



Global Environment Facility

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Agenda Item 14

SECOND STUDY OF GEF'S OVERALL PERFORMANCE (OPS 2) AN APPROACH PAPER

Recommended Council Decision

The Council reviewed document GEF/C.15/11, *Second Study of GEF's Overall Performance (OPS 2) – An Approach Paper*. The Council endorses the scope and main themes outlined in the approach paper and requests the Secretariat to prepare, taking into account the comments made at the meeting, a detailed terms of reference, including budget and timetable, for the Second Study of GEF's Overall Performance, for Council review and approval at its meeting in November 2000.

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INTRODUCTION

1. The GEF Council, at its meeting in December 1999, requested the Secretariat to prepare for consideration at its meeting in May 2000 a proposal for evaluation of GEF operations prior to the next replenishment¹.

2. The Study of GEF's Overall Performance (OPS 1), completed in 1998, was the first to review the performance of the GEF in its restructured operational phase. It focused on a wide range of issues at different levels, including: (i) the adequacy of the financing and the success in using it to leverage additional investment toward global environmental benefits; (ii) the operations of the GEF at the country-level; (iii) institutional roles and relations; (iv) project cycle procedures; and (v) issues related to programming. OPS 1 did not focus on assessing the actual results or performance of the GEF, either at the project or the program level, due to the fact that relatively few projects had been completed, and therefore it would have been premature to attempt an overall assessment in terms of results. OPS 1 contributed to the discussions related to the first replenishment of the GEF, and provided a basis for some of the discussions at the First GEF Assembly held in New Delhi during April 1998.

ORGANIZATIONAL ISSUES

3. OPS 2 will be carried out by a fully independent team, comprised of professionals with high and varied skills and backgrounds from different regions of the world, appointed by the Senior Monitoring and Evaluation Coordinator in consultation with the Council. The team will be able to make use of all existing studies, evaluations and other GEF insights, but will also carry out additional data collection and assessment, as required. The work will require 5-7 person-years, and will be funded as a separate project, to be submitted to the upcoming GEF Council meeting in November 2000.

4. The OPS 2 team will consult with all GEF entities, the convention secretariats, a wide selection of cooperating countries, Implementing Agencies, executing agencies, STAP, the GEF Secretariat, NGOs and other interested partners.

5. The team work will function in a fully transparent manner. To ascertain transparency and good communication with all GEF cooperating partners, the team will be involved in three to four public consultations: one or two in conjunction with Council Meetings and two additional consultations in conjunction with appropriate international environmental meeting(s).

TOPICS FOR THE STUDY

Program Results and Initial Impacts

6. In the years since OPS 1, the portfolio in the GEF has matured sufficiently to allow for the OPS 2 to focus on the assessment of results and impacts. Only about thirty projects have now been fully implemented, but another 135 have been under implementation for at least a year.

¹ Joint Summary of the Chairs, GEF Council Meeting, December 8-9, 1999, para.50.

A major part of OPS 2 will consist of drawing conclusions on results and initial impacts of GEF efforts. This may now seem feasible due to the following factors:

- (a) The use of performance indicators by Implementing Agencies in reporting on projects for the annual Project Implementation Review (PIR) sharply increased in the 1999 review, reflecting greater Implementing Agency experience and familiarity with such indicators within the GEF.
- (b) The GEF Monitoring and Evaluation Team and the GEF Secretariat-Implementing Agency focal area Task Forces have made considerable progress towards identifying appropriate program level indicators. The STAP has given valuable advice on scientific and technical aspects. In 1999, a set of indicators to be used in evaluating the climate change programs was agreed upon. It will be attempted to use these indicators to sum up data and analyze results and impacts of the GEF climate efforts. In biodiversity and international waters, indicator work is continuing in cooperation with the Task Forces and STAP.
- (c) Several program studies have been completed since 1998 and will be useful inputs to the OPS 2. These include a study on trust funds in biodiversity conservation (*GEF/C.12/Inf. 6*), the interim assessment of biodiversity enabling activities (*GEF/C14/11*), and impact of GEF activities on phase-out of ozone depleting substances (*GEF/C.14/Inf.6*). An ongoing review of GEF support to climate change enabling activities will be completed during October 2000. In addition, there are other minor program reviews in biodiversity, climate change and international waters.
- (d) During the past couple of years, the Implementing Agencies have completed project reviews and evaluations of more than thirty projects. While serving an important function at the project level, these reviews and evaluations would further be useful to OPS 2.

7. The results and initial impacts would be summed up as GEF's contribution under the following broad program goals:

- (a) Preliminary impacts in climate change towards market advancement of renewable energy and energy efficiency at country and international levels;
- (b) Results in protection and sustainable use of biodiversity resources;
- (c) Achievements on diagnostic analyses and action plans for countering threats to international waters;
- (d) Impacts on the phase-out of ozone depleting substances.

GEF Overall Strategies and Programmatic Impacts

8. OPS 1 focused on GEF program strategies and relations within the GEF entities. OPS 2 will also seek to focus on GEF's relation to the global environmental trends and the external institutions.
9. During the past few years, several international organizations have presented more data and better analyses of global environmental threats and degradation. The OPS 2 study would assess, taking fully into account the guidance of the Conferences of the Parties of the global conventions for which the GEF serves as the financial mechanism, whether GEF has adequately aimed its programmatic and project objectives directly towards countering the threats to the global environment in cooperation with other organizations and actors in these endeavors.
10. OPS 2 would also analyze whether GEF is playing a strategic role in its focal areas vis-à-vis other organizations. This relates to GEF's role in encouraging more cofinancing by multilateral and bilateral donors and others; it also relates to GEF's contribution to the coordination of efforts within the four focal areas at the international and national levels. The team would also study GEF's role in identifying innovative approaches, modes of operation, technologies, and GEF's role in the demonstration and replication of viable approaches.
11. OPS 1 evaluated GEF's cooperation with the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC). Special emphasis was placed on GEF's implementation of the guidance issued by the Conferences of the Parties, and the effectiveness of the enabling activities to support the implementation of the conventions. OPS 1 called for more in-depth study of the effectiveness of enabling activities under the two conventions. This work, which is being undertaken in 1999 and 2000, may be used for further analyses by the OPS 2 team.
12. OPS 2 would in addition analyze the evolution of the relationships with the conventions, particularly the clarity and consistency of the new guidance and GEF's follow-up.

Achievement of the Objectives of GEF's Operational Policies and Programs

13. The OPS 2 team would consider the scope and content of the recent portfolio at large in terms of its contribution to the achievement of the objectives of GEF's operational policies and programs. This relates particularly to the principles of global benefits, incremental costs, sustainability of project outcomes, and country and community participation.
14. Recently a monitoring and evaluation thematic review of the sustainability of benefits in biodiversity conservation efforts within and outside of the GEF concluded that the global and national benefits were not always in harmony. The OPS 2 study will pursue this question further and especially focus on the circumstances under which the global and national benefits concur.
15. Some other related issues at the country level which would be explored are: contribution of GEF to the awareness of global environmental issues, integration of global environmental issues into national and sector planning, and country ownership. It would also be assessed how the GEF Country Dialogue Workshops have helped in these issues.

Review of Modalities of GEF Support

16. Over the years, GEF support has taken new forms and modalities in terms of size, components, content, number and types of cooperating partners, etc. The OPS 2 team would review their adequacy for maximizing programmatic impact and particularly consider the use of non-grant funding modalities and cooperation with the private sector. It would also be of interest to study certain aspects of the growing GEF cooperation with the regional development banks, e.g. the programmatic relevance and overall coordination with GEF entities.

Follow-up of OPS 1

17. The OPS 2 team will also review the follow-up by the GEF to the recommendations of the OPS 1. A document titled *Actions to Implement the Recommendations of the Study of GEF's Overall Performance and the Policy Recommendations for the Second Replenishment Period* (GEF/C.12/7) was submitted for Council discussion during the October 1998 meeting. Since then, reports have been submitted at the May 1999², December 1999³ and May 2000⁴ meetings updating the Council on the progress achieved in implementation of the actions. The OPS 2 team would go beyond these documents and make its own assessment of the follow-up to the recommendations of OPS 1.

BACKGROUND DOCUMENTS AND STUDIES

18. The GEF Secretariat and the Implementing Agencies will provide the OPS 2 team with all available data.

19. Even though a sizeable number of reviews and evaluations exists, much of the GEF experience still remains in project files and as program and project managers' specific knowledge. In order to sum up the experiences within the GEF participating entities that have not been explicitly recorded in reviews and evaluations, the GEF Monitoring and Evaluation Team has, in cooperation with the Implementing Agencies, initiated three broad program studies in biodiversity, climate change and international waters. They will be completed in early 2001 and will be made available to the OPS 2 team.

20. The OPS 2 team will naturally review the usefulness of all available materials.

² Council Paper GEF/C.13/Inf 10.

³ Council paper GEF/C.14/10

⁴ Council Paper GEF/C.15/9