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Agenda Item 8

## MANAGEMENT RESPONSE TO THE ANNUAL PERFORMANCE REPORT - 2010

**(Prepared by the GEF Secretariat)**

## **ANNUAL PERFORMANCE REPORT 2010 MANAGEMENT RESPONSE**

1. The Secretariat welcomes the seventh GEF Annual Performance Report (APR) 2010 prepared by the GEF Evaluation Office. The report provides a series of useful insights that can contribute to portfolio management at the GEF. The performance matrix, which summarizes the performance of the GEF Agencies and the GEF Secretariat on various parameters tracked by the Evaluation Office, is a useful guide for tracking progress towards Evaluation Office recommendations.
2. The Secretariat notes the report's conclusion that the outcome achievements of 92 percent of completed projects reviewed for FY10 were rated in the satisfactory range, similar to the FY09 figure of 91 percent. While this is higher than the long term average of 84 percent, as noted in the report, the consecutive increase cannot be seen as a trend. The Terminal Evaluation Reports from which these figures are derived are not for temporally consecutive projects, and the quantity of the Terminal Evaluation Reports varies from year to year.
3. The Secretariat is particularly encouraged with the improved reporting by GEF Agencies on the materialization of cofinancing, which shows a higher than expected average at project approval compared to past years. While the Secretariat keeps close track of planned co-financing, it is not until a project has completed a terminal evaluation that an accurate figure of materialized co-financing is known.
4. The Secretariat welcomes the finding that the quality of Monitoring and Evaluation (M&E) arrangements has improved over the 2009 level. As noted in the report, the Secretariat expects continuous improvement in ratings along this dimension as future cohorts increasingly include projects designed after the 2006 M&E policy was adopted.
5. The Secretariat acknowledges that the quality of the terminal evaluations submitted during FY10 presented a drop from the FY09; it however, meets the average since 2004. In FY10, terminal evaluations submitted by the World Bank (WB) included a relatively high number of Medium Sized Projects (MSPs), over a quarter of all evaluations in the FY10 cohort (13 of 17 WB projects reviewed by EO were MSPs). Since the World Bank terminal evaluation reports for MSPs are not independently reviewed by IEG, and the amounts involved are limited, the quality ratings for the terminal evaluation documents provided for these projects tended to be lower. The finding should also reflect the fact that MSPs are not representative of the World Bank's overall portfolio, as they include only 8% of the 225 projects currently under implementation.
6. The Secretariat also welcomes the findings that the quality of the Project Management Information System (PMIS) has improved significantly. Over the course of the past couple of years, the Secretariat has developed a system for systematically updating project status information based on annual reporting by the Agencies. The Secretariat does however, acknowledge that the quality of information on project completion status needs to be improved to enable the GEF Evaluation Office to report on the time lags between Project Closure, Terminal Evaluation Completion and Submission to the Evaluation Office. The Secretariat will work closely with the Evaluation Office to improve the quality of information available through PMIS on the status of projects through the project cycle, including Agency compliance with deadlines for terminal evaluations.