent evaluation. When the restructured GEF took shape, external independent evaluation became the norm for every replenishment period. An overall comprehensive study of the Facility's performance was undertaken to inform the next replenishment cycle. At first these "performance studies" were outsourced and undertaken by evaluation teams or firms specifically hired for the purpose. After the independent Evaluation Office was set up, the overall performance studies (OPSs) were taken up by that office, and the Fifth Overall Performance Study (OPS5) is the second executed by the office.

2. Over time the name "performance study" has become less appropriate. The sheer volume of evaluative evidence in the GEF has increased dramatically and rather than a "study" based on interviews and expert opinion, it should now rightly be called an "evaluation", based on solid evidence. Where early OPSs focused to a large extent on performance, both OPS4 and OPS5 have shifted attention to impact issues: is the GEF making a difference in the world. Evaluations that include a performance and institutional perspective on the one hand, and an effectiveness and impact perspective on the other, tend to be called "comprehensive evaluations". This Fifth Overall Performance Study should therefore be the last so called – the next one should be the Sixth Comprehensive Evaluation of the GEF.

3. Given the extra-ordinary amount of evaluative evidence in the GEF, and its potential use for learning, it is somewhat surprising that the performance of the GEF is not extra-ordinary, nor does it achieve the highest levels of effectiveness and impact. The potential to learn from past successes and mistakes through evaluative evidence may be high in the GEF, but that does not guarantee that problems are easily solvable, nor does it guarantee that the facility has a good learning culture. Previous OPSs have noted that knowledge management and learning tend to take place in GEF Agencies rather than in countries and across Agencies. OPS5 contains further evidence that learning in the GEF is extra complicated. Evaluative evidence tends to be used mainly for accountability purposes; the learning function from evaluation is underutilized. Certainly this issue should be explored more thoroughly in the GEF-6 period.

4. OPS5 provides evidence that the GEF has a catalytic role in supporting countries in meeting their obligations to multilateral environmental agreements and in tackling global environmental problems. This catalytic role has a strong history: the Agencies, countries and project proponents have more than 20 years of experience with this model. Furthermore, GEF supported efforts are now paying off and having a demonstrated impact on environmental trends. This is encouraging, given the long term duration of the required changes in ecosystems and in bio-physical processes, but also, given the funding levels of the GEF and its partners, insufficient to address the global scale of many of the problems. The take-away, however, is that the "intervention model" of the GEF works, is effective, and has impact.

5. On the organizational side the GEF continues to search for the square of the circle. As a networking and partnering facility it faces stark choices on how to function as smoothly as

possible, supporting the interventions that justify its existence. Internal and external circumstances and trends have caused the recurrence of several problems that were thought to have been solved or to at least have been going in the right direction: network interactions were scaled back, but may have reached a level that is too low for meaningful communication; the project cycle – especially in its approval phase – has reduced the dramatic delays of the past but cannot (yet) be termed efficient; the complexity of the issues to be tackled as set forth in the guidance of the conventions and the focal area strategies may be particularly difficult to deal with via results based management, and so on. Lastly, the appropriateness of the current model is in question: the GEF is a funding facility rather than an implementing agency, but many elements of its operational modes are derived from implementing agencies that have full control over their project cycles and implementation arrangements. The way that the GEF has organized its processes, its “business model”, is at cross-roads; the GEF will need to enter into a self-reflective mode to find solutions in the coming replenishment period.

6. This report has therefore regrouped the key issues identified in the terms of reference of OPS5 into a new structure. After briefly identifying the international conditions in which the GEF has to function, the “business model” is explored to identify where in the various processes of the GEF problems are emerging that need to be solved. However, these solutions will need to strengthen the “intervention model” of the GEF; this is the second part of the report. As a link between these two perspectives, the partnership and network nature of the GEF is discussed. As usual in GEF evaluation reports, the findings of both are integrated into overall, comprehensive conclusions and recommendations that are presented in chapter 2. The following chapters provide the evaluative evidence for these conclusions and recommendations. More detailed evidence can be found in the technical documents of OPS5 that are available at <http://www.thegef.org/gef/OPS5>.

7. OPS5 thus has three levels of information that provide options on how far the reader wants to go. For the higher level conclusions, read chapter 2. This is sufficient and self-contained for the higher level recommendations. For a deeper understanding of the issues raised in chapter 2, continue reading the report. For full disclosure of the data, approaches, analysis and more detailed suggestions on issues could be tackled, read the respective technical document.

8. The terms of reference for OPS5 ask for an assessment of “the extent to which the GEF is achieving its objectives and to identify potential improvements”. The key questions of OPS5 were divided out between the first report, presented at the first replenishment meeting, and this final report. The first report provided a comprehensive overview of evaluative findings in the years since OPS4. It dealt specifically with the guidance from the conventions, and with a first assessment of the portfolio of the GEF on performance and impact. Its main findings were that GEF-5 had seen an interesting increase in multifocal area projects, and that progress toward impact was supported through several distinct mechanisms that ensured broader adoption of the solutions and approaches to globally relevant environmental problems that the GEF and its partners had supported countries to explore. The key questions for the final report include several issues that were assessed through sub-studies of OPS5, including for example the role of the Science and Technology Advisory Panel (STAP) and the Small Grants Programme (SGP), as well as cross-cutting issues such as gender. These sub-studies have separate technical documents and their findings have been presented in this report where they fit into the overall assessment of the business model and the intervention model of the GEF. Annex A provides a road map of key questions and where their evaluative evidence can be found in this report.

1.2 Portfolio Overview

9. The GEF Trust Fund has been the primary source for grants made by the GEF. The GEF also administers the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF) and the Nagoya Protocol Implementation Fund (NPIF). As of September 30th 2013, the GEF had provided a total funding of US \$ 13.02 billion dollars through these trust funds (table 1.1). Overall, 3,566 projects that account for US\$ 13.02 billion in GEF grants had been funded by September 30th 2013 (table 1.2). Nine months before the end of the GEF-5 replenishment period, utilization in GEF-5 for the main trust fund has surpassed the GEF-4 numbers.

Table 1.1: Utilization of Trust Funds Administered by the GEF (in US\$ m) up to September 30, 2013

	Pilot Phase	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	Total
GEF Trust fund	662	1,036	1,818	2,950	2,790	2,880	12,138
LDCF	—	—	—	11	143	480	634
SCCF	—	—	—	16	89	136	241
NPIF	—	—	—	—	—	10	10
Total	662	1,036	1,818	2,977	3,022	3,506	13,022

Based on approved projects excluding project that were cancelled without any utilization

Table 1.2: Number of Projects by Focal Area (excludes SGP)

	Pilot Phase	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	All Phases
GEF Trust Fund	116	371	617	850	751	644	3349
Biodiversity	62 (53%)	203 (55%)	282 (46%)	240 (28%)	269 (36%)	165 (26%)	1,221
Climate Change	38 (33%)	137 (37%)	209 (34%)	170 (20%)	199 (26%)	135 (22%)	888
International Waters	13 (11%)	14 (4%)	47 (8%)	54 (6%)	57 (8%)	24 (4%)	209
Land Degradation	—	—	1 (<1%)	96 (11%)	41 (5%)	50 (8%)	188
Multi Focal Area	1 (1%)	5 (1%)	26 (4%)	191 (22%)	104 (14%)	140 (22%)	467
Ozone Depleting Substances	2 (2%)	12 (3%)	7 (1%)	3 (<1%)	3 (<1%)	2 (<1%)	29
Persistent Organic Pollutants	—	—	45 (7%)	96 (11%)	78 (10%)	109 (17%)	328
MTF projects with GET						19 (3%)	19
LDCF	—	—	—	46	43	73	162
Only LDCF				46	43	63	152
MTF projects with LDCF						10	10
SCCF				6	19	21	46
Only SCCF				6	19	9	34
MTF projects with SCCF						12	12
NPIF	—	—	—	—	—	7	7
Only NPIF						6	6
MTF projects with NPIF						1	1
All Trust Funds	116	371	617	902	813	747	3,566

10. Multi-focal area projects address global environmental concerns that are relevant to more than one GEF focal area. Biodiversity and Land Degradation are the focal areas most often involved in GEF multifocal projects, as seen in table 1.3. Twenty-one multi-focal area projects involved funding from more than one trust fund. Most of these projects were funded by the GEF Trust Fund (19) in conjunction with either LDCF (8) or SCCF (10). One was funded by the GEF Trust Fund together with NPIF and 2 involved co-funding from LDCF and SCCF.

Table 1.3: Breakdown of multi-focal area projects by focal area funding (includes only GET-funded projects)

	GEF-3	GEF-4	GEF-5	Total
Biodiversity	5	48	85	138
Climate Change	3	36	66	105
International Waters	3	19	18	40
Land Degradation	6	46	70	122
Ozone Depleting Substances		1		1
Persistent Organic Pollutants		2	5	7
SFM / REDD+			65	65
Capacity-building and/or Enabling Activities	144	44	47	235
Multifocal area*	39			39
Total	191	104	159	454

*In GEF-3, some multifocal area projects were not yet disaggregated by focal area.

11. In dollar terms, Climate Change and Biodiversity projects together account for nearly a third of GEF Trust Funds utilized (table 1.4). The share of International Waters projects has fluctuated and was at its lowest during GEF-5 at 9 percent. The share of resources allocated to Land Degradation projects has stayed stable at 9% since its designation as a separate focal area in GEF-3, while the share of resources allocated towards chemicals have risen, from 2% in GEF-2 to 10% in GEF-5. Ozone Depleting Substances projects, which accounted for 12% of funds in GEF-1, represent since GEF-2 a very small share of the portfolio as this focal area is winding down its operations.

12. The increasing trend towards multi-focal area projects and programs has accelerated during GEF-5. As of September 30th 2013, \$2,820 million of the GEF-5 focal area programming had been utilized, of which multi-focal projects (including multi-trust fund projects) accounted for \$1,214 million (42%).

13. The GEF provides funding through four basic modalities: full-size projects (FSPs), medium-size projects (MSPs), enabling activities (EAs), and the Small Grants Programme (SGP) (see table 1.5). During GEF-5 full size projects continued to be the main funding modality of the GEF, accounting for 86 percent of GEF funding. The share of medium size projects has dropped eight percent to four percent. In November 2012, the GEF Council decided to increase the funding limit for the MSPs from \$ 1.0 million to \$2.0 million. This increase in the funding ceiling for MSP may provide greater incentives for this project modality. The increase in the portfolio share of SGP is noteworthy.

Table 1.4: GEF Funding by Trust Fund and Focal Area and MFA and MTF projects disaggregated (in US \$ million)

Focal Area	Pilot Phase	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	Total
GEF Trust Fund	662	1,037	1,819	2,950	2,790	2,880	12,138
Biodiversity	292 (44%)	392 (38%)	686 (38%)	892 (30%)	894 (32%)	830 (28%)	3,986 (33%)
Climate Change	229 (35%)	350 (34%)	620 (34%)	830 (28%)	875 (31%)	926 (32%)	3,830 (32%)
International Waters	121 (18%)	119 (11%)	314 (17%)	392 (13%)	306 (11%)	265 (9%)	1,517 (12%)
Land Degradation	-	-	1 (<1%)	254 (9%)	260 (9%)	262 (9%)	777 (6%)
Ozone Depleting Substances	4 (1%)	127 (12%)	20 (1%)	8 (<1%)	22 (1%)	6 (<1%)	186 (2%)
Chemicals	-	-	29 (2%)	166 (6%)	263 (9%)	285 (10%)	745 (6%)
SFM/REDD+						126 (4%)	126 (1%)
Multi-focal*	16 (2%)	49 (5%)	150 (8%)	407 (14%)	172 (6%)	179 (7%)	973 (8%)
LDCF				11	143	480	634
SCCF				16	89	136	241
NPIF						10	10
All focal areas	662	1,037	1,819	2,977	3,022	3,506	13,022

*Includes capacity-building, enabling activities, cross-focal programs and MFAs of which funding could not be reassigned

Table 1.5: GEF Funding by modality (million \$)

Modality	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	All Phases
Full Size Project	617 (93%)	934 (90%)	1,498 (82%)	2,479 (83%)	2,578 (86%)	3,029 (86%)	11,135 (86%)
Medium Size Project	—	7 (1%)	144 (8%)	167 (6%)	245 (8%)	128 (4%)	691 (5%)
Enabling Activity	33 (5%)	71 (7%)	100 (5%)	159 (5%)	24 (1%)	46 (1%)	432 (3%)
SGP	13 (2%)	26 (3%)	77 (4%)	171 (6%)	175 (6%)	302 (9%)	765 (6%)
Total	662 (100%)	1,037 (100%)	1,818 (100%)	2,977 (100%)	3,022 (100%)	3,506 (100%)	13,022 (100%)

14. The share of individual GEF Agencies in GEF funding has changed over time, as can be seen in table 1.6. Since GEF-4, UNDP has the largest share of GEF funding at around 40%. The World Bank has around 25%, UNEP 10%, and the other Agencies account for the remaining 25%. Major shifts in the share of funding among agencies took place in GEF-4, when the new Agencies became visible in GEF projects.

15. UNDP accounts for nearly two thirds of the the \$572 million LDCF portfolio. The World Bank, in contrast, has a very limited presence in LDCF projects, but is the agency with the largest SCCF (37%) portfolio. Some agencies, such as the African Development Bank and IFAD, have found a niche in these other funds, which account for a large share (48% and 33%) of their respective portfolios.

Table 1.6: GEF Funding by Agency (Million \$), including all trust funds.

Agency	Pilot Phase	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	All phases
World Bank	390.2 (58.9%)	615.3 (59.4%)	956.6 (52.6%)	1417.7 (47.6%)	802.9 (26.6%)	805.4 (23.0%)	4,988 (38.3%)
UNDP	252.0 (38.0%)	377.3 (36.4%)	643.8 (35.4%)	1134.4 (38.1%)	1261.4 (41.8%)	1473.6 (42.0%)	5,143 (39.5%)
UNEP	17.6 (2.7%)	44.1 (4.3%)	199.4 (11.0%)	296.6 (11.0%)	360.2 (11.9%)	362.9 (10.3%)	1,281 (9.8%)
UNIDO			11.9 (0.7%)	20.4 (0.7%)	186.9 (6.1%)	179.3 (5.1%)	398 (3.1%)
FAO				13.9 (0.5%)	79.7 (2.6%)	220.7 (6.3%)	314 (2.4%)
IFAD				29.4 (1.0%)	86.3 (2.9%)	53.2 (1.5%)	169 (1.3%)
ADB			6.9 (0.4%)	47.5 (1.6%)	87.1 (2.9%)	57.1 (1.6%)	199 (1.5%)
AfDB					14.4 (0.5%)	128.6 (3.6%)	142 (1.1%)
EBRD					52.7 (1.7%)	51.6 (1.5%)	104 (0.8%)
IADB				17.1 (0.6%)	89.6 (3.0%)	168.5 (4.8%)	275 (2.1%)
Secretariat	2.6 (0.4%)					6.9 (0.2%)	10 (0.1%)
Total	662 (100%)	1,037 (100%)	1,818 (100%)	2,977 (100%)	3,022 (100%)	3,506 (100%)	13,022 (100%)

16. Table 1.7 shows funding share by regions across the GEF phases. Asia, receiving 30% of GEF-5 funding, continues to receive the largest share of funding by region. Spending in Africa continues to show a decline when only the GEF Trust Fund is considered (20% of funds, the lowest levels since GEF-2) but as one of the major recipients of adaptation funds, its share of resources received from all GEF-administered funds increases to 27%.

Table 1.7: GEF Funding by Region (Million \$), including all trust funds.

Region	Pilot Phase	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	All Phases
Africa	117.5 (17.7%)	192.2 (18.5%)	350.3 (19.3%)	813.3 (27.3%)	766.6 (25.4%)	943.1 (26.9%)	3,183 (24.4%)
Asia	228.3 (34.5%)	272.8 (26.3%)	425.0 (23.4%)	638.9 (21.5%)	889.9 (29.5%)	1042.8 (29.7%)	3,498 (26.9%)
ECA	57.6 (8.7%)	237.0 (22.9%)	239.2 (13.2%)	366.9 (12.3%)	322.0 (10.7%)	356.4 (10.2%)	1,579 (12.1%)
LAC	153.3 (23.1%)	141.4 (13.6%)	477.0 (26.2%)	560.3 (18.8%)	607.0 (20.1%)	654.5 (18.7%)	2,593 (19.9%)
Inter-regional/ Global	105.6 (15.9%)	193.4 (18.7%)	327.0 (18.0%)	597.4 (20.1%)	435.8 (14.4%)	509.7 (14.5%)	2,169 (16.7%)
Total	662 (100%)	1,037 (100%)	1,818 (100%)	2,977 (100%)	3,021 (100%)	3,506 (100%)	13,022 (100%)

17. Based on national projects undertaken across countries through the main Trust Fund, there has been an increase in GEF support for countries in special conditions in GEF-5 (see table 1.8). Compared to GEF-4 funding to fragile countries has nearly doubled, while funding to SIDS has increased by 63%, and that to landlocked countries has increased by 17%.

Table 1.8: GEF Funding by Country Conditions (Million \$), only GEF Trust Fund

Country Group	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5
LDC	50 (10%)	89 (13%)	169 (14%)	302 (17%)	267 (14%)	280 (15%)
SIDS	25 (5%)	16 (2%)	47 (4%)	80 (4%)	82 (4%)	134 (7%)
Landlocked	49 (10%)	43 (6%)	158 (13%)	247 (14%)	204 (11%)	239 (13%)
Fragile	28 (6%)	31 (4%)	35 (3%)	120 (7%)	96 (5%)	181 (10%)
Others*	382 (79%)	569 (83%)	926 (75%)	1,330 (73%)	1,446 (76%)	1,332 (71%)
All National Projects	482 (100%)	690 (100%)	1,232 (100%)	1,829 (100%)	1,894 (100%)	1884 (100%)

*Others: Countries that are not LDCs, SIDS, Fragile, or Landlocked

1.3 Approach, scope and limitations

18. The evaluation approach of OPS5 is theory based, follows a mixed methods approach and is focused on using the appropriate methods and tools for the key questions that have been identified. Much of the work for OPS5 was based on the generic theory of change developed for the GEF. The first report was based on a meta-evaluation of the evaluation reports, studies and reviews of the Evaluation Office since OPS4. The work for this final report has been carried out through sub-studies undertaken with appropriate and relevant mixed methods. The performance team in the Office provided support to all sub-studies by ensuring they used the same cohorts of completed and Chief Executive Officer (CEO) endorsed projects, as well as other portfolio data. The thematic team provided deeper analysis of focal area strategies, and the country portfolio team made country level evidence available where relevant. The impact team developed specific tools and methods, such as the generic theory of change. It also introduced new methods such as Qualitative Comparative Assessment and social network analysis software.

19. The approach paper of OPS5 was developed in interaction with GEF stakeholders and can be downloaded from the OPS5 website (<http://www.thegef.org/gef/OPS5>). The final report is based on the evaluative findings of 21 technical documents that are published on the OPS5 website, as well as analytical work on specific issues.

20. The limitations regarding the evaluative evidence in the GEF have been highlighted in the many evaluations conducted by the Office. To summarize, completed projects and their terminal evaluations were initiated in early phases of the GEF and thus may not reflect current practice. Impact evaluations search for evidence of progress towards impact five to eight years after projects have completed, thus referring even further back to initiatives from the very early phases of the GEF. The focal area evaluations have pointed to continuity and consistency in project objectives and elements, which points to the relevance of evaluative findings for the present and future of the GEF. CEO-endorsed projects are evaluated on the basis of their design and project

documentation; they may turn out differently. Support is provided in many countries: typically country comparisons fail as countries tend to have many different characteristics that make their development histories unique, which poses additional challenges for drawing conclusions from evaluative evidence. These limitations are no different than those of other multilateral and international organizations and their existence qualifies and sometimes tempers judgments.

21. As always with a comprehensive evaluation such as the GEF overall performance studies, the evaluative evidence emerging throughout implementation provides its own push in certain directions, leading to the neglect of others. An example may be the reliability of the Project Management Information System, which is not as it should be, and was expected to be a focus in the reporting on the project cycle. The reality of the problems in the project cycle quickly took over and demanded more attention. Another example lies in the intention to evaluate cross-cutting policies such as the public involvement policy. This policy turned out to be outdated and the need for updating so widely shared that an in-depth sub-study was no longer considered necessary, also since sufficient inspiration for updating the policy can be found in other sub-studies, such as those on civil society organizations (CSO) engagement and on gender mainstreaming.

22. Quality assurance has been provided by a reference group composed of colleagues of the independent evaluation offices of the GEF Agencies. Also, all technical documents were circulated to GEF stakeholders for comments on factual errors or errors of analysis. Several of the technical documents have been discussed in interagency meetings as well. Many useful comments have been received and the Evaluation Office thanks all commentators for their efforts and support. The Office remains fully responsible for any remaining mistakes and for its final analysis of the findings.

23. Three high level senior independent evaluation advisors have interacted with the OPS5 team on its work: Zhaoying Chen for China, Kabir Hashim from Sri Lanka and Elizabeth McAllister from Canada. Their statement on the quality of the report and the extent to which it meets the key questions in the terms of reference will be provided as an information document of the third replenishment meeting.

24. Further information on staff and consultants involved, evaluation reports utilized, sub-studies and desk reviews undertaken, and so on will be provided in the published version of this report.

2 MAIN CONCLUSIONS AND RECOMMENDATIONS

25. The overarching conclusions of OPS5 on the criteria of relevance, efficiency, effectiveness, sustainability, and impact show continuity from OPS4 to OPS5. The GEF continues to be highly relevant, successful in its interventions, and increasingly inefficient in its operations. While its “intervention model” can and should become even more catalytic, its “business model” is at cross-roads and should be redefined in the coming replenishment period.

To the extent that its overall funding level permits, the GEF is **relevant** to the conventions and to regional and national priorities.

The **efficiency** of the GEF continues to be problematic, due to an out-of-date “business model” that includes networking arrangements that have become too complex, a focus on approval of projects rather than programs and an overburdened results-based management system.

GEF projects are **effective** in producing outcomes, with their average score over the GEF-5 period of more than 80 percent exceeding the international benchmark of 75 percent.

Sustainability and progress toward impact of these outcomes is promising – only 7 percent of the completed projects show no evidence of broader adoption or environmental impact – and can be further strengthened by catalyzing broader adoption and speeding up progress toward impact.

The **added value** of the GEF is found in its unique position as a financial mechanism of multilateral environmental agreements, which allows it to focus its support on priorities that have been agreed upon internationally and are acted upon in a catalytic way at national, regional and global levels. The GEF is achieving its mandate and objectives.

26. The replenishment takes place against a somber background. OPS4 concluded in 2009 that “global environmental trends continue to spiral downward.” Scientific insights since 2009 continue to confirm this gloomy perspective. New is the emphasis on planetary boundaries and limits that humanity is approaching. The first report of OPS5 repeated the conclusion of OPS4, and this final report has no choice but to repeat it again. No evidence has emerged between March and the finalization of this report that would change this conclusion. It sets the stage for the GEF replenishment.

27. In the coming years less global public funding is expected to be available for supporting developing countries. Many developed countries have lower levels of discretionary spending in their public budgets and thus are decreasing their official development assistance commitments. Ensuring that GEF-6 would have the same purchasing power as GEF-5 could be a major achievement in this setting. Yet, at the same time, the GEF has accepted a major new

commitment in becoming a key financial instrument to the Minamata Convention on Mercury, with high expectations that substantial funding will become available.

Conclusion 1: Global environmental trends continue to decline. The replenishment may show no increase in purchasing power, while the GEF has accepted more obligations.

28. The new role of the GEF vis-à-vis the mercury convention may perhaps be partly financed out of decreasing needs with regard to ozone depleting substances, where remaining follow-up action is less financially demanding, but overall it is difficult to see how the GEF can maintain its catalytic role if its purchasing power is not maintained. OPS5 finds evidence that higher levels of GEF funding in projects lead to faster progress toward impact. Meeting increased obligations with the same replenishment amount or less will spread funds thinner and will reduce the speed with which impact is achieved. The GEF therefore needs to focus on strategic issues on which it can make a difference, or face a situation where it promises support but is not able to deliver on this promise.

Recommendation 1: Resource mobilization and strategic choices in the GEF need to reflect the urgency of global environmental problems.

29. Both in the level of funding and in the way funds are made available to the GEF improvements can be made to provide evidence that the urgency of global environmental problems, of common concern, leads to more and more rapid action. OPS5 contains specific recommendations on how resource mobilization can be strengthened and funds could become more quickly available for action on the ground.

30. The differentiated responsibilities for action are currently expressed in the GEF through solid contributions of the developed countries to the GEF Trust Fund, whereas developing countries and countries with economies in transition tend to provide high amounts of funding through co-financing of GEF projects, supported by other co-financing that ensures a formidable partnership to tackle problems on the ground. Several recipient countries have increased their pledges to the GEF during GEF-4, yet these continue to be lower than their contribution to other international organizations.

31. The following recommendations provide the direction in which actions can be taken. More specific recommendations included in chapter 3 should be taken into account.

- 1.1 Burden-sharing arrangements and pro-rata contribution arrangements should be abandoned in the GEF replenishment, as they hurt rather than help.
- 1.2 Broadening the financing basis should be further explored and should include an invitation to the European Commission to become a donor to the GEF.
- 1.3 A no-risk soft pipeline, accepted practice in many bilateral aid organizations and many international organizations, should be initiated. This could lead to speeding up the delivery of about \$400 million of transfers to recipient countries at a time that the urgency of global environmental problems is increasing.

Conclusion 2: The business model of the GEF is no longer appropriate and leads to growing inefficiencies.
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32. The successes of the GEF in initiating and supporting progress toward impact should not be underestimated, but they often are achieved after overcoming severe administrative barriers on the way. The GEF project cycle, which is not a true cycle but consists of GEF decision points in the cycles of the GEF Agencies, is notoriously slow. It takes six months before at least half of the project concepts are accepted and are taken up in a Work Program of the Council. It takes another 20 months for at least half of the approved project concepts to be fully prepared and achieve CEO endorsement. Only half of the CEO endorsed projects start within 5 months after that. All in all it takes 2.5 years for half of the concepts to become a reality on the ground. The other half of concepts are at that time in their own cycle still stuck at various earlier decision points. Implementation takes on average five years, and is often extended by 1.5 years.

33. Project cycle reform has failed so far, but its failure has also been veiled, as the ambition of the reform did not go far enough and the measurement of success or failure was faulty. When the project cycle target was set at 22 months, and the Secretariat started to report on averages of approved projects, this became the indicator and its measurement. With a target of 22 months, OPS4 could not verify success or failure as not sufficient time had passed since the start of GEF-4. When the target was lowered to 18 months, OPS5 can now report on the target and its agreed upon indicator. The indicator of the average of approved projects turns out to be insufficient to demonstrate the full picture. The GEF therefore faces a new situation. Its indicator has so far shown that the target has been met: both in GEF-4 and in GEF-5. GEF reporting on this has been correct. OPS5 shows that a better indicator is needed and that another reform is needed.

34. OPS5 identifies a plurality of reasons for the failure to expedite project decisions, but they can be narrowed down to two major reasons: challenges in how the GEF decisions points are set up and executed, and increasing difficulties in the functioning of the GEF network. On the GEF decision points this report contains many specific suggestions and recommendations how to speed up the work. On the network the GEF is now over the limit of the number of communications and interactions that still allow for an effective and efficient communication network, given the number of actors involved.

35. Some promise is shown in the project cycle through two developments: approvals of programs tend to lead to faster approval of projects proposed within the program, and the harmonization of project cycles between the GEF and the World Bank could lead to lower transaction costs and faster processing of proposals.

36. As a result of the overburdening of the network, the GEF partnership, one of its best assets, is in danger of disruption. During the latter part of GEF-4 and the early part of GEF-5 this was not yet visible, as the then CEO re-arranged the partnership and the network, and succeeded in reducing the number of interactions to ensure that the network would remain viable. However, the current CEO has been appointed and welcomed with the vision that the GEF would be the “partner of choice” and her vision to restore the partnership now runs into barriers of what the network still can accommodate. This Gordian knot will have to be untangled during GEF-6.

Recommendation 2: The business model of the GEF needs major overhaul in the GEF-6 period.
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37. OPS5 recommends reorienting the GEF decision points. The move towards programming and programmatic approaches should continue and in time the Work Program, currently consisting mostly of project concepts, should consist mainly of approvals of programming proposals of recipient countries and programmatic approaches of regional and global environmental problems. Project proposals should be cleared by the CEO for further development. The Work Program should be published on a no objection basis, as is currently happening for CEO endorsement. This will speed up the process considerably. Furthermore, the experiences with the harmonization of the cycles of the GEF and the World Bank could be extended to other GEF agencies within a more programmatic framework.

38. Co-financing requirements, which now cause considerable delay at both clearance of project concept and at CEO endorsement, can be abandoned in the clearance stage and should be relaxed at the CEO endorsement stage. This will speed up decision making considerably. Rather than ask for firm proof that co-financing is guaranteed, statements of intent should be accepted above an agreed minimum level, especially from such partners as the private sector. Project proponents now often commit months of time to ensure proof of co-financing that OPS5 finds is often an under-estimate of the final co-financing achieved. In the case of the private sector the promised co-financing almost invariably does not materialize, despite firm commitments on paper, and is almost invariably replaced by even higher levels of co-financing from other private sector partners. In other words: co-financing requirements have led to time consuming interactions between the GEF Secretariat, the GEF Agencies, countries and other partners in order to obtain written proof of amounts that in most projects are surpassed by reality.

39. Co-financing in general has been a huge success in the GEF, outscoring expectations. OPS5 brings some reality to this picture: the very high rates of co-financing are due to outliers: huge full size projects that attract very high ratios of co-financing. OPS5 also finds that co-financing is in line with the principles of baselines and incremental costs and that it plays a crucial role in creating a strong partnership on the ground that carries action forward to achieve long-term impacts. The outliers should not become the norm – but they should be taken into account as they are just as much part of the catalytic role of the GEF as some of the enabling activities that require no co-financing. The GEF should continue to strongly encourage co-financing, but it should relax its fixation on the ratio per intervention and accept lower rates in regions and countries that have difficulties in achieving high rates, and encourage higher level of co-financing where this is possible. The one-size-fits all approach has crippled the project cycle.

40. The GEF's results based management framework is another delaying factor that has taken a dramatic turn for the worse. Rather than promoting results, it actually delays them. The GEF-5 framework adopted by the replenishment negotiations has crippled the GEF approval system with too many elements, too many indicators and a "mission impossible" in what it sets out to measure. Whereas the GEF-4 framework counted 285 elements, including more than 140 indicators, the GEF-5 framework contains an astounding 616 elements in 11 inconsistent categories with approximately 180 indicators, many of which would require a lot of effort to assemble through the tracking tools of the focal areas, which pose their own burden.

41. Handbooks on results based management and monitoring advise to identify the lowest number of indicators that will tell an organization whether its outcomes are achieved. The Independent Evaluation Group of the World Bank, after reviewing more than 50 global partnership programs, advised them to identify no more than 5 to 10 “easily measured outcome indicators for which data are readily available.” OPS4 was finished by the time the replenishment agreed on the highly ambitious results based management framework for GEF-5. However, the Evaluation Office should have performed an evaluability assessment of the framework, which could have brought this issue to light before the framework was implemented. The Office did not and bears responsibility for this. It now offers to provide an evaluability assessment on the emerging RBM framework for GEF-6.

42. This leads to the following specific recommendations that provide the direction for solutions. More specific recommendations can be found in the main body of the report.

- 2.1 The results based management framework for GEF-6 should include a limited number of outcome indicators that can be measured through existing or easily generated data. The Evaluation Office should assess the evaluability of this framework before it is finalized by the Council.
- 2.2 The tracking tools should be simplified and where global public knowledge databases are receiving the generated data, this should be implemented and funded adequately. The burden of the tracking tools on multi-focal area projects should be reduced.
- 2.3 The GEF should shift co-financing considerations to programming (through updated guidelines) and to the CEO endorsement and GEF Agency approval stages, to encourage partners on the ground to continue to find appropriate solutions that lead to high levels of co-financing, solid financing of baselines and increased global environmental benefits. This shift should reduce costs for the Agencies and revitalize the partnership on the ground.
- 2.4 The network of the GEF should redefine the inclusion of partners at decision points, focusing on Council decisions on strategies and policies on the one hand and on country level decisions, coordinated by Operational Focal Points on the other hand. The replenishment should invite the Council, the CEO and the GEF partners to develop a new partnership vision during GEF-6.
- 2.5 The role of programs and programming frameworks should be strengthened. Council should approve programming documents that could lead to project proposals for CEO endorsement, including country level programming. For traditional projects the clearance requirements for concepts should be reduced to eligibility issues and inclusion in the Work Program should be delegated by Council to the CEO, to be published on a no objection basis. If project concepts or proposals for CEO endorsements require more than two interactions between Secretariat and Agency, issues should be solved in diagnostic workshops.
- 2.6 A new business model of the GEF should include a revitalized public involvement policy, a corporate strategy for SGP and a shift of STAP’s quality assurance role from screening of projects to programs and portfolios. UNEP’s support of STAP needs to recognize its functional independence and needs to ensure adequate administrative and logistical support.

Conclusion 3: The intervention logic of the GEF is catalytic and successful in achieving impact over time.

43. The problems with the business model of the GEF should not overshadow the considerable achievements of the intervention logic, or theory of change, of the GEF. Although the Facility could be characterized as a slow delivery mechanism that burdens its projects with often unnecessary requirements, the resulting projects continue to deliver excellent outcomes above international benchmarks (with more than 80 percent having outcomes that are rated as moderately satisfactory or higher) and show solid evidence of progress towards impact, even though this could be speeded up. Furthermore, counterfactual analysis shows that many GEF-supported efforts would not have happened without a catalytic GEF contribution; where they would have happened, they would have occurred more slowly or not in line with international standards. In studying 18 climate change mitigation projects in depth, only one was expected to have occurred with the same speed and quality in the absence of GEF support. The other 17 provide evidence of the catalytic success of the GEF. This finding triangulates with evidence from other evaluations of the Evaluation Office.

44. The intervention logic of the GEF is not only successful at the national level, but also regionally and globally. However, regional and global projects manifest extra challenges to achieve impact, and more should and could be done to achieve the same level of effectiveness and broader adoption for these.

45. Though interventions differ by focal area, and by objective within focal areas, they nevertheless have intervention logic in common. The evidence for this has been distilled by the Evaluation Office in the generic GEF theory of change, which consists of elements that have been demonstrated to work time and again in many GEF-supported projects. Depending on the environmental issue that needs to be addressed, and the circumstances, projects have a mixture of knowledge, institutional, and implementation mechanisms that address foundational, demonstration and investment issues that have been shown to lead to progress toward impact. An in-depth analysis shows that only 7 percent of completed projects have no chance of broader adoption of solutions or direct environmental impact. If any conclusion should be drawn from this, it should be that the GEF should take higher risks, with potential higher gains, which would also increase the number of failures; 25 percent is often seen internationally as acceptable for innovative interventions and programs.

46. Taking sufficient time to achieve broader adoption and impact, and involvement of key partners are essential. This is recognized through strong partnership on the ground, through co-financing and through continuation of activities long after the GEF-supported intervention has ended. Several processes lead to broader adoption: the gradual establishment of virtuous cycles of changes in behavior in society and the economy, encouraged by actions of government, civil society, the private sector and local communities to reduce threats to the environment; these in turn lead to slow but unmistakable restoration of biophysical processes that ensure ecosystem services in the longer run and tackle specific problems including biodiversity loss, climate change, transboundary issues involving water bodies and chemicals and waste, as well as land degradation.

47. The catalytic role of the GEF is enabled by its unique link to the multilateral environmental agreements for which it is a financing mechanism. Countries that are signatories to the

conventions have to incorporate convention guidance in their national strategies, policies and priorities, and the GEF provides funding for this. Unique amongst international organizations, the GEF has a strong mandate to interact with countries on how global environmental benefits could be incorporated in national laws and regulations. This is first of all demonstrated in the alignment of GEF support with national priorities, which is remarkable in terms of the Paris Declaration. However, some of this alignment is more in text than on the ground as country ownership and drivenness continue to demonstrate room for improvement. Where country ownership is achieved, outcomes improve and the speed of transformation and broader adoption increases as well.

48. Multi-focal area projects increasingly are seen as an answer to problems on the ground, which often require connected efforts in different focal areas to be solved. They also provide a higher level of funding that may speed up progress towards impact, as is found in the impact work of OPS5. Deeper analysis of the most recent multi-focal area projects show that these continue to show the same characteristics as older multi-focal area projects. If the burden of monitoring and tracking tools on these projects can be reduced, they could potentially become the modality of the future for the GEF, with focal area strategies becoming focal area guidance and with a focus on impact drivers, a logic of intervention that aims to remove barriers to broader adoption and a better vehicle for partnerships that can tackle these barriers.

Recommendation 3: To maximize results, the intervention model of the GEF needs to be applied where it is most needed and supported by a better business model.

49. The intervention model of the GEF is successful, yet it is not solving the problems of the world. This is partly an issue of scale, and partly an issue of a stronger focus on the most urgent problems of our time. Even if the scale does not change, the focus could be further improved and the model sharpened.

50. Crucial to the intervention model is behavior change that needs to ensure that environmental threats are removed. This change will come about if it is profitable to the people who need to change their behavior; that is if the changes benefit them as well. Social, economic, and gender benefits are thus an essential means to achieve sustainable change in the often disastrous interactions between humanity and its degrading environment.

51. The GEF has tried to improve its engagements with civil society (including indigenous peoples), the private sector and its integration of gender issues in its operations through changes in its business model. It has created set-asides for the private sector (through, for example, the Earth Fund) and for local communities (through the SGP), and has looked for assurances at GEF decision points that co-financing and other requirements would be met. It is time to shift these elements to where they belong: to the intervention model and to programming and national level priority setting and analysis. The GEF should provide additional support to national and regional exercises to ensure stronger partnerships on the ground that will in turn ensure faster progress toward impact.

52. Many encouraging developments can be seen in civil society and in the private sector towards a sustainable use of natural resources while reducing poverty and ensuring green growth. However, many destructive impacts of practices in society and in the private sector continue

unabated and they continue to outpace the encouraging developments. The GEF 2020 vision and the proposals for a strategic focus in GEF-6 pay attention to these issues; it is vital to engage with civil society and the private sector at the country level on these issues to not only support good developments, but also address the impact drivers that cause havoc.

53. Rather than to seek assurance through reviewing project concepts with a magnifying glass to find evidence of the right focus to solve environmental problems – although due diligence should of course continue – the GEF should start supporting knowledge brokerage on the many successes and achievements of its intervention model, which was developed together with its partners, and which should be more widely shared through new efforts in knowledge management. The challenge is to refocus the partnership where it is and should be most effective: on the ground, rather than in Washington, DC.

54. OPS5 proposes to create an open community of practice on the GEF's intervention model, which could be shared with its many partners and could lead to even better practices. The challenge is to increase the speed towards impact; and the impact work of the Office provides evidence on what works well and what could be further improved. The Office's impact work finds evidence that projects that incorporate initiatives that support broader adoption after the project has ended – and that also involve the key stakeholders – are most successful in speeding up impact. How to incorporate this in project design and implementation could be one of the first subjects of this community of practice.

55. This leads to the following recommendations that point in the direction of promoting better strategic choices and faster action towards longer term impact. The main body of the report contains further detailed concrete recommendations.

- 3.1 Strategic choices and efforts to speed up broader adoption need to be an important focus of national and regional programming. Involvement of stakeholders is a key element.
- 3.2 The GEF should encourage countries to take both civil society organizations and private sector engagement into account in their priority setting and portfolio identification for GEF-6.
- 3.3 Focal area and multi-focal area approaches should include consideration of how to engage civil society and the private sector in areas where current practices have the most severe impacts on the environment.
- 3.4 The strategic role of STAP in the GEF should be strengthened, with a stronger focus on addressing both natural and social science issues; targeted research should be revitalized and focus on learning from the increasingly large portfolio of completed projects.
- 3.5 The Steering Committee of SGP should be re-vitalized, where necessary strengthened, and engage with UNDP and the Secretariat to ensure the corporate nature of SGP and provide strategic guidance to future directions of the program and the modality.
- 3.6 The GEF should adopt an action plan on implementation of the GEF Gender Mainstreaming Policy, taking OPS5 findings into account.

- 3.7 An integrated knowledge management and capacity development strategy should support this. New means for brokering knowledge, such as a community of practice of project proponents on better design and implementation for longer term impact, should be explored with sufficient funding and adequate resources, learning from successes such as IW: Learn.

3 MOBILIZING AND GOVERNING RESOURCES FOR AN INCREASINGLY AMBITIOUS AGENDA

3.1 The GEF replenishment

56. OPS4 concluded in 2009 that “global environmental trends continue to spiral downward.” The first report of OPS5 similarly concluded in March 2013 that global environmental trends continue this downward spiral, and no evidence has emerged between March and the finalization of this report that would change this conclusion. In fact, scientific insights continue to confirm this gloomy perspective. What is new is the emphasis these are placing on planetary boundaries and limits that humanity is approaching.

57. At the same time less global public funding is expected to be available for supporting developing countries. Since reaching a peak of \$137 billion in 2010 official development assistance as measured by the Organisation for Economic Cooperation and Development is declining (to \$127 billion in 2011) and is expected to continue to do so in the coming years. The percentage of development assistance commitments devoted to address global environment goals was falling from 2002 to 2006 (when it was around 5%) but thereafter climbed to reach a level of about 14% in 2010 and subsequent years. Most of this rise was in climate change mitigation, which is currently the primary purpose of about 65% of total environment official development assistance, followed by biodiversity at a little less than 20%.

58. The GEF plays a relatively small but catalytic role in global public funding. Its annual commitments are now at the level of \$1 billion; in contrast overall global public funding for environmental issues is assessed at \$10 billion. A conservative estimate shows that the GEF manages to increase overall funding for globally relevant environmental issues with about \$3 billion through co-financing.¹ Furthermore, counterfactual analysis shows three ways in which the GEF is catalytic: partly this funding would not have materialized, partly it leads to quicker action and partly it leads to better action.

59. Funding needs for action on global environmental issues are conservatively assessed as at least \$100 billion annually. This amount of funding can only be achieved if civil society and the private sector become strong partners in addressing global and local environmental problems – a conclusion reached by many. However, at the same time global public funding of at least \$1 trillion annually is available for subsidies and transfers that encourage unsustainable environmental practices, such as subsidies for fossil fuels, for unsustainable agricultural practices, for over-exploitative fisheries and for unsustainable use of water resources.²

60. Mobilizing resources for GEF-6 takes place in challenging circumstances, given the crisis in public funding for many traditional donors. Furthermore, while new donors such as middle-income countries and emerging market countries are committed to the GEF, they provide lower

¹ Co-financing from ODA is already included in the assessment of \$10 billion. Additional funding is made available by partner countries and non-ODA partners like international NGOs.

² Fossil fuel subsidies alone have been assessed as amounting to \$1.9 trillion annually (see IMF. Energy Subsidy Reform: Lessons and Implications. Washington, DC, Executive Summary January 28, 2013).

proportions of funding than they do in for example the UN and in IDA. In the background the issue of “common but differentiated responsibilities” for climate change no doubt plays a role: this formulation is included in many negotiations on climate change issues to express that the developed world increased their greenhouse gas emissions long before developing countries started to industrialize. Many recipient countries see the GEF as an instrument of developed countries to meet the differentiated responsibility. They prefer to express the common perspective through high levels of co-financing. Recipient countries contribute about 50% of co-financing in the GEF and thus outspend the traditional donors (see APR 2009).

61. Many developed countries have lower levels of discretionary spending in their public budgets and thus decrease their ODA commitments. Ensuring that GEF-6 would have the same purchasing power as GEF-5 could be a major achievement in this setting. And it is difficult to see how the GEF can maintain its catalytic role if its purchasing power is not maintained; particularly as it is asked to take on additional responsibilities such as its new role vis-à-vis the mercury convention. While GEF support on mercury may be financed through the decreasing needs dedicated to ozone-depleting substances, where remaining follow-up action is less financially demanding, this only responds to the challenge in one of the GEF’s focal areas. The GEF therefore needs to focus on strategic issues in which it can make a difference, or face a situation where it promises support but is not able to deliver. This is the potential underfunding to which the progress report of OPS5, presented at the second replenishment meeting in September 2013, refers.

62. Burden sharing arrangements have been abandoned in many replenishments, as they hurt rather than help. The replenishment negotiations of the GEF continue to refer to IDA10 as a reference point for contributions of donors and to burden sharing arrangements that would need to be taken into account. Technical document 8 of OPS5 demonstrates that current donor contributions to the GEF bear no relationship to IDA10, or IDA16 for that matter. IDA itself is not a point of reference because it does not reflect countries’ capacity to pay or the priority they accord to ODA or to the environment within their ODA. It is time the replenishment cycles of the GEF become their own standard and their own answer to the particular needs and commitments that the GEF is facing. To be explored in the longer run could be to broaden the financing basis of the GEF, including an invitation to the European Commission to become a donor to the GEF.

63. Many of the European donors and Japan have made pro-rata commitments conditional for part of their commitment upon major donors fulfilling their commitments. This has caused sizable payments to be withheld over the years. The last contributors following this practice (France, Germany and Japan) released their payments in 2013, although the conditions for payments by major donors had not been fully met, as they became convinced that this practice was not placing pressure on the main donors in default and was thus only resulting in less funding available to the GEF. This practice of pro-rata linkage in instruments of commitment has been discontinued in IDA and in the African Development Fund. Discontinuing the practice in the GEF replenishment is firmly recommended.

3.2 Governance

64. OPS4 concluded that the GEF governance system compares well to that of other organizations, especially in terms of its transparency. And since OPS4, the GEF has continued to

be one of the most transparent international organizations as far as its governance is concerned. It approves the replenishment agreements and delivers these with a recommendation to approve to the Assembly. Once the Assembly has agreed on the replenishment, the Council once again takes over and develops the work program and takes decisions on policies, strategies and ways to do business. In its role as the day-to-day governing body of the GEF, the Council performs its responsibilities with full disclosure and transparency. Documents for discussion are disclosed four weeks before the Council meets on a public website, with the exception of documents for executive sessions. The meeting of the Council itself is webcast, except for executive sessions.

65. The Council continues to provide a strong voice to constituencies. It is the only financial institution that has a double voting system: a majority in shares needs to be combined with a majority in Council members. Of the 32 Council members, 18 are from recipient countries (16 from developing countries and 2 from countries with economies in transition) whereas 14 are from developed countries. This compares well to the Board of the Green Climate Fund, which has an equal number of members from developed and developing countries.

66. OPS4 noted a lack of guidance on how constituencies are formed, how they operate and how Council members and alternates should be selected and rotated. It recommended that Council should develop guidelines, as especially larger constituencies faced problems in this regard. No follow-up was given to this recommendation. However, several constituencies have taken matters in hand and have decided on selecting and rotating Council members and alternates. Nevertheless, representatives of countries in several constituencies continue to voice concerns in surveys and interviews.

67. The GEF appointed a conflict resolution officer in 2007. This officer did not have full independence of GEF management and therefore was mainly asked to mediate in conflicts between countries and Agencies and almost never in conflicts with the GEF Secretariat, as he could be perceived to have a conflict of interest or bias in this regard. With the departure of the conflict resolution officer in 2012, the position was not filled and one of the team leaders in the Secretariat was asked to fulfill this role part time. This means that an independent conflict resolution function or ombudsman function is still not available in the GEF. The GEF Agencies have their own mechanisms for conflict resolution.

68. In the years since OPS4 one development should be highly praised: the GEF has continued to exert full governance on the trust funds that it operates. A new trust fund, the Nagoya Protocol Implementation Fund, was added and it was accepted in the GEF provided the full GEF machinery of Council and GEF entities would govern, operate and evaluate the Fund. This is the same as for the Least Developed Countries Fund and the Special Climate Change Fund. The GEF is one of the few international organizations that kept full governance of the trust funds that it operates. The World Bank has accepted many different governance mechanisms for trust fund that it operates, with the Board of the Bank at a distance. In the UN often governing bodies maintain direct control over the core budgets and programs of the organization, and leave voluntary trust fund contributions (which can be substantially higher than the core budgets) to other arrangements. This problem emerged in several recent peer reviews of the evaluation functions of UN organizations, and it was also raised as an important finding in the workshop on comprehensive evaluations in Paris in June 2011.

3.3 Funding for programming

69. Once the replenishment is agreed, resource mobilization takes the form of ensuring timely transfers from donors to the Trust Fund to ensure a steady flow of funds for new work programs. This flow of funds is composed of new money coming in through transfers, and money returned by the Agencies for cancelled and underspent projects. Investment income may be added to the available funds for a work program. These three flows of funds need to ensure a steady availability for programming purposes. Technical document 8 notices several volatilities that could be better addressed.

70. Currently the GEF manages its programming on a “no-risk” basis: project concepts can only be accepted for further development into proposals if 100% of the proposed funding is available in the Trust Fund. The only financial commitment at Council approval of a concept (through acceptance in the Work Program) is the grant for project preparation and the first tranche of the Agency fee. The actual commitment of about 95% of these funds takes place at CEO endorsement, on average more than 1.5 year later. Furthermore, on average it takes another few months for projects to be committed in their respective agencies, and another few months for implementation to start. All in all, project funds are reserved on average 2 years before the first disbursements starts. A steady flow of funds are coming into the Trust Fund during these two years. The risk could actually remain close to zero if the GEF would adopt a soft pipeline that rather than 100% would reserve 60% of the proposed funding, less project preparation grants and advance agency fees. Risk would go down to zero if approvals for project proposals would be accompanied by a legal note that 40% of the Agency fee and Project Preparation Grants are available upfront to develop the project proposal, but that CEO endorsement is subject to availability of funding.

71. Going over to a soft pipeline with 60% coverage in available money would be in line with the practices of many bilateral donors and several if not all multilateral organizations. It would provide a onetime speeding up of transfers to recipient countries that could amount to \$400 million over time, demonstrating the urgency of the issues for which the GEF provides support. This could be combined with two other measures to speed up resource mobilization: agency fees could be divided in three tranches and promissory notes could have a reduced time span. Paying agency fees in three tranches with the final payment for project closure could incentivize closure and ensure a more diligent return of funds for cancelled projects to the Trustee..

72. Reducing the term of promissory notes (presently a maximum of seven years compared with an average project life of five years) would make more funds available for investment and reduce currency risk. There are two additional reasons for reducing the term of promissory notes: programming and thus priority setting in GEF support is becoming more important over time, which means that replenishment funds need to be available earlier to be able to commit funds for priority projects. Secondly, if the GEF moves to speedier disbursements through its Agencies, more funds are needed upfront to enable this. The urgency of solving global environmental problems thus not only translates into levels of funding, but also in making pledged funds available quicker to the GEF.

73. To conclude, resource mobilization could be further strengthened through the following concrete recommendations:

- 1) Burden-sharing arrangements should be abandoned in the GEF replenishment, as they hurt rather than help.
- 2) The replenishment should be based on the urgency of the global environmental problems rather than on out-of-date ratios of replenishments that cannot be compared to the GEF.
- 3) Pro-rata contribution arrangements should be discontinued in the replenishment, as they punish recipient countries rather than other donors.
- 4) Broadening the financing basis should be further explored and should include an invitation to the European Commission to become a donor to the GEF.
- 5) The GEF Council should provide guidance on how constituencies should operate and how Council members and alternates should be selected and rotated, based on recent improvements introduced in several constituencies.
- 6) A no-risk soft pipeline, accepted practice in many bilateral aid organizations and many international organizations, should be initiated. This could lead to speeding up the delivery of about \$400 million of transfers to recipient countries at a time that the urgency of global environmental problems is increasing.

4 THE PROMISE OF PROGRAMMING

4.1 The Emergence of Programming in the GEF

74. The GEF has started its life as a traditional project funding facility. In the replenishment phases up to GEF-4, indicative amounts were agreed upon for focal area support in the replenishment agreements. With the introduction of the Resource Allocation Framework (RAF) in GEF-4, programming could start to play a more systematic role in the GEF, as countries would be provided with allocations for which they could program. The RAF was flawed in many regards – flaws which were identified in the mid-term evaluation of the RAF in July 2009 which was highly influential in the preparation of the System of Transparent Allocation of Resources (STAR) that was adopted in November 2009. The mid-term evaluation of STAR, discussed at the November 2013 Council meeting, concludes that the new system is a success on many fronts. Its indices are scientifically and technically valid, although minor fine-tuning needs to take place. Its implementation was relatively smooth and it has increased transparency and country ownership, which is confirmed in the country level evaluations that the Office has undertaken in the past four years. Furthermore, both RAF and STAR have led countries to take greater control of programming of GEF-support. This has had a positive effect on the project cycle of the GEF: submission of project concept for Council approval is now more in sync with allocations than it used to be in the past.

75. The phase before the approval of project concepts by Council, also known as the pre-PIF phase (the PIF or Project Identification Form being the concept note that Council approves in its Work Program for further development) was characterized by OPS4 as a black box. It used to have shady associations of project proponents meeting with Agency staff and Secretariat staff to push through their proposals, and deals in New York, Washington and Nairobi. Operational Focal Points used to complain that once they put their signature on an endorsement, the proposal disappeared into a void out of which a full blown project proposal would mysteriously appear many months later. Total transparency has not been achieved and may never be achieved: such transparency may be ensured through bureaucratization of ensuring all steps in the project cycle are properly registered and kept track of. But for many Operational Focal Points and countries there has been a shift in empowering them to better program the support to their country and the STAR has enabled them to do this.

76. The National Portfolio Formulation Exercises (NPFE) has been a second element that promoted a better grip of countries on programming GEF support. Although NPFEs have not been successful in this regard, as the mid-term evaluation of NPFE points out, many recipient countries have welcomed the opportunity to program future GEF support in the light of their obligations to the multilateral environmental agreements. In the majority of countries the NPFE initiative enhanced country ownership through consultations with a wide range of stakeholders and through creation of national steering committees to provide a broader decision-making and coordinating structure for GEF programming. The mid-term evaluation recommends to continue providing GEF support for programming and to provide this preferably at the end of a replenishment phase, to ensure that countries are ready for the new phase when it starts.

77. Programming is relatively new in the GEF, and it should thus not come as a surprise that many project ideas were identified that are not eligible for GEF support and that ideas often aimed for levels of funding that were either unattainable or too low for a viable project. The mid-term evaluation recommends focusing support more on eligibility issues, on co-financing issues and on funding modalities. In addition, programming on regional and global issues could be encouraged by the GEF. The Expanded Constituency Workshops could potentially provide a forum for discussing regional priorities and promoting collaboration between countries on transboundary environmental issues of global relevance.

78. Potentially programming at the national and regional level can address some of the recurring problems in GEF support: how to engage with civil society organizations and the private sector, how to integrate social and gender issues and how to strengthen identification of relevant scientific and technical issues that would need to be incorporated in the support.

79. In conclusion, the following recommendations are made:

- 7) Programming at the national and regional levels, which should continue on a voluntary basis, should receive strong support from the GEF, financially as well as through guidance on eligibility, available funding and issues that should be solved in programs and projects, such as the involvement of civil society organizations and the private sector, as well as adequate attention for social and gender dimensions, including indigenous people.
- 8) Through programming the riddle of achieving more with barely sufficient resources can be addressed. Multi-focal area projects can ensure critical mass in funding and address issues in a synthetic way.

4.2 Results Based Management Framework

80. Programming should be based on a thorough understanding of environmental issues of global relevance, of the potential actions that can be taken to ameliorate degradation of ecosystems and their services, but also on a thorough knowledge of the modalities and funding requirements of the GEF. The Results Based Management (RBM) framework of the GEF contains the basic elements of the support machinery that the GEF has created to support countries in tackling environmental issues. However, evaluative evidence as presented in technical document 11 shows that the RBM framework of the GEF is inappropriate, too ambitious and thus a burden to the system rather than a supportive framework that ensures transparency and enables evidence based decision making.

81. Whereas in the past GEFEO has reported a few times on the M&E burden on multi-focal area projects, and asked attention for the underperformance on data gathering and analysis especially for impact purposes, the more systematic assessment of RBM in the GEF in OPS5 led to a paradigm shift in how the Office perceives these problems. Whereas in the past few years many of these issues were perceived as lack of compliance of Agencies and projects with RBM and M&E requirements, the evidence demonstrates that the RBM framework is not appropriate for a funding agency like the GEF, too heavy to be executed and not consistent and focused enough to ensure good execution. The progress report presented to the second replenishment meeting in Delhi highlighted this as an issue and presented the OPS5 approach: an RBM system should not aim to measure everything but what it does measure, it should measure well.

82. An analysis of the GEF-4 and GEF-5 RBM frameworks shows that the GEF-5 framework was a substantial increase in ambition in monitoring and reporting versus the GEF-4 framework. If all “elements” of the results based management frameworks are counted, including goals and objectives at different levels (focal area, sub-focal area and cross-cutting) as well as intended outcomes and impacts, indicators and targets, the GEF-4 framework includes 285 elements. The GEF-5 RBM framework as included in the final documents of the fifth replenishment has 659 of these elements, 479 of which are relevant to the focal area strategies including adaptation. The framework includes an astounding 180 extra elements on corporate results.

83. Upon reflection, also as a partner in results based management in the GEF, the Evaluation Office should have looked more in depth at the GEF-5 system and reflect on its evaluability at the time it was approved. Evaluability assessments are an accepted part of the toolbox of evaluation offices. Such an assessment could have led to an earlier discussion of the feasibility of a system with 620 elements, of which almost half require reporting and a third measuring and monitoring. This assessment could have uncovered some of the current problems that the RBM system faces.

84. First of all the GEF-5 RBM framework has not been developed according to best international practice. As discussed in technical document 11, handbooks on RBM stress that a minimum approach should be followed. Typically organizations are recommended to identify no more than 2-7 outcome indicators that are easily measurable through existing data. For a complex fund like the GEF this could be translated into a minimum number per focal area rather than for the GEF as a whole. This is substantially lower than the more than 100 outcome indicators in the GEF-5 framework.

85. The second issue is that there is insufficient consistency in the GEF-5 framework. It has long term goals, impacts, indicators for those, key targets, objectives, outcomes, outcome indicators and associated targets (but more than half of the outcome indicators have no targets), core outputs and core output indicators. The GEF-5 framework has ten categories of elements, many of which are not clearly defined. Compare this to the GEF-4 framework, which had 6 categories with more consistent use.

86. The third issue is the appropriateness of the system. The GEF has a dual objective in gathering and analyzing data: it wants to report on its achievements and it wants to contribute to crucial knowledge about the environmental issues it addresses. For example, the biodiversity tracking tools go beyond the RBM framework for biodiversity and deliver data to the global METTS database. This additional objective of some data gathering may not be fully recognized in the RBM framework and may have led to an additional burden on projects and on partners in the GEF (including the Secretariat) that has never been adequately recognized in funding and staffing. The urgency to acquire better data on what is happening should lead to higher levels of M&E funding, as a public knowledge objective is added to the intervention objectives. It should not be part of the results based management system.

87. Secondly, the GEF as a funding facility has no direct hierarchical connection to what is happening in projects. The Secretariat is a recipient of information. It is the GEF agencies that need to ensure monitoring and need to incorporate this in the contractual or legal arrangements they have with executing agencies or recipient governments. Furthermore, GEF projects do not exist as such. Projects that are co-financed by the GEF do; they tend to be co-financed by other

partners and implemented and executed by still other partners, with their own reporting requirements. The lack of direct accountability should lead to a system that reduces measurements and reporting to the absolute minimum of what is required to measure (and measure well) whether the GEF is achieving its outcomes through its funding, rather than to uphold the illusion that if projects address a complex series of problems and objectives, they need to be able to report on all or most of them.

88. Given these issues OPS5 recommends that the RBM framework of the GEF is reduced to an absolute minimum of outcome indicators that inform the Council and member states on whether outcomes are being achieved. The GEF Evaluation Office offers to undertake an evaluability assessment of the framework agreed upon in the replenishment, which could lead to fine-tuning that the replenishment could ask the Council to undertake.

89. The tracking tools need to be reduced in weight and become more user-friendly and divide out what is necessary for RBM and what is needed for public knowledge purposes. The GEF should identify and support existing institutions or organizations that have a track record or mandate to carry out the more detailed monitoring of environmental stress reduction and environmental status. That way GEF could help build lasting country, and/or regional and/or global capacity for capturing (through state-of-the-art technology), storing and using long term information for decision making and for evaluation.

90. Furthermore, the burden of the tracking tools on multi-focal area projects must be reduced. Country level evidence has more than once raised this issue as a concern and Council has asked for a reduction of the burden. The Secretariat has maintained that pragmatic solutions for multi-focal area projects are available, but guidance on this is not available. Clear and transparent guidelines must ensure the M&E burden on multi-focal area projects is reasonable. At the moment the Evaluation Office is not able to provide solid evidence beyond the concerns raised in earlier evaluation reports.

91. In conclusion, the following recommendations are made:

- 9) The results based management framework for GEF-6 should include a limited number of outcome indicators that can be measured through existing or easily generated data. The Evaluation Office should assess the evaluability of this framework before it is finalized by the Council.
- 10) Generating global public knowledge through project monitoring, as is partly the goal of elements of the tracking tools, should be encouraged by the GEF but should be funded on top of the regular M&E budgets as it serves a purpose beyond the project and should not burden the regular M&E work needed to support adaptive management and results reporting.
- 11) The tracking tools should be simplified and where international databases are receiving the generated data, they should become partners in ensuring data is gathered. The burden of the tracking tools on multi-focal area projects should be reduced.
- 12) PMIS data should be corrected and efforts made to regularly verify and update the accuracy of data; sufficient resources should be available to ensure this.

- 13) GEF should support country, regional and global capacities to collect, track, store and use monitoring information on global environmental concerns by supporting country or regional organizations.

4.3 The Crucial Role of Co-Financing

92. Co-financing is generally considered to be important for mobilizing resources for achievement of GEF objectives. The GEF Council has articulated its importance on several occasions and the Secretariat has often portrayed it as an indicator of the additional resources that GEF has been able to attract towards achievement of global environmental benefits. Given its importance, co-financing has been addressed in all of the Overall Performance Studies of GEF.

93. There is wide consensus among the Overall Performance Studies that co-financing is beneficial for GEF projects. However, there is skepticism on the extent to which co-financing helps in generating additional resources for generation of global environmental benefits. All of the Studies, except OPS-2, called for moderation in seeking co-financing so that seeking high levels of co-financing does not become an objective on to itself. OPS-2 on the other hand opined that GEF should seek higher levels of co-financing.

94. The Third Replenishment of the GEF Trust Fund took note of the OPS-2 findings that recommended that the GEF Secretariat prepare a co-financing policy in consultation with the GEF agencies. In its June 2003 meeting, the GEF Council approved the definitions, policies and practices recommended in the paper on “Co-financing” (GEF/C.20/6/Rev.1). The paper defines co-financing as “...*project resources that are committed by the GEF agency itself or by other non-GEF sources and which are essential for meeting the GEF project objectives.*” Consistent with the recommendations of the OPS-2, the paper puts considerable emphasis on the need for agencies to ‘maximize’ co-financing. For the past decade or so the paper has been a reference point for the GEF partnership for discussions on co-financing. While the policy guidance for maximizing co-financing has been in place for a decade, it was from 2006 onwards that the GEF Secretariat made increased efforts to achieve higher levels of co-financing.

95. The Annual Performance Report 2009 presented a detailed analysis of GEF’s approach to co-financing and concluded that “the GEF gains from mobilization of co-financing through efficiency gains, risk reduction, synergies, and greater flexibility in terms of the types of projects it may undertake.” It, however, also cautioned that singular focus on achieving high co-financing ratios may be counter-productive as this would create disincentives for undertaking projects where potential for global environmental benefits is high but have low co-financing ratios.

96. Technical document 21 on co-financing finds that there is general consensus among the key stakeholders in the GEF partnership that co-financing is useful as it helps in bringing more resources to GEF projects, increases country ownership, and increases the likelihood that there would be support for follow up activities for a given GEF project.

97. Analysis of incremental costs in projects and co-financing shows that mobilization of sufficient co-financing for a project helps in ensuring that GEF supports only the incremental costs of a given project. However, the GEF partnership often has to incur costs in terms of time

and effort, in mobilizing co-financing. To assess the net utility of co-financing these need to be taken into account.

98. Table 4.1 presents the changes in ratio of promised co-financing vis-à-vis GEF funding across various GEF replenishment periods. There was some drop in the co-financing ratios after the pilot phase but after that there has been an increasing trend. From GEF-3 to GEF-4 the ratio of promised co-financing at approval vis-à-vis GEF grant for GEF's global portfolio increased from 4.3 to 6.3. For GEF-5 (up to June 30th 2013) the overall co-financing ratio has remained the same as for GEF-4 period. The increase from GEF-3 to GEF-4 is evident for portfolios of different focal areas, country categories and funding modalities. For full size projects recipient country governments, including their departments and agencies at various tiers of governance, are the main contributors to co-financing, followed by the agencies, and then by private sector sources. The order of these co-financing sources remained the same from GEF-3 to GEF-5. During this period governments contributed 34% to 45% of co-financing, GEF Agencies contributed 24% to 29%, and the private sector 15% to 16%. Bilateral accounted for 4% to 7% and NGO contributions were at most 2% of the total. The order of these co-financing sources remained the same from GEF-3 to GEF-5. During these periods governments contributed 34% to 45% of co-financing, Agencies contributed 24% to 29% , , and the private sector 15-16%. Bilateral donors accounted for 4% to 7% and NGO contributions were at most 2% of the total during these replenishment periods.

99. The level of materialization of co-financing for the OPS-5 cohort of completed projects was 147 percent of the amount promised at CEO Endorsement. These are projects from earlier GEF periods so they may not provide a good prediction of how current levels of promised co-financing may turn out. However, over time the materialization has increased substantially, from 98 percent materialization for the OPS-4 cohort, and 92 percent for projects that had been completed earlier.

Table 4.1: Co-financing Ratio during different GEF Periods

	<i>Pilot Phase</i>	<i>GEF-1</i>	<i>GEF-2</i>	<i>GEF-3</i>	<i>GEF-4</i>	<i>GEF-5</i>
Overall	4.0	2.5	4.1	4.3	6.3	6.3
FSP	4.2	2.7	4.5	4.7	6.7	6.6
MSP	—	1.8	2.6	3.0	3.3	4.0
EA	0.2	0.1	0.3	0.2	0.6	1.1

100. Table 4.2 presents the median of co-financing ratios of GEF projects across different GEF replenishment periods. It reinforces the finding that from GEF-3 to GEF-4 levels of co-financing expected from projects increased and that this increased further during GEF-5 period. The increase in the median ratios from GEF-3 to GEF-5 has been steeper than the increase in the portfolio average, i.e. 236% increase in the median ratio compared to 47% in the portfolio ratio. The substantial increase in the median ratios during GEF-5 indicates that proponents of an “average” (middle of the road) project had to mobilize co-financing that was not only substantially higher than the level expected during the Pilot Phase to GEF-3 period, but also higher than the level expected during GEF-4. The numbers demonstrate that the GEF partnership is putting greater effort in generating higher levels of co-financing.

Table 4.2: The median of the co-financing ratio of GEF projects

	<i>Pilot Phase</i>	<i>GEF-1</i>	<i>GEF-2</i>	<i>GEF-3</i>	<i>GEF-4</i>	<i>GEF-5</i>
Overall	0.3	0.0	0.6	1.1	2.7	3.7
FSP	0.4	1.1	1.8	2.8	3.1	4.5
MSP	—	1.2	1.1	1.3	1.7	2.6
EA	0.1	0.0	0.0	0.1	0.2	1.1

101. While the rationale for a graduated approach to seeking co-financing based on project design, share of global environmental benefits in the project benefit mix, incremental costs, and country circumstances is strong, there is insufficient guidance on expected levels of co-financing for different types of projects. In absence of clear guidance, the application of co-financing related requirements is perceived as non-transparent by other stakeholders in the partnership, especially partners in the recipient countries. Lack of guidance on this topic also creates an information asymmetry – as the project proponents are not sure what the GEF Secretariat is looking for – which leads to delays during the project preparation phase especially for countries and for agencies that have less experience in preparation of GEF projects.

102. There is a need for re-calibration of the GEF approach to co-financing. Given the benefits of co-financing, it indeed needs to be encouraged. However, instead of ‘maximization’ the process needs to be focused on ensuring ‘adequacy’ of co-financing. Where co-financing commitments indicated in the project proposals are low, consideration needs to be given to other mitigating factors such as importance of non-monetized technical contributions by partner institutions, recipient country’s assurances on policy change, country commitments to follow up activities, etc., which may not be counted as co-financing but may have greater relevance to what a GEF project may intend to achieve.

Table 4.3: Median co-financing ratio for countries with special circumstances (for FSPs)

	<i>Pilot</i>	<i>GEF-1</i>	<i>GEF-2</i>	<i>GEF-3</i>	<i>GEF-4</i>	<i>GEF-5</i>
LDC	0.2	1.6	1.8	2.4	2.6	4.0
SIDS	0.3	0.4	1.1	2.1	2.5	4.0
LLDC	0.6	1.1	1.3	2.3	2.7	4.1
HIPC	0.4	1.6	2.1	3.5	2.9	4.0
Fragile	0.2	0.4	1.3	2.0	2.6	3.9
Overall median ratio	0.3	0.0	0.6	1.1	2.7	3.7

Table 4.4: Median co-financing ratio of projects by focal area

	<i>Pilot</i>	<i>GEF-1</i>	<i>GEF-2</i>	<i>GEF-3</i>	<i>GEF-4</i>	<i>GEF-5</i>
Biodiversity	0.3	1.0	1.3	1.8	2.3	4.3
Climate Change	0.9	1.7	2.1	3.5	3.8	5.2
International Waters	0.3	1.0	1.2	1.9	3.1	5.8
Land Degradation	—	—	—	3.0	3.0	4.5
Ozone Depletion	0.4	0.6	0.1	0.7	0.7	2.3
POPs	—	—	1.0	1.1	2.0	4.0
Multi Focal Area	0.3	1.1	1.0	1.6	2.7	3.4
LDCAF	—	—	—	0.4	2.3	3.9
SCCF	—	—	—	1.7	3.5	7.1
NPIF	—	—	—	—	—	2.4

103. Realistic levels of co-financing should be established for groups of countries in specific circumstances and expectations can be included in country level programming. Currently, as shown in table 4.3 (which shows median ratios), all groups of countries converge on similar high rates of co-financing. Furthermore, focal area and intervention specific levels of co-financing need to be accepted and fine-tuned, as demonstrated in table 4.4 (showing median ratios). High levels of expected co-financing may lead to less innovation and risk-taking in the GEF, as it usually is more difficult to realize co-financing for relatively new approaches and more innovative interventions.

104. Given the high levels of co-financing and the crucial role co-financing plays in ensuring a solid foundation for baseline funding, as well as contributing substantially to deliver global environmental benefits, the GEF should become more specific in what levels of co-financing are adequate and advisable in which countries and in which focal areas (and multi-focal area projects). This leads to the following specific recommendations:

- 14) Co-financing guidance in the GEF needs to be updated and needs to move to realistic levels of co-financing for groups of countries and focal areas.
- 15) Given the high levels of materialized co-financing, the GEF should stop seeking assurances up-front to the extent it is currently doing, and should encourage partners on the ground to continue to find appropriate solutions that lead to high levels of co-financing, solid financing of baselines and increased global environmental benefits.

5 FROM PROGRAMMING TO PROJECTS

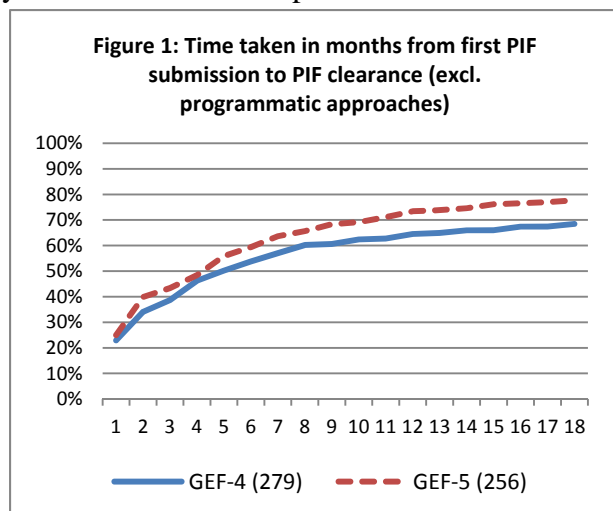
105. Technical document 18 provides the evaluative evidence on the project cycle. It shows the considerable delays in moving project proposals from the various GEF decision points to the next and also provides reasons for these delays that can be tackled in further streamlining. It concludes that the greatest potential for reductions in delays is in shifting the decision making process from projects to programs. In GEF-5 several programs were approved by Council, and where Agencies had Boards to approve projects, PIF submission for projects in these programs is not required: they went straight to CEO endorsement. Table 5.1 establishes the time lapses of the various decision points and demonstrates the considerable time involved. It provides the data that demonstrate the urgency of shifting more towards programmatic approaches.

Table 5.1: Time taken during different stages of the project appraisal process

GEF Replenishment Period Percentile	Time by which X percent of projects reach the next stage					
	GEF-5			GEF-4		
	25%	50%	75%	25%	50%	75%
PIF Submission to CEO Endorsement (in months)	22	_____	_____	22	28	43
PIF submission to Council Approval (in months)	2.8	6.3	17	4.3	7.6	13
<i>PIF submission to Clearance (in months)</i>	1	4.2	14.7	1	3.9	12.6
<i>Clearance to Council Approval (in months)</i>	1.6	1.7	1.9	1.9	2.2	3.4
<i>GEF Secretariat's response time to PIF Submission (in work days)</i>	3	8	13	2	6	12
Council Approval to CEO Endorsement (in months)	14.7	19.7	_____	12.1	18.1	23.9
<i>Council Approval to 1st Endorsement Submission (in months)</i>	12.1	18	_____	9.5	13.7	20.3
<i>First submission for Endorsement to actual Endorsement (in months)</i>	1.9	3.1	5.2	1.7	2.8	4.8
<i>GEF Secretariat's response time to CEO Endorsement submission requests (work days)</i>	6	10	15	7	11	22

5.1 From (pre-) identification to Council approval

106. No data is available on the **pre-identification phase** up to the moment that the Project Identification Form (PIF) is submitted to the GEF Secretariat and registered in the Project Management Information System (PMIS). The first verifiable time lapse then occurs between submission and clearance of the PIF by the Secretariat. For 25 percent of PIFs, clearance is given within one month. The next 25 percent of PIFs take much longer to achieve clearance, such that the clearance time goes up to more than four months. The time lapse increases to more than a year when the next 25 percent of PIFs that achieve clearance are added. It should be noted that



about 50 percent of project concepts experience major delays of more than one year even before the 18 month target of time lapse between Council approval of the concept and CEO endorsement of the project proposal starts to apply. Figure 1 demonstrates the substantial delays that many PIFs face.

107. Although GEF-5 clearance shows a

substantial improvement vis-à-vis GEF-4, this is nevertheless not an acceptable situation. Two issues need to be raised: first, the causes of delays need to be tackled. Second, this phase needs to be better understood in order to achieve a better sense of what would be acceptable and realistic.

108. The evaluative evidence shows two major reasons for delays in the phase between PIF submission and PIF clearance. The first reason is co-financing requirements. During GEF-5 the Secretariat has often refused to clear proposals until co-financing promises achieved higher levels than proposed. The technical document on co-financing establishes that this is too early in the process. Co-financing should not be a delaying factor at this stage. Given the long time lapse to final project approval, when the co-financing arrangements need to be in place, any co-financing arrangements at the concept stage are tentative to say the least, even if letters promising co-financing are included. For example private sector co-financing almost never materializes as promised in the PIF, as the time lapse to approval is simply too long for the private sector. Given the fact that co-financing in the GEF continues to outperform its promises at project approval time, there is no reason for co-financing to be a delaying factor at the PIF stage. This does not mean that co-financing should be abandoned at this stage; but it could mean that co-financing intentions are presented rather than commitments and that the fulfillment of the intentions is left to the decision point of project approval.

109. The second issue is that many PIFs are delayed because of an increasing number of back-and-forth between the Secretariat and the Agency concerned. PIFs that are immediately cleared or have one resubmission tend to be cleared in a timely way. PIFs that need more than two resubmissions tend to be highly delayed. PIFs that seem to be problematic, in that they need more than two resubmissions, should either not continue in the system or should become subject of other measures. In baseball three strikes is out – and the GEF should have the courage to expel an unworkable concept sooner rather than later. But concepts may be blocked and delayed because of misunderstandings. This may be solved if PIFs that would require a third resubmission would become the subject of a Secretariat-Agency meeting that would diagnose why the PIF cannot move forward, what is needed for it to be cleared or whether it should be dropped. This will be an additional burden on the time of Secretariat staff and Agency staff that could potentially be more than offset by the reduction in the burden on their time in resubmitting and resubmitting increasingly delayed PIFs.

110. The challenge is to better understand the PIF process and better place it. If programming is to play a greater role, in principle a large percentage of project concepts would be available at the start of a replenishment period. An essential part of programming would then be to spread proposals over time, as they cannot all enter the cycle immediately, as funding for programming comes into the GEF over time. This underscores the need for speeding up the transfers of pledged funds to the GEF trust fund, so that funds can be used for commitments to new projects. Once better programming is achieved, the submission of individual project concepts ceases to be an important delaying factor in the GEF. Furthermore, a better perspective will be achieved on why certain proposals will “wait” for a longer time to become projects, as the phasing of support would become included in the programming and would be known upfront.

111. The time lapse between PIF clearance and approval by the GEF Council has been reduced in GEF-5 in comparison to GEF-4, and tends to be between one and two months. Given the two Council meetings per year, two concrete deadlines are available for entering into the work program: one month before each Council meeting. The average of two months between PIF

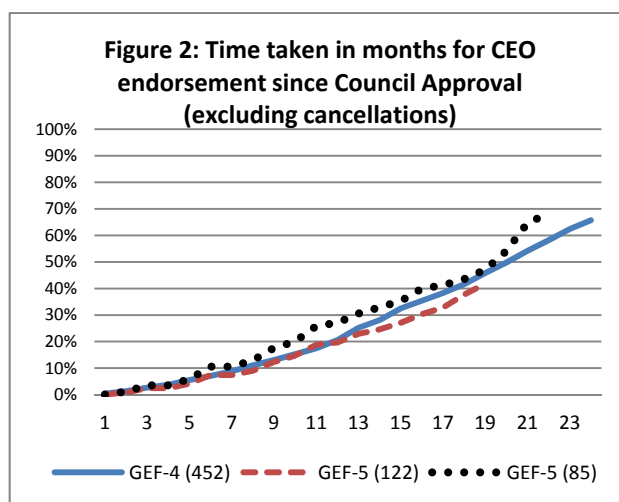
clearance and approval by the Council is thus a given. The only way to shorten this is if work program approval would become a continuous Council process similar to the CEO endorsement decision point: the CEO would publish PIFs entered into the work program on a no objection basis within a one month period. If Council members would object, the PIF could become subject for discussion at the next Council meeting.

112. In conclusion, the following recommendations are made to strengthen the identification phase of the GEF:

- 16) The role of programs and programming frameworks should be strengthened. Council should approve programming documents that could lead to project proposals for CEO endorsement, including country level programming.
- 17) For traditional projects the PIF requirements should be reduced to eligibility issues.
- 18) For project concepts which lead to more than 2 interactions between Agency and Secretariat, diagnostic workshops need to be organized to solve problems.
- 19) PIF clearance and Work Program acceptance could become one decision point if Council would delegate this to the CEO on the same terms as CEO endorsement: PIF clearances would be published on a no objection basis.

5.2 From Council Approval to CEO Endorsement

113. Technical document 18 on the project cycle provides a somber picture on the time lapses between work program approval in the Council and CEO endorsement. For this lapse the 18 month target has been proclaimed for full size projects. Figure 2 shows that the 18 month standard is being met only for 38 to 44 percent of the GEF-5 approvals. When programmatic approach projects are excluded from the analysis this number drops to 36 to 41 percent. This seems a dramatic and unacceptable failure of the GEF to increase its efficiency. When going into the reasons for this a less gloomy picture emerges, and concrete action points can be identified that could provide substantial relief.



114. Just like at the PIF-clearance stage, the Secretariat and the Agencies engage in interactions on CEO endorsement proposals and just like at the PIF stage, a sizeable proportion of projects become subject of resubmission after resubmission. The number of resubmissions has increased from GEF-4 to GEF-5. Just as at the PIF-stage, the number of resubmissions should be limited and projects subject to this should be diagnosed and problems should be solved rather than to continue a back-and-forth that leads to further delays.

115. The World Bank Independent Evaluation Group's review of "The World Bank Group's Partnership with the Global Environment Facility" (November 2013) reports the feedback from

the task team leaders at the World Bank. According to the review, at the time of PIF preparation little information may be available on several of the PIF template requirements. The review reports that in some instances the task team leaders “*admitted to simply guessing information not available at that early stage. Then this led to discrepancies with the information provided at the CEO endorsement stage upon which the Secretariat would request explanations, resulting in a back and forth process.*”³ This underscores the need to focus the identification stage on eligibility issues. In other words: if the identification stage contains less detailed information, the CEO endorsement stage will not be puzzled with mismatches in information.

116. Of the projects submitted for CEO endorsement, 23 percent of submissions of GEF-3, 39 percent of submission for GEF-4 and 50 percent of submissions for GEF-5 received comments on M&E related concerns. Of the GEF-5 proposals that received M&E related comments, in 65 percent instances M&E related submissions were considered to be incomplete. This incidence is higher than incidence within M&E related comments on submissions for CEO endorsement made for GEF-3 (53 percent) and GEF-4 (50 percent). Similarly, of the GEF-5 submissions that received comments on M&E related issues in 43 percent of instances addition or revision of indicators had been requested. This is again higher than the figure for GEF-3 and GEF-4 submissions, wherein of the submissions that received comments related to M&E in 36 percent cases changes in indicators had been requested. This underscores the need to reduce the burden of M&E as incorporated in the RBM framework.

117. The co-financing related concerns noted in the review of the documents submitted for CEO endorsement include lack of confirmation from the co-financers and the need to address the risk that co-financing may not materialize. In about a quarter of CEO endorsement submissions that received co-financing related comments, the Secretariat requested increase in the level of promised co-financing. Compared to GEF-4, during GEF-5 there was a marginal decrease in the incidence of co-financing related comments in the review reports for the CEO endorsement related submissions. However, compared to GEF-3 co-financing related comments are being raised at an increased frequency. Given the continued high level of materialization of co-financing, these concerns should be tackled in a different way. Rather than to demand proof of commitments of all co-financing, a percentage could be adopted that needs to be secured before the project is endorsed, giving more time to the project proponents to secure other co-financing before the project starts implementation.

118. A second issue regarding co-financing is that uniform requirements for all countries may lead to delays in countries that cannot generate high levels of co-financing. Country level evaluations of the GEF have gathered evidence on this and when making the requirements more flexible, they should also now incorporate a more reasonable estimate of what can be expected in especially LDCs (which tend to have low levels of public discretionary funding) and SIDS (which tend to be relatively isolated and have less diversified support from donors).

119. External developments and circumstances also play a role in the delays up to CEO endorsement, for example when governments change, when natural or man-made disasters happen or when the economic and financial situation changes, as it did during the global

³ Global Program Review of The World Bank Group’s Partnership with the Global Environment Facility, World Bank IEG; November 2013.

financial credit crisis. This means there will always be a percentage of project proposals that will not meet a time lapse target, however reasonable it is set.

120. In conclusion, the following recommendations are made to strengthen the identification phase of the GEF:

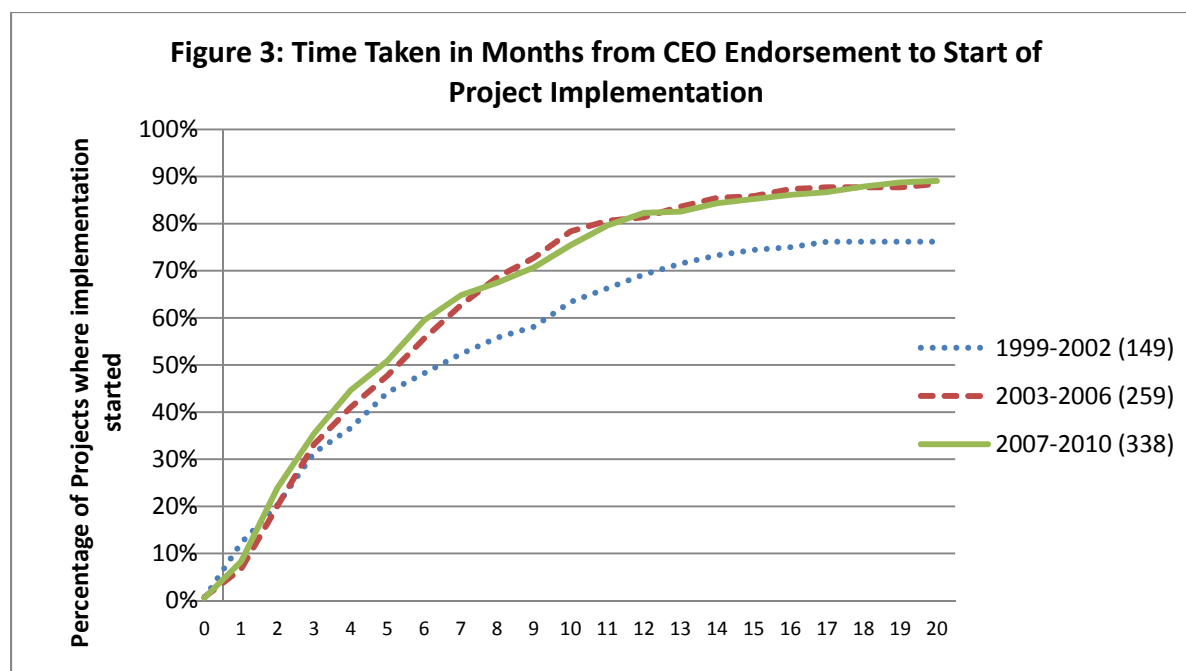
- 20) The revision of the GEF results-based management framework should lead to a reduced M&E burden at CEO endorsement, especially so for multi-focal area projects, for which clear guidelines on M&E and application of the tracking tools need to be established.
- 21) For CEO endorsement proposals which lead to more than 2 interactions between Agency and Secretariat, diagnostic workshops need to be organized to solve problems.
- 22) Co-financing arrangements should not (yet) be fully cast in stone, given the fact that GEF funded projects tend to outperform their intentions and mobilize more co-financing than promised at CEO endorsement.
- 23) Co-financing requirements need to be different for different groups of countries, with lower requirements for LDCs and SIDS.

5.3 From CEO Endorsement to Implementation Start

121. Figure 3 track time taken from CEO Endorsement to start of project implementation. In table 5.2 the data is presented for the two phases incorporated in this lapse: from CEO endorsement to Agency approval, and from Agency approval to implementation. Figure 3 clearly shows that major gains were made by the GEF partnership from 1999-2002 to 2003-2006. However, after that performance on this front has stabilized and the portfolio figures for the projects that were endorsed during the 2003-2006 and 2007-2010 period are identical. This trend is shared by portfolios for the World Bank and UNDP. For UNEP the figures show a lower performance for the 2007-2010 period – however, given its small share in the portfolio, the number do not affect the overall trend. When agency performance during the 2007-2010 period is compared, CEO Endorsed projects of UNDP had a greater likelihood that the implementation started within a year of CEO Endorsement.

Table 5.2: Time taken between CEO endorsement to project start

Period of CEO Endorsement	Time by which X percent of endorsed project reach next stage					
	2007-2010		2003-2006		1999-2002	
Percentile	50%	75%	50%	75%	50%	75%
CEO Endorsement to Start (in months)	4.9	9.9	5.2	9.4	6.4	16
<i>CEO Endorsement to IA Approval (in months)</i>	<i>2</i>	<i>5.2</i>	<i>1.7</i>	<i>3.3</i>	<i>1.9</i>	<i>4.1</i>
<i>IA Approval to Start (in months)</i>	<i>1</i>	<i>9.5</i>	<i>1.2</i>	<i>6.7</i>	<i>1</i>	<i>10.7</i>



122. Time taken from first submission of PIF to CEO endorsement seems to affect the time taken from CEO endorsement to implementation start. The projects that took the shortest time from PIF submission to CEO endorsement were the quickest to start implementation. In contrast the project that took more time to get CEO endorsement also took longer time for implementation to start. This could potentially be due to loss of momentum when projects linger in the pipeline and changing conditions on ground. Information gathered through interviews of the stakeholders in the recipient countries and GEF agencies provides considerable support for this hypothesis. Again, diagnostic workshops between Agency staff and Secretariat staff could potentially help identify weaker project concepts and proposals and solve problems at an early stage, thus reducing delays and ensuring sufficient momentum.

5.4 Project Implementation

123. Once the project starts it is important that the project activities are completed in a timely manner. Extensions may increase the administrative costs of project implementation and may also lead to reduced effectiveness of the project. In some instances, the implementing agency may consider it necessary to extend the project implementation beyond its completion date expected at start to allow it to complete project deliverables and, thereby, increase the likelihood that a project may achieve its intended impacts. Table 5.3 shows that considerable improvement in the timeliness of implementation has taken place in the period 2003-2006, compared to earlier periods. Of the GEF agencies adequate observations are available for only the World Bank and UNDP. The data shows that among the two World Bank projects are more likely to be completed in a timely manner.

Table 5.3: Extension of project completion date

Period of start of implementation	Duration of extension when X percent of projects are completed								
	2003-2006			1999-2002			1992-1998		
Percentile	50%	60%	75%	50%	60%	75%	50%	60%	75%

Extension of completion date (in months)	8	11.9	19.1	17.9	25	>36	12.6	19	32.5
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6 A VALUABLE PARTNERSHIP IN AN OVER-BURDENED NETWORK

124. Technical document 17 provides evidence on the health of the partnership of the GEF. It is based on surveys, interviews, focused group discussions, reviews of policies, historical records and evaluative evidence of other evaluations, and most importantly on social network analysis⁴ that enables drawing conclusions from data gathered on a network. The evidence shows that the network of the GEF has become more and more complicated over time. OPS3 warned that in 2005 the limits of a networking organization were achieved. Since 2005 several decisions reduced the burden on the network, but with the addition of new partners and the intention to place more emphasis on partnership, the network is becoming increasingly difficult if not impossible to operate.

125. The structure of the GEF partnership has increased in complexity in terms of number of actors, interactions and mandates. The GEF now includes 183 participating donor and recipient countries and has increased the number of partner and project agencies from three to twelve. Other changes have taken place as a result of Council decisions seeking to respond to the growing emphasis across development circles on improved cost-effectiveness, accountability and country-drivenness. There has also been a gradual shift to more elaborate operational procedures and requirements for GEF funding, and in general to increased formalization across the system. Sometimes intended but often unintended consequences of these decisions have resulted in a higher burden across the network and higher transaction costs, as well as a gradual shifting of roles among the different institutions that participate in the GEF. Given the flat envelope of financial resources and the increase in number of mandates, member countries, agencies, and operational requirements, competition for the available resources has also increased. Responses to these changes vary across the different institutions and actors; some have increased their engagement with GEF or are content to have access to GEF resources. Others are withdrawing from the GEF, but most question the extent to which the GEF remains a partnership.

126. When GEF began its pilot phase in 1991, there were 65 recipient countries and there was no formal governing structure. The formalization of ties among countries as well as with three Rio Conventions through the GEF Instrument in 1994 increased the number of recipient countries to 134, and the total number of actors (excluding non-recipient donor countries) within the structure to 147 (see Table 6.1). The expansion in the number of Conventions and GEF agencies, as well as further increase in the number of recipient countries, has currently brought this number to 174. However, while this represents an 18% increase in number of partners, the degree of interactions needed to make decisions has increased from 2% to 5%, or by 96% in relative terms. The degree of interactions required for decision-making (or network density) is the proportion of existing interactions out of all possible interactions in a network, such as if each actor interacted collaboratively with every other actor that is part of the GEF network. Since 202 actors are included in this network analysis, most of who do not interact directly, the percentage of interactions is small. It is therefore the relative change in percentages that reveals the actual change in the network.

⁴ Borgatti, S.P., Everett, M.G. and Freeman, L.C. 2002. Ucinet for Windows: Software for Social Network Analysis. Harvard, MA: Analytic Technologies.

Table 6.1. Change in GEF governance structure

	Pilot	1994	Present
Number of actors	71	147	174
Degree of interaction needed for decision-making*	0.5%	2%	5%

*Based on network density

127. This reflects the increase in the number of mandates that GEF works under. In addition to the four original focal areas, GEF has been asked to support the Conventions on persistent organic pollutants, desertification, and mercury. Apart from the GEF Trust Fund, the UN Framework Convention on Climate Change has also asked the GEF Secretariat to administer two other funds supporting least developed countries and adaptation activities. The GEF Secretariat also provides secretariat services to the Board of the Adaptation Fund established under the Kyoto Protocol. An increasing drive towards synergies among Conventions has placed additional demands on coordination as well, as in the review of multi-focal area projects.

128. The increase in degree of interactions required also highlights the collaborative nature of decision-making among Agencies and the Secretariat intended by the GEF Instrument in the spirit of partnership. However, while this mode of decision-making was carried out relatively successfully among the three original Implementing Agencies (IAs) through regular meetings coordinated by the Secretariat, the more than three-fold increase in the number of Agencies needing to be part of decision-making, coupled by the increase in number of mandates on the Secretariat both from the Conventions and from the Council have exponentially increased the need for coordination and centralization of administrative functions as illustrated by figures 6.1 and 6.2.

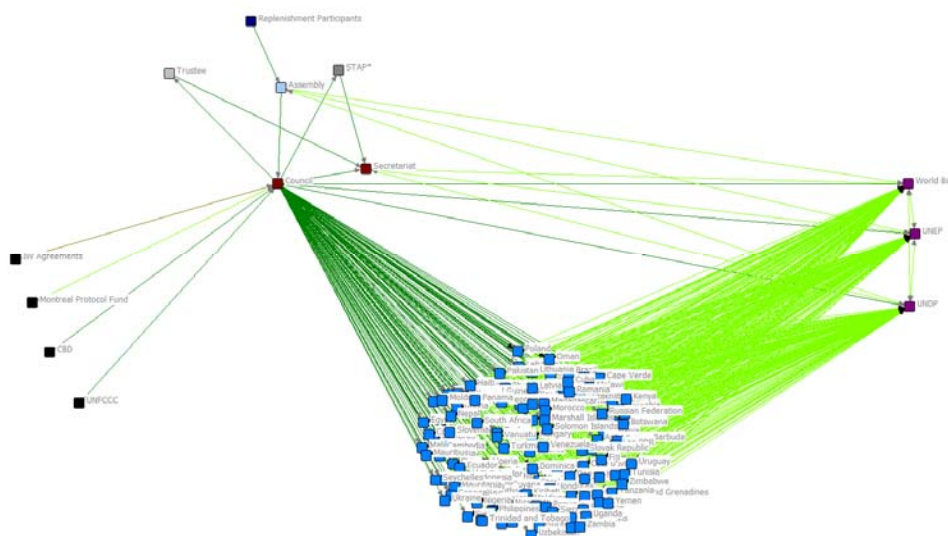


Figure 6.1. GEF structure for decision-making on policies, guidance and strategic priorities in 1994. Dark lines are direct mandates, while lighter-colored lines refer to collaborative decision-making.

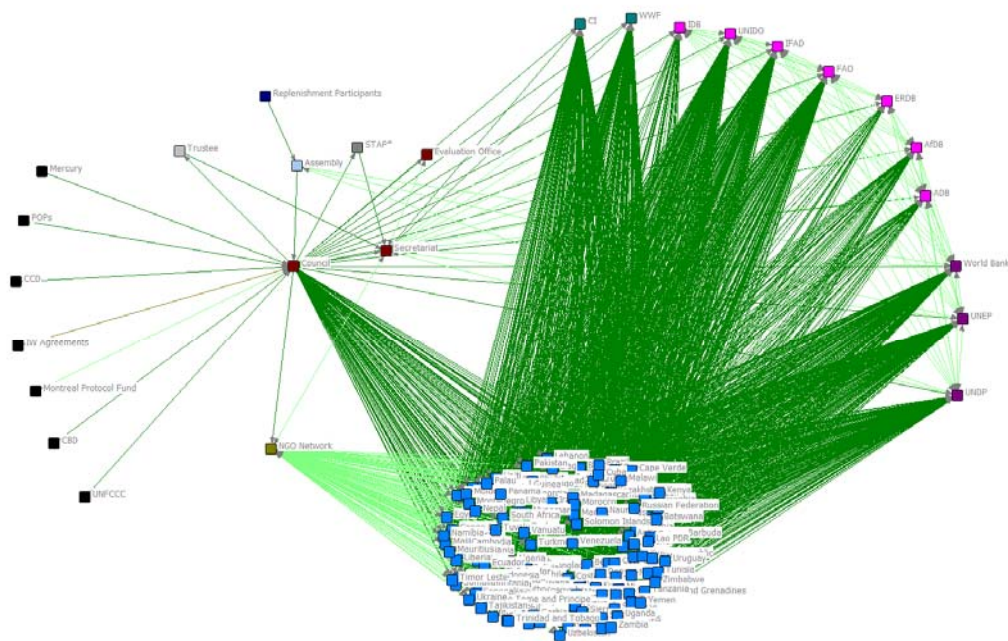


Figure 6.2. GEF structure for decision-making on policies, guidance and strategic priorities at present. Dark lines are direct mandates, while lighter-colored lines refer to collaborative decision-making.

129. The increasing need for coordination and the introduction of a resource allocation system have shifted the roles of countries, Agencies and the Secretariat. OPS3 warned that GEF might be reaching the limits of what could be done with a network organization. For example, it flagged the risk of mechanisms such as task forces and Executive Coordinators meetings no longer being as effective when expanded to include the new 7 Executing Agencies. OPS4 echoed this concern. In GEF-4, the decision to include Executing Agencies in corporate decision-making and full implementation of projects was accompanied by the introduction of the Resource Allocation Framework (RAF), and a formalized Results-Based Management Framework.

130. A consequence of the RAF was that countries, knowing their available funds, became more directly involved in the programming of GEF allocations. Figure 2 shows how decision-making at the country level has shifted from a more consultative process in 1994 (light green lines) to a more direct approach at present (dark green lines), with countries now having a stronger mandate to decide on strategic priorities in portfolio development. Given the greater number of Agencies to choose from, and this revised perception of programming, the degree of interactions done by Operational Focal Points (OFPs) to exercise their decision-making has increased by a factor of 12. An assessment of available modes of communication, and the degree and frequency to which relevant topics are communicated shows that a typical OFP's communication activities have increased 1.3 times since GEF-4, especially in taking the lead in coordinating with country stakeholders through venues such as national multi-stakeholder dialogues (NDI), expanded constituency workshops (ECW) and National Portfolio Formulation Exercises (NPFE). With the increase in number of Agencies and a greater role in programming, OFPs now may have a greater involvement in projects and are facing challenges to fulfill that role.

131. The Secretariat also took on the role in GEF-4 of directly supporting OFPs and Constituencies, a responsibility that had previously been assigned to UNDP due to its extensive

network of country offices. The Secretariat's external relations team was expanded to deal with this. While the number of staff doubled, the Secretariat's communication mandates have increased 4 times from what it used to be before GEF4. Similarly, Operational Focal Points have seen their involvement in GEF communications almost double in quantity. The degree of communication is the sum of all interactions that an actor participates in within the network. Each interaction with another actor is measured using an index that integrates the frequency and intensity (i.e., the degree of agreement or preparation needed for a task to be completed) of communication. The index also sums up the diversity of topics being communicated, as well as the different modes by which these topics are communicated. The sum of all these indices is the actor's degree of communication with all other actors in the network, as shown for Secretariat and Operational Focal Point in table 6.2.

Table 6.2. Change in degree of communication activity after GEF-4

Actor	Before GEF-4	After GEF-4
Secretariat	2%	13%
Operational Focal Point	4%	10%

132. Tensions in the network indicate that coordination within the current structure has become increasingly difficult to sustain and faces further challenges, especially in light of the inclusion of GEF project agencies (2 of which have been accredited), which could lead to a group of 10 additional partners (almost 7 times the number before GEF-4). The majority of interviewees from Agencies and from the Secretariat observed that consultation during the development of operational policies had decreased. The Secretariat has dealt with the difficulty of coordinating what has become an unwieldy structure by becoming consciously selective in the documents that it sends to the Agencies for inputs. For some corporate discussion, all Agencies now need to be represented by one of them, to reduce costs. Agencies are concerned that while their participation has reduced, the Council continues to assume that the degree of collaboration on policy development has not changed. The GEF Agencies, whose role has changed the most in terms of corporate collaborative decision-making, consider this a departure from the principle of partnership upon which the GEF was established. While some Agencies see this as a lack of transparency and of consideration for their concerns in decision-making, the Secretariat sees this simply as the most feasible logistical solution. Some Agencies pointed out that for the sole reason that there were more institutions involved there was less time for each Agency to speak during meetings such as task forces, which now also tend to be done less frequently and remotely rather than face-to-face.

133. At the project level, a similar scenario has been observed. The higher number of Agencies and the introduction of reforms in the project cycle concerning the project review process have led to a higher frequency of communication through virtual means, but a less substantive discussion of project issues that those interviewed pointed out would greatly speed up the process and reduce frustrations on all sides. The repetitive interactions, according to perceptions in Agencies, are also due to the lack of clarity in the application of criteria for project approval, with different program managers requiring different levels of detail, for example.

134. Focused group discussions showed that many of the Agencies are convinced that the current fee structure does not provide sufficient funding for high-quality project supervision, thus

Agency staff and management time spent responding to Secretariat requests are perceived as imposing high opportunity costs, often with little or no value-added for the project (in the view of Agency staff interviewed). This issue in turn triggers concerns over what is the appropriate role for Secretariat staff during operational phases – many Agency staff complained of “mission creep” within the Secretariat (see Figure 6.3). This issue also was observed beyond the level of specific projects, with some Agency managers voicing concern that during preparation for GEF-6 the Secretariat has inappropriately assumed a direct role in programming without consulting other partners. Such consultation has increased after the second replenishment meeting. While almost all who were interviewed and surveyed agreed that roles are shifting within the network, the increasing involvement of the Secretariat in programming is not seen as a negative development by all. In the case of the 7 GEF Agencies with less experience, this level of input is useful for increasing their capacity in developing projects.

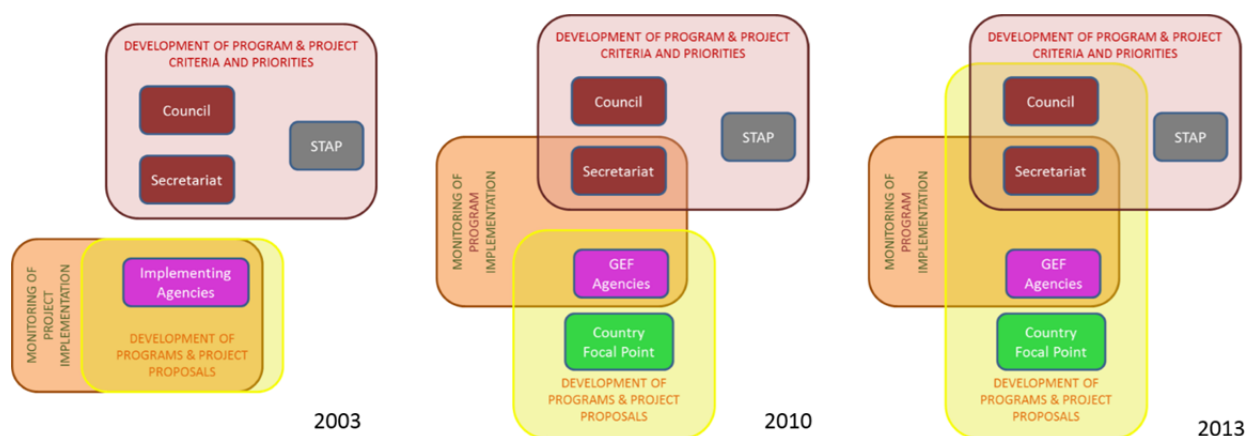


Figure 6.3. Roles and responsibilities in programming as clarified by the Council in 2003 and 2010, and current perception derived through interviews

135. Disagreement about roles was also voiced by Operational Focal Points (OFPs) and their staff. OFPs frequently raised the concern, also in country level evaluations, that Agencies are primarily interested in obtaining their endorsement of project proposals, after which they have much less contact. Some OFPs spoke of being “lobbied” for their endorsement, and this view was echoed by other stakeholders who felt that at times Agencies have been overly aggressive in their efforts to obtain endorsement letters, or that government decisions on endorsement have at times been non-transparent. Agencies, particularly the newer ones, on the other hand told how they were usually in the dark about how decisions were being made by OFPs, developing a proposal only to find out that there was no allocation left for more projects. A very positive aspect of the changes in the GEF processes is that countries now have a clear leadership role in developing the GEF portfolio, fully in line with the objectives of the Paris Declaration. But there may also be unintended consequences related to challenges in ensuring that this process is transparent and equitable. It is also likely that some of the complaints are a natural consequence of a more competitive environment, in which there will be both winners and losers, with objections sometimes being raised about the fairness of a particular decision.

136. Increase in transaction costs, the drive for cost-effectiveness and a limited resource envelope have increased pressure throughout the partnership. These trends reported in OPS4 have persisted and in some ways have intensified during GEF 5. During country visits and interviews conducted with Agency staff, issues were raised with the evaluators. Table 6.3

provides an overview of issues raised. Taken together, the interviews point to significant stresses for those partners most directly responsible for the operational aspects of the GEF portfolio (project identification and design, supervision during implementation, and completion), while partners primarily responsible for eligibility review and pipeline processes (OFPs and the Secretariat) had issues within a smaller cluster of categories. For the stakeholders as a whole, the most frequently cited issues pertained to communication, roles, resources, and transparency. Accountability and trust issues were the least-often cited overall; though within certain groups these were reported as important issues (notably for GEF Agencies).

Table 6.3. Partnership Health: Key Issues Raised during Field Visits and Agency Interviews

Categories	Issues Cited	SEC	OFPs	GAs	NEAs	CSOs
Communication	Inadequate communication between partners	X	X	X	X	
Roles	Disagreement over partner roles	X	X	X		X
	Duplication of processes		X	X	X	
Resources	Unhealthy competition for resources			X		
	Inequitable allocation of resources		X	X	X	X
	Insufficient resources	X	X	X		
Transparency	Non-transparent procedures			X	X	X
	Undue influence of some partners	X		X	X	X
Accountability	Insufficient accountability	X			X	
Relationships	Lack of trust between partners		X	X		X

Note: SEC = Secretariat; GA = GEF Agencies; NEA = national executing agencies; CSO = civil society organizations

137. For staff of GEF Agencies, accountability was the only category not cited as an important issue. Trust issues were raised by GEF Agencies and civil society; in the latter case, the issues centered on a perception that governments and implementing agencies did not have much confidence in the capacity of CSOs/NGOs to function as effective GEF partners, and that they were therefore often excluded from participation. In the case of GEF Agencies, a perception was expressed that the Secretariat sometimes showed a lack of trust in the agencies' handling of GEF-financed projects, with a perceived tendency to micromanage and impose ad hoc requests for progress information beyond the agreed requirements; this was especially the case for staff of the three original Implementing Agencies. This issue is also closely related to other topics, notably resources and roles.

138. It is also notable that in sharp contrast with GEF Agencies, OFPs had few issues concerning the role of the Secretariat, with two exceptions: complaints about lack of clarity in administering the cofinancing requirements, and too-frequent changes in GEF procedures, reporting requirements, and documentation formats. Co-financing was the one topic on which all stakeholder groups except the Secretariat shared concerns, whether due to non-transparent requirements, or concerns that the ratios demanded may be forcing-out some small countries, NGOs, and the private sector (the latter view was also voiced by some Secretariat staff). The amount of time required to resolve cofinancing questions was another issue widely cited by all stakeholder groups other than Secretariat staff.

139. During country visits and in country level evaluations, OFPs expressed concern that agency fees are cutting into "their" country allocations, with several expressing the view that GEF Agencies are sometimes more interested in ensuring their continued role than they are in building national capacity to directly implement GEF projects. This view was also voiced by

some national executing agencies and civil society organizations. Some representatives of these three groups also expressed the view that the three Implementing Agencies are in a privileged position within the GEF network by being more able than other groups to navigate complex administrative procedures and ensure that they retain an essential role. As noted previously, some OFP's commented that Agencies are mostly visible when they need an endorsement letter, and are less visible after a project has been approved. But from the agencies' point of view, cost-cutting pressures impose unavoidable trade-offs, including the balance between upstream and downstream costs. OFPs from LDCs and SIDS tended to be more appreciative of the role of Agencies as they were helpful in overcoming their capacity constraints.

140. Interviewees of Agencies were the only group to raise the issue of unhealthy competition for resources. In their view, the original intention of making the GEF more inclusive by expanding the number of agencies was valid, as was the introduction of a resource allocation system to ensure cost-effectiveness of GEF financing. However, some agency staff expressed concerns that too much emphasis on competition and cost-cutting may now be eroding the underlying principles of partnership and collaborative approaches. This view was indirectly endorsed by Secretariat staff who voiced concerns about a perceived tendency for agencies to be overly-focused on cost recovery, at the expense of the GEF's original principles of partnership and comparative advantage.

141. To some extent these views may simply reflect a more competitive environment: because of the resource allocation policy all GEF partners know precisely the amount of the budget envelope for each country and focal area. In many cases there are not enough funds for more than one project per focal area in a given country, making portfolio preparation a zero-sum situation for potential project sponsors. The survey results indicate that World Bank and UNEP staff feel the cost pressures the most acutely; the World Bank has seen a decline in share of the GEF portfolio since the establishment of resource allocation during GEF-4, whereas UNEP has always had the smallest portfolio relative to its corporate costs. World Bank staff frequently commented that the average GEF project size has become difficult to justify given pressures on staffing availability and time.

142. The newer agencies mostly expressed neutral or positive views, reflecting that they have generally benefited from participation in the GEF though also acknowledging some cost pressures from accommodating GEF's project cycle with their own. The cost of corporate activities in terms of staff time and actual financial costs is something they find difficult to justify, which has led them to not participate in many of these. UNDP has been the main "winner" in the new environment – the smaller size of current projects is less of a problem for a UN agency than for a development bank, and with its extensive network of country offices and regional technical support units, UNDP has been particularly well-placed to quickly respond to project opportunities. By comparison, those agencies lacking a local field office were frequently mentioned by OFPs and national executing agencies as presenting difficulties with communication and follow-up on problems, both in project identification/preparation and during implementation.

143. The findings of technical document 17 are largely consistent with the findings of previous OPS reports, but point to a more urgent need to reexamine some of the original assumptions on which the GEF partnership model was established. Stakeholders are voicing serious concerns about several aspects of the current GEF arrangements, many of which are similar to those

recorded during previous OPS evaluations. This study has shown that some of these pressures were to some extent simply the consequences of decisions made by the Council for valid reasons: the need to demonstrate value for donor funding, and a desire to make the GEF more inclusive and country-driven.

144. In conclusion, there are fundamental differences about what are appropriate roles within today's GEF which the current business model does not address. Country ownership has become a basic principle of development assistance, and the Council has taken numerous measures which have significantly increased country-drivenness within the GEF, notably the resource allocation system (first RAF, then STAR) and the key role of Operational Focal points in deciding the composition of each country's GEF portfolio, as well as the fourth minimum M&E requirement in the M&E policy to keep OFPs informed on M&E issues. Since GEF-3 there has been an increasing level of competition among agencies and a requirement to document the results which have been achieved, which has significantly accelerated during GEF-4 and GEF-5. This stands in quite sharp contrast to the original model of a rather small group of partners operating along collaborative lines, with each partner given considerable autonomy within its agreed area of comparative advantage. Many stakeholders, including OFPs, expressed the view that they are now finding it difficult to ascertain the presumed comparative advantage of agencies; this can be expected to become more of a problem as the network adds more agencies. Some stakeholders now perceive the present GEF system to be functioning as something of a service-delivery model in which agencies operate within a competitive "market" environment, rather than a partnership characterized by shared values, transparency, democratic procedures, and mutual accountability.

145. The GEF-6 replenishment offers an opportunity to revisit the question of roles and responsibilities across the system, taking into account the realities imposed by the organization that GEF has come to be, which has significantly evolved since the pilot phase. The world today is very different from that in 1991, and it is not surprising that some of the original assumptions may need reworking for the GEF to continue to function effectively. This should be done in an inclusive way, seeking to reinstate important principles in the GEF Instrument, including transparency and mutual accountability. The challenge is to make the partnership most effective where it is most needed: at the country level, and in regional and global initiatives.

146. This leads to the following specific recommendations:

- 24) The network of the GEF needs to be refocused on two essential cores: the Council and the Operational Focal Point. The Secretariat in consultation with other GEF entities needs to identify how and at what moments in time interactions with other GEF entities is essential to provide partnership perspectives in decision making. The Operational Focal Point should be invited to foster partnership in countries and in projects, including engagements with civil society and the private sector.
- 25) The shift from a focus on projects to one on programs, as well as a reasonable and well-focused Results Based Management system, should lead to lower costs of the GEF Agencies and a renewal of a constructive and mutually supportive partnership.
- 26) The replenishment should invite the Council, the CEO and the GEF partners to develop this new partnership during GEF-6.

7 FROM OUTCOMES TO LONGER TERM IMPACTS

7.1 Relevance and Country Ownership

147. The first report of OPS5 contained evidence and conclusions on relevance and country ownership of GEF support, based on technical documents 4, 5 and 6 of OPS5. Relevance is essential to ensure a focus on longer term impacts that solve the global environmental problems that the GEF aims to address. Country ownership and drivenness provide an enabling environment and primary driving force in ensuring a catalytic role and eventual success of the interventions supported by the GEF. They are thus preliminary conditions for ensuring that GEF support leads to successful outcomes and progress toward impact in the longer run.

148. The first report in its sixth conclusion stated that the overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels. All evaluation streams consistently report high levels of relevance for GEF activities to convention guidance and have continued to do so after the first report of OPS5 was published. The mapping of GEF-5 focal area strategies conducted as part of the focal area strategy evaluation concluded that they closely reflect convention guidance, with a few exceptions, and are shaped by requests received from the respective conferences of the parties. Additional evaluative work on GEF responsiveness to the conventions conducted in the context of OPS5—including interviews with all four convention secretariats as well as with the corresponding GEF Secretariat teams—supports this general picture. However, as noted in OPS4 and confirmed in OPS5, several features of convention guidance make operationalization by the GEF challenging: ambiguous language, lack of prioritization, cumulative nature, and repetition.

149. Conclusion 7 of the first report noted that GEF support at the country level is well aligned with national priorities, shows progress toward impact at the local level, and enables countries to meet their obligations to the conventions. For the GEF to be effective in tackling the challenges posed by today's global environmental treats, it must operate in partnership and demand action from all the entities making up the GEF global network. Country-level evidence shows that GEF support has a high level of relevance to convention guidance and a strong alignment with national priorities and policies, although sometimes not all focal areas are equally covered. Recent country level evaluations in Africa (Eritrea and Tanzania) provide further support to this finding. Achievements in countries receiving GEF support underscore the impact and portfolio evidence, as well as the evidence emerging from the focal area strategies evaluation as well as country level evaluations, of the growing importance of multifocal area projects and programs.

150. The first report also noted that GEF support to countries rates well on indicators for meeting the Paris Declaration and outperforms bilateral and multilateral donors on alignment with national priorities. Over the last decade, the international aid architecture has shifted its focus from donor-driven decision making to empowering recipient governments and other stakeholders such as civil society and the private sector to take ownership of development policies and aid programs and projects. This shift is embodied in the 2005 Paris Declaration on Aid Effectiveness and was subsequently reaffirmed by the Accra and Busan Forums in 2008 and 2011, respectively. The GEF compares well to international benchmarks promoted by the Paris Declaration. Given its unique mandate as a financial instrument for multilateral environmental

agreements, the GEF has a strong legal basis for supporting countries in bringing their national priorities in line with global obligations.

7.2 Effectiveness as Measured in Outcome Ratings

151. Compared to the international benchmark norm of 75 percent, more than 80 percent of GEF projects performed during GEF-4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher. OPS4 presented an overview of outcome achievements for 210 completed projects. Of these, outcome achievements for 205 completed projects were rated, and 80 percent of the ratings were in the satisfactory range. The first report of OPS5 presented the assessment of 281 additional projects completed during GEF-4 and GEF-5. The outcome achievements of these projects were rated. For a majority (59 percent), the outcome ratings provided by the independent evaluation offices of the GEF Agencies have been adopted. Overall, outcome achievements of 86 percent of the completed projects included in the OPS5 cohort were rated to be in the satisfactory range. Annex A of the Annual Performance Report (APR) 2009 provides details on the rating approach used by the GEF Evaluation Office to assess outcome achievements.⁵

152. Table 7.1 presents a summary of the outcome ratings for the OPS4 and OPS5 cohorts. Of the completed projects included in the OPS5 cohort, 86 percent received outcome achievement ratings in the satisfactory range. The trend for a higher percentage of medium-size projects than full-size projects receiving ratings in the satisfactory range noted in OPS4 continued in the OPS5 cohort as well, although the difference is not statistically significant.

Table 7.1: Completed Projects with Outcome Achievements Rated in the Satisfactory Range

Cohort	Medium-size projects	Full-size projects	All projects
OPS4 cohort (Total number of projects: 210)	84% (rated projects: 91)	78% (rated projects: 114)	80% (rated projects: 205)
OPS5 cohort (Total number of projects: 281)	88% (rated projects: 123)	85% (rated projects: 157)	86% (rated projects: 280)
All cohorts (491 projects)	86% (rated projects: 214)	82% (rated projects: 271)	84% (rated projects: 485)

Note: Satisfactory range includes ratings of moderately satisfactory, satisfactory, and highly satisfactory. Enabling activities that were not approved through expedited procedures have been reported here as either medium- or full-size projects, depending on the GEF grant amount.

153. Although the OPS5 cohort does not include projects designed and initiated from the GEF-5 strategies, the 86 percent of projects whose outcome achievements were rated in the satisfactory range exceeds the 80 percent target set for GEF-5 projects (GEF/R.5/25/CRP.1); it is also significantly better than the 75 percent target established for GEF-4 (GEF/A.3/6). Even given the provisional nature of the outcome ratings provided in this report, it is clear that GEF projects overall seem to be on track toward achieving the expected targets of their respective GEF replenishment periods.

154. In Climate Change, one result indicator that many donors are interested in is the amount of greenhouse gas emission reductions achieved and the costs per ton of reduction. Analysis was done for OPS5 to calculate the aggregate CO2 emission abated or avoided through GEF projects.

⁵ http://www.thegef.org/gef/sites/thegef.org/files/documents/APR_2009.pdf.

Based on available data on approved projects, the total amount of mitigation expected from Climate Change Mitigation focal area projects is 10.8 billion tons including 2.6 billion tons CO₂ equivalent of emissions in direct emission reduction, and 8.2 billion tons in indirect reduction. The cost per ton (excluding co-financing) of greenhouse gas emission reduced or avoided varies across the range of objectives of the Climate Change Mitigation focal area strategy. The median and average cost per ton of direct mitigation across all GEF project types is \$5.8 and \$1.2 per equivalent tCO₂ mitigation, respectively, when only GEF funding is taken into account. The cost per ton of CO₂ emission abatement achieved increase when co-financing is also taken into account. As might be expected, different objectives show significant differences in the expected cost per ton, with Renewable Energy (RE) projects having the highest median costs per ton of direct and direct+indirect mitigation, at \$10 and \$4 dollars per ton, respectively. This is followed by transport and mixed projects. Energy efficiency projects offer relatively low cost per ton of expected mitigation, with a median cost of \$4 per ton of direct and \$1 per ton of direct+indirect mitigation. The lowest cost per ton of expected direct mitigation comes from the forestry sector, at less than \$2 per ton.

155. Comparison of the mitigation cost estimates of projects developed under the Clean Development Mechanism (CDM) – likely the closest analogue to GEF mitigation projects – is difficult because there are significant differences in the activities undertaken and approach used by the two to measure CO₂ emission reductions. Nonetheless and for what it is worth, comparisons show that GEF mitigation costs are similar. Consistent with the OPS5 analysis studies examining CDM projects find that on average, solar projects are significantly more expensive than other project types.

7.3 GEF Theory of change

156. The general framework for the GEF Theory of Change (TOC) draws on the large amount of evaluative evidence on outcomes and impact gathered over the years by the GEF Evaluation Office. The framework (see figure 7.1) is used by the Evaluation Office as an exploratory tool to help identify the causal pathways between GEF support and the generation of global environmental benefits (GEBs). The framework is a tool for identifying the elements of GEF support, the contributions that GEF and other actors make in bringing about impact, the mechanisms and factors that facilitate and hinder progress towards impact, and the extent of impact resulting from all these interactions. Thus, the GEF TOC framework is not meant to be a standard against which GEF support is to be measured, but a tool for better understanding how GEF support contributes or does not contribute to progress towards impact, and ultimately to global environmental benefits.

157. GEF support is provided to activities that directly or indirectly contribute to the improvement of environmental status and/or address drivers of environmental degradation. Based on past evaluative evidence, the framework classifies the contributions of GEF support into three main categories: knowledge & information, institutional capacity and implementing strategies. These areas of GEF support interact, complement and reinforce each other, collectively contributing to impact, usually at a low scale (i.e., only sites within the project's direct influence), in the form of environmental stress reduction and improved environmental status. In many cases, GEF contributes to putting in place the conditions enabling progress towards impact.

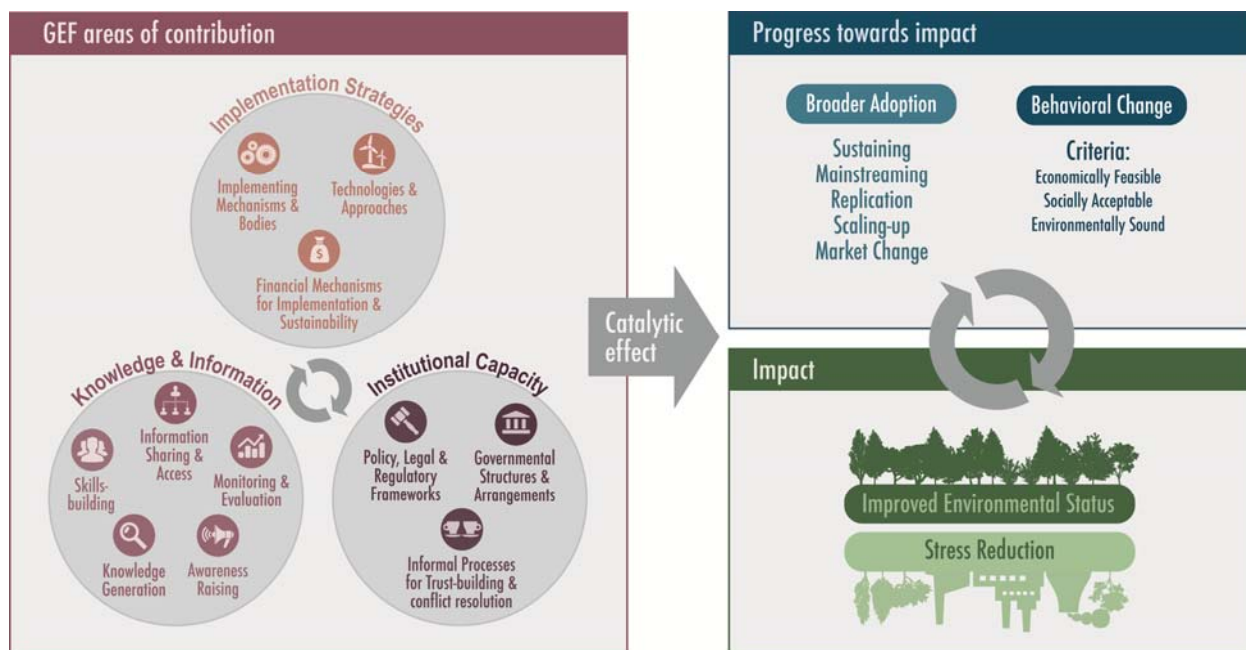


Figure 7.1 GEF generic theory of change framework

158. Impact may occur immediately as a result of project activities, but more often than not, the social or ecological system that the project aims to influence may manifest change years or even decades after the project is completed, especially if large-scale impact is the aim. Therefore, by looking instead at how GEF support contributes to progress towards impact in the present, the GEF Evaluation Office is able to assess the extent to which GEF support is likely to lead to impact in the long-term, and how GEF support may be shifted to increase the likelihood of impact. Progress towards impact is assessed through the extent to which the broader adoption of GEF interventions by governments and other stakeholders is taking place now or at project end.

159. Broader adoption has been found to take place mainly through five processes. The first is *sustaining*, where a GEF intervention continues to be implemented without GEF support through clear budget allocations, implementing structures and institutional frameworks defined by the government and/or other project stakeholders. The sustained flow of benefits of the intervention is important to demonstrate the benefits and to provide incentives for adoption by other stakeholders. The second is *mainstreaming*, whereby information, lessons, or specific aspects of a GEF initiative are incorporated into a broader stakeholder initiative. This may occur not only through governments but also in development organizations and other sectors. The third is *replication*, whereby a GEF intervention is reproduced at a comparable administrative or ecological scale, often in different geographical areas or regions. The fourth is *scaling-up*, where GEF-supported initiatives are implemented at a larger geographical scale, often expanded to include new aspects or concerns that may be political, administrative, economic or ecological in nature. This allows concerns that cannot be resolved at lower scales to be addressed, and promotes the spread of GEF contributions to areas contiguous to the original project site. The fifth, *market change*, pertains to GEF-supported initiatives catalyzing market transformation by influencing the supply of and/or demand for goods and services that contribute to global environmental benefits. This may encompass technological changes, policy and regulatory reforms, and financial instruments.

160. Broader adoption may start during the implementation of the GEF project itself. It may be integrated into the design of the GEF-supported initiative. Broader adoption processes may take place at different times and geographical scales, and may occur simultaneously and interact, triggering other broader adoption processes. For example, the replication of protected areas may take place at the site level, while the mainstreaming of a protected area system occurs at the national level. Despite highly successful project outcomes, broader adoption may be insignificant until certain catalytic changes take place at the right time in the larger context. The expectation is that broader adoption catalyzes sustained behavioral change at a wider scale, which in turn leads to further broader adoption, and ultimately resulting in reduced environmental stress and improved environmental status. For impact to occur and to last, these behavioral changes must be environmentally sound, socially acceptable and economically feasible. Thus the framework assumes that, for positive environmental change to continue, these processes will also have to result in an increasing shift to development approaches that meet people's economic and social needs in ways that are environmentally sustainable.

161. GEF support does not occur in isolation; it often influences and is influenced by the context in which interventions are implemented. Contextual conditions are typically political, economic and environmental in nature, but also include the social characteristics and interactions of the groups of stakeholders in a given setting. It is important to consider the multiple actors, previous and current initiatives related to what GEF is trying to change, and historical events and phenomena occurring at various geographical and temporal scales that have contributed to or have hindered progress towards impact (e.g. a Convention developed at a global scale may strengthen political support at the national scale). Future contextual conditions also present risks and opportunities to GEF support. Only by assessing these conditions can GEF's contributions to progress towards impact and impact itself be assessed.

162. Both stress reduction and improved environmental status are expected to positively reinforce broader adoption and behavioral change in a cyclical causal relationship, progressively resulting in impact at higher scales over time. As with the other elements of the framework, impact may occur at local, national, regional and global scales, at different times or simultaneously, interacting and shaping the nature and extent of over-all impact in the process. Thus, impact is viewed not as an end goal with a fixed measurement, but rather as a constantly evolving target that changes as environmental conditions change – whether for better or worse – and as both GEF support and its context adapt to these changing conditions.

Text box 7.1 – Definitions of Impact

Impact in general (based on OECD/DAC*): *Positive and negative, primary and secondary long-term effects produced by an intervention, directly or indirectly, intended or unintended.* This definition is used by the DAC Evaluation Network, the Evaluation Cooperation Group of the International Financial Institutions and the UN Evaluation Group.

The goal of the GEF is to achieve **environmental impact**, which is defined as changes in biophysical parameters that could take the form of:

- *Stress reduction*: biophysical changes that reflect reduction of threats emanating from actions of humans (local communities, societies, economies)
- *Environmental status*: changes in the status of the environment

Over time, stress reduction leads to improvements in environmental status. Impact measurement thus has a **time dimension**, *significantly longer than project duration*, as many biophysical processes that the GEF aims to influence

take a long time to mature, from 20-30 years before an ecosystem is brought back to a healthy status to 50 years before the ozone layer is restored. This time dimension is identified in:

- *Direct impact*: changes attributable to an intervention; i.e. habitat restoration for a specific species, which can show quick impact (within a few years).
- *Long term impact*: changes emerging over time in long duration biophysical processes.

Furthermore, impact has a spatial dimension; it can be measured at different geographical, socio-ecological or administrative **impact scales**. Impact can be measured:

- At single sites
- At multiple sites
- In landscapes or seascapes
- Market-wide
- In local or national administrations
- In regions
- Worldwide

The GEF aims to influence social-economic processes to effectuate changes in biophysical systems: climate, biodiversity rich ecosystems, sustainable land-use systems and so on. **System-level impact**, occurring at landscape, seascape, market-wide and higher administrative scales and worldwide is measured through both biophysical and socio-economic parameters that identify the dynamics of the system. System-level changes tend to have no attribution as too many actors and processes of interaction occur, but may have identification of contribution.

Impacts may have a local and a global significance. Saving a unique local species has global impact; it has local impact as well, as it may be a source of eco-tourism income. **Globally significant impacts** have local impact as well, but not all **local impacts** have global significance. **Social and economic impacts** are studied to find out whether behavior changes reduce or enhance threats and whether they lead to sustainable development.

**OECD/DAC definition: Glossary of Key Terms in Evaluation and Results Based Management, 2002, p. 24*

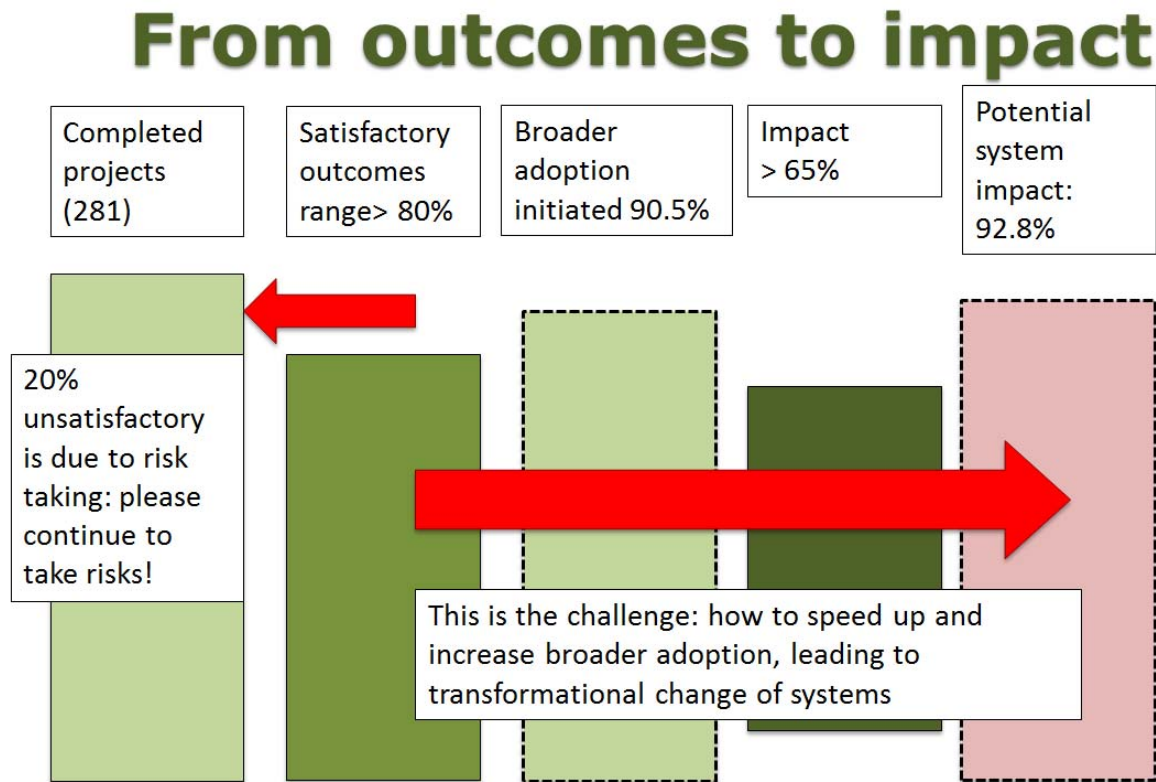
7.4 Progress toward impact of completed projects

163. The first report of OPS5 presented analysis on the basis of impact evaluations since OPS4, and focused on the importance of broader adoption taking place during and especially after GEF interventions had ended. This study focused on assessing the extent of progress towards impact, and the factors that contributed to or hindered this. Specifically, the analysis aimed to assess in greater detail the status of three areas at project completion: 1) the extent and scale of broader adoption, 2) the extent and scale of stress reduction and improved environmental status, and 3) the factors contributing to and hindering progress towards impact, both related to the project and the larger context.

164. The deeper analysis for the final report confirms the finding in the first report of OPS5 that only a small proportion of projects (7.2%) have achieved neither broader adoption nor environmental impact (Table 7.2 and figure 7.2). This percentage is significantly lower than the percentage of projects with unsatisfactory outcome ratings. On the other hand, also a relatively low percentage (15.5%) of projects scores high on both broader adoption and environmental impact. The great majority of projects score somewhere in between, from various levels of broader adoption initiated and implemented to various levels of achievement in environmental

impact. Most projects had some broader adoption initiatives successfully adopted or implemented (42.9%). Thirty percent (30.4%) had broader adoption initiatives initiated or planned but not (yet) successfully adopted, and ten percent (9.5%) had no significant broader adoption reported. The majority of projects (65.3%) showed the occurrence of positive environmental impact⁶.

Figure 7.2 – Progress toward impact after completion of projects



165. Over-all, International Waters (IW) projects had the highest percentage of projects with successful broader adoption (73%), followed by Climate Change (CC) projects (66%) and then Biodiversity (BD) and Ozone-depleting Substances (ODS) projects (Table 7.3).

166. ODS projects all achieved environmental impact. BD and CC projects, which dominated the cohort, had a similar percentage of projects reporting environmental impact at 70%. Most projects reported that stress on species populations, habitats, soil and water was reduced only at the site, rather than at higher scales. For CC and ODS projects, emission reductions were reported mostly at the scale of their targeted markets. These are based on results reported at the end of the project, when the pathways to impact in many cases are starting up – given the long time horizon of many environmental impacts, as illustrated in figure 7.3, especially the lower scores on environmental impact are not unexpected. What lies within the possibilities of the time horizon of GEF support are issues of broader adoption, where the analysis shows that improvements can be made.

Table 7.2 – Extent of broader adoption and environmental impact

⁶ A separate analysis has been made to quantify the environmental impacts reported in terminal evaluations.

Extent of broader adoption	With environmental impact	No environmental Impact	TOTAL (n=401)*
Most broader adoption initiatives adopted/implemented	15.5%	1.7%	17.2%
Some broader adoption initiatives adopted/implemented	30.9%	12.0%	42.9%
Some broader adoption initiated	16.7%	13.7%	30.4%
No significant broader adoption taking place	2.0%	7.2%	9.5%
Total	65.3%	34.7%	100%

*includes only projects for which stress reduction can be expected

Table 7.3 – Extent of broader adoption across focal areas

Focal Area	Most or some broader adoption initiatives adopted/ implemented	No significant broader adoption or initiated but not adopted*
Biodiversity	59%	40%
Climate change	66%	34%
International waters	73%	27%
Land degradation	29%	71%
Multi-focal area	42%	57%
Ozone-depleting substances	60%	40%
Persistent organic pollutants	11%	88%

*Includes all projects, not just those for which broader adoption is expected. Results for ODS and POPs are presented for information purposes only and are not meant to lead to conclusions due to the small number of projects included in the cohort.

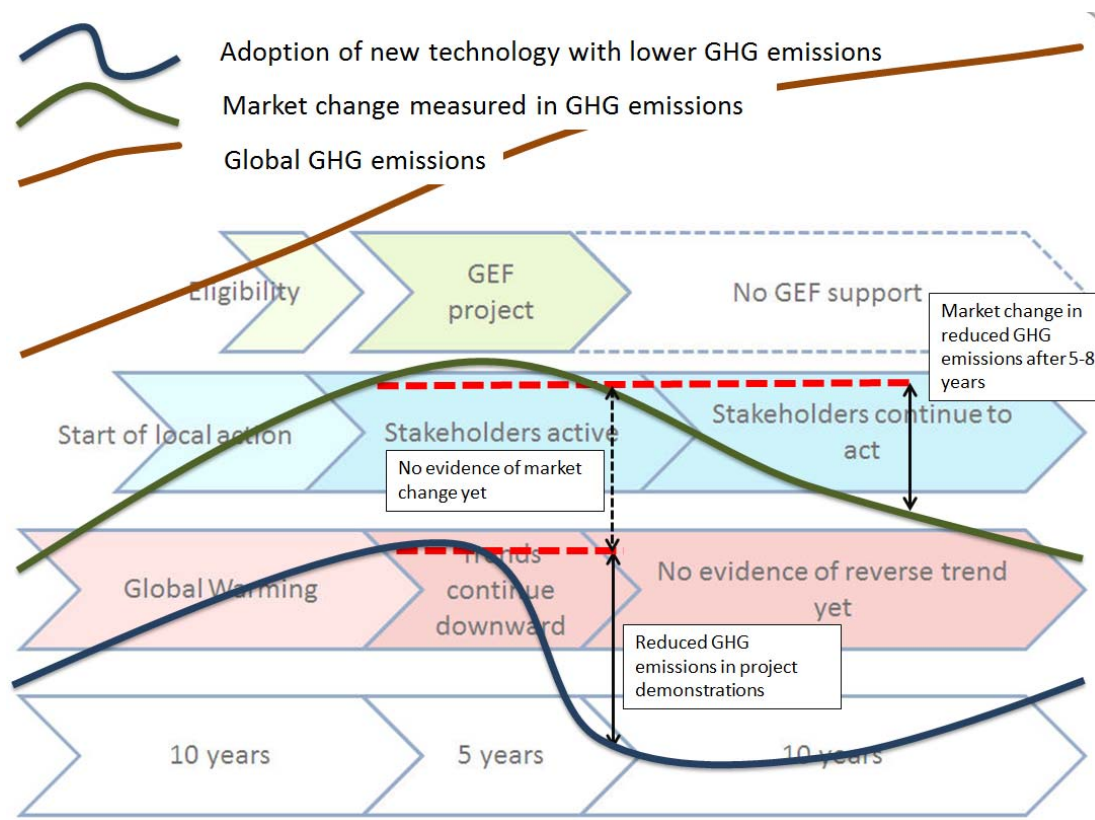
Table 7.4 – Extent of environmental impact across focal areas

Focal Area	Stress reduction only	Improved environmental status	Total % of projects with environmental impact**
Biodiversity	45%	24%	70%
Climate change	71%	NA*	71%
International waters	28%	23%	51%
Land degradation	14%	14%	28%
Multi-focal area	29%	17%	46%
Ozone-depleting substances	100%	NA*	100%
Persistent organic pollutants	13%	0%	13%

*Focal areas dealing with the atmosphere are not expected to report improved environmental status as it is only feasible to measure the reduction of gases released into the atmosphere. **Includes all projects in focal area, not just those for which impact is expected. Results for ODS and POPs projects are presented for information purposes only and are not meant to lead to conclusions regarding these focal areas due to the small number of projects included in the cohort.

167. Mainstreaming was the most common form of broader adoption, followed by replication then market change. The most commonly adopted types of interventions were laws, policies and regulations (47%), followed by management frameworks and approaches (41%). For broader adoption mechanisms other than mainstreaming, the types of interventions most commonly seeing broader adoption were implementing strategies. For most projects, interventions take place either at site or national level and are broadly adopted at the same scale. For scaling-up and market change, the most broadly adopted interventions begin at the site and are adopted at the national scale.

Figure 7.3 – Time dimension explains why impact occurs later than broader adoption



168. Typically, laws, policies, regulations, and management frameworks and approaches were found to be broadly adopted mainly by raising the awareness of different stakeholder groups, training them to build their capacities, and then establishing implementing bodies that would then adopt these interventions. These implementing bodies – whether composed of government or community members or both – were also found to act as conflict resolution and trust-building mechanisms. Participatory approaches were specifically found to effectively facilitate the development of management frameworks and their subsequent adoption. High engagement was in many cases found to lead to positive behavioral change, especially when project activities were seen to result in concrete improvements for stakeholders.

169. Climate change projects were distinct in that technologies were the most broadly adopted type of intervention next to policies and regulations. Mainstreaming typically took place because of financial incentives provided by the national government to adopt the technologies. Replication was typically taken on by the private sector as a result of actual data showing that a technology was both cost-effective and profitable. This means that sound monitoring demonstrating the actual benefits of a technology is crucial for the broader adoption of these technologies, as the knowledge about actual benefits is crucial for adaptation.

170. Key contextual factors affecting progress towards impact can be influenced by factors under the control of the projects, mainly by good project design that engages stakeholder support and that incorporates activities that initiate broader adoption processes during the lifetime of the project.

171. Factors affecting the extent of progress towards impact were categorized into two types: project-related and contextual. Table 7.5 shows the factors that were most commonly cited in terminal evaluations as contributing to or hindering progress (out of a total of 33 factors identified). While the most common factors affecting progress to impact concern conditions and events beyond a project's control, top project-related factors such as good stakeholder engagement and the allocation of resources to catalyze broader adoption during project implementation appear to be important in influencing top contextual factors such as government and other stakeholder support.

Table 7.5 - Most common factors affecting progress towards impact (n=473)

	Contributing factors	Hindering factors
Project-related	<i>Good engagement of stakeholders (48%)</i> <i>Highly relevant technology/approach (36%)</i> <i>Broader adoption processes initiated using project resources (39%)</i>	<i>Poor project design (38%)</i> <i>No activities to sustain project outcomes (25%)</i>
Contextual	Government support (57%) Previous/current related initiatives (55%) Other stakeholder support (42%)	Other unfavorable political/ policy conditions/ events (40%) Unfavorable economic conditions/ events/ drivers (31%) Lack of government support (26%)

*Text in italics refer to factors that were found to be more commonly present, depending on a project's extent of broader adoption

172. An analysis of factors more commonly present in more successful versus less successful projects shows that a significantly higher percentage of projects that were less successful in broader adoption cited inappropriate or irrelevant technologies, lack of activities to sustain project outcomes, and poor project design as hindering progress toward impact. On the other hand, good engagement of stakeholders, relevant technologies and/or approaches, and broader adoption processes initiated using project resources were cited more frequently among more successful projects. This indicates that much of the success in broader adoption is within GEF's control, especially at the project design stage.

173. Further testing of these factors using Qualitative Comparative Analysis (QCA) showed that when broader adoption processes were initiated by the project, support from other stakeholders was present, and project design was not poor, there was 88% likelihood that the project also had adoption or implementation of some or most broader adoption initiatives. Further analysis also showed that 59% of successful cases were explained by either the combination of broader adoption processes initiated by the project and the existence of previous or current initiatives that were related to project objectives or, in the absence of these two factors, the combination of strong government support and good engagement of stakeholders, as long as project design was not poor. Conversely, a separate analysis showed that the combination of no broader adoption processes initiated, no support from other stakeholders, poor project design and a lack of government support had 89% likelihood that the project was also not successful in broader adoption.

174. This confirms the initial analysis that progress towards impact could potentially be significantly improved by including design elements in projects and interventions that focus on involvement of government and other stakeholders and initiating broader adoption processes using project resources; a finding triangulated with country level evidence, for example in the

OECS evaluation. More specifically, it is also important that in the design stage, projects involve stakeholders to verify assumptions about stakeholder needs, priorities and capacities at different scales, so that appropriate approaches are used with each group or country, and that objectives are not overly ambitious. Risks such as staff turnover and changes in government priorities (as also found in country level evaluations) must be considered from the beginning to enable the project to implement measures that will prevent or at least mitigate these risks from affecting project outcomes. Examples of such measures are activities that build partnerships and foster trust among stakeholder groups, implementation structures that align with or build on existing institutional frameworks at each scale, and approaches that consider the unique cultural and historical characteristics of each stakeholder group.

175. A comparison of the extent of broader adoption against the amount of GEF grant allocated at CEO endorsement⁷ showed that there was no significant difference between the number of more successful and less successful projects that had received grants of less than US\$ 10 million. This suggests that within the typical ranges of project funding, successful broader adoption depends more on the implementation of activities facilitating this process rather than on the amount of funds allocated to the project. However, only 8 of the 49 projects (16%) receiving grants of US\$ 10 million and above were not successful in achieving broader adoption (Table 9), indicating that projects with grants of US\$ 10 million and above tend to be more successful. A greater percentage of successful projects that had this level of funding reported strong government support compared to those with lower levels of funding. There was no apparent relationship between the type of broader adoption mechanisms at play and grant amounts. Grant amount was also not found to be a factor affecting the quality of project design. No significant difference was seen in the extent of broader adoption across projects implemented in different geographical regions or levels of country income. As expected due to the nature of the interventions, global projects had significantly fewer projects successfully achieving broader adoption.

Table 7.6 – GEF grant amounts compared with number of projects achieving successful broader adoption

GEF Grant Amount	More successful broader adoption	Less successful broader adoption	% Less successful projects
US\$ 1 M and below	104	105	50%
Between US\$ 1M and US\$ 5M	69	44	39%
Between US\$5 M and US\$ 10 M	63	39	38%
US\$ 10 M and above	41	8	16%*

*significantly different

176. The strategic considerations for the GEF focus on shifting attention to impact drivers and to global environmental benefits are crucial. These shifts are important and will potentially increase impact of the GEF, but they need to be executed and implemented through interventions that apply a well-balanced mix of activities aimed to incorporate promoting factors of broader adoption, so that negative contextual factors can be better mitigated or even overcome.

⁷ This amount includes the project preparation grant, as project design was found to be an important factor affecting the extent of broader adoption.

177. The portfolio of completed projects of the GEF includes many experiences with the hindering and contributing factors towards broader adoption and progress toward impact. The GEF should learn from these experiences and use them to improve project design in future programs and strategies of the GEF. The new emphasis on knowledge management and learning opens up an opportunity in this regard. A community of practice and/or learning platform could be established of practitioners in GEF Agencies, countries, project implementation and in the Secretariat, STAP and the Evaluation Office that could exchange lessons learned and inform future design of GEF interventions, focusing on further strengthening of broader adoption approaches.

7.5 Civil Society Organizations Engagement

178. GEF has been a leader in civil society engagement in the global environment arena from the beginning of its existence. It has regularly set up and strengthened mechanisms at multiple levels to enable engagement. It has routinely sought to respond to civil society requests for greater engagement and has produced many official documents as proof. GEF has reached outward and inward to develop ways to capture the voices of civil society. Technical document 14 of OPS4 reports on the sub-study undertaken to assess the current situation regarding civil society engagement. It raises the following issues.

179. The terms civil society and engagement have no standard definition. The existence of different uses by GEF Agencies and levels poses many challenges for the tracking of engagement. The term civil society is also unpacked differently by GEF Agencies. Although the trend is to break apart NGO from CBO, even the term NGO often combines very different entities in a manner that is not useful (i.e., combining in one indicator results from IUCN and a national indigenous peoples organization).

180. The GEF Policy for Public Involvement is outdated, not systematically implemented and ineffective. Its call for the documentation of CSO engagement in every project, however, is very clear. Despite this official directive, there is no systematically applied practice inside GEF to monitor CSO engagement. The only tracking to date is an irregular compilation of “CSO-executed” projects. This indicator is likely to be partial, obscuring many CSO efforts.

181. The volume of grants allocated to CSO-executed projects (FSP, MSP and SGP combined) has hovered around \$250 million since GEF-2 (and \$150 million for the FSP/MSP without the SGP). With and without SGP, the CSO-executed project volume has never reached the 15% of the greater GEF portfolio formally requested of Council by civil society organizations at the CSO Forum in 2010.

182. CSO-executed projects are confirmed to demonstrate added value and provide environmental impacts in GEF projects at local levels at significantly higher levels than Non-CSO executed projects. They amount to a significant investment of the GEF in civil society led efforts, with a grant volume of \$1.1 billion (735 million and 425 million for PMIS and SGP projects, respectively) through the history of the GEF. The vast majority of these projects have performed with at least moderate satisfaction. This performance and the co-financing leveraged by the CSO-executors (\$3.4 billion) demonstrate the value added to ensure global environmental benefits through local impact.

183. Despite this solid record, although systematically ‘included’ in GEF affairs, civil society engagement in the GEF very often simply stops short of being meaningful. This appears to be due to numerous dynamics: 1) Relationships between CSOs and governments; 2) the interpretation of what is “meaningful” and relevant engagement and 3) complex mechanisms that fall short of assuring and documenting meaningful engagement, as stipulated in the Policy for Public Involvement.

184. Defining the target: There are different views on the classification of *civil society organizations* and any future effort to enhance GEF’s engagement of civil society would benefit from a more precise statement of what the term includes. It would be useful to consider categories of civil society that differentiate between the vastly different types of CSOs. An initial categorization is NGO and CBO, but as this study highlights, the NGO category itself combines entities such as the IUCN and a small national NGO in a way that may not be helpful to track engagement. These issues will require further exploration.

185. Policy: Any serious endeavor to further enhance CSO engagement in the GEF would be greatly assisted by conducting an update to the 1996 policy. It needs to be a document that embraces the current understanding of stakeholder relationships and their respective added value. It needs to be more authoritative and prescriptive. It needs to use bold terms and demand bold results. The effort could transform a statement of ‘Public Involvement’ into a more deliberate ‘Policy and Guidelines for Civil Society Engagement’ that appears to be the initial intention of the PPI authors.

186. Compliance: Most important is the need to strengthen existing mechanisms to implement the fifth clause of the current policy for public involvement (“*All GEF financed projects should have full documentation of public involvement*”). As with gender considerations, GEF projects would benefit from a more systematic and meaningful engagement of civil society starting at the early phases of the effort. An ongoing review needs to be completed on how to adapt the Project Management Information System to creatively comply with such documentation requirements, thereby providing simpler and more straight-forward techniques to monitor CSO engagement.

187. Additional efforts to further enhance CSO engagement in the GEF may include to:

- Develop guidelines for Focal Points and GEF Agencies that direct adequate implementation of the Policy on Public Involvement;
- Search for practical indicators that will capture meaningful CSO engagement at multiple phases of the project cycle without adding burden to the results based management system and slow approval cycle;
- Provide guidance on the widely varying interpretations of what *appropriate* and *meaningful* engagement represents for any type of GEF project in multiple cultural contexts;
- Consider techniques to more seamlessly align CSO data from PMIS and SGP to demonstrate the global CSO engagement, but without hindering the well-established protocols setup in each system;

- Explore the addition of text that more deliberately commits the National Focal Points (in their approval letters for each project) to the meaningful engagement of *civil society* stakeholders;
- Assess the possibility to reach the proposed level of 15% of the GEF envelope to CSO-executed MSP/FSP projects (at global, regional and country levels);
- Consider regular reviews of the GEF-NGO Network as the main GEF link to civil society;
- Consider an independent, well-crafted, tested and translated annual survey of GEF NGO network members to routinely track evolution in meaningful CSO engagement.

188. GEF has long been a leader in partnering with the energy of civil society and channeling it towards global environmental benefits. There is no reason to see this role diminished. The challenge is now to take a few bold steps away from the involvement of civil society into the realm of meaningful engagement in GEF Governance. Most of the mechanisms to do so already exist in Council decisions and in the GEF intervention model. For some, it may be time to take them out of their closets, dust them off, and after repackaging or minor enhancements, send them back on their way to more systematically account for the impressive civil society efforts that the GEF has never ceased to support.

189. Civil society engagement should be fostered and promoted at the country level. The recommendation on programming includes this most important element. The following additional specific recommendations should be taken into account:

- 27) The public involvement policy needs to be updated and mainstreamed throughout programming guidance in the GEF.
- 28) The GEF Project Management Information System should explore possibilities to systematically gather evidence on elements of GEF's private sector engagement without further increasing the reporting and monitoring burden in the GEF.
- 29) Terminal Evaluations need to include questions on engagement with civil society organizations to ensure evaluators capture lessons learned and achievements.

7.6 The Small Grants Programme (SGP)

190. The most successful and internationally recognized interaction with civil society organizations no doubt takes place through the Small Grants Programme (SGP) of the GEF. The ongoing joint evaluation with UNDP's Evaluation Office has provided a first phase report for inclusion of findings in OPS5. The SGP remains highly relevant in terms of both global environmental problems and supporting local communities to address these in the socio-economic conditions which they need to confront.

191. The evaluation finds that the number of countries participating in SGP has increased considerably during GEF-5. The new countries include a high proportion of SIDS, LDCs and countries with fragile or conflict affected situations. This is in line with the decisions taken by the GEF Council in November 2007 on the upgrading policy for SGP and SGP access to resources from the allocation system (currently STAR). These changes have had a number of

positive results, but also some negative effects which if needed can be looked more in-depth in the second phase of the evaluation.

192. The first phase report of the SGP evaluation also concludes that the SGP continues to be effective, particularly at the level of individual grants. Slowly, but surely, cohorts of grants are seen to be delivering cumulative and synergistic effects at the national and sub-national levels. The interaction of SGP with other GEF support has developed in interested directions, with a recent example in the GEF Country Portfolio Evaluation in Tanzania where SGP provided services to other GEF projects that aimed to specifically reach out to local communities. In general, this interaction could and should be further explored at the country level in programming exercises.

193. Program management costs have remained largely flat. Program support costs – for M&E, capacity development and knowledge management – have grown somewhat as these services are increasingly appreciated. However, the Decision GEF/ME/C.32/2 to link costs to performance and services rendered has not been fully adopted. Measures to strengthen the central management have been taken, but these do not compensate for weaknesses in the overall governance structure.

194. Considerable progress has been made on M&E in the SGP since 2008. However, further improvements to the M&E system are justified, in consideration of the highly challenging nature of conducting proper M&E in a global multi-country program like the SGP, and the unrealistic demands placed upon it. Monitoring and evaluation in SGP provides further evidence of the over-burdening of the GEF with RBM and M&E requirements.

195. The nature of the Small Grants Programme as a corporate program of the GEF needs to be addressed better. Strong links between the core SGP and the upgraded SGP programs should be maintained, not on management issues but to support learning and to ensure strategic direction in SGP. A Steering Committee was installed to provide strategic guidance, but after an interesting start it became largely focused on operational issues. This Steering Committee should be revived (and if necessary its composition should be changed), solve the issue of its role vis-à-vis UNDP's accountability and fiduciary responsibilities regarding its implementation of SGP through two separate mechanisms (FSPs and CPMT), the corporate nature of the program, and provide a management response to the first phase of the evaluation.

196. The basic approach of SGP has been to 1) provide small grants to support local communities in tackling environmental problems that are of global relevance; 2) learn from solutions and enable other local communities elsewhere to adopt them; and 3) engage with the larger GEF portfolio in a country: either as inspiration for medium and full size projects, or as we have seen more recently in Tanzania, enabling solutions demonstrated in medium and full sized projects to be taken up by local communities. For this purpose the SGP supports National Steering Committees, which should remain or become strong partners in national programming exercises.

197. This leads to two recommendations for the replenishment for incorporation in the GEF-6 programming:

- 30) The Steering Committee of SGP should be re-vitalized, where necessary strengthened, and engage with UNDP and the Secretariat to ensure the corporate

nature of SGP and provide strategic guidance to future directions of the program and the modality.

- 31) The new Steering Committee should be asked to provide a management response to the first and second phase of the SGP evaluation. The Council should consider this management response, as it is the guardian of corporate programs.

7.7 Private Sector Engagement

198. Technical document 13 reports on the review of GEF engagements with the private sector which was undertaken as part of OPS5. The study concludes that the GEF has engaged successfully with a wide variety of for-profit entities that vary in their industry focus, size, and approach to environmental issues.

199. In keeping with the diversity that is to be found within the private sector, the GEF has engaged with a broad range of for-profit business entities. The range extends in size from multinational corporations (MNCs), through large domestic firms and financial institutions to micro, small and medium enterprises (SMEs). Besides corporate entities, institutional arrangements may include public-private partnerships (PPPs), public-private alliances, cooperatives and other joint ownership arrangements. Most activities have been through national projects; global and regional projects tended to have limited engagement.

200. GEF's engagement with these entities has been successful with the private sector performing on par with the non-private sector portfolio (~80% of projects rated Moderately Successful or above). There is also no difference in ratings amongst those projects that used a non-grant modality as opposed to a grant modality. Instances of successful engagement have led to many instances of broader adoption of implementation strategies, technologies, approaches and/or structural arrangements including notable instances of scaling up and market change, particularly in the climate change focal area.

201. GEF funding for a combination of improvements, particularly with governments in regulatory and policy frameworks and financial intermediaries has led to profound market changes for private sector participation in environmentally friendly interventions. Regulatory frameworks and environmental policy are indicators of an enabling climate for global environmental benefits. The absence of country commitment to application of compliance standards can affect achievement of results while supportive consideration is a factor in successful private sector participation with GEF. Projects with private sector engagement are significantly more likely to contribute to the development and demonstration of new financial mechanisms and lead to market change. Fifty-two percent of private sector projects have led to market changes compared to 21% of projects in which the private sector was not involved.

202. Historical instances of private sector engagement do not match projected prevalence across Focal Areas, all of which clearly identify a role for the private sector. The assembled body of evaluation suggests that it is easier to direct attention to private sector engagement in Climate Change, followed by Biodiversity, Multifocal and the Chemicals focal areas. While all focal areas have consistently identified the private sector in their focal area strategies (GEF-3, GEF-4, GEF-5 and proposed strategies for GEF-6), it was considerably easier to locate examples of engagement from the climate change, biodiversity and ozone depletion focal areas than it was to find project examples for International Waters, Land Degradation or POPs.

203. The role of business and industry in the promotion of sustainable development has also increased over the time that the GEF has been operating and it continues to grow. New and expanded corporate sustainability initiatives and growth of sustainable enterprises attest to the growing role of the private sector. While these efforts by pioneering companies reflect “glimmers of hope” on the sustainability landscape, key environmental trends continue to show deterioration and the anticipated costs of mitigating actions are well beyond the capacity of public institutions to address.

204. These same public institutions are often also providing subsidies for fossil fuels, unsustainable use of water, fisheries, agriculture and transportation aimed at promoting ‘social good’ and protecting the interests of the poor especially in developing countries. While on one hand subsidies can be beneficial, such as those aimed at promoting cleaner and more efficient technologies and/or improving poor households’ access to modern forms of energy, harmful subsidies made to unsustainable practices are currently 10 times as high as the funds needed for a sustainable future. Such subsidies can also end up covering operating costs normally borne by the private sector in manufacturing; production and other industrial process as well giving them increased access to energy sources at much cheaper prices. As a result, fossil fuel related energy consumption can be boosted, particularly in developed countries, aggravating emissions and worsening an evolving environmental crisis.

205. GEF’s efforts to engage with the private sector need to be dovetailed with efforts to increase country ownership. The GEF’s ability to engage the private sector diminished during GEF-4 as a result of the resource allocation system (the RAF) put in place. GEF-5 engagement has increased slightly but still lags both in the number and dollar volumes of previous phases. The Mid-Term Review of the System for Transparent Allocation of Resources (STAR) does not have an analysis of STAR’s impact on private sector engagement as the portfolio decreased in direct engagement to be negligible for analysis. Both RAF and STAR have led to more active involvement of government agencies. The STAR MTR states that as a result of the revised framework, country ownership of the GEF portfolio continues to increase, albeit at the expense of lower engagement with the private sector. With an allocation system like STAR, a strong engagement with for-profit companies needs to be incorporated in national strategies and priorities, following guidance from the conventions.

206. Lessons learned from the Earth Fund platform, which was designed for engagement with the private sector, reveal that expectations to attract large tranches of private funding to merge with GEF funds did not materialize and were not realistic. On the other hand some of the regular climate change mitigation projects, through regular full size projects of the GEF, managed to engage the private sector with considerable success and initiate market change.

207. The following recommendations should be taken into account when developing private sector engagement in GEF-6:

- 32) The GEF Project Management Information System should explore possibilities to systematically gather evidence on elements of GEF’s private sector engagement without further increasing the reporting and monitoring burden in the GEF
- 33) The GEF should consider different circumstances of the countries and regions eligible for GEF support and encourage countries to take private sector engagement into account in their priority setting and portfolio identification for GEF-6.

- 34) Focal area and multi-focal area approaches should include consider how private sector engagements can address sectors that have the most severe impacts on the environment.
- 35) The GEF should built and share knowledge on how private sector entities could and have been involved in GEF support, especially on project cycle times, risk mitigation, market transformation, and recognition/sponsorship.
- 36) Terminal evaluations need to include questions on private sector engagement to ensure that evaluators capture lessons learned and achievements.

7.8 Gender Mainstreaming

208. Given the theory of change of the GEF gender is a highly important dimension, as it is one of the main avenues to achieve behavior change that will lead to broader adoption of sustainable solutions to global environmental problems. To pay more attention to social and gender issues is thus not a luxury or an add-on, but a core element of the causal pathways to reduction of environmental stress and eventually to environmental improvements.

209. OPS4 assessed gender mainstreaming in the GEF in 2009 in a technical document that emphasized the need for a streamlined cross-cutting gender policy in GEF operations. OPS4 noted that “Social and gender issues in GEF strategies and projects are not addressed systematically, and the GEF cannot rely completely on the social and gender policies of its Agencies.” Notably, OPS4 recommendation 7 stated that project performance should be further strengthened through improved guidelines, a better fee structure, and strengthening of social and gender issues. OPS4 also proposed that revisions of terminal evaluation guidelines and practices could be included in the next revision of the GEF Monitoring and Evaluation Policy.

210. The GEF Policy on Gender Mainstreaming Policy, which addresses the main concerns of OPS4, was adopted in May 2011. Technical document 16 of OPS5 relates the search for evaluative evidence on two issues: what is the baseline against which the policy will need to be judged in future years, and what has been accomplished so far, also in light of that baseline.

211. The completed projects since OPS4 (281) were analyzed on gender issues. Of these projects, 124 did not consider gender and where not expected to do so. Of the remaining 157 projects 55 successfully mainstreamed gender in design and implementation. 59 projects mentioned gender but did not incorporate gender in their activities. 43 projects presented themselves as “gender not relevant”, so did not contain any reference to gender in design or implementation, but their terminal evaluations provide evidence that gender was in fact relevant for these projects. Omitting attention for gender where it is needed may have led to unintended negative gender related consequences.

212. The baseline study reveals that many project proponents in the GEF are insufficiently aware of gender issues and may inadvertently design and implement project with potential negative gender impacts. On the other hand it reveals as well that many project proponents can tackle gender issues adequately. It thus shows a divided practice, where one side should learn from the other, and best international practice should be introduced in programs and projects.

213. A review of CEO-endorsed and approved projects under GEF-5 notes an increase in the proportion of projects that aim to mainstream gender from 22 percent to 31, and a decrease in projects that consider gender not relevant from 78 percent to 68, after the adoption of the GEF Gender Mainstreaming Policy in May 2011. However, still 22 percent of the CEO endorsed projects that were rated as gender not relevant, are considered gender relevant by the evaluation team of this sub-study, which includes gender expertise not readily available to the Secretariat.

214. Furthermore, 40 percent of CEO endorsed projects after May 2011 included only superficial mention of gender issues, sometimes through the insertion of standard generic paragraphs. This demonstrates that more needs to be done to implement the May 2011 policy, especially in understanding which projects would be gender relevant and how this should then be approached. One specific GEF modality shows the way forward: a major shift occurred in late 2011 in proposals for enabling activities, with substantial increases in proposals that mainstreamed gender and considerable reduction in proposals that pay superficial attention to gender. Only one of the enabling activities included serious omissions on gender.

215. These improvements may be linked to the recent adoption by several GEF Agencies of gender mainstreaming policies for their operational activities. Examples of Best International Practices from the International Fund for Agricultural Development (IFAD), the United Nations Development Programme (UNDP), and the World Bank provide guidance that can be drawn upon. The Climate Investment Funds (CIFs) have also adopted useful tools that could be incorporated into GEF guidelines. These tools could provide guidance to the GEF for improving project design and approval processes, so that gender issues will be effectively mainstreamed into GEF projects.

216. Since OPS4, the GEF has made progress in responding to the OPS4 findings and recommendations and others on gender mainstreaming. The Policy on Gender Mainstreaming was developed and adopted, which clarified the commitment and elements of gender mainstreaming at the GEF. A gender focal point was designated at the GEF Secretariat during GEF-5, and a regular gender review and monitoring of the portfolio has been conducted through the Annual Monitoring Review process since 2011.

217. Despite the adoption of the Policy on Gender Mainstreaming, there has been limited capacity development in the GEF Secretariat in this area. The Secretariat only has one part-time gender focal point; there has been limited gender training for program managers; and there are no guidelines for mainstreaming gender into project activities. In order to adequately implement the policy, the GEF Secretariat and GEF Agencies requires resources and support.

218. The Gender Mainstreaming Policy calls for monitoring and evaluation of the gender mainstreaming progress, and inclusion of gender experts in projects. While the results of the assessment of CEO endorsements and approvals show a shift in attention to gender in the enabling activities, it will be important to examine the terminal evaluations from those projects when they become available.

219. More specifically, this leads to the following recommendations:

- 37) The GEF should adopt an action plan to implement the GEF Gender Mainstreaming Policy. This plan should be adequately resourced; most importantly the Secretariat needs a gender expert who can moderate and coordinate and build bridges.

- 38) STAP could be invited to advise on gender issues in some of the highly technical areas of the GEF.
- 39) Knowledge brokerage and exchange should become important instruments to ensure that project proponents have the latest insights in what works and what doesn't to ensure projects incorporate gender issues.
- 40) Terminal evaluations need to include questions on gender, to ensure that evaluators check for unintentional harm done or positive achievements on gender.

8 CHALLENGES TO ACHIEVE BROADER ADOPTION

8.1 The Future of Focal Areas

220. The first report of OPS5 provided evidence from several evaluation streams pointing to the emergence of multifocal area projects and programs as a strong new modality of the GEF. This poses challenges for the formulation of strategies for GEF-6.

221. Several OPS5 sub-studies point to the strong emergence of multifocal area projects and programs throughout the portfolio in response to guidance of the conventions and at the country level. Evidence from the impact stream, which took an in-depth look at GEF support in the South China Sea and adjacent areas, points to the importance of a programmatic approach that goes beyond a single issue or focus to ensure that circumstances are created in which broader adoption can take place. This perspective on programmatic approaches also emerged in the Office's work on a general framework for a theory of change for the GEF, which describes the elements needed for progress toward impact.

222. The general framework for a GEF theory of change was presented to the GEF Council at its November 2012 meeting. Both the impact work of the Office and the focal area strategies evaluation pointed to the model's utility as a heuristic tool supporting further thought on causal chains, linkages, and the roles of the GEF as well as of its partners and member countries to better focus on how broader adoption could lead to environmental stress reduction and improvement of global environmental trends. The Council asked that the Secretariat ensure that causal linkages and chains leading to broader adoption would be included in the strategies to be prepared for GEF-6.

223. Introducing a better reflection of causal linkages and pathways to impact in focal area strategies and in multi-focal area work is closely related to the development of a results based management framework. OPS5 proposes to reduce the burden of the results based management framework and its monitoring and evaluation burden. Furthermore, the Evaluation Office has offered to do an evaluability assessment on the new RBM framework that will include, through its methodology, a closer look at causal chains and expected pathways to impact.

Biodiversity

224. Of 227 completed biodiversity projects 70% (158 projects) showed environmental impacts; 50% (114 projects) achieved environmental stress reduction, and an additional 20% (45 projects) also resulted in improved environmental status. Biodiversity projects reported environmental impacts mostly in the form of improved habitats at the site level (33%, 76 projects), but 11% (26 projects) also reported impacts at a landscape scale. Environmental impacts include establishment of protected areas, improvement of protected area management systems, reduced pressure from modified land use practices, and increase in species populations. The proportion of Biodiversity projects that demonstrated environmental impact is highest of all focal areas.

225. In Biodiversity projects, the most commonly reported mechanism for broader adoption by far was mainstreaming. The most prevalent types of interventions mainstreamed in Biodiversity projects were laws, policies and regulations (48%, 108 projects), management frameworks (41%,

92 projects), and processes for participation and conflict resolution (27%, 61 projects). The mechanisms of market change, replication and scaling-up also contributed to the broader adoption of interventions in the projects in this focal area, but in a smaller number of projects. Management frameworks were the intervention most often replicated (14%, 32 projects) and scaled up (8%, 19 projects). Scaling-up typically occurred from the site to the national scale.

Text box 8.1: Project 2396, “Dryland Livestock Wildlife Environment Interface Project” (DLWEIP), implemented by UNEP in Kenya and Burkina Faso, provides an example of a biodiversity project that demonstrates mainstreaming management frameworks at local, national and regional scales. At the local community level, the concept of livestock/wildlife interface management has been embraced, thanks to awareness-raising campaigns, capacity-building activities, and demonstration of the benefits to livelihoods and biodiversity conservation. Communities have set aside conservation and drought refuge areas. On a national scale, governments in Kenya and Burkina Faso have established ministerial task forces to oversee the integrated management of natural resources of the livestock/wildlife environment interface and the integration of range rehabilitation activities in annual work plans. At the regional level, the African Ministers of Environment have begun discussing livestock/wildlife interface issues, and have learned from the experiences of this project. As a result of these interventions, there has been reduced environmental stress at multiple sites.

Contributing factors for the DLWEIP project include government support, good engagement of stakeholders, and alignment of project objectives with previous and current related initiatives. Both Kenya and Burkina Faso are signatories to the UNCCD and the CBDTP, and also have in place the National Biodiversity Strategic Action Programmes (NBSAP) and the National Action Programme to Combat Desertification (UNCCD). DLWEIP project activities and outputs complement these processes, so country support and ownership of this project was significant. The communities expressed readiness to proceed with the implementation of good practices, using their own resources and also leveraging financial and non-financial resources from willing partners and the government.

Climate Change

226. Of the 113 completed climate change projects reviewed, 77% (87 projects) provide evidence of reducing greenhouse gas (GHG) emissions, including carbon dioxide (CO₂). Stress reduction was typically achieved through implementation of measures that improve energy efficiency, increase the share of renewable energy, or through changing the dominant modes of transportation towards less fossil fuel intensive ones.

227. Only 10% (11 projects) report no significant broader adoption. Sixty-six percent (75 projects) had some broader adoption initiatives adopted or implemented. Similar to other focal areas, mainstreaming was reported to have been the most common mechanism of broader adoption within the Climate Change focal area, followed by replication. The interventions most often successfully mainstreamed were policy, legislative and/or regulatory measures. Forty-nine projects have successfully introduced these interventions and hence have contributed to developing an enabling institutional framework that ought to lead to the eventual reduction of GHGs. Thirteen projects have successfully mainstreamed mechanisms for financing and promotion of energy efficiency and renewable energy. Most successful of these were lease-purchase agreements, Energy Efficiency Funds, and, less frequently, Energy Service Companies (ESCOs), such as Croatia’s HEP ESCO. Despite these successes the general pattern shows significant challenges when it comes to broader adoption of financial mechanisms.

228. Technologies and infrastructures introduced by climate change projects were the most common type of intervention replicated, in 14 projects. Projects that were highly relevant to the

stakeholders and that successfully demonstrated the applicability, effectiveness and feasibility of a particular technology led to replication. Those technologies that were profitable and cost-effective were also commonly replicated. Profitability appears to be a strong pre-requisite for wider adoption of a technology as it enables the stakeholders, especially in the private sector, to consider energy efficiency not solely as a social responsibility issue but also as a viable business model.

229. Projects achieving scaling-up and market change were not common. Since most of the data for the analysis was sourced either at the end of the project or in the short period following project completion, these findings are not surprising. Despite this, the available data indicate that technologies and infrastructure appear to be the most common instruments scaled up or leading to market change in Climate Change projects. These projects typically introduced measures that led to improved industrial processes or products. The recent climate change mitigation impact evaluation focused on market change and analyzed 18 projects in China, India, Mexico and Russia that had been completed between 1997 and 2012. This evaluation, presented to the Council at its November 2013 meeting, found that projects demonstrating high progress toward impact (with some showing progress only several years after the project had ended) are those that have adopted comprehensive approaches to address market barriers and specifically targeted supportive policy frameworks.

Text Box 8.2: Through the UNDP project 445 “Barrier Removal for the Widespread Commercialization of Energy Efficient CFC-Free Refrigerators”, China aimed to reduce GHG emissions by transforming the household refrigerator market through a shift towards the production and use of more energy efficient models. The project introduced new models of household refrigerators that had higher energy efficiency. In addition to focusing on removing technical barriers the project also worked on removing regulatory barriers to adoption of the higher energy-efficient refrigerators. On the demand side, the project assisted with implementing a consumer campaign, including introducing appliance standards, labeling, and information campaign, aimed at behavior change to entice consumers to purchase these more energy efficient refrigerator models.

With the project’s help, two companies invested in designing more energy efficient refrigerator/ freezer models that have subsequently become mainstream top-sellers, and, as such, were highly profitable products for these companies. The incentive of high profit, along with these manufacturers’ plans to increase exports, ensured the continued production of energy-efficient refrigerators. The share of energy-efficient refrigerators as a percentage of total production has increased from 10% in 1999 to 80-90% in 2009, exports of energy efficient refrigerators have grown, and the market for refrigerators became dominated by units meeting the highest two grade specifications for energy efficiency.

Further, the project resulted in a 29% drop in average energy intensity of new refrigerators sold between the Project’s inception in 1999 and its end in 2005. The use of more efficient refrigerators resulted in the savings of about 11 million tons of CO₂ emissions by 2005, and 42 million tons of CO₂ emission savings by 2010. Thus, this project has demonstrated how a combination of several factors: successful technology push and market pull; a well designed public information campaign through certification and labeling; financial incentives and profitable products could lead to environmental stress reduction and towards significant market transformation.

International Waters

230. Out of the 48 completed international waters projects in this study, 40% (19 projects) reported environmental stress reduction, and 58% (28 projects) also reported improved environmental status. Environmental impact was most often seen at the site level, where projects reduced fishing pressure, reduced nutrient pollution from innovative water treatment plants,

increased mangrove and coral reef cover, replenished water supply from improved water use management, and established management capacities in marine protected areas. At least 8% (4 projects) reported environmental impact in multiple sites, most frequently reducing stress on species, habitats, and to a lesser extent, water quality. Only 4% (2 projects) reported environmental impact on the scale of the seascape, through reduced stress on species.

231. The most common mechanism for broader adoption in these International Waters projects was mainstreaming. By far, the most common type of intervention that was mainstreamed was the broader adoption of laws, policies and regulations, present in 35% (17 projects). Other types of interventions commonly mainstreamed are management frameworks and approaches (29%, 14 projects), management systems (27%, 13 projects), government structures (25%, 12 projects), and finally, processes for participation and trust building/conflict resolution (23%, 11 projects).

232. The mechanisms of market change, replication and scaling-up also contribute to the broader adoption of interventions in the projects in this focal area, but in a smaller number of projects. The type of intervention most often replicated was management frameworks (8%, 4 projects). Management frameworks and government structures were the interventions most often scaled up (each with 4%, 2 projects). The factors that were cited by the greatest number of International Waters projects as contributing to successful broader adoption are good coordination with previous or current initiatives related to the project, good engagement by the project of stakeholders, and government support at both national and local scales.

Text box 8.3: The World Bank implemented project 974, “Environmental Protection and Sustainable Development of the Guarani Aquifer System (GAS) Project”, successfully mainstreamed key recurring interventions. The project produced technical manuals to standardize procedures among the four countries involved in the use and management of the aquifer. These manuals have been widely disseminated and are adopted and used throughout the region. The improved scientific, technical and institutional/legal information in turn facilitated the development of a Strategic Action Plan that lays out future management regimes for the aquifer, including cooperation strategies, and financing of implementation activities. One of the project member countries, Brazil, mainstreamed the lessons from the GEF-funded project into its own “National Integrated Water Resources Management Plan”, which included a chapter on groundwater for the first time. All project countries modified or adopted new water regulations, decrees and laws that recognized the importance of sustainable water use, and included guidelines on well design, domestic and industrial water supply, and aquifer zoning.

Contributing factors that enabled the Guarani Aquifer Project’s success include government support, and good engagement of stakeholders by the project. The project had strong official support from the four participating countries, as well as several civil society organizations. Brazil identified the aquifer and its management as important for the country in terms of providing or potentially providing water for domestic and industrial purposes to more than 500 municipalities in eight states. The four project countries were under pressure to demonstrate to their citizens that the involvement of international institutions in the project would not affect their sovereignty over the Aquifer, thus there was strong motivation to remain engaged throughout the project. The Terminal Evaluation also indicates that the project was exemplary in its design of participation mechanisms that allowed for the involvement of learning institutions, NGOs, civil society organizations, public institutions and the public at large in all phases of the project including consultation, implementation of project activities and representation in local management.

Other Focal Areas and Multi-Focal Area Support

233. 54 completed Multi-focal projects, 17 Land Degradation projects, 9 Persistent Organic Pollutant projects, and 5 Ozone Depletion projects were reviewed. All four groups reported some extent of environmental impact. Two Land Degradation and 2 Multi-focal area projects reported improved environmental status. Two Persistent Organic Pollutant projects, 3 Land Degradation projects, and all 5 Ozone Depletion projects reported reduced environmental stress. There is a wide difference between the scale and types of environmental impact reported for each focal area due to the nature of the activities of each focal area. Multi-focal area projects are more likely to report a variety of environmental impacts. Given the small number of projects in Persistent Organic Pollutants and Ozone depletion it is premature to draw any focal area specific conclusions at this time.

234. Land Degradation projects report improved habitat and land quality at the level of specific sites. Multi-focal area projects report improved habitat, land quality, water quality, species, and greenhouse gas emissions at multiple sites and at landscape level.

235. Mainstreaming of laws, policies and regulations was reported in 6 out of 17 Land Degradation projects. To a lesser extent, mainstreaming was also reported for processes of participation and trust-building, management approaches, technologies and infrastructure, and financial instruments: each of these interventions was reported in 2 projects. Land Degradation projects reported broader adoption of technologies and infrastructure: 4 reported replication of technologies, 2 reported mainstreaming of technologies, and 1 reported scaling-up of technologies.

236. Among 54 Multifocal projects, mainstreaming was the most commonly reported mechanism of broader adoption. Most often mainstreamed were laws, policies and regulations (14 projects), processes of participation and trust building (11 projects), government structures and management frameworks (10 projects each). Replication was also an important mechanism for broader adoption: 6 projects reported replication of management frameworks, and 2 replicated technologies and infrastructure. The two most common types of interventions in these multi-focal area projects were laws, policies and regulations, and management frameworks.

237. In all four groups the most frequent mechanisms for broader adoption was mainstreaming, and the interventions focused on laws, policies and regulations. For Land Degradation, Persistent Organic Pollutants and Multi-focal area projects, replication was also frequently reported. Scaling-up and market change were the least commonly reported mechanisms. For Multifocal, Ozone Depletion, and Persistent Organic Pollutant projects, government structures were frequently reported. For Multifocal, Ozone Depletion and Land Degradation projects, technologies and infrastructures were frequently reported. The factors most often cited by Multi-focal area projects as contributing to successful broader adoption are highly relevant technology or approach, project-initiated broader adoption processes, and a context in which there were previous or current related initiatives.

238. For Land Degradation projects, mainstreaming of laws and regulations usually involve community based management plans, or the development of National Action Plans. Mainstreaming typically involves the incorporation of sustainable land management methods/framework into local planning processes, national strategies and legislation. Site visits

and study tours that supporting mainstreaming are also common features of projects in this focal area. Limited replication of technologies or infrastructures often occurs in communities and municipalities neighboring the project sites.

Mainstreaming Resilience and Adaptation to Climate Change

239. Adaptation to climate change is included in OPS5 through work on focal area strategies, Results Based Management and tracking tools, Multi-Focal Area and Multi-Trust Fund projects, and gender mainstreaming. Technical document 19 provides additional evaluative evidence on adaptation in LDCF and SCCF and on adaptation in the main trust fund, which focuses on increasing the resilience of GEF support. Resilience to climate change is an intrinsic part of protecting or creating global environmental benefits given the strong convergence of global environmental benefits, development, and adaptation. The Evaluation of the Strategic Priority for Adaptation (SPA) completed in 2010 found evidence of gradual mainstreaming of adaptation and resilience concepts and measures in the GEF focal area strategies as they evolved from GEF-3 to GEF-5 (2010–14). Climate change is increasingly being recognized as a threat to the sustainability of the GEF portfolio, and addressing it is increasingly recognized as an intrinsic part of protecting or creating global environmental benefits. The evaluation recommended that the GEF continue to provide explicit incentives to mainstream resilience and adaptation to climate change into the GEF focal areas, as a means of reducing risks to the GEF portfolio.

240. STAP in an advisory document from 2010 concluded that GEF investments to deliver GEBs are best protected by adopting approaches that simultaneously address climate risks and the objectives of focal areas. It recommended that climate change risk assessment and resilience measures to be mainstreamed across the whole GEF-5 strategy and in the project cycle.

241. LDCF has moved to a new phase of funding projects to implement National Adaptation Programs of Action (NAPAs). Technical document 19 reports that NAPA implementation projects are in alignment with NAPA priorities. Of the 51 projects reviewed representing 35 countries 58% are aligned with the highest priority and 42% with a high priority of the NAPA. The primary priority addressed in NAPA implementation projects is agriculture (35%) followed by coastal zone management (20%). Agriculture was listed as a key adaptation need in 98% of the NAPAs reviewed. These findings are preliminary and assessment of the full portfolio of NAPA implementation projects will be reported on in a separate report to the June LDCF/SCCF Council.

242. Currently, GEF Agencies are required to provide information, at PIF stage and CEO endorsement stage, about how the project “takes into account” potential major risks, including the consequences of climate change” and what risk mitigation measures are proposed. In November 2012, the GEF Secretariat proposed to Council a new approach and framework for enhancing climate resilience in GEF projects based on focal area priorities and objectives. The framework will be relevant at both PIF and CEO Endorsement stages. At the PIF/PFD stage, the following is required: i) characterization of potential climate change risks and potential impacts relevant to the project; ii) characterization of potential consequences of climate change on Global Environmental Benefits targeted by the project and project beneficiaries; and iii) consideration of range of suitable adaptation measures and description of how the final project design will incorporate them. At the CEO Endorsement stage the following is required: i) analysis of projected climate change impacts on the project; and ii) evidence of how the project design

incorporates measures, practices, or technologies to respond to climate risks and to ensure climate resilience. The GEF Secretariat is finalizing the draft framework document that outlines climate resilience considerations across all focal areas. Given the urgency to make the project cycle more efficient and focused on programmatic approaches, as well the need to reduce the burden of monitoring and evaluation, these efforts should be fine-tuned.

243. The GEF has made some progress in harnessing the synergies between climate change adaptation and its other focal areas through multi-trust fund (MTF) projects. The first report of OPS5 highlighted the growth of MTF projects. The possibility of combining climate change adaptation activities under LDCF/SCCF with activities funded through focal areas under the main GEF Trust Fund was introduced in GEF-5 as MTF projects. Given the crosscutting nature of adaptation activities that can complement activities under GEF focal areas, the number of corresponding projects is growing. GEF-5 includes 21 approved projects that combine funding from different trust funds. The SCCF, which allocated 28 percent of its resources to MTF projects during GEF-5, has funded 10 with the main trust fund and 2 with LDCF as of 30 June 2013. The LDCF has 13 percent in MTFs, 8 with the main trust and 2 with SCCF. The remaining project is co-funded by the NPIF and the main trust fund.

244. Of the 528 projects that reached CEO endorsement or approval during GEF-5 the sub-study conducted a quality-at-entry review of a sample of 296 projects. Nearly 40 percent (114 projects) provided information on climate change resilience in their project document. Enabling Activities and Full Size Projects integrate adaptation and resilience the most in their design. Biodiversity projects have the highest incidence (64 percent) of including climate change resilience in the sample followed by multi-focal area projects (55 percent). Of the GEF Agencies IFAD included it in all its projects followed by UNDP, which scored 63 percent.

245. Of the 114 projects taking into account resilience to climate change 83 percent did so by including a specific resilience project component in the project design. The remaining 17 percent of projects included risk mitigation measures ensuring the climate resilience of the intended project's results.

246. The findings demonstrate that despite a growing trend of integrating resilience concepts in design, more work needs to be done to ensure climate resilience of the GEF portfolio. This leads to the following recommendation:

- 41) The GEF Secretariat should finalize the draft framework document that outlines climate change considerations across focal areas described in the next steps of the 2012 "Enhancing Climate Change Resilience in GEF Projects: Update on GEF Secretariat Efforts." At the same time GEF focal area strategies should be improved in terms of their contribution to climate change resilience.

8.2 Towards a more Strategic STAP

247. The evaluation of STAP, reported on in OPS5 technical document 15, concludes that STAP is a useful and respected body that has made substantial contributions to the functioning of GEF and great strides since its inception and subsequent alterations. With the limited resources assigned to STAP it is generally effective. Many of the issues identified here were already

known to STAP. However, there are a number of areas in which STAP's effectiveness could be increased with more resources strategically allocated to enhance effectiveness and better support.

248. **STAP's strategic contributions are widely recognized.** STAP contributions to the GEF 5 and 6 strategies are highly appreciated. Stakeholders would like STAP to increase its strategic contributions and enhance its visibility. STAP can help identify the system's critical pressure points where interventions can achieve most global benefits in accordance with the GEF's overall mandate. With wide expectations, increasing demands on the STAP's time and little growth in STAP resources, there is need to formulate clear priorities. Foremost among these is the tension between STAP's role in identifying strategic long term issues facing the global environment and its quality assurance role through project screenings.

249. Currently systematic evidence on **STAP contributions to quality control** through project reviews is lacking. Stakeholder views on STAP contributions in this area are mixed. Some stakeholders find them very useful. Others are less certain. Given that time and resources of STAP are stretched thin, a decision needs to be made whether to increase STAP resources or to cut back and/or reorganize STAP's functions. Given the continuing difficulties in streamlining the project cycle and the inefficiencies of the current focus on project concepts, OPS5 recommends to move towards a portfolio and programmatic approach, also for STAP. The need for STAP members to understand what is happening in projects is recognized and should be met in new ways.

250. **STAP publications** are read and appreciated by the specialized audiences in the GEF partnership to which they are typically targeted. Currently, the origins of STAP publications are not easy to determine and publications are difficult to find in the literature through search engines. As a result they are rarely cited by outside users. More needs to be done to increase their effectiveness on a variety of fronts. STAP outputs need to link to the relevant networks, beyond the GEF family, in areas where there is now a proliferation of initiatives and funds, whereas GEF was the sole actor in the past. Attention of the broader scientific community would lend greater legitimacy to STAP's products, including potentially, as a consensus builder in strategic areas. Identifying key areas for publications, their completion and peer reviews should become an important feature of this work. Publications should be promoted widely through state of the art means of communication to promote wide dissemination.

251. **Integrative work across focal areas needs to be strengthened.** This means more team work among STAP members than currently exists, and greater involvement of outside scientific partners to properly address and evaluate the substantially greater challenges of multifocal interventions, and to determine how the different focal areas can be combined to provide value that is greater than the sum of their parts.

252. **STAP's coverage of sciences needs to be broadened.** GEF has defined science broadly to include both biophysical and social sciences. The GEF portfolio of projects has increasingly been moving towards project design with a greater inclusion of social science components. STAP, among other bodies in the GEF Partnership, needs to be able to properly analyze all scientific aspects holistically, including the social and economic components. Or, as the new STAP chair phrased it in her presentation to the GEF Council in November 2013: the natural sciences help to understand the "problem space", and the social sciences helps to understand the "solution space".

Currently, the STAP has a stronger focus on the natural sciences. The definition of science and expectations through the STAP expert networks should be clearly defined and implemented.

253. **STAP's role in knowledge management** should be encouraged. It could potentially play an important role in providing scientific and technical support to the GEF community or communities of practices proposed elsewhere in this report.

254. **Monitoring the effectiveness of STAP in its various roles** needs to become a routine function of the STAP Secretariat. **Targeted research** can potentially play a very important role to help resolve some of the scientific and technical challenges in the GEF. Yet targeted research has fallen by the wayside for various reasons explored in technical document 15. The vast body of evidence from the GEF's completed portfolio can become subject of scientific investigations. Efforts to resuscitate targeted research through identifying key areas for research and funding for it should be given high priority. A number of suggestions are contained in technical document 15.

255. **UNEP's role vis-à-vis STAP** needs to be clarified and adapted where necessary. STAP is made available to the GEF by UNEP, as laid down in article 24 of the Instrument. The evaluation was confronted by divergent perceptions about the precise interpretation of UNEP's role. While there is general recognition of the high level of scientists selected as STAP members, and general appreciation of the top scientists and leading intellectuals who have been appointed as STAP chair, UNEP sometimes treats the panel as a subordinate body whose reports need to be cleared before they can be shared with other partners and entities in the GEF. UNEP runs a reputational risk by not granting full functional independence to STAP, as it has done for many other scientific bodies that are incorporated in the wider UNEP structure, such as IPCC. UNEP is well versed in supporting bodies with various degrees of functional independence, and an appeal should be made to UNEP to extend similar privileges to STAP.

256. UNEP runs a reputational risk through the structural and administrative support it provides to STAP. UNEP's office in Washington is not able to meet the needs of STAP; as a result support must be provided from Nairobi. That support has created the impression that except for the highly involved and motivated GEF coordinator in Nairobi, STAP is a low priority for others. STAP members are commanded to fly highly inconvenient and inefficient itineraries, whereas better itineraries are available for the same price. Other problems involve IT support for STAP's website and general logistical support. The administrative effectiveness of support of UNEP is low and there is a shared perspective in STAP that the current arrangement where Nairobi has to approve minor decisions undermines STAP's effectiveness.

257. The functional issues can probably be solved easily. The administrative and logistical issues may be more difficult to solve, as UNEP has to follow UN guidelines on travel, for example, as well as rules and regulations on who can decide what. However, the STAP secretariat is embedded in the UNEP office in Washington yet needs to report to Nairobi, which is highly inefficient. Either the UNEP office in Washington needs to make this support available directly, or other solutions must be explored.

258. This leads to the following recommendations regarding STAP:

- 42) STAP's mandate and strategic work agenda should be strengthened on the long-term agenda of the GEF and on a better coverage of sciences, including social sciences.

This could potentially take form as a GEF policy on science, describing not just STAP's role but also that of targeted research and how it would support innovation and testing of new approaches in the GEF.

- 43) Targeted research should be re-vitalized and could start with looking at scientific perspectives in the increasing evidence of completed projects in the GEF under the guidance of STAP.
- 44) STAP's role in quality assurance should move from a project level approach to a programmatic and strategic approach; screening portfolios and programs rather than individual projects.
- 45) UNEP's support of STAP should be improved, first and foremost through recognition of the functional independence of the panel in its work for the GEF. Secondly it needs to provide effective and efficient support on logistical and administrative issues, such as travel, on knowledge brokerage, on IT and on publications.

8.3 Knowledge Brokerage: GEF Communities of Practice

259. The challenge of systematically learning from the experience of GEF operations has been a persistent theme even before terms like “knowledge management” came into common use. Given the network nature of GEF partnership, there are several opportunities for, and barriers to, knowledge sharing and learning across the partnership. Several agencies within the GEF partnership have their own internal arrangements for knowledge management. However, due to differences in the activities, needs, processes and procedures of organizations, knowledge sharing across the partnership and between focal areas has been a challenge. Numerous studies, evaluations, Council sessions and replenishment meetings have discussed issues such as duplication of effort, missed opportunities, and failure to learn from operational experience across the GEF partnership. In 2003, the then-GEF Monitoring and Evaluation Unit (GEFM&E) proposed the establishment of an explicit knowledge management (KM) strategy, suggesting that this could be piloted in the climate change focal area. In May 2004 the GEF Council endorsed knowledge management as a corporate-level task, and first efforts aimed to build what was already being done in implementing agencies, Secretariat and the M&E unit.

260. OPS3 (2005) gave significant attention to the topic of lessons learned and knowledge management, and found that while signs of progress could be seen (notably in the case of the *IW:Learn* program), there were many unresolved questions within the GEF partnership as to how learning should be structured and operationalized. In 2009, OPS4 concluded that while learning was clearly taking place in many areas of the partnership, there was still no knowledge management strategy “that pulls all the learning efforts together in a planned and organized manner.”⁸ During the negotiations for GEF-5 replenishment, participants therefore requested the Council to approve a GEF-wide Knowledge Management Initiative (KMI) to be prepared in parallel with implementation of a new Results Based Management framework (studied in OPS5 technical document 10).

261. The design of the knowledge management initiative included many sensible elements but missed an opportunity to involve a broader range of GEF stakeholders in the process. Key parts

⁸ OPS4 Full Report, p.155

of the work plan failed to obtain budget or staffing from GEF Management, which significantly undermined the achievement of planned objectives. Staff of OFP offices, GEF agencies, and executing agencies, do not give high ratings to the GEF's knowledge management arrangements. OFP staff tended to give relatively higher ratings while interviewed staff of GEF agencies gave the lowest ratings. Civil society representatives had a significantly more positive perception of the GEF's knowledge management work than other stakeholders.

262. It is not clear how much could have been accomplished during GEF-5 even if the KM working group's proposal had been fully endorsed and funded by GEF management. As related in technical document 11, the experiences of the World Bank and the Asian Development Bank illustrate difficult barriers to providing a coherent strategic framework for rapidly-growing knowledge portfolios supported by effective management systems, as well as intangible factors such as staff incentives and the persistence of institutional "silos" which inhibit effective knowledge sharing.

263. It is important to note that the GEF has one highly effective learning mechanism, which was first praised in OPS3 and has continued to receive high praise: IW:Learn. It is therefore somewhat surprising that the GEF has not been able to learn from its most successful effort in knowledge management. Several interviewees commented that IW:Learn was created in part because of the absence of a Convention providing guidance in the case of International Waters, as exists for other focal areas, thus ensuring learning in an area which does not have a convention as an additional learning forum.

264. The second phase of the evaluation of enabling activities has commissioned a study to look into the state of the art regarding capacity development, which is intimately related to learning and knowledge brokerage. Current insight is that capacity involves the ability of a society or sector to continue to develop necessary skills, behaviors, networks and institutions that enable human communities to adapt and self-renew into the future. In practical terms, this means keeping political and governance processes functioning, organizing across sectors to achieve shared goals, delivering services to support human health and well-being, mobilizing financial and natural resources to develop new abilities in the face of new challenges as an ongoing process of internally driven capacity development.

265. Earlier capacity development efforts tended to focus on providing training and knowledge to improve functioning of individuals and institutions. The current paradigm, which can be termed "capacity development 2" (CD2), is to look at capacity as an **emergent property of the functioning of all processes in the system**. It is not a single 'outcome' that can be influenced by a single intervention or organization, but is the cumulative and dynamic effect of combinations of factors. CD2 can be summarized as capacity development at three interlinked and mutually reinforcing levels:

- **Individual level:** involving the development of local technical specialists and teams via training and other skills-based approaches, to design and undertake the tasks required.
- **Organizational and network level:** developing the organizational systems and structures needed to strengthen organizations and institutions (government, non-government, civil society and private sector) to manage and sustain themselves and to interact with other agencies productively.

- **Enabling environment level:** changing, over time, the enabling environment and the 'rules of the game'; addressing the incentive structures, the political and the regulatory context and the resource base in which the desired activities are undertaken and products taken up and used by policy makers, service providers, the private sector and wider society.

266. Engagement with digital devices and the internet is central to any conception of CD2. Almost by definition the internet and its evolution is complex: behaviors that correlate with effective use of social media and the 'interactive web' align closely to behaviors associated with CD2. Having free access to the constantly changing range of options to support everyday work and life could be seen as an essential part of an enabling environment for CD2.

267. Ongoing work for the second phase of the enabling activities evaluation indicates that the CD2 framework and new ways of interacting through social media, internet and new ways of organizing learning through communities of practice are well suited to the intervention model of the GEF as displayed in the generic theory of change. Furthermore, the evaluation finds evidence of application of CD2 in the capacity development activities of the GEF, but also sees an underutilization of social media and specific tools for CD2.

268. Of the GEF Agencies, FAO, UNDP and the World Bank appear to be thought leaders in CD2 and have spent considerable time reviewing the literature on CD, reflecting on their own practice and learning, and developing sophisticated frameworks, theories of change and supporting tools to enable a CD2 approach to be applied to their work and that of their clients or partners. ADB and FAO have produced particularly relevant toolkits and learning materials for taking a CD2 approach, with the latter offering an excellent Capacity Development Portal for FAO staff, partners and wider audiences. There is also evidence of CD2 tools being used by some of the partners including:

- Moodle-based learning platforms from the World Bank and UNIDO,
- an open technology platform and applications that use the internet, mobile devices and web 2.0 tools funded by IDB for the Government of Haiti,
- UNEP's InforMEA portal that supports the implementation of Multilateral Environmental Agreements
- the use of live online Q&A with experts, on UNEP's MENTOR platform

269. In conclusion, the GEF is lagging behind its agencies in adopting the new "capacity development 2" paradigm, and it could gain from learning from best practices from partners. This leads to the following recommendation:

- 46) The replenishment could ask the Secretariat to prepare an integrated Knowledge Management and Capacity Development strategy for approval by the Council, that would focus on:
 - Learning from IW:Learn
 - CD2 as the new paradigm for capacity development that focuses more on creating mechanisms for permanent or life-long learning through knowledge brokerage

- Creating a community of practice focused on the intervention logic of the GEF, to learn from what works under which circumstances to increase progress toward impact
- Use of social media and the internet where possible and feasibly, including support to ensure access.

8.4 The Role of Monitoring and Evaluation

270. The GEF evaluation function will become subject of a professional peer review in early 2014. This peer review will focus on the independence, credibility and usefulness of evaluations and the M&E system in the GEF, and it will provide recommendations on how to improve the evaluation function in the GEF-6 period. Recent experiences have already provided several starting points for this that can be taken into account.

271. The effort to incorporate main elements of the Overall Performance Studies in the evaluation streams of the GEF Evaluation Office has led to a considerably cheaper OPS5 than OPS4 – OPS5 will remain within budget and will eventually be substantially cheaper than OPS4 (with savings of more than \$1.2 million). However, the sub-studies of OPS5 still turned out to be numerous (more than 20 technical documents are providing the basis for OPS5) and a burden on the system and on the Evaluation Office. As was the case in OPS4, the quality assurance of the work done for OPS5 is less effective than for the regular work for the office, as there is less time to reflect on data, methods, approaches, as well as findings and recommendations, due to the sheer volume of the work and the time horizon in which it needs to be finalized. Another effort to spread this out over the regular work program of the Office should be made for OPS5 and the work program of the Office during GEF-6.

272. A second issue which increased the pressure in the work program was that two sizeable mid-term evaluations had to be undertaken concurrently with OPS5: the STAR and NPFE mid-term evaluations that were presented to the Council in November. Again this calls for better timing and fine-tuning of the programming.

273. The problems that undermine the network of the GEF – too many connections, too much to communicate, too many interactions vying for attention, with more actors who have less time to spend on this – also undermines the relationship between the Evaluation Office and GEF stakeholders. A solution to the network conundrum should include the M&E requirements of the GEF.

274. One issue is illustrative of this: despite recurrent efforts, the Evaluation Office has not succeeded in updating the terminal evaluation guidelines in the GEF, as the network could not reach a consensus on the direction to go to. Another effort is necessary for GEF-6 when the guidelines will need to be updated. This report contains many concrete recommendations on what needs to be included in the revised terminal evaluation guidelines. The challenge is to do this without further increasing costs of terminal evaluations. One option is to further introduce state of the art technology, such as remote sensing and mobile telephony to support monitoring and evaluation in the GEF.

275. Lastly, the burden of M&E and the Results Based Management framework of the GEF should have been identified earlier in the findings of the Office. Country level evaluations continued to raise the issue, but also focused more on specific problems like the tracking tool

requirements for multi-focal area projects rather than the systemic issues behind the problems. Impact evaluations uncovered systemic failures, but focused more on local circumstances and compliance issues than on structural issues behind these failures. The Office should interact more directly on efforts to improve the business model of the GEF, without giving up its independence, or the credibility and usefulness of its evaluations.

ANNEX A – KEY ISSUES OF OPS5 AND WHERE THEY CAN BE FOUND

First report

<i>Key issue</i>	<i>Where to be found and limitations (in italics)</i>	<i>Based on the following studies / technical documents</i>	<i>Also based on the following evaluation reports</i>
1) Relevance of the GEF to the conventions, as well as relevance of International Waters support to transboundary issues	First report: Chapter 6, section on relevance of the GEF to the conventions. Final report: Section 7.1 <i>Relevance of IW support has not been treated comprehensively</i>	TD4 for the relevance to the conventions; TD3 for International Waters	Focal area strategy evaluation SCS impact evaluation
2) Achievements of the GEF at project level	First report: Chapter 4, section on Outcomes at Project Level Final report: Section 7.2	TD1 on the GEF portfolio and TD7 on the Performance of the GEF	Annual Performance Reports (APR)
3) Progress toward impact at the project level	First report: Chapter 5, 2 nd section Final report: 7.4	TD2, TD12 and TD20	Annual Impact Reports (AIR), SCS impact evaluation, Climate Change Mitigation Impact Evaluation
4) Catalytic role of the GEF	First report: Chapter 5, section on catalytic role Final report: Chapter 7, sections 3 and 4, and chapter 8, section 1	TD2 and TD12	Impact, CPEs
5) Trends in ownership, country drivenness and extent to which country needs have been met	First report: Chapter 8, 2 nd section. Final report: Chapter 7, first section.	TD6	CPEs
6) Longer term impact of the GEF	First report: Chapter 5, 4 th and 5 th sections Final report:: 8.1	TD2 and TD 12	Impact
7) Trends in performance issues, including co-financing, management	First report: Chapter 8 Final report: Chapters 4, 5	TD7, TD8, TD10, TD17, TD18 and TD21	APR

costs and project fees, quality at entry, supervision, as well as performance at the country level	and 6 <i>Management costs and project fees have not been treated comprehensively</i> <i>Quality at entry and supervision have not been treated comprehensively</i>		
8) Trends in focal area achievements	First report: Chapter 6 Final report: Chapter 8, first section	TD3, TD12	Impact, CPEs

Final report

<i>Key issue</i>	<i>Where to be found and limitations</i>	<i>Based on the following studies / technical documents</i>	<i>Based on the following evaluation reports</i>
9) Trends in global environmental problems	First report chapter 3 <i>Final report: nothing added.</i>	No technical document was prepared but references provided to recent authoritative reports	N/A
10) Emergency of new funding channels, including the GEF's role in some of these channels	Chapter 3.3	TD8	N/A
11) Assessment of the comparative advantage of the GEF and whether the GEF has the resources to achieve objectives	Chapter 3.3	TD8	N/A
12) Donor performance in the GEF and resource mobilization	Chapter 3.3	TD8	N/A
13) In-depth look at focal area strategies, as well as multi-focal area efforts, including impact	First report: chapter 6 Final report: 8.1	TD3, TD12	Focal Area Strategies evaluation, impact evaluations, country level evaluations, Annual Performance Reports
14) Reform processes: <ul style="list-style-type: none">• STAR• CSP (including NPFE)• Broadening the GEF Partnership• Reforms in the project	STAR: chapter 4.1 NPFE: chapter 4.1 <i>CSP in general was not evaluated</i> <i>Broadening the</i>	Partnership: TD17 Project Cycle: TD18 RBM: TD10 KM: TD11	STAR and NPFE mid-term evaluations.

<p>cycle</p> <ul style="list-style-type: none"> • Programmatic approach • Results based management including knowledge management 	<p><i>partnership was not evaluated as it did not yet reach far enough</i></p> <p>Reforms in the project cycle: chapter 5</p> <p><i>The programmatic approach was included in the project cycle sub-study, which meant limited scope</i></p> <p>Results Based Management: chapter 4.2</p> <p>Knowledge Management: chapter 8.3</p>		
15) Governance of the GEF	Chapter 3.2	No separate sub-study but based on elements of TD8 and TD17	N/A
16) Role of STAP	Chapter 8.2	TD15	N/A
17) Role of private sector	Chapter 7.7	TD13	Country level and impact evaluations
18) Role of civil society organizations	Chapter 7.5	TD14	Country level and impact evaluations
<p>19) Cross-cutting policies:</p> <ul style="list-style-type: none"> • Gender • Indigenous peoples • Public involvement • Communication 	<p>Gender: chapter 7.8</p> <p><i>Other cross-cutting policies were not evaluated as too recent (indigenous peoples) or as included in gender (public involvement) or as not a priority (community)</i></p>	TD16	N/A
20) Update of the GEF SGP evaluation	Chapter 7.6	No TD	First report of the SGP evaluation. Country level evidence in CPEs. SCS impact evaluation.
21) “Health” of the GEF Network and Partnerships	Chapter 6	TD17	Country level and impact evaluations

ANNEX B – TECHNICAL DOCUMENTS OF OPS5

Technical Documents First Report

TD1 The GEF Portfolio

TD2 Impact of the GEF

TD3 Implementation of GEF Focal Area Strategies and Trends in Focal Area Achievements

TD4 Relevance of the GEF to the Conventions

TD5 Trends in Country-Level Achievements

TD6 Meta-Evaluation on Country Ownership and Drivenness

TD7 Performance of the GEF

Technical Documents Final Report

TD8 Resource Mobilization

TD9 Multi-Focal Area Projects analysis

TD10 Results Based Management

TD11 Knowledge Management

TD12 Progress toward Impact

TD13 Private Sector Engagement

TD14 Civil Society Organizations Engagement

TD15 Scientific and Technical Advisory Panel

TD16 Gender Mainstreaming

TD17 Health of the Partnership

TD18 Project Cycle and Performance Issues

TD19 Adaptation to Climate Change

TD20 Co-financing

All documents can be downloaded from <http://www.thegef.org/gef/OPS5>.