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Independent review of GEF Systems

Introduction

1. The purpose of this note is to update the GEF Council (“the Council”) on the outcome of the independent review of the GEF systems conducted by Deloitte & Touche LLP and to inform the Council of next steps. Section II of this note describes the rationale and scope of the review; Section III details the issues identified during the review and analysis; Section IV explains the potential risk for steady state operating model of the GEF; Section V provides the key recommendations made by Deloitte & Touche LLP; and Section VI details the IT initiatives to be undertaken by the GEF Secretariat and the World Bank as Trustee in an effort to carry out the recommendations identified in the independent review.

II. Rationale and Scope of the Independent System Review

2. Since its inception, the Global Environment Facility (“the GEF”) has consistently expanded its operations and processes, increasing its scope and moving from the use of three to ten Agencies. Its operations and policies, and the related business procedures and financial transactions have become more complex and detailed, and correspondingly more difficult to process and reconcile with the Bank's central accounting systems. The financial and operational operating procedures require the Trustee, the GEF Secretariat (“the Secretariat”), and the Agencies (collectively, the “GEF Partners”) to share with each other, in a timely fashion, a high volume of operational and financial information. Over the last several years, efforts have been made to develop and implement efficient means to share and integrate this information, but there is strong evidence that more can and should be attained.

3. At the June 2009 meeting of the GEF Council meeting, the Trustee shared with the Council the Terms of Reference¹ to engage an independent consultant to review and assess the IT and database systems of the Trustee, the Secretariat, and the Agencies. The Terms of Reference is attached as Annex 1. The scope and objectives of the review included the following:

- (a) Ensure the GEF Partners have robust systems in place to carry out the following:
 - track and manage GEF operations, processes, and transactions;
 - share data with one another; and
 - provide timely information to key stakeholders (e.g., the GEF Council, GEF Contributing Participants, and the GEF beneficiaries);
- (b) Identify the role played by the Trustee, the Secretariat, and the Agencies in the life cycle of a GEF transaction and its principal owner;
- (c) Assess the overall performance of the financial and program management systems supporting the GEF and comparing its performance with best practices used in similar operations where multiple and independent entities must share data in a timely fashion;
- (d) Based on the above, provide appropriate recommendations on:
 - staff resources and skills required to support the systems and work flow;

¹ GEF/C.35/Inf.13, Draft Terms of Reference: Independent Review of the GEF Systems

- systems and work flow efficiencies, controls, and audit trail, in each of the independent systems and their inter-related workflows; and
- the design and development of an electronic means of data exchange between the respective systems (Agencies, Trustee, and Secretariat).

4. It was further agreed that consideration was to be given to the following:

- (a) The independence of the financial and supporting systems of the Agencies to respect their privileges, archival immunities, and the security protocols bounding their systems;
- (b) The Financial Procedures Agreements (FPAs) between the Agencies and the Trustee; and
- (c) The potential impact on the recipient of GEF funds.

5. The Trustee engaged an independent consultant, Deloitte & Touche LLP (“Deloitte”), to perform an assessment based on the objectives outlined above. The review began in November 2010 and was completed on June 30, 2011. The Deloitte team facilitated 20 interviews with the GEF Partners. In addition, the Deloitte team had several discussions with Management from the Trustee and the GEF Secretariat, who requested the Deloitte team to make appropriate amendments to the draft report to ensure all findings were faithful representations of feedback from the Partners. The final review was shared with the ten GEF Agencies, the Secretariat, and the Evaluation Office. Recommendations made by the Deloitte team aimed to leverage existing synergies relative to four specific dimensions: People, Process, Technology, and Cost. Due to the complexity of the GEF project cycle and desire for the GEF to expand eligibility to new agencies, the final recommendations made by the Deloitte team targeted a scalable solution.

III. Issues identified during the review

Key Findings

6. The Deloitte team identified twenty-three critical issues during comprehensive discussions with the GEF Partners. The majority of these issues, which the Deloitte team felt needed attention, are concentrated in (i) the Information Technology (“IT”) systems and databases used to record and manage the GEF project pipeline, and (ii) reporting and data sharing across the GEF partners. Specifically,

- (a) The current GEF environment involves 30 - 50 interactions between 12+ groups, multiple locations and 12+ systems. Multiple point-to-point interactions amplify the potential for errors and changes the risk profile to a higher level; and
- (b) Project approval workflow process may sometimes involve 35+ process steps, many of which are manual, resulting in the strong possibility of data being entered incorrectly in parallel systems.

7. The issues are further categorized into the following seven themes:

- (a) *IT Platform:* As it stands today, the GEF project management system (PMIS) does not fully support the integrality of the programmatic cycle, and is not sufficiently robust to support future growth in the GEF partnerships (expansion of eligible GEF agencies);

- (b) *Integration:* IT systems of the Agencies, the Secretariat and the Trustee are not integrated;
- (c) *Automation:* Multiple operational processes are manual and lack automation;
- (d) *Communication:* Data exchange across the GEF partners is not streamlined, is incomplete and not easily accessible;
- (e) *IT Resources:* The World Bank's IT development resources and knowledge are not adequately leveraged to the benefit of the GEF;
- (f) *Efficiency:* The workflow related to the project review process can be improved; and
- (g) *Duplication:* Reporting process across the partners is not well defined, is duplicative, lacks flexibility and involves significant reconciliation efforts from all sides.

8. In addition, the Deloitte team had the following findings which were taken into account when they developed their final recommendations:

- *People:* Human resources are not adequately leveraged across the World Bank and processes are overly reliant on key individuals;
- *Process:* Current processes related to project pipeline and reporting to the Trustee and the Secretariat are manual, burdensome and inefficient;
- *Technology:* Lack of a central IT solution to support the current needs and future growth of the Secretariat, the Trustee and the Agencies;
- *Cost:* Inefficiencies such as duplication of data entry across the Trustee, the Secretariat, and the Agencies result in higher operational costs for all GEF Partners.

Risks

9. The review concluded that if the GEF maintains a steady state operating model, an increase in GEF operations would create an untenable environment, excessively reliant on people, increasing operational risks and transaction costs:

- *Resource Risks:* High degree of dependency on key individuals for operational and technology knowledge;
- *Financial Risks:* Funds may not be optimally utilized due to disjointed systems between the stakeholders;
- *Operational Risk:* Fragmented data in disparate IT systems may lead to delays in project approvals, cash transfers to agencies and funds availability; and
- *Technology Risk:* Lack of a cohesive IT policy for the GEF Partners may lead to an un-scalable IT architecture that is not conducive for the growth of the GEF.

IV. Key recommendations

10. The recommendations made by the Deloitte team (see Annex 2) target a scalable solution to support future GEF business (taking into account the broadening of GEF partnership) and leverage

existing capabilities. The following are the Deloitte team’s key recommendations and associated benefits to the GEF:

- (a) **System Platform Consolidation:** Integrate/interconnect the Secretariat’s PMIS system with the SAP² (the World Bank’s Enterprise Resource Planning system) in order for the Secretariat and the Trustee to share a common, efficient and robust IT platform. This will substantially reduce many of the manual and redundant processes that currently exist between the Trustee and the Secretariat, while increasing the correctness and greatly facilitating the sharing of data with other GEF partners and other stakeholders. It also offers opportunities to consolidate fragmented operational and financial data stored in the systems of the Secretariat and the Trustee in a common tool/mechanism.
- (b) **Event and Workflow Management:** Implement an end-to-end event and workflow management tool for the GEF project cycle. Automation of end-to-end processes facilitates the development and use of internet “dashboards” for management views and a single point to implement key controls. It also enhances transparency of the project approval, tracking, and reporting process.
- (c) **Central Communication Platform:** Establish a common, secure platform to share data flows, facilitate controls and communication. This platform would support the aggregation of project data and provides a consolidated view of the project pipeline and enhances communication between the Trustee, GEF Secretariat, and the Agencies, which facilitates better overall funds management.
- (d) **GEF Data Governance:** Establish data stewardship and ownership across the GEF partners (i.e., single source of data entry), the Secretariat and the Trustee. This will help to ensure the quality, accuracy and completeness of GEF data on an ongoing basis. It also helps to decrease point-to-point and frequent manual reconciliations performed by the GEF partners.
- (e) **Leverage World Bank IT Resources:** Leverage existing software, resources and intellectual capital across the World Bank. By utilizing the SAP platform for both Trustee and Secretariat, the GEF can leverage World Bank information management technology functions and resources to design, develop, and administer GEF systems within the World Bank.

V. Related IT Projects Underway at the World Bank

11. In May 2011, the World Bank’s IT Governance Board approved a Trustee sponsored IT project entitled “Comprehensive IT Platform for Financial Intermediary Funds” (“FIF IT Project”). This project was developed in response to the unique financial characteristics of the Climate Investment Funds as well as the growing portfolio of FIFs managed by the World Bank. The project has received some funding from the Climate Investment Funds. Other FIFs managed in the World Bank are expected to join in this effort (e.g., CGIAR Fund, GAFSP).

12. The overall aim of the FIF IT Project is to decrease or eliminate the need for home-grown systems for each FIF with in-house secretariats (or coordination units) housed at the World Bank, thereby

² The Information Management Technology Vice-Presidency of the World Bank provides full IT support of SAP across all VPUs of the World Bank as well as for functionally independent secretariats housed in the World Bank. The World Bank pays all SAP license fees and also covers costs for any required upgrades to SAP.

reducing overall costs charged by the secretariats for IT development. The FIF IT Project is designed to support data management, project lifecycle, workflow, and internet tools for reporting and managing FIF funds.

13. The following are the key objectives of the FIF IT Project, with relevant references to the GEF Systems Renewal Project:

- *Standardized Platform for FIFs:* Develop a standardized, configurable platform for FIF Trustee and in-house Secretariat functions that build upon the synergies and similarities across FIFs.
- *Business Integration:* Develop an automated system workflow to minimize duplication of efforts and data storing across partners, eliminating paper and manual reporting and reconciliations between the partners.
- *Collaboration/Socialization:* Develop a web-based platform that can be leveraged across FIFs to provide a space for non-workflow communications across the partners. In the case of the GEF, the current PMIS interface shall be used as the basis for the external interface of this platform.
- *Transparency:* Develop a public website to surface FIF financial maintained by the Trustee, consistent with the applicable disclosure policies of the Bank and the GEF, to promote accountability and align the Bank with the policies of major public sector institutions.
- *Reporting and Management Tools:* Develop common information platform to improve delivery of standardized products to clients, support deliberative discussions and decision making, and strengthen compliance with relevant governing body policies.

14. Several benefits can be derived from an integrated system platform for FIFs, as outlined below:

- (a) *Risk Management and Controls:* Elimination of over reliance on spreadsheets, duplicate data entry, manual reconciliations, mail-based workflow, and errors caused by excessive manual interventions, which if not addressed could lead to misstatement of FIF financials and misinformed decisions related to program management, commitments and cash transfers.
- (b) *Uniform and Consistent Information Access:* FIF partners will be able to collaborate, communicate, and access/disseminate information using standardized and similar functionality. Internal and external reporting will be produced from a central data repository with consistent data definitions, formats and the ability to report across FIFs in a timely and accurate manner. Relevant and accurate financial information will be available on the web in a timely manner, thereby increasing transparency, consistency and efficiency.
- (c) *Operational Efficiencies and Costs:* Knowledge would be shared more effectively across teams across various units within the GEF and the World Bank. Single practice for common baseline processes (invoicing, note encashments, receipts and receipts acknowledgement) would be established allowing the teams to work more cohesively and to support back-up arrangements. Automation of workflow and processes will also lead to reduced operational costs. Efficiencies will be achieved due to elimination of duplicate re-keying of data across multiple systems.
- (d) *Modernization:* Websites will employ cutting edge technology and design to improve accessibility and user experience. Online tools will include scheduled and interactive reports to replace manual, paper reporting. Web-based reports will ensure that management and team leads have the latest program and financial information at the fingertips.

VI. Next Steps

11. The Trustee and the Secretariat have endorsed Deloitte's findings and recommendations and have agreed to move forward with a plan to implement the recommendations by doing the following: (i) building on the current PMIS interface, consolidating the IT systems platform of the Secretariat and the Trustee by building a module in SAP to store and manage the GEF project database; (ii) creating a workflow management tool shared by the Trustee and the Secretariat to manage the GEF project cycle; (iii) enhancing the Trustee's systems to facilitate interaction with the systems of the Agencies and thereby also providing required interfaces between the Agencies and the Secretariat; (iv) establishing a centralized, secure communication platform for the GEF Partners, including the Evaluation Office; and (v) developing a Data Governance matrix to identify ownership of GEF financial and operational data.

12. A timeline and plan for the project (to be called the "GEF Systems Renewal Project") would be developed and completed by the Trustee and the Secretariat by the end of 1st quarter CY12, taking into account the comments of the Agencies and the Evaluation Office. The plan would be presented to the Council for endorsement at its 2012 spring meeting, along with a proposed budget. The plan would be expected to propose integration of the GEF Systems Renewal Project into the Trustee's FIF IT Project.

17. The greater benefit of integration of the GEF Systems Renewal Project would be a significant reduction of human workload at the Secretariat and the Trustee (elimination of reconciliations, redundancies, duplications), improvement of data accuracy, timely, comprehensive and easily accessible reports, quality management information for the Secretariat, scalability and long term operational costs reduction.

18. As for the GEF Partners, the benefits would be similar. Information would be much more readily available, timely and more accurate, while reporting workloads would be reduced. Project management would therefore be facilitated and management decisions made easier, based on more reliable information.

Terms of Reference
Independent Review of the
Systems for the Global Environment Facility
as presented to the GEF Council
June 26, 2009

A. Objectives/Purpose of Assignment

Background of the Project:

Since its inception, the Global Environment Facility (“the GEF”) has consistently expanded its operations and processes, increasing its scope and moving from the use of three to ten Agencies. Its operations and policies, and the related business procedures and financial transactions have become more complex and detailed, and correspondingly more difficult to monitor and track. At the same time, the structure requires the Trustee, the GEF Secretariat (“the Secretariat”), and the Agencies to share with each other, in a timely fashion, a high volume of operational and financial information. Over the last several years, efforts have been made to develop and implement efficient means to share this information, but there is strong evidence that more efficiencies and streamlining can be attained.

Further increasing the number of Agencies may open new doors for the GEF to be more effective – and it would also increase the number of GEF processes, transactions, supporting systems, and communication requirements. As well, increasing the number of forms in which the GEF extends its financing may generate additional revenues and help the GEF to be more innovative, flexible and responsive, but it will most likely require expansion of the Trustee’s financial system for the GEF Trust Fund, the program management system of the Secretariat, and the financial systems of the Agencies.

The Trustee recently completed a major systems development project to restructure and overhaul the ten-year old financial system for the GEF Trust Fund. New applications reflect the evolution of the GEF business, processes and procedures over time and enable the Trustee to provide better reporting to the Council, Secretariat, and the Agencies. A key part of the new system design required the development of new data tables for tracking and storing all Council and CEO funding decisions and the subsequent transactions as they move through Agency approval to financial closure. This in turn required conversion of the data from old tables to new. Upon conversion of the data, a comprehensive reconciliation with the Agencies and the Secretariat was carried out to ensure that financial and business data were not corrupted during the conversion process. While the new system has proven to be a success in its own right, the effort it took to reconcile the volume of data across ten Agencies and the Secretariat was very substantial as well as inefficient, especially in light of the fact that it was a manual exercise. The length and complexity of the reconciliation process and the number and nature of the iterations between GEF partners point to needed improvements for the future.

The Project's objectives are:

- Ensure that the Trustee, Secretariat, and the Agencies have robust systems in place to:
 - track and manage GEF operations, processes, and transactions;
 - share data with one another; and
 - provide timely information to key stakeholders.
- Identify the role played by Trustee, Secretariat, and the Agencies in the life cycle of a GEF transaction and the principal owner of the transaction.
- Assess the overall performance of the financial and program management system supporting the GEF and comparing its performance with best practices used in similar operations where multiple and independent entities must share data in a timely fashion.
- Provide specific recommendations on the people, process and technology, specifically:
 - staff resources and skills to support the systems and work flow;
 - systems and work flow efficiencies, controls, and audit trail, in each of the independent systems and their inter-related workflows;
 - the design and development of an electronic means of transferring data between the respective systems (Agencies, Trustee, and Secretariat);
 - Consideration must be given to the following:
 - The independence of the financial and supporting systems of the Agencies to respect their privileges, archival immunities, and the security protocols bounding their systems;
 - The Financial Procedures Agreements (FPAs) between the Agencies and the Trustee; and
 - The potential impact on the recipient of GEF funds

B. Scope of Work

The work to be undertaken is broken into the following phases as outlined below:

Phase 1: Detailed analysis and in-depth reviews. Work during this phase will focus on three main areas: (a) processes and transactions conducted through the project cycle; (b) flow of information across the inter-related systems; and (c) data ownership.

Specific areas of the project cycle to be covered include the following:

- a. Documenting the review and approval of Project Identification Forms;
- b. Recording Council and CEO funding decisions;
- c. Recording data related to Programmatic approaches;
- d. Recording CEO endorsed amounts;
- e. Recording the project approval dates of Agency governing bodies;
- f. Recording on disbursement of funds by the Agencies;
- g. Recording extensions, cancellations, and operational and financial closures;
- h. Reporting final amounts disbursed by the Agencies;
- i. Reallocations of amounts from one Agency to another; and

- j. The appropriateness of the functional design of each of the transactions in the relevant systems that support the above areas.

Phase 2: Specific recommendations will be developed to further strengthen the performance of the GEF systems. The recommendations will focus on, in each of the three main areas of the review, the following: (a) possible improvements to the Trustee's financial system for the GEF Trust Fund and to supporting systems in the Secretariat and the Agencies, to ensure an appropriate and robust platform exists to perform complex transactions in the most efficient way throughout the GEF project cycle; (b) recommended improvements to the interconnectedness of the financial systems of the Trustee, the financial systems of the Agencies, and the program management system of the Secretariat, with the goal of reducing manual interventions and multiple re-keying of same data; and (c) identifying data ownership and coordination opportunities between the Agencies, the Secretariat, and the Trustee to ensure seamless delivery of data without duplication of data entry, to reduce the need for manual reconciliation in the future.

C. Deliverables / Specific Outputs Expected from Consultant

The final report would provide recommendations on strengthening (i) the financial, program management and other supporting GEF systems to ensure robust and auditable processes and transactions throughout the project cycle, taking into account any weaknesses found, (ii) coordination and data ownership identification across the GEF Agencies, Secretariat, and the Trustee, and (iii) reporting and notification in a timely manner in a secure environment, using electronic means including the internet.

The recommendations should take into account:

- Best practice used in similar operations where multiple and independent entities must share data in a timely fashion and where the system end
- users are not limited to those of the immediate parties;
- The independence of the financial and supporting systems of the
- Agencies to respect their privileges, archival immunities, and the security protocols bounding their systems;
- Whether any recommended improvements would require a change in any of the institutional systems of the Agencies and whether such recommendations are implementable; and
- Plans by an Agency to procure new ERP systems in the near future.

The Consultants will work under a well-defined timeframe. The following completion dates for the proposed activities and outputs are envisaged:

Phase 1: November 22, 2010

Phase 2: January 24, 2011

D. Specific Inputs to be provided by the Client:

The Consultant(s) will report to Ms. Pamela Crivelli, Lead Financial Officer, Multilateral Trusteeship and Innovative Finance. She will provide the consultant(s) access to the appropriate files, documents, and studies in order to fulfill the requirements of this statement of work.

E. Special Terms and Conditions / Specific Criteria

For the GEF Systems Review, the GEF Trustee and Secretariat are looking for consultants who have skills and experience in the following area:

- Proven track record in business process mapping and redesign preferably in a geographically dispersed and decentralized operations environment.
- Experience in multiple practice areas of data management including: data architecture, data ownership and electronic data solutions that reduce the manual rekeying of data.
- Proven understanding of best practices utilized in similar operations.
- Organizational level capacity to work effectively with the Trustee, GEF Secretariat and Agencies to elicit data requirements and processes and develop visions of future architecture.

The World Bank

**Independent Systems Review for Global
Environment Facility “GEF”**



Deloitte.

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Executive Summary

Our project methodology aimed to identify leveraging opportunities amongst stakeholders to identify viable recommendations

Deloitte & Touche LLP facilitated the engagement over a 6 week period and while a number of key issues were identified many of the issues represent manageable opportunities for remediation. To provide further context the below points describe our methodology and approach...

Project Context

- Deloitte & Touche LLP was engaged to perform an assessment of the Global Environment Facility (GEF) systems relative to the GEF project cycle to compare the level of effectiveness across the major stakeholders : the Trustee, the GEF Secretariat and the Agencies
- Deloitte & Touche LLP appreciates the complexity and challenges associated with the GEF project cycle and the recommendations set forth in this document aim to leverage existing synergies relative to people, process and technology across the stakeholder entities
- As part of the GEF Systems Review project it was critical to keep factors relative to cost, practicality, value and benefit within our approach to identify recommendations which promote harmonious interoperability amongst the Secretariat, the Trustee, and the Agencies
- Due to the complexity of the GEF project cycle and desire for the fund to expand its offering to new agencies the recommendations targeted a scalable solution

Key messages we heard from the stakeholders

As part of the assessment the Deloitte & Touche LLP team facilitated 20 interviews with stakeholders representing the GEF Secretariat, the Trustee and the Agencies. As a result of these conversations there were common themes identified and the messages are conveyed below...

- In over 20 interviews with 8 Agencies, the Secretariat and the Trustee, 23 issues were identified. The majority of these issues are concentrated in project proposal and reporting
- Interaction model of the current GEF environment highlights 30 - 50 interactions involving 12+ groups, multiple locations and 12+ systems. Multiple point-to-point interactions amplify the potential for errors and changes the risk profile to a higher level
- Project approval involves 35+ process steps, many of which are manual, resulting in the strong possibility of data being entered incorrectly in disparate systems

Our current state findings and gap analysis revealed the following...

Current State Analysis / Gaps Overview

GEF current state footprint:

- Outlines the current state of GEF project cycle process flow for a full-size project (“FSP”)
- Maps GEF project cycle process flow across the various stakeholders
- Assesses current functions against 4 dimensions: People; Process; Technology and Cost
- A total of 23 issues identified through current state analysis confirm that GEF operational risks are manifold (See Appendix H for detailed issues)
- The 23 issues were categorized into 7 main themes

Issue Themes

The project management system does not adequately support the business

IT systems at the Agencies, Secretariat and Trustee are not integrated

Multiple operational processes are manual and lack automation

Communication between key stakeholders is not streamlined and lacks transparency

The Bank’s internal resources are not adequately utilized

Review process is inefficient

Reporting process is not well defined and lacks scalability

People

Internal resources are not adequately leveraged across groups and processes are overly reliant on key individuals

Process

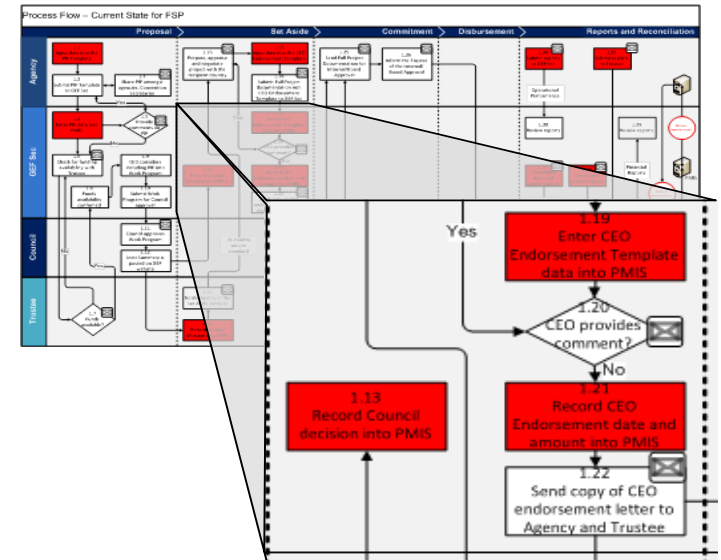
Current processes are manual, burdensome and inefficient

Technology

Lack of a centralized IT solution to support the current needs and future growth of the Secretariat, the Trustee and the Agencies

Cost

The current GEF project life cycle inefficiencies result in higher operational costs for all stakeholders



Appendix A: Current state process flow for a Full Size Project (FSP)

The red boxes within the current state process flow indicate various steps within the project life cycle where duplication of efforts are experienced

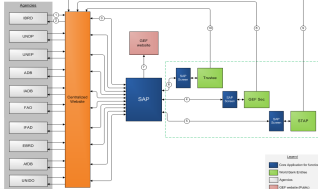
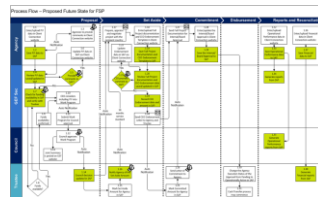
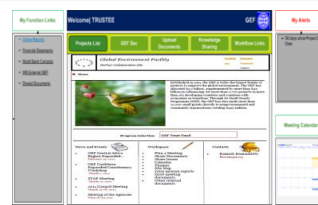
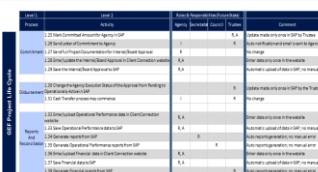
Analysis of issues, processes and data flows identified issue themes with supporting examples while highlighting the root causes

Issue Themes	Supporting Examples	Root Causes
<p>The project management system does not adequately support the business</p>	<ul style="list-style-type: none"> ▪ Project Information Management System (“PMIS”) system freezes during peak activity period and users face frequent issues while logging into PMIS ▪ No formal process for reporting, tracking and resolving issues with PMIS ▪ No dedicated helpdesk to service the users of PMIS 	<ul style="list-style-type: none"> ▪ The Secretariat IT team is not adequately staffed to develop required enhancements to PMIS ▪ The Secretariat IT team does not have dedicated helpdesk resources
<p>IT systems at the Agencies, Secretariat and Trustee are not integrated</p>	<ul style="list-style-type: none"> ▪ Data provided in multiple systems is not linked to each other thereby increasing the need for reconciliation ▪ No single status view of projects in the lifecycle 	<ul style="list-style-type: none"> ▪ The Secretariat and the Trustee are on separate IT systems within the same World Bank firewall ▪ Each Agency has its own IT system within its own firewall ▪ Project data is in multiple silos
<p>Multiple operational processes are manual and lack automation</p>	<ul style="list-style-type: none"> ▪ Project Information Form (“PIF”) and CEO Endorsement templates are manually rekeyed by the GEF Secretariat ▪ Comments are provided to the Agencies by the Secretariat via email ▪ Reports are aggregated manually 	<ul style="list-style-type: none"> ▪ Due to differences in the IT Security policy at each Agency as compared to the World Bank, macro based templates are not effective ▪ There is no workflow tool for stakeholders across the entire project life cycle
<p>Communication between key stakeholders is not streamlined and lacks transparency</p>	<ul style="list-style-type: none"> ▪ Ad-hoc requests from the Secretariat to the Trustee to check for funds availability ▪ Meetings between the GEF and country focal points are not consistently communicated to all Agencies ▪ The Agencies are not aware of the status of a project as it moves through various stages of the project life cycle 	<ul style="list-style-type: none"> ▪ No central repository that stores project data across the life cycle ▪ No workflow based automatic communication between key stakeholders
<p>The Banks internal resources are not adequately utilized</p>	<ul style="list-style-type: none"> ▪ World Bank has a Finance Complex Information Management Technology Team (“FCIMT), however PMIS enhancements cannot be supported due to lack of IT resources at the GEF Secretariat ▪ No dedicated helpdesk for PMIS that utilizes the World Bank IT resource pool 	<ul style="list-style-type: none"> ▪ World Bank FCIMT resource pool is not adequately leveraged to support the growth of the GEF project management system ▪ World Bank FCIMT infrastructure associated with the World Bank central website is not leveraged

Analysis of issues, processes and data flows identified issue themes with supporting examples while highlighting the root causes (continued)

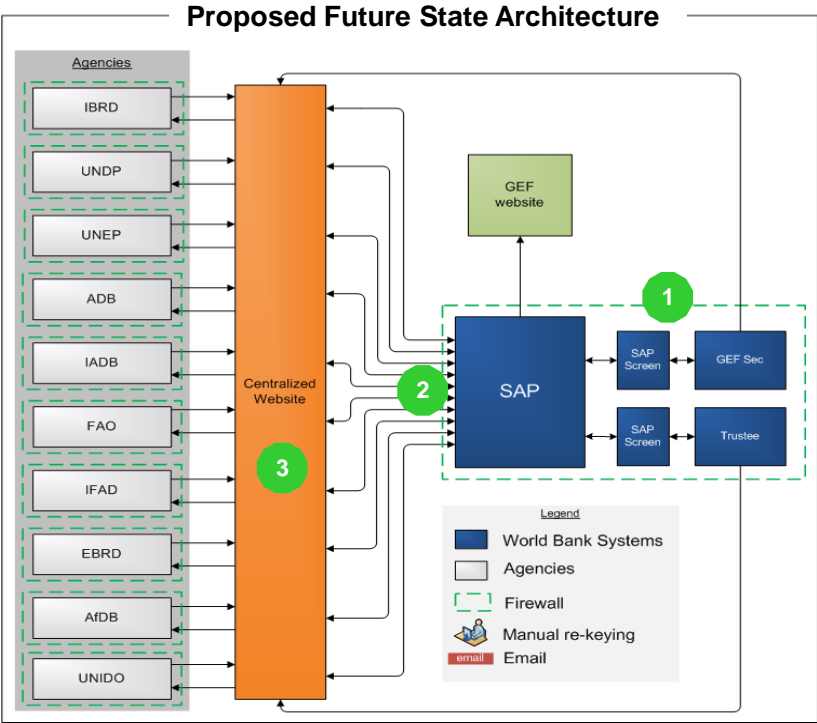
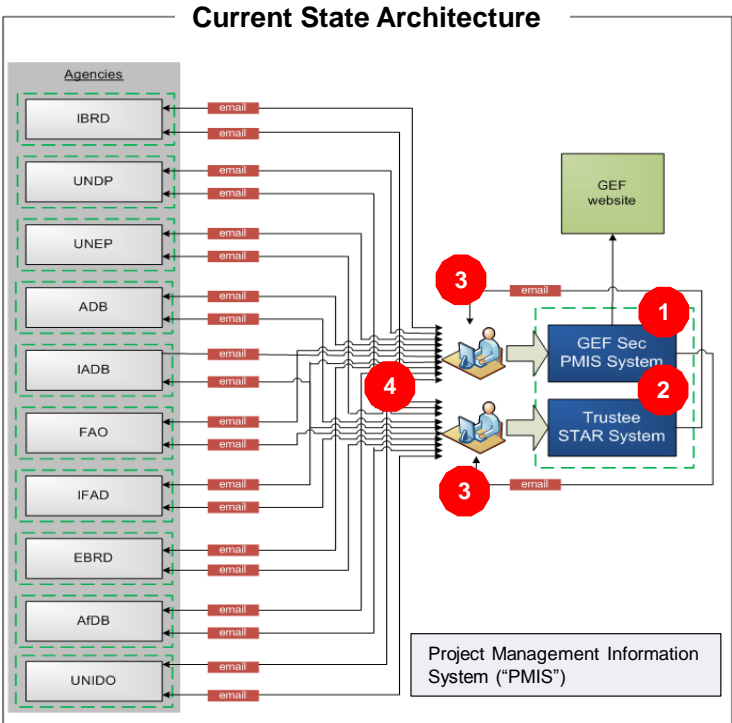
Issue Themes	Supporting Examples	Root Causes
<p>Review process is inefficient</p>	<ul style="list-style-type: none"> ▪ Secretariat's project review procedure is manual, iterative and time consuming ▪ Each Agency is required to provide the same level of information in the PIF & CEO Endorsement templates, regardless of the size of the Agency or program ▪ Project templates are not customized based on the size of the project and focal area 	<ul style="list-style-type: none"> ▪ Templates such as the PIF & CEO Endorsement are not flexible ▪ Project templates and review comments are exchanged over email rather than tracked in a centralized system
<p>Reporting process is not well defined and lacks scalability</p>	<ul style="list-style-type: none"> ▪ The Agencies are required to provide event based reporting to the Secretariat and quarterly reporting to the Trustee ▪ Maintaining and reporting detailed breakdown of how an Agency expenses it's 10% Fees is time consuming ▪ Reporting requirements are not optimized 	<ul style="list-style-type: none"> ▪ Reporting requirements are not customized based on the maturity of an Agency and the size of the projects ▪ Reports are aggregated manually at the Secretariat as a result of the IT systems not being integrated

Our recommendations support the future state model by leveraging existing capabilities providing for a scalable solution to support future business

Key Recommendations	Description	Benefits*
<p>System Platform Consolidation Implement SAP as the primary tool</p> <p>SEE APPENDIX E: FUTURE STATE ARCHITECTURE</p>	 <ul style="list-style-type: none"> Migrate the Secretariat from PMIS to SAP in order to share a common, efficient and proven platform with the Trustee 	<ul style="list-style-type: none"> Reduces many of the manual and redundant processes that currently exist, while increasing the transparency and sharing of data Consolidates fragmented operational and financial data within the Secretariat and the Trustee systems
<p>Event and Workflow Management Implement an end-to-end event and workflow management tool for the GEF project cycle</p> <p>SEE APPENDIX C: FUTURE STATE WORKFLOW</p>	 <ul style="list-style-type: none"> Reduce the number of point-to-point interactions and manual process steps for entire project cycle Establish a foundation to centralize process controls Build a dashboards for controls monitoring 	<ul style="list-style-type: none"> Automates end-to-end processes, facilitates dashboards, management views and a single point to implement key controls Increases transparency of the project approval and reporting process
<p>Centralized Communication Platform Develop a centralized website for all stakeholders</p> <p>SEE APPENDIX F: FUTURE STATE DASHBOARD</p>	 <ul style="list-style-type: none"> Establish foundation to centralize data flows, controls and communication Potentially leverage internal communication solutions 	<ul style="list-style-type: none"> Aggregates project data and provides a consolidated view of the project pipeline Enhances communication between the Agencies and the Trustee which facilitates better fund management at the Trustee
<p>GEF Data Governance Ensure Quality, Accuracy and Completeness of Secretariat and Trustee Data</p> <p>SEE APPENDIX G: FUTURE STATE RACI</p>	 <ul style="list-style-type: none"> Analyze appropriateness of the data that is requested by GEF Secretariat from the Agencies Analyze appropriateness of project templates Analyze how the reports requested from the Agencies are utilized 	<ul style="list-style-type: none"> Establishes data stewardship to facilitate data on an ongoing basis Decreases point-to-point reconciliation by establishing consistent identifiers and data across systems
<p>Leverage Internal Resources Leverage existing software, resources and intellectual capital across the World Bank</p>	<ul style="list-style-type: none"> Leverage SAP resources that currently exist within the World Bank Leverage existing software to enhance current processes 	<ul style="list-style-type: none"> By having a common SAP platform, the GEF Secretariat can leverage FCIMT functions and resources to help administer and develop the system

*Benefits are utilized by all stakeholders (Agencies, Secretariat & Trustee), unless otherwise specified.

In summary, the current to future state transformation addresses key issue themes through recommendation implementation to support GEF future growth



Key Issue Themes (4 of 7)

- 1 The GEF Project Management Information System (PMIS) does not adequately support the business
- 2 IT systems at the Agencies, Secretariat PMIS system and Trustee STAR (SAP) System are not integrated
- 3 Multiple operational processes are manual and lack automation
- 4 Communication between key stakeholders is not streamlined and lacks transparency

Key Recommendations to Support Future GEF Growth (3 of 5)

- 1 **System Platform Consolidation** – Implement SAP as the primary platform
- 2 **Event and Workflow Management** – Implement an end-to-end event and workflow management tool for the GEF project cycle
- 3 **Centralized Communication Platform** – Develop centralized website for all stakeholders

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Based on the current issues, remediation is encouraged and if not acted upon risks may proliferate ultimately hindering future growth

The GEF environment operates with a high degree of complexity depending on processes which are not self-sustaining and efficient. If the GEF maintains a steady state operating model, an increase in GEF offerings would create an unsustainable environment which is highly reliant on people, increasing operational risk and transaction costs.

Potential Risks for Steady State Operating Model

- **Resource Risk:** High degree of dependency on key individuals for operational and technology knowledge
- **Financial Risk:** Funds may not be optimally utilized due to lack of communication between the stakeholders (e.g. An agency cancelled a \$40 million project without communicating the same to the Trustee in a timely manner, resulting in unallocated funding and missed opportunity)
- **Operational Risk:** Fragmented data in disparate IT systems may lead to delays in project approvals, cash transfers to agencies and funds availability
- **Technology Risk:** Lack of a cohesive IT policy for the GEF Stakeholders may lead to creation of a un-scalable IT architecture that is not conducive for the growth of the GEF

Enhancing PMIS as a stand-alone solution may not leverage the synergies and benefits of a unified system. Below is a sampling of missed synergy opportunities if PMIS were enhanced or left at current state...

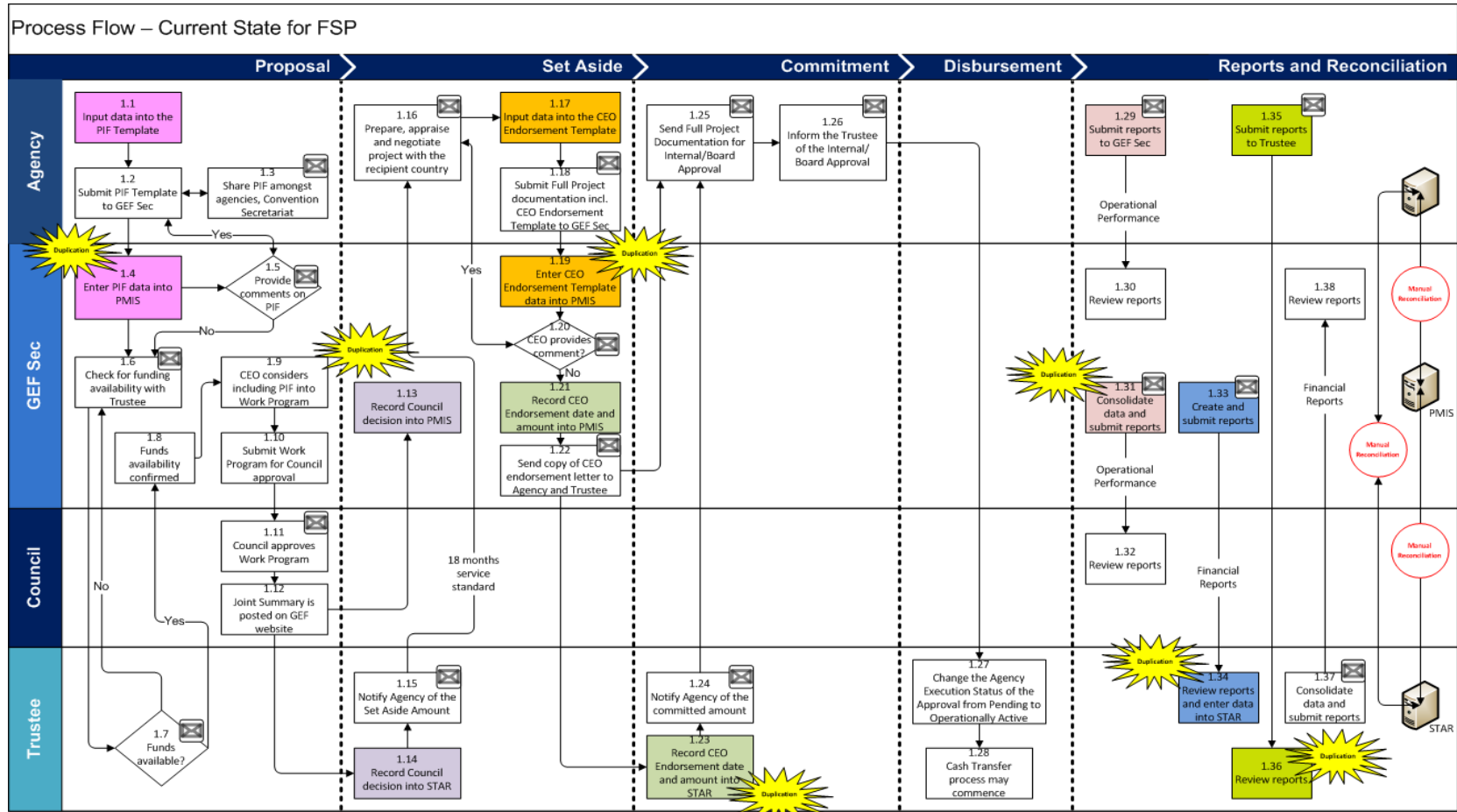
Performance Measure	Unified Systems	PMIS Enhanced	Current State
Data Integrity	<ul style="list-style-type: none"> ▪ Trustee & Secretariat data will co-exist centrally increasing the integrity of the data 	<ul style="list-style-type: none"> ▪ Trustee & Secretariat data will reside in separate silos and continue to experience data integrity issues 	<ul style="list-style-type: none"> ▪ Trustee & Secretariat data reside in separate silos and experience data integrity issues
Reconciliation	<ul style="list-style-type: none"> ▪ Mitigates Trustee & Secretariat reconciliation efforts and costs between the Trustee & the Secretariat 	<ul style="list-style-type: none"> ▪ Trustee & Secretariat data reconciliation process would still be required on a regular basis 	<ul style="list-style-type: none"> ▪ Trustee & secretariat manually reconcile data
Scalability	<ul style="list-style-type: none"> ▪ Expansion of Agencies & Secretariat operations is supported by a scalable technical architecture 	<ul style="list-style-type: none"> ▪ Disparate Trustee, Secretariat & Agency IT systems would require a more complex technical architecture to support future growth 	<ul style="list-style-type: none"> ▪ The current IT system architecture is not conducive to support growth of GEF
Self-sustained processes	<ul style="list-style-type: none"> ▪ Built-in system checks create self-sustained processes across the GEF project life cycle 	<ul style="list-style-type: none"> ▪ Built-in system checks may create self-sustained processes only for the Secretariat 	<ul style="list-style-type: none"> ▪ High dependency on self-motivation of key individuals to manage the execution of processes

Appendices

———— ***Appendix A – Current State Workflow for FSP*** ————

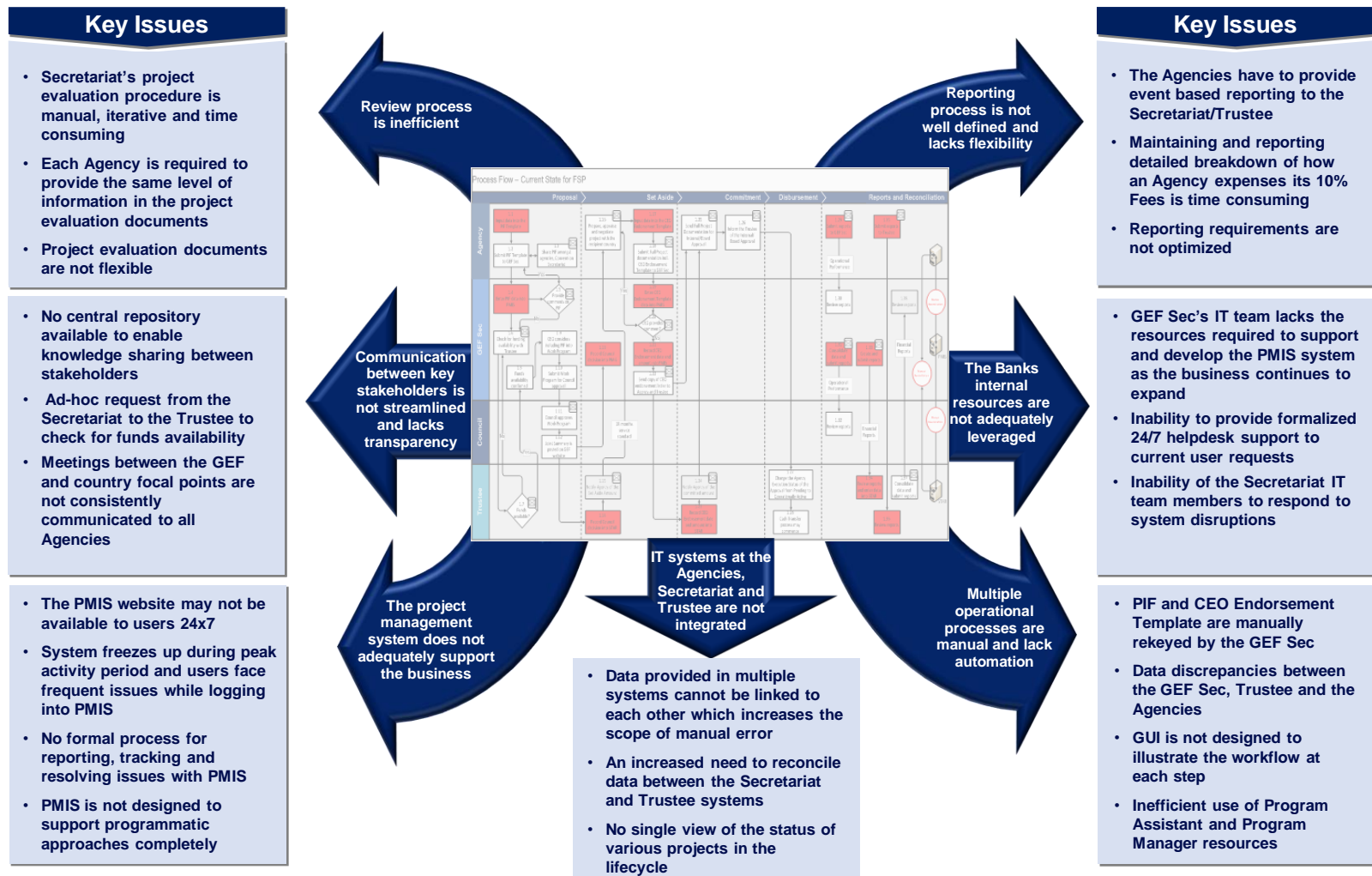
Process Flow – Current State for FSP

The Full Size Project(FSP) process flow was analyzed in detail in order to identify the inefficiencies in the GEF project life cycle...



—— ***Appendix B -Current State Footprint with Gaps*** ——

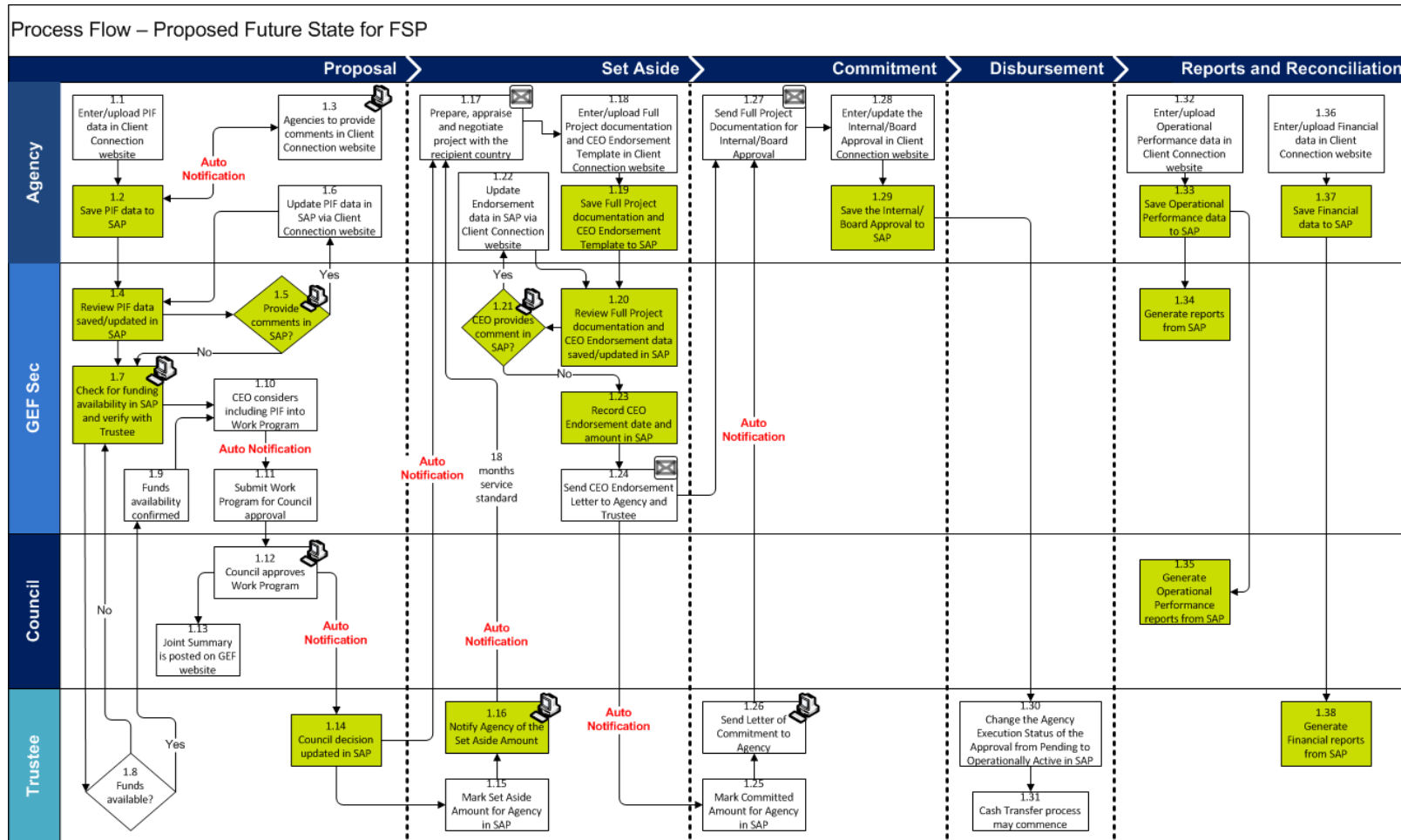
Current State Footprint with Gaps



— *Appendix C – Proposed Future State Workflow for FSP* —

Process Flow – Proposed Future State for FSP

The proposed future state Full Size Project(FSP) process flow highlights some of the benefits of the target operating model...



———— ***Appendix D - Proposed Future State – Key Benefits*** ————

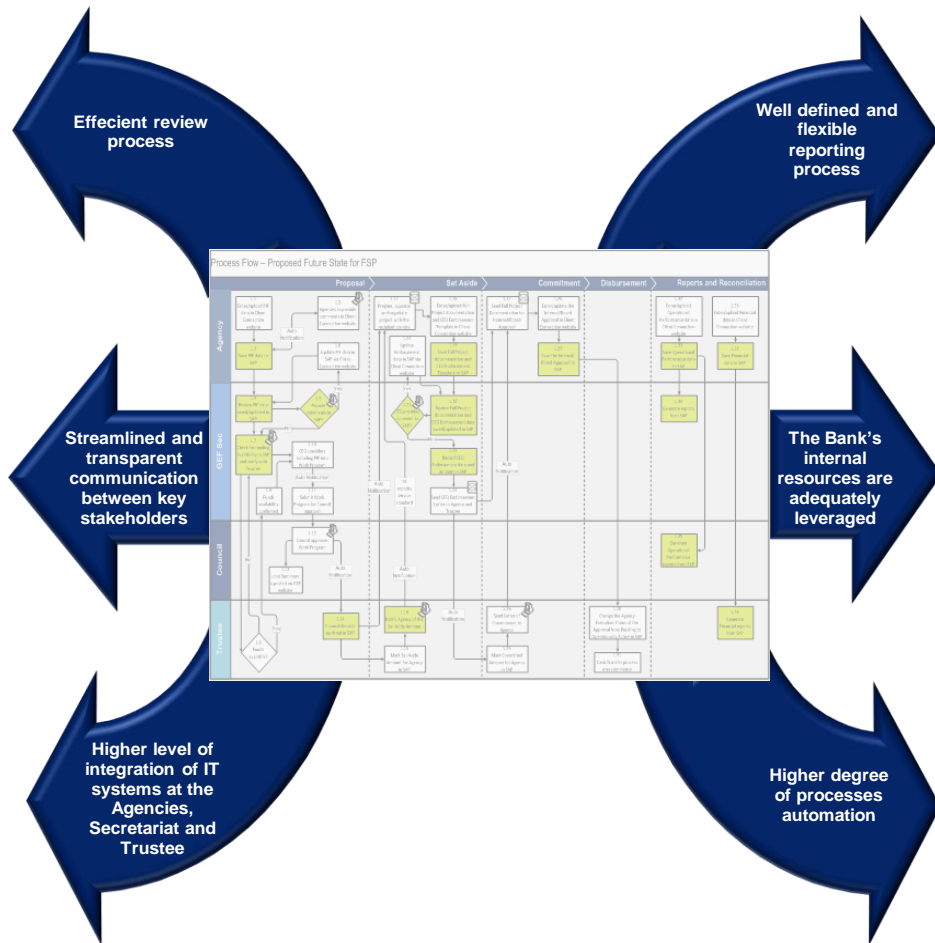
Proposed Future State – Key Benefits

Key Benefits

- Project evaluation based on the maturity, experience and the fiduciary controls of an agency.
- Customized project evaluation documents based on project size/focal area.
- Review comments entered and tracked in centralized system.

- Workflow based automated communication for all stakeholders.
- Direct access by the Secretariat to funds availability data maintained by the Trustee in SAP.
- Ability to share calendars with all stakeholders.
- Transparent sharing of the project concepts, PIFs, review comments, etc. across stakeholders.

- Electronic transmission and storage of data in a centralized repository.
- Profile based access to centralized project data.
- Reduce the manual rekeying of data in disparate systems.
- Enhanced reporting, tracking and resolution of issues.
- Customized GEF Tracking Tools based on project size/focal area.



Key Benefits

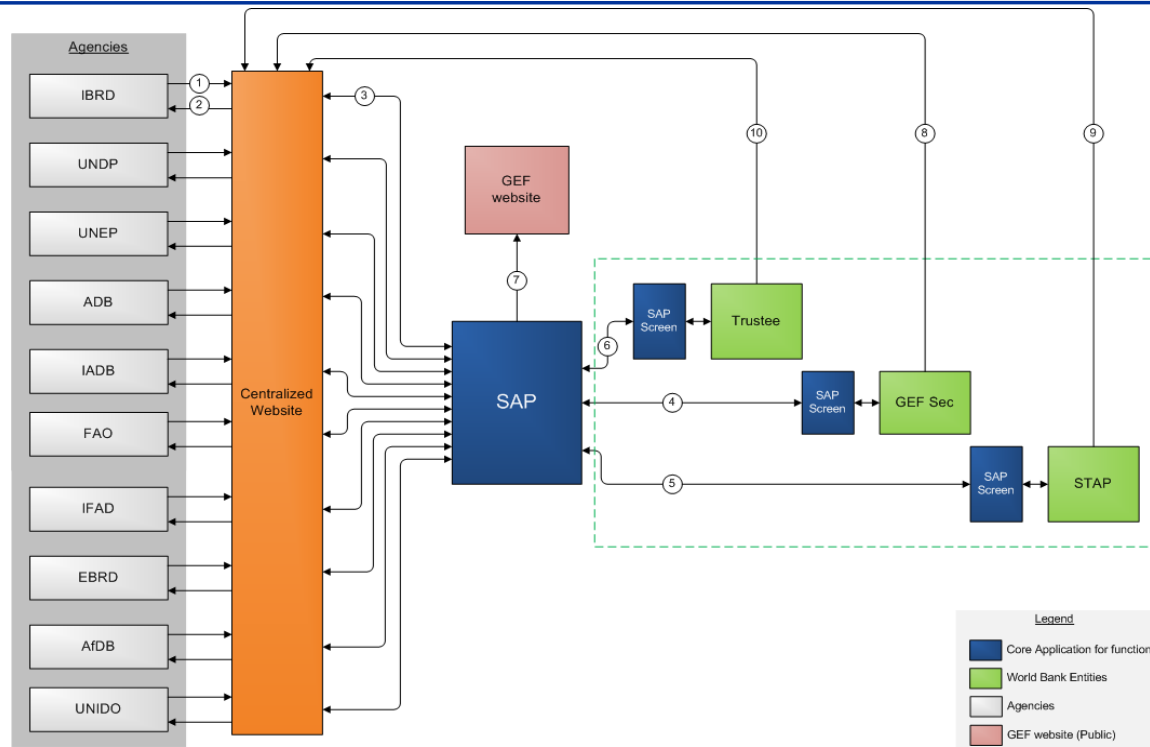
- Ability to upload reports, such as the APR & AMR, electronically into a central repository .
- The Agencies provide periodic reports rather than event based reports .
- Automatic on-demand aggregation of the data to provide MIS reporting.

- Efficient use of the IT staff towards product development and enhancements.
- Timely resolution of IT issues for users irrespective of time-zone.

- Electronic submission of the data via SAP screens and centralized website.
- Auto-notification to the stakeholders on milestones such as Council decision, CEO Endorsement, set-aside and fund commitment.
- Interface to illustrate and track the workflow at each step
- Program Assistant and Program Manager resources are more analytical

————— ***Appendix E – Proposed Future State Systems Architecture*** —————

Proposed Future State Systems Architecture



Data Flows

①	Agencies enter/upload PIF, CEO Endorsement data, full project documentation and reports in centralized website	⑥	Trustee updates Council decision in SAP, marks set-aside and committed amount for the Agency in SAP
②	Data saved in SAP can be viewed by the agencies including project related information submitted by other agencies	⑦	Project related data can be shared publically by uploading it to the GEF website.
③	Data entered in centralized website is saved to SAP. Based on user profile, data saved in SAP is available for viewing in the centralized website	⑧	GEF Sec can view the project status on the Client Communication website, use the website to share knowledge based documents, and share details with stakeholders related to upcoming meetings
④	GEF Sec reviews PIF, CEO Endorsement data and full project documentation in SAP; also checks for available funds in SAP	⑨	Trustee can view the project status on the Client Communication website, use the website to share knowledge based documents, and view details related to upcoming meetings
⑤	STAP (Scientific and Technical Advisory Panel) reviews the PIF data and provides comments to the stakeholders	⑩	STAP can view the project status on the Client Communication website, use the website to share knowledge based documents

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———— *Appendix F – Proposed Dashboard Template* ————

Proposed Dashboard Template

The proposed dashboard presents a single view of information from diverse sources. It includes web pages providing a summarized and central view of project status and action items. It displays functional links based on user profile including projects list, customized alerts, meetings calendar, knowledge sharing, workflow links, and option for the users to upload documents...

- Access the Secretariat related information including CEO Endorsement letter, Council approval notice etc...
- Link that provides the option to the user to upload project documents to SAP, which would then route them to the responsible personnel based on built-in workflow rules...
- The Agencies, the Secretariat, the Trustee, Country Focal points, and the STAP can share knowledge papers, information on lessons learnt, etc...
- View the workflow steps including those at the Country Focal points, Agencies, STAP, Secretariat and the Trustee, at each step of the project lifecycle
- Action items are triggered automatically and displayed on the dashboard per the user profile based on workflow rules

Displays full list of current and new projects and their high level details including description, required action, due date, etc.

Customized functional and informational links based on user profile including –

- Financial Statements
- Trustee Cancellation
- World Bank Contacts

Legend

- Tab Activated when Clicked
- Inactive Tab

Public access to the Calendar that lists the upcoming meetings between the GEF and the country focal points. This provides opportunity to other stakeholders to participate in those meetings