

Second Meeting for the Sixth Replenishment of the GEF Trust Fund  
September 10-11, 2013  
New Delhi, India

**FIFTH OVERALL PERFORMANCE STUDY  
OF THE GEF:  
PROGRESS REPORT**

**(Prepared by the GEF Evaluation Office)**

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## INTRODUCTION

1. The first replenishment meeting, held in Paris on April 3 and 4, 2013, included a discussion of the first report of the Fifth Overall Performance Study of the GEF. Replenishment participants “requested that the GEFEO provide indicative findings at the second replenishment meeting”<sup>1</sup>, so that these could be taken into account in the discussions on the strategic direction and programming of the GEF. The final report of OPS5 will be presented according to plan at the third replenishment meeting in December 2013.

2. Indicative findings are to some extent a contradiction in terms. If findings are not based on rigorous data and analysis but on indications, they should be discarded, until further data gathering and analysis has taken place. Indications could be will-o’-the-wisps: atmospheric ghost lights that may lure travelers into swamps and marshes. It is quite common in evaluations that data initially indicate a trend that on closer observation turns out to be illusive. For this reason quality assurance is an essential element in any evaluation and changes in findings may occur until very late in the process. This progress report does not contain indicative findings. Instead it flags issues for the replenishment participants to consider, based on the work so far for OPS5.

3. For issues to be flagged in this report, the evaluative work needs to be advanced enough to be certain that it will be reported on in the final report of OPS5. Several of the sub-studies of OPS5 have reached that stage, but not all of them have. Thus the progress report does not contain a comprehensive review of the issues emerging for the final report, but it highlights issues that have sufficiently emerged into the limelight. Lessons learned and recommendations should not be based on indicative findings. This progress report therefore does not contain these and thus needs no management response.

4. At the first replenishment meeting, participants expressed broad support for the first report of OPS5, and stressed the importance of: (i) further analysis on success and failure factors of projects, (ii) greater clarity on the concept of ‘broader adoption’, (iii) a review of the System for Transparent Allocation of Resources (STAR) and the National Portfolio Formulation Exercise (NPFE); (iv) greater detail regarding multi-focal projects, (v) analysis of trends in funding to Africa, (vi) quantification of outcome indicators, (vii) performance data on fees and the project cycle, and (viii) a review of the implementation of gender mainstreaming policies.<sup>2</sup> These requests will be fully met in the final report of OPS5. This report contains especially evaluative information on broader adoption, NPFE, multi-focal area projects and the project cycle. It also raises issues that are currently emerging in the sub-studies of OPS5.

## PORTFOLIO ISSUES

5. Since the first report of OPS5, more portfolio analysis has been undertaken on **multi-focal area projects**, as requested in the first replenishment meeting. The current analysis includes all projects that address multi-focal area issues except the multi-trust fund projects (where LDCF and SCCF participate in projects), which will be reported on in the final report of OPS5. Of the

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<sup>1</sup> Summary of the co-chairs of the 6<sup>th</sup> replenishment, April 23, 2013, paragraph 6

<sup>2</sup> Ibidem.

3114 projects in the GEF portfolio, 536 were identified as projects that address multi-focal concerns. This includes 102 projects that were funded from a single focal area window but address multi-focal concerns and 434 projects that received funding from multiple-focal area windows.

**Table 1: Funding and Percentage of MFA Projects across GEF Replenishment Periods**

GEF Replenishment periods	Projects addressing multi-focal area concerns						Projects addressing single focal area concerns		Grand Total	
	Projects approved as MFA		Not approved as MFA		Total		Grant	%		
	Grant	%	Grant	%	Grant	%			Grant	%
Pilot Phase	15.6	2.2%	14.70	2.1%	30.30	4.4%	664.18	95.6%	694.48	100.0%
GEF-1	51.23	4.5%	22.76	2.0%	73.99	6.5%	1068.52	93.5%	1142.51	100.0%
GEF-2	161.23	8.7%	82.41	4.4%	243.64	13.1%	1617.89	86.9%	1861.53	100.0%
GEF-3	443.11	15.0%	181.75	6.1%	624.86	21.1%	2331.42	78.9%	2956.28	100.0%
GEF-4	558.69	20.3%	111.27	4.0%	669.96	24.3%	2082.57	75.7%	2752.53	100.0%
GEF-5*	886.82	45.6%	24.16	1.2%	910.98	46.9%	1032.54	53.1%	1943.52	100.0%
<b>Total</b>	<b>2116.68</b>	<b>18.6%</b>	<b>437.05</b>	<b>3.9%</b>	<b>2553.7</b>	<b>22.5%</b>	<b>8797.12</b>	<b>77.5%</b>	<b>11350.85</b>	<b>100.0%</b>

\* The data for GEF-5 is up to September 30<sup>th</sup> 2012, whereas GEF-5 ends in June 2014.

6. The most common combination of focal areas is biodiversity and climate change. The second most common combination is biodiversity and land degradation. In the earlier phases of the GEF, biodiversity and international waters were often combined: it is the most common combination in completed projects. Over time the share of projects that address multi-focal concerns has increased. In terms of share in number of projects, the share of MFA projects stabilized from GEF-3 onwards. However, in terms of share in GEF funding there has been a steady increase, as shown in table 1.

**Table 2: Comparison of Performance Outcome Ratings**

Performance Outcome Ratings	Projects addressing MFA concerns						Projects addressing single focal area concerns	
	Approved as MFA		Not approved as MFA		Total		No.	%
	No.	%	No.	%	No.	%		
Highly Satisfactory	1	3.1%	1	4.8%	1	1.9%	22	5.1%
Satisfactory	10	31.3%	8	38.1%	18	34.0%	190	44.2%
<b>Satisfactory or Above</b>	<b>11</b>	<b>34.4%</b>	<b>9</b>	<b>42.9%</b>	<b>20</b>	<b>37.7%</b>	<b>212</b>	<b>49.3%</b>
Moderately Satisfactory	15	46.9%	10	47.6%	25	47.2%	147	34.2%
<b>Moderately Satisfactory or Above</b>	<b>26</b>	<b>81.3%</b>	<b>19</b>	<b>90.5%</b>	<b>45</b>	<b>84.9%</b>	<b>359</b>	<b>83.5%</b>
Moderately Unsatisfactory	2	6.3%	2	9.5%	4	7.6%	52	12.1%
Unsatisfactory	4	12.5%	-	-	4	7.6%	17	4.0%
Highly Unsatisfactory	-	-	-	-	-	-	2	0.5%
<b>Total</b>	<b>32</b>	<b>100.0%</b>	<b>21</b>	<b>100.0%</b>	<b>53</b>	<b>100.0%</b>	<b>430</b>	<b>100.0%</b>

7. In terms of outcome ratings, when compared to single focal area projects a similar percentage of MFA projects – both projects that were approved as MFA projects and those that were approved as single focal area projects but address multi-focal concerns – are rated in the satisfactory range. However, a lower percentage of MFA projects tend to meet a more stringent

yard stick of satisfactory or higher rating (table 2): a sizable proportion of MFA projects achieved a moderately satisfactory outcome rating. The differences in ratings of sustainability of project outcomes are not significant.

8. A similar pattern as for outcome ratings is observed in terms of quality of M&E ratings. None of the multi-focal area projects achieved a “highly satisfactory” rating for M&E and the predominant rating was “moderately satisfactory”. This underscores the conclusion in several country portfolio evaluations that M&E requirements for multi-focal area projects are more difficult to meet, given the fact that indicators from different focal areas need to be combined.

9. A further analysis was undertaken of the design of the 55 multi-focal area projects of which terminal evaluations are available, to see whether they consisted of activities that integrate focal area issues or consisted of separate activities that address different focal areas, and whether this made a difference in outcomes. Table 3 shows that integrated multi-focal area projects scored better on overall ratings, with especially high ratings for relevance and effectiveness.

**Table 3: Comparison of Performance Ratings of MFA Projects Classified Based on Project Design**

		Projects with integrated MF activities		Projects with non-integrated MF activities bundled together		Total	
		No.	%	No.	%	No.	%
<b>Overall Ratings</b>	Satisfactory	41	89.1%	4	57.1%	45	84.9%
	<i>Unsatisfactory</i>	5	10.9%	3	42.9%	8	15.1%
	<b>Total</b>	<b>46</b>		<b>7</b>		<b>53</b>	
<b>Relevance</b>	Satisfactory	38	97.4%	6	85.7%	44	95.7%
	<i>Unsatisfactory</i>	1	2.6%	1	14.3%	2	4.4%
	<b>Total</b>	<b>39</b>		<b>7</b>		<b>46</b>	
<b>Effectiveness</b>	Satisfactory	35	94.6%	5	71.4%	40	90.9%
	<i>Unsatisfactory</i>	2	5.4%	2	28.6%	4	9.1%
	<b>Total</b>	<b>37</b>		<b>7</b>		<b>44</b>	
<b>Efficiency</b>	Satisfactory	24	68.6%	5	71.4%	29	69.1%
	<i>Unsatisfactory</i>	11	31.4%	2	28.6%	13	31.0%
	<b>Total</b>	<b>35</b>		<b>7</b>		<b>42</b>	

10. The data and analysis of multi-focal area projects underscore the findings of several country portfolio evaluations that multi-focal area projects have potential to address connected focal area issues in integrated activities. They also demonstrate the concern raised in these country portfolio evaluations that M&E for multi-focal area projects is more complicated.

## **PROGRAMMING ISSUES**

11. The Fourth Overall Performance Study of the GEF concluded in 2009 that donor funding of the GEF had declined in absolute and relative terms and purchasing power and that the GEF-4 replenishment should provide a substantial increase, or that the GEF would need to reduce its support to focal areas, countries or modalities. The background for that recommendation was that despite the reduction of funding of the GEF in terms of purchasing power, the GEF had continued to take on new responsibilities, focal areas, activities to be funded and countries to be

supported. The GEF-5 replenishment delivered a substantial increase over GEF-4 and thus no reduction in levels and areas of support were considered.

12. Expectations for the level of the sixth replenishment are not as positive as they were during the fifth replenishment negotiations. At the same time there are admirably ambitious proposals for an increase in scope and diversification of the GEF’s strategies, modalities and programs. This means that if the replenishment remains at more or less the same level as GEF-5, the danger of a return to a state of underfunding, with all the associated problems, is real.

13. The first report of OPS5 notes that global environmental issues remain dramatically underfunded. However, work in progress on funding channels and availability of resources shows that the negative funding trend that was found in the years leading up to 2007/2008 in OPS4 has been reversed and that ODA funding for environmental issues has doubled between 2007 and 2011.<sup>3</sup> Many governments and agencies are recognizing the urgency of environmental issues. The GEF has not seen the same increase. Most of the increase went to climate change including the climate change investment funds of the Banks.

**Table 5: Trends in Official Development Assistance Funding of GEF and Non-GEF Environment Support**

In US\$ million	GEF	Environment ODA non-GEF
2007	878	4,004
2008	381	5,359
2009	516	6,270
2010	505	9,048
2011	1,000	9,550

Source: estimates from OECD-DAC ODA commitments and disbursement database and the Trustee database (WB Financial Intermediary Funds)

**Replenishment issue 1:** potential underfunding of focal areas, countries and/or modalities of the GEF needs to be discussed and taken into account when considering programming for GEF-6.

### **National Portfolio Formulation Exercises (NPFE)**

14. During the fifth Replenishment process of the GEF Trust Fund (GEF-5) a number of initiatives were identified to reform the Country Support Programme. Within the framework of this overarching program a new initiative was started to support national portfolio formulation exercises (NPFEs) in recipient countries. The key goal of the NPFEs is to “*strengthen country ownership over decisions on GEF resource programming. The expectation was that GEF Agencies will organize their support to countries for preparing and implementing projects and programmatic approaches around the resulting National Portfolio Formulation Exercises*

<sup>3</sup> Based on estimates derived from the OECD-DAC database

(NPFES)<sup>4</sup>. In July 2010 the GEF Council approved the proposal for countries to receive resources from the GEF trust fund directly to<sup>5</sup>:

- (a) Undertake on a voluntary basis, GEF National Portfolio Formulation Exercises to produce portfolio formulation documents; and
- (b) Prepare Convention Reports which include national communications/ reports/ national implementation plans that are undertaken as obligations under the Conventions.

15. The Council also requested the Evaluation Office to undertake a mid-term evaluation of the *National Portfolio Formulation Exercises and Convention Reports – with direct access by recipient countries*. This evaluation is currently taking place and its conclusions and recommendations will be presented to the GEF Council at its November 2013 meeting. Three issues are emerging from the data so far that are relevant for the replenishment discussions and need to be raised in the replenishment before the Council discussion takes place in November.

16. The first issue is that NPFES are **highly relevant to help and support countries to address the pre-identification phase of project support**. The period before project concepts enter into the project cycle has long been a cause for concerns and has been perceived by many as a reputational risk for the GEF. Many countries program the support they expect from the GEF. Most countries have not done so in the past. NPFES have been set up to support countries (on a voluntary basis) to program future GEF support. In many countries the NPFE has led to increased coordination and priority setting in future support. New coordination mechanisms have been set up in several countries and more stakeholders have been involved in discussions about future priorities. In principle these exercises therefore seem highly relevant to filling the gap in programming that is contributing to the perception of weak performance of the GEF.

17. However, the effectiveness of the NPFES is emerging as a second issue that needs to be looked at more closely. It seems that many countries got a taste of programming through the NPFE that they liked and would like to continue, but that the **actual programming done in the NPFES was – with some exceptions – unsuccessful**. A relatively low number of projects identified in these exercises have actually been submitted for funding. Many factors play a role in this regard. Some countries continued to prioritize projects after the NPFE was concluded and thus new projects emerged for funding. Delays in funding and implementation made NPFEs irrelevant in other countries. Some countries decided to join regional programmatic approaches and thus negated their NPFEs. More importantly, the guidance issued for the NPFEs seems insufficiently focused on practical and pragmatic issues related to funding eligibility and funding levels, which led to a high number of project concepts that were ineligible for GEF funding or which could not realistically be funded given the allocation available to the country.

18. The third issue is the **high level of inefficiency of the NPFE support**. Long delays, overly complicated procedures, lack of concrete guidelines as well as shifts in guidance – some of it in defiance of Council decisions – seem to have contributed to the lack of effectiveness in prioritizing project concepts. Much inefficiency was most probably due to a highly ambitious combination of two objectives: on the one hand to offer support to countries in programming for

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<sup>4</sup> GEF/C38/7/Rev.2, July 2010, Reforming the Country Support Programme and Procedures for Implementation, page 3

<sup>5</sup> (GEF/C.38/Joint Summary ), page 4

GEF support and on the other hand to experiment with “direct access” of countries to GEF resources. Both were new to the GEF and to try two experiments in one effort may have been one bridge too far.

**Replenishment issue 2:** programming of GEF support to countries and regions will remain crucial in GEF-6 and support for this should continue.

19. The NPFE – with positive exceptions noted – failed to provide an effective and efficient framework for programming of GEF support, but even in its failure showed how much appreciated and how relevant and important this is for countries that went through this exercise. It is an experiment that should learn from what went wrong and from its few successes and should continue forward. Lessons learned show, amongst others, that the focus should be much more on eligibility issues. A revised NPFE could include priority setting for regional support. The Expanded Constituency Workshops, where regional stakeholders meet, could perhaps play a role in this regard. Furthermore, the timing of the exercise should be at the end of a replenishment period rather than at the start of a new one, to ensure that priority setting and programming will not delay funding proposals.

## **IMPACT ISSUES**

20. The independent overall performance studies of the Global Environment Facility that informed replenishments on achievements and results of the GEF have consistently asked attention for two major factors that need to be taken into account when aiming for impact through GEF interventions: the **long time horizon** and the **partnership nature** of the pathways to impact. GEF interventions typically tend to take no more than five years, whereas impact at a global or system scale generally takes much longer. The GEF interventions crucially depend on other actors joining through co-financing and follow-up activities to ensure that the envisaged scaling-up and/or market transformation is achieved.

21. The emphasis on the long time horizon and the partnership nature of pathways to impact means that GEF impact measurements and assessments are not well understood in terms of the current debate in international cooperation of impact, which is often focused on a short time horizon (showing impact within the lifetime of a project) through analysis of linear causal mechanisms in a single intervention, preferably through some form of before and after measurement under controlled circumstances. Impact in the GEF takes many forms; this diversity is reflected in the terminology used. Text box 1 aims to provide definitions of the various forms of impact and the way they are measured.

### Text box 1: Definitions of Impact

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

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

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

Over time, stress reduction leads to improvements in environmental status. Impact measurement thus has a **time dimension**, *significantly longer than project duration*, as many biophysical processes that the GEF aims to influence take a long time to mature, from 20-30 years before an ecosystem is brought back to a healthy status to 50 years before the ozone layer is restored. This time dimension is identified in:

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

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

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

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

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

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

22. The first report of OPS5 presented analysis on the basis of impact evaluations since OPS4, as well as more in-depth analysis of completed projects since OPS3 and focused on the importance of broader adoption taking place during and especially after GEF interventions had ended. Four mechanisms were identified: mainstreaming, replication, up-scaling and market change. The first replenishment meeting requested the Evaluation Office to continue its analysis of broader adoption; this progress report contains additional insights that could be taken into account in the further preparation of GEF-6 policy recommendations and programming. A total of 473 projects were included in this analysis. The cohort increased by 103 projects from the original 370 projects included in the first OPS5 report due to additional projects that had terminal evaluations submitted in 2012. Half of the projects were biodiversity, followed by climate change, then international waters.

**Table 6: Distribution of Projects by Focal Area**

Focal Area	Number	%
Biodiversity	234	49.5
Climate change	113	23.9
International waters	58	12.3
Land degradation	20	4.2
Multi focal area**	33	7.0
Ozone depletion	5	1.1
Persistent organic pollutants	10	2.1
<b>Total</b>	<b>473*</b>	<b>100.0</b>

\*18 projects excluded from OPS4 & OPS5 cohorts (n=491) due to unavailable TEs or insufficient information in TEs

\*\*includes only projects approved as multi-focal, not projects implemented as such under individual focal areas

23. The deeper analysis (see table 7) confirms the finding in the first report of OPS5 that only a small proportion of projects (7.2%) see no broader adoption and no environmental impact. This percentage is significantly lower than the percentage of projects with unsatisfactory outcome ratings. On the other hand, also a relatively low percentage (15.5%) of projects scores really well on broader adoption and environmental impact. The great majority of projects score somewhere in between, from various levels of broader adoption initiated and implemented to various levels of achievement in environmental impact. Most projects had some broader adoption initiatives successfully adopted or implemented (60.1%). Thirty percent (30.4%) had broader adoption initiatives initiated or planned but not (yet) successfully adopted, and ten percent (9.5%) had no significant broader adoption reported. The majority of projects (65.3%) showed the occurrence of positive environmental impact.

**Table 7: Extent of Broader Adoption and Environmental Impact**

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

\*includes only projects for which stress reduction can be expected

24. These are based on results reported at the end of the project, when the pathways to impact in many cases are starting up – given the long time horizon of many environmental impacts, especially the lower scores on environmental impact are not unexpected. What lies within the possibilities of the time horizon of GEF support are issues of broader adoption, where the analysis shows that improvements can be made. For this purpose the analysis looked more in-depth at the factors influencing broader adoption.

25. Factors affecting the extent of progress towards impact were categorized into two types: project-related and contextual. Table 8 shows the factors that were most commonly cited in terminal evaluations as contributing to or hindering progress. While the most common hindering factors concern conditions and events beyond a project's control, top project-related factors such

as good stakeholder engagement and the allocation of resources to catalyze broader adoption during project implementation appear to be important in influencing top contextual factors such as country and other stakeholder support.

**Table 8. Most Common Factors Affecting Progress Towards Impact (n=473)**

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

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

26. An analysis of factors more commonly present in more successful versus less successful projects shows that poor project design and lack of activities to sustain project outcomes were found to be much more common among projects less successful in broader adoption, while good engagement of stakeholder, relevant technologies and/or approaches, as well as broader adoption processes initiated using project resources were much more common among more successful projects (see table 9). This indicates that much of the success in broader adoption is within GEF's control, especially at the project design stage.

**Table 9: Factors More Commonly Present According to Extent of Broader Adoption**

Factors	Extent of broader adoption	
	<i>Less successful (n=196)</i>	<i>More successful (n=277)</i>
Poor project design	49%	30%
No activities to sustain project outcomes	37%	16%
Lack of country support	38%	17%
Other stakeholder support	30%	51%
Broader adoption processes initiated using project resources	24%	51%

27. The analysis of these factors will continue and will be reported on in the final report of OPS5. However, it seems clear at this stage that progress toward impact could potentially be significantly improved by including design elements in projects and interventions that focus on involvement of stakeholders, activities to sustain project outcomes, strengthening stakeholder support and initiating broader adoption processes using project resources. The strategic considerations for the GEF focus on shifting attention to impact drivers and to global environmental benefits that are potentially under-resourced. These shifts are important and will potentially increase impact of the GEF, but they need to be executed and implemented through interventions that apply a well balanced mix of activities aimed to incorporate promoting factors of broader adoption, so that negative contextual factors can be better met or even overcome.

28. The portfolio of completed projects of the GEF includes many experiences with the hindering and contributing factors towards broader adoption and progress toward impact. The GEF should learn from these experiences and use them to improve project design in future

programs and strategies of the GEF. The new emphasis on knowledge management and learning opens up an opportunity in this regard. A community of practice and/or learning platform could be established of practitioners in GEF Agencies, countries, project implementation and in the Secretariat, STAP and the Evaluation Office that could exchange lessons learned and inform future design of GEF interventions, focusing on further strengthening of broader adoption approaches.

**Replenishment issue 3:** project design and implementation should ensure engagement of stakeholders and allocation of resources towards activities supporting broader adoption

29. The impact evaluation of **GEF Support to Climate Change Mitigation** is aimed at comparative assessment of the extent and ways in which GEF is helping countries change relevant markets in major emerging economies. It also seeks to understand the causal mechanisms that affect market change and transformation, the resultant reduction in and avoidance of GHG emissions, and the lessons that could be learnt. The study focuses on the impact of 18 terminated GEF projects from the climate mitigation portfolio in four large emerging economies: India, China, Mexico and Russia.

30. Preliminary findings of the evaluation confirm the OPS5 impact analysis of completed projects that the GEF projects have had significant impacts, and were able to support countries in their efforts for higher energy efficiency and renewable energy utilization. The evaluation also found that most of the GEF projects assessed have contributed to lasting changes in the local markets for energy technologies. The five pathways of the GEF generic Theory of Change have been found across the portfolio. Replication of project approaches or technologies took place in most projects. The most crucial step towards broader impact, scale-up of the GEF-supported technologies and their markets has been achieved in at least eight cases with significant contribution of the GEF. In many other cases, the GEF was able to accelerate local market development significantly. While this scale-up led to large greenhouse gas savings, their quantification is difficult, and so is the quantification of the GEF contribution, while the overall mitigation impact is undeniable.

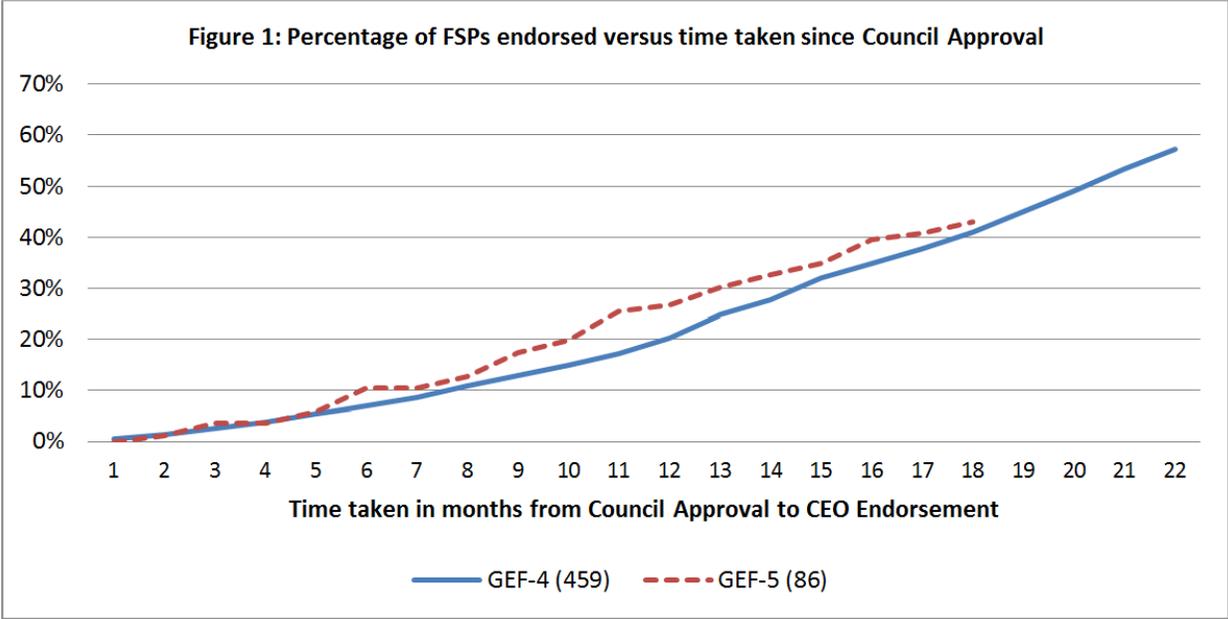
31. The evaluation is currently in its final stage – the draft report will be circulated in the near future for factual error checking and errors of analysis. The evaluation will be presented to the November 2013 Council meeting in the Annual Report on Impact.

32. The main objective of the **impact evaluation of GEF support in protected areas and protected area systems** is to assess the impact that interventions have had on biodiversity conservation. This evaluation is taking place in collaboration with the Species Survival Commission (SSC) and the World Commission on Protected Areas (WCPA) Joint Task Force. The evaluation has adopted a quasi-experimental approach using a variety of databases including the World Database on Protected Areas (WDPA), the Protected Areas Management Effectiveness Tracking Tool (METT), and the Living Planet Database (LPD). Impact is measured by examining changes in management effectiveness scores and species population time series after the start of projects. While the analysis is yet to be fully completed, preliminary findings using available data establish that GEF support does improve protected area outcomes. Species trends and METT scores increased significantly following the start of GEF projects. In the process of carrying out this impact assessment substantial shortcomings in the available data

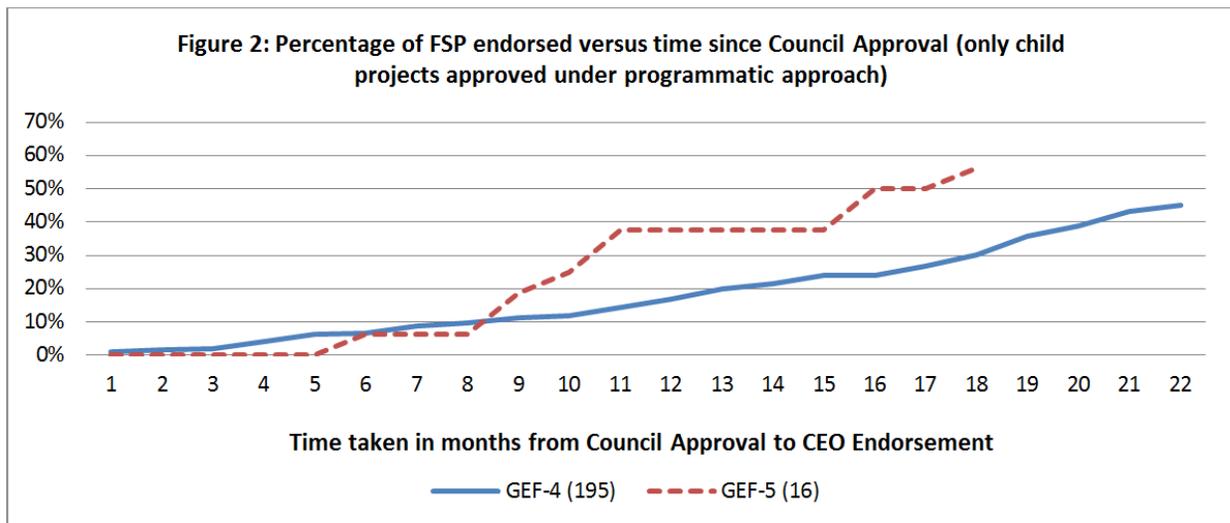
and in data collection and management were identified. This could be addressed if the GEF would seek partnerships with regional or global organizations that have a mandate on impact data collection and data management. The first phase of this evaluation, which is the quasi-experimental study, will be reported on in the final report of OPS5.

**PERFORMANCE ISSUES**

33. The first report of OPS5 contained an initial analysis of the performance of the project cycle up to September 30, 2012. The analysis has now been extended until June 30, 2013. Although the numbers for the GEF-5 period are still low, they do provide for much greater confidence in reporting project cycle related results. A cohort of 86 projects (one of which was cancelled) have been followed over the 18 months period from Council approval within which they were supposed to achieve CEO endorsement (see figure 1). Of this cohort, only 37 projects (43%) became CEO endorsed in 18 months or less. For the GEF-4 projects for which a standard of 22 months was applicable, only 57 percent of projects had been CEO endorsed in time. Thus, 43 percent of the projects of GEF-4 did not meet the then applicable 22 month standard and based on current trends most of the GEF-5 projects are unlikely to meet the 18 month standard. This analysis will continue, but it indicates that the final report of OPS5 will have strong conclusions and recommendations on the project cycle.



34. The analysis shows a minor improvement from GEF-4 to GEF-5 up to the 18 month threshold, insufficient to meet the newly adopted standard for GEF-5. The only cohort of FSPs that made more significant improvement, although not meeting the 18 months standard, are FSPs under programmatic approaches, of which more than 60% was approved within the standard of 18 months (see figure 2).



35. In the Joint Project Cycle evaluation of 2006 a series of reasons were identified for the failures of the project cycle at that time, which led to the recommendation of the Evaluation Office to completely redesign the project cycle from an information heavy approach to a much lighter eligibility oriented approach. Council requested a new project cycle which was adopted in 2007. The initial standard was 22 months between Council approval and CEO endorsement, and this was reduced to 18 months in GEF-5. Although improvements continue to be made, the GEF continues to be hindered by a comparatively cumbersome and slow project cycle. The reasons for the failure to meet the 18 month standard are still subject of further analysis in the ongoing work for OPS5.

**Replenishment issue 4:** the project cycle remains slow and cumbersome and will need to become an issue for discussion in the third replenishment meeting, when the final analysis of OPS5 is available

36. The time taken by the GEF Secretariat to respond to PIF submissions, for which a standard of 10 business days is established, has seen a gradual increase from GEF-4 to GEF-5. However, after 12 business days the Secretariat response during GEF-5 is again at the GEF-4 level. Looking at the time to respond to endorsement requests, the Secretariat performs equally well in GEF-4 as in GEF-5 in the first ten business days, but achieves considerably better performance in GEF-5.

**RESULTS BASED MANAGEMENT AND MONITORING OF RESULTS**

37. Results Based Management and monitoring as a component of this has received increasing attention in GEF-5. The fifth replenishment led to detailed objectives, targets and indicators for the focal areas. OPS4 had no findings and recommendation on the appropriateness, validity and credibility of the results based management framework that was initiated through the GEF-5 replenishment agreement. OPS5 is the first time that the GEF Evaluation Office will look at RBM and its related monitoring and tracking tools. The sub-study that evaluates this is ongoing; the progress report raises issues that need to be flagged at this time in the replenishment process.

38. A general principle and international best practice in managing and monitoring for results is to find a balance between the need to gather data and the need to achieve the results that the data are supposed to track. In general the dictum is that (s)he who measures everything, gets nothing done. Almost everything in the implementation of strategies, policies, programs and interventions can be measured, but setting up the systems to do so costs money, time and energy. Furthermore, the associated costs differ per kind of activity, with smaller activities providing higher percentages of overall funding to monitoring and large investments or grants reserving lower percentages for monitoring and data gathering.

39. At the portfolio level, the Project Management Information System (PMIS) is supposed to provide consolidated and verified data on projects, including project documents, terminal evaluations and terminal evaluation reviews. In OPS4 the Office noted that a revised PMIS had been introduced in January 2009 and that “the system’s core data can be (...) considered reliable, although structural quality checks are still lacking”. In the years since 2009 the Office has noted a deterioration of the quality of data. In the broader context of a review of GEF Information Technology Systems, this was raised with Council in June 2012 and led to the approval of a project to move the full PMIS functionality into the World Bank’s corporate system, costing \$1 million.<sup>6</sup> The Trustee reports on progress on this in its report to the second replenishment meeting. The ongoing work of the Office on the portfolio of the GEF continues to underscore the importance of this – improvements of the use of PMIS for preparations of evaluations are yet to become visible.

40. The costs of monitoring increases if many indicators and targets are adopted. Results Based Management systems should in principle adopt a limited number of crucial indicators and targets. The GEF has an abundance of them. The replenishment negotiations for GEF-5 led to more than 70 outcome targets and objectives, a similar number of corporate outcomes and objectives and about 40 efficiency and effectiveness targets. Related to this, the focal areas further refined or adopted detailed tracking tools that would report on baseline, mid-term and end-of-project data.

41. The Annual Monitoring Report part II, presented to the Council at its June 2013 meeting, provides a positive perspective on the data gathered for 215 projects for which mid-term reviews or terminal evaluations were received. The ongoing work on monitoring data and tracking tools, as well as the evaluations undertaken since OPS5, put a question mark on both the assessment of the monitoring report and the completeness of its data. Compliance with data delivery on tracking tools is an issue that will be looked at in the final report of OPS5. In many cases projects have only delivered one instance of tracking tools data: either at the start, mid-term or at the end. Furthermore, availability of tracking tools is sometimes hampered by lack of funding and/or organizational issues in the Secretariat, where data are sometimes kept in private folders of staff rather than in centrally available databases.

42. The Evaluation Office is concerned that given the multitude of indicators, targets and outcome objectives that need to be reported, underreporting is more or less to be expected, unless the funding of monitoring would increase as a percentage of funding costs of projects. The Office reported to the Council in November 2012 in its Annual Report on Impact that many impact monitoring systems were not in place or not reporting to management and the public, and

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<sup>6</sup> Joint Summary of the Chairs, June 5-7, 2012, paragraph 23 sub e.

that M&E data was not made available to the Office in a timely and transparent manner when requested. In completed projects, the quality of monitoring and evaluation design remains at a relatively low level compared to the outcome ratings, as has been reported on in the Annual Performance Report. The APR 2012 finds some improvements during GEF-3 to a level of 74% moderately satisfactory or higher but notes with concern that the quality has gone down for GEF-4 to a level of 61% moderately satisfactory or higher.

43. One issue emerging from many evaluations of the Office over the years since OPS4 has been that the availability of monitoring and tracking data in the GEF is less than it is supposed to be. This issue has been raised with Council a few times and decisions by Council in November 2012 and in June 2013 underscore the need to improve this. Some evaluations (most notably the country portfolio evaluations) have pointed to the burden of monitoring requirements, especially for multi-focal area projects, as a possible cause for the lack of compliance. The Council has addressed this issue in its decision in June 2012 to request the Secretariat to “reduce the burden of monitoring requirements of multifocal area projects to a level comparable to that of single focal area projects”.<sup>7</sup> The final report of OPS5 will contain findings and recommendations on RBM, tracking data and monitoring requirements.

44. The underlying cause for lack of compliance and a relatively low level of quality of monitoring and evaluation in projects may be the lack of a balance between measurements that need to be undertaken and the funding available for this, and the possibility that the GEF wants to measure too much in too much detail. The sub-study on Results Based Management (RBM) will continue to deliver analysis on this issue for the final report of OPS5. It will look at whether the adopted RBM approach is appropriate and realistic, and has taken into account experiences in other organizations both within and outside the GEF partnership. Similar work is undertaken in the joint evaluation of the Small Grants Programme, where initial findings indicate that the monitoring and evaluation system is facing considerable challenges. The SGP evaluation in its first phase will also aim to deliver recommendations on achieving a financial and operational balance between the need to measure and the need to provide support to local communities in tackling environmental issues that are globally significant.

**Replenishment issue 5:** the GEF should consider reducing the burden of targets, indicators and tracking tools and reform its results based management system accordingly, so that what gets measured gets measured better, more reliable and more consistent.

## **WORK IN PROGRESS**

### **Sub-studies of OPS5**

45. The ongoing sub-study of the GEF’s Policy on **Gender** Mainstreaming is assessing the extent to which the Policy on Gender Mainstreaming has been implemented and the appropriateness of the policy for the GEF in line with international best practices in the field, and to assess trends of gender mainstreaming in the GEF. The evaluation team has reviewed the

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<sup>7</sup> Joint Summary of the Chairs, GEF Council Meeting June 5-7, 2012, paragraph 9, sub 2.

OPS5 project cohort of terminal evaluations (281 projects) and is updating the findings from the similar sub-study conducted for OPS4. A random sample of projects approved during GEF-5 has been selected for a review of the extent to which gender mainstreaming has been reflected in project design.

46. The sub-study on the **health of the partnership** aims to assess changes since the Fifth Replenishment, and provide recommendations on how the structure and functions of the partnership can be shaped in GEF-6 to better meet GEF's objective of achieving global environmental benefits. "Health" for the purposes of this evaluation is defined as the extent to which the structure of the partnership and the quality and relevance of interactions between the partners enable the GEF partnership to effectively and efficiently deliver global environmental benefits through its support. The sub-study is on track.

47. The sub-study on GEF **Engagement with the Private Sector** is proceeding according to plan and will deliver in time for the final report of OPS5. The sub-study looks both at specific set asides and initiatives for engagement with the private sector and "mainstream" GEF activities. Evidence from older evaluations point to a number of highly successful engagements in focal areas (mainly climate change, ozone depleting substances and chemicals) and in general more difficult engagements through specially designated programs. Evidence from the GEF will be confronted with evaluative evidence from outside the GEF, to benchmark and compare approaches to new developments in the private sector. An expert panel is convened to provide advice on the nexus between the private sector and the environment and how the sub-study can deliver evaluative evidence that demonstrates possibilities for GEF-6.

48. In refining the evaluation framework for the sub-study on the GEF **Engagement with Civil Society Organizations**, the Evaluation Office has consulted with the GEF NGO Network. These consultations served as inputs to the approach for the evaluation, its key questions as well as the survey instrument. Currently, a review of relevant literature: project documents, external evaluations, portfolio information, etc. is underway. The evaluation team has also launched the E-Survey targeted at representatives of CSOs and at GEF operational and political focal points. The survey can be responded to in English, French and Spanish. The sub-study will also review a portfolio of closed projects. It is on track to deliver its findings to the final report of OPS5.

49. The sub-study on the GEF **Scientific and Technical Advisory Panel (STAP)** aims to assess the extent to which STAP has met its mandate and the extent to which the 2007 reforms have been implemented and resulted in STAP advice to GEF that is more strategic, timely and effective. The sub-study will also identify factors affecting STAP's performance and will provide recommendations for improving, where necessary, the effectiveness of STAP advice to the GEF.

50. The sub-study on **Knowledge Management** aims to assess the extent to which the GEF's Knowledge Management Initiative is addressing the barriers to learning and knowledge exchange in the GEF as noted in OPS3 and OPS4. It will also compare the GEF's Knowledge Management Initiative with similar efforts of other multilateral organizations in order to identify potential areas of synergy or overlap, as well as emerging evidence of best practices. Because issues covered in the sub-studies on results based management and knowledge management involve considerable overlap, these two sub-studies are being conducted in a coordinated manner. They are on track for the final report of OPS5.

51. The first report of OPS5 reported on materialization of co-financing for approved and completed projects. A detailed sub-study on **co-financing** is presently underway to assess the role and function of co-financing in GEF projects, as well as the way in which project proposals are appraised based on their co-financing commitments. Furthermore, co-financing related requirements will be reviewed on their transparency and whether they are well understood across the GEF partnership. Lastly, the effects of co-financing requirements on the project cycle will be studied. The sub-study is on track for the final report of OPS5.

### **Ongoing evaluations**

52. During FY2013 the Evaluation Office initiated the mid-term evaluation of the performance of the **System of Transparent Allocation of Resources (STAR)**. The mid-term evaluation will be an input to OPS5. The mid-term evaluation aims to assess:

- (a) The extent to which the STAR's design facilitates allocation and utilization of scarce GEF resources to enhance global environmental benefits.
- (b) The extent to which the STAR promotes transparency and predictability in allocation of GEF resources and strengthens country-driven approaches.
- (c) The level of flexibility that has been provided by STAR in allocation and utilization of GEF resources.
- (d) The efficiency and effectiveness of the STAR implementation process.
- (e) The extent to which the RAF Mid-Term Review has been followed up on in STAR through relevant Council decisions and general lessons learned.

53. The evaluation is presently under implementation. Literature review, field visits, and the online survey for the evaluation have been completed. Interviews of the key stakeholders, analysis of the STAR indices, simulation of scenarios to assess resource flows under different rules, and an analysis of the resource utilization patterns, are still ongoing. The evaluation will be presented to the November 2013 Council meeting.

54. The sub-study on the **Small Grants Programme** has become the first phase of a joint evaluation with the independent evaluation office of UNDP. The first phase aims to provide a timely input in OPS5 focused on issues that should be raised in the replenishment. The first phase is at the end of its data gathering and analysis phase. A desk and literature review is almost complete, as is the meta-analysis of available evaluations. Four country case studies in Ecuador, Kenya, Pakistan and Thailand are almost completed. The portfolio analysis is under way and interviews at central level have been held with UNDP, SGP CPMT, GEF NGO Network, GEF Agencies and several representatives from the GEF Secretariat.

55. All indications suggest the individual SGP projects continue to have similar levels of success as those reported by the 2008 Joint SGP Evaluation, in both the old and new countries. Many case studies, individual reports, awards, and general popularity/appreciation provide a kind of mosaic of evidence pointing in that direction. Further, there are a growing number of examples suggesting cumulative impacts – across several projects or even countries. The upgrading of SGP countries to funding through STAR has not been a smooth process in several cases. Important operational improvements may be required. More analysis is ongoing on this crucial issue. The first phase of the evaluation will provide its evaluative evidence to the final report of OPS5.

56. Several **other evaluations** are ongoing and will deliver evaluative evidence to OPS5: country portfolio evaluations in Sri Lanka, Vanuatu, Tanzania and Eritrea, a country portfolio study in Sierra Leone, the climate change mitigation and biodiversity impact evaluations, the second phase of the enabling activities evaluation, and last but not least the mid-term evaluation of the National Portfolio Evaluation Exercise, which will be presented to the November 2013 Council.