

# OPS5

FIFTH OVERALL PERFORMANCE STUDY OF THE GEF

## **FINAL REPORT:** At the Crossroads for Higher Impact





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## **FINAL REPORT:** AT THE CROSSROADS FOR HIGHER IMPACT

**2014**

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# CONTENTS

FOREWORD .....	v
1 INTRODUCTION .....	1
1.1 Portfolio Overview.....	2
1.2 Approach, Scope, and Limitations.....	4
2 MAIN CONCLUSIONS AND RECOMMENDATIONS .....	9
3 MOBILIZING AND GOVERNING RESOURCES FOR AN INCREASINGLY AMBITIOUS AGENDA .....	17
3.1 The GEF Replenishment.....	17
3.2 Governance.....	18
3.3 Funding for Programming .....	19
4 THE PROMISE OF PROGRAMMING .....	21
4.1 The Emergence of Programming in the GEF.....	21
4.2 The GEF RBM Framework .....	22
4.3 The Crucial Role of Cofinancing .....	24
5 FROM PROGRAMMING TO PROJECTS .....	29
5.1 From (Pre-) Identification to Council Approval .....	30
5.2 From Council Approval to CEO Endorsement.....	31
5.3 From CEO Endorsement to Implementation Start.....	33
5.4 Project Implementation .....	34
6 A VALUABLE PARTNERSHIP IN AN OVERBURDENED NETWORK.....	35
6.1 Growing Complexity .....	35
6.2 Shifting Roles.....	36
6.3 Challenges in Coordination.....	39
6.4 Key Emerging Issues .....	40
6.5 Reexamining the Partnership .....	42
7 FROM OUTCOMES TO LONGER TERM IMPACTS .....	45
7.1 Relevance and Country Ownership .....	45
7.2 Effectiveness as Measured in Outcome Ratings.....	46

7.3	The GEF Theory of Change.....	47
7.4	Progress Toward Impact of Completed Projects .....	50
7.5	Engagement of Civil Society Organizations .....	56
7.6	The Small Grants Programme.....	58
7.7	Private Sector Engagement.....	59
7.8	Gender Mainstreaming.....	61
8	CHALLENGES TO ACHIEVING BROADER ADOPTION	63
8.1	The Future of Focal Areas.....	63
8.2	Toward a More Strategic STAP.....	69
8.3	Knowledge Brokerage: GEF Communities of Practice .....	72
8.4	The Role of Monitoring and Evaluation.....	74
	ANNEXES .....	77
A	Comments of the Senior Independent Evaluation Advisors .....	79
B	Key Issues of OPS5 and Where They Can Be Found .....	93
C	OPS5 Final Report Boxes, Figures, and Tables.....	97
D	OPS5 Technical Documents .....	99
E	Acknowledgments.....	101
F	Abbreviations.....	103
G	GEF Independent Evaluation Office Publications since July 1, 2009.....	105
	REFERENCES .....	107

# FOREWORD

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, with an overall comprehensive study of the Facility's performance 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 GEF's 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 it.

Over time, the term "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.

The potential to learn from past successes and mistakes through existing 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 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.

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 biophysical processes, but also insufficient to address the global scale of many of the problems, given the funding levels of the GEF and its partners. The take-away, however, is that the intervention model of the GEF works, is effective, and has impact.

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 in 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 a crossroads; the GEF will need to enter into a self-reflective mode to find solutions in the coming replenishment period.

This report has therefore regrouped the key issues identified in the OPS5 terms of reference into a new structure. After briefly identifying the international conditions in which the GEF must function, the business model is explored to identify where in the various processes of the GEF problems are emerging that need to be solved. 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; these are presented in chapter 2. The subsequent chapters provide the evaluative evidence for these conclusions and recommendations. More detailed evidence can be found in the OPS5 technical documents, which are available at <http://www.thegef.org/gef/OPS5>.

As with previous OPSs, the GEF Independent Evaluation Office has felt privileged to undertake this important contribution to the replenishment process of the GEF. The previous overall performance study—OPS4—came on top of the regular evaluations undertaken by the Office and was to a large extent a separate exercise, addressing specific questions and issues that were thought to be relevant for the replenishment. For OPS5, a much better integration of regular evaluations and specific studies was achieved; yet the process of integration can and should go further. Replenishment participants have also asked that the next comprehensive evaluation be available at the start of the replenishment process, which can potentially be achieved if key



indicators of performance and achievement are integrated into the regular evaluative work of the Office. The Senior Independent Evaluation Advisors have provided food for thought in this regard, which will be taken up in the planning for evaluations during GEF-6. Their statement on OPS5 can be found as [annex A](#) of this report.

A handwritten signature in black ink, appearing to read 'Rob D. van den Berg', with a stylized flourish extending to the right.

Rob D. van den Berg  
Director, GEF Independent Evaluation Office



# INTRODUCTION

This report has regrouped the key issues identified in the Fifth Overall Performance Study (OPS5) terms of reference into a new structure. After briefly identifying the international conditions in which the Global Environment Facility (GEF) must function, the business model is explored to identify where in the various processes of the GEF problems are emerging that need to be solved. 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; these are presented in chapter 2. The subsequent chapters provide the evaluative evidence for these conclusions and recommendations. More detailed evidence can be found in the OPS5 technical documents, which are available at <http://www.thegef.org/gef/OPS5> and listed in [annex D](#).

OPS5 thus has three levels of information depending on how far the reader wants to go. For higher level conclusions, read chapter 2; the information here is sufficient and self-contained to support these 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, and analysis, and more detailed suggestions on issues that could be tackled, read the respective technical documents.

The OPS5 terms of reference 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 (GEF IEO 2013e), 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 GEF portfolio 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 in exploring.

The key questions for the Final Report include several issues that were assessed through sub-studies of OPS5, including, e.g., the role of the Scientific and Technical Advisory Panel (STAP), as well as cross-cutting issues such as gender. These sub-studies have separate technical documents; their findings have been presented in this report where they fit into the overall assessment of the GEF business model and intervention model. [Annex B](#) provides a road map of key questions and where their evaluative evidence can be found in this report.

## 1.1 PORTFOLIO OVERVIEW

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 30, 2013, the GEF had provided total funding of \$13.02 billion through these trust funds (table 1.1). Overall, 3,566 projects that account for \$13.02 billion in GEF grants had been funded by September 30, 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.

Multifocal 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 multifocal 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 the LDCF (8) or the SCCF (10). One was funded by the GEF Trust Fund together with the NPIF; two involved cofunding from both the LDCF and the SCCF.

In dollar terms, climate change and biodiversity projects each account for about a third of the GEF Trust Fund funding utilized (table 1.4). The share of funding for 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 percent since its designation as a separate focal area in GEF-3, while the share of resources allocated for persistent organic pollutants (POPs) has risen, from 2 percent in GEF-2 to 10 percent in GEF-5. Ozone-depleting substances (ODS) projects, which accounted for 12 percent of funds in GEF-1, have represented a very small share of the portfolio since GEF-2, as this focal area is winding down its operations.

The increasing trend toward multifocal area projects and programs has accelerated during GEF-5. As of

September 30, 2013, \$2.82 billion of the GEF-5 focal area programming had been utilized, of which multifocal projects (including multitrust fund projects) accounted for \$1.21 billion (42 percent).

The GEF provides funding through four basic modalities: full-size projects, medium-size projects, enabling activities, and the Small Grants Programme (SGP) (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 from 8 percent in OPS4 to 4 percent. In November 2012, the GEF Council decided to increase the funding limit for medium-size projects from \$1.0 million to \$2.0 million. This increase in the funding ceiling may provide greater incentives for this project modality. The increase in the portfolio share of the SGP is noteworthy, rising from 2 percent in the pilot phase to 9 percent in GEF-5.

The shares of GEF funding for individual GEF Agencies have changed over time (table 1.6). Since GEF-4, the United Nations Development Programme (UNDP) has held the largest share of GEF funding at over 40 percent. The World Bank has around 25 percent, and the United Nations Environment Programme (UNEP) has 10 percent; the other Agencies account for the remaining 25 percent. Major shifts in the share of funding among Agencies took place in GEF-4, when the new Agencies became visible in GEF projects.

UNDP accounts for nearly two-thirds of 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 share of the SCCF portfolio (37 percent). Some Agencies, such as the African Development Bank and the International Fund for Agricultural Development (IFAD), have found a niche in these other funds, which account for a large share (48 percent and 33 percent) of their respective portfolios.

Table 1.7 shows funding share by region across the GEF phases. Asia, with 30 percent of GEF-5 funding, continues to receive the largest share of funding by region. Spending in Africa continues to show a

TABLE 1.1 UTILIZATION OF TRUST FUNDS ADMINISTERED BY THE GEF (MILLION \$)

FUND	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	n.a.	n.a.	n.a.	11	143	480	634
SCCF	n.a.	n.a.	n.a.	16	89	136	241
NPIF	n.a.	n.a.	n.a.	n.a.	n.a.	10	10
Total	662	1,036	1,818	2,977	3,022	3,506	13,022

NOTE: n.a. = not applicable. Data are as of September 30, 2013, and are for approved projects, excluding SGP projects and projects that were canceled without any utilization.

TABLE 1.2 GEF PROJECTS BY TRUST FUND AND FOCAL AREA

TRUST FUND/ FOCAL AREA	PILOT		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		TOTAL
	#	%	#	%	#	%	#	%	#	%	#	%	#
GEF Trust Fund	116	100	371	100	617	100	850	100	751	100	644	100	3,349
BD	62	53	203	55	282	46	240	28	269	36	165	26	1,221
CC	38	33	137	37	209	34	170	20	199	26	135	22	888
IW	13	11	14	4	47	8	54	6	57	8	24	4	209
LD	n.a.	n.a.	n.a.	n.a.	1	<1	96	11	41	5	50	8	188
Multifocal	1	1	5	1	26	4	191	22	104	14	140	22	467
ODS	2	2	12	3	7	1	3	<1	3	<1	2	<1	29
POPs	n.a.	n.a.	n.a.	n.a.	45	7	96	11	78	10	109	17	328
MTF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	19	3	19
LDCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	46	100	43	100	73	100	162
Only LDCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	46	100	43	100	63	86	152
MTF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10	14	10
SCCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	100	19	100	21	100	46
Only SCCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	100	19	100	9	43	34
MTF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	12	57	12
NPIF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7	100	7
Only NPIF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	6	86	6
MTF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	14	1
All trust funds	116	100	371	100	617	100	902	100	813	100	747	100	3,566

NOTE: n.a. = not applicable; BD = biodiversity; CC = climate change; IW = international waters; LD = land degradation; MTF = multitrust fund. Data are as of September 30, 2013, and exclude SGP projects.

TABLE 1.3 GEF MULTIFOCAL AREA PROJECTS BY FOCAL AREA FUNDING

FOCAL AREA	GEF-3	GEF-4	GEF-5
Biodiversity	5	48	85
Climate change	3	36	66
International waters	3	19	18
Land degradation	6	46	70
ODS	0	1	0
POPs	0	2	5
Sustainable forest management (SFM)/REDD+ <sup>a</sup>	n.a.	n.a.	65
Capacity-building and/or enabling activities	144	44	47
Multifocal area <sup>b</sup>	39	n.a.	n.a.
Total	191	104	159

NOTE: n.a. = not applicable. Data are for GEF Trust Fund projects as of September 30, 2013, and exclude SGP projects.

a. The GEF defines REDD+ as reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.

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

decline when only the GEF Trust Fund is considered (20 percent of funds, the lowest level since GEF-2). As one of the major recipients of adaptation funds, however, Africa's share of resources received from all GEF-administered funds increases to 27 percent.

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 (table 1.8). Compared to GEF-4, funding to fragile countries has nearly doubled, while funding to small island developing states has increased by 63 percent, and that to landlocked countries by 17 percent.

## 1.2 APPROACH, SCOPE, AND LIMITATIONS

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 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 Independent Evaluation Office since OPS4. The work for this Final Report has been carried out through substudies undertaken with appropriate and relevant mixed methods. The performance team in the Office provided support to all substudies 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 analysis and social network analysis software.

The OPS5 approach paper was developed in coordination 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

TABLE 1.4 GEF FUNDING BY TRUST FUND AND FOCAL AREA

TRUST FUND/ FOCAL AREA	PILOT		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		TOTAL	
	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%
GEF Trust Fund	662	100	1,037	100	1,819	100	2,950	100	2,790	100	2,880	100	12,138	100
BD	292	44	392	38	686	38	892	30	894	32	830	28	3,986	33
CC	229	35	350	34	620	34	830	28	875	31	926	32	3,830	32
IW	121	18	119	11	314	17	392	13	306	11	265	9	1,517	12
LD	n.a.	n.a.	n.a.	n.a.	1	<1	254	9	260	9	262	9	777	6
Multifocal	16	2	49	5	150	8	407	14	172	6	179	7	973	8
ODS	4	1	127	12	20	1	8	<1	22	1	6	<1	186	2
POPs	n.a.	n.a.	n.a.	n.a.	29	2	166	6	263	9	285	10	745	6
SFM/REDD+ <sup>a</sup>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	126	4	126	1
LDCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	11	100	143	100	480	100	634	100
SCCF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	16	100	89	100	136	100	241	100
NPIF	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	10	100	10	100
Total	662	100	1,037	100	1,819	100	2,977	100	3,022	100	3,506	100	13,022	100

NOTE: n.a. = not applicable; BD = biodiversity; CC = climate change; IW = international waters; LD = land degradation; SFM = sustainable forest management. Data are as of September 30, 2013, and exclude SGP projects. This table disaggregates multifocal area funds and assigns them to the relevant focal areas. Only those instances where funding could not be disaggregated are presented as multifocal. Consequently, funding for multifocal projects is significantly higher than presented here. Similarly, this table also disaggregates multitrust fund figures to the relevant trust funds.

a. The GEF defines REDD+ as reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.

TABLE 1.5 GEF FUNDING BY MODALITY

MODALITY	PILOT		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		TOTAL	
	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%
FSP	617	93	934	90	1,498	82	2,479	83	2,578	86	3,029	86	11,135	86
MSP	n.a.	n.a.	7	1	144	8	167	6	245	8	128	4	691	5
EA	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

NOTE: n.a. = not applicable; FSP = full-size project; MSP = medium-size project; EA = enabling activity. Data are as of September 30, 2013, and include all trust funds.

published on the OPS5 website, as well as analytical work on specific issues.

OPS5 thus builds on 33 evaluations and studies undertaken by the Office since OPS4, and 21 OPS5 substudies, as well as reviews of terminal

evaluations of 491 completed projects. The full GEF portfolio of 3,566 projects from the pilot phase through September 30, 2013, has been included in the analysis, with specific attention directed at the 969 projects approved since the close of OPS4.

TABLE 1.6 GEF FUNDING BY AGENCY

AGENCY	PILOT		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		TOTAL	
	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%
UNDP	252	38	377	36	644	35	1,134	38	1,261	42	1,474	42	5,143	40
UNEP	18	3	44	4	199	11	297	11	360	12	363	10	1,281	10
WB	390	59	615	59	957	53	1,418	48	803	27	805	23	4,988	38
ADB	n.a.	n.a.	n.a.	n.a.	7	<1	48	2	87	3	57	2	199	2
AfDB	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14	1	129	4	142	1
EBRD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	53	2	52	2	104	1
FAO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	14	1	78	3	221	6	314	2
IDB	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	17	1	90	3	169	5	275	2
IFAD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	29	1	86	3	53	2	169	1
UNIDO	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	20	1	187	6	179	5	398	3
Secretariat	3	<1	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	7	<1	10	<1
Total	662	100	1,037	100	1,818	100	2,977	100	3,022	100	3,506	100	13,022	100

NOTE: n.a. = not applicable; WB = World Bank; ADB = Asian Development Bank; AfDB = African Development Bank; EBRD = European Bank for Reconstruction and Development; FAO = Food and Agriculture Organization of the United Nations; IDB = Inter-American Development Bank; UNIDO = United Nations Industrial Development Organization. Data are as of September 30, 2013, and include all trust funds.

TABLE 1.7 GEF FUNDING BY REGION

REGION	PILOT		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		TOTAL	
	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%
Africa	118	18	192	19	350	19	813	27	767	25	943	27	3,183	24
Asia	228	35	273	26	425	23	639	22	890	30	1,043	30	3,498	27
ECA	58	9	237	23	239	13	367	12	322	11	356	10	1,579	12
LAC	153	23	141	14	477	26	560	19	607	20	655	19	2,593	20
Interregional/global	106	16	193	19	327	18	597	20	436	14	510	15	2,169	17
Total	662	100	1,037	100	1,818	100	2,977	100	3,021	100	3,506	100	13,022	100

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean. Data are as of September 30, 2013, and include all trust funds.

OPS5 incorporates country-level evidence from 54 countries, and evidence from visits to 118 full- and medium-size projects, as well as to 92 projects of the GEF SGP.

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 the early phases of the GEF and thus may not reflect current practice. Impact evaluations search for evidence of progress toward impact five to eight years after projects have completed, thus referring even further back to initiatives from



TABLE 1.8 GEF FUNDING OF NATIONAL PROJECTS BY COUNTRY TYPE

TYPE	PILOT		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5	
	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%	M\$	%
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
Other <sup>a</sup>	382	79	569	83	926	75	1,330	73	1,446	76	1,332	71
Total	482	100	690	100	1,232	100	1,829	100	1,894	100	1,884	100

NOTE: LDC = least developed country; SIDS = small island developing states. Data are for GEF Trust Fund projects as of September 30, 2013, and exclude SGP projects. Details do not add up to totals because countries can be classified in more than one group.

a. Countries that are not LDCs, SIDS, fragile, or landlocked.

the very early phases of the GEF. The focal area evaluations have indicated 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, posing additional challenges to 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.

As always with a comprehensive evaluation such as the GEF OPSs, 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 it so widely shared that an in-depth substudy was no longer considered necessary—particularly as sufficient inspiration for updating the policy can be found in other substudies, such as those on civil society organization (CSO) engagement and on gender mainstreaming.

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 comment on factual or analytical errors. Several of the technical documents were discussed in interagency meetings as well. Many useful comments were received, and the Independent Evaluation Office thanks all commentators for their efforts and support; full acknowledgments are included as [annex E](#). The Office remains fully responsible for any remaining mistakes and for its final analysis of the findings.

Three high-level senior independent evaluation advisors have interacted with the OPS5 team: Zhaoying Chen (China), Kabir Hashim (Sri Lanka), and Elizabeth McAllister (Canada). Their statement on the quality of the report and the extent to which it meets the key questions in the terms of reference is included as [annex A](#) to this report.



# MAIN CONCLUSIONS AND RECOMMENDATIONS

The overarching conclusions of OPS5 on the criteria of relevance, efficiency, effectiveness, sustainability, and impact show continuity from OPS4 to OPS5 (box 2.1). 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 a crossroads and should be redefined in the coming replenishment period.

The replenishment takes place against a somber background. OPS4 concluded in 2009 that “global environmental trends continue to spiral downward”

(GEF IEO 2010b). 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.

In the coming years, less global public funding is expected to be available for supporting developing countries. Many developed countries have lower

## BOX 2.1 GEF SUMMARY JUDGMENT ON EVALUATION CRITERIA

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.

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.**

The new role of the GEF vis-à-vis the mercury convention may perhaps be partly financed out of decreasing needs with regard to ODS, 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 reduce the speed with which impact is achieved. The GEF therefore needs to focus on the 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.**

Improvements can be made both in the level of funding and in the way funds are made available to the GEF 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 be made more quickly available for action on the ground.

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 cofinancing 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 contributions to other international organizations.

The following specific recommendations indicate the direction in which actions can be taken. More specific recommendations included in chapter 3 should also 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 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 when 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.**

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 five months after that. All in all, it takes 2.5 years for half of the concepts to become a reality on the ground. At that time, the other half of the concepts remain stuck at various decision points. Implementation takes 5 years on average, and is often extended by another 1.5 years.

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. OPS4 could not verify the success or failure of the 22-month target, as insufficient 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.

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.

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 decision 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 on how to speed up the work. On the network, the GEF is now over the limit of the number of communications and interactions that allow for an effective and efficient communication network, given the number of actors involved.

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 rearranged 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 can accommodate. This Gordian knot will have to be addressed during GEF-6.

## RECOMMENDATION 2

**The business model of the GEF needs major overhaul in the GEF-6 period.**

OPS5 recommends reorienting the GEF decision points. The move toward programming and programmatic approaches should continue. 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 the case for CEO endorsement. This will speed up the process considerably. Furthermore, the experiences with the

harmonization of the GEF and World Bank cycles could be extended to other GEF Agencies within a more programmatic framework.

Cofinancing requirements, which now cause considerable delay at both clearance of project concept and 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 cofinancing 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 cofinancing that OPS5 finds is often an underestimate of the final cofinancing achieved. In the case of the private sector, the promised cofinancing almost invariably does not materialize, despite firm commitments on paper, and is almost always replaced by even higher levels of cofinancing from other private sector partners. In other words, cofinancing 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.

Cofinancing in general has been a huge success in the GEF, outscoring expectations. OPS5 brings some reality to this picture: the very high rates of cofinancing are due to outliers: huge full-size projects that attract very high ratios of cofinancing. OPS5 also finds that cofinancing 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 a part of the catalytic role of the GEF as some of the enabling activities that require no cofinancing. The GEF should continue to strongly encourage cofinancing, but it should relax its fixation on the ratio per intervention and accept lower rates in regions and countries that have difficulty in achieving high rates, and encourage higher levels of cofinancing where this is possible. The

one-size-fits-all approach has crippled the project cycle.

The GEF's results-based management (RBM) 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.

Handbooks on RBM and monitoring advise identifying 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" (IEG 2012). OPS4 was finished by the time the replenishment agreed on the highly ambitious RBM framework for GEF-5. However, the Independent 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.

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 RBM framework for GEF-6 should include a limited number of outcome indicators that can be measured through existing or easily generated data. The Independent 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 multifocal area projects should be reduced.
- 2.3** The GEF should shift cofinancing 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 cofinancing, 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 GEF network 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 (OFPs), 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. The 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; inclusion in the work program should be delegated by the Council to the CEO, to be published on a no-objection basis. If project concepts or proposals for CEO endorsement require more than two interactions between the Secretariat and an Agency, issues should be resolved in diagnostic workshops.
- 2.6** A new business model of the GEF should include a revitalized public involvement policy, a corporate strategy for the SGP, and a shift

of the STAP's quality assurance role from screening projects to screening programs and portfolios. UNEP's support of the STAP needs to recognize its functional independence and to ensure adequate administrative and logistical support.

### CONCLUSION 3

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

The problems with the GEF business model should not overshadow the considerable achievements of the GEF's intervention logic, or theory of change. 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 (more than 80 percent have outcomes that are rated as moderately satisfactory or higher) and show solid evidence of progress toward impact, even though this could be speeded up. Furthermore, counterfactual analysis shows that many GEF-supported efforts would not have occurred without a catalytic GEF contribution; where they would have occurred, it would have been more slowly or not in line with international standards. In studying 18 climate change mitigation projects in depth, only 1 was expected to have come about 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 Independent Evaluation Office.

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.

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 Independent 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 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 is that the GEF should take higher risks, with potential higher gains. Of course, this would also increase the number of failures; internationally, 25 percent is often seen as acceptable for innovative interventions and programs.

Taking sufficient time to achieve broader adoption and impact and the involvement of key partners are essential. These are effectuated through strong partnership on the ground, through cofinancing, and through the continuation of activities long after the GEF-supported intervention has ended. Several processes lead to broader adoption: notably, the gradual establishment of virtuous cycles of change 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 the 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, POPs, and waste; as well as land degradation.

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; the GEF provides funding for

this. Unique among 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 primarily 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 evident 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.

Multifocal 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 progress toward impact, as is found in the impact work of OPS5. Deeper analysis of the most recent multifocal area projects shows that these continue to exhibit the same characteristics as older multifocal area projects. If the burden of monitoring and tracking tools on these projects were reduced, they could potentially become the modality of the future for the GEF, with focal area strategies becoming focal area guidance and an emphasis placed 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.**

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



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.

The GEF has tried to improve its engagements with civil society (including indigenous peoples) and 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, e.g., the Earth Fund) and for local communities (through the SGP), and has looked for assurances at GEF decision points that cofinancing 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.

Many encouraging developments can be seen in civil society and in the private sector toward 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 not only to support good developments, but also to address the impact drivers that cause havoc.

Rather than 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 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, D.C.

OPS5 proposes to create an open community of practice on the GEF's intervention model; this could be shared with its many partners and could lead to even better practices. The challenge is to increase the speed toward impact. 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 impact. How to incorporate this in project design and implementation could be one of the first subjects tackled by this community of practice.

This leads to the following specific recommendations that point in the direction of promoting better strategic choices and faster action toward 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 CSO and private sector engagement into account in priority setting and portfolio identification for GEF-6.
- 3.3** Focal area and multifocal 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 the 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 SGP Steering Committee should be revitalized and strengthened where necessary. It should engage with UNDP and the Secretariat to ensure the corporate nature of the SGP and to provide strategic guidance to future directions of the program and the modality.

- 3.6** The GEF should adopt an action plan on implementing 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.

# MOBILIZING AND GOVERNING RESOURCES FOR AN INCREASINGLY AMBITIOUS AGENDA

## 3.1 THE GEF REPLENISHMENT

OPS4 concluded in 2009 that “global environmental trends continue to spiral downward” (GEF IEO 2010b). The First Report of OPS5 similarly concluded in March 2013 that global environmental trends continue this downward spiral (GEF IEO 2013e), 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 insights are placing on planetary boundaries and limits humanity is approaching.

At the same time, less global public funding is expected to be available to support developing countries. Since reaching a peak of \$137 billion in 2010, official development assistance as measured by the Organisation for Economic Co-operation and Development (OECD) is declining (it dropped 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 global environmental goals fell from 2002 (7.2 percent) to 2006 (5.2 percent), but climbed to a level of about 14 percent in 2010. Most of this increase was for climate change mitigation, which is currently the primary purpose of about 65 percent of total environmental official development assistance; biodiversity accounts for a little less than 20 percent.

The GEF plays a relatively small but catalytic role in global public funding. Its annual commitments total

\$1 billion; in contrast, overall global public funding for environmental issues is assessed at \$10 billion. A conservative OPS5 estimate finds that the GEF manages to increase overall funding for globally relevant environmental issues with about \$3 billion through cofinancing.<sup>1</sup> Furthermore, counterfactual analysis shows three ways in which the GEF is catalytic: GEF funding supports activities that would not otherwise materialize, GEF support leads to quicker action, and GEF support leads to better action.

Funding needs for action on global environmental issues are conservatively assessed as at least \$100 billion annually. It is widely maintained that 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. However, at the same time, global public funding of at least \$1 trillion annually is available for incentives that encourage unsustainable environmental practices, such as subsidies for fossil fuels, for unsustainable agricultural practices, for overly exploitative fisheries, and for excessive use of water resources.<sup>2</sup>

Mobilizing resources for GEF-6 takes place in challenging circumstances, given the crisis in public

<sup>1</sup> Cofinancing from official development assistance is already included in the \$10 billion figure. Additional (non-OECD) cofinancing of about \$3 billion is made available by partner countries and non-official development assistance partners such as international nongovernmental organizations.

<sup>2</sup> Fossil fuel subsidies alone have been assessed as amounting to \$1.9 trillion annually (IMF 2013).

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 proportions of funding than they do in, for example, the United Nations (UN) or the International Development Association (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 acknowledge that the developed world increased its greenhouse gas emissions long before developing countries began to industrialize. Many recipient countries see the GEF as an instrument of developed countries to meet the differentiated responsibilities and prefer to express the common perspective through high levels of cofinancing. Recipient countries contribute about 50 percent of cofinancing in the GEF and thus outspend the traditional donors (GEF IEO 2010a).

Many developed countries now have lower levels of discretionary spending in their public budgets than previously and have thus decreased their official development assistance commitments. Ensuring that GEF-6 would have the same purchasing power as GEF-5 could be a major achievement amid these circumstances. 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 being asked to take on additional responsibilities such as its new role vis-à-vis the mercury convention. Even if GEF support of mercury may be financed through the decreasing needs of the ODS focal area, 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 it is not able to deliver. This is the potential underfunding to which the OPS5 progress report presented at the second replenishment meeting in September 2013 refers.

Burden-sharing arrangements have been abandoned in many replenishments, as they hurt rather than help. The replenishment negotiations of

the GEF continue to look to IDA10 as a reference point for donor contributions and burden-sharing arrangements that would need to be taken into account. OPS5 Technical Document 8 demonstrates that current donor contributions to the GEF bear no relationship to IDA10—or to 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 official development assistance in general or to the environment within their official development assistance. It is time the replenishment cycles of the GEF became their own standard and their own answer to the particular needs and commitments the GEF is facing. To be explored in the longer run could be broadening the financing basis of the GEF, including inviting the European Commission to become a donor to the GEF.

Many of the GEF’s European donors and Japan have made pro rata commitments whereby part of their commitment is conditional upon major donors fulfilling their commitments. This has caused sizable payments to be withheld over the years. The latest contributors following this practice (France, Germany, and Japan) released their payments in 2013—not because the conditions for payment by the major donors had been fully met, but because they became convinced that this practice was, rather than putting pressure on those donors in default, only resulting in less funding being available to the GEF. This practice of pro rata linkage in instruments of commitment has been discontinued in the IDA and the African Development Fund. Discontinuing the practice in the GEF replenishment is firmly recommended.

## 3.2 GOVERNANCE

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 GEF Assembly. Once

the Assembly has agreed on the replenishment, the GEF Council once again takes over and develops the work program and makes 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, again, except for executive sessions.

The Council continues to provide a strong voice to constituencies. The GEF 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), and 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.

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 the Council should develop guidelines, as larger constituencies especially 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.

The GEF appointed a conflict resolution officer in 2007. This officer did not have full independence from 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 as having 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 or ombudsman function is still not available in the GEF. The GEF Agencies have their own mechanisms for conflict resolution.

In the years since OPS4, one development should be highly praised: the GEF has continued to exert full governance of the trust funds that it operates. A new trust fund, the Nagoya Protocol Implementation Fund, was added; 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 arrangement as for the LDCF and the SCCF. The GEF is one of the few international organizations that maintains full governance of the trust funds it operates. The World Bank has accepted many different governance mechanisms for the trust funds it operates, with the board of the Bank remaining at a distance. In the UN, governing bodies often 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

Once the GEF replenishment is agreed upon, resource mobilization takes the form of ensuring timely transfers from donors to the Trust Fund to facilitate a steady flow of funds for new work programs. This flow is composed of new money coming in through transfers, and money returned by the Agencies for canceled and underspent projects. Investment income may be added to the available funds for a work program. OPS5 Technical Document 8 notes several volatilities in this flow that could be better addressed.

Currently the GEF manages its programming on a “no-risk” basis: project concepts can only be

accepted for further development into proposals if 100 percent 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 percent of these funds takes place at CEO endorsement, on average more than 1.5 years 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 an average of two years before the first disbursements. 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 would reserve 60 percent, rather than 100 percent, of the proposed funding, less project preparation grants and advance Agency fees. Risk would drop to zero if approvals for project proposals were accompanied by a legal note stating that 40 percent of the Agency fee and project preparation grants are available up front to develop the project proposal, but that CEO endorsement is subject to availability of funding.

Switching to a soft pipeline with 60 percent 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 one-time 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 on project closure could incentivize closure and ensure a more diligent return of funds for canceled projects to the Trustee. 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. First, programming—and thus priority setting—in GEF support is becoming increasingly important, which means that replenishment funds need to be available earlier to be able to commit funds for priority projects. Second, if the GEF moves to speedier disbursements through its Agencies, more funds are needed up front to enable this. The urgency of solving global environmental problems thus not only translates into levels of funding, but also into making pledged funds available to the GEF more quickly.

In conclusion, 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 replenishment 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 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 when the urgency of global environmental problems is increasing.

# THE PROMISE OF PROGRAMMING

## 4.1 THE EMERGENCE OF PROGRAMMING IN THE GEF

The GEF began 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.

### FROM THE RAF TO THE STAR

The RAF was flawed in many regards, as was identified in the midterm evaluation of the RAF in July 2009 (GEF IEO 2009)—an evaluation that greatly influenced the preparation of the System for Transparent Allocation of Resources (STAR) that was adopted in November 2009. The STAR midterm evaluation, discussed at the November 2013 Council meeting (GEF IEO 2013d), concluded that the new system is a success on many fronts. Its indexes are scientifically and technically valid, although minor fine-tuning is needed. Its implementation was relatively smooth, and it has increased transparency and country ownership—a finding confirmed in the country-level evaluations the GEF Independent Evaluation Office has undertaken in the past four years.

Both the RAF and the STAR have led countries to take greater control of the programming of GEF

support. This development in turn has had a positive effect on the GEF project cycle: submission of project concepts for Council approval is now more in sync with allocations than it was in the past.

OPS4 characterized the phase before Council approval of project concept—also known as the pre-PIF phase (the PIF, or project identification form, is the concept note the GEF Council approves in its work program for further development)—as a “black box.” OFPs 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. The pre-PIF phase used to have shady associations, with project proponents meeting with Agency and Secretariat staff to push through their proposals, and deals made in New York, Washington, and Nairobi. While total transparency has not been, and may never be, achieved, it can be better realized through systemization: ensuring that all steps in the project cycle are properly registered and tracked.

### NATIONAL PORTFOLIO FORMULATION EXERCISE

The National Portfolio Formulation Exercise (NPFE) has been a second element, alongside the STAR, aimed at promoting countries’ ability to get a better grip on programming GEF support. Although the NPFEs have not been entirely successful in this regard, as the NPFE midterm evaluation (GEF IEO 2013c) points out, many recipient countries have welcomed the opportunity to program future GEF



support in light of their obligations to the multilateral environmental agreements. In the majority of countries in which NPFEs have been conducted, the initiative has enhanced country ownership through consultations with a wide range of stakeholders and the creation of national steering committees to provide a broader decision-making and coordinating structure for GEF programming. The NPFE midterm evaluation recommends continuing to provide GEF support for programming—preferably at the end of a replenishment phase, to ensure that countries are ready for the new phase when it starts.

Programming is relatively new in the GEF, and it should thus not come as a surprise that many of the project ideas identified in the NPFEs were not eligible for GEF support or that ideas often aimed for levels of funding that were either unattainable or too low for a viable project. The NPFE midterm evaluation recommends focusing GEF support more on eligibility issues, cofinancing issues, and 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.

Potentially, programming at the national and regional levels can address some of the recurring problems in GEF support: how to engage with CSOs 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.

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 CSOs and the private sector as

well as adequate attention to social and gender dimensions, including indigenous people.

- 8 Through programming, the dilemma of achieving more with barely sufficient resources can be addressed. Multifocal area projects can ensure critical mass in funding and address issues in a synthetic way.

## 4.2 THE GEF RBM FRAMEWORK

Programming should be based on a thorough understanding of environmental issues of global relevance, the potential actions that can be taken to ameliorate degradation of ecosystems and their services, and the modalities and funding requirements of the GEF. To this end, the GEF has created an RBM framework containing the basic elements of its support machinery for helping countries tackle environmental issues. However, evaluative evidence presented in OPS5 Technical Document 11 shows that the RBM framework is inappropriate and overly ambitious; it is thus a burden on the system rather than a supportive framework ensuring transparency and enabling evidence-based decision making.

The GEF Independent Evaluation Office has reported a few times in the past on the monitoring and evaluation (M&E) burden on multifocal area projects, and asked that attention be given to underperformance with regard to data gathering and analysis, especially for impact purposes. But the more systematic assessment accorded the GEF RBM in OPS5 led to a paradigm shift in how the Office perceives these problems. While in the past, many of these issues were seen as a lack of compliance by 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: it is too onerous to be executed, it is inconsistent, and it is insufficiently focused. The progress report presented to the second replenishment meeting in Delhi highlighted the GEF RBM as an issue to be explored and presented the OPS5



approach: an RBM system should not aim to measure everything, but what it does measure, it should measure well (GEF IEO 2013b).

An analysis of the GEF-4 and GEF-5 RBM frameworks shows that the GEF-5 framework substantially increased monitoring and reporting over that required by the GEF-4 framework. If all elements of the RBM frameworks are counted—including goals and objectives at different levels (focal area, subfocal 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 presented in the final documents of the fifth replenishment has 616 elements, 479 of which are relevant to the focal area strategies, including adaptation. The framework includes an astounding 180 extra elements on corporate results.

Upon reflection, as a partner in the GEF RBM, the Independent Evaluation Office should have looked at the GEF-5 system in more depth and reflected 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 616 elements, of which almost half require reporting and a third measuring and monitoring. This assessment could have uncovered some of the problems the RBM system currently faces:

- The GEF-5 RBM framework was not developed according to best international practice. As discussed in OPS5 Technical Document 11, handbooks on RBM stress that a minimalist approach should be followed (Kusek and Rist 2004). Typically, organizations are recommended to identify no more than two to seven outcome indicators that are easily measurable through existing data. For a complex fund such as the GEF, this guidance could be translated into a minimum number of indicators per focal area rather than for the GEF as a whole. Even so, this is substantially fewer than the 100-plus outcome indicators in the GEF-5 framework.

- There is insufficient consistency in the GEF-5 framework. It has long-term goals, impacts, and indicators for those; and key targets, objectives, outcomes, outcome indicators and associated targets (even so, more than half of the outcome indicators have no targets), and core outputs and core output indicators. The GEF-5 framework has 11 categories of elements, many of which are not clearly defined. In comparison, the GEF-4 framework had six categories with more consistent use.
- The RBM is not appropriate to GEF objectives. 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 Management Effectiveness Tracking Tool (METT) 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 both projects and partners in the GEF (including the Secretariat) that has never been adequately recognized in terms of 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 intervention objectives. The former objective, however, should not be part of the RBM system.

Additionally, as a funding facility, the GEF 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 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 **cofinanced** by the GEF do; these tend to be cofinanced by other partners and implemented and executed by still other partners, each with its own reporting requirements. This lack of direct accountability

should lead to a system that reduces measurements and reporting to the absolute minimum. The system should measure (and measure well) the least possible number of elements to determine whether the GEF is achieving its outcomes through its funding. This is far preferable to a system that maintains that if projects address a complex series of problems and objectives, they need to be able to report on all or most of them.

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

The GEF tracking tools need to be less onerous and become more user friendly; they should separate 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. In that way, the 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 evaluation.

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

In conclusion, the following recommendations are made:

- 9 The RBM framework for GEF-6 should include a limited number of outcome indicators that can be measured through existing or easily generated data. The Independent Evaluation Office should assess the evaluability of this framework before it is finalized by the Council.
- 10 Generating global public knowledge through project monitoring—which is a partial goal of elements of the tracking tools—should be encouraged by the GEF but should be funded on top of 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 are gathered. The burden created by the tracking tools on multifocal area projects should be reduced.
- 12 Project Management Information System data should be corrected, and efforts made regularly to verify and update the accuracy of these data; sufficient resources should be made available to ensure this.
- 13 The 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 COFINANCING

Cofinancing is generally considered to be important for mobilizing resources for the achievement of GEF objectives. The GEF Council has articulated cofinancing's importance on several occasions, and the Secretariat has often portrayed it as an indicator of the additional resources that the GEF has been

able to attract toward the achievement of global environmental benefits. Given its importance, cofinancing has been addressed in all of the GEF's OPSs.

There is wide consensus across the OPSs that cofinancing is beneficial for GEF projects. However, there is skepticism regarding the extent to which cofinancing helps in generating additional resources for the achievement of global environmental benefits. All of the studies except OPS2 called for moderation in seeking cofinancing, stating that seeking high levels of cofinancing should not become an objective unto itself. OPS2, on the other hand, opined that the GEF should seek higher levels of cofinancing.

The third replenishment of the GEF Trust Fund took note of the OPS2 recommendation that the GEF Secretariat prepare a cofinancing policy in consultation with the GEF Agencies. At its June 2003 meeting, the GEF Council approved the definitions, policies, and practices recommended in the paper "Co-financing" (GEF 2003). This paper defines cofinancing 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 OPS2, GEF (2003) puts considerable emphasis on the need for Agencies to "maximize" cofinancing. For the past decade or so, the paper has been a reference point for GEF partnership discussions on cofinancing. Even though the policy guidance for maximizing cofinancing has been in place for a decade, it has only been since 2006 that the GEF Secretariat has made increased efforts to achieve higher levels of cofinancing.

*GEF Annual Performance Report 2009* presented a detailed analysis of the GEF's approach to cofinancing and concluded that "the GEF gains from mobilization of cofinancing through efficiency gains, risk reduction, synergies, and greater flexibility in terms of the types of projects it may undertake" (GEF IEO 2010a). However, it also cautioned that a singular focus on achieving high cofinancing ratios

may be counterproductive, as this would create disincentives for undertaking projects where the potential for global environmental benefits is high but cofinancing ratios are low.

OPS5 Technical Document 21 finds general consensus among key stakeholders in the GEF partnership that cofinancing is useful, as it helps bring more resources to GEF projects, increases country ownership, and heightens the likelihood for support for follow-up activities to a given GEF project.

Analysis of incremental costs in projects and cofinancing shows that mobilization of sufficient cofinancing for a project helps ensure that the 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 cofinancing. These costs need to be taken into account to assess the net utility of cofinancing.

Table 4.1 presents the changes in ratio of promised cofinancing vis-à-vis GEF funding over the GEF replenishment periods. There was an initial drop in cofinancing ratios after the pilot phase, but subsequently there has been an increasing trend. From GEF-3 to GEF-4, the ratio of promised cofinancing at approval for the GEF global portfolio increased from 4.3 to 6.3. For GEF-5 (up to June 30, 2013), the overall cofinancing ratio remained the same as for the GEF-4 period. The increase from GEF-3 to GEF-4 is evident across the portfolios for different country categories, focal areas, and funding modalities (tables 4.2 and 4.3). For full-size projects, recipient country governments—including their departments and agencies at various tiers of governance—are the main contributors to cofinancing, followed by the GEF Agencies, and then by private sector sources. The order of these cofinancing sources remained the same from GEF-3 to GEF-5. During this period, governments contributed 34–45 percent of cofinancing, GEF Agencies contributed 24–29 percent, and the private sector 15–16 percent. Bilateral organizations accounted for 4–7 percent; contributions from non-governmental organizations (NGOs) were at most 2 percent of the total.

TABLE 4.1 COFINANCING RATIOS BY PROJECT TYPE

PROJECT TYPE	PILOT	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5 <sup>a</sup>
Overall	4.0	2.5	4.1	4.3	6.3	6.3
Full-size project	4.2	2.7	4.5	4.7	6.7	6.6
Medium-size project	n.a.	1.8	2.6	3.0	3.3	4.0
Enabling activity	0.2	0.1	0.3	0.2	0.6	1.1

NOTE: n.a. = not applicable.

a. As of June 30, 2013.

TABLE 4.2 MEDIAN COFINANCING RATIOS FOR COUNTRIES WITH SPECIAL CIRCUMSTANCES

COUNTRY CATEGORY	PILOT	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5 <sup>a</sup>
Least developed country	0.2	1.6	1.8	2.4	2.6	4.0
Small island developing state	0.3	0.4	1.1	2.1	2.5	4.0
Landlocked developing country	0.6	1.1	1.3	2.3	2.7	4.1
Heavily indebted poor country	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

a. As of June 30, 2013.

TABLE 4.3 MEDIAN COFINANCING RATIOS BY FOCAL AREA AND FUNDING MODALITY

FOCAL AREA/MODALITY	PILOT	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5 <sup>a</sup>
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	n.a.	n.a.	n.a.	3.0	3.0	4.5
Ozone depletion	0.4	0.6	0.1	0.7	0.7	2.3
POPs	n.a.	n.a.	1.0	1.1	2.0	4.0
Multifocal	0.3	1.1	1.0	1.6	2.7	3.4
LDCF	n.a.	n.a.	n.a.	0.4	2.3	3.9
SCCF	n.a.	n.a.	n.a.	1.7	3.5	7.1
NPIF	n.a.	n.a.	n.a.	n.a.	n.a.	2.4

NOTE: n.a. = not applicable.

a. As of June 30, 2013.

The level of materialization of cofinancing for the OPS5 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 cofinancing may turn out. However, over time the materialization has increased substantially, from 98 percent materialization for the OPS4 cohort and 92 percent for projects that had been completed earlier. Table 4.4 presents the median cofinancing ratios for GEF projects across the GEF replenishment periods. It reinforces the finding that from GEF-3 to GEF-4 levels of cofinancing expected from projects increased, and that this increased further during the GEF-5 period. The increase in median ratios from GEF-3 to GEF-5 has been steeper than the increase in the portfolio average—a 236 percent increase in the median ratio compared to a 47 percent increase in the portfolio ratio. The substantial increase in median ratios during GEF-5 indicates that proponents of an “average” (median value) project had to mobilize cofinancing that was not only substantially higher than the level expected during the pilot phase through GEF-3, 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 cofinancing.

While the rationale for a graduated approach to seeking cofinancing 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 cofinancing for different types of projects. In the absence of clear guidance, the application of cofinancing-related requirements is seen as nontransparent by other stakeholders in the partnership—especially partners in the recipient countries. The 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; this leads to delays during the project preparation phase, especially for countries and Agencies that have less experience in the preparation of GEF projects.

There is a need to recalibrate the GEF approach to cofinancing. Given the benefits of cofinancing, it indeed needs to be encouraged. However, instead of **maximization**, the process needs to be focused on ensuring **adequacy** of cofinancing. Where cofinancing commitments indicated in project proposals are low, consideration needs to be given to other mitigating factors such as the importance of nonmonetized technical contributions by partner institutions, recipient country assurances regarding policy change, country commitments to follow-up activities, etc.—none of which may be counted as cofinancing, but any and all of which may have greater relevance to what a GEF project intends to achieve.

Realistic levels of cofinancing should be established for groups of countries in specific circumstances, and expectations can be included in country-level programming. Currently, as shown in table 4.2, all groups of countries converge on similarly high rates of cofinancing. Focal area and intervention-specific

**TABLE 4.4** MEDIAN COFINANCING RATIOS BY PROJECT TYPE

PROJECT TYPE	PILOT	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5 <sup>a</sup>
Overall	0.3	0.0	0.6	1.1	2.7	3.7
Full-size project	0.4	1.1	1.8	2.8	3.1	4.5
Medium-size project	n.a.	1.2	1.1	1.3	1.7	2.6
Enabling activity	0.1	0.0	0.0	0.1	0.2	1.1

NOTE: n.a. = not applicable.

a. As of June 30, 2013.

levels of cofinancing need to be accepted and fine-tuned. High levels of expected cofinancing may lead to less innovation and risk taking in the GEF, as it usually is more difficult to realize cofinancing for relatively new approaches and more innovative interventions.

Given the high levels of cofinancing and the crucial role cofinancing plays in ensuring a solid foundation for baseline funding, as well as in contributing substantially to the delivery of global environmental benefits, the GEF should be more specific in stating what levels of cofinancing are adequate and advisable in which countries and focal areas (and in

multifocal area projects). This leads to the following specific recommendations:

- 14 Cofinancing guidance in the GEF needs to be updated and needs to delineate expected levels of cofinancing to more realistic levels.
- 15 Given the high levels of materialized cofinancing, the GEF should stop seeking assurances up front to the extent it currently does, and should encourage partners on the ground to continue to find appropriate solutions that lead to high levels of cofinancing, solid financing of baselines, and increased global environmental benefits.

# FROM PROGRAMMING TO PROJECTS

PS5 Technical Document 18 provides evaluative evidence on the project cycle. It shows the considerable delays entailed in moving project proposals from one GEF decision point to the next and provides reasons for these delays that can be tackled through further streamlining. It concludes that the greatest potential for reductions in delays lies in shifting the decision-making process from projects to programs. In GEF-5, several

programs were approved by the Council; where Agencies have boards to approve projects, PIF submission for individual projects within approved programs is not required, so these go straight to CEO endorsement. Table 5.1 establishes the time lapses of the various decision points along the GEF project cycle, documenting the considerable time involved. These data demonstrate the urgency of further shifting toward programmatic approaches.

**TABLE 5.1** AVERAGE TIME ELAPSED BETWEEN GEF PROJECT CYCLE APPROVAL DECISION POINTS

DECISION POINT	GEF-5			GEF-4		
	TIME BY WHICH X% OF PROJECTS REACH NEXT STAGE					
	25%	50%	75%	25%	50%	75%
PIF submission → CEO endorsement (months)	22.0	—	—	22.0	28.0	43.0
PIF submission → Council approval (months)	2.8	6.3	17.0	4.3	7.6	13.0
PIF submission → clearance (months)	1.0	4.2	14.7	1.0	3.9	12.6
Clearance → Council approval (months)	1.6	1.7	1.9	1.9	2.2	3.4
PIF submission → Secretariat response (work days)	3	8	13	2	6	12
Council approval → CEO endorsement (months)	14.7	19.7	—	12.1	18.1	23.9
Council approval → first endorsement submission (months)	12.1	18.0	—	9.5	13.7	20.3
First submission for endorsement → endorsement (months)	1.9	3.1	5.2	1.7	2.8	4.8
CEO endorsement submission req. → Sec. response (work days)	6	10	15	7	11	22

NOTE: — = not available.

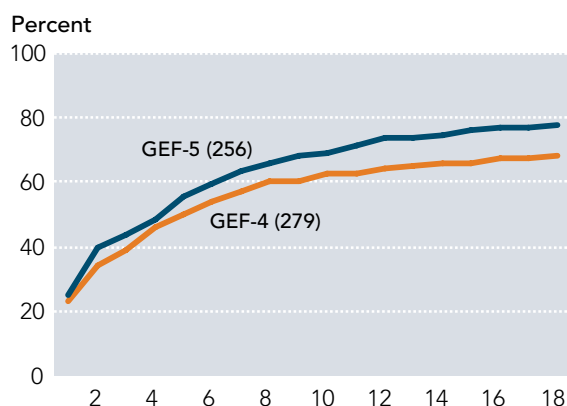
## 5.1 FROM (PRE-) IDENTIFICATION TO COUNCIL APPROVAL

No data are available on the **pre-identification phase** up to the point that the PIF is submitted to the GEF Secretariat and registered in the Project Management Information System. The first verifiable time lapse then occurs between submission and clearance of the PIF by the Secretariat (figure 5.1). For about 25 percent of PIFs, clearance is given within one month. The next 25 percent of PIFs take much longer to achieve clearance, with the time needed stretching to more than four months. The time lapse increases to more than a year when the next 25 percent of PIFs to achieve clearance are taken into account. 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 time lapse between Council approval of the concept and CEO endorsement of the project proposal starts to apply.

Although GEF-5 PIF clearance shows a substantial improvement over GEF-4, the time lags involved still do not constitute an acceptable situation. Two issues pertain:

- The causes of the delays need to be tackled.

**FIGURE 5.1** MONTHS FROM FIRST PIF SUBMISSION TO PIF CLEARANCE



NOTE: Data exclude programmatic approaches.

- This phase needs to be better understood in order to determine acceptable and realistic expectations.

The evaluative evidence shows two major reasons for delays between PIF submission and PIF clearance. The first reason is cofinancing requirements. During GEF-5, the Secretariat has often refused to clear proposals until cofinancing promises achieved higher levels than proposed. OPS5 Technical Document 21 establishes that this requirement comes too early in the process. Cofinancing should not be a delaying factor at this stage. Given the long time lapse to final project approval when cofinancing arrangements need to be in place, any such arrangements at the concept stage are tentative to say the least—even if letters promising cofinancing are included. For example, private sector cofinancing almost never materializes as promised in the PIF, as the time lapse to approval is simply too long for the private sector. Because cofinancing in the GEF continues to outperform its promises at project approval time, there is no reason for cofinancing to be a delaying factor at the PIF stage. This does not mean that the pursuit of cofinancing should be abandoned at this stage, but it could mean that cofinancing **intentions** are presented rather than **commitments** and that the fulfillment of the intentions is left to the decision point of project approval.

The second reason for delays between PIF submission and clearance lies in the increasing number of PIF iterations 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 to other measures. In baseball, three strikes means the batter is out—and the GEF should have the courage to expel an unworkable concept sooner rather than later. Concepts may be blocked and delayed because of misunderstandings. These might be solved if PIFs that require a third resubmission would become



the subject of a Secretariat-Agency meeting to diagnose why the PIF cannot move forward, what is needed for it to be cleared, or whether it should be dropped. Such a meeting would admittedly pose an additional time burden on the part of Secretariat and Agency staff—but a burden that could potentially be more than offset by the reduction in time realized by not repeatedly resubmitting increasingly delayed PIFs.

The challenge is to better understand the PIF process and better place it in the GEF cycle. 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 since funding for programming comes into the GEF over time. This factor underscores the need to speed up transfers of pledged funds to the GEF Trust Fund, so that they 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 be included in the programming and be known up front.

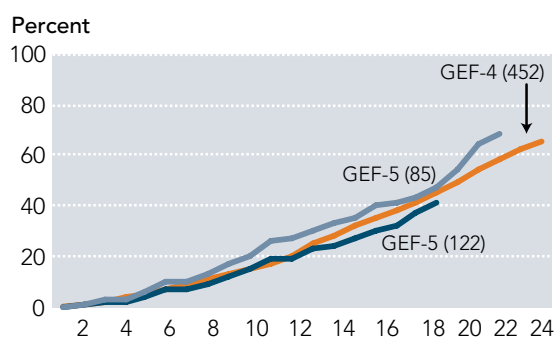
As noted, the time lapse between PIF clearance and approval by the GEF Council has been reduced in GEF-5 over GEF-4, and tends to be between one and two months. As there are two Council meetings each year, two concrete deadlines are available for PIF entry into the work program: one month before each 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 period is if work program approval were to 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 were to object, the PIF could become a subject for discussion at the next Council meeting.

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

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

## 5.2 FROM COUNCIL APPROVAL TO CEO ENDORSEMENT

OPS5 Technical Document 18 provides a somber picture of the time lapses between work program approval in the Council and CEO endorsement. For this lapse, an 18-month target has been mandated for full-size projects. Figure 5.2 shows that the 18-month standard is being met only for 38–44 percent of GEF-5 approvals. When programmatic approach projects are excluded from the analysis, only 36–41 percent of GEF-5 full-size projects are being approved within the requisite 18 months. This seems a dramatic and unacceptable failure on the part of the GEF toward increasing its efficiency. However, on examining the reasons behind this time lag, a less gloomy picture emerges, and concrete action points can be identified that could provide substantial relief.

**FIGURE 5.2** MONTHS FROM COUNCIL APPROVAL TO CEO ENDORSEMENT

NOTE: Data exclude canceled projects.

Just as at the PIF clearance stage, the Secretariat and the Agencies engage in interactions on CEO endorsement proposals, and, just as at the PIF stage, a sizable proportion of projects become subject to repeated resubmissions. The number of resubmissions increased from GEF-4 to GEF-5. And again, just as at the PIF stage, the number of resubmissions should be limited, with the relevant projects diagnosed and their problems solved rather than their being subjected to a continuous back-and-forth process leading to further delays.

The World Bank Independent Evaluation Group's review of the World Bank Group's partnership with the GEF (IEG 2013) reports feedback from task team leaders at the World Bank. According to the review, at the time of PIF preparation, little information may be available on several PIF template requirements. The review reports that, in some instances, 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" (IEG 2013, 51). This finding underscores the need to focus the identification stage on eligibility issues only. In other words, if the identification stage entails less detailed information, the CEO endorsement stage will not be riddled with mismatches in information.

Of the projects submitted for CEO endorsement, 23 percent of submissions in GEF-3, 39 percent of submissions in GEF-4, and 50 percent of submissions in GEF-5 received comments related to M&E. The reviewers at the Secretariat assessed M&E-related submissions to be incomplete for most (65 percent) of the GEF-5 proposals. This incidence is higher than for GEF-3 (53 percent) and GEF-4 (50 percent). Another pervasive M&E-related issue identified among the GEF-5 submissions involved the addition or revision of indicators; this was the case for 43 percent of the submissions receiving M&E-related comments among the GEF-5 cohort, compared to 36 percent of counterpart GEF-3 and GEF-4 submissions. This growth underscores the need to reduce the burden of M&E as incorporated in the RBM framework.

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

Maintaining uniform cofinancing requirements for all countries may lead to delays in countries that cannot generate high levels of cofinancing. Country-level

evaluations of the GEF have gathered evidence on this point. In addition to making cofinancing requirements more flexible, they should also incorporate a more reasonable estimate of what can be expected—especially in least developed countries, which tend to have low levels of public discretionary funding, and small island developing states, which tend to be relatively isolated and have less diversified support from donors.

External developments and circumstances play a role in the delays up to CEO endorsement—for example, when governments change, when natural or human-caused disasters occur, or when the economic/financial situation changes, as it did during the global financial credit crisis. For this reason, there will always be a percentage of project proposals that will not meet a time lapse target, however reasonable.

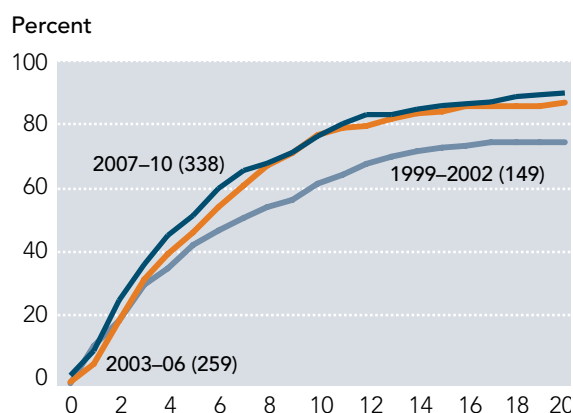
In conclusion, the following recommendations are made to strengthen the endorsement phase of the GEF:

- 20 The revision of the GEF RBM framework should lead to a reduced M&E burden at CEO endorsement, especially for multifocal area projects, for which clear guidelines on M&E and application of tracking tools need to be established.
- 21 For CEO endorsement proposals that lead to more than two interactions between Agency and Secretariat, diagnostic workshops should be organized to solve problems.
- 22 Cofinancing arrangements should not be cast in stone at this point, given that GEF-funded projects tend to outperform their intentions and to mobilize more cofinancing than promised at CEO endorsement.
- 23 Cofinancing requirements need to be different for different groups of countries, with lower requirements for least developed countries and small island developing states.

## 5.3 FROM CEO ENDORSEMENT TO IMPLEMENTATION START

Figure 5.3 tracks the time taken from CEO endorsement to start of project implementation. In table 5.2, the data are presented for the two phases incorporated in this time lapse: from CEO endorsement to Agency approval, and from Agency approval to implementation. The figure clearly shows that major gains were made by the GEF partnership from 1999–2002 to 2003–06. After that point, however, performance on this front has stabilized, and the portfolio figures for the projects that were endorsed during the 2003–06 and 2007–10 periods are identical. This trend is shared by portfolios for the World Bank and UNDP. For UNEP, the figures show a lower performance for the 2007–10 period; given the Agency's small share in the portfolio, this did not affect the overall trend. When Agencies' performance during the 2007–10 period is compared, UNDP's CEO-endorsed projects had a greater likelihood of beginning implementation within a year of endorsement than did projects of the other main GEF Agencies.

**FIGURE 5.3** MONTHS FROM CEO ENDORSEMENT TO START OF PROJECT IMPLEMENTATION



**TABLE 5.2** AVERAGE TIME ELAPSED BETWEEN CEO ENDORSEMENT TO PROJECT START

PROJECT CYCLE STAGE	2007–10		2003–06		1999–2002	
	TIME (MONTHS) BY WHICH X% OF ENDORSED PROJECTS REACH NEXT STAGE					
	50%	75%	50%	75%	50%	75%
CEO endorsement → Agency approval	2.0	5.2	1.7	3.3	1.9	4.1
Agency approval → project start	1.0	9.5	1.2	6.7	1.0	10.7
CEO endorsement → project start	4.9	9.9	5.2	9.4	6.4	16.0

The time taken from first PIF submission to CEO endorsement seems to affect the time taken from CEO endorsement to implementation start. The projects that moved most quickly from PIF submission to CEO endorsement were the quickest to start implementation. In contrast, the projects that needed more time to get CEO endorsement also took longer for their implementation to start. This result could potentially be due to a loss of momentum when projects linger in the pipeline and conditions change on the ground. Information gathered through interviews with stakeholders in the recipient countries and with the GEF Agencies provides considerable support for this hypothesis. Again, diagnostic workshops between Agency 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

Once the project starts, it is important that the project activities be completed in a timely manner. Extensions may increase the administrative costs of project implementation, precipitate obsolescence of project design, and potentially lead to reduced project effectiveness. In some instances, extensions may lead to restructuring of a project—or even to cancellation. On the other hand, the Implementing Agency may sometimes consider it necessary to extend project implementation beyond the completion date expected at start-up 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 2003–06 compared to earlier periods. Of the GEF Agencies, adequate observations are available for only the World Bank and UNDP. The data show that of these two Agencies, World Bank projects are more likely to be completed in a timely manner.

**TABLE 5.3** PERCENTAGE OF PROJECTS WITH EXTENSION OF COMPLETION DATE

2003–06			1999–2002			1992–98		
50%	60%	75%	50%	60%	75%	50%	60%	75%
8.0	11.9	19.1	17.9	25.0	> 36.0	12.6	19.0	32.5

# A VALUABLE PARTNERSHIP IN AN OVERBURDENED NETWORK

 PS5 Technical Document 17 provides evidence on the health of the partnership of the GEF. It is based on surveys; interviews; focus group discussions; reviews of policies, historical records, and evaluative evidence of other evaluations; and, most importantly, on social network analysis by Borgatti, Everett, and Freeman (2002) that enables conclusions to be drawn from data gathered on a network.

The evidence shows that the GEF network has become more and more complicated over time. OPS3 warned in 2005 that the limits of a network-ing organization had been reached (GEF IEO 2005). Since 2005, several decisions have reduced the burden on the network, but with the addition of new partners and a stated intent to place more emphasis on partnership, the network is becoming increasingly difficult—if not impossible—to operate.

## 6.1 GROWING COMPLEXITY

The structure of the GEF partnership has increased in complexity in terms of the number of its 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 3 to 12. Other changes have taken place as a result of Council decisions seeking to respond to the growing emphasis in 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 increased number of mandates, member countries, Agencies, and operational requirements, competition for available resources has also increased. Responses to these changes vary across the different institutions and actors. Some have increased their engagement with the 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.

When the GEF began its pilot phase in 1991, there were 65 recipient countries and no formal governing structure. The formalization of ties among countries as well as with the three Rio conventions through the GEF Instrument in 1994 increased the number of recipient countries to 134, and the total number of actors within the structure (excluding nonrecipient donor countries) to 147 (table 6.1). The expansion in the number of conventions and GEF Agencies, as well as a further increase in the number of recipient countries, has since brought this number to 174. This represents an 18 percent increase in the number of partners. However, the degree of interactions needed to make decisions has increased from 2 percent to 5 percent—a

TABLE 6.1 CHANGES IN GEF GOVERNANCE STRUCTURE

ITEM	PILOT	1994	PRESENT
Number of actors	71	147	174
Degree of interaction needed for decision making (%) <sup>a</sup>	0.5	2.0	5.0

a. Proportion of existing interactions to all possible interactions in a network. Does not include fiduciary decision making involving the GEF Trustee.

96 percent increase in relative terms. The degree of interaction required for decision making (network density) is the proportion of existing interactions to all possible interactions in a network—for example, if each actor interacted collaboratively with every other actor that is part of the GEF network. Because most of the 202 actors included in this network analysis 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.

This change reflects the increase in the number of mandates under which the GEF works. In addition to the four original focal areas, the GEF has been asked to support the global conventions on POPs, desertification, and mercury. Apart from the GEF Trust Fund, the United Nations Framework Convention on Climate Change has also asked the GEF Secretariat to administer two other funds supporting least developed countries and adaptation activities (the LDCF and the SCCF). The GEF Secretariat also provides secretariat services to the Board of the Adaptation Fund established under the Kyoto Protocol. An increasing drive toward synergies among the conventions has placed additional demands on coordination as well, as in the review of multifocal area projects.

The increase in the degree of interactions required highlights the collaborative nature of decision making among the GEF Agencies and the Secretariat, as intended by the GEF Instrument in the spirit of partnership. This mode of decision making was carried out relatively successfully among the three original Implementing Agencies through regular meetings coordinated by the Secretariat. Today, however, the more than threefold increase in the number of Agencies that need to be part

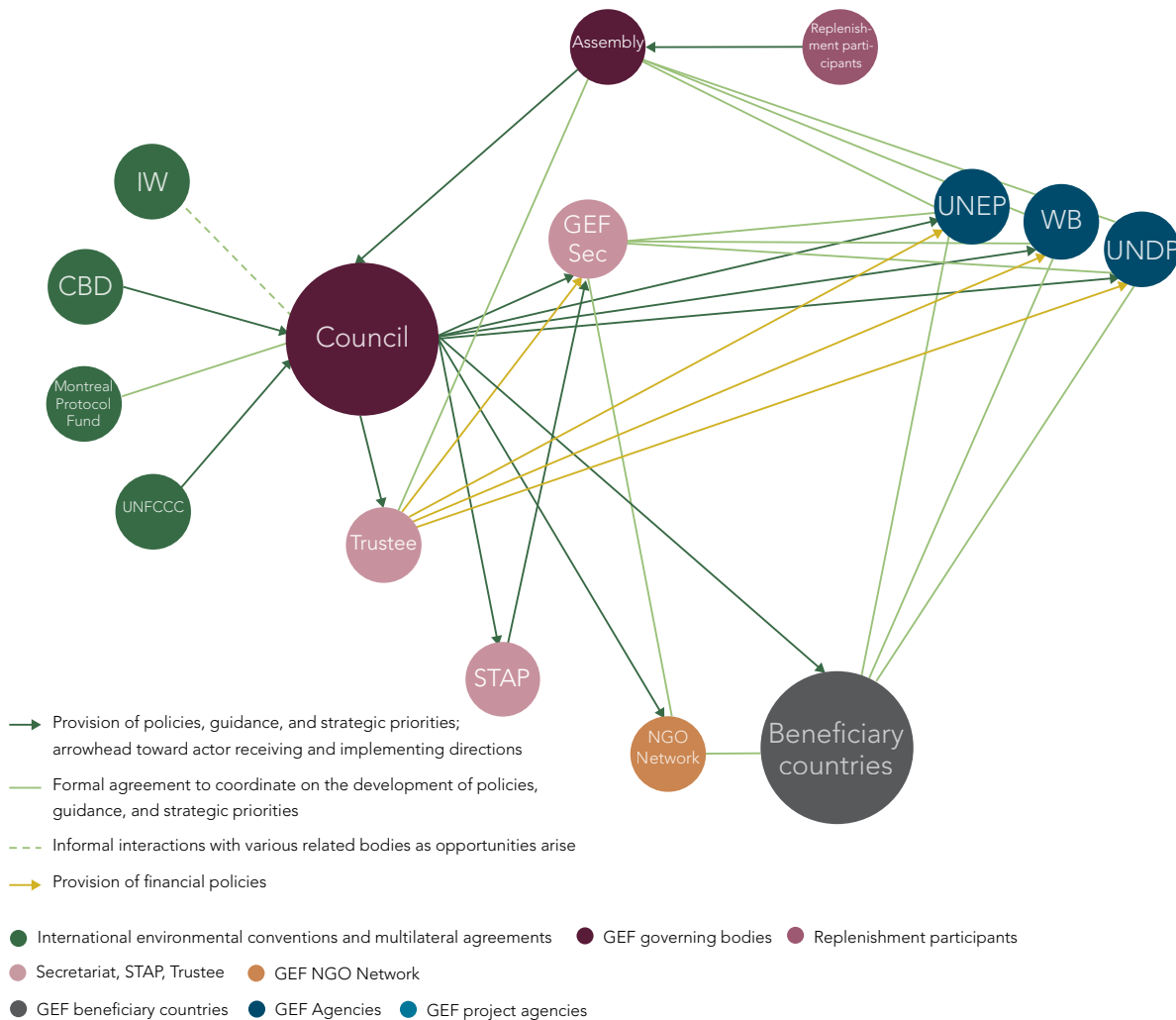
of decision making—coupled with the increase in the number of mandates on the Secretariat both from the conventions and from the Council—has exponentially increased the need for coordination and centralization of administrative functions, as illustrated by figures 6.1 and 6.2.

## 6.2 SHIFTING ROLES

The increasing need for coordination and the introduction of a resource allocation system have shifted the roles of countries, Agencies, and the Secretariat. As noted above, OPS3 warned that the 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 coordinator meetings no longer being as effective when expanded to include the seven new 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 RAF and a formalized RBM framework.

A consequence of the RAF was that countries, knowing their available funds, became more directly involved in the programming of GEF allocations. Figure 6.2 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 (dark green lines), with countries now having a stronger mandate to decide on strategic priorities in portfolio development. The greater number of Agencies from which to choose and this revised perception of programming have led to a 12-fold increase in the degree of interactions performed by OFPs to exercise their decision making. An assessment of available modes of

**FIGURE 6.1** GEF STRUCTURE FOR DECISION MAKING ON POLICIES, GUIDANCE, AND STRATEGIC PRIORITIES: 1994



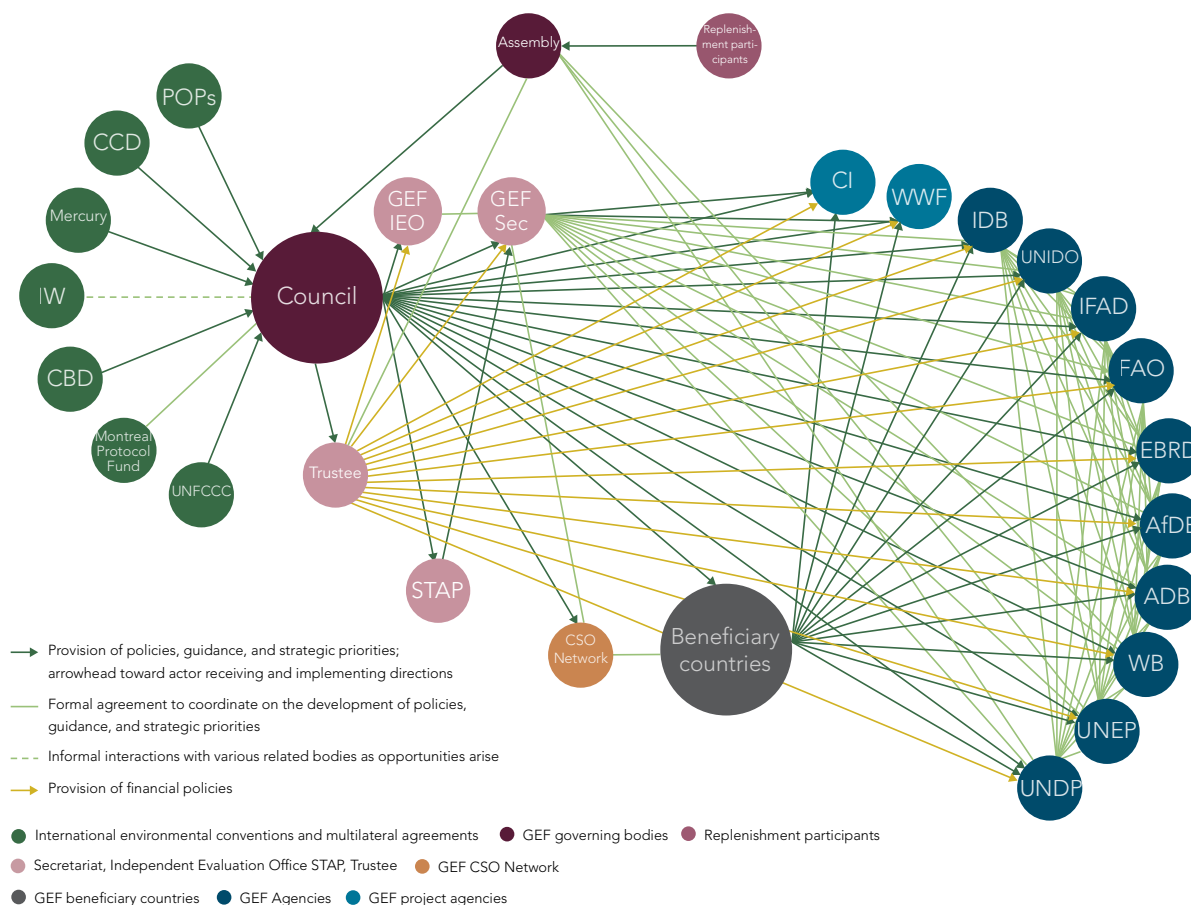
NOTE: Larger circles indicate more central roles in decision making.

communication, and the degree to and frequency with which relevant topics are communicated, shows that a typical OFP's communication activities have increased 1.3 times since GEF-4—especially with regard to taking the lead in coordinating with country stakeholders through venues such as national multistakeholder dialogues, Expanded Constituency Workshops, and NPFs. With the increase in the number of Agencies and a larger role in programming, OFPs may now have greater involvement in projects and are facing challenges in fulfilling that role.

In GEF-4, the Secretariat took on the role 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 increased four times over since before GEF-4. Similarly, OFPs have seen their involvement in GEF communications almost double. The degree of communication is the sum of all interactions in which an actor participates within the network. Each



**FIGURE 6.2** GEF STRUCTURE FOR DECISION MAKING ON POLICIES, GUIDANCE, AND STRATEGIC PRIORITIES: PRESENT



NOTE: Larger circles indicate more central roles in decision making.

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 indexes is the actor's degree of communication with all other actors in the network, as shown for the Secretariat and the OFP in table 6.2.

**TABLE 6.2** CHANGE IN DEGREE OF COMMUNICATION ACTIVITY (%)

ACTOR	BEFORE GEF-4	AFTER GEF-4
GEF Secretariat	2	13
Operational focal point	4	10



## 6.3 CHALLENGES IN COORDINATION

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 seven times the number as before GEF-4. The majority of Agency and Secretariat interviewees 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 it sends to the Agencies for input. For some corporate discussions, all Agencies now need to be represented by a single Agency in order to reduce costs. Agencies are concerned that, while their participation has been 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 both transparency and consideration of 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 of task forces, which now also tend to be conducted less frequently and remotely rather than face to face.

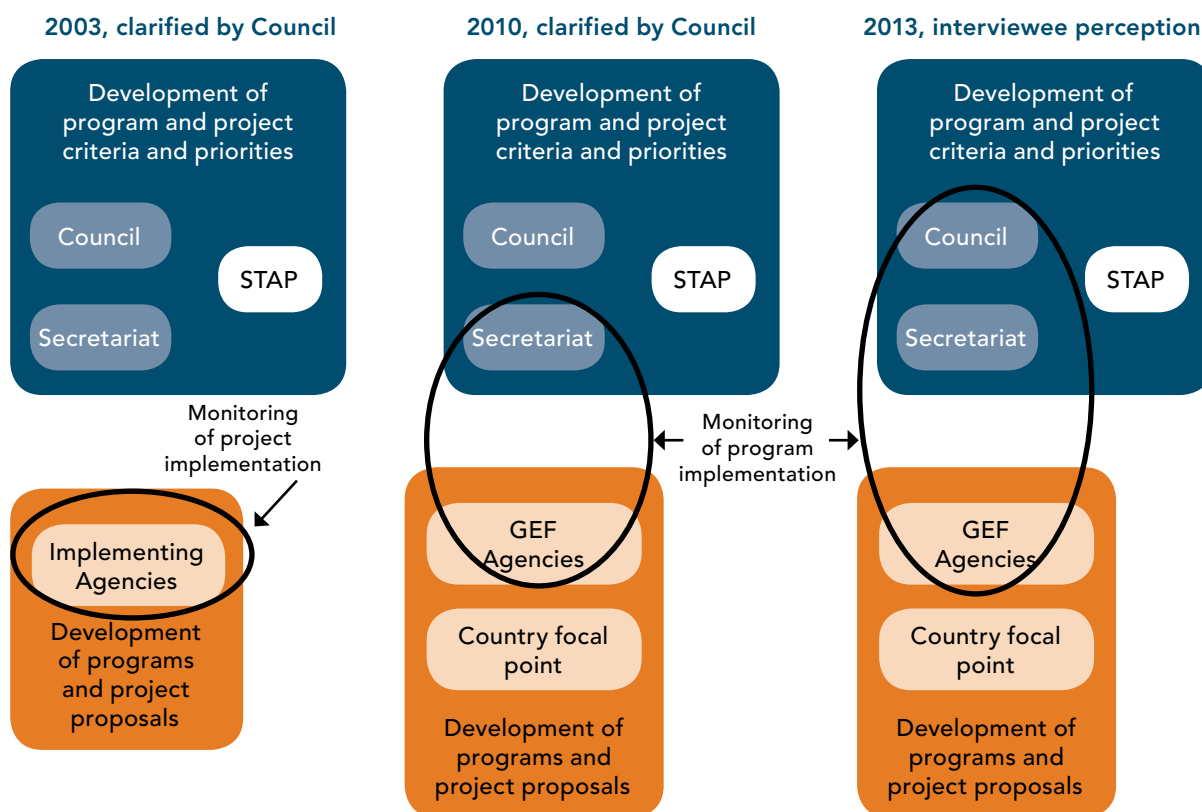
A similar scenario has been observed at the project level. The larger number of Agencies and the introduction of reforms in the project cycle involving the project review process have led to more frequent virtual communication, but to less substantive discussion of project issues; such discussions, interviewees pointed out, would greatly speed

the process and reduce frustrations on all sides. These repetitious interactions, according to Agency perceptions, also stem from a lack of clarity in application of project approval criteria, with different program managers requiring different levels of detail, for example.

Focus group discussions found 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 concern over the appropriate role for Secretariat staff during operational phases—many Agency staff members complained of “mission creep” within the Secretariat (figure 6.3). This issue was observed beyond the level of specific projects. Some Agency managers voiced their concern that, during preparation for GEF-6, the Secretariat has inappropriately assumed a direct role in programming without consulting other partners. Such consultation 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 everyone. In the case of the seven GEF Agencies with less experience, this level of input is useful for increasing their capacity in developing projects.

Disagreement about roles was voiced by OFPs and their staff. OFPs frequently raised the concern, which was also detected 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; 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 nontransparent. On the other hand, Agencies—particularly the newer ones—spoke

FIGURE 6.3 ROLES AND RESPONSIBILITIES IN PROGRAMMING



of how they were usually “in the dark” about how decisions were being made by OFPs, developing a proposal only to find that there was no allocation left for more projects.

A very positive aspect of these changes in 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.

## 6.4 KEY EMERGING ISSUES

Increased 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 intensified during GEF-5. During country visits and interviews conducted with Agency staff, issues were raised with the evaluators (table 6.3). Taken together, the interviews point to significant stresses on those partners most directly responsible for the operational aspects of the GEF portfolio (project identification and design, supervision during implementation, and completion). The partners primarily responsible for eligibility review

**TABLE 6.3** PARTNERSHIP HEALTH: KEY ISSUES RAISED DURING FIELD VISITS AND AGENCY INTERVIEWS

CATEGORY	ISSUE 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	Nontransparent 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 = GEF Secretariat; GAs = GEF Agencies; NEA = national executing agencies.

and pipeline processes (OFPs and the Secretariat) raised issues within a smaller cluster of categories. Across all stakeholders, the most frequently cited issues pertained to communication, roles, resources, and transparency. Accountability and trust issues were cited least often overall, although these were reported as important issues by certain groups, notably GEF Agencies.

For GEF Agency staff, accountability was the only category not cited as an important issue. Trust issues were raised by GEF Agencies and CSOs; in the latter case, these issues centered on a perception that governments and GEF 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 agreed requirements; this was especially the case for staff of the three original Implementing Agencies. This issue is closely related to other topics, notably resources and roles.

It is notable that, in sharp contrast to the GEF Agencies, OFPs had few issues concerning the role of the Secretariat, save with two exceptions: complaints about a lack of clarity in administering cofinancing requirements; and about too-frequent changes in GEF procedures, reporting requirements, and documentation formats. Cofinancing was the one topic on which all stakeholder groups—except the Secretariat—shared concerns, whether regarding nontransparent 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 members). The amount of time required to resolve cofinancing questions was another issue widely cited by all stakeholder groups—again other than Secretariat staff.

During country visits and in country evaluations, OFPs expressed a concern that Agency fees are cutting into “their” country allocations. Several expressed the view that GEF Agencies are sometimes more interested in ensuring their continued role than in building national capacity to directly implement GEF projects. This view was also expressed by some national executing agencies

and CSOs. Representatives from these three groups also noted that the main three GEF Agencies are in a privileged position within the GEF network, in that they are better able than others to navigate complex administrative procedures and ensure that they retain an essential role. As noted previously, some OFPs commented that Agencies are mostly visible when they need an endorsement letter, and less visible after a project has been approved. But from the Agencies' point of view, cost-cutting pressures impose unavoidable trade-offs, including a balance between upstream and downstream costs. OFPs from least developed countries and small island developing states tended to be more appreciative of the role of Agencies, as they were helpful in overcoming their capacity constraints.

Agency interviewees were the only group to raise the issue of unhealthy competition for resources. In their view, the original intent 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 members, who spoke 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.

To some extent, these views may simply reflect a more competitive environment. Under 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 most acutely; the World Bank has seen a decline in its share of the GEF portfolio since the establishment of resource allocations during GEF-4, and 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.

The newer Agencies mostly expressed neutral or positive views, noting that they have generally benefited from participation in the GEF while acknowledging some cost pressures from accommodating the GEF's project cycle within 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. Further, 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 in terms of communication and follow-up on problems, both during project identification/preparation and implementation.

## 6.5 REEXAMINING THE PARTNERSHIP

The findings of OPS5 Technical Document 17 are largely consistent with those 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 current GEF arrangements, many of which are similar to those recorded during previous OPS evaluations. This study has found that some pressures were, to some extent, simply the consequence 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.

There are fundamental differences regarding appropriate roles within today's GEF that the current business model does not address. Country ownership has become a basic principle of development assistance, and the Council has taken numerous measures that have significantly increased country drivenness within the GEF—notably the resource allocation system (first the RAF, then the STAR) and the key role of OFPs in deciding the composition of each country's GEF portfolio, as well as the requirement in the 2010 M&E policy to keep OFPs informed on M&E issues. Since GEF-3, there has been increasing competition among Agencies and a requirement to document the results that have been achieved. This tension has been exacerbated by pressure from donors to demonstrate cost-effectiveness and document results. Both have significantly accelerated during GEF-4 and GEF-5, standing in 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 now find 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 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.

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 the 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 revision 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.

This leads to the following specific recommendations:

- 24 The GEF network needs to be refocused on two essential cores: the Council and the OFP. The Secretariat, in consultation with other GEF entities, needs to identify how and at what points in time interactions with other GEF entities are essential to provide partnership perspectives in decision making. The OFP should be invited to foster partnership in countries and projects, including engagements with civil society and the private sector.
- 25 The shift in focus from projects to programs, as well as a reasonable and well-focused RBM system, should lead to lower costs for 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.



# FROM OUTCOMES TO LONGER TERM IMPACTS

## 7.1 RELEVANCE AND COUNTRY OWNERSHIP

The First Report of OPS5 contained evidence and conclusions on relevance and country ownership of GEF support, based on OPS5 Technical Documents 4, 5, and 6 (GEF IEO 2013e). Relevance is essential to ensure a focus on longer term impacts that solve the global environmental problems the GEF aims to address. Country ownership and drivenness provide an enabling environment and primary driving force in ensuring a catalytic role for, and the 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.

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 (GEF IEO 2013e). 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 strategies 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 (GEF IEO 2012). 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, namely ambiguous language, lack of prioritization, cumulative nature, and repetition.

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 (GEF IEO 2013e). For the GEF to be effective in tackling the challenges posed by today's global environmental threats, 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 does evidence emerging from the focal area strategies evaluation as well as country-level evaluations—of the growing importance of multifocal area projects and programs.

The First Report 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 (GEF IEO 2013e). 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

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 (GEF IEO 2010b). The First Report of OPS5 presented an assessment of 281 additional projects completed during GEF-4 and

GEF-5 (GEF IEO 2013e). The outcome achievements of all of these projects were rated. For the majority (59 percent), the outcome ratings provided by the independent evaluation offices of the GEF Agencies were adopted. Overall, the 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 *GEF Annual Performance Report 2009* provides details on the rating approach used by the GEF Independent Evaluation Office to assess outcome achievements (GEF IEO 2010a).

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

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 Secretariat 2010); it is also significantly better than the 75 percent target established for GEF-4 (GEF 2006). Even given the provisional nature of the outcome ratings provided in this report, it is

**TABLE 7.1** COMPLETED GEF PROJECTS WITH OUTCOME ACHIEVEMENTS RATED IN THE SATISFACTORY RANGE

COHORT	TOTAL NUMBER OF PROJECTS	NUMBER OF RATED PROJECTS			% OF PROJECTS RATED IN SATISFACTORY RANGE		
		MEDIUM SIZE	FULL SIZE	TOTAL	MEDIUM SIZE	FULL SIZE	TOTAL
OPS4	210	91	114	205	84	78	80
OPS5	281	123	157	280	88	85	86
Total	491	214	271	485	86	82	84

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



clear that GEF projects overall seem to be on track toward achieving the expected targets of their respective GEF replenishment periods.

In climate change, one result indicator that many donors are interested in is the amount of greenhouse gas emissions reductions achieved and the costs per ton of reduction. Analysis was done for OPS5 to calculate the aggregate carbon dioxide (CO<sub>2</sub>) emissions abated or avoided through GEF projects. Based on available data on approved projects, the total expected from climate change mitigation focal area projects is 10.8 billion tons, including 2.6 billion tons of CO<sub>2</sub> equivalent emissions in direct emissions reduction, and 8.2 billion tons in indirect reduction. The cost per ton (excluding cofinancing) of greenhouse gas emissions 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 \$5.80 and \$1.20 per ton of CO<sub>2</sub> equivalent mitigation, respectively, when only GEF funding is taken into account. The cost per ton of CO<sub>2</sub> emissions abatement achieved increases when cofinancing is also taken into account. As might be expected, different objectives show significant differences in the expected cost per ton, with renewable energy projects having the highest median costs per ton of direct and direct plus indirect mitigation, at \$10 and \$4 per ton, respectively. This is followed by transport and mixed projects. Energy efficiency projects offer a relatively low cost per ton of expected mitigation, with a median cost of \$4 per ton of direct and \$1 per ton of direct plus indirect mitigation. The lowest cost per ton of expected direct mitigation comes from the forestry sector, at less than \$2 per ton.

Comparison of the mitigation cost estimates of projects developed under the Kyoto Protocol's Clean Development Mechanism—likely the closest analogue to GEF mitigation projects—is difficult, because there are significant differences in the activities undertaken and approaches used. Nonetheless and for what it is worth, comparisons show that their mitigation costs are similar. Consistent

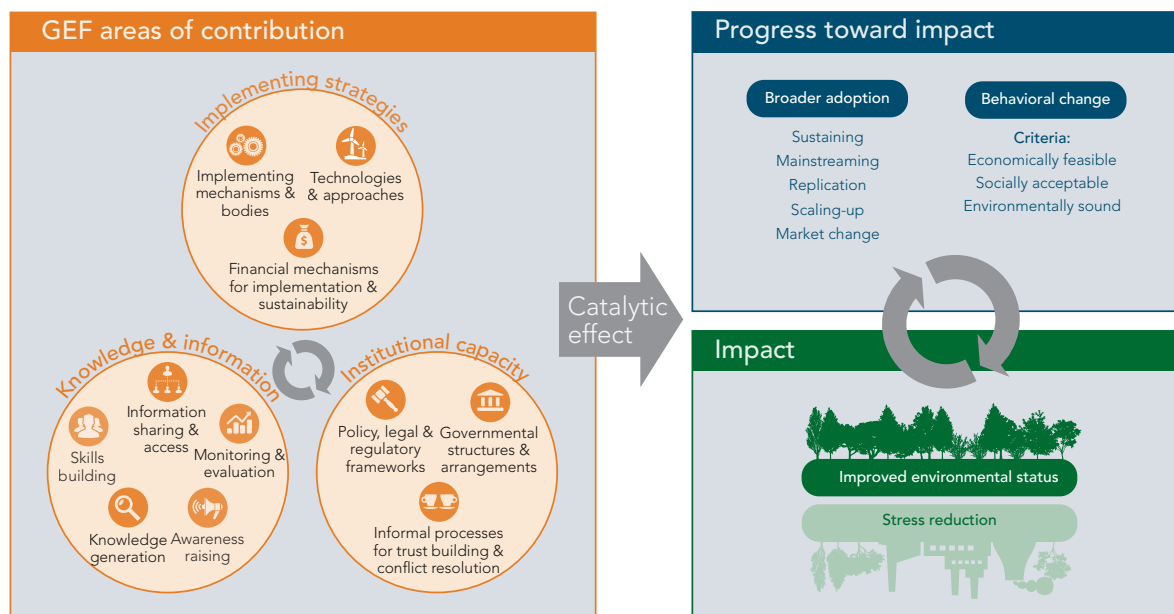
with the OPS5 analysis, studies examining Clean Development Mechanism projects find that on average, solar projects are significantly more expensive than other project types (Castro 2010; Rahman, Larson, and Dinar 2012; UNFCCC 2012).

## 7.3 THE GEF THEORY OF CHANGE

The general framework for the GEF theory of change draws on the large amount of evaluative evidence on outcomes and impact gathered over the years by the GEF Independent Evaluation Office. The framework (figure 7.1) is used by the Office as an exploratory tool to help identify the causal pathways between GEF support and the generation of global environmental benefits. The framework is a tool for identifying the elements of GEF support, the contributions that the GEF and other actors make in bringing about impact, the mechanisms and factors that facilitate and hinder progress toward impact, and the extent of impact resulting from all these interactions. Thus, the GEF theory of change 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 toward impact, and ultimately to global environmental benefits.

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 and information, institutional capacity, and implementing strategies. These areas of GEF support interact, complement, and reinforce each other; and collectively contribute to impact, usually at a low scale (i.e., only at sites within the project's direct influence), in the form of environmental stress reduction and improved environmental status (box 7.1). In many cases, the GEF contributes to putting in place conditions enabling progress toward impact.

FIGURE 7.1 GEF GENERIC THEORY OF CHANGE FRAMEWORK



Impact may occur immediately as a result of project activities, but more often than not, the social or ecological system 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. By looking instead at how GEF support contributes to progress toward impact in the present, the GEF Independent 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 toward 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.

Broader adoption has been found to take place mainly through five mechanisms. 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.

Broader adoption may begin 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

## BOX 7.1 DEFINITIONS OF IMPACT

**Impact in general:** Positive and negative, primary and secondary long-term effects produced by an intervention, directly or indirectly, intended or unintended (OECD/DAC 2004). This definition is used by the Development Assistance Committee Evaluation Network of the OECD, 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 following forms:

- **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 to 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 terms of the following:

- **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,
- marketwide,
- in local or national administrations,
- in regions, or
- worldwide.

The GEF aims to influence social-economic processes to effect changes in biophysical systems: climate, biodiversity-rich ecosystems, sustainable land use systems, and so on. **System-level impact**, occurring at landscape, seascape, marketwide, and higher administrative scales and worldwide is measured through both biophysical and socioeconomic 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 local and 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 determine whether behavior changes reduce or enhance threats and whether they lead to sustainable development.

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 results 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.

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; they also include the social characteristics and interactions of groups of stakeholders in a given setting. It is important to consider the multiple actors, previous and current initiatives related to what the GEF is trying to change, and historical events and phenomena occurring at various geographical and temporal scales that have contributed to or hindered progress toward impact (e.g., a convention developed at the global scale may strengthen political support at the national scale). Future contextual conditions also present risks to and opportunities for GEF support. Only by assessing these conditions can the GEF's contributions to progress toward impact and impact itself be assessed.

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 overall 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—for better or worse—and as both GEF support and its context adapt to these changing conditions.

## 7.4 PROGRESS TOWARD IMPACT OF COMPLETED PROJECTS

The First Report of OPS5 presented analysis on the basis of impact evaluations since OPS4, focusing on the importance of broader adoption taking place during—and especially after—GEF interventions (GEF IEO 2013e). This study for OPS5 focused on assessing the extent of progress toward 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 toward impact, both related to the project and the larger context.

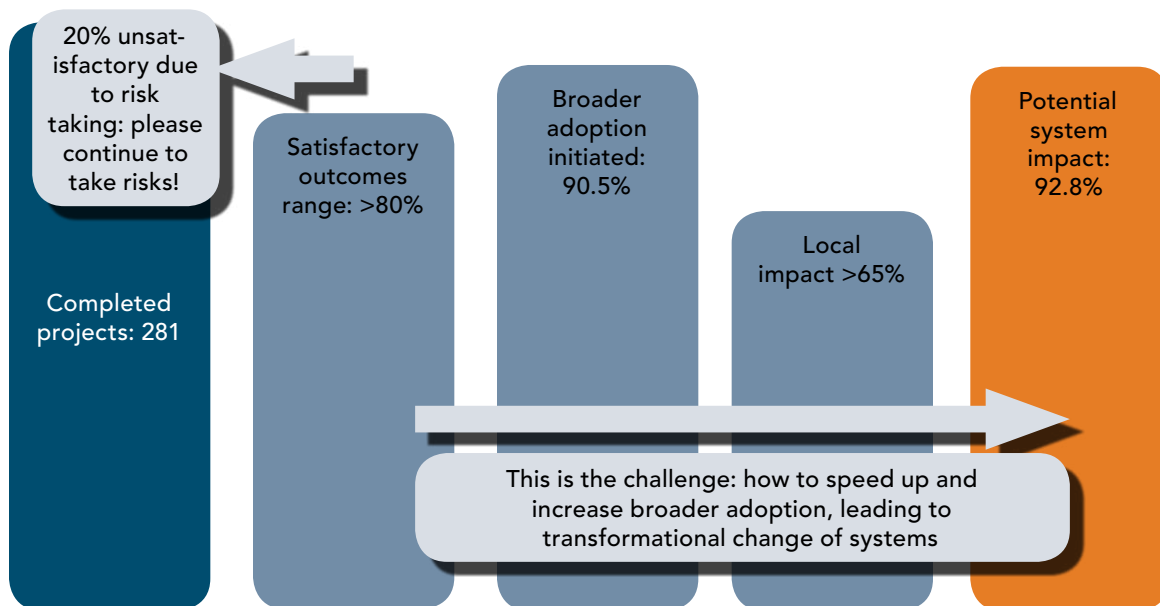
The deeper analysis for the Final Report confirms the finding in the First Report that only a small proportion of projects (7.2 percent) have achieved neither broader adoption nor environmental impact (table 7.2 and figure 7.2). This percentage is significantly lower than the percentage of projects with unsatisfactory outcome ratings. On the other hand, a relatively low percentage of projects (15.5 percent) 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

TABLE 7.2 EXTENT OF PROGRESS TOWARD IMPACT OF GEF PROJECTS

EXTENT OF BROADER ADOPTION	% OF GEF PROJECTS		
	WITH ENVIRONMENTAL IMPACT	WITHOUT ENVIRONMENTAL IMPACT	TOTAL
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	100.0

NOTE: n = 401; includes only projects for which stress reduction can be expected.

FIGURE 7.2 PROGRESS TOWARD ENVIRONMENTAL IMPACT AFTER PROJECT COMPLETION



to various levels of achievement in environmental impact. A majority of projects (about 60 percent) had either most or some broader adoption initiatives successfully adopted or implemented. About 30 percent had broader adoption initiatives initiated or planned but not yet successfully adopted. The remaining projects had no significant broader adoption reported. The majority of projects (about

65 percent) showed the occurrence of positive environmental impact.

Overall, international waters projects had the highest percentage of projects with successful broader adoption (73 percent), followed by climate change projects (66 percent), and biodiversity projects (59 percent) (table 7.3).

Biodiversity and climate change projects, which dominated the cohort, had a similar percentage of projects reporting environmental impact: 70 percent (table 7.4). Most projects reported that stress on species populations, habitats, soil, and water was reduced only at the site, rather than at higher scales. For climate change projects, emissions reductions were reported mostly at the scale of

their targeted markets. These findings are based on results reported at the end of the project, when the pathways to impact are, in many cases, starting up. Given the long time horizon of many environmental impacts (illustrated in figure 7.3), the relatively low percentage of projects reporting improved environmental status is not unexpected at this point in time. What lies within the possibilities of the time horizon

**TABLE 7.3** EXTENT OF BROADER ADOPTION BY FOCAL AREA

FOCAL AREA	% OF GEF PROJECTS	
	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
Multifocal	42	57
ODS	60	40
POPs	11	88

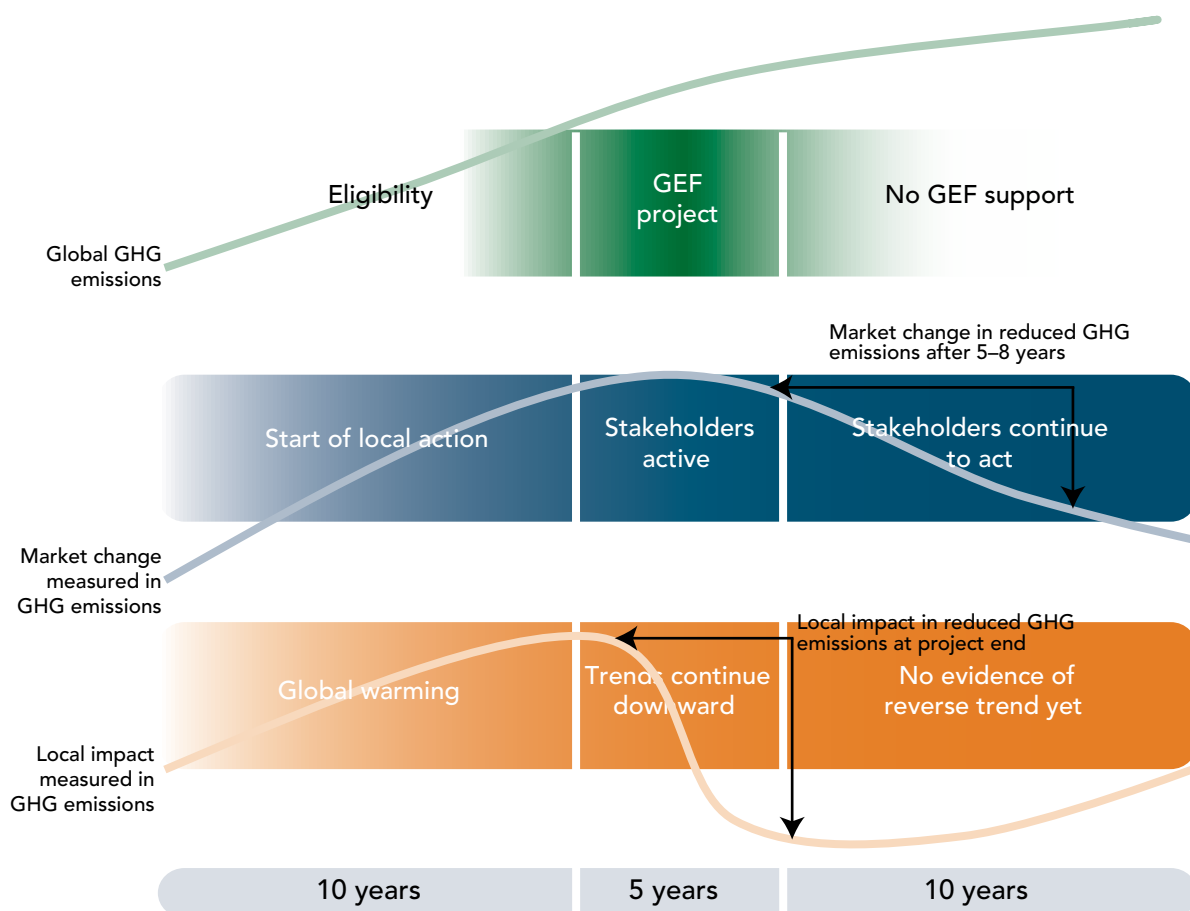
NOTE: Data are for all projects in a given focal area, not just those for which broader adoption is expected. Results for ODS and POP focal areas are presented for information purposes only and are not meant to lead to conclusions due to the small number of projects in these focal areas included in the cohort.

**TABLE 7.4** EXTENT OF ENVIRONMENTAL IMPACT BY FOCAL AREA

FOCAL AREA	% OF GEF PROJECTS		
	STRESS REDUCTION ONLY	IMPROVED ENVIRONMENTAL STATUS	TOTAL
Biodiversity	45	24	70
Climate change	71	n.a.	71
International waters	28	23	51
Land degradation	14	14	28
Multifocal	29	17	46
ODS	100	n.a.	100
POPs	13	0	13

NOTE: n.a. = not applicable; 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. Data are for all projects in a given focal area, not just those for which impact is expected. Results for ODS and POP focal areas are presented for information purposes only and are not meant to lead to conclusions due to the small number of projects in these focal areas included in the cohort.

**FIGURE 7.3** ILLUSTRATION OF BROADER ADOPTION VERSUS IMPACT IN THE CONTEXT OF A GEF CLIMATE CHANGE PROJECT



NOTE: GHG = greenhouse gas.

of GEF support are issues of broader adoption, where the analysis shows that improvements can be made.

Mainstreaming was the most common form of broader adoption found, followed by replication, and then market change. The most commonly mainstreamed types of interventions were laws, policies, and regulations (47 percent) followed by management frameworks and approaches (41 percent). For broader adoption mechanisms other than mainstreaming, the most commonly seen types of interventions were implementing strategies. Interventions take place for most projects at either the 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.

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 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.

Climate change projects were distinct in that technologies were the most broadly adopted type of intervention after 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 data showing that a technology was both cost-effective and profitable. Thus, sound monitoring demonstrating the benefits of a technology is crucial to its broader adoption.

Factors affecting the extent of progress toward 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). Most common factors affecting progress to impact involve conditions and events beyond a project's control. However, top project-related factors such as good stakeholder engagement and the allocation of resources to catalyze broader adoption during

project implementation—both elements of good project design—appear to be important in influencing top contextual factors such as government and other stakeholder involvement.

An analysis of factors present in more versus less successful projects shows that a significantly higher percentage of projects that were less successful in broader adoption cited inappropriate or irrelevant technologies, a 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. Thus, much of the success in broader adoption is within the GEF's control, especially at the project design stage.

Further testing of these factors using qualitative comparative analysis 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 an 88 percent likelihood that the project also had adoption or implementation of some or most broader adoption initiatives. Also, 59 percent of successful cases were explained by either the combination

**TABLE 7.5** FACTORS MOST COMMONLY CITED IN TERMINAL EVALUATIONS AS AFFECTING PROGRESS TOWARD IMPACT

FACTOR TYPE	CONTRIBUTING TO PROGRESS	HINDERING PROGRESS
Project related	<ul style="list-style-type: none"> <li>• Good engagement of stakeholders (48%)</li> <li>• Highly relevant technology/approach (36%)</li> <li>• Broader adoption processes initiated using project resources (39%)</li> </ul>	<ul style="list-style-type: none"> <li>• Poor project design (38%)</li> <li>• No activities to sustain project outcomes (25%)</li> </ul>
Contextual	<ul style="list-style-type: none"> <li>• Government support (57%)</li> <li>• Previous/current related initiatives (55%)</li> <li>• Other stakeholder support (42%)</li> </ul>	<ul style="list-style-type: none"> <li>• Other unfavorable political/policy conditions/events (40%)</li> <li>• Unfavorable economic conditions/events/drivers (31%)</li> <li>• Lack of government support (26%)</li> </ul>

NOTE:  $n = 473$ . Numbers in parentheses are percentage of terminal evaluations citing the particular factor.



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 resulted in an 89 percent likelihood that the project would also not be successful in broader adoption.

This confirms the initial analysis that progress toward impact could potentially be significantly improved by including design elements in projects and interventions that focus on the involvement of government and other stakeholders and initiating broader adoption processes using project resources—a finding triangulated with country-level evidence including, e.g., the Organisation of Eastern Caribbean States 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 can be used with each group or country, and objectives are not overly ambitious. Risks such as staff turnover and changes in government priorities (as also found in the 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.

A comparison of the extent of broader adoption against the amount of the GEF grant allocated at CEO endorsement showed that there was no significant difference between the number of more successful and less successful projects that

had received grants of less than \$10 million.<sup>1</sup> This suggests that within the typical range of project funding, successful broader adoption depends more on the implementation of activities facilitating the process than on the amount of funds allocated to the project. However, only 8 (16 percent) of the 49 projects receiving grants of \$10 million and above were not successful in achieving broader adoption (table 7.6), indicating that projects with grants of \$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.

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 the impact of the GEF, but they need to be executed and implemented through interventions that apply a well-balanced mix of activities aimed at incorporating factors promoting broader adoption, so that negative contextual factors can be better mitigated or overcome.

The GEF portfolio of completed projects includes many experiences with hindering and contributing factors toward 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. The new emphasis on knowledge management and learning

<sup>1</sup> This amount includes the project preparation grant, as project design was found to be an important factor affecting the extent of broader adoption.

TABLE 7.6 EXTENT OF BROADER ADOPTION BY AMOUNT OF GEF GRANT

GEF GRANT	PROJECTS WITH MORE SUCCESSFUL BROADER ADOPTION		PROJECTS WITH LESS SUCCESSFUL BROADER ADOPTION	
	NUMBER	%	NUMBER	%
\$1 million or less	104	50	105	50
Greater than \$1 million but less than \$5 million	69	61	44	39
\$5 million or more but less than \$10 million	63	62	39	38
\$10 million or more	41	84	8	16

is an opportunity in this regard. A community of practice and/or a learning platform of practitioners in GEF Agencies, countries, and projects could be established, with participation from the Secretariat, the STAP, and the Independent Evaluation Office to exchange lessons learned and inform the future design of GEF interventions, focusing on further strengthening of broader adoption approaches.

## 7.5 ENGAGEMENT OF CIVIL SOCIETY ORGANIZATIONS

The GEF has been a leader in civil society engagement in the global environmental 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. The GEF has reached outward and inward to develop ways to capture the voices of civil society. OPS5 Technical Document 14 reports on the substudy undertaken to assess the current situation regarding civil society engagement. It raises several issues, discussed below.

The terms “civil society” and “engagement” have no standard definitions across the GEF partnership. The differing definitions used by the GEF Agencies and at various levels of the GEF pose challenges in the tracking of engagement. Also, the term “civil society” is unpacked differently by the GEF

Agencies. Although the trend is to separate NGOs from community-based organizations, the NGO category itself often includes very different entities—leading, for example, to combining for a single indicator the results from the International Union for Conservation of Nature (IUCN) and a national indigenous people’s organization.

The GEF policy for public involvement (GEF 1996) is outdated, not systematically implemented, and ineffective. However, its call for the documentation of CSO engagement in every project is very clear. Despite this official directive, there is no systematically applied practice inside the GEF to monitor CSO engagement. The only tracking conducted to date is an irregular compilation of CSO-executed projects. This indicator is likely to be partial, obscuring many CSO efforts.

The volume of grants allocated to CSO-executed full-size, medium-size, and SGP projects combined has hovered around \$250 million since GEF-2 (\$150 million for full- and medium-size projects alone). With and without the SGP, the CSO-executed project volume has never accounted for the 15 percent of the GEF portfolio formally requested by the Council by CSOs at the CSO Forum in 2010.

CSO-executed projects are confirmed to demonstrate added value and to 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 for full- and medium-size

projects listed in the Project Management Information System and \$425 million for SGP projects) through the history of the GEF. The vast majority of these projects have been performed with at least moderate satisfaction. This performance and the cofinancing leveraged by the CSO executors (\$3.4 billion) demonstrate the value added to ensure global environmental benefits through local impact.

Despite this solid record and although systematically included in GEF affairs, civil society engagement in the GEF very often stops short of being meaningful. Numerous dynamics contribute to this finding, including relationships between CSOs and governments; the interpretation of meaningful and relevant engagement; and complex mechanisms that fall short in ensuring and documenting such engagement, as stipulated in the policy for public involvement.

Any future effort to enhance the 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. This issue will require further exploration.

Any serious endeavor to further enhance CSO engagement in the GEF would be greatly assisted by **updating 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 also transform a statement of public involvement into a more deliberate policy and guidelines for civil society engagement, which was apparently initially intended.

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 (see [section 7.8](#)), 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 straightforward techniques to **monitor CSO engagement**.

Additional efforts to further enhance CSO engagement in the GEF might include the following:

- Develop guidelines for GEF 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 further burdening the RBM system and slow approval cycle.
- Provide guidance on the widely varying interpretations as to 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 the Project Management Information System and the SGP to demonstrate global CSO engagement, but without hindering the well-established protocols set up 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 of reaching the proposed level of 15 percent of the GEF envelope to CSO-executed medium- and full-size projects (at the 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.

The GEF has long been a leader in partnering with CSOs and channeling energy toward global

environmental benefits. There is no reason to see this role diminished. The challenge now is to take a few bold steps to move from **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 enhancement, send them on their way to more systematically account for the impressive civil society efforts that the GEF has never ceased to support.

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 the GEF's civil society engagement without further increasing the reporting and monitoring burden in the GEF.
- 29 Terminal evaluations need to include questions on engagement with CSOs to ensure that evaluators capture lessons learned and achievements.

## 7.6 THE SMALL GRANTS PROGRAMME

The most successful and internationally recognized interaction with CSOs no doubt takes place through the GEF SGP. The ongoing joint evaluation of the SGP with UNDP's Evaluation Office has provided a first phase report for inclusion of findings in OPS5. The evaluation finds that the SGP remains highly relevant in terms of both global environmental problems and in supporting local communities to address these within their existing socioeconomic conditions.

The evaluation finds that the number of countries participating in the SGP has increased considerably during GEF-5. The new countries include a high proportion of small island developing states, least developed countries, 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 GEF allocation system (currently the STAR). These changes have had a number of positive results as well as some negative effects; these latter can be looked at in more depth in the evaluation's second phase.

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 subnational levels. The interaction of the SGP with other GEF support has developed in interesting directions; a recent example from the GEF country portfolio evaluation in Tanzania found the 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.

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 welcomed. However, the Council's decision to link costs to performance and services rendered (GEF 2007) has not been fully adopted. Measures to strengthen the program's central management have been taken, but these do not compensate for weaknesses in the overall governance structure.

Considerable progress has been made on M&E in the SGP since 2008. However, further improvements to the system are justified, in consideration of the highly challenging nature of conducting proper M&E in a global, multicountry program such as the SGP, and the unrealistic demands placed upon it. M&E in the SGP provides further evidence of overburdening the GEF with RBM and M&E requirements.

The nature of the SGP as a corporate program of the GEF needs to be better addressed. Strong links between the core SGP and the upgraded SGP programs should be maintained—not on management issues, but to support learning and ensure strategic direction. A steering committee was installed to provide strategic guidance, but after a promising start, it became largely focused on operational issues. This steering committee should be revived (and, if necessary, its composition revised) to resolve the issue of its role vis-à-vis UNDP's accountability and fiduciary responsibilities in implementing the SGP through two separate mechanisms (full-size projects and the SGP Central Programme Management Team), address the corporate nature of the program, and provide a management response to the first phase of the evaluation.

The basic approach of the 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 seen in Tanzania, to enable solutions demonstrated in medium- and full-size 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.

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

- 30 The SGP Steering Committee should be revitalized, where necessary strengthened, and engage with UNDP and the GEF Secretariat to ensure the corporate nature of the 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 phases of the SGP evaluation. The Council should consider this management response, as it is the guardian of corporate programs.

## 7.7 PRIVATE SECTOR ENGAGEMENT

OPS5 Technical Document 13 reports on the review of GEF engagement with the private sector that 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.

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 from multinational corporations; through large domestic firms and financial institutions; to micro-, small, and medium enterprises. Besides corporate entities, institutional arrangements may include public-private partnerships, public-private alliances, cooperatives, and other joint ownership arrangements. Most activities have been conducted through national projects; global and regional projects have tended to have limited engagement.

The GEF's engagement with these entities has been successful, with the private sector performing on par with the non-private sector portfolio (approximately 80 percent of projects rated moderately successful or above). There is no difference in ratings among those projects that used a nongrant 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 examples of scaling-up and market change, particularly in the climate change focal area.

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 the application of compliance standards can affect achievement of results, while appropriate policy incentives are a factor in successful private sector participation with the 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 change, compared to 21 percent of projects in which the private sector was not involved.

Historical instances of private sector engagement do not match projected prevalence across focal areas, 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 the biodiversity, multifocal, and POP 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 for GEF-6), it was considerably easier to locate project examples of engagement from the climate change, biodiversity, and ODS focal areas than in the international waters, land degradation, or POP areas.

The role of business and industry in the promotion of sustainable development has increased over the time the GEF has been operating, and it continues to grow. New and expanded corporate sustainability initiatives and the growth of sustainable enterprises attest to the increasing 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.

These same public institutions are often also providing subsidies for fossil fuels and the 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 the 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 processes as well as 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.

The 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 by number and dollar the volumes of previous phases. The STAR midterm review does not include an analysis of the STAR’s impact on private sector engagement, as the portfolio so decreased in direct engagement as to be negligible for analysis (GEF IEO 2013d). Both the RAF and the STAR have led to more active involvement of government agencies. The STAR midterm review 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 such as the STAR, strong engagement with for-profit companies needs to be incorporated in national strategies and priorities, following guidance from the conventions.

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 full-size climate change mitigation projects managed to engage the private sector with considerable success and to initiate market change.



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 the GEF's private sector engagement without further increasing the reporting and monitoring burden in the GEF.
- 33 The GEF should consider the 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 multifocal area approaches should consider how private sector engagement can address sectors that have the most severe impacts on the environment.
- 35 The GEF should build and share knowledge on how private sector entities could and have been involved in GEF support, especially with regard to project cycle times, risk mitigation, market transformation, and recognition/sponsorship.
- 36 Terminal evaluations should include questions on private sector engagement to ensure that evaluators capture lessons learned and achievements.

## 7.8 GENDER MAINSTREAMING

Gender is a highly important dimension in the GEF theory of change, as it is one of the main avenues by which to achieve behavioral 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 neither a luxury nor an add-on, but a core element of the causal pathways to reduction of environmental stress—and eventually, to environmental improvements.

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 (Awori 2009). 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” (GEF IEO 2010b). 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 be included in the next revision of the GEF M&E policy.

The GEF Policy on Gender Mainstreaming, which addresses the main concerns of OPS4, was adopted in May 2011. OPS5 Technical Document 16 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 in light of that baseline.

The 281 projects completed since OPS4 were analyzed on gender issues. Of these projects, 124 did not consider gender and were not expected to do so. Of the remaining 157 projects, 55 successfully mainstreamed gender in their design and implementation. Another 59 projects mentioned gender but did not incorporate it in their activities. The remaining 43 projects presented themselves as “gender not relevant,” and thus did not contain any references to gender in their design or implementation; however, 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.

The baseline study reveals that many project proponents in the GEF are insufficiently aware of gender issues, and may inadvertently design and implement projects with potential negative gender impacts. On the other hand, it reveals 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.

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 percent, and a decrease in projects that consider gender as not relevant from 78 percent to 68 percent, following the adoption of the GEF gender mainstreaming policy. However, 22 percent of the CEO-endorsed projects that were rated as gender not relevant are in fact considered gender relevant by the evaluation team of this sub-study, which includes gender expertise not readily available to the Secretariat.

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 gender mainstreaming policy, especially in terms of understanding which projects are gender relevant and how this should then be approached. One specific GEF modality shows the way forward: a major shift occurred in late 2011 regarding enabling activities, with substantial increases in proposals that mainstreamed gender and considerable reduction in proposals that paid superficial attention to gender. Only one of the enabling activities included serious omissions of gender.

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 IFAD, UNDP, and the World Bank provide guidance that can be drawn upon. The Climate Investment Funds 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.

The GEF has made progress in responding to the OPS4 findings and recommendations and others on gender mainstreaming. A policy on gender mainstreaming was developed and adopted, which clarified the commitment to 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.

Despite the adoption of the gender mainstreaming policy, 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 implement the policy adequately, the GEF Secretariat and GEF Agencies require resources and support.

The policy calls for M&E of gender mainstreaming progress and the inclusion of gender experts in projects. While the results of the assessment of CEO endorsements and approvals show a shift in attention toward gender in the enabling activities, it will be important to examine the terminal evaluations from those projects when they become available.

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, coordinate, and build bridges.
- 38 The GEF 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 regarding what works and what does not to ensure projects incorporate gender issues.
- 40 Terminal evaluations need to include questions on gender to ensure that evaluators check for unintentional harm or positive achievements regarding gender.



# CHALLENGES TO ACHIEVING BROADER ADOPTION

## 8.1 THE FUTURE OF FOCAL AREAS

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 (GEF IEO 2013e). This poses challenges for the formulation of strategies for GEF-6.

Several OPS5 substudies point to the strong emergence of multifocal area projects and programs throughout the portfolio in response to convention guidance 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.

The general framework for a GEF theory of change was presented at the GEF Council's 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 be included in the strategies to be prepared for GEF-6.

Introducing a better reflection of causal linkages and pathways to impact in focal area strategies and multifocal area work is closely related to the development of an RBM framework. OPS5 proposes to reduce the burden of the RBM framework and its M&E burden. Furthermore, the Independent Evaluation Office has offered to conduct an evaluability assessment of the new RBM framework that will include a closer look at causal chains and expected pathways to impact.

## BIODIVERSITY

Of the 214 completed biodiversity projects in which stress reduction could be expected to occur, almost 70 percent (149 projects) showed environmental impacts: 45 percent (97 projects) achieved environmental stress reduction, and 24 percent (52 projects) also resulted in improved environmental status. Biodiversity projects reported environmental impacts mostly in the form of improved habitats at the site level (33 percent, 76 projects); 11 percent (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 the highest across all focal areas.

In biodiversity projects, the most commonly reported mechanism for broader adoption was mainstreaming (see box 8.1 for a successful project example). The most prevalent types of interventions mainstreamed in biodiversity projects were laws, policies, and regulations (48 percent, 108 projects), management frameworks (41 percent, 92 projects), and processes for participation and conflict resolution (27 percent, 61 projects). The mechanisms of market change, replication, and scaling-up also contributed to the broader adoption of interventions in projects in this focal area, but to a lesser extent. Management frameworks were the intervention most often replicated (14 percent, 32 projects) and scaled up (8 percent, 19 projects). Scaling-up typically occurred from the site to the national scale.

## CLIMATE CHANGE

Of the 113 completed climate change projects reviewed, 77 percent (87 projects) provide evidence

of reducing greenhouse gas emissions, including CO<sub>2</sub>. Stress reduction was typically achieved through the implementation of measures that improve energy efficiency or increase the share of renewable energy, or through changing the dominant modes of transportation toward less fossil fuel-intensive ones.

Only 10 percent (11) of the projects in this focal area report no significant broader adoption. Sixty-six percent (75 projects) had some broader adoption initiatives adopted or implemented (see box 8.2 for a successful project example). As in other focal areas, mainstreaming was reported as the most common mechanism of broader adoption, 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 have thus contributed to developing an enabling institutional framework that should lead to the

### BOX 8.1 BROADER ADOPTION IN THE BIODIVERSITY FOCAL AREA

UNEP's Dryland Livestock Wildlife Environment Interface Project (GEF ID 2396), implemented in Kenya and Burkina Faso, is a biodiversity project that demonstrates mainstreaming through 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, the Kenya and Burkina Faso governments 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, 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 to the dryland project's success include government support, good engagement with stakeholders, and alignment of project objectives with previous and ongoing related initiatives. Both Kenya and Burkina Faso are signatories to the United Nations Convention to Combat Desertification and the Convention on Biological Diversity; they also have in place national biodiversity strategic action programs and national action programs to combat desertification. Project activities and outputs complement these processes, so country support and ownership of this project was significant. The communities expressed a readiness to proceed with the implementation of good practices, using their own resources and leveraging financial and nonfinancial resources from willing partners and the government.

## BOX 8.2 BROADER ADOPTION IN THE CLIMATE CHANGE FOCAL AREA

China, through UNDP's Barrier Removal for the Widespread Commercialization of Energy Efficient CFC-Free Refrigerators project (GEF ID 445), aimed to reduce greenhouse gas emissions by transforming the household refrigerator market toward the production and use of more energy efficient models. The project introduced new models of household refrigerators with higher energy efficiency. Besides focusing on removing technical barriers, the project worked to remove regulatory barriers to the adoption of the new refrigerators. On the demand side, the project helped implement a consumer campaign, including introducing appliance standards, labeling, and an information campaign, all aimed at behavior change to entice consumers to purchase the more energy efficient models.

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

Further, the project resulted in a 29 percent drop in average energy intensity of new refrigerators sold between its inception in 1999 and its end in 2005. The use of more energy efficient refrigerators resulted in savings of about 11 million tons of CO<sub>2</sub> emissions by 2005, and 42 million tons by 2010. Thus, the 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 significant market transformation.

eventual reduction of greenhouse gases. Thirteen projects have successfully mainstreamed mechanisms for financing and the promotion of energy efficiency and renewable energy. The most successful of these were lease-purchase agreements, energy efficiency funds, and—less frequently—energy service companies, as in Croatia. Despite these successes, the general pattern shows significant challenges when it comes to broader adoption of financial mechanisms.

Technologies and infrastructures introduced by climate change projects were the most common type of intervention replicated (14 projects). Projects that were highly relevant to stakeholders and that successfully demonstrated the applicability, effectiveness, and feasibility of a particular technology led to replication. Technologies that were profitable

and cost-effective were also commonly replicated. Profitability appears to be a strong prerequisite for wider adoption of a technology as it enables stakeholders, especially in the private sector, to consider energy efficiency not solely as a social responsibility issue but also as a viable business model.

Projects that achieved scaling-up and market change were not common. Since most of the data for the analysis were sourced either at the end of the project or in the short period following project completion, these findings are not surprising. The available data do indicate, however, 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 (GEF IEO 2013a).

## INTERNATIONAL WATERS

Of the 48 completed international waters projects included in this study, 40 percent (19 projects) reported environmental stress reduction and 58 percent (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 percent (4 projects) reported environmental impact in multiple sites, most frequently reducing stress on species, habitats, and—to a lesser extent—water quality. Only 4 percent (2 projects) reported environmental impact on the scale of the seascape, through reduced stress on species.

The most common mechanism for broader adoption in these international waters projects was mainstreaming (see box 8.3 for a successful project

### BOX 8.3 BROADER ADOPTION IN THE INTERNATIONAL WATERS FOCAL AREA

The World Bank's Environmental Protection and Sustainable Development of the Guarani Aquifer System (GAS) Project (GEF ID 974) successfully mainstreamed key recurring interventions. The project produced technical manuals to standardize procedures among the four countries involved in the aquifer's use and management. These manuals have been widely disseminated, and are adopted and used throughout the region. This improved scientific, technical, and institutional/legal information has 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 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 enabling the project's success include government support and good engagement of stakeholders. The project had strong official support from the four participating countries, as well as from several CSOs. Brazil identified the aquifer and its management as important to 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 project's terminal evaluation indicates that the project was exemplary in its design of participatory mechanisms that allowed for the involvement of learning institutions, NGOs, CSOs, public institutions, and the public at large in all phases of the project, including consultation, implementation of project activities, and representation in local management.

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

Market change, replication, and scaling-up also contribute to broader adoption of interventions in projects in this focal area, but for a smaller number of projects. The type of intervention most often replicated was management frameworks (8 percent, four projects). Management frameworks and government structures were the interventions most often scaled up (4 percent, two projects each). The factors 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 with stakeholders, and government support at both national and local scales.

## OTHER FOCAL AREAS AND MULTIFOCAL AREA SUPPORT

Under this grouping, 54 completed multifocal area projects, 17 land degradation projects, 9 POP projects, and 5 ODS projects were reviewed. All four focal areas reported some extent of environmental impact. Two land degradation and two multifocal area projects reported improved environmental status. Two POP projects, three land degradation projects, and all five ODS 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 their respective activities. Multifocal area projects are more likely to report a variety of environmental impacts. Given the small number of projects in the POP and ODS focal areas, it is premature to draw any focal area-specific conclusions at this time.

Land degradation projects report improved habitat and land quality at the level of specific sites. Multifocal area projects report improved habitat, land quality, water quality, species, and greenhouse gas emissions at multiple sites and at the landscape level.

Mainstreaming of laws, policies, and regulations was reported in 6 of 17 land degradation projects. To a lesser extent, mainstreaming was reported for processes of participation and trust building, management approaches, technologies and infrastructure, and financial instruments: each of these interventions was reported in two projects. Land degradation projects reported broader adoption of technologies and infrastructure: four reported replication of technologies, two mainstreaming of technologies, and one scaling-up of technologies.

Of the 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); and government structures and management frameworks (10 projects each). Replication was another important mechanism for broader adoption: six projects reported replication of management frameworks, and two of technologies and infrastructure.

In all four focal areas, the most frequently used mechanism for broader adoption was mainstreaming, and the interventions focused on laws, policies, and regulations. For land degradation, POP, and multifocal area projects, replication was also frequently cited. Scaling-up and market change were the least commonly reported mechanisms. For multifocal, ODS, and POP projects, government structures were frequently reported. For multifocal, ODS, and land degradation projects, technologies and infrastructures were frequently reported. The factors most often cited by multifocal area projects as contributing to successful broader adoption are a highly relevant technology or approach, project-initiated broader adoption processes, and a context

in which there were previous or current related initiatives.

For land degradation projects, mainstreaming of laws and regulations usually involves community-based management plans or the development of national action plans. Mainstreaming typically involves the incorporation of sustainable land management methods/frameworks into local planning processes, national strategies, and legislation. Site visits and study tours that support mainstreaming are other common features of projects in this focal area. Limited replication of technologies or infrastructures occurs in some communities and municipalities neighboring project sites.

## MAINSTREAMING RESILIENCE AND ADAPTATION TO CLIMATE CHANGE

Adaptation to climate change is addressed in OPS5 through work on focal area strategies, RBM and tracking tools, multifocal area and multitrust fund projects, and gender mainstreaming. OPS5 Technical Document 19 provides additional evaluative evidence on adaptation in the LDCF and the SCCF and on adaptation in the main GEF 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 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 (GEF IEO 2011). Climate change is increasingly being recognized as a threat to the sustainability of the GEF portfolio, and addressing it is also increasingly being 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.

The STAP concluded that GEF investments to deliver global environmental benefits are best protected by adopting approaches that simultaneously address climate risks and the objectives of focal areas (STAP 2010). It recommended that climate change risk assessment and resilience measures be mainstreamed across the whole GEF-5 strategy and in the project cycle.

The LDCF has moved to a new phase of funding projects to implement national adaptation programs of action (NAPAs). OPS5 Technical Document 19 reports that NAPA implementation projects are in alignment with NAPA priorities. Of the 51 projects reviewed representing 35 countries, 58 percent are aligned with the highest priority and 42 percent with a high priority of the NAPA. The primary priority addressed in NAPA implementation projects is agriculture (35 percent), followed by coastal zone management (20 percent). Agriculture was listed as a key adaptation need in 98 percent 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 May 2014 LDCF/SCCF Council.

Currently, the GEF Agencies are required to provide information, at the PIF stage and the 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 the 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 the PIF and CEO endorsement stages. At the PIF stage, the following is required: (1) characterization of potential climate change risks and potential impacts relevant to the project, (2) characterization of potential consequences of climate change on global environmental benefits targeted by the project and project beneficiaries, and (3) consideration of a range of suitable adaptation measures

and a description of how the final project design will incorporate them. At the CEO endorsement stage, the following is required: (1) analysis of projected climate change impacts on the project; and (2) evidence of how the project design incorporates measures, practices, or technologies to respond to climate risks and ensure climate resilience. The GEF Secretariat is finalizing the draft framework document that outlines climate resilience considerations across all focal areas. Given the urgency of making the project cycle more efficient and focused on programmatic approaches, as well as the need to reduce the burden of M&E, these efforts should be fine-tuned.

The GEF has made some progress in harnessing the synergies between climate change adaptation and its other focal areas through multitrust fund projects. The First Report of OPS5 highlighted the growth of such multitrust fund projects (GEF IEO 2013e). The possibility of combining climate change adaptation activities under the LDCF/SCCF with activities funded through focal areas under the main GEF Trust Fund was introduced in GEF-5 as multitrust fund projects. Given the crosscutting nature of adaptation activities that can complement those under GEF focal areas, the number of corresponding projects is growing. GEF-5 includes 23 approved projects that combine funding from different trust funds. The SCCF, which allocated 28 percent of its resources to multitrust fund projects during GEF-5, has funded 10 with the main trust fund and 2 with the LDCF as of June 30, 2013. The LDCF has 13 percent of its resources in multitrust fund projects, eight with the main trust fund and two with the SCCF. The remaining project is cofunded by the NPIF and the main trust fund.

Of the 528 projects that reached CEO endorsement or approval during GEF-5, the substudy 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 multifocal area projects (55 percent). Of the GEF Agencies, IFAD included resilience in all its projects; UNDP followed, incorporating it in 63 percent of its projects.

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

The findings demonstrate that, despite a growing trend of integrating resilience concepts in design, more work is needed to ensure the 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 GEF Secretariat (2012). At the same time, the GEF focal area strategies should be improved with regard to their contribution to climate change resilience.

## 8.2 TOWARD A MORE STRATEGIC STAP

The evaluation of the GEF STAP, reported on in OPS5 Technical Document 15, concludes that the STAP is a useful and respected body that has made substantial contributions to the functioning of the GEF and has made great strides since its inception and subsequent alterations. With the limited resources assigned to the STAP, it is generally effective. Many of the issues identified here were already known to the STAP. There are a number of areas in which the STAP's effectiveness could be increased with more resources strategically allocated to enhance effectiveness and better support.

The STAP's **strategic contributions** are widely recognized. STAP contributions to the GEF-5 and GEF-6 strategies are highly appreciated. Stakeholders would like the STAP to increase its strategic



contributions and enhance its visibility. The 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 STAP time, and little growth in STAP resources, there is a need to formulate clear priorities. Notably, there is a tension between the STAP's role in identifying strategic long-term issues facing the global environment and its quality assurance role through project screenings.

Systematic evidence on STAP contributions to **quality control** through project reviews is currently lacking. Stakeholder views on STAP contributions in this area are mixed, with some finding them very useful and others less certain. Given that STAP time and resources are stretched thin, a decision needs to be made on whether to increase STAP resources or to cut back on them and reorganize STAP functions. Given the continuing difficulties in streamlining the project cycle and the inefficiencies of the current focus on project concepts, OPS5 recommends moving toward a portfolio and programmatic approach; this holds for the STAP as well. The need for STAP members to understand what is happening in projects is recognized and should be met in new ways.

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 the GEF was the sole actor in the past. Attention of the broader scientific community would lend greater legitimacy to STAP 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.

**Integrative work across focal areas** needs to be strengthened. This means more teamwork 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 greater than the sum of their parts.

STAP **coverage of sciences** needs to be broadened. The GEF has defined science broadly to include both biophysical and social sciences. The GEF portfolio of projects has increasingly been moving toward project design with a greater inclusion of social science components. The 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 help to understand the "solution space" (GEF STAP 2013). 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.

The STAP role in **knowledge management** should be encouraged. It could potentially play an important role in providing scientific and technical support to the GEF communities of practice proposed elsewhere in this report.

**Monitoring STAP effectiveness in its various roles** needs to become a routine function of the STAP Secretariat. Targeted research can potentially play a very important role in helping to resolve some of the scientific and technical challenges in the GEF. Yet targeted research has fallen by the wayside for various reasons explored in OPS5 Technical



Document 15. The vast body of evidence from the GEF's completed portfolio can become the subject of scientific investigations. Efforts to resuscitate targeted research by identifying key areas for research and funding for it should be given high priority. A number of suggestions are contained in OPS5 Technical Document 15.

**UNEP's role** vis-à-vis the STAP needs to be clarified and adapted where necessary. The STAP is made available to the GEF by UNEP, as laid down in Paragraph 24 of the GEF Instrument (GEF 2011). 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 the STAP, as it has done for many other scientific bodies that are incorporated in the wider UNEP structure, such as the Intergovernmental Panel on Climate Change. UNEP is well versed in supporting bodies with various degrees of functional independence, and an appeal should be made to the Agency to extend similar privileges to the STAP.

UNEP runs a further reputational risk with regard to the structural and administrative support it provides to the STAP. UNEP's office in Washington is not able to meet STAP needs; 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, the STAP is a low priority for others. STAP members are instructed to fly in accordance with highly inconvenient and inefficient itineraries, even when better itineraries are available at the same price. Other problems involve information technology support for the STAP website and general logistical support. UNEP's administrative effectiveness of support is low, and there is a shared perspective within the STAP that

the current arrangement by which Nairobi must approve minor decisions undermines the STAP's effectiveness.

The functional issues can probably be easily solved. The administrative and logistical issues may be more difficult to solve, as UNEP must follow UN guidelines on travel, for example, as well as UN rules and regulations on who can decide what. However, the STAP Secretariat is embedded in the UNEP office in Washington but must 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.

This leads to the following recommendations regarding the STAP:

- 42 The STAP mandate and strategic work agenda should be strengthened along the long-term agenda of the GEF and on a better coverage of the sciences, including the social sciences. This could potentially take the form of a GEF policy on science, describing not just the STAP 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 revitalized and could start with looking at scientific perspectives in the increasing evidence of completed projects in the GEF under the guidance of the STAP.
- 44 The STAP 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 the STAP should be improved, first and foremost through recognition of the functional independence of the panel in its work for the GEF. Second, UNEP needs to provide effective and efficient support on logistic and administrative issues such as travel, knowledge brokerage, information technology, and publications.

## 8.3 KNOWLEDGE BROKERAGE: GEF COMMUNITIES OF PRACTICE

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 the 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 GEF Monitoring and Evaluation Unit (the precursor to the present Independent Evaluation Office) proposed the establishment of an explicit knowledge management 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. Preliminary efforts aimed to build on what was already being done in Implementing Agencies, the GEF Secretariat, and the M&E Unit.

OPS3 gave significant attention to the topic of lessons learned and knowledge management. It 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 (GEF IEO 2005). In 2009, OPS4 concluded that although 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” (GEF IEO 2010b). During the negotiations for the GEF-5 replenishment, participants requested that the Council approve a GEF-wide knowledge management initiative to be prepared in parallel with implementation of a new RBM framework (studied in OPS5 Technical Document 10).

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 of the work plan failed to obtain budget or staffing from GEF management, which significantly undermined the achievement of planned objectives.

The GEF arrangements for knowledge management are generally perceived to be average by various stakeholders. Staff of OFP offices, GEF Agencies, and executing agencies did 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 did other stakeholders.

It is not clear how much could have been accomplished during GEF-5 even if the knowledge management working group’s proposal had been fully endorsed and funded by GEF management. As related in OPS5 Technical Document 11, the World Bank and the Asian Development Bank have encountered difficult barriers to providing a coherent strategic framework for rapidly growing knowledge portfolios supported by effective management systems. Their experiences also reveal intangible factors such as staff incentives and the persistence of institutional “silos” that inhibit effective knowledge sharing.

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 commendation: IW:Learn. It is 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 guiding international waters initiatives, as exists for the other focal areas; IW:Learn thus ensures learning in an area that does not have a convention to provide a learning forum.

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, and mobilizing financial and natural resources to develop new abilities in the face of new challenges as an ongoing process of internally driven capacity development.

Earlier capacity development efforts tended to focus on providing training and knowledge to improve the 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 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, nongovernment, 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 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

Engagement with digital devices and the Internet is central to any conception of CD2. 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.

Ongoing work for the second phase of the enabling activities evaluation indicates that the CD2 framework and new ways of interacting through social media and the Internet, as well as new ways of organizing learning through communities of practice, are well suited to the intervention model of the GEF as displayed in its 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.

Among 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 capacity development; 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 and partners. The Asian Development Bank 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 (<http://www.fao.org/capacitydevelopment/en/>). There is also evidence of CD2 tools being used by some of the GEF partners, such as the following:

- Moodle-based learning platforms from the World Bank and the United Nations Industrial Development Organization<sup>1</sup>
- 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 (<http://www.informea.org/>)
- The use of live online question-and-answer sessions with experts on UNEP's MENTOR (Marketplace for Environmental Training and Online Resources) platform (<http://www.unep.org/mentor/>)

In conclusion, the GEF is lagging behind its Agencies in adopting the new CD2 paradigm, and it could gain from learning 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 what circumstances to increase progress toward impact; and
  - use of social media and the Internet where possible and feasible, including support to ensure access.

<sup>1</sup> Moodle—modular object-oriented dynamic learning environment—is a free software e-learning platform.

## 8.4 THE ROLE OF MONITORING AND EVALUATION

The GEF evaluation function will become the 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.

The effort to incorporate the main elements of the OPSs into the evaluation streams of the GEF Independent Evaluation Office has led to a considerably cheaper OPS5 initiative compared with OPS4—OPS5 will remain within budget and will eventually be substantially cheaper than OPS4, with savings of more than \$1.2 million. However, the substudies of OPS5 still turned out to be numerous (21 technical documents provide the basis for OPS5) and a burden on the system and on the Independent Evaluation Office. As for OPS4, the quality assurance of the work done for OPS5 is less effective than for the Office's regular work, as there is less time to reflect on data, methods, and approaches—as well as on findings and recommendations—due to the sheer volume of the work and the time horizon in which it needs to be finalized. A further effort to spread this OPS work out over the regular work program of the Office should be made during GEF-6.

A second issue putting pressure on the Office's work program was that two sizable midterm evaluations had to be undertaken concurrently with OPS5: the STAR and NPFE midterm evaluations that were presented to the Council in November 2013. Again, this calls for better timing and fine-tuning of the programming.

The problems that undermine the GEF network—too many connections, too much to communicate, too many interactions vying for attention with more actors who have less time to spend on these—also

undermine the relationship between the Independent Evaluation Office and the GEF stakeholders. A solution to the network conundrum should address the M&E requirements of the GEF.

One issue illustrates the problem: despite recurrent efforts, the Independent Evaluation Office has not succeeded in updating the terminal evaluation guidelines for the GEF, as the network could not reach consensus on the direction in which to go. Another effort is necessary for GEF-6 when the guidelines will have 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 so without further increasing the cost of terminal evaluations. One option is to make use of state-of-the-art

technology, such as remote sensing and mobile telephony to support M&E in the GEF.

The Office should have identified the burden of M&E and the GEF RBM framework earlier in its findings. Country-level evaluations continued to raise the issue, but focused more on specific problems such as the tracking tool requirements for multi-focal area projects rather than the systemic issues underlying the problems. Impact evaluations uncovered systemic failures, but focused more on local circumstances and compliance issues than on the structural issues behind the failures. The Office should interact more directly on efforts to improve the business model of the GEF, without sacrificing its independence, or the credibility and usefulness of its evaluations.



# ANNEXES





# COMMENTS OF THE SENIOR INDEPENDENT EVALUATION ADVISORS

## ABSTRACT

OPS5 has pulled together an impressive portfolio of Independent Evaluation Office and partner evaluations, meta-evaluations, and studies to address all the objectives and questions set out in its terms of reference (TOR).<sup>1</sup> Not surprisingly, not all questions were fully answered, given their global scope, the complexity of the GEF's partnership network, and a business model for the GEF that OPS5 found inadequate. OPS5 was highly relevant to the replenishment, with its two reports timed to support the first and last meetings of the GEF Council's replenishment exercise.

While OPS4 analysis of GEF governance concentrated on its high-level architecture, OPS5 addressed the GEF's strategic management framework and operational effectiveness. Echoing previous findings, it found that a core element of the GEF business model—the results-based management system—is broken. A key limitation is that it is not calibrated to support adaptive management at the governance, strategic management, and operational levels. Nor is it aligned with focal area strategy results frameworks. OPS5 provided the evidence to support three key recommendations to repair and update the business model. More comparison of GEF performance to that of other institutions would have strengthened and informed the comprehensive analysis of governance.

Questions on funding were covered substantively, but given the GEF's role in other environmental conventions, the implications of a disproportionate share of funding flowing to climate change in recent years deserved greater attention, as did substantial donor arrears. Evaluative evidence supported the conclusion that the GEF has had a multiplier effect through stakeholders on the ground. OPS5 concluded, correctly, that if the GEF is to continue to play its catalytic role, it should focus on mobilizing more funds for GEF-6. Concerns about the health of the GEF network, as it strains under a relentless pace of change, were convincing. Strengths and weaknesses of current focal area strategies were evaluated with persuasive evidence, but further analysis of emerging multifocal area projects and their impacts is needed to help determine future strategic directions and design. As well as limitations in methodology, a lack of

<sup>1</sup> See "Terms of Reference and Budget for the Fifth Overall Performance Study of the GEF," [GEF/ME/C.42/05](#), May 9, 2012.

rigor in defining alignment as linking investment metrics with national priority metrics puts in question the findings on increased country ownership. Countries will own environmental strategies and programs only when they choose the priorities and use metrics to align all investment with national priorities.

Special note must be made of conclusions on the GEF's gender policy, given the established reciprocal links between outcomes for girls and women and outcomes for the environment. More work, such as that represented by the OPS5 recommendations on gender, must be done to embed gender intelligence into the GEF (and into evaluations of its effectiveness in this area) as successfully as leading organizations have done.

As stated above, OPS5 has brought together many streams of solid evidence in answering the questions posed in its TOR. Those questions tended to focus on the GEF's relevance in terms of country priorities and the conventions for which it is the financing mechanism, and OPS5 duly answered those. Its TOR, unfortunately, did not raise the larger question of assessing the GEF's global relevance, nor how this might be enhanced. As environmental degradation accelerates, subsidies that support environmentally damaging activities remain in the trillions of dollars and global environmental funding needs increase, we believe this is an increasingly pressing question.

## COMPLIANCE WITH OPS5 TERMS OF REFERENCE

Our tasks as Senior Independent Evaluation Advisors were to (1) provide an independent opinion of the quality of two key OPS5 products, the first and final reports to the replenishment process;<sup>2</sup> and (2) attest to the compliance of OPS5 with its TOR. This note assesses the OPS5 Final Report and complements the comments we offered on the First Report (GEF/R.6/04/Rev.01, March 22, 2013) and at various stages in the substudy TOR and drafts.

Our comments must be seen in the larger picture of evaluation practice. GEF Independent Evaluation Office Overall Performance Studies stand among best practice in global institutional governance. The Independent Evaluation Office is among the pioneers in developing a theory of change at the institutional level. Few international development organizations produce such comprehensive assessments at regular intervals.

From the perspective of quality assurance, assessing whether OPS5 sufficiently met its TOR entails answering two questions: (1) has the report adequately addressed the key questions in the OPS5 TOR; (2) does the OPS5 meet TOR requirements, including delivering the evaluation documents on time, employing sufficient scope, and targeting the intended users (that is, the replenishment group and Council)?

The TOR asked OPS5 to answer 11 of its key questions in the First Report and the remaining 11 in the Final Report. The OPS5 Final Report questions deal with several

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<sup>2</sup> The First Report drew from a meta-evaluation of the Independent Evaluation Office products since OPS4; and the Final Report drew from 14 substudies, a joint study with UNDP on the Small Grants Programme, other GEF studies, and the comments of the Senior Independent Evaluation Advisors.

issues, including the relevance of the GEF, funding, focal and multifocal areas, country ownership, governance, and stakeholders on the ground, as well as gender policy. For ease of reference, the following table indicates where we have addressed the quality and completeness of the evaluation of each question:

**TABLE A.1** SENIOR INDEPENDENT EVALUATION ADVISOR  
COMMENTS RELATIVE TO TOR QUESTIONS

KEY ISSUES IN COMMENTS	TOR QUESTIONS FOR FINAL REPORT
Relevance of the GEF	Question 1
Funding: sufficiency and use	Question 2, Question 3
Focal and multifocal areas	Question 4
Country ownership and alignment	Question 5
Governance-related issues	Question 6, Question 7, Question 11
Stakeholders on the ground	Question 8, Question 10
Gender policy	Question 9

Overall, we found that OPS5 addressed the majority of the TOR questions by offering evaluative evidence. Perhaps not surprisingly, some issues related to the key questions are not fully addressed. Examples include country ownership (including the proper role of alignment), gender policy, and further analysis of the impacts of multifocal area strategies, the positive and negative effects of the Small Grant Programme expansion, and stresses on the GEF network. An additional weakness in OPS5 coverage of the TOR lies in a lack of systematic comparison with other multilateral organizations in some of the key questions. This is why the TOR question asking to what extent the GEF is in line with international best practice, for example, is not fully addressed.

As an important improvement over the previous OPSs, the OPS5 is timed to support the GEF replenishment cycle. The First OPS5 Report was available at an early stage in the replenishment process when related policy and programming documents were in preparation. At the request of the first replenishment meeting, the Progress Report of OPS5, highlighting five replenishment issues, was presented to the second replenishment meeting. The Final Report of OPS5 is to be delivered for the third meeting, near the end of the process. The synchronization of OPS5 with the replenishment process enhances the likelihood that decision makers will take into account its conclusions and recommendations at the appropriate points.

To communicate its key messages effectively, the OPS5 Final Report provides three overarching conclusions and recommendations. Generally they are on the right track, focused on key effectiveness concerns for the replenishment negotiations, and facilitate discussions on the strategic direction of GEF-6.

OPS5 has met TOR requirements in terms of timeliness and focal area coverage. We also recognize that the Final Report provides a road map of key questions indicating

the discrepancies between the original key questions in the TOR and actual treatment in the Final Report.<sup>3</sup>

## RELEVANCE OF THE GEF

Several TOR questions touch explicitly or implicitly on the relevance of the GEF, which we note is generally defined in the OPS exercises as relevance to regional/country priorities and to the conventions.

Conclusion 7 of the OPS5 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.” Moreover, the Final Report concluded that “the overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels.”

The methodological note on triangulation analysis in country portfolio evaluations stated, however, that country-level evaluation analysis conducted by the Office faced a number of limitations, including data scarcity, especially in the least developed countries; failure to clearly set out expected project impacts or even outcomes, especially in older projects; and intrinsic difficulties in defining the GEF portfolio of projects. These limitations raise doubts regarding relevance and its measurement at the country level.

Moreover, and more pressing in terms of relevance, OPS5 referred to global needs for action on the environment of around \$100 billion annually—against a backdrop of governments around the world providing more than \$1 trillion annually to support unsustainable environmental subsidies, for example for fossil fuels.

As OPS5 correctly noted, “For the GEF to be effective in tackling the challenges posed by today’s global environmental threats, it must operate in partnership and demand action from all the entities making up the GEF global network.” We agree, noting that this call to action lies outside the strict OPS5 TOR, which focused on a more limited view of relevance. We would strongly support deeper exploration of the GEF’s effectiveness in this role in the TOR for future OPS exercises.

## FUNDING: SUFFICIENCY AND USE

OPS5 was asked to address a cluster of questions on funding and resource mobilization: Does the GEF have sufficient funding to address the focal area strategies, guidance of the conventions, and the needs of recipient countries in a meaningful way? To what extent is the GEF able to mobilize sufficient resources? To what extent do the donors perform as pledged? Given the emergence of new financing channels, what is the added value and catalytic role of the GEF as a funding channel?

OPS5 did an extensive and informative evaluation of funding channels, resources, and donor performance, despite the challenges of achieving coherence in definitions

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3 [Annex B.](#)

and bringing together information on environmental official development assistance. The evaluation included a technical paper, “Resource Mobilization” [Technical Document 8], which undertook a rigorous analysis on the funding behavior for environmental activities as a whole and how the GEF has performed with regard to mobilizing funds.

While OPS5 found that official development assistance has been declining overall since 2010 as a result of the financial crisis, funding for global environmental goals increased significantly as a share of official development assistance, going from 5 percent of total official development assistance in 2006 to 14 percent in 2010 and remaining fairly steady since then. A concern, however, is that climate change mitigation is taking the greatest share of the increase. Most governments, NGOs, and other organizations dealing with environmental goals have this as their main or only focus, implying that the GEF must take major responsibility or at least compensate for other focal area strategies.

Yet OPS5 made it clear that funding for priorities overall—including climate change—is not sufficient. In discussing the marked increase in funding by Organisation for Economic Co-operation and Development Development Assistance Committee donors for the environment in recent years, it noted that GEF funding has not benefited proportionately. This leaves the concern that the other areas for which the GEF is responsible may be seriously underfunded. Although recommending that “the replenishment should be based on the urgency of the global environmental problems,” OPS5 did not deal explicitly with this possible funding imbalance.

The OPS5 data suggested that since the economic crisis, developed countries’ official development assistance for environmental goals may not be sustainable, and emphasized that trends in LDC, NGO, and private sector funding will not offset this drop. It noted that, at a time when the GEF has accepted more obligations, the replenishment may show no increase in purchasing power. Its recommendations provided some guidance to the GEF, although the scale of the need might have called for something more sweeping: it suggested that the GEF should base itself on the UN scale of contributions, should further explore broadening its financing basis, and should invite the European Commission to become a donor.

Donor performance is a further concern. Donors have not been meeting their obligations on time, resulting in arrears: as of May 2013, \$587 million was outstanding, representing 16.5 percent of the amount pledged for GEF-5. OPS5 did not identify any measures (or members) to discourage arrears.

On a more positive note, OPS5 concluded that although the GEF plays a relatively small role as a funder against global needs, it certainly acts as a catalyst. Apart from its own \$1 billion commitment, the GEF through its “intervention model” has been able to mobilize and raise a further \$3 billion through cofinancing. Recipient countries spend about 50 percent in cofinancing of GEF-supported projects. Using counterfactual analysis, OPS5 identified three ways in which the GEF is catalytic: without the GEF, this cofinancing would not have materialized, it would not have happened as quickly, and it has led to better action.

The OPS5 “progress to impact study” confirmed further that projects that had both successful broader adoption and environmental impact had a significantly higher average grant amount than those that had less successful broader adoption and no environmental impact, with a difference of about \$3 million between the two groups. The GEF as a funding channel is therefore important as a catalytic player to create broader adoption and environmental impact.

The evidence presented in OPS5 made it clear that greater resource mobilization and faster availability of funds will lead to more concrete, visible results on the ground.

Triangulated evidence from reports contributing to OPS5 showed that wherever there has been a substantial level of funding support by the GEF to recipient countries and programs, the rate of outcomes and success has been higher. We agree with the conclusion of OPS5, reflected in its first recommendation, that if the GEF is to continue to play its catalytic role, its priority should be mobilizing more funds for GEF-6.

## FOCAL AND MULTIFOCAL AREAS

The TOR required OPS5 to examine the strengths and weaknesses of GEF focal area strategies and also to look at the role and added value of cross-cutting support through multiple focal area interventions.

OPS5 addressed focal area strategies’ strengths and weaknesses with convincing evidence, supported by evaluation of the GEF Thematic Evaluation of Focal Area Strategies and impact evaluations such as those on climate change mitigation and biodiversity.

GEF evaluation streams demonstrated that GEF activities were highly relevant to convention guidance. Focal area strategy mapping showed that convention guidance has largely been followed. Convention secretariats and the corresponding GEF Secretariat teams strongly supported this assessment. OPS5 highlighted, however, that weakness in the management of strategies stems from the multifarious nature of convention guidance: it is cumulative, unrefreshed, and operationally complex and lacks prioritization.

OPS5 provided evidence pointing to the emergence of multifocal area projects that address global environmental concerns relevant to more than one GEF focal area. OPS5 pointed out that multifocal area projects are rapidly gaining importance for the GEF portfolio and could be the future modality for the GEF. They have the potential to address connected focal area issues through synchronized and properly sequenced interventions on interdependent systems that create positive environmental impacts. OPS5 stated that the 54 multifocal area projects completed to date are likely to report a variety of environmental impacts. We believe that further analysis is needed, however, to compare outcomes and impacts of multifocal projects to those of single-focal area projects. Until that is done, it is premature to draw conclusions about the added value of the GEF providing cross-cutting support through multifocal area projects.

Depending on the outcome of that analysis, the GEF-5 focal area strategies, formulated before the development of multifocal area projects, may need to explore other

global initiatives that have moved to a new generation of programming. This new generation of programs is delivered by multisector and multiagency partnerships focused on common impacts. They use common measures across the partnerships, often supported by new agencies or a lead government department. The need for more collective impact programming and lessons learned from others may pose challenges for the formulation of strategies for GEF-6 and relations among convention secretariats.

## COUNTRY OWNERSHIP AND ALIGNMENT

The TOR asked for an evaluation of the extent to which the major reform processes of the GEF achieved their objectives, following the key principles of enhanced country ownership and improved effectiveness and efficiency.

The Final Report outlined a narrative of increasing effectiveness and efficiency resulting from such major reforms as the STAR adopted in November 2009, which it also identified as having increased country ownership.

OPS5 underlined that country ownership is critical to development effectiveness. The GEF is striving to increase country ownership by moving from donor-driven decision making to empowering governments and other country stakeholders such as civil society and the private sector to drive environmental policy and programming. A meta-evaluation of country ownership in OPS5 aimed to ensure that the Paris Declaration Phase 2 was applied in the evaluation process, including the use of indicators from the declaration. Key indicators were built for ownership, alignment, harmonization, managing for results, and mutual accountability.

While OPS5 shows positive results with relation to ownership, we note some limitations listed in the meta-evaluation itself relating to other indicators: "Firstly, many of the discussions of ownership in country level evaluations were limited to assessing stakeholder involvement in the design and implementation of projects. There was a paucity of data on harmonization; mutual accountability; managing for results; use of country systems for project implementation/procurement and contracting, and on the prevalence of parallel structures (e.g., PIUs and/or PMUs); private sector and to some extent civil society involvement beyond the SGP" (meta-evaluation, p. 15).

The country-level evaluations also indicate that "achieving effective coordination to support GEF activities has been mixed in practice, with 12 countries having more than moderate performance while 10 countries have weak performances. The reason for the mixed results and weaknesses in effectiveness is mainly due to poor coordination and lack of capacity in the local focal points amongst other reasons. Therefore there are questions regarding 'effectiveness' and 'efficiency.'"

We have included a discussion of alignment in this section because it is central to ownership. Country ownership emerges when the country initiates an outcomes-focused, multisector strategy with evidence-based plans. Public scorecards help the public and private sectors to organize their contributions around priorities, diagnose what is working and what isn't, and identify successful interventions. It is only through rigorous measures that development interventions demonstrate alignment, a performance relationship, to country-level outcomes. For example, natural resource

management, water authorities, and agri-business would report on percentage reduction in annual water usage to meet a country-driven environmental priority of 20 percent reduction in each decade.<sup>4</sup>

There is a concern, however, that the GEF, like other development organizations, has used the term “alignment” much more loosely in development planning, results frameworks, and evaluation. An imprecise connotation does not drive the proper coordination, substantive learning, and sequencing of activities to achieve high-level country strategies. This is especially problematic when there is a need to align interventions by multiple projects and partners. Beyond the definition issue, we are also concerned that the alignment model implicit in the GEF’s thinking works in the wrong direction for country ownership, building as it does from project-by-project measurement instead of from overarching national and regional strategies and priorities back to projects.

## GOVERNANCE-RELATED ISSUES

The TOR required OPS5 to look at the extent to which the governance of the GEF is in line with international best practices.

OPS4 provided an in-depth review of GEF governance, which it defined for the purpose of the study as “the exercise of political authority by member nations” and further elaborated as steering or directing an organization, fixing clear strategic directions, setting priorities, providing clear guidance and allocating resources commensurate to the agreed mandates, and establishing appropriate monitoring and evaluation functions.

OPS5 addressed governance in two ways. First, it returned to the recommendations of its predecessor, pointing to the lack of follow-up on one OPS4 recommendation for clear guidance on constituency formation and operation. Second, OPS5 moved from evaluating the GEF’s architecture and continued transparency to an analysis running implicitly throughout the report of the strategic management capacity of the GEF Council and Secretariat.

As well as identifying a lack of clear strategic directions and priority setting, this analysis noted the shortcomings of the GEF’s results-based management system. It is overburdening the system instead of giving leadership a straight sight line from strategic objectives to results on the ground. While creating some accountability for individual project results, it lacks a cogent set of core indicators that would support adaptive management and ensure more synthetic results programming across GEF-funded interventions at the country, regional, and global levels. With no common currency of technical and scientific measures, there is no measurable alignment with GEF and country strategic objectives.

4 See, for example, *A New Vision for Agriculture: A Roadmap for Stakeholders* (<http://www.weforum.org/reports/realizing-new-vision-agriculture-roadmap-stakeholders>); see also the World Bank Global Road Safety Facility publication jointly issued by the World Health Organization and the World Bank at [http://www.ki.se/csp/pdf/Publications/WBGRSF\\_guidelines.pdf](http://www.ki.se/csp/pdf/Publications/WBGRSF_guidelines.pdf).



To support OPS5 conclusions on the need for results management reform, the GEF needs to revert to the original purpose of results-based management and measurement. In cases of best practice, governments and global organizations use evidence to manage continuous institutional change, and to select and organize partnerships to deliver interventions that best achieve desired outcomes. As knowledge accumulates, higher levels of ambition shape interventions instead of the other way around. To achieve substantive outcomes, results management and measurement systems need to serve leader and operational management-specific needs as defined by what they need to do their jobs—the closer to implementation, the more detailed. The results systems must provide outcome-based evidence for adaptive, real-time decision making and for testing substantive theories of change. It is thus the role of leadership, not evaluation or quality control departments, to develop frameworks that they own and use.

A results-based management system for the GEF should be based on scientific measures emanating from the wide portfolio of the GEF-funded interventions. The portfolio as a whole should, for example, be able to answer such questions as: How has the rate of greenhouse gas emissions slowed? How many tons of CO<sub>2</sub> have been avoided thanks to the climate change adaptation focal area's share of the GEF's \$11.5 billion investment? A common currency of high-level lag and lead measures of environmental impact embedded in GEF-funded interventions need to align—not semantically, but measurably—with the focal area strategy metrics. The issue goes beyond internal management. If the GEF were better able to show the impact of its portfolio on the status of the environment in scientific terms and in social costs avoided for the \$11.5 billion invested since its launch, the GEF would be better able to attract funds—perhaps not new funds, given economic conditions, but it could better position itself for redirection of funds from other existing and often fragmenting funding mechanisms.

In light of all this, OPS5 has made sensible recommendations for the reform of the GEF business model.

There was scant comparison of GEF performance to other institutions at the level of governance. While we recognize barriers to such comparisons, other international organizations have developed approaches that could usefully inform like-to-like comparison of governance of the GEF to other specialized agencies and global funding mechanisms.

Among comparisons that were included, the 80 percent outcome rating across projects is not meaningful, as noted by the OPS4 independent evaluators' report, without the additional measures used by other institutions, such as the Bank, to measure sustainability, and government and Bank performance. Further, a separate rating of each product an organization funds is not a strong indicator of global effectiveness when individual projects are not linked to higher-scale strategy and performance frameworks. Indeed, OPS5 recognized the one-off nature of GEF activities in its call for a stronger focus on programming, not just projects, and parallel improvements to the results framework.

The comparison of GEF full governance over its trust funds versus the Bank and UN approaches is not a reason to praise GEF governance. For example, the Bank, which

supports trust funds with commitments in the tens of billions of dollars and involves the Board when necessary, manages the financial flows for the GEF without a governance role. This makes sense as the GEF does not need two elaborate oversight mechanisms. For other funds, the Bank does have a governance role when it makes sense to do so, as with CGIAR. There may be additional issues around UN management of trust funds.

We have considered the GEF's relationships with its network as an element of governance. The GEF has been assessed as a network organization since OPS3. OPS3 through OPS5 all noted considerable strengths in the GEF network. The fast pace of change within the GEF, however, has caused increasing complication and overload and, now, the danger of disruption. As OPS3 pointed out, the GEF is reaching the limits of what can be done in a network organization. OPS4 echoed this concern and emphasized the tensions between the GEF Agencies and the GEF Secretariat, and between the Agencies and recipient countries.

The OPS5 evaluative evidence on the health of the GEF network was based on surveys, interviews, historical records, and evidence of other evaluations, as well as innovative social network analysis. Its findings were consistent with those of previous OPS reports. OPS5, however, pointed to a more urgent need to reexamine the current GEF network arrangements and offered more concrete recommendations. It proposed, for example, that GEF-6 replenishment meetings address how partners be included and direct the development of a new partnership vision during GEF-6. We thus found OPS5 fully addressed the issue of the health of the GEF network, although it did not examine the extent to which the GEF network and partnerships are enhancing or diluting achievements.

Finally, we have included here our assessment of how well OPS5 evaluated the role of the STAP. The STAP substudy revealed how potent the effects of underperforming administrative systems are on the effectiveness of professionals. Scaling up the role of the STAP from projects to programs makes good sense, as does the expansion of the STAP's role to provide social science guidance. One caution is that while senior scientific advisory panels have played a crucial role in bringing the best of science to development, asking them to be evaluators as well as advisors can create its own headwinds.

## STAKEHOLDERS ON THE GROUND: SMALL GRANTS, THE PRIVATE SECTOR, AND CIVIL SOCIETY

The TOR raised several questions relating to stakeholders: To what extent is the GEF able to mobilize stakeholders on the ground? What are the trends in involvement of the private sector and of civil society organizations? And a closely related issue, to what extent is the GEF Small Grants Programme successful in broadening its scope to more countries while continuing to ensure success on the ground?

Taken together, the substudies on the Small Grants Programme, civil society, and private sector engagement have answered the TOR questions with evaluative evidence to conclude that the GEF has had a multiplier effect through stakeholders on the ground.

The OPS4 independent evaluators' report recommended more joint evaluation by the GEF. To that end, the Small Grants Programme substudy, a joint evaluation undertaken with UNDP, offered timely input to the replenishment. Its evaluative evidence showed that the program has successfully broadened its scope since 2007 from 74 to 117 countries, of which a high proportion are small island developing states, LDCs, and fragile states. The joint report did not cover the positive and negative effects of these changes. It provided an update to the previous joint evaluation in a somewhat descriptive manner. More in-depth analysis on some issues, such as the relevance of the Small Grants Programme to GEF strategic and country objectives and the comparative advantage of the GEF managing these funds, needs to be further addressed in the second phase.

The private sector study stood out as useful analysis of the broader trends outside of GEF involvement. For example, leading corporations are beginning to adopt sustainability as a driver in corporate strategies, and the impact investment holds significant potential to contribute to the GEF's overall goals. Both of these "glimmers of light" suggest new opportunities for the GEF. The study suggested a broader role for the GEF than appears in OPS5 in supporting informal processes for trust building and conflict resolution. The GEF could use its convening power to work with civil society organizations and the private sector to address inefficiencies in global systems, for example, the proliferation of sustainability indexes. Given the potency of private sector engagement in GEF projects (52 percent of projects contributed to market changes), OPS5 could have considered a more systemic role for the GEF in its recommendations.

The civil society engagement study addressed the role of civil society and confirmed its comparative advantage for grassroots change. As with most of the substudies, it scrubbed the Project Management Information System as its prime, but not only, source of data and in this case has answered the TOR question sufficiently. Yet, despite agreeing that civil society engagement is important, we found ourselves wondering whether engaging with the broad list of GEF partners actually achieved the maximum value it might have. This concern arises from the lack of an effective business model that OPS5 also noted.

Without an effective model, it is impossible to determine whether these were the most appropriate partners to make the greatest impact, whether projects contributed to focal area strategic objectives, or whether countries used the lessons of the projects to inform improvements in institutional policy, structure, and procedures.

## GENDER POLICY

The TOR asked OPS5 to consider the extent to which cross-cutting policies such as knowledge management or gender are adding value to GEF support. OPS5 presented a good case that knowledge management has not been resourced and thus its value to the GEF remains to be added. We decided, therefore, to focus on gender because the GEF is a late adopter of gender strategies in the international system.

The GEF indeed has the potential to add value through programming to enhance women's and girls' contribution to the environment. The GEF also has an obligation

to add value to the lives and livelihoods of women and girls by understanding how environmental changes and new green technologies affect their health, social, and economic status.

OPS5 began its analysis by stating that gender is “one of the main avenues to achieve behavior change that will lead to broader adoption of sustainable solutions to global environmental problems.” Although OPS5 does not say explicitly, its evaluation indicates that the GEF underperformed dramatically. The gender substudy was restricted to a desk study of project documents since the approval in 2011 of GEF’s Gender Mainstreaming Policy. It found that only 20 percent of closed GEF-4 project documents (55 of 281) indicated that gender mainstreaming had been featured from design through to implementation. Since 2011, GEF-5 project approval documentation showed marginal gains over GEF-4 in attention to gender.

The study would have been more useful had the evidence included field testing of closed and operational projects with and without a track record of gender interventions. This would have provided a better check on whether the GEF is on track to converge with current global best practice on gender and environment,<sup>5</sup> as well as pointing to lessons from the GEF’s omissions and its nascent gender work.

More troubling, however, was implicit support by OPS5 for the concept that some groups of projects are a priori exempt from gender analysis. The Final Report, for example, noted an increase in the share of projects that aim to mainstream gender since the adoption of the GEF Gender Mainstreaming Policy in May 2011. The evaluation team concluded that it considered as “gender relevant” some 22 percent of the approved projects that the GEF had rated as “gender not relevant.” OPS5 stated that “omitting attention for gender where it is needed *may have* led to unintended negative gender-related consequences” (emphasis added). We disagree. Close to 40 years of experience since the UN Decade for Women has shown that omitting attention to gender *almost always* leads to unintended adverse consequences. While the subject or scope of a project may appear to be gender neutral, its planning and implementation are nonetheless likely to have differential effects on the sexes, whether it be choice of street lighting or choice of crop to be studied. At the very least, every project generates employment to which women qualified for the jobs ought to have unfettered access.

Accepting that a project proposal can claim exemption without proof that there are no gender effects is a weakness in the analysis that should not be repeated in future GEF programming or evaluation.

For OPS6 we recommend that GEF’s Independent Evaluation Office include gender analysis in all GEF-6 products and the OPS6 substudies. Gender is a matter of development effectiveness and should not be left to personal persuasion. OPS6 needs to

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5 See, for example, the award-winning work of the International Union for Conservation of Nature ([www.iucn.org](http://www.iucn.org)) on gender and the environment. See also its new website: [environmentgenderindex.org](http://environmentgenderindex.org).

explore issues of accountability, particularly of the Secretariat in advancing the GEF's value added on gender and the environment.

We agree with the five recommendations on gender. However, the gender expert recommended must be mandated to support the GEF leadership in providing the appropriate institutional incentives and capacity for gender. Too often, gender experts, like results experts, are asked to do the gender work of an organization. Instead, he or she needs to work on institutional support to ensure gender expertise is development expertise that needs to be understood by senior management and staff alike and incorporated into their daily professional and technical and scientific accountabilities.

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# KEY ISSUES OF OPS5 AND WHERE THEY CAN BE FOUND

## FIRST REPORT

KEY ISSUE	LOCATION (AND LIMITATIONS)	SOURCE STUDIES/ TECHNICAL DOCUMENTS	SOURCE EVALUATION REPORTS
1. Relevance of the GEF to the conventions; relevance of international waters support to trans-boundary issues	First Report: Chapter 6, section on relevance of the GEF to the conventions Final Report: Section 7.1 <i>Relevance of international waters support has not been treated comprehensively</i>	TD4 (relevance to the conventions), TD3 (international waters)	Focal area strategy evaluation, SCS impact evaluation
2. Achievements of the GEF at the project level	First Report: Chapter 4, section on outcomes at project level Final Report: Section 7.2	TD1 (GEF portfolio), TD7 (GEF performance)	Annual performance reports
3. Progress toward impact at the project level	First Report: Chapter 5, second section Final Report: Section 7.4	TD2, TD12, TD20	Annual impact reports, SCS impact evaluation, climate change mitigation impact evaluation
4. Catalytic role of the GEF	First Report: Chapter 5, section on catalytic role Final Report: Sections 7.3, 7.4, 8.1	TD2, TD12	Impact evaluations, CPEs
5. Trends in ownership, country drivenness, and extent to which country needs have been met	First Report: Chapter 8, second section Final Report: Section 7.1	TD6	CPEs
6. Longer term impact of the GEF	First Report: Chapter 5, fourth and fifth sections Final Report: Section 8.1	TD2, TD12	Impact evaluations

KEY ISSUE	LOCATION (AND LIMITATIONS)	SOURCE STUDIES/ TECHNICAL DOCUMENTS	SOURCE EVALUATION REPORTS
7. Trends in performance issues, including cofinancing, management costs and project fees, quality at entry, supervision, and performance at the country level	First Report: Chapter 8 Final Report: Chapters 4, 5, and 6 <i>Management costs and project fees have not been treated comprehensively; quality at entry and supervision have not been treated comprehensively</i>	TD7, TD8, TD10, TD17, TD18, TD21	Annual performance reports
8. Trends in focal area achievements	First Report: Chapter 6 Final Report: Section 8.1	TD3, TD12	Impact evaluations, CPEs

NOTE: CPE = country portfolio evaluation; SCS = South China Sea. See [annex D](#) for titles of OPS5 technical documents.

## FINAL REPORT

KEY ISSUE	LOCATION (AND LIMITATIONS)	SOURCE STUDIES/ TECHNICAL DOCUMENTS	SOURCE EVALUATION REPORTS
9. Trends in global environmental problems	First Report: Chapter 3	No technical document prepared, but references provided to recent authoritative reports	n.a.
10. Emergence of new funding channels, including the GEF's role in some of these channels	Final Report: Section 3.3	TD8	n.a.
11. Assessment of the comparative advantage of the GEF and whether the GEF has the resources to achieve objectives	Final Report: Section 3.3	TD8	n.a.
12. Donor performance in the GEF and resource mobilization	Final Report: Section 3.3	TD8	n.a.
13. Indepth look at focal area strategies, as well as multifocal area efforts, including impact	First Report: Chapter 6 Final Report: Section 8.1	TD3, TD12	Focal area strategies evaluation, impact evaluations, country-level evaluations, annual performance reports



KEY ISSUE	LOCATION (AND LIMITATIONS)	SOURCE STUDIES/ TECHNICAL DOCUMENTS	SOURCE EVALUATION REPORTS
14. Reform processes: <ul style="list-style-type: none"> <li>• STAR</li> <li>• Country Support Programme (including NPFE)</li> <li>• Broadening the GEF partnership</li> <li>• Reforms in the project cycle</li> <li>• Programmatic approach</li> <li>• RBM including knowledge management</li> </ul>	STAR: Final Report: Section 4.1 NPFE: Final Report: Section 4.1 <i>Country Support Programme in general was not evaluated</i> <i>Broadening the partnership was not evaluated as it did not yet reach far enough</i> Reforms in the project cycle: Final Report: Chapter 5 <i>The programmatic approach was included in the project cycle substudy, which meant limited scope</i> RBM: Final Report: Section 4.2 Knowledge management: Final Report: Section 8.3	TD17 (partnership), TD18 (project cycle), TD10 (RBM), TD11 (knowledge management)	STAR and NPFE midterm evaluations
15. Governance of the GEF	Final Report: Section 3.2	No separate substudy but based on elements of TD8 and TD17	n.a.
16. Role of the STAP	Final Report: Section 8.2	TD15	n.a.
17. Role of the private sector	Final Report: Section 7.7	TD13	Country-level and impact evaluations
18. Role of CSOs	Final Report: Section 7.5	TD14	Country-level and impact evaluations
19. Cross-cutting policies: <ul style="list-style-type: none"> <li>• Gender</li> <li>• Indigenous peoples</li> <li>• Public involvement</li> <li>• Communication</li> </ul>	Gender: Final Report: Section 7.8 <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>	TD16	n.a.
20. Update of the GEF SGP evaluation	Final Report: Section 7.6	n.a.	First report of the SGP evaluation, country-level evidence in CPEs, SCS impact evaluation
21. Health of the GEF network and partnerships	Final Report: Chapter 6	TD17	Country-level and impact evaluations

NOTE: CPE = country portfolio evaluation; SCS = South China Sea; n.a. = not applicable. See [annex D](#) for titles of OPS5 technical documents.



# OPS5 FINAL REPORT

## BOXES, FIGURES, AND TABLES

### BOXES

2.1	GEF Summary Judgment on Evaluation Criteria.....	9
7.1	Definitions of Impact.....	49
8.1	Broader Adoption in the Biodiversity Focal Area.....	64
8.2	Broader Adoption in the Climate Change Focal Area.....	65
8.3	Broader Adoption in the International Waters Focal Area .....	66

### FIGURES

5.1	Months from First PIF Submission to PIF Clearance .....	30
5.2	Months from Council Approval to CEO Endorsement .....	32
5.3	Months from CEO Endorsement to Start of Project Implementation .....	33
6.1	GEF Structure for Decision Making on Policies, Guidance, and Strategic Priorities: 1994.....	37
6.2	GEF Structure for Decision Making on Policies, Guidance, and Strategic Priorities: Present .....	38
6.3	Roles and Responsibilities in Programming.....	40
7.1	GEF Generic Theory of Change Framework.....	48
7.2	Progress Toward Environmental Impact after Project Completion .....	51
7.3	Illustration of Broader Adoption Versus Impact in the Context of a GEF Climate Change Project .....	53

### TABLES

1.1	Utilization of Trust Funds Administered by the GEF (million \$) .....	3
1.2	GEF Projects by Trust Fund and Focal Area.....	3
1.3	GEF Multifocal Area Projects by Focal Area Funding .....	4
1.4	GEF Funding by Trust Fund and Focal Area .....	5
1.5	GEF Funding by Modality.....	5
1.6	GEF Funding by Agency.....	6
1.7	GEF Funding by Region .....	6
1.8	GEF Funding of National Projects by Country Type .....	7
4.1	Cofinancing Ratios by Project Type .....	26
4.2	Median Cofinancing Ratios for Countries with Special Circumstances.....	26
4.3	Median Cofinancing Ratios by Focal Area and Funding Modality .....	26
4.4	Median Cofinancing Ratios by Project Type .....	27
5.1	Average Time Elapsed between GEF Project Cycle Approval Decision Points ....	29

5.2	Average Time Elapsed between CEO Endorsement to Project Start .....	34
5.3	Percentage of Projects with Extension of Completion Date .....	34
6.1	Changes in GEF Governance Structure.....	36
6.2	Change in Degree of Communication Activity (%).....	38
6.3	Partnership Health: Key Issues Raised during Field Visits and Agency Interviews .....	41
7.1	Completed GEF Projects with Outcome Achievements Rated in the Satisfactory Range.....	46
7.2	Extent of Progress Toward Impact of GEF Projects.....	51
7.3	Extent of Broader Adoption by Focal Area.....	52
7.4	Extent of Environmental Impact by Focal Area .....	52
7.5	Factors Most Commonly Cited in Terminal Evaluations as Affecting Progress Toward Impact.....	54
7.6	Extent of Broader Adoption by Amount of GEF Grant.....	56
A.1	Senior Independent Evaluation Advisor Comments Relative to TOR Questions..	81

# OPS5 TECHNICAL DOCUMENTS

## 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 Multifocal 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 GEF Climate Change Mitigation GHG Analysis
- TD21 Cofinancing

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



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# ABBREVIATIONS

CD2	capacity development 2
CEO	Chief Executive Officer
CO <sub>2</sub>	carbon dioxide
CSO	civil society organization
GEF	Global Environment Facility
IDA	International Development Association
IFAD	International Fund for Agricultural Development
LDCF	Least Developed Countries Fund
M&E	monitoring and evaluation
NAPA	national adaptation program of action
NGO	nongovernmental organization
NPFE	National Portfolio Formulation Exercise
NPIF	Nagoya Protocol Implementation Fund
ODS	ozone-depleting substances
OECD	Organisation for Economic Co-operation and Development
OPF	operational focal point
OPS	overall performance study
PIF	project identification form
POP	persistent organic pollutant
RAF	Resource Allocation Framework
RBM	results-based management
SCCF	Special Climate Change Fund
SGP	Small Grants Programme
STAP	Scientific and Technical Advisory Panel
STAR	System for Transparent Allocation of Resources
TOR	terms of reference
UN	United Nations
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme



# GEF INDEPENDENT EVALUATION OFFICE PUBLICATIONS SINCE JULY 1, 2009

## PERFORMANCE EVALUATION REPORTS

GEF Annual Performance Report 2008  
GEF Annual Performance Report 2009  
GEF Annual Performance Report 2010  
GEF Annual Performance Report 2011  
GEF Annual Performance Report 2012 (unedited)  
Mid-Term Evaluation of the System of Transparent Allocation of Resources (STAR)  
(unedited)  
Mid-Term Evaluation of the National Portfolio Formulation Exercise (NPFE) (unedited)

## COUNTRY PORTFOLIO EVALUATION REPORTS

GEF Annual Country Portfolio Evaluation Report 2009  
GEF Country Portfolio Evaluation: Egypt (1991–2008)  
GEF Country Portfolio Evaluation: Syria (1994–2008)  
GEF Annual Country Portfolio Evaluation Report 2010  
GEF Country Portfolio Evaluation: Moldova (1994–2009)  
GEF Country Portfolio Evaluation: Turkey (1992–2009)  
GEF Annual Country Portfolio Evaluation Report 2011  
GEF Country Portfolio Study: Jamaica (1994–2010)  
Estudio de la cartera de proyectos del FMAM en El Salvador (1994–2010)  
Annual Country Portfolio Evaluation Report 2012  
Evaluación de la cartera de proyectos del FMAM en Nicaragua (1996–2010)  
Cluster Country Portfolio Evaluation: GEF Beneficiary Countries of the OECS  
(1992–2011)  
GEF Country Portfolio Study: Democratic Republic of Timor-Leste  
Avaliação de Portfólio de Projetos do GEF: Brasil (1991–2011) (unedited)  
Evaluación de la cartera de proyectos del FMAM en Cuba (1992–2011) (unedited)  
Annual Country Portfolio Evaluation Report 2013 (unedited)

## IMPACT EVALUATION REPORTS

GEF Annual Impact Report 2008  
GEF Annual Impact Report 2009  
GEF Annual Impact Report 2010

GEF Annual Impact Report 2011  
GEF Impact Evaluation of the Phaseout of Ozone-Depleting Substances in Countries with Economies in Transition  
Impact Evaluation of the GEF in the South China Sea and Adjacent Areas (unedited)  
GEF Annual Impact Report 2012  
Assessing the Potential for Experimental Evaluation of Intervention Effects: The Case of the Regional Integrated Silvopastoral Approaches to Ecosystem Management Project (RISEMP)  
Review of Outcomes to Impacts (ROtI)  
Impact Evaluation of ODS Phase Out. Volume 1  
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Water Body Selection Criteria and Process for GEF International Waters Evaluation  
GEF Annual Impact Report 2013 (unedited)

### THEMATIC EVALUATION REPORTS

Evaluation of the GEF Strategic Priority for Adaptation  
Review of the Global Environment Facility Earth Fund  
Annual Thematic Evaluation Report 2011 (unedited)  
Evaluation of GEF National Capacity Self-Assessments (unedited)  
Evaluation of the Special Climate Change Fund  
Evaluation of the GEF Focal Area Strategies (unedited)  
Annual Thematic Evaluation Report 2012 (unedited)

### OVERALL PERFORMANCE STUDIES

OPS4: Progress Toward Impact—Fourth Overall Performance Study of the GEF, Executive Version  
OPS4: Progress Toward Impact—Fourth Overall Performance Study of the GEF, Full Report

### LEARNING PRODUCTS

The Journey to Rio+20: Gathering Evidence on Expectations for the GEF

### EVALUATION DOCUMENTS

The GEF Monitoring and Evaluation Policy 2010

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The Fifth Overall Performance Study (OPS5) is a comprehensive evaluation that assesses performance, institutional effectiveness, and impact perspectives of the GEF. Overall performance studies are undertaken to inform the next replenishment cycle of the GEF and to identify potential improvements.



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