



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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FACILITATING COUNTRIES' CHOICE OF GEF AGENCIES

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AGENCY ACRONYMS

ADB: Asian Development Bank

AfDB: African Development Bank

CAF: Development Bank of Latin America

CI: Conservation International

DBSA: Development Bank of Southern Africa

EBRD: European Bank for Reconstruction and Development

FAO: Food and Agriculture Organization of the United Nations

FECO: Foreign Economic Cooperation Office, Ministry of Environmental Protection of China

FUNBIO: Brazilian Biodiversity Fund

IADB: Inter-American Development Bank

IFAD: International Fund for Agricultural Development

IUCN: International Union for Conservation of Nature

UNDP: United Nations Development Programme

UNEP: United Nations Environment Programme / UN Environment

UNIDO: United Nations Industrial Development Organization

WBG: The World Bank Group

BOAD: West African Development Bank

WWF-US: World Wildlife Fund

INTRODUCTION

1. Participants to the Seventh Replenishment of the GEF Trust Fund requested that “...the Secretariat develop updated guidelines on the comparative advantages of the Agencies in order to facilitate the selection process at country level”.¹
2. The OFP (Operational Focal Point) is at the center of significant upstream engagement between countries and Agencies in the preparation of GEF funding proposals.^{2,3} For most GEF funding proposals, requests to Agencies for project concepts originate with the country institutions and other relevant partners. The OFP Letter of Endorsement, required at the PIF or PFD stage in almost every circumstance of GEF funding, is the formal mechanism in the GEF project cycle through which the OFP affirms that country priorities are being addressed by the proposed activity in a manner appropriate to the national priorities and relevant stakeholders. OFPs also lead the consultations with national stakeholders and Agencies in the programming of GEF resources through mechanisms such as National Dialogues.⁴ This paper presents a set of observations to assist and inform the OFPs throughout these levels of agency engagement.
3. Published in 2007, *Comparative Advantage of GEF Agencies*⁵ requested GEF Agencies to focus their involvement in GEF project activities within their respective comparative advantages, and requested the Secretariat to assess the comparative advantage of the proposed GEF Agency during the PIF review in consultation with the respective country.
4. Since then, the GEF landscape has evolved considerably beyond this initial framework, rendering its conclusions largely outdated and its categorizations mostly irrelevant. The Partnership has almost doubled in size from 10 to 18 Agencies, with the current constitution representing a range of interconnected mandates⁶, technical diversity, geographic networks and business models. The 2007 comparative advantage framework was presented within the framework of GEF-4 programming; there have since been two completed (and one recently-started) replenishment cycles, each with their own strategic emphases. Agencies have undergone their own inevitable structural and directional changes over this time, and both the

¹ GEF/C.54/19/Rev.03, *Summary of the Negotiations of the Seventh Replenishment of the GEF Trust Fund*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.19.Rev_03_Replenishment.pdf

² GEF/C.52/Inf.06/Rev.01: *Guidelines on the Project and Program Cycle Policy*, http://www.thegef.org/sites/default/files/documents/EN_GEF.C.52.Inf_06.Rev_01_Guidelines_on_the_Project_and_Program_Cycle_Policy.pdf

³ Policy: OP/PL/01: *Project and Program Cycle Policy*, http://www.thegef.org/sites/default/files/documents/Project_Program_Cycle_Policy_OPPL01.pdf

⁴ GEF/C.54/04/Rev.01, *Country Support Program- Implementation Arrangements for GEF-7*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.04.Rev_01_CSP.pdf

⁵ http://www.thegef.org/sites/default/files/council-meeting-documents/C.31.5_Comparative_advantages_4.pdf

⁶ See Annex 1.

Secretariat and the Agencies have made significant progress in the development and application of environment and social safeguard policies in GEF projects.⁷

5. Within the current GEF environment, the notion of comparative advantage can itself be considered a somewhat outdated concept. From the origins of the GEF 25 years ago to the present-day landscape, what could be considered then as key differences amongst 3 Agencies is now a much less straightforward matter. Agencies continue to widen their respective portfolio expertise across a range of technical areas and operational modalities; Agencies also continue to increasingly collaborate with each other on joint projects and programs. Lines of distinction amongst technical areas themselves have also become more blurred, due to the increasing recognition that a more integrated focus to the underlying drivers of environmental degradation is needed if sustainable development is to be achieved. Interestingly, this has been evidenced by the increasing domination of multi-focal area projects in the GEF portfolio,⁸ and is also reflected in the current GEF-7 emphasis on multiple benefits across traditional focal areas through a more integrated programming approach.⁹

6. It is therefore useful to view the current GEF Partnership less in terms of comparative advantage, and more in terms of an array of choice. Within this context, this paper responds to the Participants' request for updated guidelines on Comparative Advantage by instead presenting key characteristics of GEF Agencies that will facilitate countries (via their OFPs) in their Agency selection process for GEF projects and programs. The paper gives an overview of the institutional characteristics of the Agencies that comprise the current GEF Partnership, and discusses Agencies' GEF portfolios along a number of key parameters using the database of the recently-concluded GEF-6. Annex 1 provides an overview of the institutional mandates of the GEF Agencies, and weblinks for further information on their respective ongoing engagements with the GEF.

HISTORICAL EVOLUTION OF THE GEF PARTNERSHIP

7. With the establishment of the Global Environment Facility Pilot Phase in 1991¹⁰, three Agencies were identified to implement GEF-funded activities: the United Nations Development Program (UNDP), the United Nations Environment Program¹¹ (UNEP), and the World Bank. The

⁷ The GEF Council in November 2011 approved the existing Policy on Agency Minimum Standards on Environmental and Social Safeguards and its associated guidelines. By May 2015, all 18 Agencies were found to be in compliance. In response to a review by the Independent Evaluation Office, the Secretariat has undertaken an update of the 2011 Policy, to be presented to the Fall 2018 Council.

⁸ GEF/C.53/03, Annual Portfolio Monitoring Report 2017, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.03_APMR%2BScorecard.pdf

⁹ GEF/C.54/19/Rev.03, *Summary of the Negotiations of the Seventh Replenishment of the GEF Trust Fund*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.19.Rev_03_Replenishment.pdf

¹⁰ *Instrument for the Establishment of the Restructured Global Environment Facility*, March 2015, <http://www.thegef.org/documents/instrument-establishment-restructured-gef>

¹¹ Since renamed to "UN Environment".

GEF Instrument defined areas of emphasis for these three founding Agencies. UNDP was to play the primary role in ensuring the development and management of capacity building programs and technical assistance projects. UNEP was to play the primary role in catalyzing the development of scientific and technical analysis and in advancing environmental management in GEF-financed activities. The World Bank was to play the primary role in ensuring the development and management of investment projects.

8. Since that time, there have been two waves of Agency expansion, with 7 and 8 Agencies added in the first and second waves respectively. The first round (1999-2006) focused on regional expertise,¹² where four Regional Development Banks were accredited to the GEF¹³. Concurrently, three UN Agencies¹⁴ were also added over this period. The second round (2013-2015) continued this deepening of Partnership capacity, where 8 Agencies comprising two additional Regional Banks¹⁵, three National Entities¹⁶, and three International CSOs¹⁷ were brought into the fold. The current landscape of the GEF Partnership therefore comprises 18 Agencies.

Table 1: GEF Project Portfolio per Agency per Phase (%)

GEF Partner Agency	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	GEF-6
Founding Agencies							
UNEP	2.7%	4.2%	9.6%	8.6%	9.6%	11.5%	13.0%
UNDP	36.9%	26.7%	32.1%	31.8%	37.6%	39.8%	40.3%
World Bank	55.5%	50.7%	46.0%	40.9%	22.0%	18.3%	13.5%
First Expansion							
ADB			0.4%	1.6%	2.7%	1.2%	0.9%
AfDB					0.3%	3.6%	3.1%
EBRD					0.8%	1.4%	1.0%
FAO				0.0%	2.3%	8.0%	7.0%
IADB				0.6%	2.0%	3.6%	1.6%
IFAD				1.0%	2.6%	1.7%	2.6%
UNIDO			0.6%	0.6%	6.0%	6.3%	5.3%
Second Expansion							
BOAD							0.5%
CAF						0.2%	0.3%
CI						0.4%	1.5%
DBSA							0.9%
FECO							0.1%
Funbio							0.4%
IUCN						0.1%	1.7%
WWF-US						0.6%	0.9%
Multi-agency	4.8%	18.3%	11.3%	14.8%	14.1%	3.3%	5.2%
Total by Phase	100%	100%	100%	100%	100%	100%	100%

¹² GEF/C.13/3, *Expanded Opportunities for Executing Agencies*, http://www.thegef.org/sites/default/files/council-meeting-documents/GEF.C.13.3_5.pdf

¹³ AfDB, ADB, EBRD, and IADB

¹⁴ FAO, IFAD, and UNIDO

¹⁵ BOAD and CAF

¹⁶ DBSA, FECO, and FUNBIO

¹⁷ CI, IUCN, and WWF-US

9. The evolution of the Partnership can also be examined through the lens of its engagement with the GEF portfolio across and within its six replenishment cycles. Over time, the three Founding Agencies continue to maintain large (though varying) shares of each cycle. The Agencies added in the first round of expansion continue to maintain (mostly) growing shares of the overall GEF portfolio. The Agencies added in the second expansion round inevitably have very young GEF portfolios.

INSTITUTIONAL CHARACTERISTICS

Table 2: The GEF Partnership by Agency Type

Agency Type	GEF-Accredited Agencies
Multilateral Development Banks / International Finance Institutions	ADB, AfDB, BOAD, CAF, DBSA, EBRD, IADB, IFAD, WB
U.N. Agencies	UNDP, UNEP, FAO, UNIDO
Other Agencies	FECO, FUNBIO, CI, IUCN, WWF-US

10. The GEF Partnership can be defined along a number of different categories. Nine Agencies can be defined within the category of Multilateral Development Banks or International Finance Institutions. Several Agencies fall within the UN family, either as UN Funds and Programmes, or as UN Specialized Agencies.¹⁸ The “Other” Agencies include a diverse mixture of National Agencies and International CSOs. Each Agency defines an overall strategic focus (Annex 1), with keywords that include poverty eradication, regional sustainable development, entrepreneurship, food security, environmental management, and biodiversity conservation.

GEOGRAPHIC COVERAGE

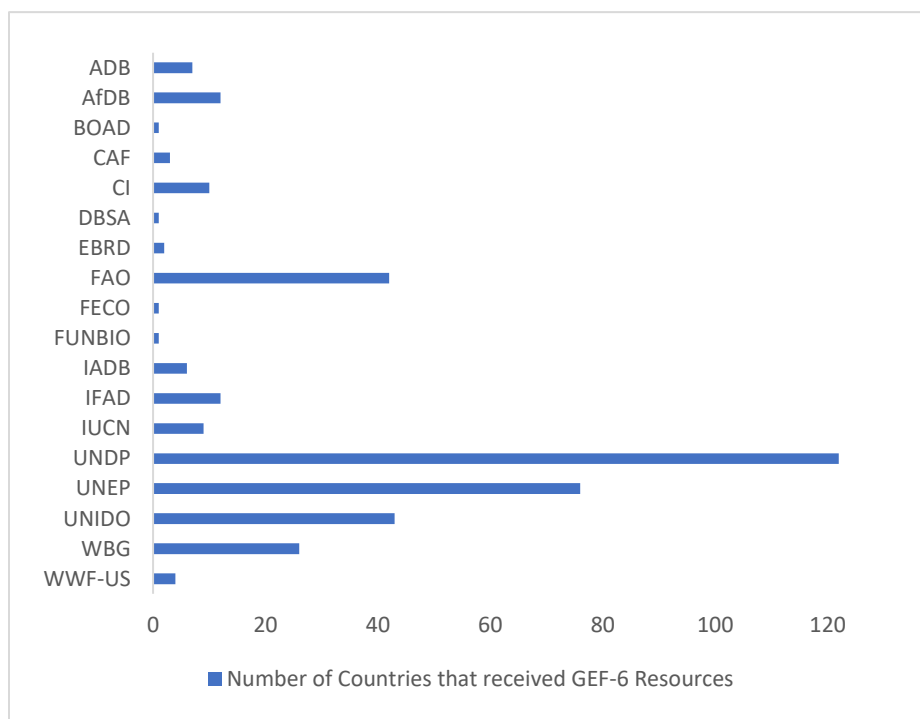
Table 3: The GEF Partnership by Geographic Focus

Agency Type	GEF-Accredited Agencies
International	UNDP, UNEP, FAO, IFAD, UNIDO, WB, CI, IUCN, WWF-US
Regional / Sub-Regional	ADB, AfDB, BOAD, CAF, EBRD, IADB
National	DBSA, FECO, FUNBIO

11. Agencies can be categorized in terms of their geographic scope. The GEF Partnership is a rich combination of international, regional and national institutions, reflected by their respective mandates (Annex 1) and the countries that they serve. Agency engagement with the GEF is to be found at the intersection of these institutional characteristics with the GEF operating space.

¹⁸ Here we categorize IFAD as an International Financial Institution, but it can also be categorized as a UN Specialized Agency.

**Figure 1: Agency Coverage of GEF-Recipient Countries in GEF-6
(Number of Countries that received GEF-6 Resources)**



12. These varying degrees of geographic scope are very much reflected in the balance of the GEF-6 portfolio across Agencies. The GEF-6 experience shows that the majority of Agencies worked with multiple GEF-recipient countries, with some natural exceptions to be found in national-level Agencies and/or recently accredited Agencies with young GEF portfolios. The UN Agencies in general have the widest GEF footprints in GEF-6 programming across recipient countries; not an unexpected result given the global mandate of such institutions. Conversely, the regional, sub-regional and national organizations are less diverse in their geographic portfolio map – again a foreseeable result given their naturally restricted geographic scope to their partner countries.

Table 4: Number of Countries working with Multiple GEF Agencies in GEF-6

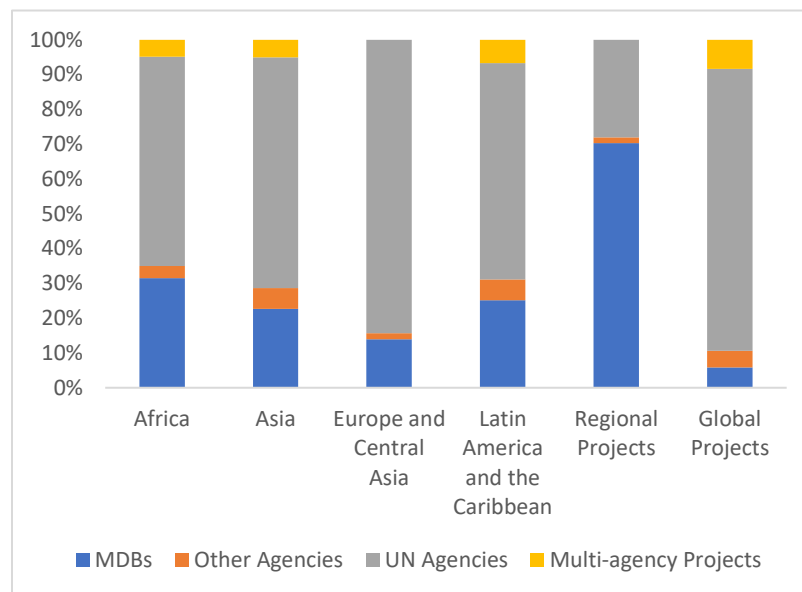
Number of Agencies	Number of Countries	% of Countries
1	30	22%
2	40	29%
3	28	20%
4	19	14%
5	15	11%
6	4	3%
7	1	1%

13. From the country perspective, most recipient countries have worked with multiple GEF Agencies in their GEF-6 portfolio of projects. Of the countries that programmed STAR resources in GEF-6, 78% of these worked with more than one Agency across their respective country portfolios. This speaks to an increasing depth of Agency coverage across recipient countries.

REGIONAL COVERAGE

14. Agencies' geographic focus can also be viewed through their varied experiences of regional diversity¹⁹ in their GEF-6 portfolios.

Figure 2: GEF-6 Regional Coverage grouped by Agency Type



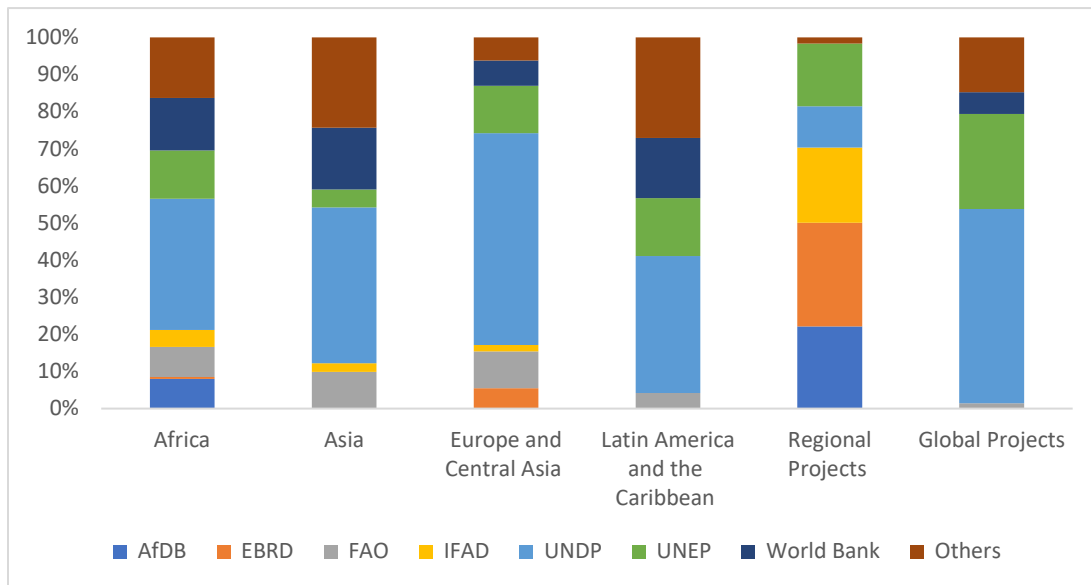
¹⁹ This analysis uses the GEF definitions of 4 regions – Africa, Asia, Europe and Central Asia, and Latin America and the Caribbean.

Table 5: GEF-6 Regional Coverage grouped by Agency Type and Agency

Type	Agency	Africa	Asia	Europe and Central Asia	Latin America and the Caribbean	Regional Projects	Global Projects
UN Agencies	UNDP	35.3%	42.0%	57.1%	36.8%	11.1%	52.3%
	UNEP	13.0%	4.8%	12.8%	15.7%	16.9%	25.6%
	UNIDO	3.8%	9.6%	4.5%	5.4%		1.5%
	FAO	8.1%	9.9%	10.0%	4.2%		1.5%
MDBs	ADB		3.7%			22.1%	
	AfDB	8.0%					
	BOAD	1.5%					
	CAF				1.4%		
	DBSA	2.7%					
	EBRD	0.6%		5.5%		28.0%	
	IADB				7.6%		
	IFAD	4.6%	2.3%	1.7%		20.2%	
	World Bank	14.1%	16.7%	6.8%	16.2%		5.9%
Other Agencies	CI	1.4%	1.5%		2.8%	1.7%	0.8%
	FECO		0.2%				
	Funbio				1.9%		3.5%
	IUCN	2.1%	2.5%				0.5%
	WWF-US	0.0%	1.8%	1.8%	1.3%		
Multi-agency		4.8%	5.0%		6.7%		8.4%
Grand total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

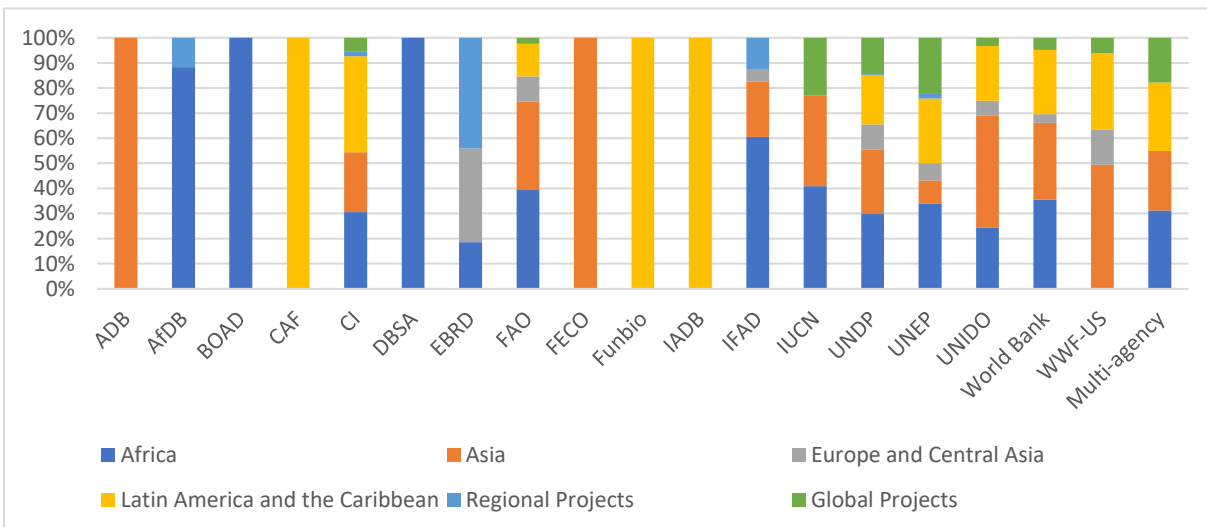
15. From the perspective of the Agency types identified in Table 2, Figure 2 and Table 5 illustrates regional spread. The UN Agencies have dominated GEF-6 programming in all regions, followed by the MDBs. MDBs have their largest presence in the Africa region. Multi-Agency projects have a small presence in most regions, as do “Other” Agencies (a group consisting solely of newly-accredited Agencies).

Figure 3: GEF-6 Regional Coverage by GEF Agencies²⁰



16. UNDP has the largest GEF-6 presence in all four regions, particularly in the ECA region. The World Bank also have a significant presence to varying degrees across regions, with its strongest presence in Latin America and the Caribbean. Apart from the ECA region, UNEP appears to have an approximately equal presence across regions. Global projects are dominated by UNDP, while EBRD appears to have the largest share of regional projects.

Figure 4: Agencies' GEF-6 Portfolios Across Regions (%)



²⁰ 11 agencies are categorized under "Others" in this graph, due to their small share (less than 10%). These agencies are: ADB, BOAD, CAF, CI, DBSA, FECO, Funbio, IADB, IUCN, UNIDO and WWF. The Multi-Agency category also falls in this group.

17. Within each Agency's GEF portfolio, there is a varied experience of regional diversity, also reflective of Agencies' geographic focus. All of the institutions with an international focus have a diverse GEF-6 portfolio across the GEF regions, while the regional, sub-regional and national institutions by definition have a narrower regional focus.

Table 6: GEF-6 SIDS and LDCs Coverage by GEF Partner Agencies (%)

GEF Partner Agency	SIDS	LDCs
ADB	1%	1%
AfDB	1%	6%
BOAD	0%	1%
CAF	0%	0%
CI	1%	1%
DBSA	0%	0%
EBRD	0%	0%
FAO	4%	8%
FECO	0%	0%
Funbio	0%	0%
IADB	1%	0%
IFAD	0%	3%
IUCN	2%	3%
UNDP	49%	41%
UNEP	24%	18%
UNIDO	1%	2%
World Bank	11%	11%
WWF-US	0%	1%
Multi-agency	5%	4%
Total	100%	100%

18. Table 6 shows the Agency spread over GEF-6 programming across two special constituencies - SIDS and LDCs. Most of the programming for these constituencies came from the UN Agencies (apart from the AfDB whose membership comprises mostly LDCs). UNDP, followed by UNEP, are the most active in programming in these areas; for the SIDS constituency in particular, almost one-half of its GEF-6 portfolio is with UNDP.

FOCAL AREA COVERAGE

19. In a similar fashion, an analysis of Agencies' GEF-6 portfolios across GEF focal areas show a diverse experience.

Figure 5: GEF-6 Focal Area Coverage grouped by Agency Type

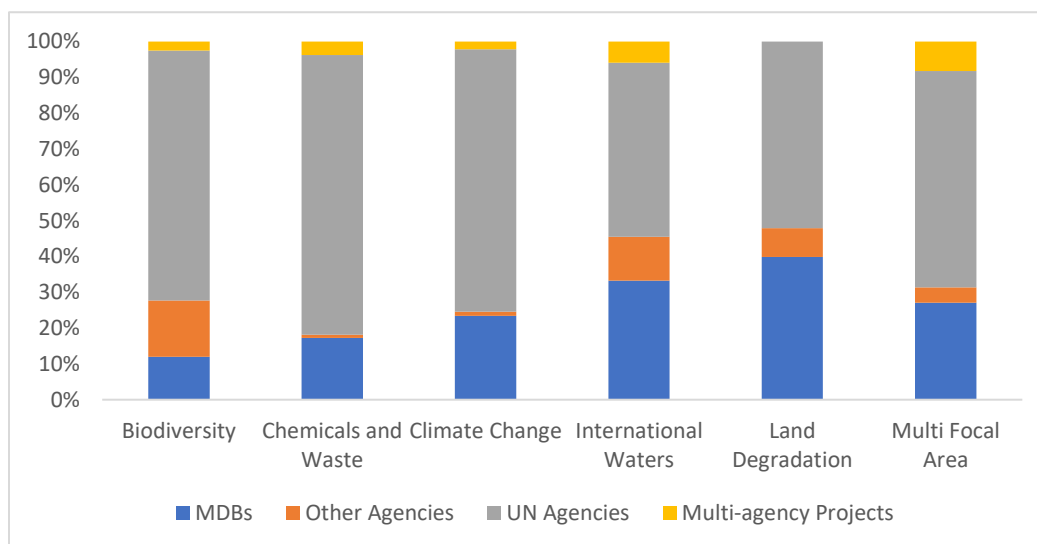
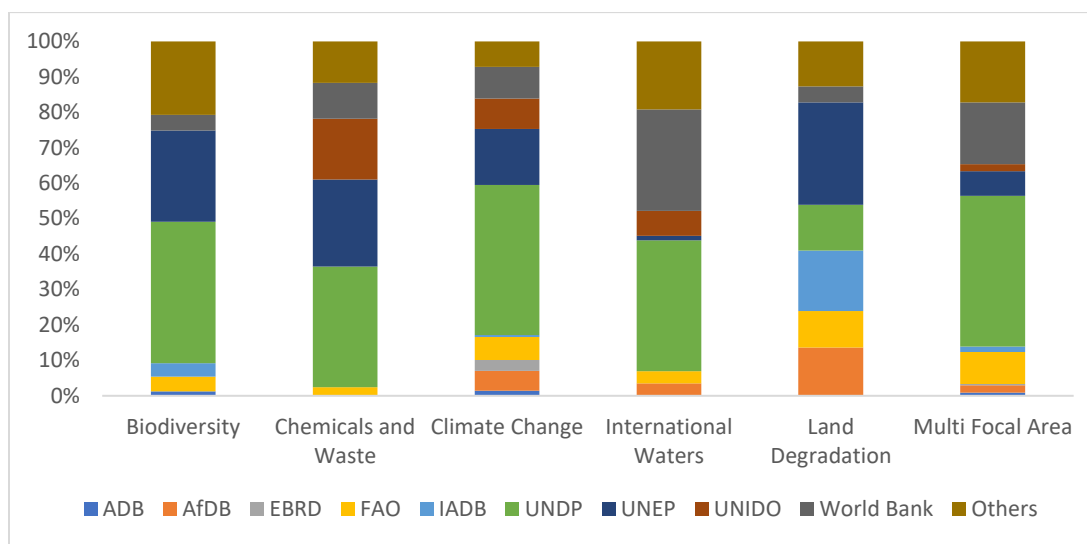


Table 7: GEF-6 Focal Area Coverage grouped by Agency Type and Agency

Type	Agency	Biodiversity	Chemicals and Waste	Climate Change	International Waters	Land Degradation	Multi Focal Area
UN Agencies	UNDP	39.9%	34.0%	42.3%	36.9%	13.0%	42.5%
	UNEP	25.8%	24.6%	15.8%	1.3%	28.8%	6.9%
	UNIDO		17.2%	8.6%	7.1%		2.0%
	FAO	4.1%	2.4%	6.5%	3.4%	10.3%	9.0%
MDBs	ADB	1.3%		1.5%			0.9%
	AfDB			5.6%			2.1%
	BOAD		4.6%	0.3%	3.6%	13.6%	
	CAF			0.5%	1.1%		0.2%
	DBSA	2.6%	2.5%	1.6%			
	EBRD			3.1%			0.4%
	IADB	3.8%		0.5%		17.1%	1.6%
	IFAD			1.4%		4.6%	4.5%
	World Bank	4.4%	10.2%	8.9%	28.6%	4.6%	17.4%
Other Agencies	CI	9.0%	0.9%	0.7%	0.8%	2.1%	0.9%
	FECO	0.6%					
	Funbio	4.8%					
	IUCN	1.3%		0.5%	4.6%	3.9%	2.4%
	WWF-US				6.8%	2.1%	1.0%
Multi-agency		2.5%	3.7%	2.2%	5.9%		8.2%
Grand total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

20. Figure 5 and Table 7 illustrate the focal area spread of Agency categories identified in Table 2. The UN Agencies have dominated GEF-6 programming in all focal areas, with the highest share of programming in the Chemicals and Waste focal area. The MDBs have a presence in all focal areas, with its strongest presence in the Land Degradation focal area. The “Other” category has made its mark on GEF-6 programming, with its strongest share in the Biodiversity focal area.

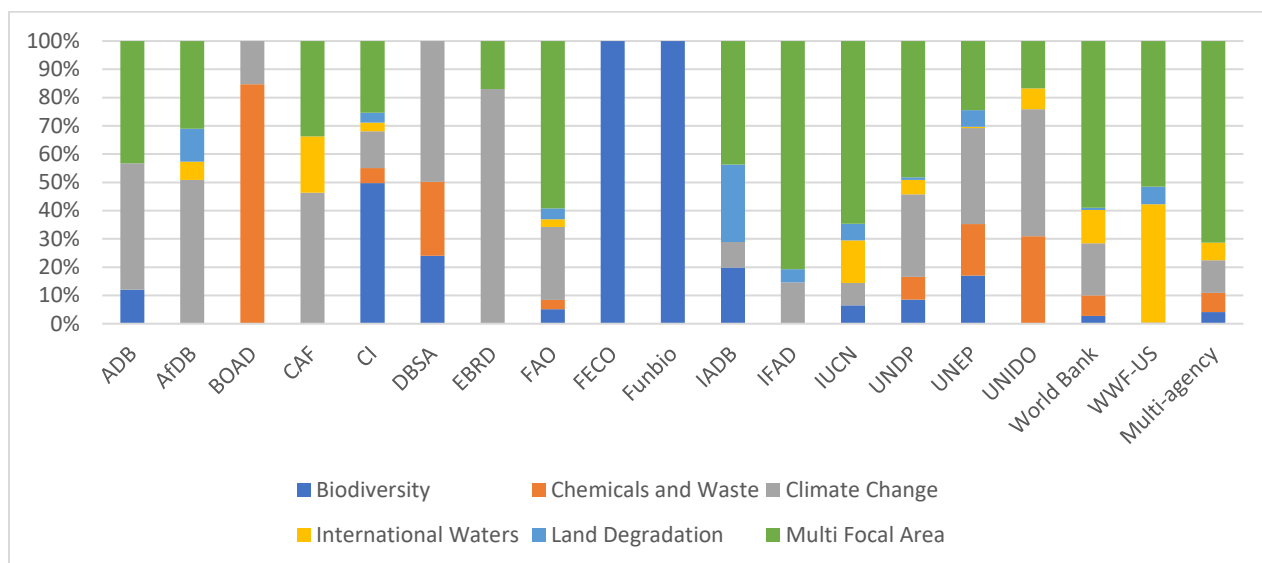
Figure 6: GEF-6 Focal Area Coverage by GEF Agencies²¹ (%)



21. Most Agencies have programmed in more than one focal area in GEF-6, with a few natural exceptions (Figure 6). Other than the Land Degradation focal area (which is dominated by UNEP), UNDP has the largest share of all focal areas, including the Multi Focal Area (MFA) projects. UNEP has a strong presence across all focal areas apart from International Waters (where UNDP and The World Bank stand out). The “Others” category has a presence across all groups, in particular in the Biodiversity focal area.

²¹ 9 agencies are categorized under “Others” in this graph, due to their small share (less than 10%). These agencies are: BOAD, CAF, CI, DBSA, FECO, Funbio, IFAD, IUCN and WWF. The Multi-Agency category also falls in this group.

Figure 7: Agencies' GEF-6 Portfolios Across Focal Areas



22. Examining each Agency's portfolio, a variety of focal area coverage is observed (Figure 7). Following the trend of earlier discussions, the UN Agencies have the widest footprints across focal areas. Of significance is the strong presence of multi-focal-area (MFA) projects in the GEF-6 portfolios of most Agencies; in GEF-6, 14 Agencies have programmed MFAs, and the multi-agency GEF-6 projects are also dominated by MFAs.

PROJECT TYPES

23. The GEF finances Full Sized Projects (FSPs), Medium-Sized Projects (MSPs), Enabling Activities (EAs) and Programs.

Figure 8: Project Types for GEF-6 grouped by Agency Type

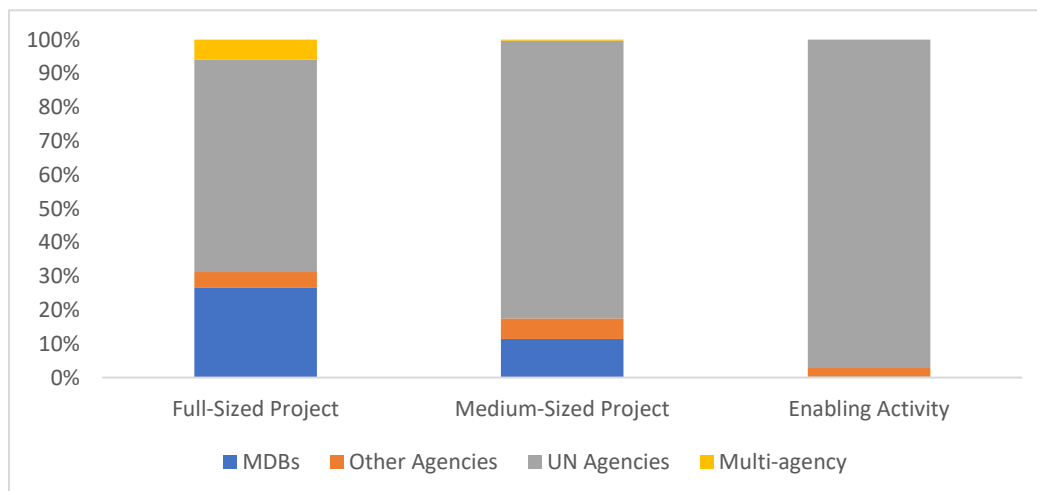
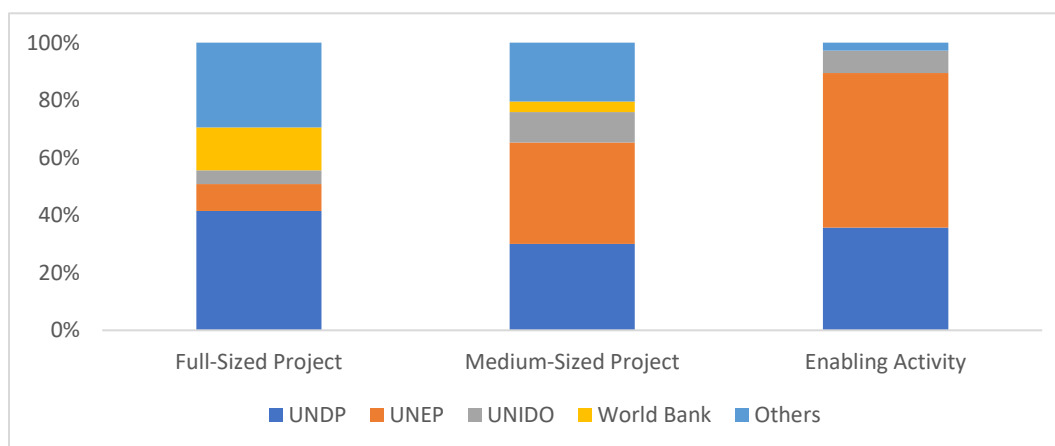


Table 8: Project Types for GEF-6 grouped by Agency Type and Agency

Type	Agency	Full-Sized Project	Medium-Sized Project	Enabling Activity
UN Agencies	UNDP	41.5%	30.0%	35.7%
	UNEP	9.3%	35.3%	53.7%
	UNIDO	4.7%	10.6%	7.8%
	FAO	7.3%	6.3%	
MDBs	ADB	0.8%	1.9%	0.2%
	AfDB	3.4%	1.3%	
	BOAD	0.6%		
	CAF	0.2%	1.3%	
	DBSA	1.0%		
	EBRD	1.2%		
	IADB	1.5%	3.2%	
	IFAD	2.9%		
	World Bank	15.0%	3.7%	
Other Agencies	CI	1.4%	3.5%	2.6%
	FECO	0.1%		
	Funbio	0.5%		
	IUCN	1.7%	1.9%	
	WWF-US	1.0%	0.6%	
Multi-agency		5.9%	0.3%	
Grand total		100.0%	100.0%	100.0%

24. As in other categories, the UN Agencies dominate all project sizes; this is particularly striking for the Enabling Activity projects. The MDBs are most present in the Full-Sized Projects. The “Other” Agencies have similar shares across all three project types.

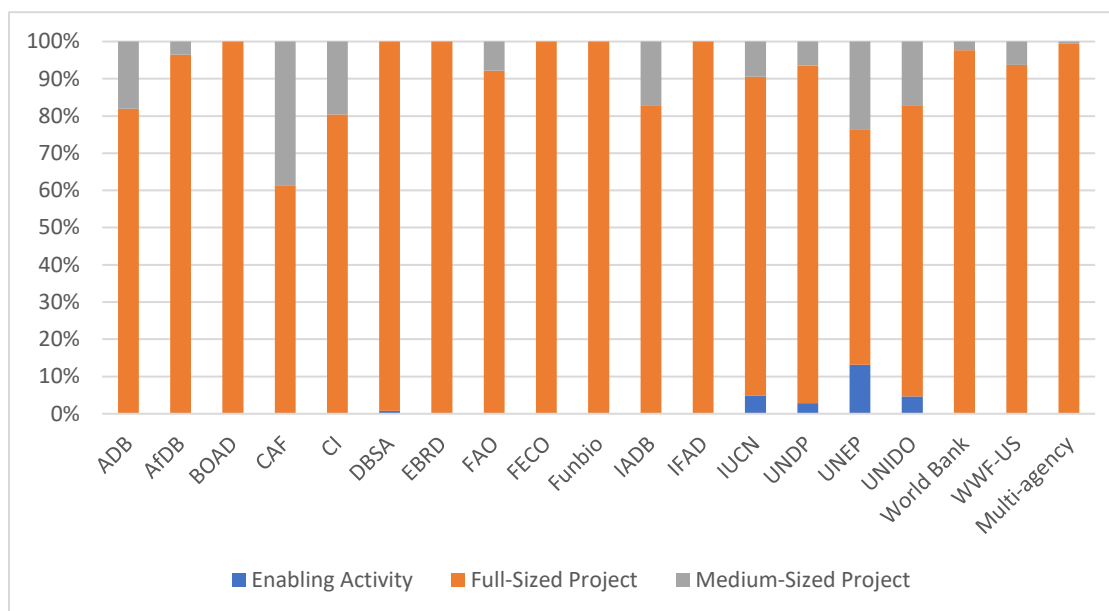
Figure 9: Agency Coverage of Project Types in GEF-6²² (%)



²² 14 agencies are categorized under “Others” in this graph, due to their small share (less than 10%). These agencies are: ADB, AfDB, BOAD, CAF, CI, DBSA, EBRD, FOA, FECO, Funbio, IADB, IFAD, IUCN and WWF. The Multi-Agency category also falls into this group.

25. Across the project type modalities (Figure 9), UNEP dominates the GEF-6 programming in EAs and MSPs, while UNDP dominates the GEF-6 FSPs.

Figure 10: Agencies' GEF-6 Portfolios Across Project Types (%)



26. From the Agency perspective (Figure 10), the majority of their respective GEF-6 portfolios lie with FSPs. UNEP, UNIDO, UNDP and IUCN are the Agencies with the widest variance in this respect, with their respective portfolios spread over all three project types.

27. Turning now to Programs, 15 Programs were under implementation in GEF-6, including three Integrated Approach Pilots.

Table 9: Agency Participation in GEF-6 Programs

Agency	Number	
	Lead Agency	Participating agency
ADB	0	3
AfDB	0	1
FUNBIO	0	0
CAF	0	0
CI	0	5
DBSA	0	2
EBRD	0	1
FAO	2	3
FECO	0	1
IADB	0	2
IFAD	1	0
IUCN	1	1
UNDP	3	7
UNEP	3	6
UNIDO	0	3
WBG	4	5
BOAD	0	0
WWF-US	1	4

28. The implementation of Programs requires the identification of Lead Agencies and Participating Agencies. Tables 9 and 10 summarize the engagement of Agencies across the GEF-6 Programs. The Lead Agencies are generally to be found in the earlier-accredited Agencies with the more experienced GEF portfolios. It is instructive to note, however, that the more recently accredited Agencies (CI in particular) have an increasing participation with GEF Programs.

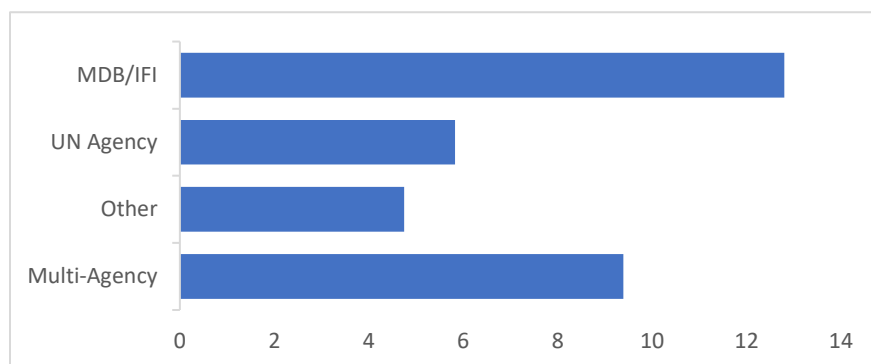
Table 10: Agency Engagement with the GEF-6 Programs

GEF Partner Agency	Cities		Commodities		Food		Coastal Fisheries Initiative		Global Partnership on Wildlife Conservation and Crime Prevention		Leapfrogging Markets to High Efficiency Products		The Restoration Initiative		Amazon Sustainable Landscapes Program		China's Protected Area System Reform		Sustainable Management of Madagascar's Marine Resources		Environmental Health and Pollution Management		Global Opportunities for Long-term Development of		Mediterranean Sea Programme		Partnership Program for Sustainable Agricultural		Sustainable Management of the Bay of Bengal Large Marine	
	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating	Lead	Participating		
ADB																														
AfDB																														
FUNBIO																														
CAF																														
CI																														
DBSA																														
EBRD																														
FAO																														
FECO																														
IADB																														
IFAD																														
IUCN																														
UNDP																														
UNEP																														
UNIDO																														
WBG																														
BOAD																														
WWF-US																														

MOBILIZED CO-FINANCING AND PRIVATE SECTOR ENGAGEMENT

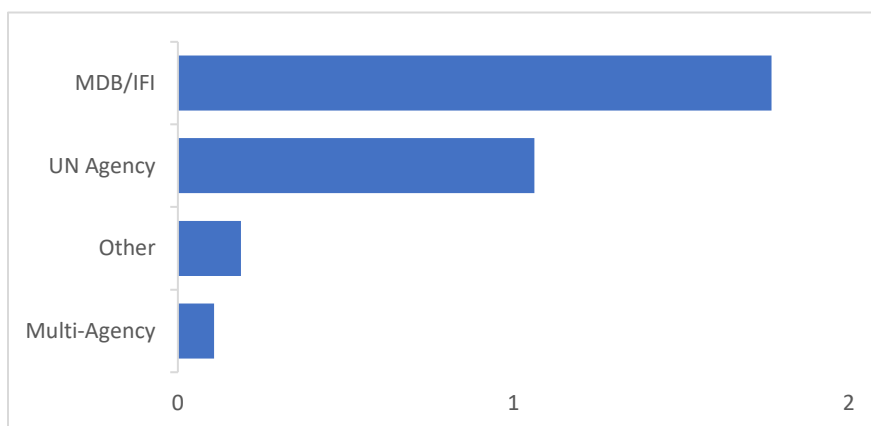
29. The leveraging of additional funding from both Agencies and additional sources has always been an important feature of GEF projects and programs.²³

Table 11: Ratio of Co-Financing to GEF Project Financing in GEF-6, by Agency Group



30. Agencies have mobilized co-financing to different degrees in GEF-6, but all groups mobilized well. The MDBs/IFIs mobilized the highest amounts²⁴.

Figure 11: Ratio of Private Sector Co-Financing to GEF Project Financing in GEF-6, by Agency Group



31. Examining the private sector co-financing ratios, it is clear that most Agencies were able to mobilize at least some level of co-financing from the private sector in GEF-6, with the MDBs/IFIs again dominating in this sphere.

²³ GEF/C.54/10/Rev.01, *Updated Co-Financing Policy*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.10.Rev_01_Co-Financing_Policy.pdf

²⁴ GEF/C.55/03, *Annual Portfolio Monitoring Report 2018*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.03_APMR.pdf

Figure 12: Share of Co-Financing Amount by Co-Financing Source for GEF-6, grouped by Agency Type

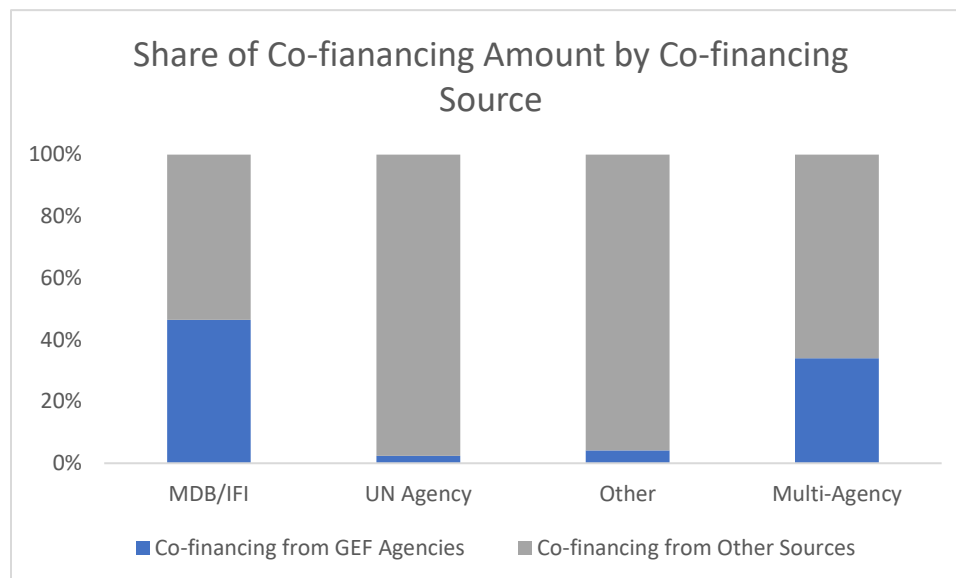
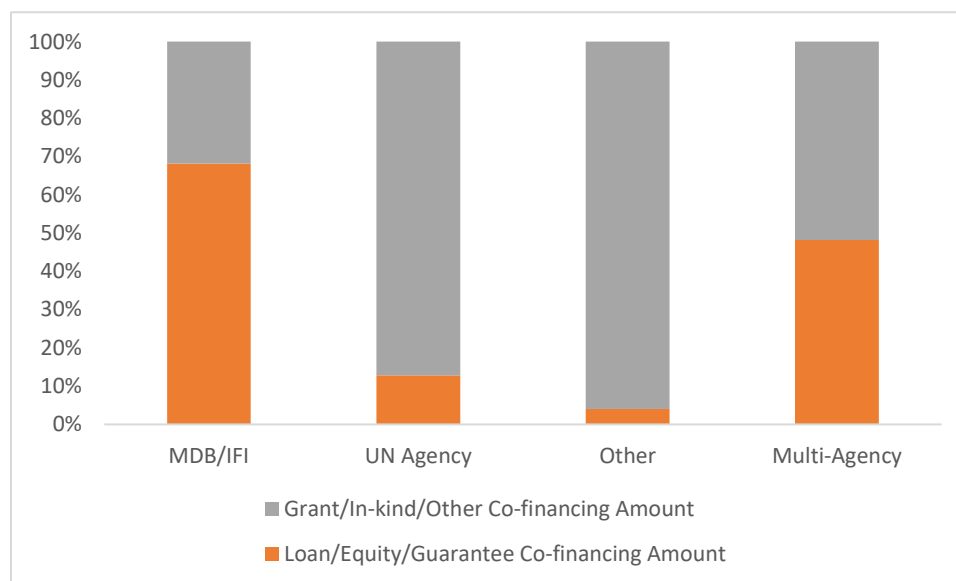


Figure 13: Share of Co-Financing Amount by Co-Financing Type for GEF-6, grouped by Agency Type



32. Taking a closer look at co-financing amount by type across Agency categories, we see that the majority of MDB co-financing comes from the MDBs themselves (Figure 12), versus all other categories where co-financing comes mostly from other sources. In particular, the majority of the MDB co-financing came from loans/equities/guarantees, while the majority of co-financing for UN Agencies or the “Other” category came from grants/in-kind/other co-financing amounts (Figure 13). The co-financing for Multi-Agency projects are from a

combination of GEF Agencies and Other Sources, and are also spread across grants/in-kind/other co-financing versus loans/equities/guarantees.

Figure 14: Share of Co-Financing Amount by Co-Financing Source, within Agencies' GEF-6 Portfolios

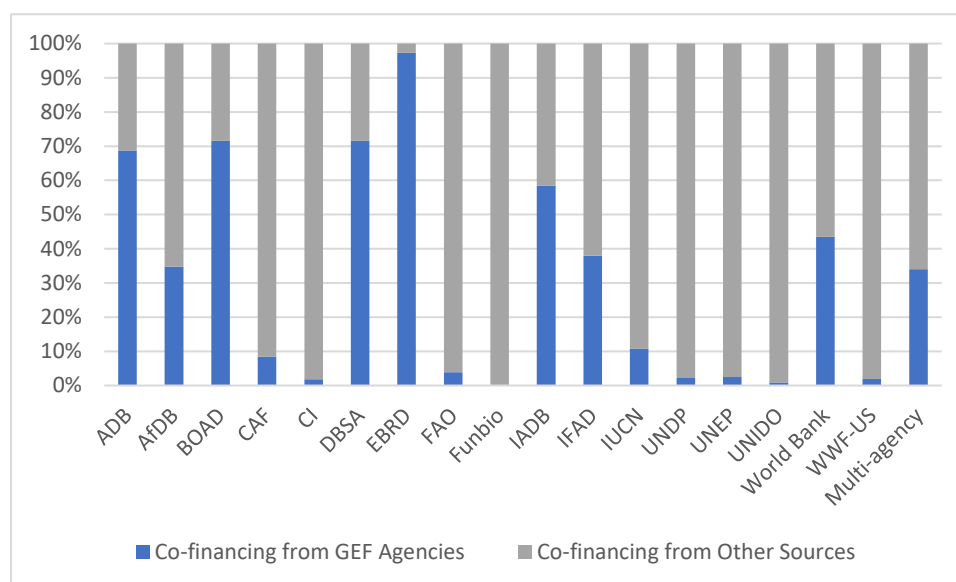
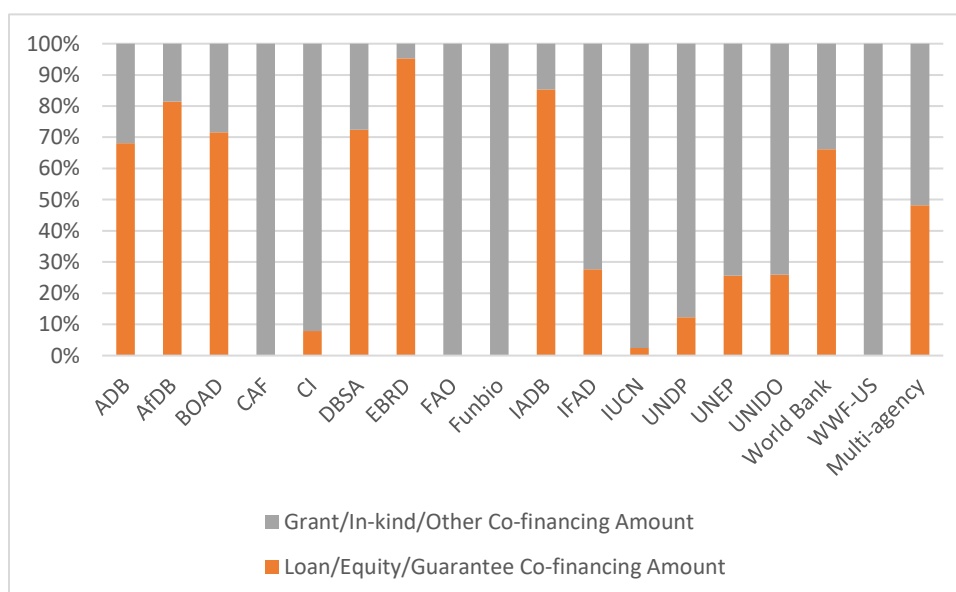


Figure 15: Share of Co-Financing Amount by Co-Financing Type, within Agencies' GEF-6 Portfolios



33. Looking now at the Agencies' portfolios themselves, we see a similar pattern, where the MDBs finance much of their co-financing from Agency sources, whereas the UN Agencies and "Other" Agencies get much of their co-financing from "other sources" (Figure 14). Much of the MDB co-financing comes from loans/equities/guarantees, while the UN Agencies and "Other"

Agencies get much of their co-financing from sources such as grants/in-kind/other co-financing (Figure 15).

34. Finally, an increasing share of private-sector financing is being mobilized through the use of Non-Grant Instruments (NGI). The eligibility of a GEF Partner Agency to administer NGIs is outlined in Policy: FI/PL/02: Non-Grant Instruments.²⁵ The GEF-6 Non-Grant Instrument Pilot resulted in 11 innovative projects of approximately \$100 million in GEF-funding and \$1.7 billion in associated co-financing²⁶. This successfully demonstrates that non-grant projects can provide high leverage to GEF investments.

35. 9 Agencies deployed GEF-6 NGIs, 6 of them MDBs/IFIs. It is also instructive to note that the 3 non-MDB/IFI Agencies are recently-accredited Agencies (DBSA, CI and IUCN). Continued and enhanced private sector engagement is envisaged in the GEF-7 Programming Strategy, with the GEF-7 Impact Programs in particular holding enhanced opportunities to work with the private sector.²⁷

CONCLUSIONS

36. The GEF Partnership holds a diversity of choice for OFPs in their Agency-related decisions on GEF engagement and programming. This paper seeks to assist OFPs in this process by providing critical information on the 18 GEF Partner Agencies across various institutional dimensions as well as through different aspects of their GEF-6 portfolio experience. However, caution must also be exercised in the interpretation of some of the data analytics due to the following factors.

37. Agencies have different levels of experience with the GEF. The Founding Agencies of course have the longest history and the largest and most matured project database. Conversely, the portfolios of the more recently-accredited Agencies are understandably small and in the early stages of implementation. As it was the first cycle to engage all 18 Agencies, the GEF-6 replenishment cycle was used for this study. However, the relatively small GEF-6 portfolios of some Agencies (in particular the newer ones) may skew the analysis.

38. Agencies' portfolios are comprised of both GEF and non-GEF projects, with varying relative percentages.²⁸ Since much of an Agency's business may lie outside of their GEF portfolio, their corresponding capacity, expertise and experience cannot be completely covered by an analysis that examines their GEF portfolios only.

²⁵ Policy: FI/PL/02: *Non-Grant Instruments*,
http://www.thegef.org/sites/default/files/documents/NonGrant_Instruments_Policy-2014_0.pdf

²⁶ GEF/C.55/12: GEF-7 Non-Grant Instrument Program

²⁷ Ibid.

²⁸ GEF/C.55/08: *Harmonizing the Rules and Requirements for all Agencies*,
http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.08_Harmonizing_Rules_and_Requirements_0.pdf

39. GEF programming is a dynamic process. While this paper presents a snapshot of Agencies' GEF-6 portfolios through initial funding decisions, it should be noted that all GEF projects are continuing to evolve through their project life cycles. The GEF Secretariat will be continuously and closely monitoring the GEF database of projects along various dimensions, particularly in the context of the implementation of its new results framework²⁹ and the introduction of measures to enhance operational efficiency.³⁰ As projects and programs reach completion, performance metrics in the achievement of project objectives will also be a critical parameter to inform the OFP's choice.

40. Through mechanisms such as the GEF Portal, interactive dashboards and periodic reporting, the GEF Secretariat will monitor and provide key project and Agency-related information beyond the analyses in this paper that will continue to inform both the OFPs and other stakeholders of the GEF Partnership.

²⁹ GEF/C.54/11/Rev.02: *Updated Results Architecture for GEF-7*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.11.Rev_02_Results.pdf

³⁰ GEF/C.55/04: *Policy Measures to Enhance Operational Efficiency, Accountability and Transparency*, http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.55.04_Operational_Efficiency.pdf

ANNEX 1: AGENCY MANDATES

African Development Bank

The overarching objective of the African Development Bank (AfDB) Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction.

<https://www.afdb.org/en/about-us/mission-strategy/>

Further information on the AfDB's engagement with the GEF can be found here:

<https://www.afdb.org/en/topics-and-sectors/initiatives-partnerships/global-environment-facility-gef/>

Asian Development Bank (ADB)

The Asian Development Bank envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region.

<https://www.adb.org/about/our-work>

Further information on the ADB's engagement with the GEF can be found here:

<https://www.adb.org/themes/environment/environmental-initiatives-partnerships/adb-gef>

Brazilian Biodiversity Fund (FUNBIO)

FUNBIO is an innovative financial mechanism created to drive the implementation of the Convention on Biological Diversity (CBD) in Brazil. Active since 1996, Funbio was created by a multidisciplinary group consisting of representatives from the Federal Government, academia, civil society and the business world on the strength of a USD 20 million donation from the Global Environment Facility (GEF).

<https://www.funbio.org.br/en/who-we-are/>

Further information on FUNBIO's engagement with the GEF can be found here:

<https://www.funbio.org.br/en/agencias/agencia-gef/>

Conservation International (CI)

Building upon a strong foundation of science, partnership and field demonstration, Conservation International empowers societies to responsibly and sustainably care for nature, our global biodiversity, for the well-being of humanity.

<https://www.conservation.org/about/Pages/default.aspx#mission>

Further information on the CI's engagement with the GEF can be found here:

<https://www.conservation.org/gef/Pages/default.aspx>

Development Bank of Latin America (CAF)

CAF is a development bank created in 1970, owned by 19 countries - 17 of Latin America and the Caribbean, Spain and Portugal- as well as 13 private banks in the region. It promotes a

sustainable development model through credit operations, non-reimbursable resources, and support in the technical and financial structuring of projects in the public and private sectors of Latin America.

<https://www.caf.com/en/about-caf/who-we-are/>

Further information on CAF's engagement with the GEF can be found here:

<https://www.caf.com/en/about-caf/what-we-do/access-to-information/caf-gef-projects/>

Development Bank of Southern Africa (DBSA)

The DBSA seeks to play a pivotal role in delivering developmental infrastructure in South Africa and the rest of the African continent.

Vision: A prosperous and integrated resource efficient region, progressively free of poverty and dependency

<https://www.dbsa.org/EN/About-Us/Pages/About-Us.aspx>

Further information on DBSA's engagement with the GEF can be found here:

<https://www.dbsa.org/EN/prodserv/GEF/Pages/default.aspx>

European Bank for Reconstruction and Development (EBRD)

The European Bank for Reconstruction and Development (EBRD) helps businesses and economies thrive. Through our financial investment, business services and involvement in high-level policy reform, we're well placed to promote entrepreneurship and change lives.

Everything we do pursues the goal of advancing the transition to open, market economies, whilst fostering sustainable and inclusive growth.

<https://www.ebrd.com/what-we-do.html>

Further information on EBRD's engagement with the GEF can be found here:

<https://www.ebrd.com/documents/legal-reform/the-ebrd-and-the-global-environment-facility.pdf>

Food and Agriculture Organization of the United Nations (FAO)

The Food and Agriculture Organization (FAO) is specialized agency of the United Nations that leads international efforts to defeat hunger. Our goal is to achieve food security for all and make sure that people have regular access to enough high-quality food to lead active, healthy lives.

<http://www.fao.org/about/en/>

Further information on FAO's engagement with the GEF can be found here: <http://www.fao.org/gef>

Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO)

The Foreign Economic Cooperation Office (FECO) is an institution affiliated to the Ministry of Environmental Protection of China. Since its establishment, FECO has always focused on the core work of environmental protection, made full use of its strategic domestic and international

advantages as well as its nexus role in foreign cooperation of environmental protection, and gradually developed its comprehensive business areas.

http://en.mepfeco.org.cn/About_FECO/201006/t20100610_563481.htm

Further information on GEF in China can be found here

<http://www.gefchina.org.cn/>

Inter-American Development Bank (IADB)

We work to improve lives in Latin America and the Caribbean. Through financial and technical support for countries working to reduce poverty and inequality, we help improve health and education, and advance infrastructure. Our aim is to achieve development in a sustainable, climate-friendly way.

<https://www.iadb.org/en/about-us/overview>

Further information on IADB's engagement with the GEF can be found here

<https://www.iadb.org/en/node/15784>

International Fund for Agricultural Development (IFAD)

At the International Fund for Agricultural Development (IFAD) we invest in rural people, empowering them to increase their food security, improve the nutrition of their families and increase their incomes. We help them build resilience, expand their businesses and take charge of their own development.

<https://www.ifad.org/web/guest/about>

Further information on IFAD's engagement with the GEF can be found here:

<https://www.ifad.org/web/guest/gef>

International Union for Conservation of Nature (IUCN)

IUCN is a membership Union uniquely composed of both government and civil society organisations. It provides public, private and non-governmental organisations with the knowledge and tools that enable human progress, economic development and nature conservation to take place together.

<https://www.iucn.org/about>

The World Bank Group (WBG)

The World Bank Group is one of the world's largest sources of funding and knowledge for developing countries. Its five institutions share a commitment to reducing poverty, increasing shared prosperity, and promoting sustainable development.

<http://www.worldbank.org/en/who-we-are>

Further information on the WBG's engagement with the GEF can be found here:

<http://www.worldbank.org/en/topic/environment>

United Nations Development Programme (UNDP)

UNDP works in about 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. We help countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results.

<http://www.undp.org/content/undp/en/home/about-us.html>

Further information on UNDP's engagement with the GEF can be found here:

<http://www.undp.org/content/undp/en/home/sustainable-development/global-environmental-finance.html>

United Nations Environment Programme (UNEP)

The United Nations Environment Programme (UN Environment) is the leading global environmental authority that sets the global environmental agenda, promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system, and serves as an authoritative advocate for the global environment.

<https://www.unenvironment.org/about-un-environment>

Further information on UNEP's engagement with the GEF can be found here

<https://www.unenvironment.org/gef/index.php/>

United Nations Industrial Development Organization (UNIDO)

UNIDO is the specialized agency of the United Nations that promotes industrial development for poverty reduction, inclusive globalization and environmental sustainability. The mission of the United Nations Industrial Development Organization (UNIDO), as described in the Lima Declaration adopted at the fifteenth session of the UNIDO General Conference in 2013, is to promote and accelerate inclusive and sustainable industrial development (ISID) in Member States.

<https://www.unido.org/who-we-are/unido-brief>

Further information on UNIDO's engagement with the GEF can be found here:

<https://www.unido.org/our-focus/cross-cutting-services/partnerships-prosperity/unido-and-global-environment-facility-gef>

West African Development Bank (BOAD)

The West African Development Bank (BOAD) is the common development finance institution of the member countries of the West African Monetary Union (WAMU). Member countries include Benin, Burkina, Côte d'Ivoire, Guinea Bissau, Mali, Niger, Senegal, and Togo.

BOAD is an international public institution whose purpose is to promote the balanced development of its member countries and foster economic integration within West Africa by financing priority development projects.

<https://www.boad.org/en/who-we-are/>

World Wildlife Fund (WWF-US)

For nearly 60 years, WWF has been protecting the future of nature. The world's leading conservation organization, WWF works in 100 countries and is supported by more than one million members in the United States and close to five million globally. WWF's unique way of working combines global reach with a foundation in science, involves action at every level from local to global, and ensures the delivery of innovative solutions that meet the needs of both people and nature.

<https://www.worldwildlife.org/about>

Further information on WWF-US's engagement with the GEF can be found here:

<https://www.worldwildlife.org/initiatives/global-environment-facility>