

Sixth Comprehensive Evaluation of the GEF: Update and Synthesis



The objective of OPS6 is to assess the extent to which the GEF is achieving its objectives and to identify potential improvements going forward.

The overall purpose of OPS6 is to provide solid evaluative evidence to inform negotiations for GEF-7. OPS6 covers all GEF countries, and is based on evidence from a wide array of sources, including terminal evaluations, surveys of stakeholders and beneficiaries, field validations and case studies, meta-analysis of evaluations, and geographic information system (GIS) data. A variety of qualitative and quantitative evaluation methods have been applied to ensure robustness of findings, and the IEO has engaged with a broad set of stakeholders throughout the evaluation process. An online survey to capture perceptions on the comparative advantage, financing, and health of the partnership was administered. There were 123 responses, representing a 30 percent response rate. Select findings, drawn from the briefs, have been broadly grouped into two areas for this synthesis: (1) performance and impact, and (2) policies and institutional issues.

BACKGROUND

The Fifth Overall Performance Study of the GEF (OPS5, 2014) concluded that the GEF was achieving its objectives and has

played a catalytic role in supporting countries in meeting their obligations under the multilateral environmental agreements (MEAs) and in tackling global environmental issues. As a network, OPS5 noted that network interactions had been scaled back, and effective interaction was adversely affected. Delays in the project approval process, which had often occurred in the past, were reduced but could not yet be considered efficient. The main policy recommendations from the replenishment discussions included the need for a review of the resource allocation mechanism System for Transparent Allocation of Resources (STAR), a policy for promoting effective cofinancing, promoting efficiency in the project cycle, enhancing the engagement of the private sector, strengthening country and civil society engagement, enhancing gender mainstreaming, and strengthening the results-based and knowledge management systems. The issues identified in OPS5, and the extent to which the policy recommendations have been addressed, are being included in the various evaluations.

UPDATE ON OPS6: The Sixth Comprehensive Evaluation of the Global Environment Facility (GEF) (OPS6) is currently under way. The approach paper was approved by the GEF Council in October 2016. Findings from 25 completed and ongoing evaluations are summarized in the four-page briefs that are included with this summary. The status of the various evaluations is included in the annex to this brief.

In all, 29 evaluations over the GEF-6 period will inform OPS6, of which 17 have been completed; the remaining 12 will be completed by June 2017. The briefs that draw on ongoing evaluation work only include those findings that are based on evidence collected to date.

WEB PAGE: <http://www.gef.io/ops/ops-6>

CONTACT: Geeta Batra, Deputy Director and Chief Evaluation Officer, gbatra@worldbank.org

ABOUT US: The Independent Evaluation Office (IEO) of the GEF has a central role in ensuring the independent evaluation function within the GEF. www.gef.io

CONTEXT

The seventh replenishment of the GEF is taking place in an international context wherein the global environment continues on a downward trend, and the global economic and political environment continues to be unstable. Further, the international environmental architecture of conventions, funds, programs, and donors continues to show increasing fragmentation, making it more difficult to coordinate and harmonize funding for the implementation of environmental activities globally. New institutions with similar mandates to the GEF such as the Green Climate Fund (GCF) and the Climate Investment Funds (CIF) have become key funders of climate activities. Traditional development partners such as the World Bank and the regional development banks have continued to focus on the funding of sustainable development initiatives; more recently, the two new multilateral development banks, the Asian Infrastructure Development Bank and the BRICS Bank, provide an opportunity for mainstreaming global environmental benefits. The Sustainable Development Goals (SDGs) and the Paris climate negotiations will certainly have roll-on effects as well as provide opportunities for the GEF. Finally, support to the growing world of natural capital assessment and assistance in helping to unleash capital in the private sector presents a unique opportunity.

FINDINGS

Relevance

Against this backdrop, the GEF occupies a unique space in the global financing architecture. The GEF's comparative advantage derives primarily from its mandate as the financial mechanism for a number of MEAs/conventions including the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification (UNCCD), and the Minamata Convention on Mercury. The GEF also funds projects in international waters and sustainable forest management that are consistent with the objectives of the United Nations Forum on Forests (UNFF).

Evaluations of the focal areas clearly demonstrate the evolution and adaptation

of the focal area strategies to ensure high relevance to the conventions. Across the partnership, there is a high degree of commitment to ensuring that the GEF remains true to this mandate, while at the same time encouraging innovation in the pursuit of global environmental benefits. This, along with the spread of the GEF across countries and sectors, distinguishes the GEF from other funding/financial mechanisms. The Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) are also highly relevant to convention guidelines. While relevant, GEF responsiveness to the conventions remains an area for improvement, according to staff in the convention secretariats.

Comparative advantage of the GEF.

Based on responses to the online survey, the GEF's comparative advantage lies in its broad coverage of environmental issues, alignment with the multilateral agreements (figure 1). The ability to engage the private sector is the biggest challenge.

Programming: evolution toward an integrated approach to addressing drivers of environmental degradation.

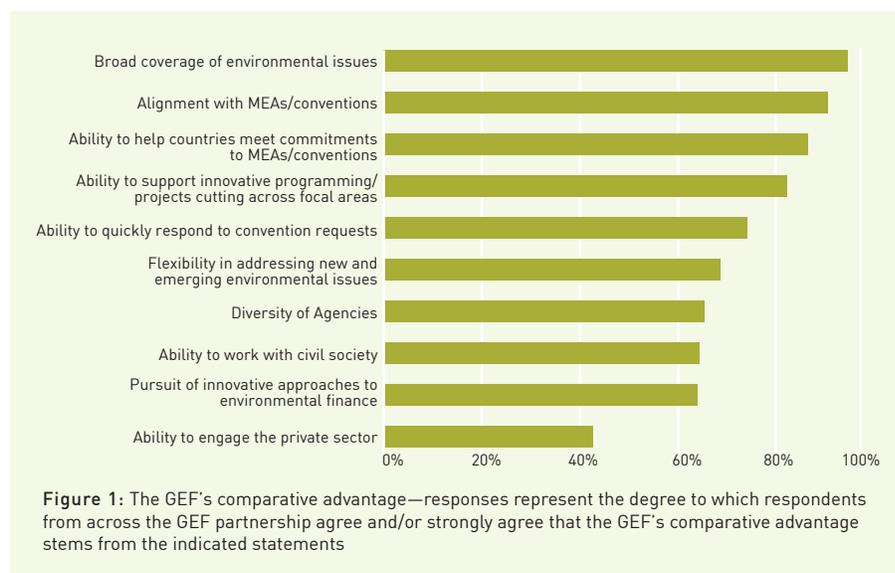
The GEF is geographically and thematically comprehensive in coverage. Virtually all developing and transition countries are eligible for GEF projects, and the GEF supports projects in a variety of focal areas (figures 2 and 3). There is little donor funding outside the GEF for biodiversity and chemicals and waste, and the GEF is

the only funder of regional cooperation for transboundary international waters.

There has been a strategic increase in multifocal projects and programmatic approaches, which are designed to achieve multiple benefits while applying an integrated approach to address drivers of environmental change. There is much support across the GEF partnership for the GEF 2020 focus on addressing the drivers of environmental degradation and the integrative principle underpinning the integrated approach pilots (IAPs) developed in GEF-6. However, conventions, Agencies, and national partners express some concern about the proposed impact programs, seeking to ensure that they a priori favor countries' ability to make progress on their global environmental commitments while also addressing deep-rooted underlying factors.

Performance and Impact

Continued good performance. Seventy-nine percent of 581 projects from the OPS6 cohort have satisfactory outcome and implementation ratings. More than 80 percent of the multifocal projects generate positive environmental and socioeconomic outcomes. Projects implemented under programs have higher performance ratings on outcomes and sustainability as compared with stand-alone projects. An increase in program complexity adversely affects efficiency and effectiveness, but these programs perform better in terms of longer-term sustainability. Monitoring and evaluation continues to be an area of



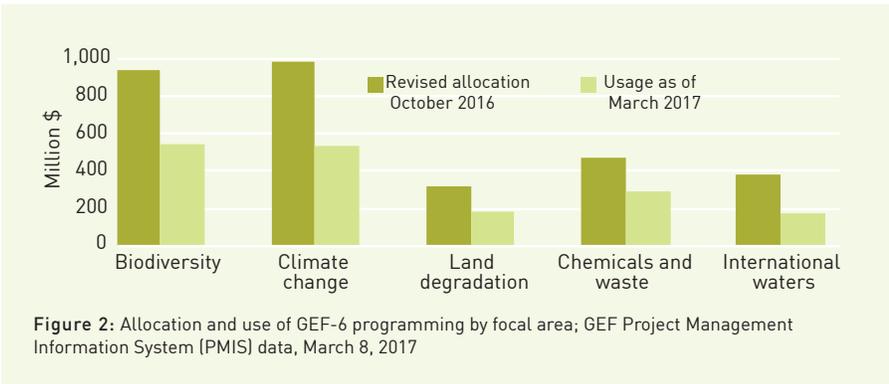


Figure 2: Allocation and use of GEF-6 programming by focal area; GEF Project Management Information System (PMIS) data, March 8, 2017

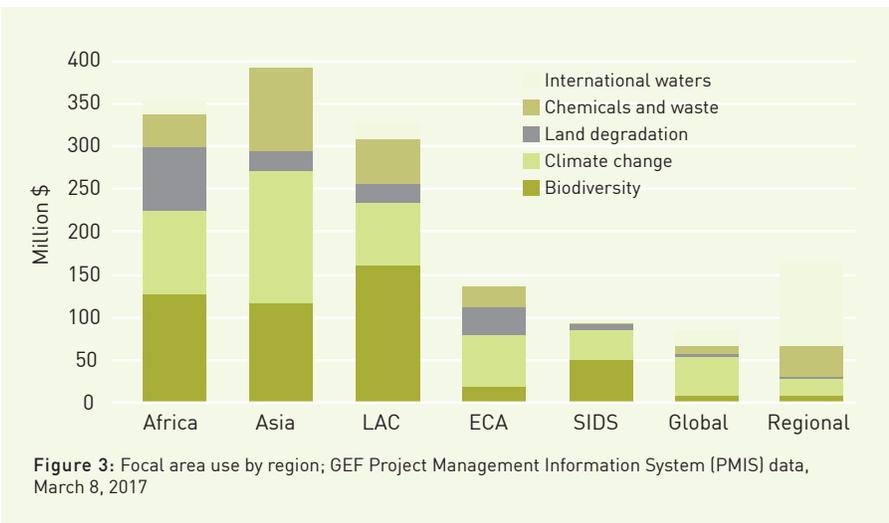


Figure 3: Focal area use by region; GEF Project Management Information System (PMIS) data, March 8, 2017

relative underperformance in projects and programs.

Supporting transformational change.

GEF interventions which set out ambitious objectives, have high-quality implementation, establish a self-sustaining mechanism for scale-up and expansion of impacts after completion, and are financially sustainable have resulted in transformational change. Based on survey results, there is widespread support for the GEF to play an important role in experimentation, innovation, and demonstration going forward. However, there are mixed perspectives on the role of the GEF in supporting replication and scaling-up, given the need for large-scale resources.

Support on policy and regulatory reform.

While many factors influence success in the reform agenda, the GEF has had success in influencing the regulatory and policy framework in countries, and its capacity-building and enabling activities have also supported this. There is a growing demand for the GEF to do more in helping countries create a sound

regulatory environment and a level playing field to attract more private sector investment.

Generating impacts.

GEF-supported protected areas in Mexico avoided up to 23 percent forest loss from 2001 to 2012 compared to non-GEF-supported areas. The project on Integrated Land Use Management to Combat Land Degradation in Madhya Pradesh, India, increased the vegetation index by 10 percent over six years. The Small Grants Programme (SGP) has been especially effective in improving livelihoods, empowering women, and combating poverty through community-based initiatives, while securing environmental benefits. The LDCF and SCCF projects have also generated catalytic effects through dissemination of new technologies. Findings across focal areas indicate considerable heterogeneity in impacts based on initial conditions and environmental and socioeconomic factors, and highlight the need for a longer implementation period to generate impacts.

Providing value for money. The land degradation and biodiversity focal areas generate environmental and socio-economic benefits that transcend the focal areas. Based on conservative estimates, considering only carbon sequestration benefits, the return on investment for land degradation projects is approximately \$1.08 per dollar invested. In the case of biodiversity, based on carbon sequestration and soil retention benefits, the estimated return is \$1.04 per dollar invested.

Expansion of private sector programs and the nongrant instrument.

Private sector projects, using a mix of instruments, have performed comparably to the overall GEF portfolio and resulted in scaling-up and market change, particularly in the climate change focal area. The nongrant instrument has generated high cofinancing ratios (10:1), is diversifying into biodiversity and land degradation, and has begun to generate reflows. However, equity investments have been challenging, projects have been overly ambitious on targets and estimated reflows, and engaging the private sector in focal areas such as international waters has been challenging. There is broad support across the partnership for both grant and nongrant instruments. As suggested by private sector representatives in interviews, to better engage with the private sector the GEF will need to address several issues: the size of project funding, the timing of project cycles that may be mismatched with private sector timelines, awareness of the offerings and capacities of the GEF, and processes/mechanisms by which to attract private sector financing to the different focal areas.

Policies and Institutional Issues

Beneficial effects of new policies.

The consolidation of the project cycle into one document has been appreciated. The cancellation policy has created incentives for projects to be prepared expeditiously for Chief Executive Officer (CEO) endorsement. The Harmonization Pilot with the World Bank has helped align the World Bank and GEF project cycles, and has reduced the preparation and processing time for proposals.

Improvements in the results-based management (RBM) system.

The RBM system, recognized as essential across the partnership, has improved since

GEF-5 in terms of streamlining the results framework and improved corporate results reporting. However, attention is focused on shorter-term results with little emphasis on longer-term impacts. While efforts are under way to streamline the tracking tools, these remain complex. The Project Management Information System (PMIS) needs to keep up with the evolving needs of the partnership to serve project and program reporting and learning needs. The increased focus on integrated programs will require a review of the RBM system and the tracking tools to meet the requirements of this shift.

Catalyst for safeguard policies. Adoption of the GEF Minimum Standards in 2011 has served as an important catalyst among many GEF Agencies to strengthen existing safeguard policies. However, coverage gaps exist in the GEF Minimum Standards as compared with recently adopted safeguards in Agencies and would benefit from an update. There is also scope for enhanced monitoring and reporting of safeguards to ensure that the GEF is appropriately informed of social and environmental risks in the portfolio.

Knowledge management. Only one-third of survey respondents felt that the GEF has the right mechanisms in place for effective knowledge sharing across the partnership, which limits the GEF's ability to capitalize on new ideas, energy, and diversity stemming from the expanded partnership. The GEF has been taking measures to step up knowledge management and has undertaken a baseline assessment, and developed a strategy and planning guide for knowledge management. The GEF Scientific and Technical Advisory Panel (STAP) has also played a role in building knowledge management in the partnership, and two-thirds of survey respondents felt that the STAP provides high-quality knowledge-based guidance to the GEF.

The IEO study on knowledge management is under way and will provide more details in this area in June.

Financing, Governance, and Health of the Partnership

Modest resources to address global environmental issues. GEF respondents across the partnership are concerned both at the modesty of donor funding and the overall shrinking of donor commitments in an increasingly competitive environment. The overall shortage of funding has been affected by the increased number of GEF Agencies, and meeting more convention requirements. Overall, donors have mostly delivered on their financial commitments to the GEF, as promised, and on time. However, foreign exchange volatility has resulted in a shortfall, adversely affecting projects.

Cofinancing commitments consistent with policy. The GEF has initiated a cofinancing policy intent on maximizing its mobilization of financial and other resources. The new policy has maintained an aspirational ratio of 6:1 cofinancing overall for the GEF portfolio, which has been interpreted often as a requirement at the project level. Cofinancing commitments have fully materialized for 62 percent of completed projects, and on average, the reported realized cofinancing has exceeded promised cofinancing.

The STAR would benefit from a revisit. The STAR provides some GEF resources to all countries, resulting in increased country ownership, enhanced transparency in resource allocation, and improved project preparation. This more predictable and bottom-up approach has been stated as one of the GEF's comparative advantages vis-à-vis the GCF. However, it has discouraged private sector and regional projects. It would be useful to seek modifications such as allowing more fungibility in utilizing STAR allocations among focal areas, and providing greater encouragement to countries to use their STAR allocations for mutually beneficial regional projects.

The expansion of the partnership has provided access to new capacities and networks. The expansion in the number—and diversity—of Agencies from 10 to 18 is generally viewed as positive, drawing in new ideas and capacity and capitalizing on Agency comparative strengths through synergies. However, the STAR and the small scale of GEF resources allocated to many countries have contributed to a competitive culture among Agencies. In addition, there has been an increase in transaction costs related to the management of an increasingly complex partnership. Overall, the GEF partnership is perceived to be effective.

The health of the partnership has improved. Overall, there have been some improvements in the health of the partnership since OPS5—health being defined as “the extent to which the structure of the partnership and the quality and relevance of interactions between the partners enable the GEF partnership to effectively and efficiently deliver global environmental benefits through its support.” The expansion of the partnership has resulted in increased potential, with a few challenges; the STAR allocation system has its benefits and shortcomings; the new cancellation policy and the consolidation of project cycle policies into one document have been beneficial. The IAPs are, to some extent, facilitating cooperation and synergies based on Agency comparative advantage. Partners have also expressed that greater transparency in programming decisions, project review and selection, and the initial preparation of the future IPs would be useful; the technical advisory group meetings were a step in this direction. The STAP continues to play an important role in reviewing projects, and stakeholders pointed to an opportunity for the STAP to play a unifying role in the partnership in building stronger relations with scientific and technical counterparts. The CSO Network continues to be relevant and is delivering results. It is currently in the process of redefining its vision and strengthening its governance. Overall, 70 percent of survey respondents stated that the GEF is effectively governed; a similar percentage reported that the GEF Secretariat provided appropriate strategic leadership. ■

ANNEX

Evaluation	Status
Performance and Impact	
1. International Waters Focal Area Study	Completed
2. Chemicals and Waste Focal Area Study	Completed
3. Land Degradation Focal Area Study	Completed; report under preparation
4. Climate Change Focal Area Study	Ongoing
5. Biodiversity Focal Area Study	Ongoing
6. Evaluation of the Illegal Wildlife Trade Program Study	Ongoing*
7. Project-Level Accomplishments/Progress toward Impact	Completed
8. Joint GEF-UNDP Evaluation of the Small Grants Programme	Completed
9. Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio	Completed; report under preparation
10. Evaluation of Programmatic Approaches in the GEF	Completed; report under preparation
11. Evaluation of Integrated Approach Pilots	Ongoing*
12. A Value for Money Analysis of GEF Interventions in Land Degradation and Biodiversity	Completed
13. GEF Engagement with the Private Sector	Completed; report under preparation
14. The GEF Nongrant Instrument	Completed; report under preparation
15. Measuring Environmental Outcomes Using Remote Sensing and Geospatial Methods	Completed
16. Program Evaluation of the Least Developed Countries Fund	Completed
17. Program Evaluation of the Special Climate Change Fund	Ongoing
18. Impact of GEF Support on National Environmental Laws and Policies in Selected Countries	Completed
19. Transformational Engagements	Ongoing
20. Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems	Completed
Policies and Institutional Issues	
21. Evaluation of the Expansion of the GEF Partnership	Completed
22. Review of the Comparative Advantage, Financing, and Governance of the GEF Partnership	Ongoing
23. Evaluation of the GEF–Civil Society Organization (CSO) Network	Completed
24. Review of the GEF Agency Minimum Standards on Environmental and Social Safeguards	Ongoing
25. Review of the Indigenous Peoples Policy	Ongoing*
26. Review of the Resource Allocation System STAR	Ongoing
27. Review of the GEF Approach to Results-Based Management	Completed
28. Evaluation of the Knowledge Management System	Ongoing
29. Evaluation of the Gender Mainstreaming Policy	Ongoing*

*Findings not included at this stage.