

GEF Council Meeting
November 5 – 7, 2013
Washington, D.C.

Agenda Item 06

**MANAGEMENT RESPONSE TO THE PROGRESS REPORT OF THE GEF
EVALUATION OFFICE DIRECTOR, INCLUDING THE OPS5 PROGRESS
REPORT**

(Prepared by the GEF Secretariat)

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INTRODUCTION

1. This is the management response, prepared by the GEF Secretariat, to GEF/ME/C.45/03, *Progress Report of the GEF Evaluation Office Director, including the OPS5 Progress Report*. It is not normal practice for the Secretariat to prepare a management response to the progress report from the Director of the Evaluation Office. This management response is related only to the progress report on OPS5 that is referred to in the Director's progress report and presented as Annex A in the report.

REPLENISHMENT ISSUES

2. The Secretariat presents its responses with regard to the five replenishment issues identified by the Evaluation Office.

Replenishment issue 1: potential underfunding of focal areas, countries and/or modalities of the GEF needs to be discussed and taken into account when considering programming for GEF-6.

3. The Secretariat agrees that inclusion of new responsibilities such as obligations to the mercury convention needs to be reflected in the resources made available through the replenishment process for GEF-6.

4. The Secretariat notes the increase of multifocal area (MFA) projects in the portfolio and that a lower percentage of MFA projects tend to meet a more stringent yardstick of satisfactory or higher rating. We acknowledge the complexities of M&E systems in these projects and intend to work with the Agencies to identify means to simplify these systems in the context of improvements in the results-based management systems.

Replenishment issue 2: programming of GEF support to countries and regions will remain crucial in GEF-6 and support for this should continue.

5. After initial difficulties with process, the Secretariat has identified and implemented a more streamlined process for the funding of NPFES.

6. The issue of NPFES not being the basis for project proposals is an important one and needs to be dealt with in GEF-6. A consideration is to begin the NPFES process much before the initiation of GEF-6 such that country programming plans are ready and relevant proposals identified when the replenishment programming period begins.

7. Agree that it would be helpful to explore the connections between extended constituency workshops and country NPFES to be one of the ways of generating priorities for regional cooperation.

Replenishment issue 3: project design and implementation should ensure engagement of stakeholders and allocation of resources towards activities supporting broader adoption

8. We are pleased at the OPS5 confirmation that most projects (60.1 percent) had some broader adoption initiatives successfully adopted or implemented, and that the majority of projects (65.3 percent) showed the occurrence of positive environmental impact.

9. The Secretariat agrees that strong project design and stakeholder design are critical for the success of all types of projects, both MFAs and single focal area projects.

Replenishment issue 4: the project cycle remains slow and cumbersome and will need to become an issue for discussion in the third replenishment meeting, when the final analysis of OPS5 is available.

10. The Secretariat and the Agencies recognize that any deterioration of performance against project cycle standards needs to be halted. The Secretariat has initiated a comprehensive stock-taking of all the projects that have been approved by the Council to date (GEF-4 and GEF-5) that are overdue (or close to 18 months) for CEO endorsement. The Secretariat is willing, in collaboration with the Agencies, to develop measures to expedite project preparation.¹ The Secretariat will continue to report on the project cycle performance in the Annual Monitoring Review.

11. The Evaluation Office has employed a new methodology, shifting away from tracking averages to tracking cohorts of PIFs approved by the Council at least 18 months earlier. Under this methodology it is assessed that only 57 percent of GEF-4 projects and 43 percent of GEF-5 projects were endorsed within the standard of 22 months and 18 months respectively.

12. The Secretariat will continue to work with the Evaluation Office to assess feasibility of employing the new methodology in reporting efficiency indicators associated with project cycle performance. The Secretariat would also like to present project cycle performance based on analysis of “average preparation times” as shown below. We also present the performance against service standards.

GEF-4 Projects

13. The Council approved 462 projects in GEF-4. Of these, 435 projects have been endorsed. Of the total endorsed projects, 63 percent were endorsed within the 22-month standard, while 37 percent exceeded the standard; the average preparation time of all endorsed projects was 19 months. Twenty seven GEF-4 projects are yet to be endorsed, all of which have already exceeded the standard of 22 months.

GEF-5 Projects

14. To-date, the GEF Council has approved 366 projects in GEF-5. Of these, 92 projects have been endorsed. Of the total endorsed projects, 71 percent (65 projects) were endorsed within the 18 month standard; 29 percent (27 projects) exceeded the standard. The average

¹ In the most extreme cases, where long preparation times indicate a weakness regarding the feasibility of the project, cancellations may be undertaken and resources returned to the GEF Trust Fund.

preparation time for all endorsed projects to date is 13 months. There are 274 approved projects yet to be endorsed, of which 54 projects have already exceeded the 18-month standard.

Table 1: GEF-5 Project Cycle Performance

All Council approved projects from July 2010 to September 2013	Number of projects	Average processing time (months)	Share (%)
All Council approved Projects	366		
Projects Endorsed to-date	92		25
of the 92 endorsed, projects that endorsed < 18 months	65		71
average months for these 65 projects		10	
of 92 endorsed projects , projects endorsed > 18 months	27		29
average months for these 27 projects		21	
Average months for all that came for endorsement (92)		13	
Projects not endorsed to-date	274		75
out of 274 projects, projects > 18 months	54		20
average months of these un-endorsed projects (54)		21	

Service Standards

15. The standard has been set at 10 business days for both the Secretariat and the Agencies. As shown in Table 2, the GEF Secretariat met the service standard target for 57 percent of the submissions in FY13 whereas the Agencies met the standard for 40 percent. The declining efficiency at the GEF Secretariat in FY13 could be attributed partially to the learning curve of the staff with the pilot harmonization process with the Bank. As staff gain more experience with the new process, the indicator is expected to improve. It should be noted that the service standard for the Agencies measures only the direct exchanges between the Agencies and the Secretariat. Agencies explained that in many instances, they have to wait for an agreement or discussion with the countries before they are able to respond to the queries of the Secretariat as conveyed in the review sheet. In these instances, time spent in consultation with countries helps explain a part of the lower compliance percentage.

Table 2: Indicators of Efficiencies in Service Standards

	FY 11	FY 12	FY 13
1. Share of PIF/PPG submissions responded to by the Secretariat within 10 days (10 day service standard)*	67%	77%	57%
2. Share of PIF/PPG requests re-submitted by Agency within 10 days after receiving the Secretariat response (10 day service standard)	62%	70%	40%

* Does not include enabling activities (EAs). The indicator tracks the 10-day service standard of the Secretariat and is calculated by submissions.

Replenishment issue 5: the GEF should consider reducing the burden of targets, indicators and tracking tools and reform its results based management system accordingly, so that what gets measured gets measured better, more reliable and more consistent.

16. The Secretariat has recognized the need for more parsimony and selectivity in choice of indicators and targets for the focal area strategies, and our proposed RBM strategy for GEF6 already made its commitment clear that we will inculcate such an approach in further development of the RBM.

17. AMR2 reporting is done based not solely on tracking tools, but also on project implementation reports submitted at mid-term and project completion/evaluation reports, and therefore is not vulnerable as OPS5 finds.

18. Tracking tool information is collected and maintained with links to specific projects in the project management information system (PMIS).