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Agenda Item 08

EVALUATION OF THE EXPANSION OF THE GEF PARTNERSHIP

FIRST PHASE

(Prepared by the Independent Evaluation Office of the GEF)

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EXECUTIVE SUMMARY

1. The Evaluation of the Expansion of the GEF Partnership is being conducted at the request of the GEF Council. The evaluation assesses the extent to which the present structure of the GEF partnership is meeting the needs of its key stakeholders, is optimal for delivery of GEF program and activities, is promoting country ownership; and the emerging impacts of the second round of expansion.

2. The evaluation is being conducted in two phases. The first phase of the evaluation comprises of a preliminary analysis based on the survey of the GEF Partner Agencies, key stakeholders in recipient countries, and the GEF Secretariat. The first phase of the evaluation started in November 2015. It employs a variety of methods and tools including desk reviews, interviews, online surveys, and quantitative analysis based on the data from the GEF Project Management Information System (PMIS). In all, perceptions of 205 individuals representing a variety of stakeholders of GEF were covered through interviews and/or online survey.

3. The key findings of the evaluation are:

(a) Expansion of the GEF partnership has increased the number of Agencies that are addressing environmental concerns related to the GEF focal areas. Both the first and second round of expansion have increased the agency choices available in each focal area at the overall partnership level. In addition, the expansion has also increased the choices available to the recipient countries for programming GEF resources. Compared with increases in other focal areas, the Chemicals and Waste focal area has a relatively lower Agency coverage.

(b) Country choice in terms of number of Partner Agencies has increased. The data shows that on average a GEF recipient country has access to approximately 8 Agencies. With the original agencies the average was 2, the first round of expansion resulted in an increase of 4, and the Project agencies increased this by an additional 2 in the second round of expansion. The increase is evident in SIDS and LDCs as well. However, there is substantial variability in Agency choice at the country level.

(c) Although the share of the three Original Agencies in the GEF project portfolio has declined from 100 percent in the Pilot Phase to 69 percent in GEF-5, the trend among the three Agencies has been very different.[1] Share of: UNDP has remained stable; UNEP has increased; and, that of World Bank has declined. From GEF-4 onwards there has been a substantial increase in the share of the seven Agencies brought on board during the first round of expansion. Their combined share is now about 30 percent. Based on whether they are a lead agency for a project, the Project Agencies account for 2 percent share in the GEF-6 portfolio. The share in the GEF portfolio doubles if

[1] Unless noted otherwise, the Partner Agency share in GEF portfolio has been calculated based on the Lead Agency for a given project. This will lead to a slight overestimation of the shares of Agencies that are more likely to be in the role of Lead Agencies in a jointly implemented project or program. Similarly, the shares of the Partner Agencies that tend to be co-implementers instead of being a Lead Agency are likely to be underestimated.

their share in the projects and programs that they co-implement is also taken into account.

(d) There have been some gains in terms of enhanced country support but these gains are modest and vary among countries. The extent to which Project Agencies receive support in recipient countries seems to depend on whether it is a national agency, a sub-regional or regional agency, or an International CSO. International CSOs indicated challenges in receiving country support for implementing GEF projects in several countries. The reasons for this include competition from Agencies, and relative inexperience preparing and implementing GEF projects.

(e) A majority of the OFPs responded that the Agencies are performing satisfactorily in delivering services such as project preparation, project supervision and monitoring, support for follow up activities after project completion, and assistance in GEF national portfolio formulation. However, timely communication of implementation progress emerged as an area where there is scope for improvement.

(f) The evaluation found that the OFPs generally have a relatively high opinion of the services being provided by the three original Agencies. The majority of OFPs that responded to the online survey considered one of the three original Agencies as best positioned to deliver the best value on all the parameters tracked by the survey.

(g) GEF Partner Agencies value the resources that GEF provides for generation of global environmental benefits. Despite the continued mutual relevance of mandates, for some Agencies, the relative importance of the GEF partnership may be diminishing due to factors such as transaction costs, competition, and availability of alternative sources of funding.

(h) The GEF-5 replenishment participants expected the expansion of the GEF partnership to reduce the overhead costs of resource delivery. The evidence available so far indicates that the efficiency gains in some areas may be balanced or even outweighed by cost increases in others.

(i) GEF stakeholders within the GEF partnership assess the GEF to be effective in delivering on its environmental mandate. Among the stakeholders, OFPs tend to rate the overall effectiveness of the GEF higher than the Conventional Focal points or CSOs.

4. This report does not propose any recommendation as it deals only with the findings of the first phase of the evaluation. The second phase of the evaluation involves a more in-depth analysis based on information gathered during the first stage supplemented with additional data. Thus, the first stage of the evaluation is an input into the overall evaluation, which seeks to address broader issues relevant to the health of the GEF Partnership. The entire evaluation will be an input to the Sixth Comprehensive Evaluation of the GEF.

BACKGROUND, KEY QUESTIONS, AND METHODOLOGY

1. Background

1. The Global Environment Facility (GEF) was established in 1991, with the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank as its Partner Agencies for implementation of GEF funded activities. Since then the Partnership has gone through two rounds of Agency expansion.

2. The first round of expansion took place between 1999 and 2006. It aimed at providing recipient countries more choice, bringing new expertise and networks to the GEF, and to tap additional co-financing resources.[2] It led to the addition of seven Agencies to the partnership. These include the four regional development bank and three UN organizations.[3] The second round of expansion took place between 2013 and 2015. In addition to advancing the aims of the first expansion, the second round of expansion also intended to prioritize accreditation of national agencies as GEF Partner Agencies.[4] It led to the inclusion of eight more Partner Agencies of which three are national agencies. The GEF Partnership now comprises of 18 Partner Agencies.[5]

3. At its October 2015 meeting, the GEF Council requested the Independent Evaluation Office of the GEF (IEO) to *"conduct a survey across GEF Partner Agencies and recipient countries on the current structure of the GEF Partnership, and make recommendations based on the results of this survey to feed into the planned review of the health of the GEF Partnership as part of the Sixth Overall Performance Study of the GEF (OPS6)" and to present a preliminary analysis at its June 2016 meeting.*[6]

4. The IEO is conducting an evaluation to respond to the GEF Council's request. The 'Evaluation of the Expansion of the GEF Partnership' assesses the extent to which the present structure of the GEF Partnership is meeting the needs of its key stakeholders, is optimal for

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[2] *Expanded Opportunities for Executing Agencies: Recent Efforts and Current Proposals to Expand Opportunities for Regional Development Banks* (GEF/C.13/3), May 1999.
[3] The organizations included as GEF Agencies in the partnership during phase of expansion include Asian Development Bank (ADB), African Development Bank (AfDB), European Bank of Reconstruction and Development (EBRD), and, Inter-American Development Bank (IDB) (all regional development banks); and, Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD) and United Nations Industrial Development Organization (UNIDO) (all UN organizations).
[4] See the policy recommendations of the negotiations for GEF-5 replenishment (Annex 2, GEF/A.4/7) and, *Broadening of the GEF Partnership under Paragraph 28 of the GEF Instrument: Key Policy Issues* (GEF/C.39/7/Rev.2).
[5] The eight organizations included as GEF Project Agencies are: Conservation International (CI), Development Bank of Latin America (CAF), Development Bank of Southern Africa (DBSA), Foreign Economic Cooperation Office (FECO, China), Fundo Brasileiro para a Biodiversidade (FUNBIO), International Union for Conservation of Nature (IUCN), West African Development Bank (BOAD), and World Wildlife Fund (WWF-US).
[6] Joint Summary of Chairs. 49th GEF Council Meeting, Oct 2015. Decision on Agenda Item 6 – Future Directions on Accreditation.

delivery of GEF program and activities, is promoting country ownership; and the emerging results of the second round of expansion.

5. The evaluation is being conducted in two phases. The first phase of the evaluation comprises of a preliminary analysis based on the survey of the GEF Partner Agencies, key stakeholders in recipient countries, and GEF Secretariat. The second phase involves a more in-depth analysis based on information gathered during the first stage, supplemented with additional data. Thus, the first stage of the evaluation is an input into the overall evaluation, which seeks to address broader issues relevant to the health of the GEF Partnership.

2. Key Questions for the First Phase

6. The key questions for the first phase are:

(a) To what extent do the Partner Agencies provide the GEF access to new capacities and networks to deliver on its environmental agenda?
(b) To what extent do the Partner Agencies, especially the more recent addition to the partnership, help the GEF in supporting priority actions in countries that face capacity constraints?
(c) To what extent are the Partner Agencies able to service the needs of the recipient countries?
(d) What are the factors that enable and/or hinder the Partner Agencies in being effective in their role?
(e) What are the emerging results of the second round of expansion of the GEF Partnership?

3. Methodology

7. The first phase of the evaluation started in November 2015. It employs a variety of methods and tools. These include:

(a) Desk reviews: the reviewed documents include past evaluations conducted by the IEO and by other independent sources, the GEF Council documents on broadening of the GEF Partnership; and, review of the interview notes from the work undertaken for 'Process Evaluation of the Expansion of the GEF Partnership' conducted by the IEO.

(b) Interviews: several stakeholders such as Agency and GEF Secretariat staff, GEF Operational Focal Points (OFPs), and Civil Society Organization (CSO) Network members, were interviewed. A list of the individuals interviewed is provided in Annex 1. List of guiding questions for each of the key groups is provided in Annex 2. In all 65 individuals representing key stakeholders, which include GEF Partner Agencies, GEF Secretariat, OFPs, and CSO network members, have been interviewed so far (Table 1). Additional interviews will be conducted during the second phase of the evaluation.

(c) Online Surveys: Three online surveys were administered during the February-March 2016 period to gather perceptions of the GEF OFP, Convention Focal Points, and GEF CSO network members. In all 140 individuals participated in the online surveys and provided substantive responses.[7]

(d) Project Management Information System (PMIS) database: the PMIS project dataset was downloaded in January 2016. The cut-off date used for analysis was 31st of December 2015. Data on country characteristics such as Small Island Developing States (SIDS), Least Developed Countries (LDCs), fragile states, land locked countries, and on Partner Agency characteristics such as country presence, portfolio size, and other parameters, was merged with the PMIS project dataset to facilitate analysis.

8. The data gathered so far on perceptions does not adequately cover some of the categories. For example, the response rate for the online survey of GEF OFPs was quite low at about 15 percent (22 respondents) of the total number of OFPs. Similarly, the evaluation has so far not yet included the perspectives of the stakeholders that are independent of the GEF Partnership. Coverage gaps will be mitigated through interviews during the second stage of the evaluation.

Table 1: Number of Respondents to surveys

Category	**Respondents**
Interviews including teleconferences	65
Partner Agencies	*38*
GEF Secretariat	*18*
Others	*9*
Online Surveys	140
GEF Operational Focal Points	*22*
Convention Focal Points	*49*
GEF CSO network	*69*
Total Respondents	205

9. The terms and descriptions in this report are consistent with the definitions provided in *"Accreditation Procedure for GEF Project Agencies"* (Annex 1, GEF/C.39/8/Rev.2). The term 'Partner Agencies' is used to refer to all the 18 agencies that have been accredited to implement GEF activities. The term 'Agency' is used to refer to the 10 GEF Partner Agencies that were included in the GEF Partnership during the first round of expansion or earlier. Within this group, the three Agencies that were part of the GEF Partnership before the first round are referred to as the 'original Agencies'. The eight Partner Agencies that were brought onboard during the second round of expansion are referred to as 'Project Agencies'.

[7] The number of actual respondents was 160. After excluding the duplicate submission and submissions where responses had not been given to any of the substantive questions, 140 respondents remained.

Evaluation Team

10. This evaluation was jointly managed by Geeta Batra, Chief Evaluation Officer of the IEO and Neeraj Kumar Negi, Senior Evaluation Officer. Other team members include Kiran Dev Pandey, Chenhao Liu, and Laura Reynolds Nissley, consultants.

FINDINGS

1. Access to new capacities and networks

11. Expansion of the GEF partnership has increased the number of the Partner Agencies that are addressing environmental concerns related to the GEF focal areas. Both the first and second round of expansion have increased the Partner Agency choices available in each GEF focal area at the overall Partnership level. In addition, the expansion has also increased the choices available to the recipient countries for programming GEF resources. Compared with increases in other focal areas, the Chemicals and Waste focal area has a relatively lower Partner Agency coverage.

Focal Area Coverage

12. The three original Agencies covered all of the GEF focal areas (Table 2). Among the seven Agencies brought onboard during the first round of expansion, FAO is the only agency that has covered all the GEF focal areas. Other Agencies added during the first round of expansion cover fewer focal areas. While Climate Change is covered by all the Agencies, Biodiversity has not been covered by UNIDO and EBRD; International Waters has not been covered by IFAD and ADB; and the Land Degradation focal area has not been covered by UNIDO and EBRD. Of the seven Agencies, only two – UNIDO and FAO – have covered the Chemicals and Waste focal area.

13. All or almost all the eight Project Agencies added during the second round of expansion provide coverage for the Climate Change and Biodiversity focal areas respectively. Half, or fewer than half, of these Partner Agencies provide coverage for the International Waters, Land Degradation and Chemicals & Waste focal area. Among the Project Agencies, the national agencies and international CSOs provide broader coverage of the GEF focal areas than the regional/sub regional banks (BOAD and CAF) that tend to focus on Biodiversity and Climate Change. Annex 3 provides more information on coverage of focal areas by Partner Agency.

Table 2: Focal Area Coverage – by number of Agencies

GEF Project Agency	Biodiversity	Climate Change	International Waters	Land Degradation	Chemicals & Waste
Original Partner Agencies (3)	3	3	3	3	3
First Expansion Additions (7)	5	7	5	5	2
Second Expansion (8)	7	8	3	4	3
National Agencies	*3*	*3*	*1*	*2*	*2*
Regional/Sub Regional banks	*1*	*2*	*0*	*0*	*0*
International CSO	*3*	*3*	*3*	*3*	*1*
Total (18 Agencies)	**15**	**18**	**11**	**13**	**8**

Capacities and Networks

14. The eight Project Agencies added through the second phase of expansion provide access to additional capacities and networks. They extend the reach of the GEF Partnership and are likely to make important contributions in their areas of comparative advantage. Nonetheless, on average the Project Agencies (8) cover fewer countries than the Agencies (10) (Table 3 and Annex 3.3).

15. The Project Agencies provide coverage in 136 countries (95 percent) out of the 143 countries that are eligible to receive GEF funds during GEF-6[8]. Much of this coverage, however, is due to IUCN. However, IUCN often has relatively limited coverage in countries where it does not have offices (Table 3)[9]. Of the Agencies that were already part of the partnership before the second phase of expansion, UNDP, World Bank, FAO, IFAD, and UNIDO, have presence in all or almost all of the GEF recipient countries (Annex 3.3).

Table 3: Coverage of Countries by the Project Agencies (by number of countries covered)

Project Agency	Agency Type	Countries Covered	Percentage coverage (N=143)	Coverage comments
BOAD	Sub-Regional	8	6%	West Africa
CAF	Regional	17	12%	Latin America and Caribbean
CI	International CSO	62	43%	Global
DBSA	National	1	1%	South Africa
FECO	National	1	1%	China
FUNBIO	National	1	1%	Brazil
IUCN	International CSO	127	89%	Global
WWF	International CSO	50	35%	Global

[8] None of the Project Agencies has a presence in Afghanistan, Belarus, Cuba, South Sudan, Uzbekistan, and Yemen.
[9] The country presence list for IUCN was generated based on the information provided at its website (http://www.iucn.org/where/). The data on country coverage took into account the country coverage of their activities for each of the regions that they covered. For each region, the website sometimes listed in detail the countries and projects where they are working, sometimes it listed the countries where they have national committees. If only those countries where IUCN has offices are taken into account, the coverage reduces significantly.

Table 4: OFP perceptions on the realization of the expected results of the second round of expansion[10]

Expected results	Achieved fully or substantially			Moderately achieved or not achieved		
	Fully Achieved	Substantially Achieved	Total	Moderately Achieved	Not Achieved	Total
Overall achievement of expansion objectives	3 (18%)	6 (35%)	9 (53%)	7 (41%)	1 (6%)	8 (47%)
Competition among GEF Partner Agencies	1 (6%)	10 (56%)	11 (61%)	4 (22%)	3 (17%)	7 (39%)
Efficiency in GEF operations	3 (17%)	7 (39%)	10 (56%)	5 (28%)	3 (17%)	8 (44%)
Access to new technical capacities to address environmental concerns	2 (11%)	6 (32%)	8 (42%)	9 (47%)	2 (11%)	11 (58%)
Choice in selecting a Partner Agency for a GEF project	2 (11%)	8 (44%)	10 (56%)	7 (39%)	1 (6%)	8 (44%)
Country ownership of GEF activities	1 (6%)	5 (28%)	6 (33%)	10 (56%)	2 (11%)	12 (67%)
Capacity development of national institutions	3 (18%)	2 (12%)	5 (29%)	10 (59%)	2 (12%)	12 (71%)
Coverage of new geographical areas within a country	3 (18%)	6 (35%)	9 (53%)	7 (41%)	1 (6%)	8 (47%)

16. The survey explored the perceptions of the OFPs on the realization of the expected results of the second round of expansion. Fifty three percent of the respondents of the OFP online survey noted that the second round of expansion has substantially increased coverage of new geographical areas within their countries (Table 4). Thus, in addition to greater options for focal area programming, the expansion is also reported to have led to broader geographical coverage within countries.

17. Information gathered through interviews with the GEF Partner Agency staff and the GEF Secretariat staff suggests that, with time, Project Agencies would become experienced at managing GEF resources. They also noted that while they are quite adept at addressing some of priorities of the GEF focal areas, they do not focus on several others that are important to the GEF. The findings of the OFP online survey are consistent with this perspective. When asked to identify the GEF Partner Agency that is best positioned to work on each of the five focal areas, OFPs identified one of the Project Agencies as the best positioned in only 4 percent of the instances. This is much lower than what the focal area and country coverage of Project Agencies would suggest.[11] In comparison, an Original Agency (from among UNDP, UNEP and

[10] There were in all 21 respondents for this set of parameters. 'Unable to assess' and 'not applicable' responses have been excluded when calculating the percentages for different categories.

[11] In terms of numbers, the original Agencies account for 17 percent (3/18) of the Partner Agencies, the Agencies brought on board during the first round account for 39 percent (7/18), and the Project Agencies for 44 percent (8/18) of the total number of GEF Partner Agencies. However, this cannot be a good reference point because the level of country coverage and focal area coverage differs among Partner Agencies. When the self-reported recipient country and focal area coverage of a Partner Agency is accounted and weighted for accordingly for the 22 countries whose OFPs participated in the OFP online survey, the Original Agencies account for 39 percent, the 7 first round Agencies 40 percent, and the Project Agencies 21 percent of the focal area coverage choice available in

World Bank) was listed as the best positioned Agency in 65 percent of instances and the first round additions were listed as the best positioned one in 31 percent instances. Similarly, the Convention Focal Points also identified the Project Agencies to be the best positioned for their respective focal area (or Convention) in 4 percent of instances. In comparison the Convention Focal Points listed an original Agency to be the best positioned in 78 percent instances.

18. As indicated by the online survey results, the OFPs and Convention Focal Points seem to have a preference for the original Agencies. Interviews of different stakeholders shows that this may be because of the experience of the Agencies, their global presence and solid capacities within the countries covered (especially true for UNDP and the World Bank), and comprehensive coverage of the GEF focal areas. In comparison the Project Agencies don't have a deep track record in implementing GEF activities and do not cover focal areas comprehensively. Nonetheless, within the focal areas there are areas where the Project Agencies have considerable strengths. During the interviews the program managers at the GEF Secretariat listed several of such areas. Examples include, forest restoration work (IUCN); use of community based approaches in addressing artisanal mining related concerns (WWF, CI); commodities supply chain work (WWF, CI); expansion of protected area network (FUNBIO); environmental projects focused on indigenous communities (FUNBIO, CI); and, mainstreaming of environmental concerns in infrastructure projects (DBSA, CAF, BOAD). Forty three percent of the OFPs felt that the second round of expansion has provided countries enhanced 'access to new technical capacities to address environmental concerns' (Table 4). This demonstrates the appreciation of the capacities that the Project Agencies bring to the GEF Partnership.

19. The program managers recognize the ability of the Project Agencies to work at multiple scales and their ability to develop project ideas quickly. They find that the strong network that the Project Agencies have with the partners on ground helps them work efficiently and avoid delays during implementation. This also enables the Project Agencies – especially the international CSOs and national organizations – to implement projects that are of a smaller scale or require intensive supervision at the local level. Their continued presence in some geographical areas in countries that they work in also increases their ability to ensure post completion follow up to a given project.

20. One of the expected benefits of the expansion of the GEF Partnership is to enhance the ability of the GEF to raise co-financing.[12] The multilateral development banks such as the World Bank, ADB, AfDB, EBRD and IDB, were already mainstreaming GEF activities in their lending operations, prior to expansion. While sub-regional development banks such as CAF and BOAD,

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recipient countries. Given that the OFPs that responded to the online survey were fairly representative, if the respondents did not show any preference, the percentage of times a Partner Agency is specified as the best positioned Partner Agency would tend to be similar to their weighted presence in the 22 recipient countries. However, the actual results of the survey do not follow this pattern. They show that the original Agencies were specified as the best positioned more often than their weighted coverage. In contrast, the Partner Agencies brought onboard during the first and second round of expansion were specified fewer times than their weighted country and focal area coverage would suggest.

[12] *Broadening of the GEF Partnership under Paragraph 28 of the GEF Instrument: Key Policy Issues* (GEF/C.39/7/Rev.2)

and DBSA, do have the ability to co-finance GEF activities by mainstreaming them in their lending operations, this may not translate into an enhanced capacity to raise co-financing at the GEF portfolio level, since the overall GEF funding envelope is fixed. Thus, within the context of GEF-6 programming it is unlikely that the inclusion of the Partner Agencies will increase GEF's overall ability to raise co-financing. However, it is likely to bring more diversity in the sources of co-financing.

2. Country Coverage and Choice

21. *The Policy Recommendation for the Fifth Replenishment of the GEF Trust Fund* (GEF/R.5/32, 2010), which was the basis for the second round of expansion of the GEF Partnership, notes that an increase in number of Partner Agencies "could provide countries with more choice." The data on country and focal area coverage shows that country choice has indeed increased, including in the SIDS and LDCs that generally have capacity constraints.

22. Table 5 presents information on the average number of Partner Agencies present in different country groups based on self-reported information[13]. It shows that on average a GEF recipient country has access to approximately 8 Agencies. Of this the original Agencies account for 2, the other Agencies for 4, and the Project agencies for 2. The average increase in Partner Agency choices due to inclusion of the Project Agencies was also noted in SIDS and LDCs. Nonetheless, the average increase in SIDS and LDCs is slightly lower than the global average. Similarly, when presence of the GEF Partner Agency in recipient countries is assessed by GEF-6 STAR allocation, those with less than US $ 7 million have on average fewer Partner Agencies compared to countries with more than US $ 20 million in GEF allocation, although both groups do seem have experienced an increase in Partner Agency choice due to the second round of expansion.

[13] This analysis is based on the self-reported data from the Agencies on their respective country presence (gathered from their websites and annual reports) and GEF PMIS. Since in some instances a GEF Agency may not have an active program on environmental issues despite its presence, there is a chance that the approach used for analysis would lead to some overestimation of the increase in Country choice. The data used for this analysis was, therefore, triangulated with the data gathered through the OFP online survey. Of the 22 countries covered through the survey, in 19 instances the OFP reported a lower number of active GEF Agencies. In two instances the figures matched, and in one instance the active Agencies identified by the OFPs was higher. The OFP survey indicated presence of 6.9 Agencies per country compared to the self-reported data that indicated 8.6 Agencies per country in these 22 countries. The analysis showed that the trends based on the self-reported data were similar to those from the OFP survey. Since the self-reported data covered all the recipient countries, it was preferred over the OFP survey data.

Table 5: Agency presence in GEF Recipient Countries for GEF-6 – Average number of Agencies

Country Classification	Number of countries	Original Agencies (3 Agencies)	First Round Expansion (7 Agencies)	Second Round Expansion (8 Agencies)	Total (18 Agencies)
Countries groups based on special characteristics					
LDCs	47	2.6	3.9	1.6	8.1
Fragile	32	2.4	3.8	1.5	7.7
SIDS	38	2.4	3.6	1.6	7.6
Land Locked	34	2.7	4.1	1.6	8.4
Country groups based on GEF-6 STAR Allocation					
Up to $7 million	49	2.4	3.7	1.5	7.6
$ 7 -10 million	35	2.7	4.0	1.8	8.5
$10-20 million	33	2.7	4.0	1.6	8.3
$ More than 20 million	26	2.8	4.4	2.9	10.2
All Countries	**143**	**2.6 (2)**	**4.0**	**1.9 (2)**	**8.5 (8)**

() indicate rounded numbers.

23. While the overall average number of agencies has increased, there is substantial variability in Agency choice at the country level. For example, the average increase of 2 Partner Agencies per recipient country shown in Table 5 is spread unevenly among the countries. Table 6 presents the agency choices available by GEF recipient countries after the increase from the second round of expansion. It shows that in 95 percent of the countries, the agency choice increased by at least one. It also shows that almost all the recipient countries experienced an increase in choice for the Biodiversity, Climate Change, International Waters and Land Degradation focal areas. However, 65 percent of the countries experienced no increase in agency choice for the Chemicals and Waste focal area.

24. A relatively higher percentage of countries that experienced little or no increase in Agency choice from the second round of expansion were LDCs, SIDS and land locked countries (Annex 3.2). Among SIDS, Pacific SIDS had a lower coverage – they had approximately 7 Agencies per country compared to 8 for the other SIDS. However, the average increase in Agency choice due to the second round of expansion is similar for the Pacific SIDS and other SIDS. Much of the increase in country choice in Pacific SIDS is due to inclusion of the international CSOs (especially IUCN) in the partnership. Overall, it may be inferred that the second round of expansion has increased the choices available to countries with capacity constraints, however there are countries that have not experienced an increase (or substantial increase) in agency choice.

Table 6: Distribution of Recipient Countries based on Increase in Agency Choice from the 2nd round of Expansion (N=143)

Focal Area	No increase in Choice	Increased by at least one Agency	Increased by at least two agencies	Increased by at least three agencies	Increased by at least four agencies	Increased by at least five agencies
Biodiversity	7 (5%)	136 (95%)	77 (54%)	34 (24%)	11 (8%)	1 (1%)
Climate Change	7 (5%)	136 (95%)	84 (59%)	35 (24%)	11 (8%)	1 (1%)
International Waters	8 (6%)	135 (94%)	75 (52%)	29 (20%)	1 (1%)	0%
Land Degradation	8 (6%)	135 (94%)	75 (52%)	29 (20%)	2 (1%)	0%
Chemicals and Waste	93 (65%)	50 (35%)	2 (1%)	0 (0%)	0 (0%)	0%
Any Focal Area	7 (5%)	136 (95%)	84 (59%)	35 (24%)	11 (8%)	1 (1%)

3. GEF Portfolio and Partner Agency Shares

25. Although the share of the three Original Agencies in the GEF project portfolio has declined from 100 percent in the Pilot Phase to 69 percent in GEF-5, the trend among the three original Agencies has been very different (Table 7).[14] UNEP has increased its share from a modest three percent during the Pilot Phase to 13 percent during the GEF-5 period. The share of UNDP has moved within a narrow band from 30 to 36 percent. The share of the World Bank, in contrast, has declined from 64 percent in the Pilot phase to 20 percent in GEF-5. From GEF-4 onwards there has been a substantial increase in the share of the seven Agencies brought on board during the first round of expansion. Their combined share is now about 30 percent. Among these seven Agencies FAO, UNIDO, IADB and AfDB individually garnered a share of four percent or more during GEF-5. Generally share of UN organizations in GEF portfolio has increased whereas that of the MDBs has declined.

Table 7: GEF Project Portfolio: by Agency (in million $)

Lead agency	**Pilot Phase**	**GEF – 1**	**GEF – 2**	**GEF – 3**	**GEF - 4**	**GEF – 5**	**GEF - 6**	**Total**
World Bank	464.8 (64%)	812.2 (66%)	1038.3 (57%)	1434.7 (53%)	891.1 (32%)	837.0 (20%)	401.4 (35%)	5879.5 (40%)
UNDP	245.4 (34%)	367.2 (30%)	575.9 (32%)	894.3 (33%)	1013.9 (36%)	1498.8 (36%)	284.5 (25%)	4880.0 (33%)
UNEP	19.0 (3%)	44.7 (4%)	188.1 (10%)	281.6 (10%)	342.2 (12%)	539.5 (13%)	62.8 (5%)	1477.8 (10%)
Original Agencies	**729.2 (100%)**	**1224.2 (100%)**	**1802.2 (99%)**	**2610.5 (96%)**	**2247.1 (80%)**	**2875.3 (69%)**	**748.7 (65%)**	**12237.3 (84%)**
UNIDO	—	—	10.7 (1%)	18.1 (1%)	172.9 (6%)	284.4 (7%)	81.3 (7%)	567.4 (4%)
FAO	—	—	—	12.8 (0%)	73.4 (3%)	361.9 (9%)	47.5 (4%)	495.6 (3%)

[14] Unless noted otherwise, the Partner Agency share in GEF portfolio has been calculated based on the Lead Agency for a given project. This will lead to a slight overestimation of the shares of Agencies that are more likely to be in the role of Lead Agencies in a jointly implemented project or program. Similarly, the shares of the Partner Agencies those that tend to be co-implementers instead of being a Lead Agency are likely to be underestimated.

IFAD	—	—	—	27.5 (1%)	83.2 (3%)	75.6 (2%)	123.0 (11%)	309.4 (2%)
ADB	—	—	6.4 (0%)	45.0 (2%)	82.5 (3%)	76.5 (2%)	34.2 (3%)	244.6 (2%)
AfDB	—	—	—	—	13.3 (0%)	179.8 (4%)	31.4 (3%)	224.5 (2%)
EBRD	—	—	—	—	48.0 (2%)	61.2 (1%)	28.6 (2%)	137.8 (1%)
IADB	—	—	—	16.8 (1%)	88.8 (3%)	190.8 (5%)	25.1 (2%)	321.5 (2%)
Additions from the First round Expansion	—	—	**17.1 (1%)**	**120.30 (4%)**	**562.2 (20%)**	**1230.2 (30%)**	**371.0 (32%)**	**2300.9 (16%)**
CI	—	—	—	—	—	19.7 (0%)	1.8 (0%)	21.6 (0%)
DBSA	—	—	—	—	—	—	22.5 (2%)	22.5 (0%)
IUCN	—	—	—	—	—	6.6 (0%)	—	6.6 (0%)
WWF-US	—	—	—	—	—	22.8 (1%)	—	22.8 (0%)
Second round additions	—	—	—	—	—	**49.2 (1%)**	**24.4 (2%)**	**73.5 (1%)**
Grand Total	**729.2**	**1224.2**	**1819.3**	**2730.8**	**2809.3**	**4154.7**	**1144.2**	**14611.7**

Source PMIS, as on December 31st 2015. As percentage of the GEF total for replenishment period given in parentheses. Includes funding from the GET, SCCF and LDCF trust funds.

26. Given that the first Project Agency (WWF) came on board less than three years ago, it is still too early for them to gain a sizable share within the GEF portfolio.[15] Nonetheless, the Project Agencies have started to make inroads. The three Project Agencies (WWF, CI and IUCN) that were accredited before the end GEF-5 were able to receive approvals for GEF activities during the GEF-5 period. Their combined share of the period was about 1 percent of the GEF-5 portfolio.

27. For the GEF-6 period, based on PIF approvals up to December 31st 2015, the Project Agencies were Lead Agencies for projects that accounted for 2 percent of GEF-6 portfolio (Table 7). Reliance on the status as lead agency to estimate shares of Partner Agencies is often useful because of its simplicity, however, in the case of Project Agencies it leads to an underestimation of the level of GEF resources being channeled through them. Data shows that Project Agencies are more likely to participate in jointly implemented programs and projects as one of the co-implementers than as the lead agency.[16] When programs and projects where Project Agencies

[15] WWF signed its Financial Procedures Agreement with the GEF Trustee on 11th of December 2013. The paper on *Future Directions on Accreditation* (GEF/C.49/04/Rev.01) noted that among the eight Project Agencies that had been accredited during the second round of expansion, two had not signed the Financial Procedures Agreement (FPA) with the GEF Trustee as late as October 2015.

[16] For example, the 2 percent share does not include their participation as co-implementers in programs such as the 'Coastal Fisheries Programme' (CI, WWF); the 'Food Security Integrated Approach Pilot' (CI); Global Partnership

serve as joint implementers is accounted for, their share in the portfolio approximately doubles.

28. Based on the proposals that are presently under preparation the share of the Project Agencies may increase during the remaining period of GEF-6. However, their overall share for GEF-6 is likely to stay within the low single digits. Interviews with Project Agencies reveal that when they (i.e. DBSA, FUNBIO, BOAD, CAF, and FECO) came on onboard and started exploring project ideas, the country level planning for GEF-6 resources along with the identification of the preferred GEF Partner Agency had been done in many countries. Therefore, for GEF-6 most of the Project Agencies are mainly competing for the yet-to-be programmed country allocations.

29. The experience of the seven Agencies that were added to the GEF Partnership during the first round of expansion may indicate how the portfolios of the Project Agencies may emerge in the future. The seven Agencies had made only modest progress in gaining a foothold in the GEF portfolio during the GEF-3 phase when they first came on board. At that point they faced several disadvantages such as lack of experience in securing and managing GEF resources, lack of a corporate budget, and restricted access to focal area resources (for UN organizations).[17] As their experience increased and a level playing field was created by the elimination of the corporate budget, the share of the Agencies added during the first round of expansion increased substantially during the GEF-4 period (Table 6). While the absence of a corporate budget and restricted access to focal areas is not a concern for the Project Agencies, they tend to have limited experience in securing and managing GEF resources and it may take some time before this disadvantage is mitigated.

30. The PMIS data shows that an increase in the share of the Partner Agencies added during the first round of expansion came at the cost of World Bank: while UNDP and UNEP more or less maintained their share, there was a substantial drop in the World Bank's share. Although, as other analyses presented by the IEO in the past have indicated as well, a drop in the World Bank share is also linked to the implementation of the Resource Allocation Framework (later renamed STAR), the elimination of the corporate budget for the three original agencies, and a reduction in Agency fees, and to other factors external to the GEF. As shares of the Project Agencies increase, it will result in a decrease in the combined share of the older Agencies although patterns for individual Agencies may differ.

4. Country ownership

31. Overall there have been gains in terms of enhanced country ownership. However, overall these gains are modest and vary among countries.

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on Wildlife Conservation and Crime Prevention for Sustainable Development (IUCN, WWF); Commodity Supply Chains Integrated Approach Pilot (CI, WWF); Sustainable Cities Integrated Approach Pilot (DBSA); and, Amazon Sustainable Landscapes Program (WWF).

[17] Until 2007 World Bank, UNDP and UNEP were provided separate budget for the support they provided for the corporate activities of the GEF. Of the seven Agencies that were brought onboard during the first round expansion UN organizations such FAO, UNIDO and IFAD were provided direct access to GEF resources only for those focal areas where they were assessed to have a comparative advantage.

32. The GEF Instrument requires that the GEF supported activities are country driven. Further, the second round of expansion of the GEF Partnership was expected to align the GEF Partnership with the *Paris Declaration on Development Effectiveness (2005)* and promote the agreed measures of the *Accra Agenda for Action (2008)* in GEF operations.[18] Both, the Paris Declaration and the Accra Agenda, emphasize importance of the principle of country ownership in aid effectiveness. Therefore, it is important that the effect of expansion on country ownership is understood. The Project Agencies that were brought on board during the second round may be classified into three different categories:

(a) National (DBSA, FECO, and FUNBIO)

(b) Regional or sub-regional agencies (BOAD, and CAF)

(c) International CSOs (CI, IUCN, and WWF)

33. Each of these groups are perceived differently by the key stakeholders in the country. The national agencies tend to receive strong support from the respective OFPs in South Africa, China and Brazil. The OFPs view accreditation of the national agencies as an instrument to build capacities of the national institutions, including other national institutions, and to facilitate better alignment of GEF activities with national priorities. For example, the OFP of South Africa expected the accreditation of the DBSA as a GEF Project Agency to be the standard setter among the national institutions and to motivate others to adopt global best practices, for example, in adopting international good practices in procurement, safeguards etc. Similarly, the OFP of Brazil noted that inclusion of FUNBIO in the GEF Partnership has strengthened country ownership because FUNBIO understands, and is aligned with, country priorities. Even in situations where the national Project Agencies may not be the best positioned, OFPs have shown willingness to provide them with exposure to new environmental issues so that they deepen their capacities to tackle such issues.

34. According to BOAD and CAF, both sub/regional development banks, they applied for GEF accreditation at the request of their member countries. They report that they receive good support from the OFPs because the OFPs are familiar with their work. BOAD and CAF also report that they not only have strong relationships with the finance ministries but also with other ministries and sectors that they have worked with through their lending operations. BOAD also reported that in three of the eight countries that they cover, the GEF OFP or the Political Focal Point is based in the finance ministry, which makes it easier for them to leverage their existing relationships and networks to support GEF activities.

35. International CSOs applied for accreditation with endorsement from at least one of the GEF Country OFPs. In addition, they have had a relatively long track record of undertaking activities focused on addressing environmental concerns in several countries. However, this did

[18] Broadening of the GEF Partnership under Paragraph 28 of the GEF Instrument: Key Policy Issues (GEF/C.39/7/Rev.2, 2010)

not automatically ensure that they would receive strong support in all the countries that they cover. At least two of the three International Agencies reported having experienced difficulties in gaining endorsement for their proposals from the OFPs. Several GEF Secretariat staff also acknowledged the barriers faced by the international CSOs in generating support in countries. They suggested that the international CSOs need to gain more experience as GEF Partner Agencies and need to develop and strengthen their working relationships with the government, especially the OFPs. Similarly, several respondents from the GEF Secretariat and Project Agencies (international CSOs) pointed out, that in some countries involvement of some of the International CSOs in policy advocacy work may not inspire confidence in their new role as Project Agencies. Thus, International CSOs face several challenges in gaining country support.

36. The experience of recipient countries with the second round of expansion of the GEF Partnership varies significantly. Only three countries (Brazil, China and South Africa) have gained exposure through a national Project Agency. The national and the regional/ sub-regional Project Agencies together cover only 19 percent (27) of the GEF recipient countries. The majority of countries that have experienced an increase in Partner Agency choice is through the International CSOs. The OFP online survey findings indicate that the achievement of expected results of the second round of expansion in terms of 'country ownership of GEF activities' and 'capacity development of national institutions' is so far relatively modest, wherein approximately a third of the OFPs have indicated that these objectives have been achieved. (See table 4).

5. Competition

37. The *Fifth Overall Performance Study* (OPS-5) of the GEF prepared by the IEO addressed concerns related to competition for GEF resources.[19] OPS-5 noted that an increase in the number of Partner Agencies, along with an increase in member countries and GEF mandates, has led to an increase in the competition for GEF resources. An analysis of the Partner Agencies in the GEF portfolio shows that this is indeed the case.

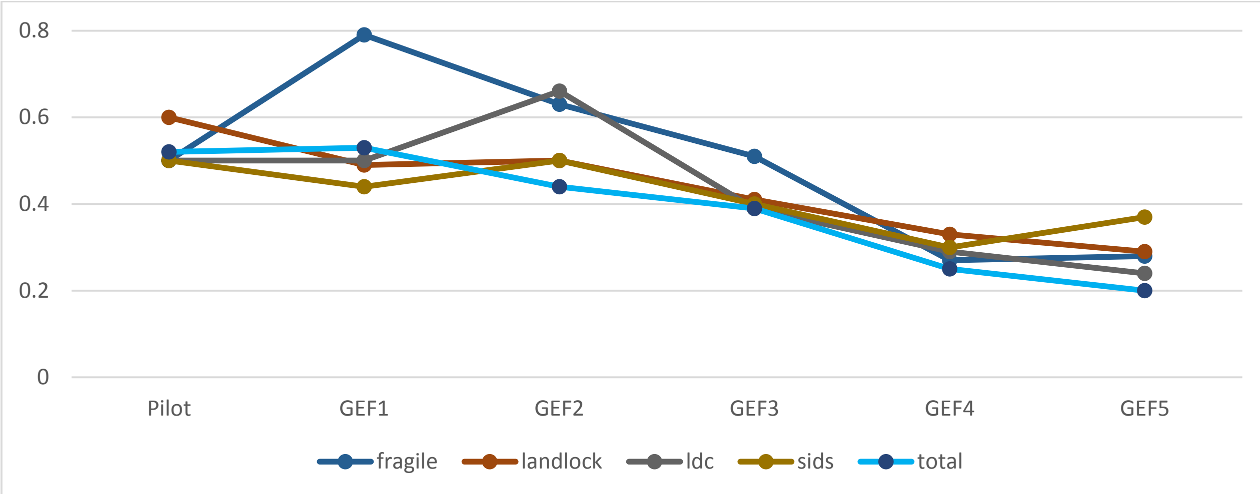
38. The Herfindahl-Hirshman Index (HHI) is a commonly accepted measure of market concentration with values ranging from 0 to 1, with 0 indicating perfect competition and 1 indicative of perfect monopoly. Figure 1 presents changes in the measurements of the HHI for the GEF project portfolio through various GEF replenishment periods. The index is presented for the entire GEF portfolio and for selected groups of countries. The analysis shows that the level of concentration in the project portfolio share, as measured by the HHI, has shown a steady decline from GEF-2 onwards (See Figure 1). While the overall pattern of decline for the selected country groups is similar, the concentration level for these groups of countries has tended to stay slightly higher during the more recent GEF replenishment periods than the overall portfolio.

39. The effect of the second round of expansion is still not fully reflected in the portfolio because very few projects have been approved with a Project Agency as a lead agency.

[19] https://www.thegef.org/gef/sites/thegef.org/files/documents/OPS5-Final-Report-EN.pdf

However, it may expected that the competition for GEF resources among Partner Agencies may have already started unfolding in countries. Sixty one percent of the OFPs reported that the second round of expansion has fully or substantially achieved “greater competition among Partner Agencies” (Table 4). As the share of the Project Agencies grows, the concentration level indicated by HHI index may be expected to drop further along with the share of GEF Agencies.

Figure 1: Herfindahl-Hirschman Index (HHI) by Country Category



40. OPS-5 noted that the GEF Agencies acknowledged the merit in making GEF more inclusive by increasing the number of Partner Agencies. However, several of them indicated during interviews that too much emphasis on competition may now be eroding the underlying principles of partnership and undermining collaboration. The information gathered for this evaluation is consistent with the assessment presented in the OPS-5. In general, Partner Agency staff and program managers at the GEF Secretariat see merit in increased competition because it forces Partner Agencies to be more responsive to country needs and become more efficient. However, they also pointed out that with an increase in the number of agencies competition may be reaching a point where it might be becoming counter-productive and may discourage collaboration. For example, several respondents – including GEF Secretariat and Project Agency staff – pointed out that an increase in the number of Partner Agencies is leading to greater lobbying for GEF projects at the country level for the projects funded through STAR country allocations. OFPs may therefore need to deal with requests from a large number of Agencies and they may not have adequate time to assess their relative merits. As a result, the Partner Agency that the recipient countries eventually choose may not always be the best positioned Agency. Some Partner Agencies also pointed out instances where they had worked on a proposal after receiving a go-ahead from the respective OFP, only to learn later that another Partner Agency had received the OFP endorsement letter, without any notification of the decision to them. While the prevalence of such instances is difficult to determine, one may infer that at least in some situations competition may be unfolding in a manner in which relationships among Partner Agencies and OFPs are under stress. There was recognition for the need for greater transparency from the GEF Secretariat in assessing the comparative advantage of the different agencies, and decisions on project allocations.

41. It should be noted that competition for OFP attention could be in part due to the STAR mechanism as it has placed greater responsibility on the OFPs in the programming of GEF resources at the country level. UN agencies seem to have been less affected as they have been able to manage and maintain close interactions with the OFPs. In comparison, the MDBs have found it more difficult to mainstream such interactions and, therefore, have had varied success

in establishing strong working relationship with OFPs. The MDB staff reported that that the MDBs have tended to be more effective in managing their relationships with OFPs in countries where an OFP is based in the finance ministry than in countries where the OFP is in the ministry responsible for environment issues.

42. The Project Agencies that were brought on board during the second round of expansion did not have prior experience in competing for GEF resources. Thus, their perspective on competition is based on how the actual experience post onboarding compares with what they had anticipated when they had applied for accreditation.

43. None of the staff from the national Project Agencies (DBSA, FECO and FUNBIO) interviewed reported facing excessive competition. Although their share in the GEF6 portfolio within the countries for which they are accredited is still small, they see it as a function of the delays experienced in the accreditation process – by the time they were onboard (especially for FECO and FUNBIO) much of the STAR allocation for their respective countries had been programmed. They noted the interest of some of the GEF Agencies in collaborating with them for joint implementation of projects. Further, strong and sustained OFP support makes them confident that they are better placed for programming during GEF-7. The GEF Agencies too emphasized their willingness to work with the national Project Agencies on joint projects because of complementarity. However, some respondents from the Agencies pointed out instances where the national Project Agencies have not been utilizing the experience of the Agencies in developing projects even where it would have added value, and where OFPs preferred selecting a national Project Agency where a GEF Agency would probably have been more appropriate.

44. Sub/regional Project Agencies such as CAF and BOAD noted that they had strong relationships with the OFPs. However, they are still in preliminary stages of their interactions with the OFPs, and as such had not formed an opinion on how the competition is affecting them.

45. The international CSOs in comparison seem to be facing greater than expected competition in accessing resources through STAR country allocations. In most countries the OFPs have a long standing working relationship with the Original Agencies and they are often assessed to be best positioned to undertake GEF projects in different focal areas. Therefore, it has been difficult for the International CSOs to get a break. These disadvantages for CSOs are likely to be mitigated as they gain more experience and are able to develop stronger relationships.

6. Quality of Services

46. GEF Agencies provide several services that are important to the recipient countries (Annex 3.4).[20] Table 8 presents the OFP perceptions on the overall quality of delivery by Partner

[20] The OFP online survey asked the respondents to assess the six services listed in the survey in terms of their importance to the country. These six services were assessed to be ‘Very Important’ or ‘Important’ by almost all of

Agencies for six services. A vast majority of the OFPs responded that the Partner Agencies are performing satisfactorily in delivering these services. The level of satisfaction with Partner Agency performance seems to be relatively high for services such as project preparation, project supervision and monitoring, support for follow up activities after project completion and assistance in GEF national portfolio formulation. Timely communication of implementation progress is an area where – despite the overwhelming majority of ratings in the satisfactory range – the OFPs tend to be relatively less satisfied with Agency performance. The OFPs also noted in their comments that the Partner Agencies should consult more with them during project preparation. A relatively, higher proportion of OFPs (5/22) did not rate the performance of the Partner Agencies in providing assistance in the national portfolio formulation.

Table 8: OFP perceptions on Quality of Services provided by GEF Partner Agencies[21]

Parameters	**Satisfactory Range**				**Unsatisfactory Range**			
	HS	S	MS	Total	MU	U	HU	Total
Overall performance of the GEF Partner Agencies	3 (14%)	8 (38%)	7 (33%)	18 (86%)	2 (10%)	0 (0%)	1 (5%)	3 (14%)
Assistance in formulation of GEF national portfolio	6 (35%)	7 (41%)	4 (24%)	17 (100%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
Preparation of new project proposals	7 (32%)	10 (45%)	4 (18%)	21 (95%)	1 (5%)	0 (0%)	0 (0%)	1 (5%)
Supervision and monitoring of the project proposals	6 (27%)	9 (41%)	6 (27%)	21 (95%)	1 (5%)	0 (0%)	0 (0%)	1 (5%)
Developing capacities of the national executing agencies	2 (10%)	10 (50%)	5 (25%)	17 (85%)	1 (5%)	2 (10%)	0 (0%)	3 (15%)
Supporting follow up activities upon project completion	4 (18%)	11 (50%)	3 (14%)	18 (82%)	3 (14%)	1 (5%)	0 (0%)	4 (18%)
timely communication of project implementation progress	3 (14%)	7 (32%)	8 (36%)	18 (82%)	1 (5%)	1 (5%)	2 (9%)	4 (18%)

47. The OFP perceptions of the strengths of different Partner Agencies is important because this perception affects their Partner Agency choice for developing project ideas. The online survey asked the OFPs to identify the Partner Agencies that deliver most value or are best positioned to address select performance parameters. Table 9 presents the findings of the survey. It shows that on all parameters it was one of the three original Partner Agencies that the majority of OFPs pointed out as delivering best value or being best positioned to deliver. Although one or more of the Partner Agencies brought onboard during the first round of expansion were mentioned as delivering the best value or best positioned on the given performance parameters (Table 9), in general the agencies from this first round of expansion had substantially fewer mentions than the original Agencies. Nonetheless, their strengths in project implementation, reliability, undertaking medium size projects, engaging the private

the respondents (Annex 3.4). The respondents also had the option to specify any other service that they considered to be important. The respondents did not specify additional services, although some of them emphasized some aspects of the discussed services in their comments.

[21] There were in all 22 respondents. 'Unable to assess' and 'no one stands out' responses have been excluded when calculating the percentages for different categories.

sector and working on projects focused on local communities, were recognized by several OFPs.[22] Given that the OFPs may not have yet had sufficient opportunity to have exposure to the work of the Project Agencies, it is natural that this group was not mentioned on most parameters – however, at least in some instances OFPs did identify the Project Agencies as the one delivering best value or best positioned for projects focused on the private sector (BOAD, WWF), on local communities (WWF), on capacity building (WWF); and project implementation, in their respective countries.

48. Among the Partner Agencies, UNDP was identified by the majority of OFPs as delivering best value or being best positioned in almost all categories, underscoring a strong OFP preference. The World Bank was identified by most OFPs as the Agency that is most effective in project implementation. The World Bank also found several mentions for delivering the best value or being best positioned in terms of being the most reliable, being effective in project preparation, undertaking full size projects and programs, and engaging with the private sector. Although UNEP did not emerge as the most mentioned Project Agency in any of the performance categories, it was acknowledged for being the most active and reliable, and for being best positioned to undertake medium size projects, programs, and capacity building activities. Strong preference for the three original agencies also indicates the effort needed from the Project Agencies to be strongly considered.

Table 9: OFP perceptions on the Agencies that deliver most value on select parameters[23]

Performance Parameter	Original three Agencies	First Round Agencies	Project Agencies
Agencies that are most:			
Responsive to country needs	95% (18)	5% (1)	0% (0)
Active	86% (18)	14% (3)	0% (0)
Reliable	83% (15)	17% (3)	0% (0)
Effective in project preparation	94% (17)	6% (1)	0% (0)
Effective in project Implementation	72% (13)	22% (4)	6% (1)
Effective in post implementation follow up	86% (12)	14% (2)	0% (0)
Agency that is best positioned to undertake:			
Full size projects	95% (19)	5% (1)	0% (0)
Medium size projects	75% (15)	25% (5)	0% (0)
Programs	94% (16)	6% (1)	0% (0)
Projects focused on private sector	60% (9)	27% (4)	13% (2)
Projects focused on local communities, especially indigenous people and women	68% (13)	21% (4)	11% (2)
Projects focused on capacity building	86% (18)	5% (1)	10% (2)

[22] IADB for full size projects (1 respondent); UNDIO (1), FAO (3) and AfDB (1) for medium size projects; UNIDO for programmatic approaches; AfDB, FAO, IFAD for engaging private sector, FAO for engagement of local communities, and projects focused on capacity building.

[23] Total number of OFP responses were 22. 'Unable to assess' and 'none stands out' responses not presented in the table have been excluded when calculating the percentages for different categories.

49. Of the 22 OFPs that participated in the online survey, in response to the question 'which Partner Agency is best positioned to undertake projects focused on private sector' seven OFPs (32 percent) chose the response that 'none stands out'; and in response to the question 'which Partner Agency is best suited for undertaking Programs' five (22 percent) out of the 22 responses were that 'none stands out'. For other questions this response option was chosen only twice (9 percent) or less. The reasons for these responses on a preferred Partner Agency for private sector projects and for undertaking programs need to be better understood and tracked as these are important areas identified in the GEF strategy.

7. GEF as the partner of choice

50. GEF Partner Agencies are expected to provide GEF access to their capacities and networks so that these may be used to generate global environmental benefits. For the Partnership to be effective, it is essential that the Partner Agencies are engaged and motivated to participate in GEF supported activities. The data gathered for the evaluation shows that the Partner Agencies value the resources that the GEF provides and consider the support to be complementary to their own operations that address environmental issues. Most also acknowledge that well-regulated competition among Partner Agencies is important for addressing the needs of the recipient countries efficiently and effectively. For several Agencies, however, the GEF Partnership is diminishing in terms of its relative importance despite the continued mutual relevance of mandates.

51. Although Partner Agencies compete for GEF resources, the GEF in turn competes to be their partner of choice. An important consideration for a GEF Partner Agency is the extent to which GEF funding contributes to its work program. Table 10 compares the scale of the annual work programs of its Partner Agencies and the GEF's share within their work programs. GEF funding accounts for 5 to 30 percent of the total funding of the UN organizations, and between 0.1 to 1 percent of the MDB portfolios. Portfolios of the MDBs and UN organizations are not directly comparable because the former consists primarily of loans and the latter mostly of grants. However, given that the share of GEF funding within the portfolios of the two groups are vastly different in magnitude, difference in the level of GEF share in Agency programming indicates that, inter alia, the GEF may face a greater challenge in getting attention from the top management of the MDBs than of the UN organizations.

Table 10: Scale of Agency Operations and share of GEF Funding – by Partner Agency

Agency	Estimated Scale of Partner Agency's annual work program	Share of GEF funding as share of the Partner Agency Expenditure / budget
Multilateral Development Banks		
World Bank Group	≈ $ 50 billion	≈ 0.5%
ADB	≈$ 20-22 billion	≈ 0.1%
Afdb	≈$ 5 to 7 billion	≈ 1%
IADB	≈ $ 10 to 12 billion	≈ 0.5%
EBRD	≈ $ 11 to 12 billion	≈ 0.2%
UN Organizations		

UNDP	≈ $ 4.3 billion	≈ 10%
UNEP	≈$ 0.5 to $0.8 billion	≈ 30%
FAO	≈$ 1 billion	≈ 10%
IFAD[24]	≈ $ 1 billion	≈ 5%
UNIDO	≈ $ 0.35 billion	≈ 25%

Source: data from the annual reports of the listed organizations from FY2013-2015.

52. During interviews, MDBs noted the importance of GEF funding in helping them unlock large scale investment opportunities in projects that address environmental concerns. Given that GEF resources are primarily in the form of grants, inclusion of a GEF grant component may make the financing package more attractive to the recipient countries. However, the benefits from the inclusion of a GEF grant in the package needs to be balanced with the transaction costs involved in accessing it and other financing alternatives that may be available. In the past decade or so several MDBs have dedicated substantial funds to their climate finance lending portfolios (e.g. ADB, World Bank). Several of them, e.g. ADB and World Bank, also have internal managed sources of grants that may be used for environmental projects. The evaluation of *The World Bank Group's Partnership with the Global Environment Facility* (IEG, 2013) cites the advent of these internally available funding alternatives as one of the reasons for diminished World Bank- GEF Partnership, despite high compatibility and mutual relevance of mandates.

53. Another important challenge in maintaining MDB interest in GEF activities is the transaction cost involved in accessing and implementing GEF grants. The MDBs' obvious strength is in the implementation of investment projects that involve large scale funding. However, with the advent of STAR in GEF-4 the opportunities to develop investment projects have declined. For example, only 41 percent of the GEF recipient countries had a GEF-6 STAR country allocation of more than $10 million and only 18 percent had an allocation greater than $20 million. Thus, in a substantial percentage of countries projects that involve a lower amount of GEF grants are feasible which are costlier for the MDBs to implement. Frequent changes in the project cycle related requirements (including reporting requirements) increases the transaction costs as more time in spent in making sure that the applicable project cycle requirements are met. Similarly, given the increase in number of Partner Agencies there is an increase in the probability that the project ideas for which considerable pre-project work was undertaken do not get endorsed by the respective OFP or by the GEF CEO. Several MDB staff acknowledged the progress being made in reducing transaction costs involved in the project preparation process through 'harmonization', but reported that in several other aspects these costs have remained. The increased focus on programmatic approaches for GEF support is also appreciated as a measure that has addressed the scale related concerns.

54. MDBs continue to be important partners for the GEF because they are in a better position to mainstream GEF priorities in development activities at scale. They leverage considerable levels of co-financing and provide GEF access to strong technical capacities to

[24] IFAD also has a sizable lending operations.

address environmental challenges. Therefore, GEF will need to find ways to retain and enhance their interest and participation.

55. UNDP and UNEP have been part of the GEF Partnership since its inception. As noted earlier, through the course of GEF history UNDP has maintained its share (between 30 to 36 percent[25]) and UNEP has been able to increase its share. FAO and UNIDO, who were brought on board during the first round of expansion, also managed to increase their share to 9 percent and 7 percent respectively, during GEF-5. The share of IFAD, which along with being a UN agency is also a financial institution, has so far been 2 to 3 percent.

56. Taken as a group, the share of UN agencies has increased from 37 percent during the Pilot Phase to 67 percent in GEF-5. What has especially benefitted the UN agencies, especially UNDP, has been the advent of STAR. Despite a substantial increase in the number of Partner Agencies after the first round of expansion, UNDP has been able to retain its relatively high share in the GEF portfolio because of its country presence, comprehensive coverage of the GEF focal areas, and strong working relationship with the GEF OFPs. Other UN agencies have been able to advance their shares in focal areas where they have a comparative advantage, although their overall coverage of GEF focal areas and recipient countries is not as comprehensive as UNDP. FAO has been able to gain share in the Land Degradation, Climate Change (Adaptation) and Biodiversity focal areas. UNIDO has made gains in the Climate Change (Mitigation) and Chemicals and Waste focal areas. The increasing share of the UN organizations is indicative of their continued strong interest in GEF Partnership. Looked at from another perspective, as shown in Table 10, the GEF support accounts for 10 to 30 percent of the program resources of the UN Agencies excluding IFAD. Therefore, it is not surprising that the UN organizations have tended to show greater interest in the GEF Partnership. Although concerns were expressed in relation to a gradual decline in project fees and changing project cycle related requirements, UN agencies have in general made greater efforts to adapt to GEF processes.

57. The new Project Agencies that came onboard during the second round of expansion are keen to develop their portfolio of GEF projects. Most Project Agencies were not included in country level programming for GEF-6, as several countries had already committed the STAR country allocation resources for GEF-6 by the time these agencies started approaching the OFPs for project proposals. Nonetheless, almost all of the Project Agencies have now had experience in preparing and submitting a PIF, and five of them have been able to get a project approved (by April 2016). In general, Project Agencies have found that getting a project approved has been more difficult than they had anticipated.

58. The experience of BOAD and CAF with the GEF project cycle is still very limited because they were among the last to come on board during the second round of expansion. International CSOs, which were among the first to come onboard during the second round and have already secured several PIF approvals, have found it difficult to obtain support in most countries. Some of this is because OFPs have a fairly positive perception of the performance of

[25] This is based on the approved projects that have been led by UNDP and it excludes the resources managed by UNDP for the GEF Small Grants Programme (SGP).

the older GEF Agencies (Table 9) and have greater familiarity with their work. The relative inexperience of the International CSOs vis-à-vis older Agencies in dealing with the GEF project cycle is another reason why OFPs have been relatively cautious in endorsing their proposals. Most of the concerns related to this learning curve are likely to be mitigated as the Project Agencies gain more experience.

59. Most Project Agencies reported that in order to be cost effective and provide a full range of services expected, they will need to have a GEF portfolio of about $ 15 to $30 million of new GEF funds each year. Achieving this level of funding will push some of the Project Agencies, especially international CSOs, closer to their GEF funding ceiling, which according to several Project Agencies, is not fair, given that some of the UN Agencies may be operating at a level higher than what would have been the case had the ceiling related criteria applicable to the Project Agencies been applied to the Agencies as well. Attractiveness of the GEF as a partner of choice for Project Agencies is dependent on the extent to which they feel included in the partnership, are treated fairly, and the extent to which they are able to develop their portfolios.

8. Expansion and Efficiency

60. The GEF-5 replenishment participants expected the expansion of the GEF Partnership to reduce the overhead costs of resource delivery. The evidence available so far indicates that the efficiency gains in terms of somewhat lower average Project Fees, may be balanced or even outweighed by the cost being incurred by the GEF Secretariat in managing the increased number of Partner Agencies and by the Project Agencies that do not get compensated for providing support for corporate activities. Information asymmetry on costs incurred by the Partner Agencies and also those in project execution, makes it difficult to determine the net gains or losses in fiscal terms.

61. GEF Agencies are mandated to provide corporate services to the GEF whereas Project Agencies are not –due to these varied expectations the project fee rate for GEF Agencies is pegged at 9.5 percent for projects with GEF grants less than 10 million dollars and 9 percent for those above the threshold. A uniform rate of 9 percent is applied for grants managed by the Project Agencies. During GEF-6 the effective project fee rate for the GEF Agencies has been at 9.3 percent whereas it is marginally lower at 9.0 percent for the GEF Project Agencies. Given the overall small foot print of the Project Agencies in the GEF portfolio, so far the net savings based on the difference in project fee for GEF-6 is about US $ 0.15 million.[26]

62. Despite the fact that Project Agencies need not provide support for corporate activities, most of the Project Agencies, especially the International CSOs have been involved in these of their own volition because non-participation in GEF corporate activities puts them at a

[26] The saving are applicable to only projects that involve a GEF funding of less than US $ 10 million. Up to April 30th 2016, in all eight GEF-6 projects that accounted for US $ 30 million in GEF grants, and were individually less than US $ 10 million in GEF grant, had been approved. At 0.5 percent rate the saving on account of these projects will be US $ 150,000.

disadvantage –for example, they will not be aware of likely changes in the GEF policies and guidelines and be able to prepare accordingly. Thus, costs on providing corporate services are being incurred by at least some of the Project Agencies, although they are not being compensated for it.

63. Due to the expansion there has been an increase in the costs involved in providing additional support to make the new Partner Agencies familiar with the project cycle requirements and become more adept at project preparation. Although the individual experience varies and some GEF Secretariat program managers have experienced no change in their work from the second round of expansion, they generally report having to spend more time in upstream consultations and post PIF submission back and forth on proposals. On the Project Agency front, due to lesser familiarity with the GEF project cycle requirements, it take more time for the Project Agencies to develop proposals. Some Project Agencies have addressed this by hiring staff with experience working on GEF activities. Most respondents from the GEF Secretariat and Project Agencies assess the hurdles being faced in the project preparation process to be a part of the learning process and expect it to be less of a bottleneck in future.

64. Inclusion of Project Agencies, especially International CSOs, is likely to enhance GEF's ability to undertake projects that involve a smaller amount of funding. Although with an increase in the funding ceiling for MSPs to up to US $ 2.0 million, it is likely to increase the choice available to the countries for undertaking Medium Size Projects. The GEF program managers generally see Project Agencies as nimble and flexible. They believe that once the Project Agencies gain more experience they would be able to address the project cycle requirements efficiently.

65. Broadly, choices of the OFPs and competition for GEF resources are perceived to have increased (table 4). In the majority of countries this is perceived to be useful from the cost effectiveness perspective. However, some OFPs felt that an increase in choice of agencies has led to an increase in their transaction costs, as they are now required to manage relationships with more Partner Agencies. Some of them also felt that there is a risk that spending more time in managing relationships with more Partner Agencies would reduce the time available for strategic planning. Some Agencies and a few Secretariat staff also expressed apprehension that the need to interact with more agencies may put pressure on the OFPs to endorse projects that involve smaller GEF grant amounts so that all GEF Partner Agencies active in a country are able to implement at least one project. There is a need to track whether, and the extent to which, these potential issues unfold.

66. At another level, managing a partnership of 18 agencies requires more time and attention from GEF management. Senior management of the GEF now has to divide its attention 'band width' among a greater number of Agencies to make sure that GEF priorities continue to gain Partner Agency management's attention. Interactions have now become more time consuming : several focal area coordinators at the GEF Secretariat and Project Agency staff

noted that the focal area task force meetings and other inter agency platforms are difficult to manage in a manner where there is a constructive exchange of ideas.

Overall Perceptions on GEF Effectiveness

67. GEF stakeholders that are part of the GEF Partnership assess the GEF to be effective in delivering on its environmental mandate. Among the stakeholders, OFPs tend to rate the overall effectiveness of the GEF higher than the Conventional Focal points or CSOs.

68. The evaluation gathered perceptions on GEF effectiveness in generating global environmental benefits. While key stakeholders such as OFPs, Convention Focal Points, and CSOs, were contacted through an online line survey, Partner Agency and GEF Secretariat staff were interviewed. All of these stakeholder groups are directly or indirectly involved in GEF activities. All the stakeholders assess the GEF Partnership to be effective in delivering global environmental benefits (Table 11). Several Agencies noted the impressive track record of the GEF in addressing important environmental concerns along with the ability to mobilize resources from different sources and partners. Of the stakeholders covered through online survey and those that rated GEF performance, 100 percent of OFPs, 95 percent of Convention Focal Points, and 88 percent of CSOs, rated GEF performance in generating global environmental benefits to be in the 'effective range'. The OFPs tend to provide higher ratings than the others. Although an overwhelming majority of CSOs rated the GEF performance to be in the 'effective range' they tended to be slightly more cautious in their assessment.

Table 11: Effectiveness of GEF Partnership in generating Global Environmental Benefits

Rating Categories	GEF Stakeholder Category		
	Operational Focal Points	Convention Focal Points	Civil Society Organizations
Highly Effective	19% (4)	13% (5)	11% (7)
Effective	43% (9)	51% (20)	23% (15)
Moderately Effective	38% (8)	31% (12)	53% (34)
Effective Range	**100 % (21)**	**95% (37)**	**88% (56)**
Moderately Ineffective	0% (0)	3% (1)	9% (6)
Ineffective	0% (0)	3% (1)	2% (1)
Highly Ineffective	0% (0)	0% (0)	2% (1)
Ineffective Range	**0% (0)**	**5% (2)**	**12% (8)**
Unable to assess	0	7	5
Total respondents	21	46	69

Source: Online survey. The calculation of percentages excludes unable to assess.

Overall Perceptions on the Scope for Expansion of the Partnership

69. The evaluation also gathered perceptions on further scope for expansion of the GEF Partnership. Among the stakeholders surveyed, a majority of the OFPs and CSOs either called for the number of Agencies to be maintained or decreased, or were unable to assess. The CSO

Network forms the only group where the majority of respondents (51 percent) were in favor of a further increase in the number of GEF Partner Agencies (Table 12).

Table 12: Perspectives on further change in number of GEF Partner Agencies

Table 12: Perspectives on further change in number of GEF Partner Agencies

Should the number of GEF Partner Agencies be increased, maintained or decreased?	GEF Stakeholder Category		
	Operational Focal Points	Convention Focal Points	Civil Society Organizations
Should be Increased	38% (8)	20% (9)	51% (35)
Should be Maintained	43% (9)	39% (17)	31% (21)
Should be Decreased	10% (2)	9% (4)	4% (3)
Unable to Assess	10% (2)	32% (14)	13% (9)
Total	100% (21)	100% (44)	100% (68)

70. An overwhelming majority of respondents at the GEF Secretariat and Partner Agencies were of the opinion that at this juncture, where the long term effects of the second round of expansion are still to be understood, GEF should not increase the number of Agencies. As the long term effects become more evident, a more informed decision may then be made. Among other reasons provided for not increasing the number of agencies at this juncture include: The GEF Partnership has become too complex; and, the GEF replenishment has not increased without which it might be difficult to sustain the interest of the new Project Agencies and prevent the fragmentation of resources; a need for better understanding of the comparative advantage of the different agencies and their roles going forward; an assessment of the implementation capacities of the new agencies, and the realization of the intended benefits of the expansion including enhanced coverage, capacity development and efficiency .

71. The few respondents who were open to further expansion noted that there may be opportunities to include some national agencies and/or international agencies that address an important gap that the present suite of Partner Agencies are not able to address, for example in the Chemicals Focal area. However, all these respondents suggested that any further expansion should be linked to the replenishment for the GEF-7 period.

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Annexes

Annex 1: List of People Consulted

Name	Title	Institution – unit	Date of Interview
Recipient Countries			
Mr. Zaheer Fakir	Operational Focal Point, South Africa		Feb 20, 2015
Dr. Julius Ningu	Operational Focal Point, Tanzania	Director of Environment	Sep 28, 2015
Mr. Vitor de Lima Magalhaes / Ms. Tania Delfino Ribeiro	Specialist in Public Policy and Gov. Management / General Coordination for External Financing	Operational Focal Point, Secretariat of International Affairs, Ministry of Planning, Budget and Management	Mar 10, 2016
Civil Society Organizations			
Harvey Keown		Africa Foundation for Sustainable Development	Feb 17, 2016
Ryan Jooste	Director	All for Africa Foundation	Feb 19, 2016
Tonderai Chikono	Sr. Partnership Negotiator/Manager	National Partnership in Development Office, Humana People to People in SA	
Mr. Jaime Bastos	Executive Director	IPANEMA, Brazil	Mar 9, 2016
Dr. Luiza Nunes Alonso		(Volunteer) FUNDHAM, Brazil	Mar 10, 2016
Partner Agencies			
Jean Yves Pirot		IUCN	Jan 8, 2015
Lilian Spijkerman / Orissa Samaroo		Conservation International	Jan 9, 2015
Nomsa Zondi		DBSA (Windhoek)	Feb 17, 2015
Noluthando Moledi		DBSA (Windhoek)	Feb 18, 2015
Michelle Layte	Manager	Green Fund Secretariat, DBSA	Feb 20, 2015
Orissa Samaroo / Marion Deudon / Kelly Polk		Conservation International	Mar 6, 2015
Saphira Patel	Head Operations Evaluation Unit	DBSA , South Africa	Feb 12, 2016
Dr. Backson Sibanda	M&E consultant DBSA	Director Bactha Consulting	Feb 15, 2016
Olympus Manthata	Investment Manager	Green Fund, DBSA	Feb 15, 2016
Mohale Rakgate	General Manager	Project Preparation Funds, DBSA	Feb 15, 2016
Miguel A. Morales / Orissa Samaroo	Vice President Senior Manager	Conservation International	
Mr. Chris Warner		World Bank	
Ms. Dominique Kayser	Sr. Operations Officer	Implementing Agency Coordination Unit, World Bank	Mar 3, 2016
Gomez Garcia Palao	Sr. Executive	CAF	
Mr. Fabio Leite	GEF Coordinator	FUNBIO	Mar 7, 2016
Ms. Rosa Lemos de Sa Mr. Manuel Serrao, Mr. Fabio Leite	Secretary General, Director of Programs, GEF Coordinator	FUNBIO	Mar 7, 2016
Ms. Alexandria Vaina	Internal Auditor	FUNBIO	Mar 8, 2016
Ms. Fernanda Marques	Coordinator	Donations National and International, FUNBIO	Mar 8, 2016

Ms. Erica Polverari	Coordinator	Legal Obligations, FUNBIO	Mar 8, 2016
Mr. Helio Hara	Gender Focal Point	FUNBIO	Mar 8, 2016
Mr. Alexandre Ferrazoli	Safeguards Natural Habitat	FUNBIO	Mar 8, 2016
Ms. Daniella Leite	Safeguards – Indigenous Peoples	FUNBIO	Mar 8, 2016
Mr. Xiao Xuezhi Ms. Chen Haijun	Technical Director General, Director	FECO, China	Mar 10, 2016
Ms. Rosenely Diegues Peixoto	Programme Analyst & GEF Advisor	UNDP – Brazil Office	Mar 10, 2016
Ms. Denise Hamu	Brazil Office Representative	Brazil Country Office, UNEP	Mar 10, 2016
Ben Almani / Almany Mbengue	Director / Principal Financial Analyst	Climate Finance, BOAD	Mar 14, 2016
Jean Yves Pirot		IUCN	Mar 15, 2016
David McCauley	Senior Vice President, Policy and Government Affairs	WWF-US	Mar 31, 2016
Nessim Ahmad Bruce Dunn	Director, Environment and Social Safeguards GEF Coordinator Asian Development Bank	Asian Development Bank	Apr 7, 2016
Gustavo Marino	Director, Investment Sector Division	FAO	Apr 8, 2016
Karin Shepardson, Dominique Kayser, Christopher Warner	Program Manager Senior Operations Officer Senior NRM Specialist	World Bank	Apr 11, 2016
Brennan VanDyke	GEF Executive Coordinator	UNEP	April 22, 2016
GEF Secretariat			
Kenneth King	Deputy CEO (former)		Feb 5, 2015
Ulrich Apel			Feb 11, 2015
Leah Bunce Karer			Feb 20, 2015
Mark Zimsky	Project reviewer		Feb 24, 2015
Yoko Watanabe	Reviewer of proposals from Project Agencies		March 4, 2015
Monique Barbut	CEO (former)		Mar 30, 2015
Christine Roehrer Omid Parzikar		Results Based Management	Mar 2, 2016
Ulrich Apel	Program Coordinator	Land Degradation and Sustainable Forest Management	
Mark Zimsky	Coordinator	Biodiversity Focal Area & Latin America	Mar 7, 2016
David Rodgers	Coordinator	Climate Change Mitigation	
Jean-Marc Sinnassamy	Sr. Environ. Specialist		
Jaime Cavaliers	Sr. Environ. Specialist		Mar 8, 2016
Henry Salazar			Mar 9, 2016
Mohamad Imam Bakarr	Lead Environ. Specialist		
Ibrahima Sow	Sr. Environ. Officer	Coordinator Africa	Mar 16, 2016
Anil Sookdev	Coordinator	Chemicals and Waste	Mar 24, 2016
Naoko Ishii	CEO, GEF	GEF	Apr 5, 2016

ANNEX 2: GUIDING QUESTIONS FOR KEY STAKEHOLDERS.

Annex 2.1: Guiding Questions for Project Agencies

- In your assessment what is the value that your organization adds to the GEF Partnership ?
- Are there specific areas within GEF focal areas and focal area strategies where you are making or will be able to make significant contributions?
- To what extent is the being a GEF Partner Agency adding value to your institution?
- In what ways has being a GEF Partner Agency affected your Organization's
- Policies and processes
- Institutional capacities
- To what extent and how has involvement in the GEF Partnership changed how your organization is viewed by your key stakeholders?
- What are the emerging results of your participation as a GEF Partner Agency? Are there any results that are not yet evident but might become apparent later?
- After becoming accredited as a GEF Partner Agency, how effective has the onboarding process been for your Organization? To what extent and in what form have you received support from the GEF Secretariat to facilitate your onboarding?
- To what extent is it easy for you to get the relevant information on GEF Activities, policies and procedures from the GEF website? Are there areas where you feel there is an information gap?
- Do you have a team in place to focus on the GEF portfolio? How this team is structured (staff deployed and its place with the Organizational hierarchy) and how does it operate? What are the annual expenses of this team?
- How is the evaluation function reflected in the Organizational hierarchy? To what extent is it independent of the unit within the Organization that oversees development and implementation of the
- How do you interact with the Operational Focal Point and the GEF Secretariat on developing new project ideas?
- What has been your experience with the process of development of GEF project proposals? How has the experience been in seeking endorsement from the Operational Focal Point?
- How have the interactions with the GEF Secretariat been during the project appraisal process? To what extent has the feedback from the program managers in DC been useful? To what extent are they responsive?
- Does your organization has a targeted GEF portfolio size in mind? What level of GEF portfolio would help make your institutional engagement in the GEF Partnership cost effective?
- To what extent has competition among GEF Agencies increased due to recent expansion of the partnership? To what extent is this competition healthy or conversely counterproductive?

- To what extent has expansion of the Partnership increased the choices available to the Operational Focal Points?
- To what extent is the GEF Partnership, including GEF Agencies, effective in delivering global environmental benefits which is the main mandate of the GEF?
- Should the number of GEF Agencies be increased, maintained or decreased? Why? (If yes, what types of agencies should be included?)

Annex 2.2 Guiding Questions for Agencies

- What are the areas where your Agency offers a comparative advantage to the GEF?
- What has been the effect of its participation in the GEF Partnership on your Agency?
- What has been the effect of the increase in the number of GEF Partner Agencies on your Agency's relationship to GEF? In what ways has it affected its participation in GEF activities?
- **For the Original Agencies only:** How does the effect of the first round of increase in GEF Agencies (from the original 3 to 10 Agencies) on GEF and your Agency, compare with that of the latest round (10 to 18 Agencies)?
- Are there areas where you are experiencing or foresee greater competition, or where greater opportunities have been unlocked, as a result of the increase in number of GEF Partner Agencies?
- To what extent has competition among GEF Agencies increased due to increase in the number of GEF Partner Agencies? To what extent is this competition healthy or conversely counterproductive?
- To what extent has the increase in the number of GEF Partner Agencies increased the choices available to the Operational Focal Points? How has expansion affected your Agency's relationship with the OFPs?
- To what extent has the increase in the number of GEF Partner Agencies affected the choices available to the GEF Secretariat for focal areas that are not covered under STAR and for the set asides? To what extent has the expansion affected your Agency's relationship with the GEF Secretariat Program Managers?
- Within the context of gradual decrease in Agency project fees, what have been the efforts that your organization has made in recent years to reduce costs of its GEF operations? How has the expansion of GEF Partnership affected costs of your GEF operations?
- To what extent is the GEF Partnership, including GEF Agencies, effective in delivering global environmental benefits which is the main mandate of the GEF?
- How has the recent increase in the number of GEF Agencies affected the ability of the GEF Partnership to deliver on its mandate for generation of global environmental benefits?
- Should the number of GEF Agencies be increased, maintained or decreased? Why?

Annex 2.3 Guiding Questions for Program Managers

- What value do the Project Agencies add to the GEF Partnership ?
- To what extent have the measures adopted by the Secretariat to facilitate onboarding of the new Project Agencies been adequate?
- How has expansion of the GEF Partnership affected your work as _____? In your opinion how is the expansion affecting the work of the other program managers whose work you are familiar with?
- To what extent and in what ways do the proposals submitted by the new Projects Agencies differ in quality from those submitted by the older Agencies?
- Is there a difference in the level of effort required at your end for upstream consultations for development of the proposals (pre PIF submission)?
- To what extent do the proposals submitted by the new Project Agencies address new environmental concerns and/or are innovative? Have you come across proposals from the new Project Agencies that are unlikely to have been developed by the older Agencies? Could you share some examples?
- In the past year or so to what extent do you see an evolution in your interactions with the new Project Agencies?
- As a result of the expansion, what has been the effect on: efficiency of GEF operations; competition among agencies for GEF resources; and, country ownership of GEF activities?
- Should the number of GEF Agencies be increased, maintained or decreased, and why?

ANNEX 3: DATA ANALYSIS

Annex 3.1: Focal Area Coverage through Expansion[27]

GEF Project Agency	Biodiversity	Climate Change	International Waters	Land Degradation	Chemicals & Waste
Original Partner Agencies (3)	3	3	3	3	3
UNDP	*1*	*1*	*1*	*1*	*1*
UNEP	*1*	*1*	*1*	*1*	*1*
World Bank	*1*	*1*	*1*	*1*	*1*
First Expansion Additions (7)	5	7	5	5	2
ADB	*1*	*1*	*0*	*1*	*0*
AfDB	*1*	*1*	*1*	*1*	*0*
EBRD	*0*	*1*	*1*	*0*	*0*
FAO	*1*	*1*	*1*	*1*	*1*
IDB	*1*	*1*	*1*	*1*	*0*
IFAD	*1*	*1*	*0*	*1*	*0*
UNIDO	*0*	*1*	*1*	*0*	*1*
Second Expansion (8)	7	8	3	4	3
National Agencies	3	3	1	2	2
DBSA	*1*	*1*	*0*	*1*	*1*
FECO	*1*	*1*	*1*	*1*	*1*
FUNBIO	*1*	*1*	*0*	*0*	*0*
Regional/Sub Regional banks	1	2	0	0	0
BOAD	*0*	*1*	*0*	*0*	*0*
CAF	*1*	*1*	*0*	*0*	*0*
International CSO	3	3	3	2	1
CI	*1*	*1*	*1*	*1*	*0*
IUCN	*1*	*1*	*1*	*1*	*0*
WWF-US	*1*	*1*	*1*	*1*	*1*
Total (18 Agencies)	**15**	**18**	**11**	**13**	**8**

Annex 3.2: Increase in Agency Choice due to second round of expansion - share of countries by level of choice increase

Country Group	Countries with no increase or increase of one Agency (n=59) (a)	Countries with increase of at least two Agencies (n=84) (b)	All GEF Recipient Countries (N=143) (c)
LDCs	23 (39%)	24 (29%)	47 (33%)
Fragile	15 (25%)	17 (20%)	32 (22%)
SIDS	19 (32%)	19 (23%)	38 (27%)
Land Locked	17 (29%)	17 (20%)	34 (24%)

[27] The table on focal area coverage has been prepared based on information from several sources. For the original Partner Agencies and those that were added during the first round of expansion, the actual GEF portfolios of the Agency was taken into account and it was corroborated with the information provided in the paper *Comparative Advantage of GEF Agencies* (GEF/C.31/5, 2007). For the Partner Agencies added through the second round of expansion in *Secretariat Recommendations of Project Agencies for Accreditation* (GEF/C.42/09/Rev.01, 2012) and through interview of the Partner Agency and Secretariat staff was used as a basis.

This table presents a comparison of the shares of the different country groups based on the choice expansion categories. The table shows that although LDCs constitute 33 percent of the total GEF recipient countries they account for 39 percent of the countries that experiences little increase in choice.

Annex 3.3: Number of GEF Recipient Countries Covered by Partner Agencies

Agency	Period 1995-2001	Period 2007-2013	Period 2014-continuing
GEF Total	147 (100%)	148 (100%)	143 (100%)
World Bank	133 (90%)	141 (95%)	133 (93%)
UNDP	147 (100%)	148 (100%)	143 (100%)
UNEP	104 (71%)	109 (74%)	100 (70%)
UNIDO	__ __	138 (93%)	135 (94%)
FAO	__ __	148 (100%)	143 (100%)
IFAD	__ __	137 (93%)	139 (97%)
ADB	__ __	40 (27%)	41 (29%)
AfDB	__ __	59 (40%)	58 (41%)
EBRD	__ __	27 (18%)	24 (17%)
IADB	__ __	28 (19%)	27 (19%)
CI	__ __	__ __	62 (43%)
DBSA	__ __	__ __	1 (1%)
IUCN	__ __	__ __	127 (89%)
WWF	__ __	__ __	50 (35%)
FUNBIO	__ __	__ __	1 (1%)
FECO	__ __	__ __	1 (1%)
CAF	__ __	__ __	17 (12%)
BOAD	__ __	__ __	8 (6%)

Annex 3.4: OFP perceptions about the Importance of Services provided by GEF Project Agencies

Service Provided	Very important	Important	Somewhat important	Not important	Not applicable / Unable to assess	Total (Respondents)
Assistance in formulation of GEF national portfolio formulation	11 (50%)	6 (27%)	3 (14%)	1 (5%)	1 (5%)	22 (100%)
Project Preparation	15 (68%)	6 (27%)	1 (5%)	0 (0%)	0 (0%)	22 (100%)
Project supervision and monitoring	14 (64%)	6 (27%)	2 (9%)	0 (0%)	0 (0%)	22 (100%)
Developing capacities of the national executing agencies	14 (64%)	7 (32%)	1 (5%)	0 (0%)	0 (0%)	22 (100%)
Support for follow up activities upon project completion	12 (55%)	7 (32%)	2 (9%)	0 (0%)	0 (0%)	22 (100%)
Timely communication of implementation progress	16 (73%)	4 (18%)	1 (5%)	1 (5%)	0 (0%)	22 (100%)

Annex 3.5: OFP perceptions about the importance of results that may be expected from the second round expansion of the GEF Partnership

Results expected	Very important	Important	Somewhat important	Not important	Not applicable/ Unable to assess	Total (Respondents)
Competition among GEF Partner Agencies	10 (45%)	7 (32%)	3 (14%)	2 (9%)	0 (0%)	22 (100%)
Efficiency in GEF operations	6 (27%)	12 (55%)	2 (9%)	2 (9%)	0 (0%)	22 (100%)
New technical capacities to address environmental concerns	12 (55%)	7 (32%)	2 (9%)	1 (5%)	0 (0%)	22 (100%)
Choice in selecting a GEF Partner Agency for a GEF project	12 (55%)	7 (32%)	2 (9%)	1 (5%)	0 (0%)	22 (100%)
Ownership of the GEF activities	9 (41%)	6 (27%)	3 (14%)	1 (5%)	3 (14%)	22 (100%)
Capacity development of national Institutions	10 (45%)	5 (23%)	3 (14%)	1 (5%)	3 (14%)	22 (100%)
Coverage of new geographical areas within the country	6 (27%)	7 (32%)	2 (9%)	2 (9%)	5 (23%)	22 (100%)