



Progress towards Results

Fourth Overall Performance Study of the GEF

OPS4



GLOBAL ENVIRONMENT FACILITY
EVALUATION OFFICE

Introduction

- ❑ **OPS4** is an independent study to assess the extent to which the GEF is achieving its objectives and to identify potential improvements
- ❑ **OPS4** is a working document of the 5th Replenishment of the GEF and will be presented to the Assembly in 05/2010.
- ❑ Terms of Reference approved by the GEF Council in 09/2008.
- ❑ Work had already started in 07/2008
- ❑ Data gathering stopped on 06/30/2009
- ❑ An interim report was presented to the second replenishment meeting, 06/2009
- ❑ Final report will be presented to the third replenishment meeting, 14 October, 2009

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Scope

- ❑ 16 key questions identified in terms of reference
- ❑ Approach and methodology differ per question, but all projects and project proposals until June 30, 2009, were studied:
 - *2,389 finished, on-going and approved projects from the pilot phase up to 06/30/2009, with commitments of \$ 8.7 billion and co-funding of \$ 37.6 billion.*
 - *Terminal evaluations of all finished projects since the Third Overall Performance Study: 215*
 - *All pipeline proposals until June 30, 2009*
- ❑ OPS4 built on OPS3, 24 evaluation reports of the Evaluation Office, and evidence from:
 - *57 countries, visited after OPS3*
 - *Including 9 special country case studies and 10 additional impact verification field visits*
 - *Literature and desk reviews, interviews, surveys*
- ❑ Consultations with representatives of all stakeholders

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Limitations

- ❑ All 16 key questions answered, but varying degrees of depth;
- ❑ More evidence will need to be gathered on:
 - *The involvement of civil society and the private sector in the GEF*
 - *Resources management in the GEF*
 - *Cost-effectiveness*
- ❑ Two major evaluations of the Evaluation Office have led to on-going reform processes:
 - *The reform of the project cycle; positive indications but it is too soon for evaluative judgments*
 - *The reform of the resource allocation system*
- ❑ Impact evidence in the GEF is still limited to the three implementing agencies: World Bank, UNDP and UNEP; the other agencies are not yet long enough involved

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GEF Portfolio (1)

Table 1.1 GEF Project Funding by Fund (million \$)

Fund	Pilot	GEf-1	GEF-2	GEF-3	GEF-4	All Phases
GEF Trust Fund	726	1228	1857	2784	1996	8590
LSCD	0	0	0	6	88	95
SCCF	0	0	0	14	72	87
Total	726	1228	1857	2804	2156	8772

Table 1.2 Number of Projects by Focal Area

Focal Areas	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	All phases
Bio	57	206	286	240	157	946
C.C	41	141	215	166	96	659
Int. Waters	13	13	47	48	51	172
ODS	2	12	7	3	2	26
POPs	0	0	45	96	59	200
LD	0	0	0	45	31	76
Multifocal	1	6	28	195	80	310
All Focal Areas	114	378	628	793	476	2,389

Table 1.3 GEF Funding by Focal Area

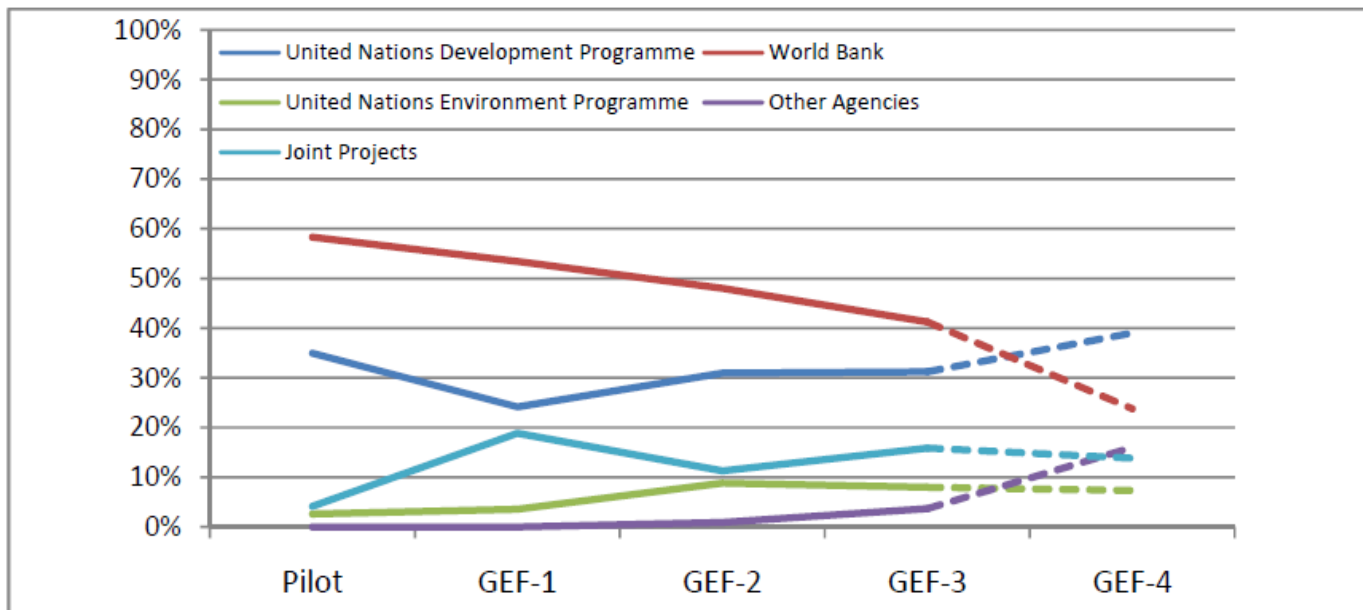
	BIO	CC	IW	ODS	POPs	LD	MFA	Total
Funding in \$ m	2,792	2,743	1,065	180	358	339	114	8,591
Percentage	31.9	32.5	12.4	2.1	4.2	3.9	13	100

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GEF Portfolio (2)

Figure 1.1 GEF Funding Share by Agency



Note: the dotted lines indicate the trend for GEF-4.

Table 1.4 GEF Funding by Modality (million \$)

Modality	Pilot Phase	GEF 1	GEF 2	GEF 3	GEF 4	All Phases
FSP	678	1,126	1,566	2,351	1,719	7,440
MSP	0	7	124	136	104	371
EAs	35	69	91	132	7	334
SGP	13	26	75	165	166	446
Total	726	1,228	1,857	2,784	1,996	8,590

Source: GEF Project Management Information System, through June 30, 2009.

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Overall verdict of OPS4

- The traditional evaluative judgments on relevance, efficiency, effectiveness, and sustainability:
 - The GEF is **relevant** both to the conventions and to regional and national priorities
 - The GEF projects are **effective** in producing outcomes, with the average score over the GEF-4 period of 80 percent exceeding the international benchmark of 75 percent
 - The **sustainability** of these outcomes, as measured by progress toward impact, is good – 70 percent of finished projects see progress toward global environmental benefits, although further follow-up action from national partners is essential to achieve global environmental benefits
 - The **efficiency** of the GEF can and should be further improved, with emphasis on programming, less time lost on project identification, better formulation of funding proposals, an enhanced fee structure, more integrated learning, and a results-based management framework that includes progress to impact measurements

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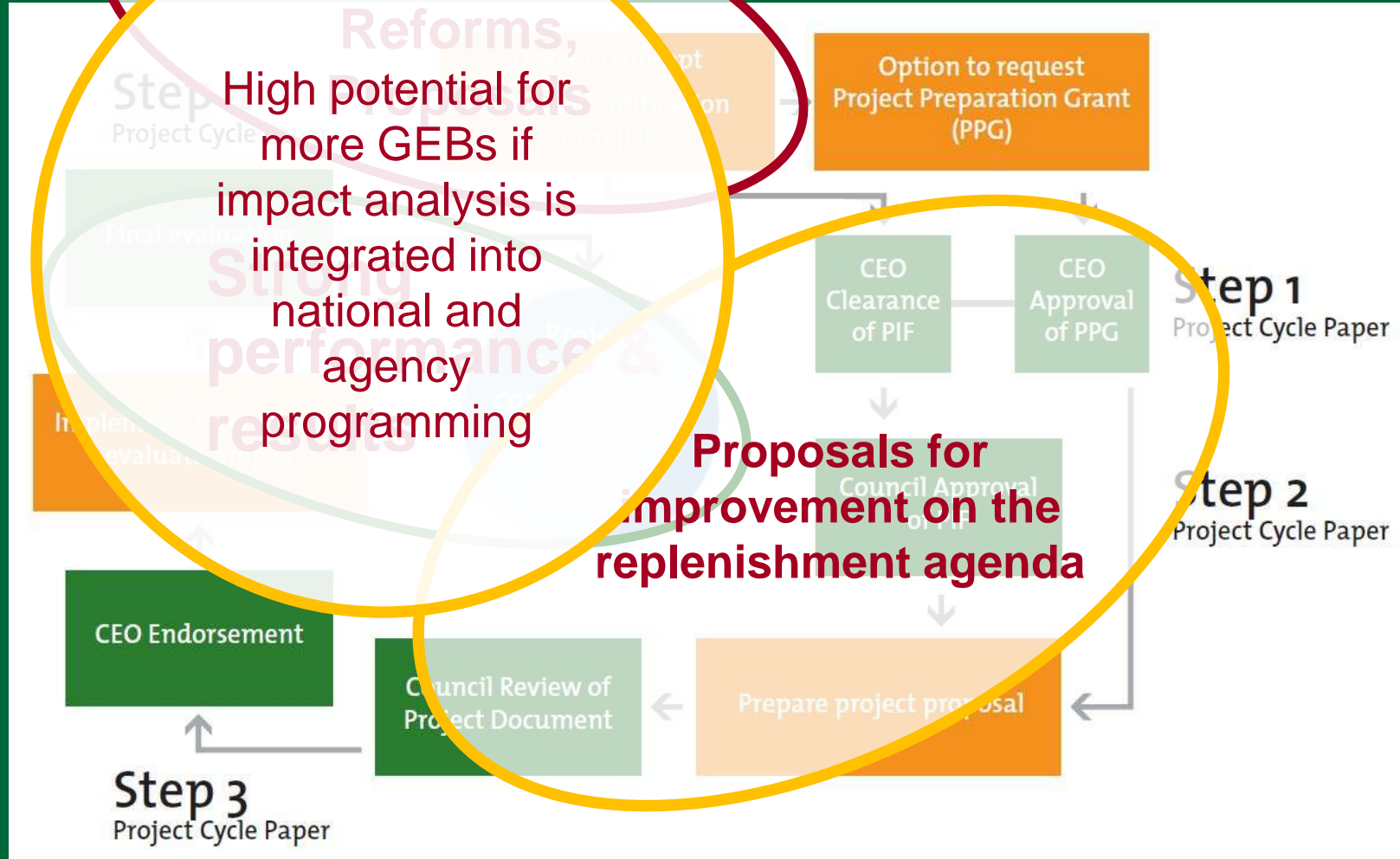
In strategic terms

- ❑ The GEF shows good progress toward impact
- ❑ Outcome performance is satisfactory
- ❑ “Inability to deliver” is perception linked to pre-approval phase
 - Reform processes are underway and show promise
 - Moving from focal area project support toward programming on a national level would bring GEF further in line with Paris Declaration on aid effectiveness
- ❑ Under funding of the GEF has several dimensions:
 - International funding gap on global environmental problems
 - Funding gap on guidance from the conventions
 - Funding gap in full scale support in several groups of countries (LDCs, SIDS, Fragile states)
- ❑ The GEF partnership brings added value – its tensions need to be resolved
- ❑ If the GEF-5 replenishment recommendations include strong proposals concerning programming, efficiency and partnership, the Fourth Overall Performance Study supports the highest level of replenishment for the GEF

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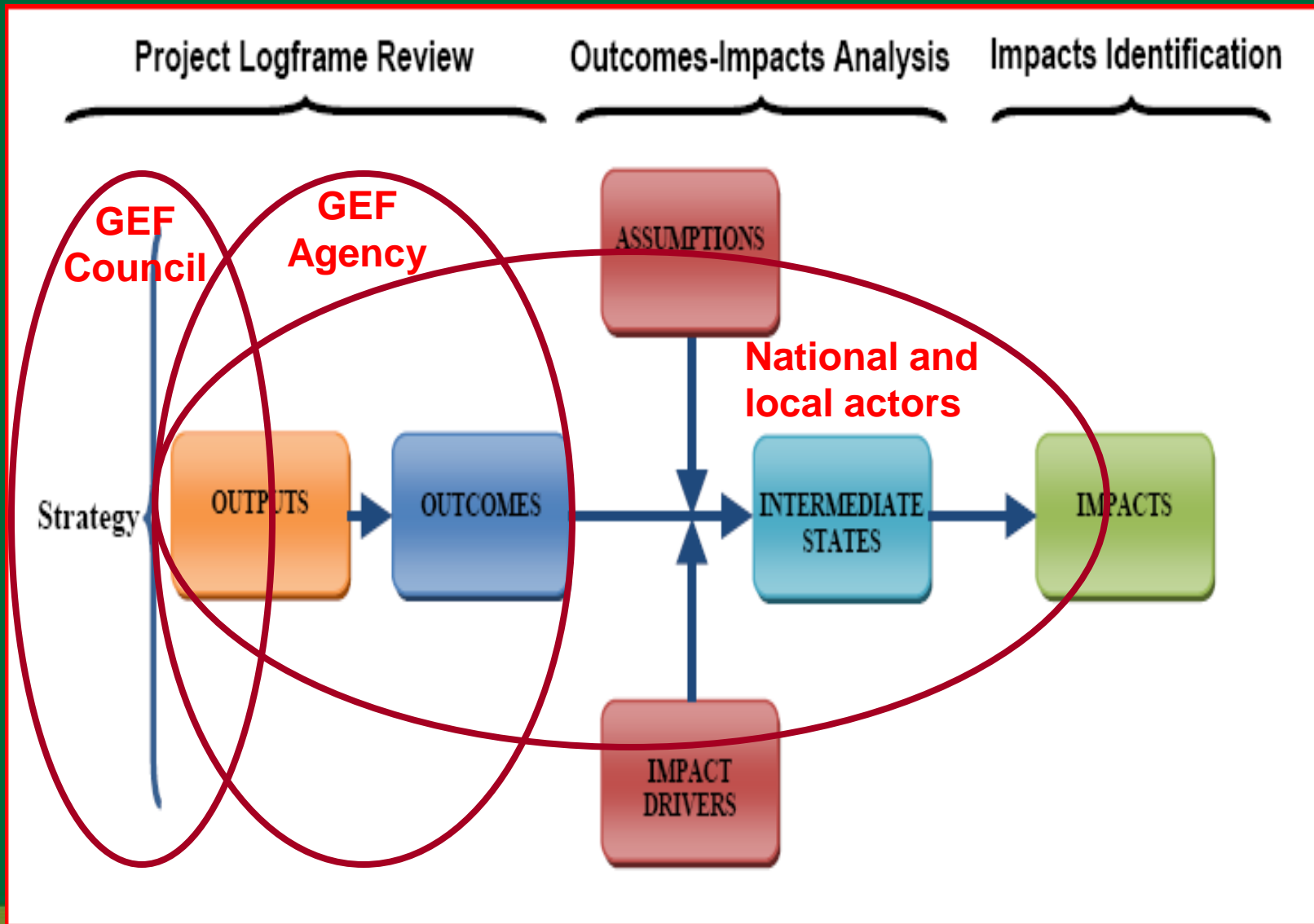


Overview of issues



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The GEF partnership in action...



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From OPS3 to OPS4

- ❑ OPS3 report on results and achievements, not on impact; now the central focus is on progress toward impact
- ❑ Independent evaluation in the GEF had just been established during OPS3; now 24 independent evaluations feed into OPS4
- ❑ Portfolio rating was based on self-assessment; is now based on independent review and verification
- ❑ GEF was old-fashioned project machinery; but the machinery was getting slower and slower. Now: new resource allocation system and move toward more programmatic approaches in GEF-5
- ❑ Minimum M&E standards and fiduciary standards were introduced between OPS3 and OPS4
- ❑ Network and partnership in GEF have been changed
 - Corporate budget was abolished
 - GEF focal points have become partners rather than recipients

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Going back in time...

- ❑ Five strands of evaluative evidence in the period 2004-2009 have strongly influenced OPS4
- ❑ The problems of the GEF in programming and funding approval have led to a reputation of the GEF as unable to deliver; huge problems were illustrated in:
 - Joint Evaluation of the GEF Activity Cycle (2006)
 - Resource Allocation Framework mid-term review (2008)
- ❑ Country Portfolio Evaluations have brought the national perspective into the GEF and have shown the relevance and importance of enabling activities and how they are related to demonstration and investment
- ❑ As from 2005 the GEF Evaluation Office has consistently reviewed all terminal evaluations of GEF projects in the Annual Performance Reports;
 - Outcome ratings have been downgraded where needed
 - Quality of evaluations has improved over time
 - Full collaboration and agreement with evaluation offices of GEF Agencies
- ❑ More recent impact work has led to rating on progress toward impact

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Report overview

- GEF in a Changing World
 - International Context
 - Resource Mobilization
 - Convention Guidance
 - The Catalytic Nature of the GEF
 - Programming Resources
- Progress toward Impact
 - From Hypothesis to Evidence
 - Focal Area and Multi Focal Area Progress
- Issues affecting Results
 - Performance
 - The GEF as a Learning Organization
 - Resources Management
- Governance and Partnership

The full document, annexes, methodological and technical documents related to OPS4 can be found in www.gefeo.org

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GEF in a Changing World (1)

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- ❑ **Conclusion 1:** Global environmental trends continue to spiral downward
 - Sustainability of ecosystems in providing safe water, food, clean air is no longer guaranteed;
 - Climate change scenarios keep being updated negatively; species extinction continues at an unprecedented rate; new chemicals in the environment threaten our health
 - Costs to solve these problems are assessed higher and higher; but costs of not doing anything are higher in these assessments

 - ❑ **Recommendation 1:** Funding levels for global environmental issues need to rise substantially in order to tackle increasingly urgent problems
 - This appeal goes beyond the GEF; and the GEF on its own would not be able to solve these problems

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GEF in a Changing World (2)

- ❑ **Conclusion 2:** The GEF has been underfunded since GEF-2, given the scope of its agenda, the guidance of the conventions, and its mode of operation.

- *Replenishments led to less funds in real terms:*

	Pilot	GEF 1	GEF 2	GEF 3	GEF 4
Pledged (thousand \$)	843	2,015	1,983	2,211	2,289
Received (thousand \$)	843	2,012	1,687	2,095	2,169
Purchasing power (%)	100	100	78	90	83

- *Whereas funds available for aid grew:*

	Pilot	GEF 1	GEF 2	GEF 3	GEF 4
Total ODA	304,725	302,595	280,529	416,132	283,278
GEF	843	2,023	1,687	2,095	2,169
%	0.28	0.67	0.6	0.5	0.38

- *And the GEF was asked to do more...*
 - More focal areas, more guidance, more countries

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GEF in a Changing World (3)

- ❑ **Recommendation 2:** The GEF-5 replenishment needs to offer a substantial increase over GEF-4, or the GEF will need to dramatically reduce support to focal areas, groups of countries, or modalities
- ❑ **Conclusion 3:** the GEF's link to international environmental agreements as a financial mechanism is an added value for the GEF in tackling global environmental problems
- ❑ **Recommendation 3:** The GEF and the conventions need to interact to improve and focus guidance. Guidance should be prioritized at the national level.
 - **In line with the Paris Declaration and the Accra Agenda for Action the GEF will need to continue to shift from focal area programming to national programming**

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GEF in a Changing World (4)

❑ **Conclusion 4:** The GEF's mode of operation through three levels of action – foundation, demonstration, and investment – brings an added value to its catalytic role

- *Role has worked well in Middle Income Countries; but in LDCs, SIDS and fragile states the GEF has difficulty to deliver*
- *Proposals to focus more exclusively on demonstration to the detriment of foundation and investment activities will reduce the GEF's catalytic effect and the sustainability of global environmental effects achieved.*
- *Measurement of innovation and catalytic role within project reach has been adequate but ad hoc; no reporting outside of project reach*

❑ **Recommendation 4:** The catalytic role of the GEF can be strengthened by increasing its funding level and by incorporating catalytic lessons in improved guidance and monitoring

- *Best model for catalytic work to be found in International Waters strategy*
- *Need for more systematic assessment of the catalytic role*

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Progress toward Impact (1)

- ❑ Conclusion 6: Seventy percent of finished projects show moderate to solid progress toward impact
 - Global environmental benefits can be measured relatively quickly in the focal areas of climate change, ozone-layer depletion, and persistent organic pollutants
 - They require a much longer time to appear in the biodiversity, international waters, and land degradation focal areas
 - Nevertheless, evidence of impact exists in all GEF focal areas; in the short term, they are not yet at a sufficient scale
 - There is no progress toward impact in 30 percent of outcomes. Yet there is evidence that impact can be achieved if remedial actions were taken

- ❑ This cannot be compared to achievements of other organizations, since the GEF is the first to present independent evaluative evidence of progress toward impact for its portfolio

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Progress toward Impact (2)

- ❑ GEF **climate change** funding has supported a solid level of achievement of progress toward intended global environmental benefits, both in terms of reduction or avoidance of greenhouse gas emissions and of sustainable market changes
- ❑ On **biodiversity**, the GEF has been responsive to guidance of the biodiversity convention, particularly on issues related to conservation and sustainable use (through protected areas and mainstreaming biodiversity in production sectors). Access to biosafety has not kept up with potential demand.
- ❑ There are new challenges that make the **international waters** work of the GEF highly relevant. The GEF has been instrumental in promoting new international and regional agreements on transboundary water bodies and has catalyzed the implementation of several existing agreements, thus helping to set the stage for national policy changes that can lead to reduced ecological stress.
- ❑ GEF support for the phase-out of consumption and production of **ozone-depleting substances** in countries with economies in transition has made a contribution to global environmental benefits

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Governance and Partnership

- ❑ **Conclusion 12:** The governance model of the GEF compares well to that of other international organizations
- ❑ **Recommendation 12:** Governance can be further improved by ensuring a more substantive role for the Assembly, by addressing constituency problems, and by implementing a longer term process to achieve a better division between governance and management in the Council
- ❑ **Conclusion 13:** Tensions in the GEF partnership arise from programming and project identification issues; these mostly stem from a lack of communication but are also due in part to fundamental questions on the appropriate roles of the GEF partners
- ❑ **Recommendation 13:** The GEF Council should address tensions within the GEF partnership and provide guidance on roles and responsibilities

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