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INVESTING IN OUR PLANET

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Agenda Item 03

THE GEF MONITORING REPORT
2022

Recommended Council Decision

The Council, having considered *The GEF Monitoring Report 2022* (GEF/C.63/03), welcomes the report, its implementation of the GEF-8 Results Measurement Framework, and enhanced assessment of the risk to achieving project outcomes. The Council requests Agencies, through engagement with the Secretariat, to lend their support in ensuring a strong uptake of Core Indicators across projects and conducting effective risk assessments.

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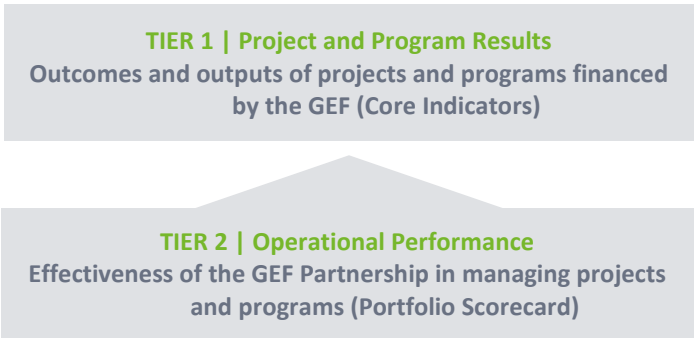
EXECUTIVE SUMMARY

1. **GEF-financed projects and programs delivered global environmental benefits, now captured through systematic reporting of Core Indicators.** Key findings of the 2022 Monitoring Report include: New projects made progress with greater speed in fiscal 2022, as significantly fewer projects faced start-up delays than over the past two years. The disbursement ratio stayed on par with last year, reflecting a satisfactory pace of project execution. Only half of projects submitted a Mid-Term Review (MTR) within four years of implementation, as disruptions linked to the pandemic continue.

2. **This edition of the Monitoring Report is structured along the two tiers of the GEF-8 Results Measurement Framework (RMF) on results and portfolio efficiency.** The RMF monitors the contribution of GEF-financed activities along key priority areas: Biodiversity, Land Degradation, Climate Change, International Waters, and Chemicals and Waste. It also measures the progress made in strengthening the portfolio of projects financed by the GEF (see Figure A).

Figure A: Two Tiers of the GEF-8 Results Measurement Framework



3. **Global environmental benefits and key outcomes are presented in this report along a range of geographic and thematic areas as per the GEF-8 RMF.** This is the first time the GEF adopts this level of accountability in reporting on actual results, now that an increasing number of projects report on actual results at MTR or terminal evaluation stage. Key highlights include:

- Actual results reported in fiscal 2022 are higher than the cumulative value of results reported during the three preceding years. This attests to an increasing uptake of Core Indicators in projects under implementation and at completion.
- Mobility restrictions linked to the pandemic continue to impact projects, pushing them to use remote monitoring mechanisms for supervision and to deliver activities online, rather than face to face.
- Cross-cutting strategic areas such as gender equality, private sector engagement, and knowledge management support and enhance the achievement of global environmental benefits.

4. **The set of efficiency measures adopted in 2018 to adjust Agency fee schedules, ensure timely financial closure, and promote faster preparation with deadlines is registering progress.**

Projects are now presented for CEO Endorsement within the prescribed cancellation policy standard. Close to 100 projects have now reached first disbursement within the context of the revised Agency fee schedule, triggered in part by the achievement of the first disbursement milestone. In addition, the stock of projects with outstanding financial closure is decreasing over time.

5. **Projects financed by the GEF Trust Fund in fiscal 2022 are underway, as they move implementation forward and adapt to new circumstances.** Agencies report progress data at the project level, which Tier 2 metrics of the GEF-8 RMF capture in a tracking framework. These metrics assess operational effectiveness and efficiency in the evolving context caused by COVID-19 and other factors. Key highlights are:

- The pace at which Agencies are making resources available to countries reached a satisfactory 19 percent disbursement ratio. Significantly more projects than last year reported having disbursed within 18 months for the first time in fiscal 2022 . Nearly 90 percent of projects disbursed new resources in the past year.
- Just half of projects prepared a Mid-term review (MTR) within four years of CEO endorsement, as travel challenges continue to prevent site visits. Preparing an MTR has a positive impact: 29 percent of projects showed improved ratings a year after meeting this milestone.
- The stock of projects with financial closure is higher than last year at 85 percent, while the timeliness in reaching financial closure decreased slightly as a logical consequence of Agencies' progress in closing old projects with outstanding financial closure.
- At MTR, about half of the projects had materialized 35 percent of expected co-financing. This is lower than last year's average value of 62 percent of projects having secured 35 percent of expected co-financing by MTR.

6. A review of risk assessment practices in GEF project templates indicates that the capture and analysis of the risk to project outcomes continues to improve. This report deepens the understanding of risk assessment in GEF investments. Highlights include:

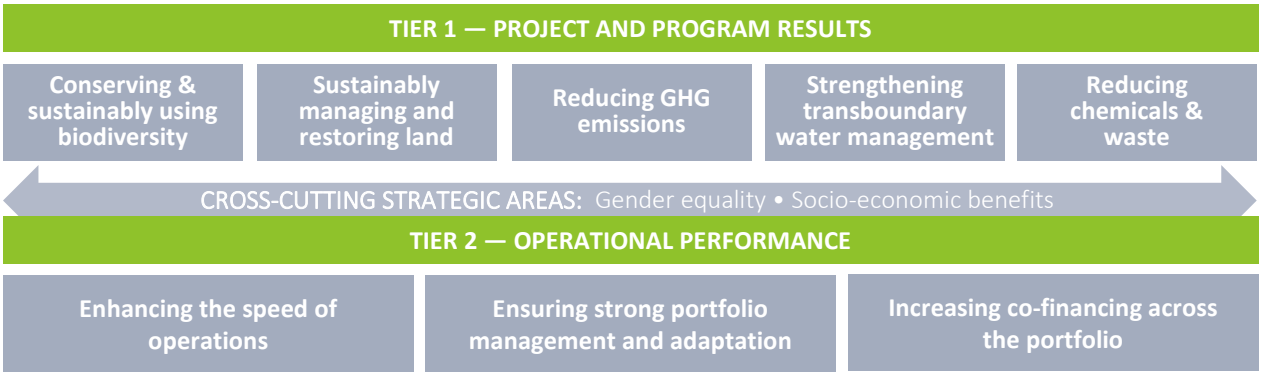
- Since GEF-7, the risk to achieving project outcome is assessed in PIF and CEO Endorsement templates, as well as through a dedicated yearly rating during implementation.
- Systematic risk rating is set to take place for any new PIF and CEO Endorsement request under the current GEF phase along key risk categories, such as technical design, institutional arrangements, and climate. This provides further evidence to understand the risk-results and risk-innovation tradeoffs.
- Agencies indicate that projects on average face less risk than a year ago, in part as risks related to the COVID-19 pandemic subside.
- In light of these findings, this report suggests continuing to strengthen the evidence base and analysis on risk-results tradeoffs.

INTRODUCTION

1. The **Monitoring Report** assesses the contribution made by GEF-financed activities to global environmental benefits and provides an overview of the size and distribution of the portfolio of projects under implementation. The report details the progress made by the portfolio of projects under implementation with financing from the GEF Trust Fund over the past year. This includes a review of the GEF partnership's efforts to strengthen its portfolio and make projects and programs more effective. The report covers the period from July 1, 2021, to June 30, 2022.

2. **This is the first edition assessing the effectiveness and efficiency of the GEF partnership using the GEF-8 Results Measurement Framework (RMF), disentangling the way the GEF aims for operational results (Tier 1) from operational inputs (Tier 2).** Tier 1 measures the GEF's contributions in achieving global environmental benefits, through aggregated Core Indicator data set established in GEF-7. Tier 2 assesses the GEF Partnership's progress in implementing operations, along the Portfolio Scorecard indicators introduced in GEF-7. By vertically aligning the two tiers of measurement, the Results Measurement Framework establishes stronger conceptual linkages between the GEF's outcomes (Tier 1) and the inputs, processes, and activities (Tier 2) that helped lead to them. This architecture also makes it easier to analyze each field, learn from implementation, and report on progress (see Figure 1). A key objective is helping the GEF partnership take stock of how well it is doing and where it can do better, at a time when environmental threats continue to grow and the surge of new COVID-19 variants lead to implementation challenges.

Figure 1. Two tiers capturing the GEF's results and operational effectiveness



3. **Project updates shared by Agencies through the GEF Portal fed into this report preparation and contributed to overall accountability.** These efforts allow the GEF to better oversee its portfolio of investments. Progress in data governance and disclosure also foster improved data quality over time with continuous strengthening of information systems. This includes a range of activities from ensuring the timely and comprehensive submission of project progress updates to proactively disclosing this data through the GEF website and the International Aid Transparency Initiative (IATI) standard. GEF publishing on IATI since August 2021 includes making available key data points for all CEO endorsed or approved projects such

as a project name, its objective, implementation status, disbursement progress, as well as its focal areas of investment.

4. **Section 1 gauges the contribution of GEF-financed projects to delivering global environmental benefits and project outcomes with a narrative account of key achievements.** This section reports actual results, starting with a first account of results achieved in fiscal 2022 along Core Indicators. It leverages information from the growing cohort of projects providing updates on actual results in Mid-Term Reviews (MTRs) and Terminal Evaluations (TEs).

5. **Section 2 assesses the progress made by the portfolio under implementation against metrics tracking portfolio effectiveness and efficiency.** A snapshot of the volume and distribution of the portfolio across different categories precedes this analysis. The set of metrics used in this section is a continuation of the framework introduced in GEF-7 with additional emphasis on the timely submission of terminal evaluation and co-financing materialization at completion. The definitions of all indicators are available in the GEF-8 RMF Guidelines (GEF/C.62/Inf.12/Rev.01).

6. **Section 3 provides an overview of ongoing and recent GEF practices in monitoring risk during the project lifecycle and presents ratings across regions and focal areas.** It highlights a strengthened approach to assess and rate risk at concept stage and during preparation along standardized categories, allowing for a deeper understanding of how risks affect the achievement of outcomes and innovative environmental solutions. It also summarizes the risk outlook of projects, as assessed and reported by Agencies.

ENVIRONMENTAL PROGRESS MADE BY GEF FINANCING

7. **This section innovates by reporting on the level of achieved results in a way that will allow the GEF to track progress over time.** It discusses five key results areas and GEF cross-cutting priorities of private sector engagement, gender equality, and knowledge management. Each result area presented above in Figure 1 is structured around indicators from Tier 1 of the GEF-8 Results Measurement Framework. It relies on results from MTRs and TEs submitted in fiscal 2022, many of which faced delays due to travel restrictions associated with the COVID-19 pandemic that prevented project teams and evaluators from visiting project sites. This section deepens the understanding of the performance of GEF's projects on the ground by showcasing summarized project results stories. Additional knowledge work, such as dedicated reports on Integrated Programs and Good Practice Briefs, complement this yearly update.

8. **Efforts to contain the COVID-19 pandemic through mobility restrictions in fiscal 2022 affected implementation to a lower extent than a year ago, even as new variants emerged.** GEF-financed projects mitigated such circumstances through remote supervision and monitoring, and adapted implementation by switching to an online delivery of training events in some instances. The pandemic resulted in delays in the preparation of MTRs and TEs, as visiting project sites became difficult. It also took time to change plans from relying on international consultants to leveraging local expertise. In this context, Agencies also provided hands-on support to identify proactive steps to keep projects on track. Those aspects and others are documented with more depth in IEO's Evaluation of the Effects of the COVID-19 Pandemic on GEF Activities presented at the 63rd GEF Council.

9. **Results highlighted in this section come from projects approved several years ago that now report on Core Indicators, supplemented by qualitative analysis on a subset.** An analysis of projects that just reached completion and are at an advanced implementation stage is vital to both the GEF's reflection on the achievements of its investments and on areas where performance can potentially be improved. This reflection is all the more important this year, as agencies start reporting on Core Indicators at a larger scale than in the past as GEF-6 and GEF-7 projects reach MTR and TE. In GEF-8, results are assessed starting with fiscal 2022, against a benchmark of fiscal 2019-2021 equating to the three years elapsed since the beginning of reporting on Core Indicators started in the Portal. Table 1 summarizes this year's performance. It shows actual results at a glance for each Core Indicator. Achievement rates will be included as the number of completed projects sharing actual results becomes significant (over 20 per indicator).

Conserving & Sustainably Using Biodiversity

10. **The GEF partnership's work to enhance biodiversity is guided by incremental shifts in priorities that steer efforts to improve conservation, sustainable use, and restoration of natural ecosystems.** This approach promotes an integrated management of landscapes and seascapes addressing the drivers of biodiversity loss. It is accompanied by a continued focus on protecting ecologically viable and climate-resilient ecosystems and a broad range of species.

Table 1. GEF's Contribution to Environmental Results

INDICATOR	Benchmark FY19-21	Latest FY22
CONSERVING AND SUSTAINABLY USING BIODIVERSITY		
Terrestrial protected areas created and under improved management (million ha)	1.5	18.1
Marine protected areas created and under improved management (million ha)	0.0	0.03
Area of landscapes under improved practices (million ha)	1.2	5.9
Area of marine habitat under improved practices to benefit biodiversity (million ha)	0.0	0.0
People benefitting from the conservation, sustainable use, or restoration of biodiversity (million)	0.2	0.9
- of whom women (million)	0.1	0.4
SUSTAINABLY MANAGING AND RESTORING LAND		
Area of land and ecosystems under restoration (million ha)	0.1	0.3
Area of landscapes under sustainable land management in production systems	0.3	1.3
People benefiting from sustainable land management and restoration investments (million)	0.2	2.0
- of whom women (million)	0.1	0.9
REDUCING GHG EMISSIONS		
Greenhouse Gas emissions mitigated (million metric tons of CO_2e)	73.7	147.3
People benefiting from climate change mitigation support (million)	2.0	1.0
- of whom women (million)	1.0	0.5
STRENGTHENING TRANSBOUNDARY WATER MANAGEMENT		
Shared water ecosystems under new or improved cooperative management (number)	5	4
Globally over-exploited fisheries moved to more sustainable levels (million metric tons)	0.0	0.01
People benefiting from transboundary water management (million)	0.01	0.04
- of whom women (million)	0.01	0.01
REDUCING CHEMICALS AND WASTE		
Chemicals of global concern and their waste reduced (thousand metric tons)	0.0	4.5
Persistent organic pollutants to air reduced (grams of toxic equivalent)	0.0	4.0
People benefiting from reduced exposure to hazardous chemicals (million)	0.001	15.3
- of whom women (million)	0.001	6.4

11. **The GEF has invested significantly in supporting governments and the private sector to close conservation gaps and protect areas.** In total, 12 projects contributed to the 18.1 million hectares of **terrestrial protected areas created or under improved management** across countries in fiscal 2022, along with another 30,000 hectares of **marine protected areas** in fiscal 2022.

12. **Strengthening institutional settings to protect areas—a core tenet of the GEF approach to biodiversity—enhanced connectivity corridors in Colombia.** The GEF's support to strengthening socio-ecosystem connectivity in the Caribbean region of Colombia linked departmental governments to reduce deforestation and expand protected areas (ID 5288). Taking place in the world's second-most biodiverse country, this FAO project improved conservation and management of ecosystems across connectivity corridors through stronger territorial planning and the payment of ecosystem services (PES). PES included the leasing of land

for conservation. This project helped strengthen the integrity of 24 large ecosystems previously threatened by fragmentation and agricultural pressure in areas such as mangroves, coral reefs, rivers, deserts, and forests. The continuous monitoring of flagship species in each connectivity corridor helps ensure lasting outcomes.

13. **Landscape approaches promoted by the GEF to integrate policy and practice for multiple land uses are yielding results.** In fiscal 2022, 5.9 million hectares of **landscapes have benefited from improved practices. No marine habitat has been the target of improved practices to benefit biodiversity**, as projects have yet to start reporting on this indicator.

14. **A landscape approach for biodiversity integrating land use planning and conservation practices helped protect China's tigers while decreasing human-wildlife conflict.** This World Bank-implemented project innovated by focusing on the Changbaishan forests in northeastern China at a time when landscape approaches had yet to be mainstreamed locally (ID 4651). It created the conditions for recovery of tigers: 28 tigers and cubs have been recorded, up from 15 at project start, highlighting that tiger families have settled in the area and indicating a healthy trajectory of stable growth. This progress was made possible by bringing 370,000 hectares of land under enhanced biodiversity protection and establishing ecological corridors to allow tigers, leopards, and importantly, their preys such as sika deer to migrate. A highly effective monitoring system assessed this progress in real time (See Box 1 for examples of innovative monitoring approaches). Similarly, a project in Ethiopia aims to stop illegal wildlife trafficking in protected areas with implementation support from UNDP (ID 9157). At mid-term, this project has already improved management effectiveness of close to one million hectares of protected areas and continues to build partnerships to address the illegal trafficking of wildlife, in a context where part of the country is facing conflict.

15. **In South Africa, a landscape approach helped mitigate threats to biodiversity by increasing capabilities to regulate land use and manage biodiversity at the municipal scale.** Building on extensive policy reforms aimed at reversing high rates of biodiversity loss, this project implemented by UNDP strengthened the capacity of municipalities to better manage South Africa's ecosystems and land use (ID 5058). The project increased investment for biodiversity management in target district municipalities and created 1,045 jobs, over half of which benefited women and youth. It introduced biodiversity considerations in certification schemes in the forestry, fruit, and sugar sectors, covering aspects such as soil, water, ecosystems, biodiversity, energy, materials, and waste.

16. **Enhancing biodiversity benefits a range of stakeholders. In fiscal 2022, 900,000 people benefited from the conservation, sustainable use, or restoration of biodiversity**, of whom 400,000 were women. They include many of the civil servants and rangers supported by GEF financing, as well as inhabitants of areas under enhanced biodiversity management. In Colombia, training took place to strengthen the administrative management capacity of indigenous, Afro-descendant, and peasant communities so they can continue interact with and use biodiversity in sustainable ways through traditional knowledge, innovations, and practices. Co-benefits among

participating communities also included increasing the diversity of crops sown by families and resulting consumption of vegetables.

Box 1. Technology is a critical enabler for monitoring biodiversity

Integrated camera trapping system—In China, 951 automatic cameras deployed in 580 continuous monitoring sites recorded 30 species of wild animals, among which nine are on the IUCN Red List. This cross-provincial, integrated technical monitoring system allowed the monitoring of tigers, their prey, and other key wildlife populations through two surveys at the beginning and end of the project. This extensive and specialized M&E included actual monitoring data and evidence-based analysis.

Environmental DNA—Adopting an ecosystem-based approach to water resources management in the Orange-Senqu river basin required first establishing a baseline of the river system's health and biodiversity (ID 9054). The consultancy NatureMetrics collected biological and chemical data from the river's source to the sea—the environmental DNA of each aquatic species—across South Africa, Namibia, Botswana, and Lesotho through a rapid sampling approach.

Third-party monitoring—A project in Zimbabwe aiming to manage wildlife resources is now relying on photos taken from the field and feedback from local stakeholders to monitor emerging environmental risks, such as deforestation, veld fires, and poaching (ID 9660). Geotagged pictures are used to generate GIS data which in turn feed into the project's spatial databases and help take actions to improve the situation.

17. **The emphasis on taking an integrated approach to reaching biodiversity goals is apparent in projects now mid-way through implementation, such as in Costa Rica.** As the pressure on land use and the expansion of agricultural frontier threaten protected areas, the monitoring and assessment of changes in land use in production landscapes and urban biological corridors matters. The production landscapes of La Amistad Pacifico Conservation Area and the María Aguilar River Interurban Biological Corridor in San José serve as testing grounds for this strategy (ID 9416). At mid-term, the country is on the cusp of formalizing a National Monitoring System designed to assess changes in land use in production landscapes with georeferenced information, which can allow national authorities to ensure that pineapple and pasture production units are verified as free of loss of forest cover.

18. **The prevention, control, and management of invasive alien species in island ecosystems continues to take place in the Galapagos islands and other important biodiversity contexts.** In the Galapagos, long-term preventive actions now ensure no new invasive species enter the islands and help plan the eradication of existing invasive vertebrate species, such as rats and feral cats. This included detecting illegal landings that have not passed through or are attempting to evade biosecurity filters, as well as extensive training in the use of new manuals and streamlined procedures. The project implemented by Conservation International also re-established the ecologic role of the breeding giant tortoise in the restoration of habitats and infrastructure improvements.

19. **The GEF supports countries to capitalize on opportunities presented by integrating biodiversity and restoration approaches.** This takes place along a series of biodiversity practices to deliver impact in alignment with the Global Biodiversity Framework set to be concluded in 2022.

Sustainably Managing and Restoring Land

20. **Avoiding, reducing, and reversing land degradation is one of the GEF's priorities.** The GEF has a long history of supporting land restoration, combatting land degradation and desertification, and mitigating the effects of drought through sustainable land management. The GEF's work in land degradation aims to achieve healthy and resilient ecosystems in production landscapes which support livelihoods through agriculture and forestry. It also emphasizes drought-prone ecosystems and populations with dedicated work in drylands.

21. **The GEF's contributions to restoring land and placing production landscapes under sustainable land management are yielding substantial results.** In fiscal 2022, 0.3 million hectares of **land and ecosystems under restoration** benefited from GEF financing. The 16 projects contributing to this achievement operate in a variety of landscapes, primarily in production landscapes. Last year, 1.3 million hectares of **landscapes placed under sustainable land management in production systems** helped local communities and smallholders ensure food security, arrest land degradation, and address land tenure issues.

22. **When addressing trade-offs between food demands and environmental needs, GEF investments in sustainable land management make African food systems more resilient.** Projects of the Resilient Food System program provide a record of results achieved in different countries. Box 2 describes some of the key sustainable land management results achieved in northern Ghana (ID 9340). In Nigeria, a UNDP-implemented project led to supporting 40,000 jobs and improving livelihoods, while setting the stage for a National Food and Nutrition Security Policy. Climbing the value chain is also key to ensuring that sustainable practices take place consistently (ID 9143). Malawi has established market linkages activities through promoting nutrient-dense products and training on processing, with implementation support from IFAD (ID 9138). The regional hub coordinated by IFAD ensures that it can harness good practices for long-term sustainability and resilience of food production, such as through the release of a green value chain manual.

23. **Nature-based solutions support peatlands in playing a crucial role in storing carbon and mitigating greenhouse gases emissions, as demonstrated in Indonesia.** A series of public mechanisms and regulations now prevent peatland degradation by fire in Indonesia (ID 5764). This includes promoting zero-burning techniques of land preparation, developing peatland-adapted livelihoods, and encouraging sustainable agribusiness. In addition, the introduction of an early warning system allows for fire prevention by monitoring soil moisture. Extensive community engagement and training activities are two of the good practices that contributed to this level of achievements. Altogether, these actions are playing a catalytic role in preventing land clearance and reviving ecosystems, with implementation support from IFAD. They result in secured carbon stocks and conserved biodiversity, helping to overcome damages caused by

overexploitation of peatlands for agricultural conversion and through burning. Estimates mid-way through implementation point to a reduction of emissions of 19 million tons of CO_2 equivalent in the Riau province.

Box 2. Farmers are adopting new sustainable farming practices in Ghana

Under the Resilient Food System program, the GEF provided finance to expand sustainable land and water management practices in the Northern Savannah region of Ghana. The project, implemented by the World Bank, sought to overcome the degradation of natural habitats and biodiversity from production activities such as agriculture, commercial logging, grazing, and associated burning. Supporting Ghana's vision of improving food security in an environmentally sustainable manner, this project improved sustainable land management practices in over 15,900 hectares of land. Over 42,000 land users from 270 rural communities adopted new farming practices and the adoption rate accelerated as farmers themselves saw improvements in yield through sustainable land management. They also received farmer-to-farmer training and engaged in field visits.

24. **Extensive engagement in arid regions, such as Central Asia and Pakistan, allows the scaling-up of proven solutions to drought-smart land management.** Sustainable land management is vital in countries composed by drylands, such as in Pakistan where 80 percent of the country is semi-arid (ID 4754), as well as in Turkey and Central Asia, where poor irrigation and unsustainable agriculture have degraded fragile land (ID 9094). Along with capacity strengthening efforts, activities supported by FAO in Central Asia included sustainable crop production in Kazakhstan, climate-smart agriculture approaches to pasture management plans in Kyrgyzstan, soil conservation practices in Tajikistan, and salinity management demonstration sites. A separate project with implementation support from UNDP enabled 193 villages in Pakistan to undertake sustainable land management practices, involving over 5,000 households. This included drip irrigation and relying on low-water-consuming plants. Such practices took place in over 19,000 hectares of agricultural, forest, sand dune, and range land areas. The Punjab province contributed the most to this achievement. Institutional strengthening also took place through policy development, the adoption of which was being discussed at project completion.

25. **Establishing resilient water resources systems and strengthening livelihoods starts upstream by enabling an effective flow of water in watersheds and rivers.** In Jamaica, the IADB supported activities reducing soil erosion and siltation in the 500 hectares of the Yallahs and Hope river watersheds that supply 42 percent of the potable water for the country's capital city (ID 4454). This included planting over 14,000 trees to reduce erosion and landslides, but also providing food for local households. In addition, 417 farmers received training on climate-smart agriculture, as they also implemented husbandry practices to improve the management of biodiversity. This took place through extensive engagement with communities and adaptive management to overcome emerging implementation challenges.

26. **As diverse as the portfolio of the GEF's land degradation investments is, projects and programs all have one thing in common: they benefit people.** In fiscal 2022, 2.0 million people—0.9 million of whom were women—**benefited from sustainable land management and**

restoration investments. The benefits come in different forms. In Central Asia, beneficiary farmers adopted sustainable and climate-smart agricultural practices. In Pakistan, livelihoods were improved as demonstrated by a 15 percent increase in the income of beneficiaries who now implement sustainable land management practices. Overall, community-based approaches guide the implementation of restoration activities (see Box 3**Error! Reference source not found.** on the Small Grants Programme).

Box 3. Empowering communities to make productive landscape resilient

A total of 50 grants to community organizations led to the sustainable management of productive landscapes in 180,000 hectares of land of the Southern Cordillera region of Peru, with over 3,300 producers participating in community-based management and landscape planning. Farmers also helped reforest, revegetate, or regenerate 59,000 hectares of land.

In addition to this national project, global activities of the GEF Small Grants Programme (SGP), implemented by UNDP as a GEF Corporate Program, delivered a series of results in fiscal 2022 as reported in UNDP SGP's Annual Monitoring report: 83,000 hectares of land brought under improved land management practices with more than 111,000 community members; improved biodiversity conservation and sustainability of 282 protected areas; supporting 84,000 households with accessing energy.

27. **The work of the GEF partnership continues to be aligned with the global objective of achieving a land degradation-neutral world by 2030.** This was evident at UNCCD COP15 which attested further that land is the bedrock of a healthy and productive society and requires a global effort to restore ecosystems, as well as to fight deforestation and avoid further loss of productive land.

Reducing Green House Gases Emissions

28. **Mitigating the causes of climate change is a core priority for the GEF and is fundamental to progress on all focal areas.** GEF's finance for climate change promotes technological innovation for market change, fosters enabling conditions and national policy frameworks, and leverages all sources of public and private climate finance for low-emissions technologies. GEF finance also support nature-based solutions that enhance land and coastal carbon stocks. In fiscal 2022, GEF investments **reduced greenhouse gas emissions** by 147.3 million tons. Two projects taking place in Ghana (ID 9340) and in China (ID 9223), from respectively the Resilient Food Systems and Sustainable Cities Integrated Approach Programs, account for 72 percent of this achievement.

29. **Grasslands, forests, and agriculture lands need protection and restoration to continue to be vital carbon sinks.** For example, in Cambodia, the protection of forest ecosystems of Mondulkiri with UNEP support and additional contributions led to reducing emissions by 4.5 million tons of CO_2 equivalent by the project's mid-term (ID 4905). In Thailand, the restoration and management of 74,000 hectares of peat-swamp ecosystems reduced twice that amount of CO_2e with support from UNDP (ID 5330). This took place through developing participatory community forestry management plans and training staff in charge of managing water levels,

enforcing forestry regulations, and preventing wildfires. These projects and others contribute to reducing greenhouse gas emissions by addressing deforestation and agricultural emissions.

30. **As countries commit to climate action, investments continue to support the productive sector in adopting energy-efficient and zero-carbon energy technologies.** The states of Jharkhand and Manipur in Northeast India implemented a series of interventions with support from UNDP geared at reducing energy consumptions (ID 5361). In Manipur, this led to adding solar power generation capacity to the grid, establishing an energy-efficient water supply system, outfitting government buildings with solar PV systems and using Light emitting diodes (LED) technology for street lighting. Meanwhile, the state of Jharkhand supported eight renewable and efficient energy projects, as well as nine sub-investment projects benefiting small and medium enterprises (SMEs), including by supporting ceramic and tiles manufacturing SMEs to switch to renewable energy. In total, 46 megawatts of energy were installed through the project.

31. **Moving consumer markets toward energy efficient products brings electricity and monetary savings for households as they reduce greenhouse emissions.** Phasing out incandescent light bulbs in Morocco in favor of compact fluorescent lamps (CFLs) and eventually mercury-free LEDs led to the avoidance of emissions of 5.2 million tons of CO_2 equivalent (ID 4139). Policy and fiscal incentives were instrumental in this achievement, assisted by a public campaign that handed out 10 million free lightbulbs and promoted their use, while raising awareness on associated benefits. This project implemented by UNEP benefited from lessons learned from earlier large GEF-financed energy-efficient lighting programs in Thailand, Mexico, Poland, and the Philippines.

32. **GEF investments also advance the commercialization of clean energy technologies.** For example, in Mexico, a World Bank-supported project promoted research and development for clean energy technology. It provided grants to 15 SMEs preparing products and prototypes with business plans, such as a geothermal system for food products dehydration (ID 5387). Over 4 million tons of CO_2e are expected to be mitigated by interventions from SMEs. In addition, 32 regional investment plans for clean energy were published and led to the identification of 94 high relevance investments, or three times the targeted number.

33. **Greening small hydropower stations helps minimize associated impact on rivers and nature, while using low-carbon infrastructure to generate energy.** Dams affect ecosystems and reduce connectivity for aquatic species, curtailing environmental gains from generating clean energy. The GEF finances projects that support green infrastructure through green assessments, the development of certification systems, and infrastructure improvements, as was the case in China with UNIDO support (ID 6919). Public works are taking place in eight provinces and 23 hydropower sites, including collecting and disposing of floating refuse, protecting aquatic organisms, and ensuring river desilting and flood slope repair—all positively impacting environmental quality of long stretches of rivers, while reducing CO_2 emission by 8.5 million tons.

34. **Cities are shifting toward low-emission, nature-positive and resilient urban development, as is the case in Asunción.** By taking an integrated approach, the capital of Paraguay tackles multiple challenges caused by urban sprawl at once: degradation of land, loss

of biodiversity, toxic waste generation, congestion, pollution, and vulnerability to floods (ID 9127). Sustainable plans now promote green mobility by designing a plan for a bus network. Mid-way through implementation, the city identified a map of 600 kilometers of bicycle routes and was starting to procure public works, as it aims to decarbonize urban transport. Enhanced recycling and waste management form another area of investment including by eliminating illegal and unsanitary landfills which otherwise led to air pollution and the release of chemicals. Biodiversity also constitutes a pillar of this project by restoring bird populations and removing invasive plant species in 15 hectares of the Banco San Miguel reserve. This project epitomizes many of the efforts at play in projects and programs financed to make cities more sustainable.

35. **Climate investments directly target people specific to each investment, while also benefiting the entire planet.** This includes households benefiting from energy efficient buildings and energy or climate-smart agriculture, as well people now using low-carbon mobility. In fiscal 2022, one million **people benefited from climate change mitigation support**, half **of whom were women**.

36. **For the GEF, the priority is to help countries transition to net-zero emissions through investments in new technologies and nature-based solutions.** This means supporting low-carbon energy and transportation, as well as undertaking land use and conservation actions to enhance natural carbon sinks—all elements agreed by parties to the UNFCCC, which the GEF serves as an entity of its financial mechanism.

Strengthening Transboundary Water Management

37. **The GEF partnership is a champion for safeguarding shared marine and freshwater ecosystems through fostering cooperation, governance, and investments.** Catalyzing effective transboundary water management requires cooperation across national borders and sectors. In fiscal 2022 alone, GEF investments supported four **shared water ecosystems to come under new or improved cooperative management**. In addition, 10,000 metric tons of **globally over-exploited fisheries moved to more sustainable levels**.

38. **Programming strategic action for the sustainable management of shared marine resources goes a long way in making fisheries sustainable and reducing pollution.** For example, collaboration across Brazil, Colombia, Costa Rica, Mexico, Suriname, and Trinidad and Tobago established mechanisms addressing pollution and the degradation of 48 large habitats with support from UNDP (ID 5304). Addressing issues such as bycatch is key to balancing immediate economic imperatives with long-term environmental sustainability. This takes place through agreements across intergovernmental fishery organizations for an ecosystem approach to fisheries as well as regional plans to deter illegal fishing and manage bycatch and discards. Countries use modified gear to reduce bycatch and improve its utilization for economic gains, while Costa Rica went a step further by banning shrimp trawling. Capacity building complements this work by presenting alternative livelihoods to coastal communities, such as through sea moss commercialization in Saint Kitts and Nevis. Countries also coordinate to support integrated ocean governance in the Caribbean and North Brazil Shelf large marine ecosystems. An area of emphasis is around maintaining the integrity of coastal ecosystems, such as coral reefs, mangroves, and

seagrasses. This project built on an earlier GEF investment producing a Transboundary Diagnostic Analyses for the region that set the stage for action.

39. **Peru and Ecuador are working together to make fisheries more sustainable in a way that continues to benefit coastal fishing communities.** Peru and Ecuador, two large fish producers, are improving fisheries governance to overcome the biodiversity loss and resulting impact on artisanal fishing communities brought about by larger scale overfishing (ID 9124). This includes bringing together fishing communities of crab, mussels, and dorado to set participatory monitoring systems of target fisheries and create emergency funds. Mid-way through implementation, this FAO-supported project has also trained over 1,050 people on traceability and good spatial management practices as well as mussels farming in mangroves as an alternate livelihood opportunity. At the national level, Ecuador developed regulations for sustainable tuna fishing while Peru focused on mussel and crab fisheries. These efforts, which include patrolling activities, help address the unpredictability inherent to marine fisheries.

40. **Sustaining and restoring coastal and marine fish stock in the Indonesian sea supports biodiversity and food security.** As illegal fishing and overfishing threaten the livelihoods of coastal communities in Indonesia and Timor Leste, the two countries assessed their shared ecosystem on aspects such as looking at fisheries, habitat, pollution, biodiversity, and climate change (ID 5780). They identified issues specific to this region: the use of fish poisons to catch aquarium and food fishes, as well as habitat destruction of coral reefs from blasting and trawling. In response, these countries took actions, with support from FAO. Timor Leste prepared a decree promoting aquaculture and Indonesia developed sustainable harvest strategies for blue swimming crab, grouper, and snapper fisheries (see Box 4).

Box 4. Making blue swimming crab fishery productive and sustainable

Harvest practices threaten the survival of blue swimming crabs. Overfishing, degraded fishing gears, and unprotected nursery and spawning grounds pose a threat to blue swimming crabs in Indonesia, the third largest producer. In turn, this affects livelihoods of small-scale fishery professionals who see market prospects dwindling.

Fishers in Cirebon regency of West Java received community assistance from the Indonesian Ministry of Marine Affairs and Fisheries to support the implementation of a harvest strategy that promotes the adoption of licenses to operate. They also now use an e-logbook application to report fishing activities and catch to ensure traceability.

41. **Adequate environmental management of river basins helps address the competing necessity of maintaining diversity and addressing demand for water.** In China, water scarcity issues caused by droughts and groundwater overexploitation, as well as pollution, hampered the sustainable functioning of the Hai basin (ID 5561). Integrated water and environment management initiatives supported by a project implemented by the World Bank increased water productivity and reduced groundwater overdraft. This resulted from improved farming practices incentivizing more efficient use of water, such as using drip and low-pressure irrigation in 13,000 hectares of land, as well as cropping pattern adjustments to move to low water consumption and high-value crops like seed oil. This saved water and increased incomes. Pollution discharge also

decreased due to regulations, training, new wastewater treatment facilities, and pilot market-based pollution emission trading.

42. **Beyond rivers and marine areas, preserving sufficient and clean groundwater is vital to livelihoods, health, irrigation, industry, and livestock.** This is even more important in Southern Africa where groundwater is the main source of water for many communities (ID 4966). Mindful of this necessity, countries of the Southern African Development Community developed a center of excellence for groundwater management with support from the World Bank. This center helps document and disseminate good practices to address sustainable aquifer management and decrease the risks of contamination from agricultural fertilizers and mining activities. The project facilitates in-country stakeholder dialogue on the value of groundwater and approaches for sound management through supporting the establishment of national focal groups on groundwater and the conjunction of surface water and groundwater in river basin planning plans. Demonstration projects promoted introduction of innovative exploration methods for water supply schemes in Malawi. Training and internship programs benefited 65 young professionals in groundwater management.

43. **Interventions in water management benefit the planet and support fishing communities and key actors promoting transboundary engagements.** Making this happen requires strengthening staff capacity of regional authorities in charge of implementing joint action plans, as well as communities receiving training in aquaculture. In fiscal 2022, about 40,000 **people benefited from transboundary waters management** across GEF investments, a quarter of whom were women. This lower proportion of women reflects in part the fact that the majority of actors in many water-related sectors tend to be men. Yet, this balance is reversed in fish processing. In Colombia, for example, women are trained to trade bycatch rather than discard it as a way to protect food security and livelihoods.

44. **As oceans and river basins are facing stress from climate change, pollution, habitat loss, and fishing, the GEF renews its commitment to protect shared marine and freshwater ecosystems.** The sound management of marine and freshwater ecosystems requires coordination between local resource users and policy makers across sectors, as well as incentives and investments to increase sustainability across complex value chains. The long-term investment made by the GEF in transboundary assessments and action plans over the years is showing progress as indicated by increased cooperation among countries, governance reforms, and concrete action and progress on the ground. For example, upstream investment in addressing marine plastics is paving the way to tackle pollution and its impact on biodiversity oceans, and river ecosystems.

Reducing Chemicals & Waste

45. **The GEF supports policy development to transform the use and management of chemicals and eliminate waste and chemical pollution.** This aims to eliminate hazardous chemicals in use by industries and present in products and waste. Introducing techniques and environmental practices also helps minimize emission of unintentionally produced Persistent Organic Pollutants (POPs) and mercury. In fiscal 2022, GEF investments **reduced chemicals of**

global concern and their waste by 4,500 tons and **reduced persistent organic pollutants to air** by 4 grams of toxic equivalent.

46. **Disposing of obsolete pesticides avoids harmful impacts on human health, wildlife, and ecosystems.** Large scale use of pesticides has been a driver of agriculture intensification in countries like Côte d'Ivoire, the world's largest cocoa producer and an important producer of cashew and banana (ID 5362). Through a World Bank-supported project, this West African country disposed of 329 tons of obsolete pesticides using a local company to safely incinerate these hazardous chemicals. This operation, informed by a comprehensive national inventory, prevents harmful POPs from having detrimental impact on the environment and human health. It is backed by a national strategy and regulations on obsolete pesticides. Demonstration sites also pilot the use of biopesticides in cocoa and cotton farms. A similar project in 11 Caribbean countries has collected, repackaged, and shipped 319 tons of obsolete pesticides with FAO support, while another project in Pakistan disposed of 786 tons of obsolete pesticides.

47. **Capacity strengthening of local communities and the private sector ushers in clean energy distribution by avoiding the use of persistent organic pollutants.** For example, in Pakistan, 600 people have been trained to handle and manage POPs, as well as to enforce regulations under development with UNDP support (ID 4477). This was of particular help as Pakistan strengthened country institutions to manage power equipment and wastes containing Polychlorinated biphenyl (PCB) in an environmentally-sound manner. In total, 52 metric tons of PCB-contaminated oil from power companies were disposed of and replaced by 300,000 liters of PCB-free oil in electrical equipment. Sound PCB management in Georgian electricity distribution is also underway with UNIDO support, where amendments to the current waste legislation are discussed mid-way through implementation, along with plans for the elimination of PCB.

48. **Greening recycling value chains reduces the release of POPs, while keeping workers healthier.** The scrap metal industry, where awareness of dangers among workers remains low, is a good example. Thailand is placing priority on implementing environmental practices to reduce unintentional POPs emissions, while reviewing regulations and building capacity (ID 9222). Mid-way through implementation of this project supported by UNIDO, awareness-raising campaigns and videos help to inform scrap metal recyclers on environmental issues and ways to limit damages. Training events on sound scrap metal management and best environmental practices are underway and involve governmental institutions and recycling facilities across the country. Altogether, they promote a circular economy approach from scrap metal collectors and dealers to recycling facilities, downstream industries processing recycled materials, and users through compelling educational visuals.

49. **GEF support proved instrumental in identifying good practices on emerging chemical policy issues.** With UNEP implementation support, the Strategic Approach to International Chemicals Management (SAICM) promotes legislation and connects the private sector on chemical issues with a particular focus on the use of lead in paint and chemicals in products (ID 9771). In its last phase of implementation, interventions from this project led to 15 countries adopting legal limits for lead in paints, with 19 other countries in the process of adopting such

regulations. In addition, 14 paint manufacturers have reformulated internal processes to produce lead-free paint, while 22 other small and medium enterprises are pursuing this switch. Global guidance and a good practice series have also raised awareness and capacity on reducing the use of chemicals of concern.

50. **Overcoming the use of mercury in artisanal and small-scale gold mining is a priority that requires strengthening institutions, supporting the private sector, and building capacity.** In Peru, the release of mercury from gold mining contributes to its dispersion across ecosystems and damages human health (ID 9710). Mid-way through implementation, this UNDP-supported project works with 12 mining communities in the Arequipa, Puno, and Piura regions, aiming to reduce mercury by 15 tons through access to equipment using mercury-free processes. It started by preparing norms and legal frameworks as travel restrictions in place during the COVID-19 pandemic hampered the smooth roll-out of field actions. This project is part of the Global Opportunities for Long-term Development (GOLD) Program supporting the reduction of mercury in artisanal mining.

51. **Ultimately, any intervention aiming at reducing and avoiding chemicals of concern benefit the health of people and nature.** It is therefore notable that 15.3 million **people benefited from reduced exposure to hazardous chemicals** in fiscal 2022, over 40 percent of whom were women. This achievement results mainly from two projects aiming at reducing POPs from unsound waste management in Indonesia with a focus on flame retardant chemicals, and in China with support from respectively UNDP and the World Bank (ID 5052). In China, project beneficiaries include workers of companies using Perfluorooctane sulfonic acid in production, as well as residents of the communities where polluting factories are now closed.

52. **Operating under the guidance of the Minamata and Stockholm conventions, the GEF will continue focus on reducing and eliminating harmful chemicals from value chains.** It will also support relevant SAICM objectives and the Montreal Protocol. Engagement with national authorities and the private sector is instrumental to that endeavor aiming to reduce the adverse impact of chemicals of concern on human health.

Cross-cutting Strategic Areas

53. **GEF investments integrate a set of cross-cutting areas to maximize environmental benefits: private sector engagement, gender equality, and knowledge management.** Countries with GEF investments are making steady environmental progress through these cross-cutting strategic areas.

Private Sector Engagement

54. **The GEF is scaling up its engagement with the private sector, helping to unlock productive solutions for environmental progress through multi-stakeholder platforms.** The Good Growth Partnership reached completion in fiscal 2022 after engaging financial institutions and private sector through a series of targeted events (ID 9179). These included large companies from the agriculture and food sectors, such as Barry Callebaut, Kellogg, Olam, Mondelez, and

Cargill. They led to the "Value Beyond Value Chains" guidance note prepared with UNDP support, providing concrete tools for companies to collaborate more effectively with governments in producer countries toward sustainable agricultural production. As part of this program, WWF worked to incentivize demand for sustainably produced beef, palm oil, and soy by engaging with producers at a range of scale from smallholders, local communities, SMEs, and multinational companies.

55. **Providing guarantees to companies de-risks and unlocks investments that catalyze energy savings.** Mid-way through implementation, a GEF non-grant financing of $18 million to a partial risk sharing facility in India has already leveraged three times that amount and provided 29 credit guarantees (ID 4918). Loan financing to energy service companies total $22.9 million, leading to saving 95 gigawatt-hour of energy on annual basis. They targeted key actors able to make energy used more efficient: building management, municipal street lighting and water pumping, large industries as well as micro, small, and medium enterprises.

56. **As environmental degradation constrains the growth of enterprises, GEF investments support companies in transitioning toward sustainable production.** This includes regulations and training to ensure that companies and developers avoid and mitigate environmental damage, as observed in efforts in Côte d'Ivoire, Pakistan, Peru, and other countries to address chemicals of concern. Non-grant instruments will also continue to play an important role in blending finance for environmental objectives with direct support to private sector entities, including to funds that invest in companies with ambitious environmental goals.

Gender Equality

57. **As gender equality and women's empowerment are urgent for environmental progress, GEF investments continue to expand gender mainstreaming.** Participatory approaches in Ghana led to increased ownership from groups of women traditionally left out in decision-making processes (ID 9340). The gender-responsive approach adopted by this project, which is part of the Resilient Food System program, targeted women as direct beneficiaries of income-generating activities, such as shea nut processing. Women helped set up 339 Village Savings and Loan Associations. In total 6,800 women joined those associations, along with 2,600 men. Women accessed these financial resources, with some women indicating that savings earned led their husbands to release additional land for them to farm, yielding additional income. This came as a direct result of women's improved capacity to bear the cost of land preparation and inputs for farming.

58. **Ensuring gender equality starts at the project design stage during which gender assessments take place.** In Bhutan, gender analysis identified an inclusive approach where women and men can participate equitably in enhancing the sustainability and resilience of forest and agricultural landscapes (ID 9199). The related gender action plan focused on promoting energy and labor-saving technologies to reduce the disproportionate workload of women. This includes installing electric fences to reduce women's crop guarding time, as well as gender-friendly harvest mechanization that minimize time spent in the fields. These reduced drudgery, improved income, and increased control over resources for women. As this UNDP-supported

project continues to make progress, it will improve data collection to ensure that sex-disaggregated data are consistently available.

59. **To overcome gender issues the establishment of strong monitoring and enforcement systems that address reports of exploitation and abuse is a key element.** This matter became particularly important in Guyana in a project supported by Conservation International aiming to reduce mercury in artisanal gold mining. The project's gender assessment identified a range of issues: intimate partner violence, labor exploitation, trafficking in persons, and gender discrimination in communities close to and affected by the gold mining sector (ID 9713). This bottom-up engagement led to the integration of gender dimensions in project interventions. Both project activities and the safeguards workplan addressed this by providing suitable conditions at project sites, ensuring participation of women at roundtable discussions, and advocating for policy change.

Knowledge Management

60. **Knowledge generation and sharing through regular stocktaking exercises are critical for GEF investments to achieve a lasting effect.** The Resilient Food System project in Ghana organized a yearly review and planning workshop bringing together key government implementation agencies and beneficiary farmers (ID 9340). This allowed a discussion of progress and implementation challenges, and the planning of next steps. In addition to this management approach, information from this project fed into the global coordination platform. It constitutes one of the 19 national platforms of the Resilient Food Systems, which interact and exchange knowledge across involved countries in Africa.

61. **The use of a variety of media and local content helps raise awareness on good practices in sustainable environmental management.** In El Salvador, results of interventions to protect peatlands and lessons learned have been disseminated by relying on social media and during annual steering committee meetings (ID 5749). The project was supported by making available a guide for the protection and prevention of marine coastal zones as well as for the handling and disposal of waste from ship operations. Promoting sustainable management in the mountainous forests of the Kyrgyz Republic involved the development of training materials and manuals on good practices, as well as their dissemination to farmers field schools. Knowledge management tools help make the effect of GEF investments last longer through continuous reinforcement of good practices and availability of important information.

62. **Lessons learned from implementation also feed into the preparation of new projects and programs.** Agencies now routinely share lessons learned on the GEF Portal at two important milestones: mid-term review and terminal evaluation. Over 800 lessons learned are already available and accessible to agencies through a dedicated report. Another example is the IW:Learn, a community of projects and an online platform, specialized in collecting and sharing best practices, lessons learned, and innovative solutions around transboundary water management issues.

EFFECTIVENESS OF THE GEF PARTNERSHIP IN MANAGING ITS INVESTMENTS

63. **This section presents an overview of the portfolio under implementation and describes the progress of GEF investments on operational effectiveness in fiscal 2022.** This analysis presents findings for the partnership as a whole, by Agency, region and country groups, drawing from implementation progress updates provided by Agencies. Table 2 provides the latest fiscal 2022 values for the GEF average, along with fiscal 2019-2021 averages as benchmarks, for the RMF's Tier 2 indicators (see Figure 1). The benchmark provides context on the latest performance values and builds on three years of continuous use of the same metrics. It is supported by further disaggregation in Table 3 and Table 4 by agency, region and country group. Annex A gives the number of projects contributing to each indicator for fiscal 2022, providing context on the portfolio size of each Agency and region. This consistent approach to reporting now provides multi-year time series (see Figures 4, 6, 7) and strengthens portfolio oversight.

64. **In fiscal 2022, the GEF Trust Fund approved investments rose to $1,537 million in net project commitments and disbursed $662 million of project financing. The portfolio of active investments reached $10.4 billion of GEF financing and $69.5 billion of co-financing.** A total of 743 GEF-financed Medium-sized projects (MSPs) and Full-sized projects (FSPs) under implementation provided a progress update in fiscal 2022. They are valued at $4.2 billion in net commitments. Altogether, 569 FSPs account for 91 percent of the portfolio volume, with 174 MSPs amounting to 6 percent, and 106 Enabling Activities (EAs) to the rest (see Figure 2.A).

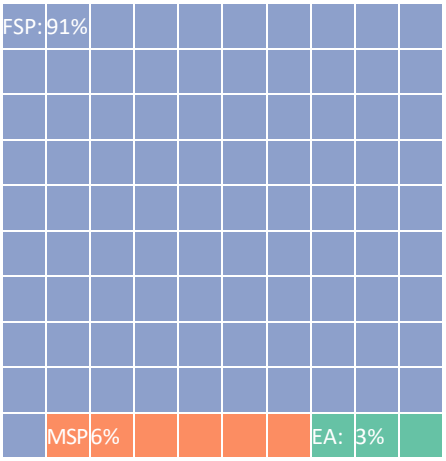
65. **Among the five focal areas of investment, the two largest with investments under implementation are biodiversity and climate change.** Figure 2.B indicates the distribution by focal area along the financial resources used by projects. Biodiversity and Climate Change each respectively account for 29 percent of the portfolio, followed by Land Degradation, Chemicals & Waste, and International Waters. The remaining Multi-Focal Area projects refer to investments from earlier GEF periods with no breakdown by contributing focal area.

66. **The share of projects in Least Developed Countries (LDCs) and Small Islands Developing States (SIDS) rose to respectively 21 percent and 12 percent across regions.** This is up from 19 percent for LDCs and 10 percent for SIDS a year ago. This increase reflects higher investments toward these two country groups over GEF phases. GEF investments are under way in 150 countries, attesting to its global reach. Africa, Asia, and Latin America account for over 80 percent of the portfolio (see Figure 2.C), with Africa increasing by 1 percent. Global and Regional projects, which are not specific to a given region, represent 9 percent and 1 percent of the portfolio.

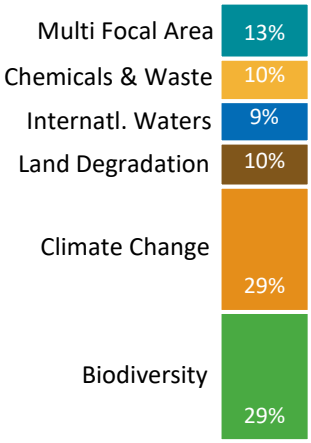
67. **The three founding Agencies—UNDP, UNEP, and World Bank—now account for 64 percent of ongoing operations, down from 69 percent in fiscal 2019.** This highlights that concentration is reducing over time, reflecting a growing share of commitments under implementation from other Agencies. UNEP's portfolio grew the most across Agencies, reaching a volume of $684 million with more of its recent projects starting implementation. Meanwhile, UNDP's share decreased as it completed projects. Figure 2.D indicates the number of projects and portfolio volume by Agency, including only projects for which Agencies provided updates on implementation progress this year.

Figure 2. Portfolio distribution

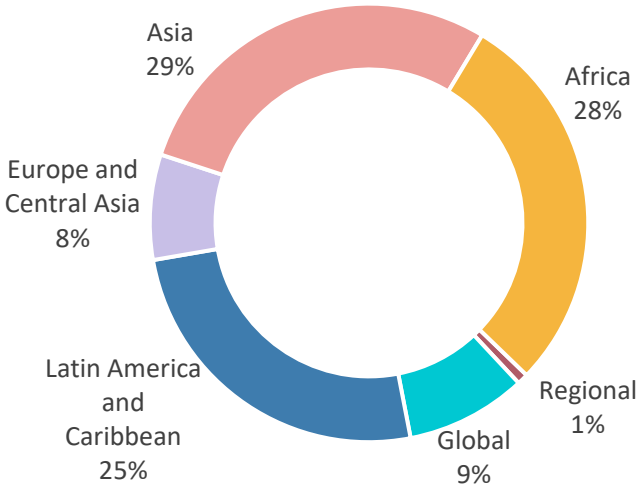
A. By project type in commitment

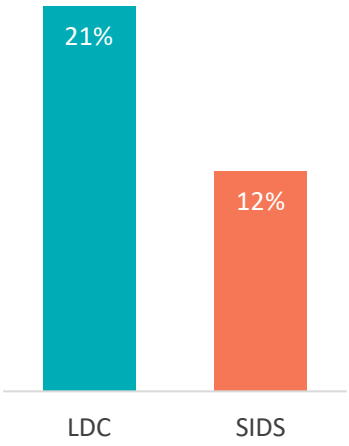


B. By resources to focal area



C. By region and country group





D. By Agency

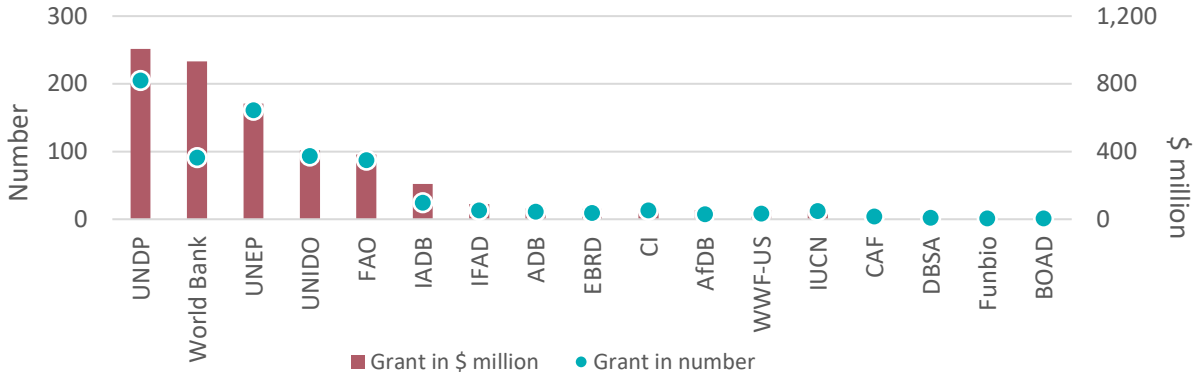


Table 2. Effectiveness and efficiency of GEF-financed projects (Tier 2 indicators)

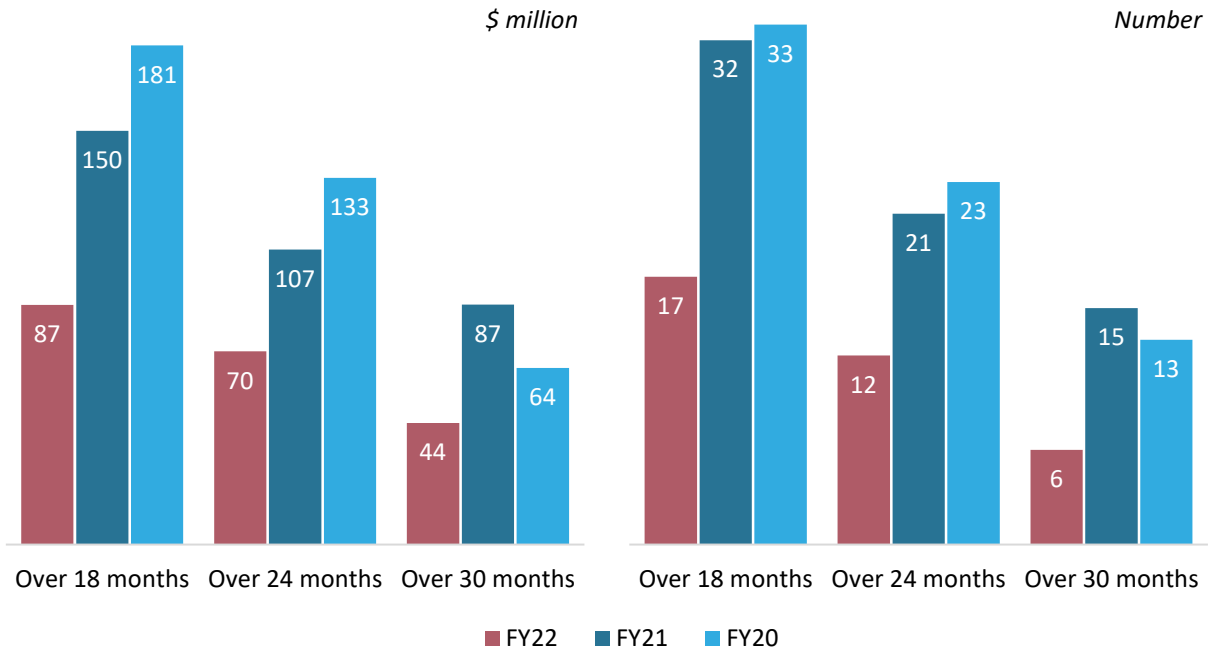
INDICATOR (%)	FY19-FY21 Benchmark	FY22 Latest
ENHANCE THE SPEED OF OPERATIONS		
Time from CEO endorsement / approval to first disbursement below 18 months	65 🟡	85 🟢
Time from CEO endorsement to mid-term review submission below 4 years	52 🔴	50 🔴
MSP age below 4 years	67 🟡	61 🟡
FSP age below 6 years	86 🟢	81 🟢
Completed projects with a timely Terminal Evaluation	87 🟢	89 🟢
ENSURE STRONG PORTFOLIO MANAGEMENT		
Disbursement ratio of ongoing portfolio	21	19
Projects rated in the satisfactory range for both Implementation Progress and Development Outcome	81 🟢	80 🟢
Projects rated in the satisfactory range for Implementation Progress	84 🟢	83 🟢
Projects rated in the satisfactory range for Development Outcome	87 🟢	86 🟢
Proactivity index	⚫	77 🟡
Project with disbursement in the past year	92 🟢	89 🟢
Over 50% disbursed balance after 3 years of implementation for MSPs	77 🟡	75 🟡
Over 50% disbursed balance after 5 years of implementation for FSPs	84 🟢	91 🟢
Projects with financial closure after Terminal Evaluation submission	86 🟢	85 🟢
Projects financially closed on time in the last year	75 🟡	64 🟡
INCREASE CO-FINANCING ACROSS THE PORTFOLIO		
Co-financing materialized higher than 35% at MTR	60 🟡	51 🔴
Co-financing materialized higher than 80% at Terminal Evaluation	56 🔴	50 🔴

🟢 Above 80% of the project portfolio
🟡 From 60% to 80% of the project portfolio
🔴 Below 60% of the project portfolio
⚫ Data not available

Enhancing the Speed of Operations

68. **First disbursements to countries took place faster in fiscal 2022 than over the past two years.** This also indicates an increased ability of projects to adapt implementation arrangements as country situations evolve. As a result, 85 percent of ● **projects that disbursed for the first time in fiscal 2022 did so within 18 months of CEO endorsement/approval**, up from 71 percent a year ago. This performance is observed across Africa, Asia, and Latin America. This was not the case in Europe and Central Asia as country circumstances and instability led to delaying implementation. Among Agencies, UNEP, UNDP, and the World Bank saw the vast majority of their projects disburse for the first time under 18 months. Their performance drove the GEF average higher as they account for a large share of the 92 projects that reported first disbursements since last year's update. This progress in reaching timely first disbursement is corroborated by data showing that a smaller number and volume of projects have yet to reach implementation start by end of fiscal 2022, as compared to similar situations in fiscal 2021 and 2020 (see Figure 3).

Figure 3. Projects not under implementation after CEO endorsement

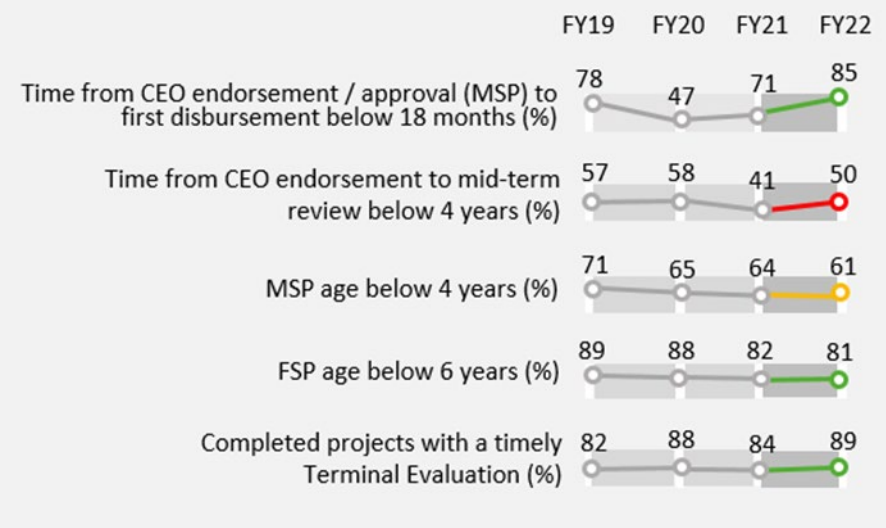


69. **Only half of project MTRs occurred within the first four years of implementation, as Agencies are only now able to field teams to conduct mid-term assessments.** This hinders Agencies' ability to take stock of progress and challenges and put the project back on an improved trajectory, as less time remains to act on MTR findings. Nearly 30 percent of projects that held an MTR in fiscal 2021 saw their ratings increase in fiscal 2022, attesting a positive "MTR effect." Several of the MTRs submitted in fiscal 2022 indicated preparation had been postponed by several months due to COVID-19 travel restrictions and inability to visit project sites and engage with stakeholders. In fiscal 2022, 50 percent of ● **projects reached MTR within four years of implementation**, higher the previous year's status of 41 percent. CI, FAO, UNDP, and UNIDO

demonstrated better than average performance. In Asia, only about a third of MTRs were submitted on time.

70. **The portfolio of Full-sized projects remains overall on course with implementation plans, while this is the case to a lesser extent for Medium-sized projects.** Ensuring projects stay within their anticipated project duration is important to maintain a dynamic portfolio. Over half of FSPs are less than six years under implementation for all Agencies, except for two Agencies. Good standards are also observed across regions and country groups. The share of ● **FSPs younger than six years** stands at 81 percent, in the same performance range as last year. Meanwhile, 61 percent of ● **MSPs were younger than four years**, just below the 64 percent achieved last year. Longer than anticipated MSPs take place in particular in the Africa and Asia regions.

Figure 4. Enhance the speed of operations



71. **The vast majority of projects submitting a terminal evaluation did so on average within the policy standard of 12 months from completion.** This supports the GEF partnership's ability to continuously improve by applying lessons learned from implementation and providing accountability on results, co-financing, and other areas. In fiscal 2022, 87 percent of ● **completed projects submitted a terminal evaluation on time**. In collaboration with the GEF Independent Evaluation Office and Agencies, efforts will also take place to ensure progress in reducing the stock of projects with outstanding submission of terminal evaluations. There are currently about 120 projects completed over a year ago lacking a terminal evaluation, half of which are FSPs.

Ensuring Strong Portfolio Management

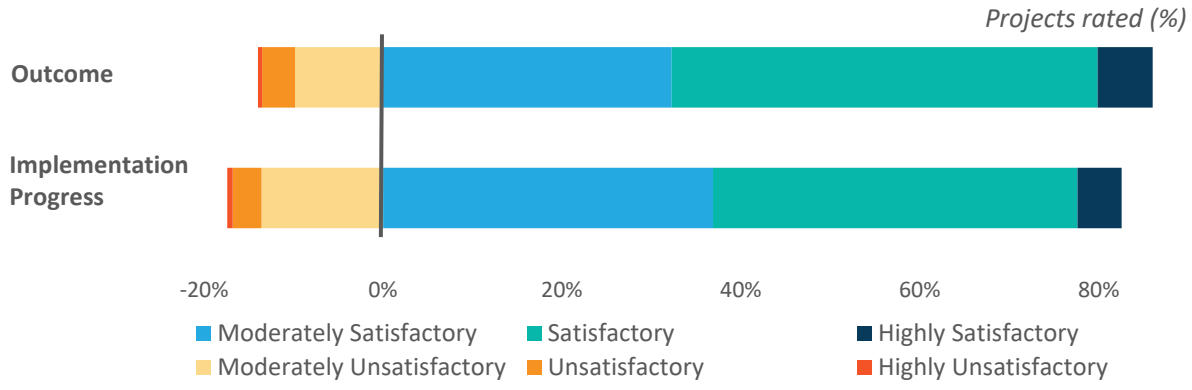
72. **The disbursement ratio stayed in a satisfactory performance range in fiscal 2022, as the implementation of GEF-7 projects is gathering pace.** Progress data continues to indicate that it takes on average five years for projects to reach completion once under full implementation, as per this year's **disbursement ratio** of 19 percent, down from 20 percent a year ago. It is noteworthy that FAO, UNDP, and UNIDO achieved the highest disbursement ratios among

Agencies with larger portfolios. Meanwhile, this ratio was above 25 percent for three regional Multilateral Development Banks—ADB, AfDB, and IADB—and IFAD. Africa, Asia, and ECA regions, along with LDCs, reached higher than average disbursement ratios. All Agencies with a large volume of projects under implementation disburse with overall similar speed. Higher than average disbursement took place in some of the most at-need regions and country groups. The disbursement ratio for regional projects was also above average.

73. **Four out five ● projects indicate on average making satisfactory implementation progress and being on track to likely achieve planned outcomes.** Projects in Africa, Latin America, and Asia, as well as LDCs and SIDS, face greater implementation challenges. Agencies continue to pay special attention to supporting institutional capacity strengthening in SIDS, among other regions and country groups, to reach higher implementation quality and speed. A closer look indicates that 83 percent ● **projects were rated in the satisfactory range for Implementation Progress**, on par with last year. Meanwhile, 86 percent of ● **projects were rated in the satisfactory range for the likelihood to achieve their Development Objective**, a percentage point higher than last year. This confirms that the outlook to achieve results remains strong. Box 5 presents the share of projects in the satisfactory range by focal area and Figure 5 highlights the distribution of ratings across the portfolio.

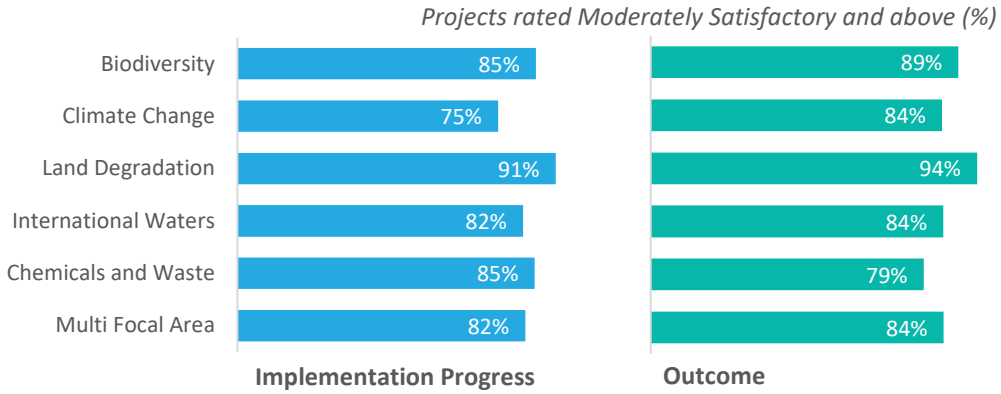
74. **About three quarters of projects rated in the unsatisfactory range a year ago demonstrated proactivity to improve performance in fiscal 2022.** This highlights adaptive management capacity across Agencies and a resolve to overcome implementation challenges in countries. The proactivity index assesses the share of projects rated in the unsatisfactory range a year ago for either Implementation Progress and/or Development Outcome, and that have since then demonstrated proactivity. Proactivity includes a range of actions such as reaching a higher project rating, completion, cancellation, or implementing a minor amendment, such as a change in financial management or in the results framework. This year, the ● **proactivity index** reached 77 percent. Highest progress was observed on average in Latin America, Europe, and Central Asia, supported in particular by UNEP and UNDP. The most common sign of proactivity lay in an upgrade in project rating, as observed in about half of the projects rated in the unsatisfactory range last year for either implementation progress or development outcome. Updates to institutional arrangements, financial management, and project results framework were also among the most common adaptive management actions.

Figure 5. Distribution of Outcome and Implementation Progress ratings of ongoing projects



Box 5. Projects rated in the satisfactory range by focal area

Biodiversity, Land Degradation, and Chemicals and Waste have the highest share of projects rated satisfactory for implementation progress. High percentages are observed across focal areas on the likelihood to achieve development outcomes. A closer look points to satisfactory implementation progress for 75 percent of Climate Change projects, with a strong average outcome rating at 84 percent. This indicates a positive outlook for achieving outcomes.



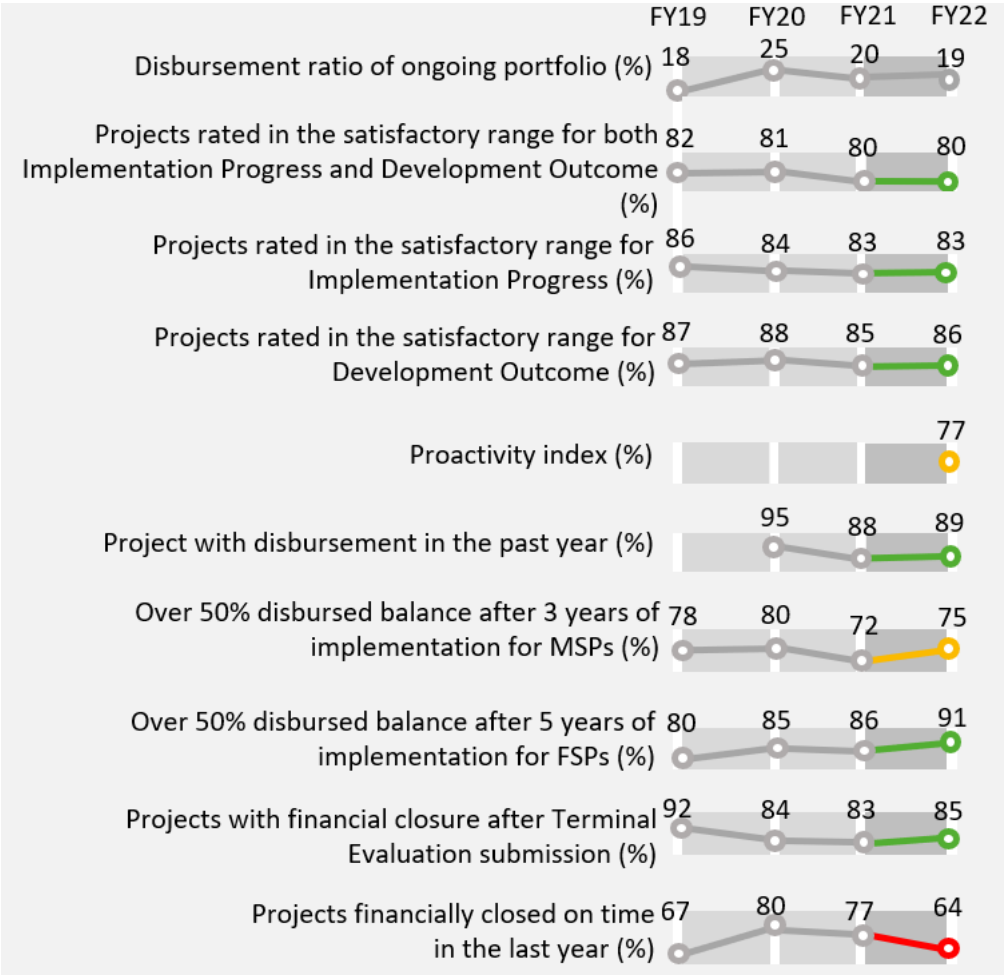
75. **Projects continue to be firmly on the move, as 89 percent of projects ● disbursed new resources in the last year.** This is marginally better than last year's value of 88 percent. Progress in this area indicates that implementation continues and is a sign of countries' absorptive capacity in executing projects with continuous disbursement on the ground. It also highlights than even in instances where travel restrictions continue, Agencies and countries found alternative ways to make implementation progress. Latin America and SIDS respectively reached lower performance levels: respectively 83 percent and 85 percent of projects disbursed new resources in the past year.

76. **As projects near their planned completion time, they have for the most part disbursed well over half of the intended financing.** FSPs fare better than MSPs in showing continuous and overall timely use of resources for the achievement of project outcomes. In fiscal 2022, 91 percent of ● **FSPs older than five years have disbursed over 50 percent of their financing**, up from 86 percent a year ago. This high standard was achieved by the vast majority of Agencies. A different threshold is applied for MSPs given their shorter planned duration. In fiscal 2022, 75 percent of ● **MSPs older than three years have disbursed over 50 percent of their financing**, a higher performance than 72 percent a year ago. UNEP and UNIDO, which account for about half of the MSPs considered, performed better than average in ensuring MSPs have disbursed the majority of financing at this stage.

77. **The GEF and partner Agencies made progress in addressing projects with long overdue financial closure; as a result, the timeliness in closing projects within 12 months of completion decreased last year.** Progress in closing older projects with outstanding active commitments cancels out progress in reaching financial closure on time for recently completed projects. In fiscal 2022, 85 percent of ● **projects with a terminal evaluation report had reached financial closure**, higher than 83 percent a year ago. As a result of this progress, the implementation of the policy standard of reaching financial closure within 12 months of terminal evaluation achieved slower

progress. Altogether, 64 percent of the ● **projects were financially closed on time in the last year**, a decline from 77 percent a year earlier. Overall, 95 projects reached financial closure on time last year.

Figure 6. Ensuring strong portfolio performance



Increasing Co-financing Across the Portfolio

78. **By the time they reach mid-term, half of all projects indicate they have ● secured above 35 percent of the co-financing anticipated during preparation.** This is lower than last year's average of 62 percent and points to continuous challenges in ensuring that co-financing supports the achievement of project outcomes early on. Private sector actors, recipient countries, and Civil society organizations are the most prompt in materializing co-financing resources, whereas donor agencies are trailing. Co-financing takes longer to materialize in Africa and in available LDCs, across regions and country groups. This points to the need to ensure sustained engagement with co-financiers during implementation to maximize finance and achieve global environmental benefits.

79. **Co-financing materialized at completion is on average lower than envisioned during design.** Donor agencies, private sector actors, recipient countries, and bilateral donors provided

co-financing amounts on average on par with expectations. This high performance was not matched by other sources of co-financing, such as GEF Agencies, multilateral organizations, foundations, and NGOs. In fiscal 2022, 50 percent of projects ● **materialized above 80 percent of co-financing at terminal evaluation**. Latin America and Europe and Central Asia are the two regions where co-financing occurred closest to expected volumes. Figure 8 provides a representation of the two co-financing indicators by region and country group, along with the GEF average.

Figure 7. Increasing co-financing across the portfolio

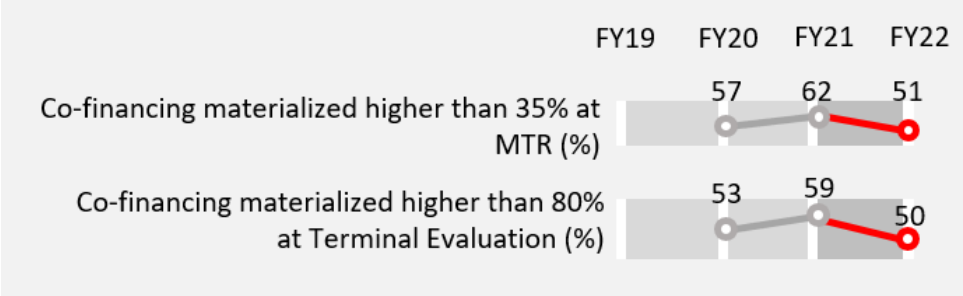
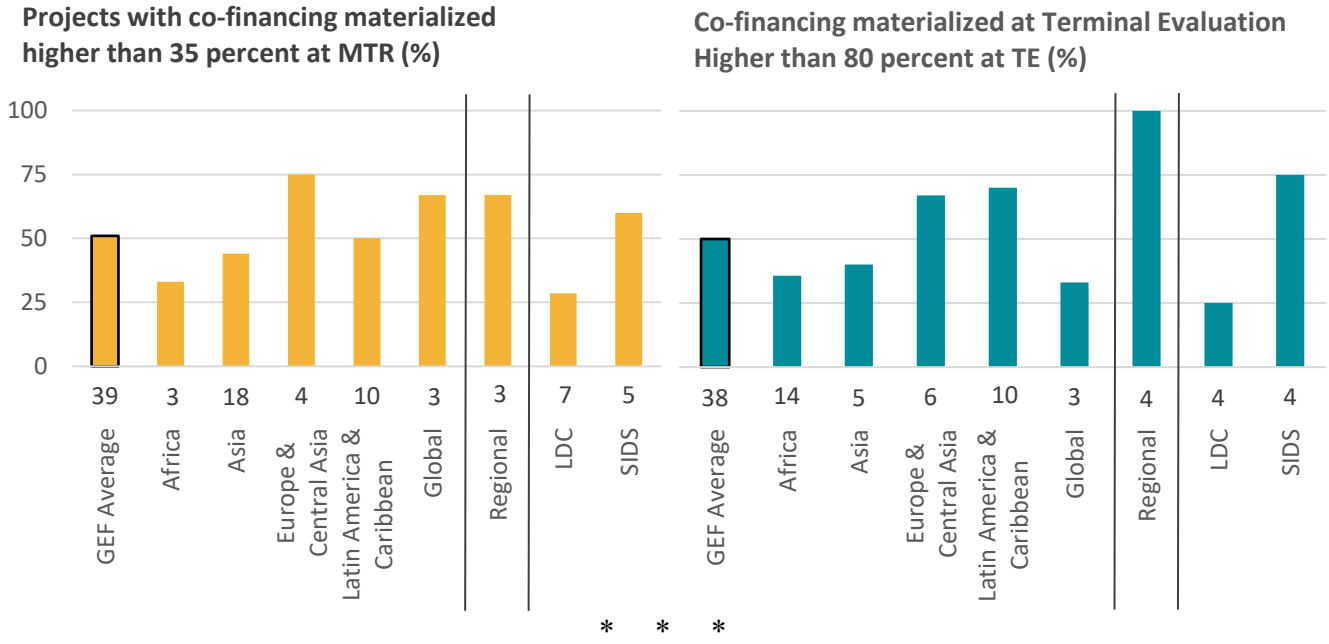


Figure 8. Progress in materializing co-finance at MTR and Terminal Evaluation



80. **The submission rate of Project Implementation Reports reached 84 percent for FSPs and 77 percent for MSPs, as engagement with Agencies aims for full compliance.** This progress update is overall on par with last year's performance for MSPs, but lower than the 91 percent submission rate observed for FSPs a year ago. This takes place within a context where Agencies have in fact shared more PIRs this year than last year in volume. Extensive data reconciliation exercises and engagement with Agencies on PIR submission during fiscal 2022 helped ensure a strong PIR submission rate.

Table 3. Tier 2 fiscal 2022 values and performance by Agency[1]

INDICATOR (%)	GEF Average	ADB	AfDB	BOAD	CAF	CI	DBSA	EBRD	FAO	FECO	FUNBIO	IADB	IFAD	IUCN	UNDP	UNEP	UNIDO	World Bank	WWF
ENHANCE THE SPEED OF OPERATIONS																			
Time from CEO endorsement / approval to first disbursement below 18 months	85				0	100			60			0	0		88	96	100	87	100
- MSPs only	76				0	100			40			0			78	92	100		100
- FSPs only	90								80				0		94	100		87	
Time from CEO endorsement to mid-term review submission below 4 years	50					100			62			33	0		67	17	57		0
MSP age below 4 years	61	0			100	100		0	89	100		50		50	79	56	43	25	100
FSP age below 6 years	81	67	83	100	100	89	100	29	90		100	72	86	100	93	73	48	82	100
Completed projects with a timely Terminal Evaluation	89								85			100			90			100	
ENSURE STRONG PORTFOLIO MANAGEMENT																			
Disbursement ratio of ongoing portfolio	19	26	33		0	33	31	6	24	12	36	20	28	30	23	16	26	10	19
Projects rated in the satisfactory range for both Implementation Progress and Outcome	80	91	57		100	92	100	89	96	100	100	83	92	92	57	87	97	81	75

[1] Presenting data at Agency level is a complex undertaking with several methodological challenges: 1) Variations of performance levels across Agencies may occur as few projects populate an Agency's data set, making averages sensitive to outliers. Threshold effects can compound this challenge; 2) Countries, implementing and executing Agencies share the responsibility to achieve project progress; 3) Project progress can be challenged by external events, as evident from the consequences of the COVID-19 pandemic; and 4) Agencies may use different methodologies and levels of candor or stringency in applying project ratings. This is the case of UNDP, which has made substantial changes to its annual reporting in 2017, resulting in a smaller share of projects rated in the satisfactory range. Separately, it should also be noted that agencies use different triggers to disburse resources, blend GEF financing with other resources, and use financing as part of project additional financing—all elements which affect disbursement speed.

INDICATOR (%)	GEF Average	ADB	AfDB	BOAD	CAF	CI	DBSA	EBRD	FAO	FECO	FUNBIO	IADB	IFAD	IUCN	UNDP	UNEP	UNIDO	World Bank	WWF
Projects rated in the satisfactory range for Implementation Progress	83	91	57	100	100	92	100	89	97	100	100	87	92	92	62	89	97	84	75
Projects rated in the satisfactory range for Development Outcome	86	100	57		100	92	100	100	99	100	100	83	100	92	70	89	100	88	88
Proactivity index	77		50			100		0	100			86	100	75	77	72	80	63	
Project with disbursement in the past year	89	50	100		0	100	100	75	100	100	100	78	90	89	98	77	96	74	100
Over 50% disbursed balance after 3 years of implementation for MSPs	75	0						50	100			50		100	65	80	86	50	0
Over 50% disbursed balance after 5 years of implementation for FSPs	91	86	67			67		60	92			91	100		96	90	95	88	100
Projects with financial closure after Terminal Evaluation submission	85	97	30			67		50	61			100	100	0	85	75	92	90	67
Projects financially closed on time in the last year	64		100					100	0			100	100		62	44	69	92	
INCREASE CO-FINANCING ACROSS THE PORTFOLIO																			
Co-financing materialized higher than 35 percent at MTR	51					100			57			0	100		0	50	67		0
Co-financing materialized higher than 80% at Terminal Evaluation	50								62			100			50			0	

Table 4. Tier 2 fiscal 2022 values and performance by region and country group

INDICATOR (%)	GEF Average	AFRICA	ASIA	EUROPE & CENTR.ASIA	LATIN AM. & CARIBBEAN	GLOBAL	REGIONAL	LDC	SIDS
ENHANCE THE SPEED OF OPERATIONS									
Time from CEO endorsement / approval to first disbursement below 18 months (%)	85	86	88	50	88	100	75	90	94
- MSPs only (%)	76	70	86	50	75	100	50	83	83
- FSPs only (%)	90	92	88	50	92	100	88	92	100
Time from CEO endorsement to mid-term review submission below 4 years	50	50	35	75	56	100	0	50	50
MSP age below 4 years (%)	61	58	56	69	58	69	73	47	80
FSP age below 6 years (%)	81	80	72	72	85	76	77	86	85
Completed projects with a timely Terminal Evaluation (%)	89	71	100	100	100	100	100	50	100
ENSURE STRONG PORTFOLIO MANAGEMENT									
Disbursement ratio of ongoing portfolio (%)	19	23	19	19	17	16	21	22	18
Projects rated in the satisfactory range for both Implementation Progress and Outcome (%)	80	79	77	82	79	94	79	77	62
Projects rated in the satisfactory range for Implementation Progress (%)	83	81	81	85	80	96	83	79	67
Projects rated in the satisfactory range for Development Outcome (%)	86	84	83	94	85	96	86	84	64
Proactivity index (%)	77	73	71	91	78	100	82	71	70
Project with disbursement in the past year (%)	89	92	88	94	83	88	91	93	85
Over 50% disbursed balance after 3 years of implementation for MSPs (%)	75	71	75	88	79	60	67	88	81
Over 50% disbursed balance after 5 years of implementation for FSPs (%)	91	90	92	93	93	89	91	88	95
Projects with financial closure after Terminal Evaluation submission (%)	85	82	86	91	83	82	32	82	71
Projects financially closed on time in the last year (%)	64	59	74	79	52	63	63	62	67
INCREASE CO-FINANCING ACROSS THE PORTFOLIO									
Co-financing materialized higher than 35 percent at MTR (%)	51	33	44	75	50	67	67	29	60
Co-financing materialized higher than 80% at Terminal Evaluation (%)	55	36	40	67	70	33	100	25	75

Small Grants Programme

81. **Supporting local actions and civil society actors to influence and deliver on sustainable development and environmental goals and commitments is at the heart of the GEF Small Grants Programme (SGP).** Dedicated resources continue to empower local civil society and community-based organizations in undertaking bottom-up actions for global environmental benefits and livelihood improvement. The following provides a progress update on the status of SGP as reported in the latest UNDP SGP Monitoring Report.[2]

82. **Over 1,770 GEF-financed SGP grants were under implementation in fiscal 2022, valued at $62.1 million in commitment from both SGP Core and STAR financing**. These grants also leveraged $69.5 million of co-financing. Table 5 highlights disbursement progress by SGP global core financing and STAR funding. The information provided shows that the implementation of global SGP projects is making progress. It indicates that GEF-5 and GEF-6 SGP Core resources are now fully disbursed, while disbursement from STAR resources allocated to SGP is reaching 99 percent for GEF-5 and 45 percent for GEF-6.

Table 5. Disbursement status of GEF-5, GEF-6 and GEF-7 SGP grants under implementation

GEF Phase	Financing type	Net endorsed amount ($ million)	Total disbursed as of end of FY22 ($ million)	Disbursement rate as of end of FY22	Disbursed in FY22 ($ million)
GEF-5	Core	134.6	134.6	100%	..
	STAR	120.6	119.5	99%	10.9
GEF-6	Core	134.6	134.6	100%	..
	STAR	36.5	16.4	45%	1.3
GEF-7	Core	123.1	47.5	39%	27.9
	STAR	43.9	..	0%	..

83. **UNDP has made progress in disbursing and allocating GEF-7 financing.** In GEF-7, $128 million was CEO endorsed as SGP core financing and $45.7 million from STAR resources has been CEO Endorsed, or respectively $123.1 million and $43.9 million of project financing after accounting for Agency fees. Out of the $123.1 million of project financing CEO endorsed for GEF-7 SGP global core financing, 39 percent has been disbursed since implementation start in July 2020.

84. **Tracking SGP resources directly financing civil society matters, along with assessing support for important aspects, such as capacity building, knowledge management, and M&E.** Table 6 highlights the specific share of SGP financing, disaggregated by SGP global core and STAR financing taking the form of grants to civil society organizations, in relation to other expenditure

[2] The full *Annual Monitoring Report* prepared by UNDP and the SGP implementing unit is available at: www.sgp.undp.org.

categories. It indicates that the current share of SGP global core financing grant ratio stands at 61 percent in GEF-7, up from 55 percent in GEF-6.

Table 6. Grant and non-grant planned expenditures

	GEF-5 Financing		GEF-6 Financing		GEF-7 Financing	
	Core	STAR	Core	STAR	Core	STAR
Grants to CSOs and CBOs, including Grantmakers Plus	64%	80%	55%[3]	80%	61%[4]	80%
Non-grant	36%	20%	45%	20%	39%	20%
- of which program cost[5]	22%	6%	31%	6%	25%	6%
- of which project management cost[6]	10%	10%	10%	10%	10%	10%
- of which Agency fee	4%	4%	4%	4%	4%	4%

85. **SGP country coverage is expanding.** As of fiscal 2022, the SGP is operational in 112 countries supported by the GEF core and STAR financing under the SGP Global Programme, and 15 countries through SGP Upgraded Country Programmes financed by countries' STAR allocation. Out of the 11 countries that formally expressed interest in joining SGP in GEF-7, progress has been made in opening SGP Country Programmes in Bangladesh (June 2021), Eswatini (May 2020), and Gabon (June 2021), with resources allocated at country level. Bangladesh is finalizing its SGP Country Programme Strategy and Eswatini now has a first portfolio of grants under implementation. Gabon recently launched its country program as it awaits the preparation of its first call for proposal. Progress toward opening SGP Country Programmes in Angola and Equatorial Guinea is underway with appraisal missions already held in both countries.

86. **Adaptive management helps SGP grantees make progress in communities even in the face of challenges brought by the COVID-19 pandemic.** In fiscal 2022, UNDP reports the completion of 1,052 GEF-financed projects with significant results during this reporting period. Travel restrictions and adapting projects to grantee needs due to COVID-19 account for the main causes of delays in about one-third of projects initially slated for completion in fiscal 2022. Meanwhile, survey results indicate that 70 percent of projects received in-person monitoring visits. Country teams noted they adapted implementation to addresses challenges posed by the pandemic, including through modifying activities and plans.

[3] Including 5 percent of the total SGP core financing allocated to Grantmakers Plus activities in GEF-6 to support knowledge platforms, policy dialogues, and to enhance social inclusion.

[4] Including grants directly contracted to CSOs and CBOs as well as financing allocated to GEF-7 Grantmakers Plus Initiatives to support (1) dialogue platforms for civil society organizations, government, and the private sector; (2) activities to enhance social inclusion; and (3) knowledge platforms.

[5] Expenditures for monitoring and evaluation, capacity development and project support to CSOs/CBOs, communication and knowledge management, and UNOPS fees.

[6] Expenditures for SGP staff costs, premises, travel, and equipment.

DEEP DIVE ANALYSIS ON THE RISK TO ACHIEVING OUTCOMES

87. **Achieving Global Environmental Benefits—the motivator to every GEF activity—requires continuously identifying, measuring, and monitoring risks to project and program outcomes.** This is vital as risk management is getting more complex, including with emerging risks linked to the COVID-19 pandemic, engagement in fragile settings, and in implementing innovations. This deep dive analysis builds on risk updates in the two most recent editions of the Monitoring Report, adding a more dynamic and in-depth look. It also reviews risk within the context of the GEF Support to Innovation evaluation from IEO and STAP's 2022 Risk Appetite document.

Assessing Risk Across the Project Lifecycle

88. **The GEF has progressively adopted elements allowing it to analyze risks across the project lifecycle.** In GEF-7 the GEF introduced a dedicated section on risks both in PIF and CEO Endorsement templates for elaboration by Agencies. This section provides an in-depth analysis often shared by Agencies along a table highlighting key risk categories and measures. Every year during implementation, Agencies provide an overall risk rating, as required by the Monitoring Policy. These elements provide the basis for reporting on risk from project concept to completion.

89. **Building on GEF-7 experience, the risk section in project templates for GEF-8 now includes a standard table allowing systematic reporting on and rating of key risk categories.** While the focus at PIF stage is on risk to preparation and implementation, the risk analysis at CEO Endorsement stage revolves specifically around risks to achieving project outcomes. For each category, Agencies may provide a summary of risks identified, planned mitigation activities, and a risk rating on a four-point scale: Low, Moderate, Substantial, and High. This assessment takes place along dedicated risk categories: Climate; Environment and Social; Political and Governance; Macroeconomic; Strategies and Policies; Technical design of project or program; Institutional capacity for implementation and sustainability; Fiduciary: Financial Management and Procurement; Stakeholder Engagement; Other; Financial Risks for NGI projects; and Overall Risk.

90. **Project risk analysis complements and feeds into the project's overall theory of change, as it also helps facilitate informed decisions considering risk-results tradeoffs.** A risk assessment is an important step to identify the right level of planned results and decide if desired outcomes warrant the risks—the risk-results trade-offs. Information on risks helps calibrate the logic of intervention of the project.

Gauging Project Risk

91. **Agencies reported facing more low or moderate risk than a year ago, possibly in part as COVID-19 related risks subsided.** The share of projects rated as facing low to moderate risk reached 85 percent, up from 75 percent a year ago. The average risk rating also decreased from the fiscal 2021 high of 1.95 and fiscal 2020 rating of 1.88 to 1.74 in fiscal 2022, when attributing

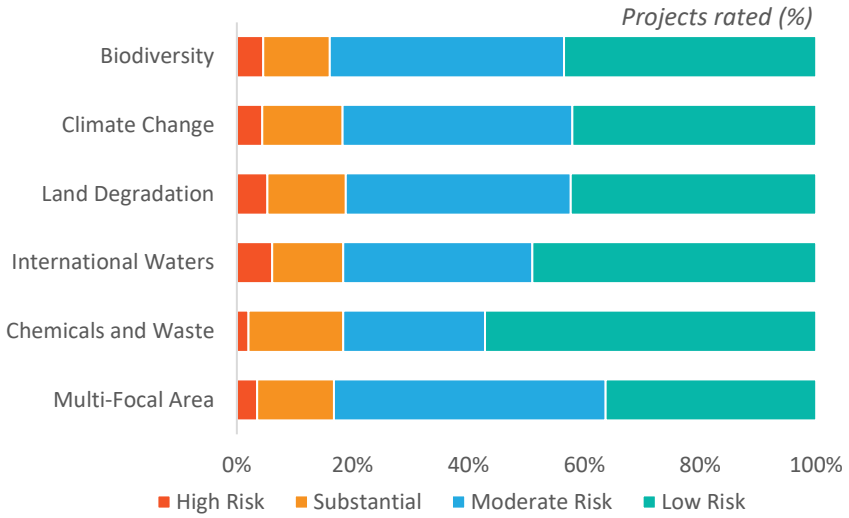
a mark to each risk rating (see Table 7). The shares of projects rated as facing high or substantial risk is between 16 to 19 percent across regions, with Latin America on the higher end and Asia on the lower end of this contained range. This is down from 34 percent a year ago. Agencies rated 22 percent of projects in LDCs as facing high to substantial risk, up from 21 percent a year ago. Figure 9 and 10 provide risk ratings by region, country group, and focal area of financing.

Table 7. Average overall risk ratings

Portfolio	FY20	FY21	FY22
Average risk (Low=1, High=4)	1.88	1.95	1.74

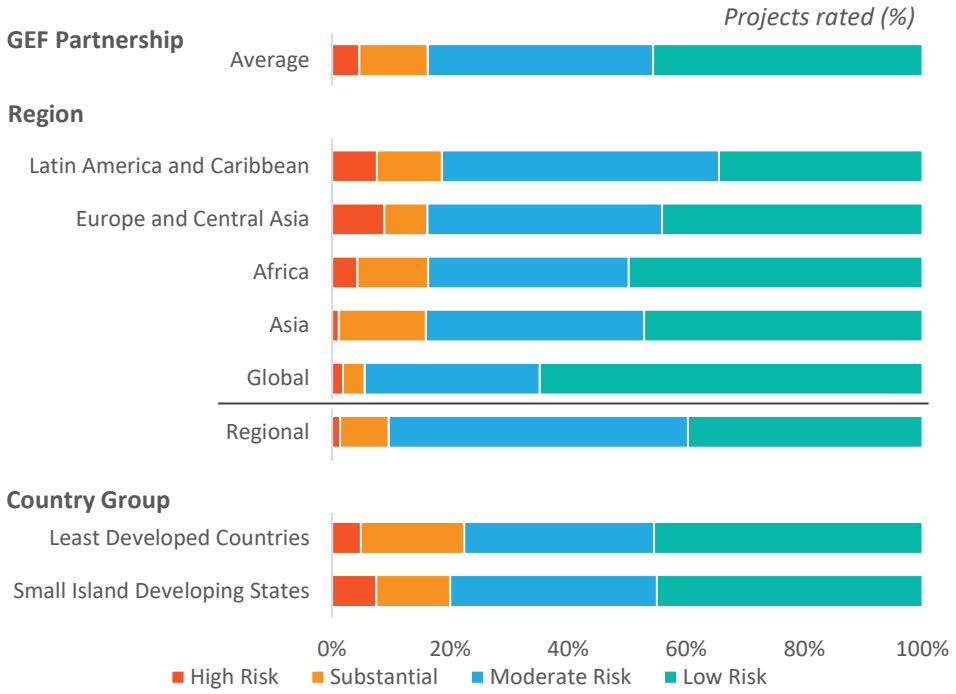
92. **Focal Areas overall share similar traits in their ability to manage risks to achieving outcomes, while the distribution of risk ratings differs to some extent across focal areas.** Risk ratings by focal area indicate low or moderate risk for over 80 percent of projects. Biodiversity is the focal area with the lowest share of projects rated as Substantial or High risk, with 16 percent of its projects falling into theses categories.

Figure 9. Distribution of risk ratings in ongoing projects by focal area



93. **The risk outlook remains positive, as 76 percent of projects were rated in the satisfactory range for outcome and as facing low to moderate risk, up from 70 percent a year ago.** This project population presented in the lower left quadrant of Table 8 is larger than last year by 6 percentage points. Meanwhile, the share of projects facing substantial to high risk and rated unsatisfactorily in reaching outcomes decreased from 9 percent a year ago to just 5 percent. These projects highlighted in the top right quadrant are most at risk of achieving their expected development outcomes by completion. They typically are younger than the rest of the portfolio, indicating sufficient time remains to achieve planned outcomes.

Figure 10. Distribution of risk ratings in ongoing projects by geographic area and country group



94. **The share of projects reporting a lower risk than a year ago is increasing—a sign that COVID-19 associated risks may be subsiding.** In fiscal 2022, 26 percent of projects reported lower risks to outcome during implementation. This is higher than last year, when only 15 percent did the same. Figure 11 presents this data, which reflects changes that took place during a year with varying requirements related to the pandemic and related restrictions. Fewer projects faced higher risk than last year, falling from 16 percent to 10 percent.

95. **A higher share of projects tagged as being innovative at design indicate facing high, substantial, and moderate risks than other projects during implementation stage.** The difference is notable for the high-risk rating standing at 7 percent for innovation-tagged projects against only 4 percent for all other projects (see Figure 12). The share of projects rated as facing substantial risk, however, is higher for projects not tagged as innovative, while the share of projects rated as facing moderate risk is higher for innovative projects. This limited ability to discern trends could relate to the fact that only an overall risk rating is available during the implementation stage. This overall rating is not specific to the project's technical design, which is linked to the degree of innovation. As such, many risk dimensions help in determining this overall risk rating, such as climate, policies, institutional capacity, and stakeholder engagement.

Table 8. Assessing the risk to achieving project outcomes

The lower right number in each cell indicates the size of the project population.

Figure 11. Evolution in risk ratings from a year on

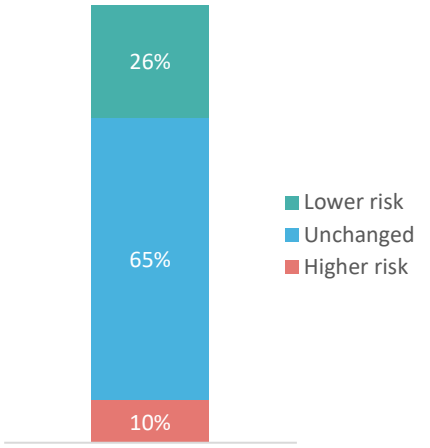
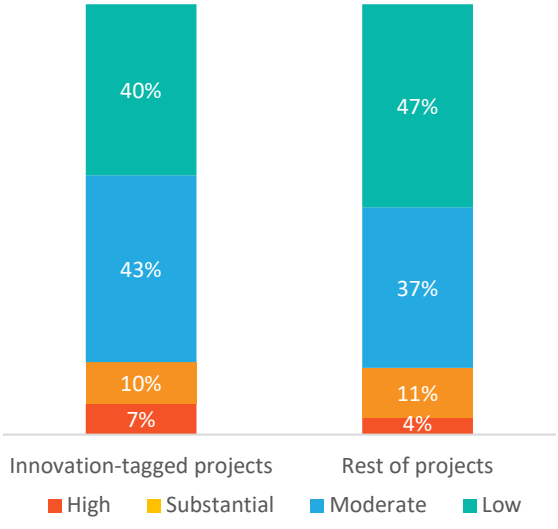


Figure 12. Risk ratings in ongoing projects tagged as innovative and in other projects



96. The analysis presented here helps deepen the understanding of risks facing GEF projects. It constitutes a contribution toward paying great attention at the risk-results and risk-innovation tradeoffs during project design and implementation.

CONCLUSION

97. **The Monitoring Report strengthens its attention to ongoing and recently completed projects by analyzing results achievements in a range of areas.** In doing so, it delivers on GEF-8 commitments to report on actual results in a consistent and systematic format over the years. This approach highlights, for the first time, aggregate portfolio results along Core Indicators across the portfolio as well as provides context through narrative reporting on various areas of investments with real-world project examples. It demonstrates proven solutions to tackling environmental challenges as well as projects where more progress needs to take place until completion.

98. **Portfolio quality as assessed under Tier 2 indicators of the GEF-8 Results Measurement Framework remained stable overall even in the face of coronavirus-related impacts.** The set of metrics used consistently over the past two Monitoring Report editions helps triangulate information from diverse indicators tracking efficiency, disbursement, and implementation quality and shows continuous portfolio progress. Challenges persist in securing co-financing during implementation. Disbursements, however, continue to take place at speed and in a context where projects demonstrate proactiveness and adaptive management.

99. **In a context of heightened attention to risk management, the GEF Secretariat is collating and analyzing evidence to address this topic in its many dimensions.** This includes an update on risk rating status on projects under implementation, as well as progress made in capturing risks during preparation and implementation to guide the achievement of results.

100. **Data from the GEF Portal submitted by Agencies allows an assessment of portfolio progress over time with accuracy and reliability.** In turn, the partnership can access this information through the website, International Aid Transparency Initiative (IATI) and increasingly through live reports and visualizations for key actors of the GEF partnership.

ANNEX A - FISCAL 2022 PROJECT POPULATION FOR TIER 2 INDICATORS

INDICATOR	GEF	ADB	AfDB	BOAD	CAF	CI	DBSA	EBRD	FAO	FECO	FUNBIO	IADB	IFAD	IUCN	UNDP	UNEP	UNIDO	World Bank	WWF
ENHANCE THE SPEED OF OPERATIONS																			
Time from CEO endorsement / approval to first disbursement below 18 months	93				1	1			10			1	1		26	27	2	23	1
- MSPs only	33				1	1			5			1			9	13	2		1
- FSPs only	60								5				1		17	14		23	
Time from CEO endorsement to mid-term review submission below 4 years	36					2			13			3	1		3	6	7		1
MSP age below 4 years	132	1			1	2		2	9	1		2		2	28	57	21	4	2
FSP age below 6 years	459	6	6	1	2	9	2	7	49		1	18	7	9	153	78	46	60	5
Completed projects with a timely Terminal Evaluation	38								13			1			21			3	
ENSURE STRONG PORTFOLIO MANAGEMENT																			
Disbursement ratio of ongoing portfolio	591	10	7		1	10	2	8	62	1	1	18	10	9	181	141	69	54	7
Projects rated in the satisfactory range for both Implementation Progress and Outcome	645	11	7		4	13	2	9	74	1	1	23	13	12	181	152	70	64	8
Projects rated in the satisfactory range for Implementation Progress	648	11	7	1	4	13	2	9	74	1	1	23	13	12	181	154	70	64	8
Projects rated in the satisfactory range for Development Outcome	651	11	7		4	13	2	9	74	1	1	23	13	12	181	152	71	69	8
Proactivity index	143	1						2	7			4		3	23	44	22	6	1

INDICATOR	GEF	ADB	AfDB	BOAD	CAF	CI	DBSA	EBRD	FAO	FECO	FUNBIO	IADB	IFAD	IUCN	UNDP	UNEP	UNIDO	World Bank	WWF
Projects with disbursement in the past year	591	10	7		1	10	2	8	62	1	1	18	10	9	181	141	69	54	7
Over 50% disbursed balance after 3 years of implementation for MSPs	113	1						2	7			4		3	23	44	22	6	1
Over 50% disbursed balance after 5 years of implementation for FSPs	247	7	3			3		5	38			11	10		55	41	39	34	1
Projects with financial closure after Terminal Evaluation submission	2282	31	10			12		2	62			28	32	1	1097	296	78	630	3
Projects financially closed on time in the last year	148		1					1	7			5	3		63	27	16	25	
INCREASE CO-FINANCING ACROSS THE PORTFOLIO																			
Co-financing materialized higher than 35 percent at MTR	39					2			14			3	1		3	6	9		1
Co-financing materialized higher than 80% at Terminal Evaluation	38								13			1			20			4	

	GEF Average	AFRICA	ASIA	EUROPE & CENTRAL ASIA	LATIN AMERICA & CARIBBEAN	GLOBAL	REGIONAL	LDC	SIDS
ENHANCE THE SPEED OF OPERATIONS									
Time from CEO endorsement / approval to first disbursement below 18 months	93	35	24	6	16	9	12	30	16
- MSPs only (%)	33	10	7	4	4	5	4	6	6
- FSPs only (%)	60	25	17	2	12	4	8	24	9
Time from CEO endorsement to mid-term review submission below 4 years	36	2	17	4	9	3	3	6	4
MSP age below 4 years (%)	132	45	25	16	26	16	11	32	20
FSP age below 6 years (%)	459	142	133	46	102	34	56	98	52
Completed projects with a timely Terminal Evaluation (%)	38	14	5	6	10	3	4	4	4
ENSURE STRONG PORTFOLIO MANAGEMENT									
Disbursement ratio of ongoing portfolio (%)	591	197	144	64	132	49	68	126	78
Projects rated in the satisfactory range for both Implementation Progress and Outcome (%)	645	206	175	65	142	51	72	140	81
Projects rated in the satisfactory range for Implementation Progress (%)	648	207	175	66	143	51	72	141	81
Projects rated in the satisfactory range for Development Outcome (%)	651	208	175	66	144	52	74	141	81
Proactivity index (%)	143	41	31	11	37	2	17	31	27
Projects with disbursement in the past year (%)	591	197	144	64	132	49	68	126	78
Over 50% disbursed balance after 3 years of implementation for MSPs (%)	113	45	16	17	24	10	6	41	16
Over 50% disbursed balance after 5 years of implementation for FSPs (%)	247	81	74	30	43	18	32	41	22
Projects with financial closure after Terminal Evaluation submission (%)	2282	620	578	349	477	234	24	384	187
Projects financially closed on time in the last year (%)	148	39	35	14	25	19	16	34	12
INCREASE CO-FINANCING ACROSS THE PORTFOLIO									
Co-financing materialized higher than 35 percent at MTR (%)	39	3	18	4	10	3	3	7	5
Co-financing materialized higher than 80% at Terminal Evaluation (%)	38	14	5	6	10	3	4	4	4