



GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

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**THE STRENGTH OF THE GEF PARTNERSHIP:
PROGRESS REPORT**

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ABBREVIATIONS AND ACRONYMS

ABS	Access and Benefit Sharing
ADB	Asian Development Bank
AfDB	African Development Bank
AFR	Africa
APMR	Annual Portfolio Monitoring Report
AREF	African Renewable Energy Fund
BD	Biodiversity
BOAD	West African Development Bank
CBD	Convention on Biological Diversity
CBO	Community-Based Organization
CC	Climate Change
CCA	Climate Change Adaptation
CCM	Climate Change Mitigation
CEO	Chief Executive Officer
CI	Conservation International
Cities-IAP	Sustainable Cities Integrated Approach Pilot
CO ₂ e	Carbon Dioxide Equivalent
Commodity-IAP	Taking Deforestation out of Commodity Supply Chains
COP	Conference of the Parties
CPMT	Central Programme Management Team
CSO	Civil Society Organization
DBSA	Development Bank of Southern Africa
DO	Development Objectives
EA	Enabling Activity
EAP	East Asia and Pacific
EBRD	European Bank for Reconstruction and Development
ECA	Europe and Central Asia
FA	Focal Area
FAO	Food and Agriculture Organization of the United Nations
Food-IAP	Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa
FSP	Full-Sized Project
FUNBIO	Brazilian Biodiversity Fund
FY	Fiscal Year
GEBS	Global Environmental Benefits
GEF	Global Environment Facility
GEF EO	Global Environment Facility Evaluation Office
GEFTF	Global Environment Facility Trust Fund
HCFC	Hydro-chlorofluorocarbon
IAP	Integrated Approaches Program

IDB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development (World Bank)
ICT	Information and Communications Technology
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IP	Implementation Progress
IUCN	International Union for Conservation of Nature
IW	International Waters
LAC	Latin America and the Caribbean
LD	Land Degradation
LDCF	Least Developed Countries Fund
MEAs	Multilateral Environmental Agreements
MDB	Multilateral Development Bank
MFA	Multi-Focal Area
M&E	Monitoring and Evaluation
MSP	Medium-Sized Project
MTF	Multi Trust Fund
NBSAP	National Biodiversity Strategies and Action Plan
NGO	Non-governmental organization
NIP	National Implementing Partner
ODS	Ozone Depleting Substances
PV	Photovoltaic
PIF	Project Identification Form
PIR	Project Implementation Report
PMIS	Project Management Information System
POPs	Persistent Organic Pollutants
PPG	Project Preparation Grant
PPP	Public Private Partnership
RBM	Results-Based Management
SA	South Asia
SCCF	Special Climate Change Fund
SIDS	Small Island Developing States
STAP	Scientific and Technical Advisory Panel
TE	Terminal Evaluation
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
WB	World Bank
WWF	World Wildlife Fund

INTRODUCTION

1. Participants to the Seventh Replenishment of the GEF Trust Fund agreed that “...the current network of eighteen Agencies has enabled an effective delivery of GEF support across all regions” and requested that “...the Secretariat continue to monitor the geographic and thematic coverage, as well as the effectiveness, efficiency and engagement of the GEF Partnership”.¹
2. Council took note of the GEF-7 policy recommendation and requested the Secretariat continue to monitor the GEF Partnership along these five dimensions and report on its findings at the 57th Council meeting in the Fall of 2019.² This paper responds to that request by providing a progress report on the status of coverage of GEF Agencies, using the same methodologies presented to the 54th Council in the June 2018 paper entitled “Strengthening the GEF Partnership”³.

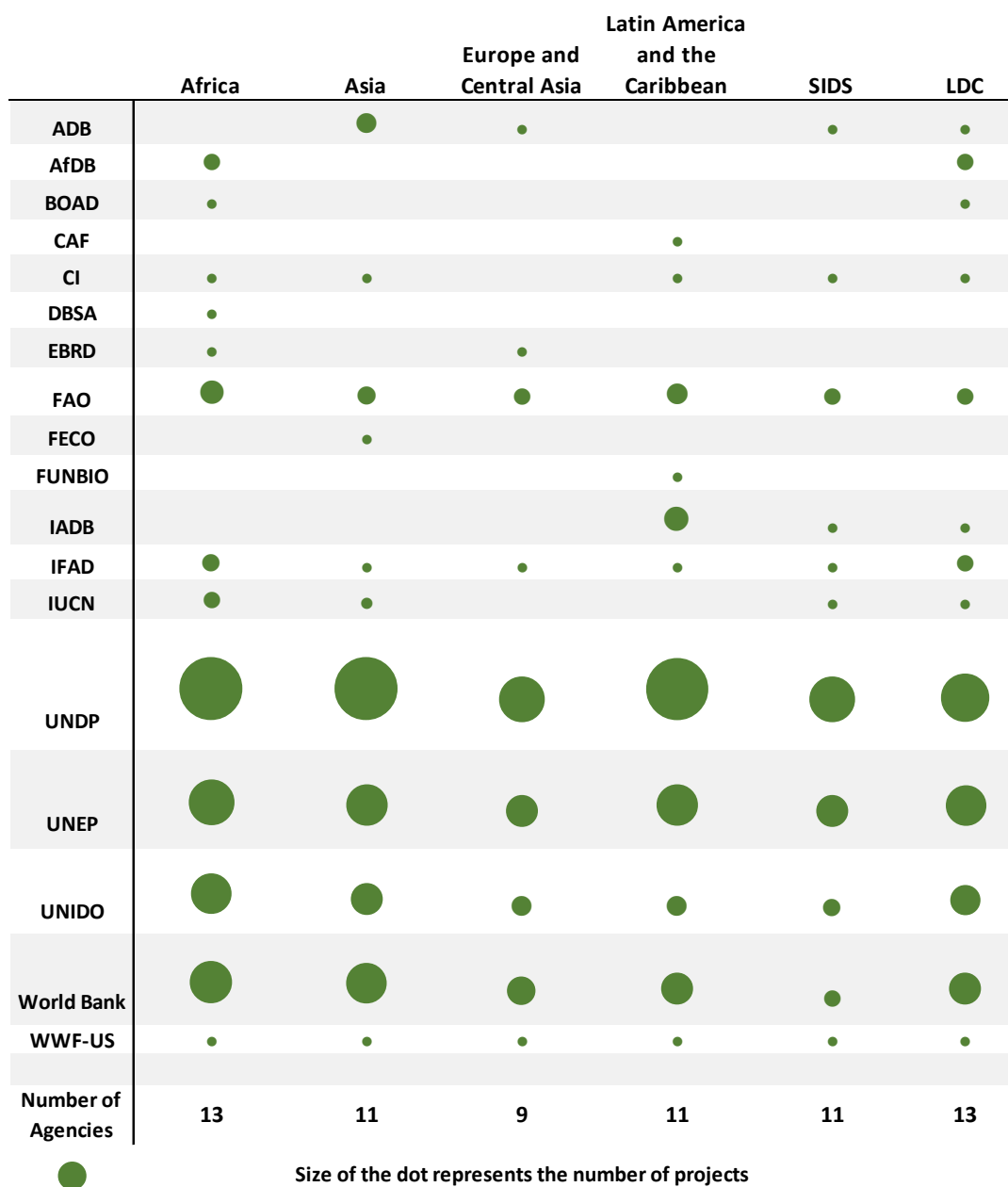
¹GEF/C.54/19.Rev.03, *Summary of Negotiations of the Seventh Replenishment of the GEF Trust Fund*, (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.19.Rev_03_Replenishment.pdf)

² *Joint Summary of the Chairs, 54th GEF Council Meeting* (http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54_Joint_Summary_of_the_Chairs_0.pdf)

³ GEF/C.54/08, *Strengthening the GEF Partnership, June 1, 2008*, (https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.08_Strengthening_the_GEF_Partnership_1_0.pdf)

GEOGRAPHIC COVERAGE

Table 1. Distribution of Agencies across regions – number of projects by Agency and by Region, based on approved, national, single Agency projects, GEF-3–GEF-7, as of November 2019

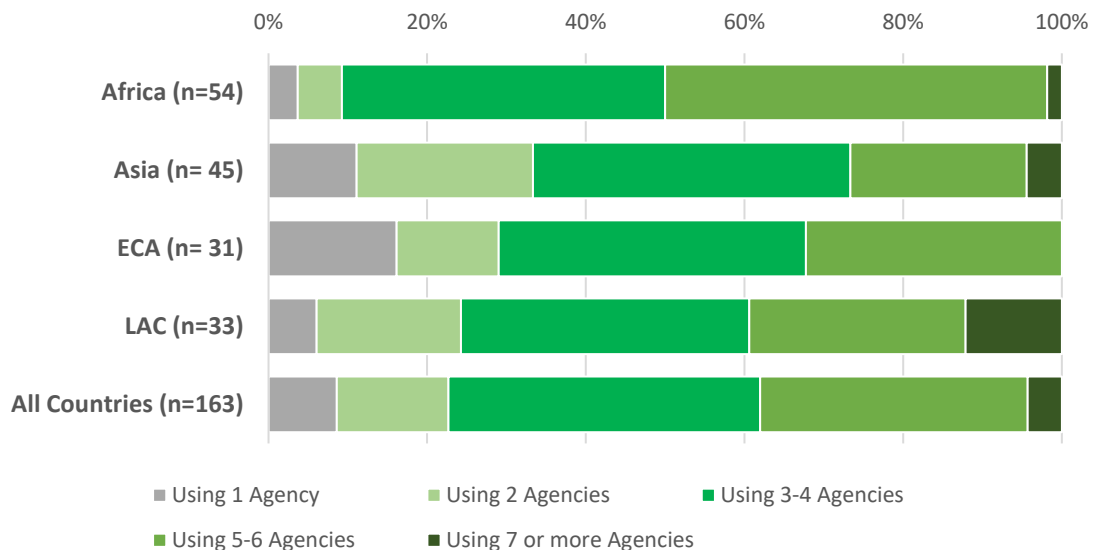


3. Table 1 demonstrates that all regions are exercising extensive choice across Agencies. Five out of six regions (including Small Island Developing States, SIDS) have projects implemented by eleven or more Agencies. It is particularly notable that in the Africa region and across Least Developed Countries (LDCs), thirteen agencies have implemented GEF projects. UNDP, UNEP, and the World Bank have the widest geographic footprint, as a result of their continued significant share of GEF programming. In addition, the Agencies that are characterized by global mandates have a more diverse spread of projects across regions, while the regional, sub-regional and national organizations will by definition be less diverse in their geographic portfolio footprint.

4. Consistent with the findings presented in June 2018, the current Partnership offers countries considerable choices between different Agencies. As reported in the June 2018 paper, at least 80% of countries had used at least two different Agencies, and at least 60% of countries had used at least three different Agencies at that time. As of November 2019, in all regions, at least 91% of all countries had used two or more Agencies and at least 77% of all countries have access to three or more Agencies (Figure 1).

5. The latest data presents progress since June 2018 with respect to the geographic coverage of the current network of eighteen Agencies across all GEF regions and different types of countries and that the coverage.

Figure 1. Share of countries in regional groups by number of Agencies used from GEF-3 to GEF-7, based on CEO endorsed/approved national and single-Agency projects, as of November 2019 – By Region



6. It is notable that 100% of LDCs have used two or more Agencies and 92% SIDS have used two or more Agencies. SIDS have generally used between two and four Agencies, while LDCs have used between three and six Agencies (Figure 2).

7. Relative to the findings in June 2018, the coverage has significantly improved in all SIDS sub-regions. As of November 2019, over 10% of the AIMS SIDS⁴ (compared to 0% in the previous analysis) have accessed five or more Agencies (including a recently accredited Agency).⁵ Among SIDS in the Caribbean, the share of countries using three to four Agencies has increased from 38% as reported in June 2018, to 50% currently. Among Pacific SIDS, 100% have made use of more than one Agency, compared to 93% as reported June 2018 (Figure 2 and Figure 3).

Figure 2. Share of countries in regional groups by number of Agencies used from GEF-3 to GEF-7, based on CEO endorsed/approved national and single-Agency projects, as of November 2019 – By Country Group

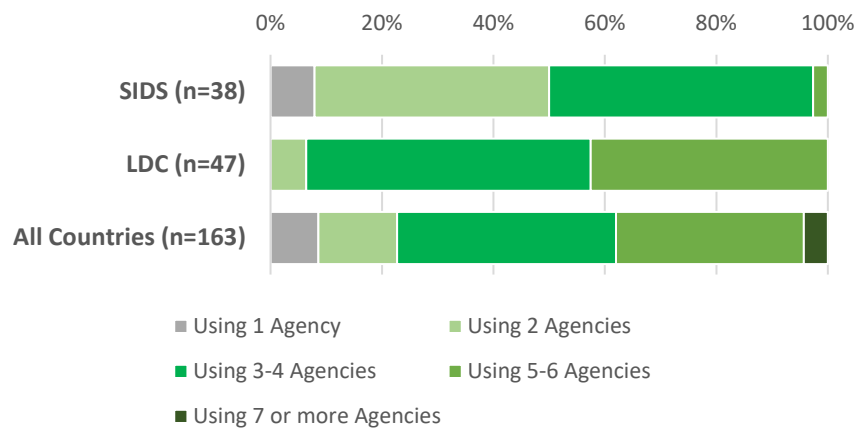
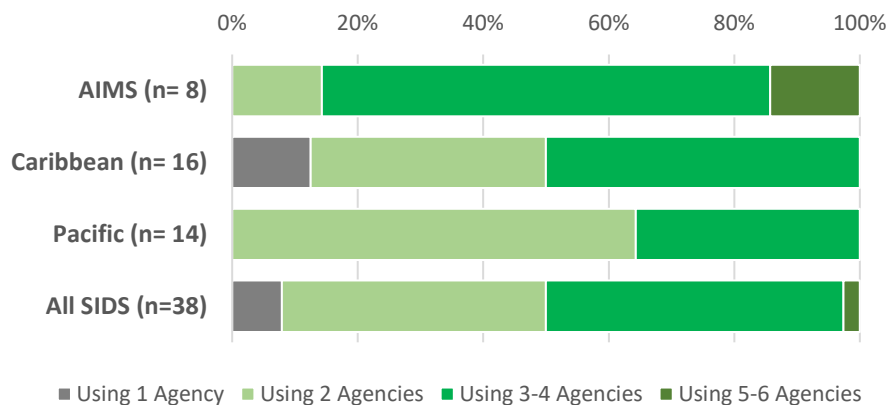


Figure 3. Share of countries in SIDS sub-regional groups by number of Agencies used from GEF-3 to GEF-7, based on CEO endorsed/approved national and single-Agency projects, as of November 2019

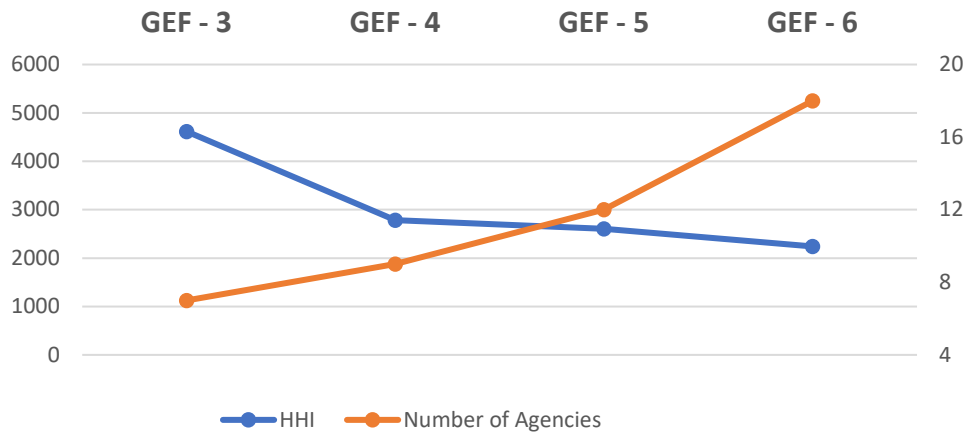


⁴ Small Island Developing States in Atlantic, Indian Ocean, Mediterranean and South China Sea

⁵ pp. 9, GEF.C.54.08.Strengthening the GEF Partnership https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.08_Strengthening_the_GEF_Partnership_1_0.pdf

8. As of November 2019, the concentration of GEF resources among Agencies shows a continued decline compared to June 2018. Figure 4 illustrates this through the use of the Herfindahl-Hirschman Index (HHI)⁶, a widely-used measure of market concentration also used in the June 2018 report.

Figure 4. Measure of concentration using HHI indicator, CEO endorsed/approved national and single-Agency projects, as of November 2019 – by Replenishment



9. The trend of declining Agency concentration is consistent with observations noted in the June 2018 paper, and is also largely evident across regions and groups of countries. Regions and groups of countries with smaller allocations and fewer eligible recipient countries, such as ECA and SIDS, tend to have somewhat higher rates of concentration than other regions and groups (Figure 5 and Figure 6).

⁶ The Herfindahl-Hirschman Index (HHI) ranges in value from 0 to 10,000, with values close to 0 representing nearly perfect competition, and values close to 10,000 representing monopolies.

Figure 5. Measure of concentration using HHI indicator, CEO endorsed/approved national and single-Agency projects, as of November 2019 – by Region

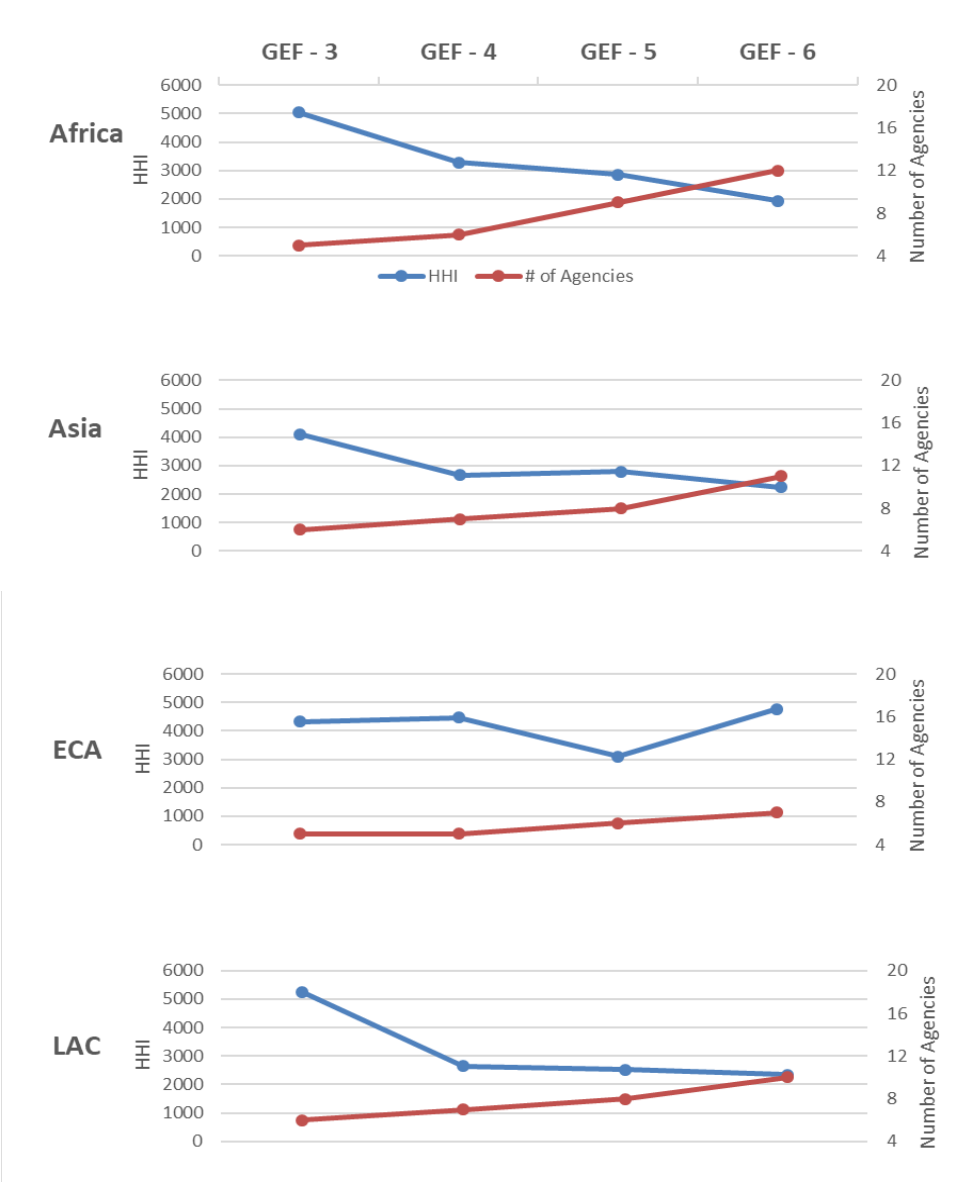
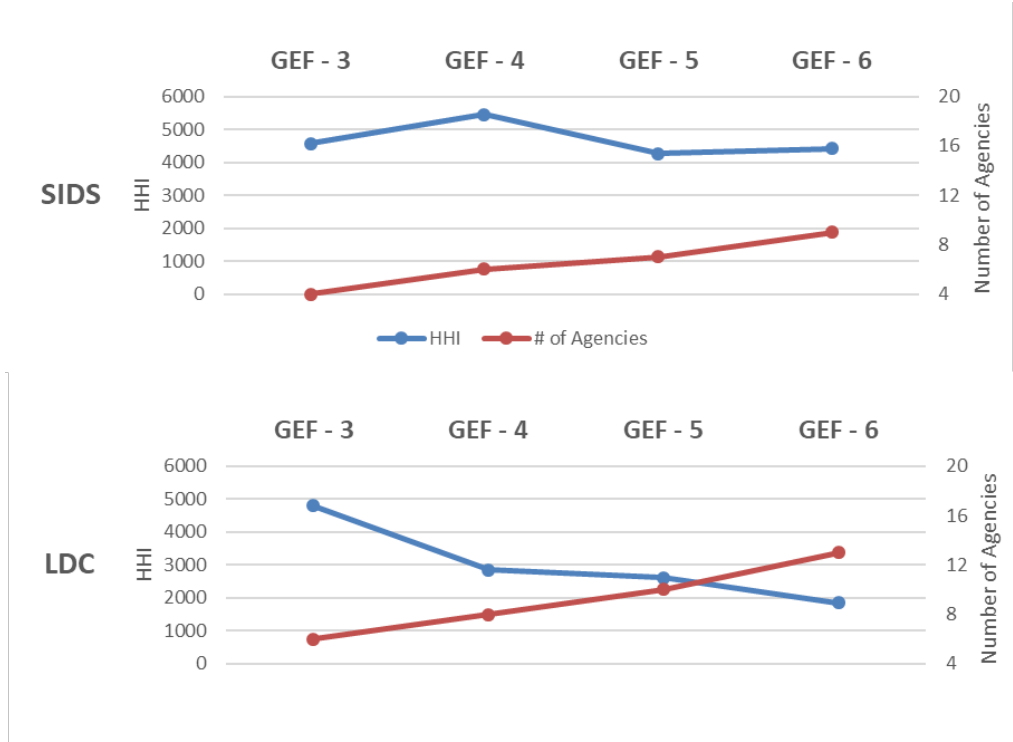


Figure 6. Measure of concentration using HHI indicator, CEO endorsed/approved national and single-Agency projects, as of November 2019 – by County Group



10. In summary, evidence as of November 2019 shows continued improvement in the distribution by Agency, with no major gaps in terms of the geographic coverage of the current network of eighteen Agencies. While coverage varies across regions, sub-regions and groups of countries, this is consistent with the observations from the June 2018 paper that the GEF Partnership continues to enable all countries to access GEF financing. Trends continue to show a steady overall decline in concentration of Agencies as the number of Agencies has increased.

THEMATIC COVERAGE

11. In four out of the five focal areas, at least eleven different Agencies have had at least one single focal area, single Agency project approved since GEF-3. While the Chemicals and Waste (CW) focal area has seen nine Agencies implementing, this represents an increase from seven Agencies observed in the previous analysis of June 2018. The latest data shows that there are no significant thematic and technical gaps in the GEF Partnership (Table 2). This latest analysis suggests that the GEF Partnership continues to provide the depth and breadth of capabilities required to serve the GEF’s mandate.

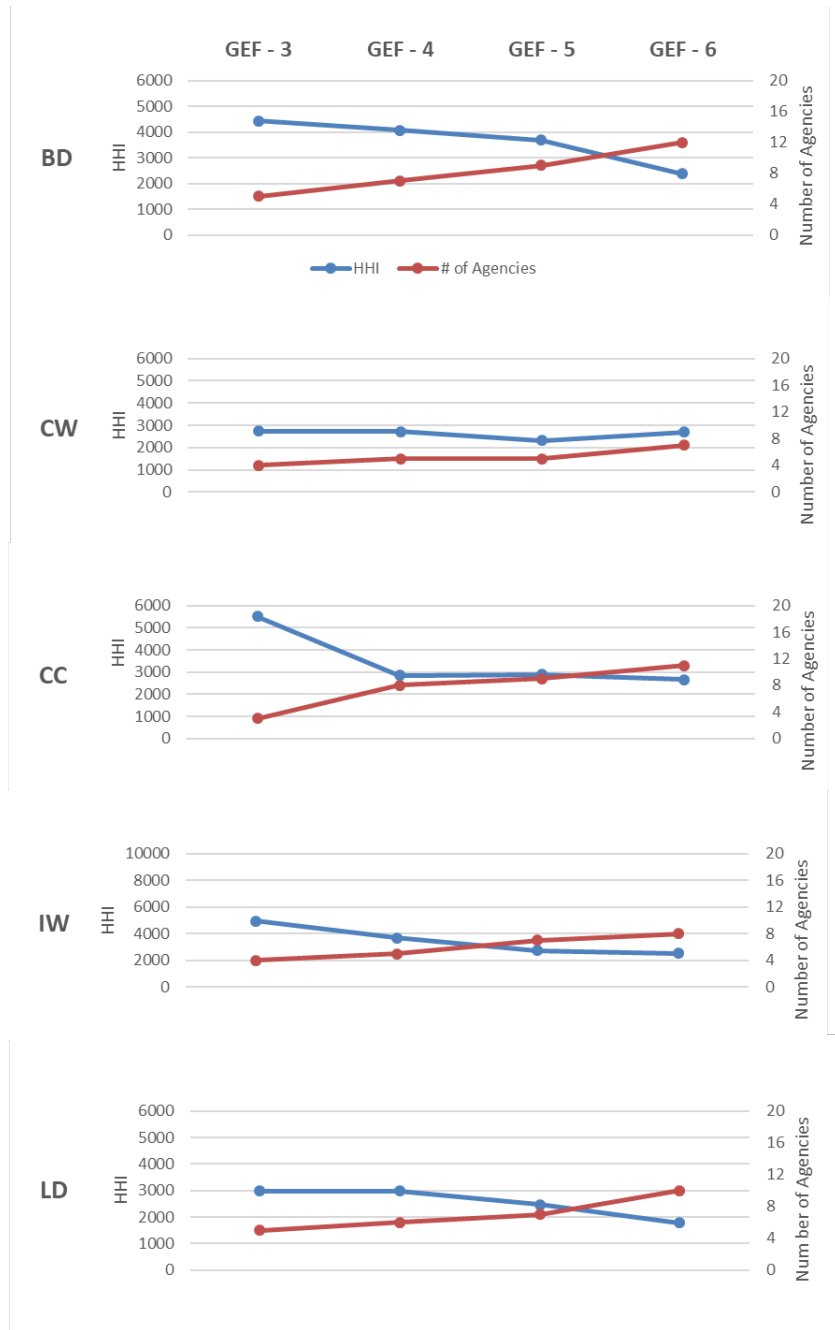
Table 2. Agencies with at least one project approved, single focal area, single-Agency projects in GEF-3–GEF-7, as of November 2019

	Biodiversity	Chemicals and Waste	Climate Change	International Waters	Land Degradation
ADB	●		●	●	●
AfDB	●	●	●	●	●
BOAD			●		
CAF	●		●	●	
CI	●	●	●	●	●
DBSA	●	●	●		
EBRD			●	●	
FAO	●	●	●	●	●
FECO	●		●		
Funbio	●				
IADB	●	●	●	●	●
IFAD	●		●		●
IUCN	●			●	●
UNDP	●●●	●	●●●	●	●
UNEP	●	●	●	●	●
UNIDO		●	●	●	
World Bank	●	●	●	●	●
WWF-US	●			●	●
Number of Agencies	15	9	15	13	11



Size of the dot represents the number of projects

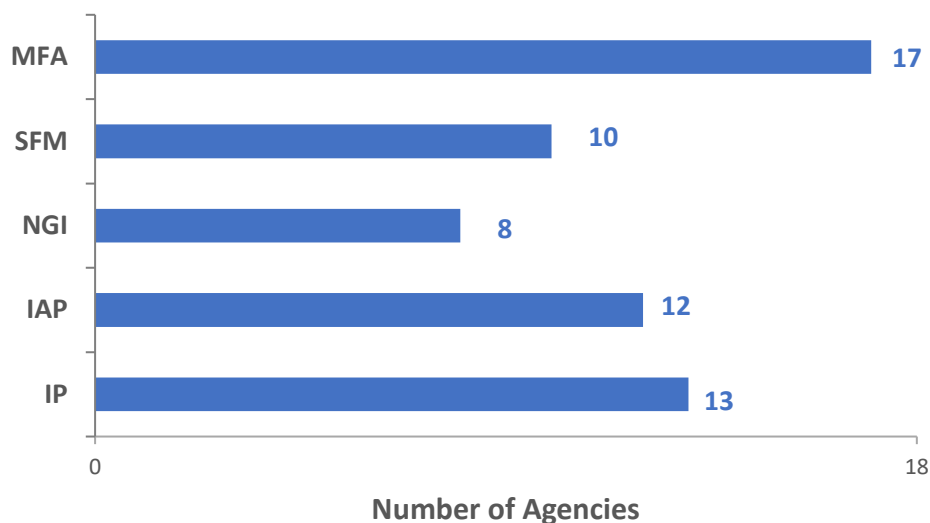
Figure 7. Concentration measured using HHI and the number of Agencies, based on single-Agency, single-focal area, CEO Endorsed/Approved projects, as of November 2019 – by focal area



12. With the increasing Agency participation, there continues to be a corresponding decline in concentration within focal areas. While relatively fewer Agencies have participated in CW programming relative to the other focal areas, the number continues to increase; the number of Agencies participating in GEF-6 programming in the CW focal area increased by 25%, from six to eight (Figure 7).

13. Beyond the five focal areas, the current Agency network continues to provide wide coverage of various thematic and cross-cutting priorities. Since GEF-3, seventeen out of eighteen Agencies have participated in multi focal area (MFA) projects (relative to twelve in the previous analysis), and at least eight Agencies have been involved in cross-cutting programs such as sustainable forest management (SFM), non-grant instruments (NGI) and integrated approach pilots (IAP). In addition, as of November 2019, thirteen Agencies have been engaged in the GEF-7 Impact Programs (IP) (Figure 8).

Figure 8. Number of Agencies with at least one project Approved in GEF-3–GEF-7, as of November 2019



EFFICIENCY

14. This section reviews available evidence related to impacts of the expansion of the GEF Partnership on the efficiency of delivering GEF financing.

15. As indicated in the June 2018 paper, project size is relevant to system efficiency.^{7,8} A review of the size distribution of GEF projects (Figure 9 and Figure 10), shows the expansion of the GEF Partnership has not resulted in a shift in the distribution of GEF projects towards the smaller size. On the contrary, the average size of GEF projects has increased across GEF Replenishments. Smaller projects can result in higher relative transaction costs, and economies of scale may not be realized. As also noted in OPS6, the relatively small size of GEF projects may make them less attractive for implementation by the larger Agencies.

⁷ GEF/C.50/07 Future Direction on Accreditation – A follow-up (https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.50.07_Accreditation_0_0.pdf)

⁸ GEF/C.54/08 Strengthening the GEF Partnership (https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.08_Strengthening_the_GEF_Partnership_1_0.pdf)

Figure 9. Average size of CEO Endorsed/Approved projects by GEF phase, and number of Agencies with at least one CEO Endorsed/Approved project, as of November 2019

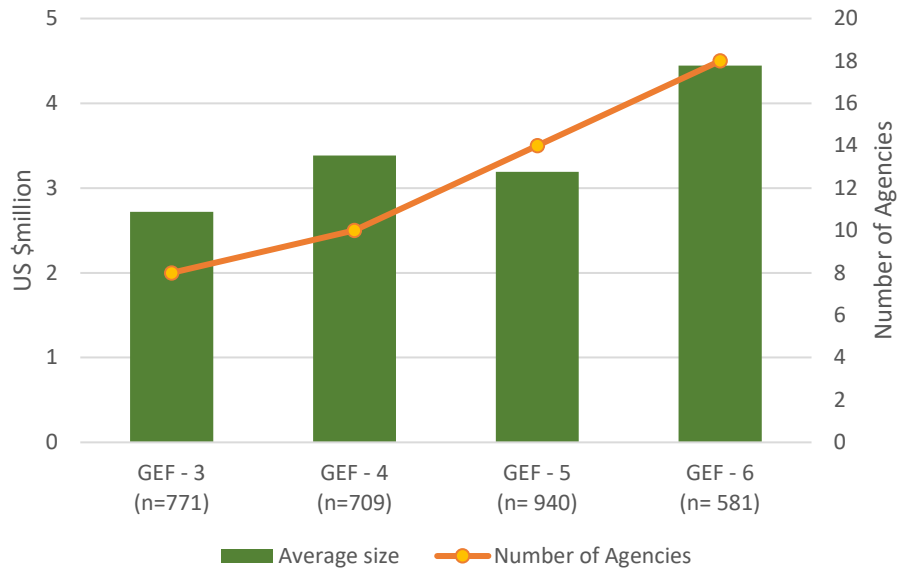
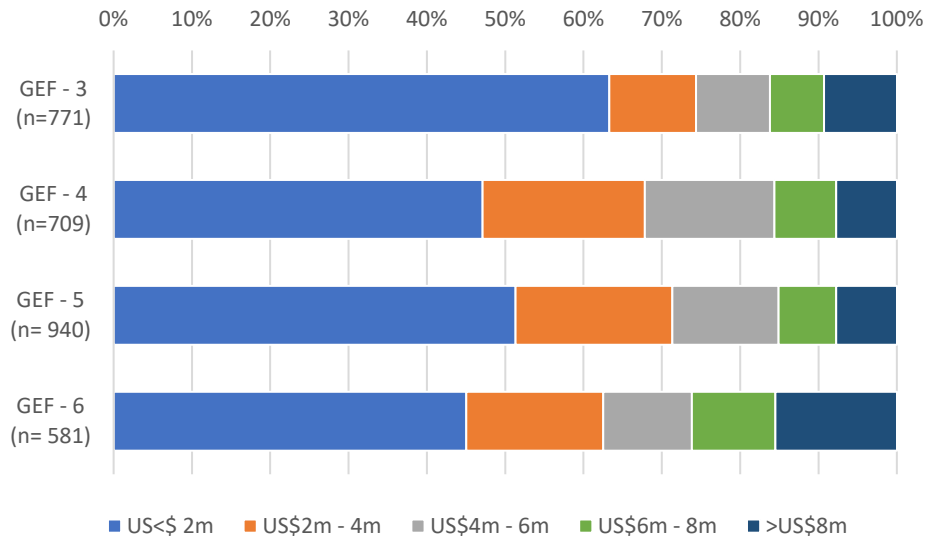


Figure 10. The distribution of GEF projects by size and GEF phase, based on CEO Endorsed/Approved projects in GEF-3–GEF-6, as of November 2019



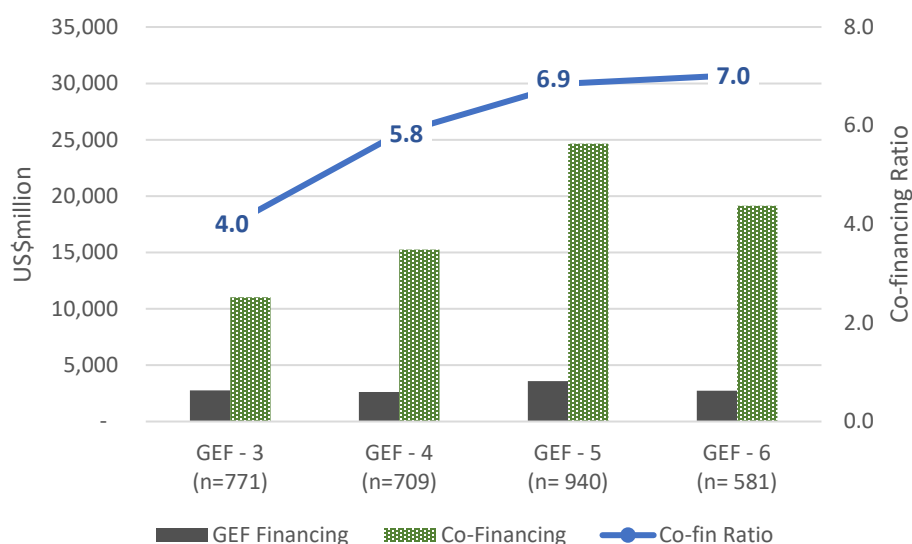
EFFECTIVENESS

16. In order to meet the GEF’s strategic objectives, the GEF Partnership exercises a range of capabilities across key dimensions such as the ability to manage and participate in programmatic approaches, the ability to leverage co-financing and private financing, and

ultimately the delivery of global environmental benefits. This section analyzes the latest data across these dimensions as a means of assessing the broader effectiveness of the Partnership.

17. The current network of eighteen agencies continues delivering high levels of co-financing (Figure 11). Co-financing represent one proxy for the extent to which GEF investments are leveraging wider investment projects. The co-financing ratio has been increasing, from 4.0 in GEF-3 to 7.0 in GEF-6. As of November 2019, GEF-6 projects that had received CEO Endorsement/Approval had mobilized US\$7 in confirmed co-financing for each US\$1 of GEF financing.

Figure 11. Confirmed Co-financing by GEF phase, CEO Endorsed/Approved projects, as of November 2019



18. Across all GEF Replenishment phases, overall co-financing ratios have continued to increase across all Agencies. Table 3 shows the difference between the types of Agencies over time in terms of their ability to secure co-financing. The MDBs consistently bring in most of the co-financing associated with GEF projects, even though their share of GEF funding has declined over time. With respect to Agency type, the earlier GEF Agencies have overall higher ratios than the more recently accredited Agencies. Especially in GEF-6, the most recently added Agencies have lower co-financing ratios from one GEF phase to another, however, as with all analysis on this subset of Agencies, the sample size of projects remains small.

Table 3. CEO Endorsed/Approved projects, as of November 2019

Agency Group	Confirmed Co-financing Ratio				Trend (GEF-3 to GEF-6)
	GEF - 3	GEF - 4	GEF - 5	GEF - 6	
MDB/IFI	5.5	9.6	10.2	11.2	
UN Agency	2.5	3.6	5.1	5.4	
Other Agency			5.5	4.6	
Multi-Agency	3.1	5.9	14	7.3	
Overall	4.0	5.8	6.9	7.0	

19. Agencies in the Partnership continue to demonstrate an increasing capability to work with the private sector. Since GEF-5, Agencies have mobilized at least one dollar of private financing for each dollar of GEF project financing (Figure 12). This represents an increase from 1.9 in GEF-6 at the time of this analysis, where 27% of CEO endorsed/approved projects mobilized over US\$7 billion in private financing. Eight different Agencies have deployed GEF Non-Grant Instrument projects which have mobilized a higher private co-financing ratio across GEF phases.

Figure 12. GEF project financing and confirmed private sector co-financing, CEO Endorsed/Approved projects, as of November 2019

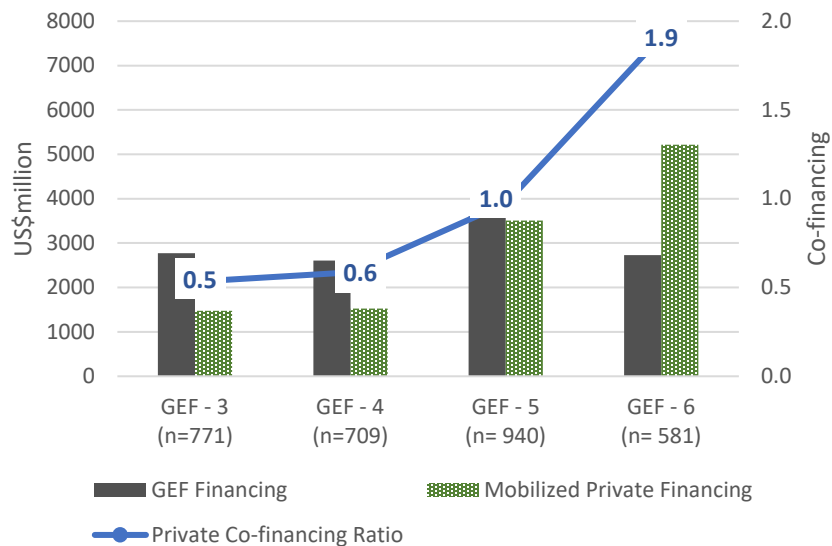
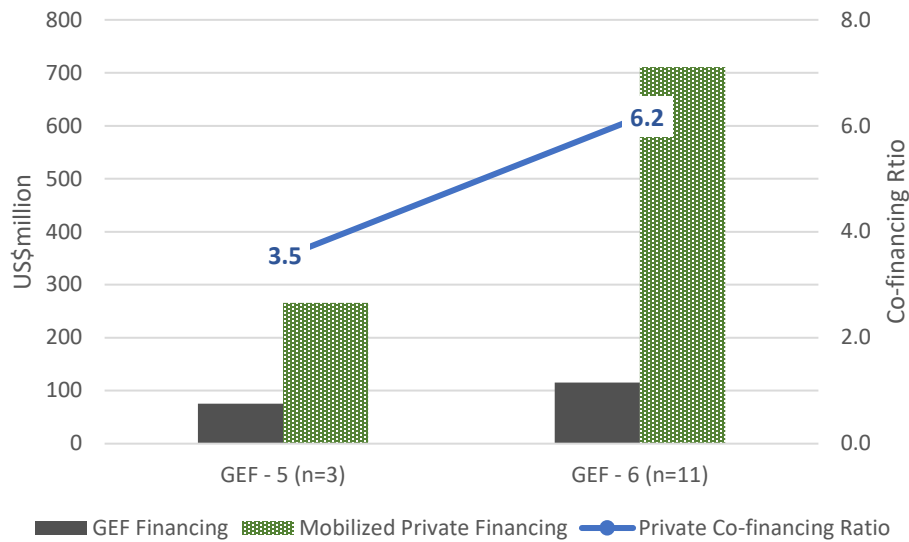
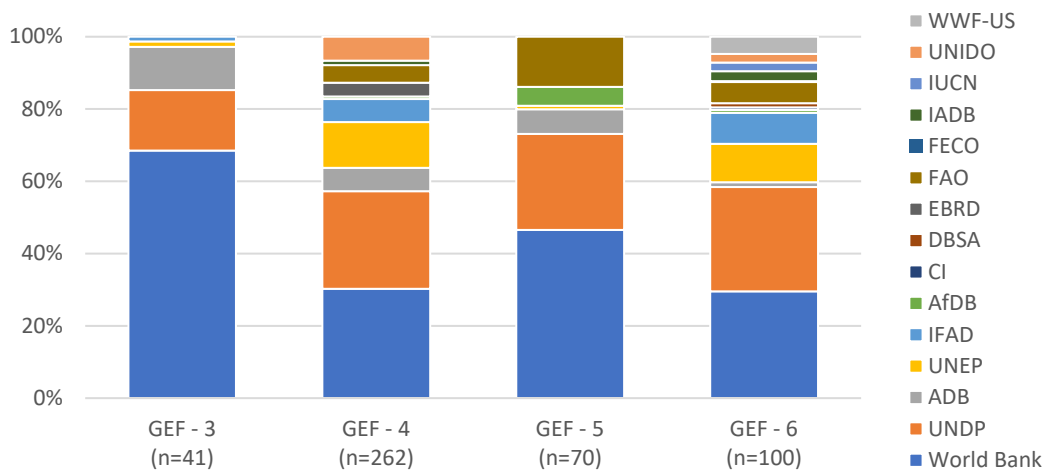


Figure 13. GEF NGI project financing and confirmed private sector co-financing, CEO Endorsed/Approved projects, as of November 2019



20. Many Agencies have been actively engaged in programmatic approaches. The implementation of Programs requires the identification of Lead Agencies and Participating Agencies. The Lead Agencies are generally to be found in the earlier-accredited Agencies with the more seasoned GEF portfolios. However, it is instructive to note that more Agencies, especially recently accredited Agencies, have been participating in programs at the level of child projects. As shown in Figure 14, fifteen out of eighteen Agencies have engaged in programs, and the recently accredited Agencies are implementing a greater share of GEF funds in programs from one GEF Replenishment phase to another.

Figure 14. Agency share of GEF program funding at child project level by GEF phase, based on single-agency, CEO-Endorsed/Approved projects, GEF3 to GEF-6, as of November 2019



LEVEL AND QUALITY OF ENGAGEMENT ACROSS THE PARTNERSHIP

21. Beyond the management of GEF projects and programs, the GEF Agencies participate in the development, implementation and review of GEF strategies, policies, guidelines and procedures, as well as corporate results-based management, knowledge management and communication activities. These contributions have been made possible by a close partnership with frequent communication between the Secretariat and Agencies, and amongst the Agencies themselves. These close relationships, in turn, have fostered commitment, strategic alignment and predictability.

22. The Secretariat continues to engage on leveraging and intensifying the close GEF Partnership. Since 2016, it has hosted two inter-Agency retreats each year. These retreats bring together key staff from the Agencies to share best practices on targeted dimensions and discuss key issues of mutual interests, from new policies, emerging programming directions, monitoring and project cycle efficiency challenges to the development of an upgraded IT infrastructure for the entire Partnership. In conjunction with Council meetings, different levels of inter-Agency discussions are organized by the Secretariat. Agencies are also invited to the Expanded Constituency Workshops to share their country experiences, challenges and to discuss opportunities for improved engagement. Finally, Agencies have also played an active role in the multi-stakeholder working groups that have led efforts on the GEF project cycle, GEF-7 core indicators, gender, stakeholder engagement, and environmental and social safeguards. The consultative nature of the Partnership has enabled close collaboration on complex issues such as the recent update to the GEF Policy on Minimum Fiduciary Standards.

SUMMARY

23. There is evidence that Agency coverage has improved in many key areas relative to the findings in June 2018. This report signals continued improvement made since 2018 and confirms that the current network of eighteen Agencies offers wide coverage over regions and country categories. Available data also demonstrates that engagement within and across the current Agency network and the Secretariat remains strong and that the current Agency network continues to provide the depth and breadth of capabilities required to serve the GEF's mandate.