

GEF Council Meeting  
June 18 - 20, 2013  
Washington, D.C.

Agenda Item 5

**FIRST REPORT OF THE FIFTH OVERALL PERFORMANCE STUDY  
OF THE GEF**

**(Prepared by the GEF Evaluation Office)**

**AND MANAGEMENT RESPONSE**

**(Prepared by the GEF Secretariat)**

**Recommended Council Decision**

The Council, having reviewed document GEF/ME/C.44/01, "*First Report of the Fifth Overall Performance Study and Management Response*," requested the Evaluation Office to continue its work to finalize the Fifth Overall Performance Study taking into account comments made in the Council meeting. The Council requested the Secretariat to take the findings of OPS5 into account in preparing draft strategies for GEF-6.

## EXECUTIVE SUMMARY

This document presents the first report of the Fifth Overall Performance Study, which is attached to this document. The report was prepared by the GEF Evaluation Office and presented to the first replenishment meeting in Paris on April 3, 2013. The management response to the report was prepared by the GEF Secretariat and presented to the first replenishment meeting as well. This is the published version of the report and it contains the management response as an annex. It also contains the comments of the Senior Independent Evaluation Advisors on the first report as an annex.

The first report has ten conclusions:

- i. Global environmental trends continue to spiral downward.
- ii. Global environmental problems continue to be underfunded.
- iii. Compared to the international benchmark norm of 75 percent, more than 80 percent of GEF projects completed during GEF-4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher.
- iv. More than 70 percent of completed projects show positive environmental impacts, mostly at the lower scale.
- v. The approaches supported by the GEF have resulted in the reduction of environmental stress at the local scale. GEF support is also contributing to legal, regulatory and Institutional changes at higher scales, but improvements in environmental status at these scales requires a much broader adoption of the promoted approaches and technologies.
- vi. The overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels.
- vii. GEF support at the country level is well aligned with national priorities, shows progress toward impact at the local level, and enables countries to meet their obligations to the conventions.
- viii. GEF support to countries rates well on indicators for meeting the Paris Declaration and outperforms bilateral and multilateral donors on alignment with national priorities.
- ix. Evidence from several evaluation streams points to the emergence of multifocal area projects and programs as a strong new modality of the GEF. This poses challenges for the formulation of strategies for GEF-6.
- x. Impact and country-level evidence show that there is scope for improving progress toward impact by incorporating broader adoption strategies in project and program design.

The first report contains one recommendation: the replenishment meeting should request the Secretariat develop strategies for GEF-6 that would strengthen efforts toward broader adoption

and would focus on more programmatic multifocal area approaches, within the guidance of the conventions.

The Secretariat, in its management response, agreed with the overall findings and recommendations, and emphasized that the draft strategy and programming documents presented for discussion at the replenishment meeting included elements that respond to the recommendation.

The joint summary of the chairs of the replenishment meeting notes that “Participants expressed broad support for the recommendations in OPS5, and stressed the importance of: (i) further analysis on success and failure factors of projects, (ii) greater clarity on the concept of ‘broader adoption’, (iii) a review of the System for Transparent Allocation of Resources (STAR) and the National Portfolio Formulation Exercise (NPFE); (iv) greater detail regarding multi-focal projects, (v) analysis of trends in funding to Africa, (vi) quantification of outcome indicators, (vii) performance data on fees and the project cycle, and (viii) a review of the implementation of gender mainstreaming policies. Participants requested that the GEFEO provide indicative findings at the second replenishment meeting.”

# OPS5

FIFTH OVERALL PERFORMANCE STUDY OF THE GEF

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## FIRST REPORT: CUMULATIVE EVIDENCE ON THE CHALLENGING PATHWAYS TO IMPACT

**2013**

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ISBN-10: 1-933992-58-1

ISBN-13: 978-1-933992-58-7

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# FOREWORD

**T**his First Report of the Fifth Overall Performance Study (OPS5) of the Global Environment Facility (GEF) delivers a promise to provide evaluative evidence at the start of the negotiations for the replenishment of the GEF. In the past, overall performance studies used to be made available to the replenishment at a late stage in the negotiations. For the sixth replenishment and the Fifth Overall Performance Study, the GEF Evaluation Office proposed to deliver two reports: a first report that would provide a synthesis of evaluation findings since OPS4 and a second, final, report that would deliver more in-depth evaluative evidence on subjects deemed important for the replenishment that are not regularly evaluated in the GEF. This First Report thus focuses on the rich material emerging from no less than 33 evaluations carried out after OPS4 was presented to the fifth replenishment.

This report was presented as a working document of the replenishment at the first replenishment meeting, held in Paris on April 4 and 5, 2013. Its main focus is on the impact of the GEF—what happens during the lifetime of projects—but even more important, what happens when projects have been completed and progress toward higher levels and scales of impact must continue through the actions of governments, civil society, and the private sector. The report draws attention to possibilities to speed up the process of broader adoption of new approaches to achieve global environmental benefits and more sustainable development. It also signals the emergence of a new generation of more holistic and programmatic multifocal area projects that aim to tackle environmental issues in a comprehensive manner.

At the meeting in Paris, these issues were discussed at length and the Evaluation Office was asked to provide more in-depth evaluative evidence in the final report of OPS5. The management response to the First Report (included here as annex B) noted that these developments are taken into account in the preparation of draft strategies for the sixth replenishment phase of the GEF.

This First Report is accompanied by a statement from the Senior Independent Evaluation Advisers who were appointed to provide an external perspective on OPS5. Their comments (included here as annex A) focus to a large extent on results-based management, country ownership and drivenness, and gender issues. The suggestions on results-based management will be taken into account in the substudy on this issue that the Office will undertake for the final report of OPS5. On country ownership

and drivenness the independent advisers warn that the GEF should not overstate its achievements: they emphasize that so far the indicators and evidence are uncovering only part of the picture and that achieving greater country ownership and drivenness will likely continue to be challenging. This First Report notes that the GEF is ahead of other donors and agencies regarding alignment with national priorities and policies, which the advisers call a “narrative” alignment that will need to be shown to have strong roots in alignment in metrics and achievements on the ground. Words are important, and it is good to note that the objectives of GEF-supported projects are well linked in words to national priorities and strategies, but in the final analysis what projects do and achieve must match these national priorities and objectives as well. While there is evidence in the GEF country portfolio evaluations that the alignment on achievements is also taking place, this will be further studied for the final report of OPS5. In any case, it can be stated that an agency that has a strong narrative alignment should potentially be better able to have alignment in metrics and achievements than an agency that has difficulties in aligning at the level of priorities, policies, and strategies.

The issue of gender was mentioned in the replenishment discussions as well. This First Report of OPS5 does not address gender issues because they were not included in the key questions for the report that were agreed to with the GEF Council in June 2012, when it approved the terms of reference for OPS5. Gender is included in the key questions for the final report, and the Evaluation Office will undertake a thorough review of the issue for that report.

The Evaluation Office hopes that this report is of use in the further development of GEF strategies for GEF-6 in the ongoing negotiations and looks forward to discussing the report with the GEF Council. It will continue to deepen the understanding of the issues noted, leading to a final report to be presented to the third meeting of the replenishment in December 2013.

Rob D. van den Berg  
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# EXECUTIVE SUMMARY

1. Replenishments of the Global Environment Facility (GEF) are informed by periodic assessment of and reflection on GEF achievements and results through independent overall performance studies (OPSs), of which this is the fifth: OPS5. OPS5 reporting will consist of this First Report provided to the first replenishment meeting in April 2013 and a final report to the third meeting.
2. In accordance with the provisions of the GEF Instrument, particularly Articles 14a and 15, and the overall objectives of previous OPSs, OPS5 aims **to assess the extent to which the GEF is achieving its objectives and to identify potential improvements.**

## CONCLUSION 1

Global environmental trends continue to spiral downward.

3. Conclusions 1 and 2 of OPS4—that global environmental trends continue to spiral downward, and that the GEF is underfunded—have increased relevance for the start of the sixth replenishment period. In fact, the first conclusion can stand as it was phrased in OPS4. The second conclusion is not yet fully evident, as OPS5 continues to gather evidence on funding patterns, guidance from the conventions and the global community, as well as on changes in donor behavior, fragmentation (or consolidation) of funding channels, and efforts to renew commitments to generate global environmental benefits for the global commons and for transformational change. Regardless, the state of the planet calls for increased financing and better integrated global action. The evidence collected thus far points to increased fragmentation of instruments and funds and stalled funding.

## CONCLUSION 2

Global environmental problems continue to be underfunded.

4. The GEF Evaluation Office is not a lobbyist for the GEF. Conclusion 2 should not be interpreted as a plea for increased funding of the GEF; it is a conclusion that underscores the serious nature of the environmental threats humanity is facing and the

choices that need to be made regarding instruments and modalities to be used and funding channels that could address the problems we face.

### CONCLUSION 3

Compared to the international benchmark norm of 75 percent, more than 80 percent of GEF projects completed during GEF-4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher.

5. OPS4 presented an overview of outcome achievements for 210 completed projects. Of these, outcome achievements for 205 completed projects were rated, and 80 percent of the ratings were in the satisfactory range. This First Report of OPS5 covers 281 projects completed during GEF-4 and GEF-5. The outcome achievements of all but one of these projects were rated. For a majority (59 percent), the outcome ratings provided by the independent evaluation offices of the GEF Agencies have been adopted. Overall, outcome achievements of 86 percent of the completed projects included in the OPS5 cohort were rated to be in the satisfactory range.

### CONCLUSION 4

More than 70 percent of completed projects show positive environmental impacts, mostly at the local scale.

6. Seventy-one percent of projects lead to some form of stress reduction or environmental status change. Of these, the great majority (189, or 72 percent of projects with impact, or 51 percent of total projects) show local-scale impacts, with 62 projects demonstrating actual improvements in environmental status and 127 yielding only local stress reduction. Similarly, of the 73 projects (28 percent of projects with impact, or 20 percent of total projects) with impact at both the local and system scales, 14 registered an actual change in environmental status, with 59 leading to stress reduction.

### CONCLUSION 5

The approaches supported by the GEF have resulted in the reduction of environmental stress at the local scale. GEF support is also contributing to legal, regulatory and Institutional changes at higher scales, but improvements in environmental status at these scales requires a much broader adoption of the promoted approaches and technologies.

7. The impact evaluations for the South China Sea; protected areas in Peru; and climate change mitigation in China, India, Mexico, and Russia provide evaluative evidence that system-level environmental trends addressed by GEF interventions continue to decline. However, improvements have been seen locally; thus, taking the right approaches, environmental decline can be slowed or reversed. The findings from these evaluations—except for the climate change mitigation impact evaluation, which is ongoing—have been reported to the GEF Council in the annual report on impact. The

final OPS5 report will include a more in-depth look at this issue; Conclusion 5, however, is fully supported by the available evidence.

### CONCLUSION 6

**The overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels.**

8. OPS4 found that the GEF is, across all focal areas, generally responsive to convention guidance at the strategic and portfolio levels as well as with regard to adjusting processes and procedures at the corporate level. This finding is affirmed by evaluative evidence gathered since OPS4. All evaluation streams consistently report high levels of relevance for GEF activities to convention guidance. The mapping of GEF-5 focal area strategies conducted as part of the focal area strategy evaluation concluded that they closely reflect convention guidance, with a few exceptions, and are shaped by requests received from the respective conferences of the parties. Additional evaluative work on GEF responsiveness to the conventions conducted in the context of OPS5—including interviews with all four convention secretariats as well as with the corresponding GEF Secretariat teams—supports this general picture. However, as noted in OPS4 and confirmed in OPS5, several features of convention guidance make operationalization by the GEF challenging: ambiguous language, lack of prioritization, cumulative nature, and repetition.

### CONCLUSION 7

**GEF support at the country level is well aligned with national priorities, shows progress toward impact at the local level, and enables countries to meet their obligations to the conventions.**

9. For the GEF to be effective in tackling the challenges posed by today's global environmental threats, it must operate in partnership and demand action from all the entities making up the GEF global network. The country-level evidence emerging from the country portfolio evaluations and studies shows that GEF support has a high level of relevance to convention guidance and a strong alignment with national priorities and policies. Achievements in countries receiving GEF support underscore the impact and portfolio evidence, as well as the evidence emerging from the focal area strategies evaluation, of the growing importance of multifocal area projects and programs.

### CONCLUSION 8

**GEF support to countries rates well on indicators for meeting the Paris Declaration and outperforms bilateral and multilateral donors on alignment with national priorities.**

10. Over the last decade, the international aid architecture has shifted its focus from donor-driven decision making to empowering recipient governments and other

stakeholders such as civil society and the private sector to take ownership of development policies and aid programs and projects. This shift is embodied in the 2005 Paris Declaration on Aid Effectiveness and was subsequently reaffirmed by the Accra and Busan Forums in 2008 and 2011, respectively. The GEF compares well to international benchmarks promoted by the Paris Declaration. Given its unique mandate as a financial instrument for multilateral environmental agreements, the GEF has a strong legal basis for supporting countries in bringing their national priorities in line with global obligations.

11. This report presents no conclusions on **performance issues affecting results**, although key findings are presented. Many performance issues will be explored in depth in the final report of OPS5, including the midterm evaluations of the System for Transparent Allocation of Resources (STAR) and the National Portfolio Formulation Exercise.

### CONCLUSION 9

Evidence from several evaluation streams points to the emergence of multifocal area projects and programs as a strong new modality of the GEF. This poses challenges for the formulation of strategies for GEF-6.

12. Several OPS5 substudies have pointed to the strong emergence of multifocal area projects and programs throughout the portfolio in response to guidance of the conventions and at the country level. Evidence from the impact stream, which took an in-depth look at GEF support in the South China Sea and adjacent areas, points to the importance of a programmatic approach that goes beyond a single issue or focus to ensure that circumstances are created in which broader adoption can take place. This perspective on programmatic approaches also emerged in the Office's work on a general framework for a theory of change for the GEF (discussed below), which describes the elements needed for progress toward impact.

13. This general framework for a GEF theory of change was presented to the GEF Council at its November 2012 meeting. Both the impact work of the Office and the focal area strategies evaluation pointed to the model's utility as a heuristic tool supporting further thought on causal chains, linkages, and the roles of the GEF as well as of its partners and member countries to better focus on how broader adoption could lead to environmental stress reduction and improvement of global environmental trends. The Council asked that the Secretariat ensure that causal linkages and chains leading to broader adoption would be included in the strategies to be prepared for GEF-6.

### CONCLUSION 10

Impact and country-level evidence show that there is scope for improving progress toward impact by incorporating broader adoption strategies in project and program design.

14. The impact work for OPS5 reveals that there is room for further broadening adoption of those implementation strategies the GEF has a high track record in achieving. Typical mechanisms that should be used include mainstreaming, replication, scaling-up, and market change. The impact analysis, along with country-level evidence, shows that higher levels of adoption are reached when more than one of these mechanisms is taken up and followed through.

### RECOMMENDATION

The replenishment meeting should request the Secretariat develop strategies for GEF-6 that would strengthen efforts toward broader adoption and would focus on more programmatic multifocal area approaches, within the guidance of the conventions.

15. Based on the evidence presented in this report, the Evaluation Office recommends that the OPS5 findings on impact, focal area strategies, and country-level evidence, be taken into account in crafting the GEF-6 strategies. To do so may require a shift from using the focal area as the starting point for formulating strategies to a more programmatic approach to achieving impact on an ecosystem or other appropriate geographical basis—provided the requisite linkage to convention guidance and focal area reporting to the conventions can be incorporated in such an approach. The international waters focal area could provide inspiration in this regard, as it has always focused on transboundary water issues rather than on specific sector problems. Elements of more holistic and integrated approaches can be seen in the history of the focal areas and in new developments such as the attention to biodiversity protection in landscapes, and is moreover requested by convention guidance.

16. Further work for OPS5 will include more analysis of progress toward impact; of achievements of the focal area strategies; of country-level evidence; and of the performance of the GEF as a manager and decision maker with regard to its support to countries, regions, and the global environmental commons. It will be guided by the terms of reference for OPS5 as approved by the Council in June 2012. The underlying evaluative work for the First Report of OPS5 is available in the form of technical documents published on the OPS5 website which can be found through the GEF Evaluation Office website ([www.gefeo.org](http://www.gefeo.org)).





## BACKGROUND

17. Replenishments of the Global Environment Facility (GEF) are informed by periodic assessment of and reflection on GEF achievements and results through independent overall performance studies (OPSs), of which this is the fifth: OPS5. Since OPS4, the independent Evaluation Office of the GEF, which reports directly to the GEF Council, has undertaken these studies. The GEF Council approved the terms of reference and budget for OPS5 June 7, 2012. OPS5 reporting will consist of this First Report provided to the first replenishment meeting in April 2013 and a final report to the third meeting.

18. This First Report presents the evaluative evidence that has been gathered through the GEF Evaluation Office's various evaluation streams since OPS4. It thus provides an update on the GEF's main results and achievements. The final report will cover evaluative studies targeting specific questions posed for OPS5, as well as integrate the findings from the midterm evaluations of the System for Transparent Allocation of Resources (STAR) and the National Portfolio Formulation Exercise (NPFE).

19. OPS5, bearing in mind Articles 14a and 15 of the the GEF Instrument, and following the overall objectives of previous OPSs, will aim **to assess the extent to which the GEF is achieving its objectives and to identify potential improvements.**

20. The scope and limitations of the evaluative evidence in this First OPS5 Report differ by area of work. Evidence is drawn from 33 evaluations undertaken by the Office since OPS4, as well as reviews of the terminal evaluations of 491 completed projects, of which 281 were received since the close of OPS4. The full GEF portfolio of 3,114 projects since its inception has been included in the analysis, with specific attention directed at the 725 projects approved since OPS4. Impact analysis has focused on 372 terminal evaluations, 39 field verifications, and 3 in-depth impact evaluations. Country-level evidence has been gathered in 33 countries, including through 14 country portfolio evaluations and 3 country portfolio studies. Since OPS4, country-level evidence was gathered

on a total portfolio of \$1 billion in funding, including 195 projects and enabling activities. All focal areas, including climate change adaptation, have been analyzed for this report, including an in-depth analysis of 46 approved projects. The evaluative scope, limitations, and sources are further identified in the following sections. OPS5 substudies have built their own databases and gathered evidence where needed. These substudies, listed below, are published as technical documents on the OPS5 website and include methodological discussions:

- #1: The GEF Portfolio
- #2: Impact of the GEF OPS5
- #3: Implementation of GEF Focal Area Strategies and Trends in Focal Area Achievements
- #4: Relevance of the GEF to the Conventions
- #5: Trends in Country-Level Achievements
- #6: Meta-Evaluation on Country Ownership and Drivenness
- #7: Performance of the GEF

## THE GEF IN A CHANGING WORLD

21. Conclusion 1 of OPS4 was that "global environmental trends continue to spiral downward." Unfortunately, evidence since 2009 continues to confirm this gloomy picture. Three recent authoritative overviews—the State of the Planet Declaration (Brito and Stafford Smith 2012), GEO-5 (UNEP 2012), and the Environmental Outlook to 2050 (OECD 2012)—agree that risks to human welfare are increasing as the limits of natural systems are being approached, and that the costs and consequences of inaction will be considerable. Interventions on these urgent problems tend to be successful in themselves, but they do not have sufficient scale to affect global trends. And despite widespread agreement that current economic and social behavior patterns are undermining their own longer term achievements by degrading the environmental services and resources they depend on, this consensus has yet to be evidenced by decisions or actions at the global scale. Environmental concerns hardly played a role in the discussions of solutions to the global financial crisis in 2008

and 2009, and although the 2012 Rio+20 conference confirmed the nature of the threats we face, the G20 and world economic institutions and forums continue to call for economic growth on a traditional rather than a green basis.

22. Many changes need to be implemented at the same time, and incentives and funding—whether from public or private sources—are not available in sufficient quantities. The World Bank has calculated that current global public funding to address climate change is on the order of \$10 billion per year, but the most conservative estimate is that at least 10 times that amount would be needed to address mitigation and adaptation needs on an annual basis (World Bank 2012). This funding gap seems insurmountable, until we realize that the harmful subsidies made to unsustainable practices are currently 10 times as high as the funds needed for a sustainable future. The World Bank has compiled credible estimates of subsidies and transfers that support the (over)use of natural capital, and concludes that such support totals \$1.0 to \$1.2 trillion annually, including fossil fuel subsidies, water subsidies, fishery subsidies, and transfers to agriculture. An important part of the green growth agenda is to redirect and influence these huge funding flows toward economic growth that would respond to climate change, biodiversity loss, land degradation, and other global environmental problems.

23. The international global public architecture to address such problems, especially climate change, has seen further fragmentation since OPS4. In 2010, the World Bank identified no fewer than 20 bilateral and multilateral funds tackling climate change issues. It called attention to the inefficiencies associated with fragmentation and asked for “an eventual consolidation of funds into a more limited number” (World Bank 2012, 22). Instead, more funds have been added since 2010. And so far, no commensurate increase in funding has materialized, which points in the direction of increased inefficiencies in global public funding: channeling the same amount through an increasing number of organizations and modalities.

24. The conclusions of OPS4 on worsening trends and the need for increased funding stand. They have been confirmed time and again over the past three years, and yet action seems further away than ever. OPS4 also concluded that the GEF, in light of increased guidance and an expanded scope of support actions in an increased number of countries, would be underfunded given flat levels of replenishment. Although GEF-5 saw a substantial growth in funding over GEF-4, the financial crisis has made any gains in the GEF’s financial reach elusive. Just before the start of the sixth replenishment, the GEF accepted the request of the new mercury convention to become its financial instrument. This replenishment negotiation will potentially again face the dilemma of either reducing the weight of obligations on the shoulders of the GEF and its partners, or substantially increasing funding to ensure a meaningful engagement of the GEF in the face of a global environmental agenda that elsewhere remains crucially underfunded.

## CONCLUSION 1

**Global environmental trends continue to spiral downward.**

25. Conclusions 1 and 2 of OPS4—that global environmental trends continue to spiral downward, and that the GEF is underfunded—have increased relevance for the start of the sixth replenishment period. In fact, the first conclusion can stand as it was phrased in OPS4. The second conclusion is not yet fully evident, as OPS5 continues to gather evidence on funding patterns, guidance from the conventions and the global community, as well as on changes in donor behavior, fragmentation (or consolidation) of funding channels, and efforts to renew commitments to generate global environmental benefits for the global commons and for transformational change. Regardless, the state of the planet calls for increased financing and better integrated global action. The evidence collected thus far points to increased fragmentation of instruments and funds and stalled funding.

**CONCLUSION 2**

**Global environmental problems continue to be underfunded.**

26. The GEF Evaluation Office is not a lobbyist for the GEF. Conclusion 2 should not be interpreted as a plea for increased funding of the GEF; it is a conclusion that underscores the serious nature of the environmental threats humanity is facing and the choices that need to be made regarding instruments and modalities to be used and funding channels that could address the problems we face. As during the GEF-5 replenishment negotiations, a choice needs to be confronted. As formulated in the second recommendation of OPS4: “The GEF-5 replenishment needs to offer a substantial increase over GEF-4, or the GEF will need to reduce support dramatically to focal areas, groups of countries, or modalities” (GEF EO 2010c, 17). The same choice will be on the table during the GEF-6 replenishment negotiations. The final OPS5 report will return to this issue from the perspective of the value added and the specific role of the GEF in addressing global environmental issues and in initiating transformational change.

## THE GEF PORTFOLIO AND ITS PERFORMANCE

### THE GEF PORTFOLIO

27. The GEF Trust Fund is the primary source of funds for grants made by the GEF. In addition to this

trust fund, the GEF provides funding through the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), and the Nagoya Protocol Implementation Fund (NPIF). As of September 30, 2012, the GEF had provided a total of \$12.02 billion through these trust funds (table 1).

**KEY FINDING 1**

**The share for multifocal area programs and projects has grown significantly over time and accounts for 46 percent of total GEF-5 funding in GEF-5, or \$891 million in commitments.**

28. The most significant development in the GEF Trust Fund portfolio is a significant increase in funding provided through multifocal area projects and programs. These are interventions that address global environmental concerns or include objectives relevant to more than one GEF focal area, and consequently receive funding from more than one GEF focal area. The share of multifocal area funding has increased steadily over time. During GEF-3, this increase was due to the expansion of the Small Grants Programme, the start of the National Capacity Self-Assessment program, and (largely) the focus of regular medium- and full-size projects. The growth during GEF-4 was largely explained by greater support for programmatic approaches within the GEF. The trend has accelerated during GEF-5. Of the \$1.9 billion of GEF-5 focal area programming funds that had been committed as of September 30, 2012, multifocal area projects accounted for \$891 million, or 46 percent (table 2). This increase has been

**TABLE 1** UTILIZATION OF TRUST FUNDS ADMINISTERED BY THE GEF (MILLION \$)

FUND	PILOT PHASE	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	TOTAL
GEF Trust Fund	694	1,143	1,862	2,956	2,753	1,944	11,351
LDCF				10	117	306	433
SCCF				14	84	124	222
NPIF						11	11
Total	694	1,143	1,862	2,980	2,953	2,385	12,017

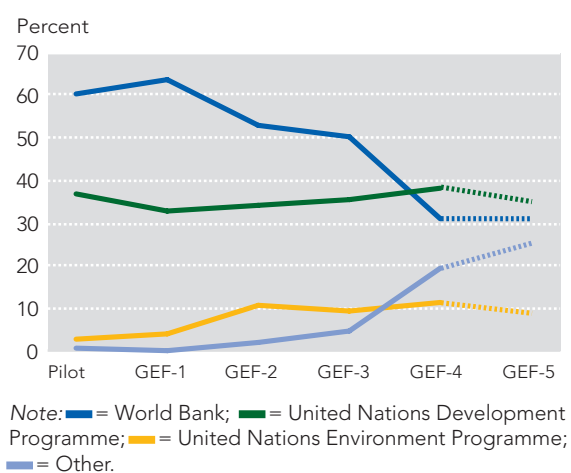
TABLE 2 GEF TRUST FUND BY FOCAL AREA (MILLION \$)

FOCAL AREA	PILOT PHASE	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	TOTAL
Biodiversity	323	424	710	867	690	313	3,327
Climate change	231	433	617	901	733	432	3,349
International waters	121	122	301	357	253	77	1,231
Ozone-layer depletion	4	112	42	21	11	5	195
Land degradation	0	0	3	217	264	51	535
Persistent organic pollutants	0	0	27	150	243	174	593
Multifocal area	16	51	161	443	559	891	2,121
Total	694	1,143	1,862	2,956	2,753	1,944	11,351

the result of further expansion of the Small Grants Programme and other programmatic approaches, and additional incentives provided by the GEF for projects that address concerns related to sustainable forest management.

29. The GEF-4 period displayed major shifts in the relative share of **funding provided by the GEF Agencies**. The continued decline in the World Bank’s share accelerated during GEF-4, while shares for the United Nations Development Programme, the United Nations Environment Programme, and other Agencies grew somewhat (figure 1). During GEF-5, the World Bank share of funding appears to have stabilized at the GEF-4 level. The shares for

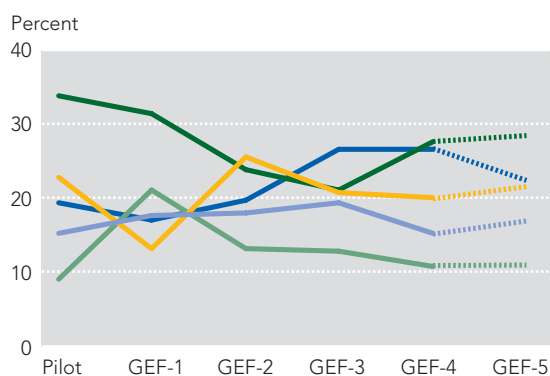
FIGURE 1 GEF FUNDING SHARE BY AGENCY



the United Nations Development Programme and the United Nations Environment Programme have shown marginal declines, while that for other Agencies—including the Asian Development Bank, the Inter-American Development Bank, the Food and Agriculture Organization of the United Nations, and the United Nations Industrial Development Organization—continued to increase and now accounts for 25 percent of GEF-5 funding.

30. Figure 2 shows changes in GEF **funding share by region** across the GEF phases. The share for Asia has continued to grow from GEF-3 to GEF-5, although its increase during GEF-5 has been marginal. The shares for Latin America and regional/global projects have also shown some increase during GEF-5. Africa’s share of GEF funding has decreased somewhat, likely because of the slower pace of resource utilization during the first two years of the replenishment period; this pace will probably increase during the remainder of GEF-5. This pacing occurred in the region during GEF-4 as well, with resource utilization in Africa slower than in other regions during the first two years, but speeding up during the period’s second half.

31. Regarding **resource utilization**, the total commitment made by the donor countries for GEF-5—including the unspent amount from GEF-4—was \$4.34 billion. At the start of GEF-5, it was anticipated that \$4.13 billion of this would be available for programming resources during the period (GEF 2010a).

**FIGURE 2** GEF FUNDING SHARE BY REGION

Note: ■ = Africa; ■ = Asia; ■ = Europe and Central Asia; ■ = Latin America and the Caribbean; ■ = interregional/global.

The actual materialization of these commitments has been significantly lower than anticipated. Recent projections prepared by the GEF Secretariat indicate that for GEF-5, \$3.66 billion is likely to materialize, of which \$3.54 billion is expected to be available for programming (GEF 2012b). The actual utilization of ex ante programmable resources for GEF-5 up to June 30, 2012, has been 42 percent. Taking into account the revised estimate of programmable resources, utilization at the period's midpoint stands at 49 percent. The OPS5 final report will cover a longer period of GEF-5 and will present a detailed analysis of the underlying utilization patterns.

## OUTCOMES AT PROJECT LEVEL

### CONCLUSION 3

Compared to the international benchmark norm of 75 percent, more than 80 percent of GEF projects performed during GEF-4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher.

32. OPS4 presented an overview of outcome achievements for 210 completed projects. Of these, outcome achievements for 205 completed projects were rated, and 80 percent of the ratings were in the satisfactory range. This First Report of OPS5 includes 281 projects completed during GEF-4 and GEF-5. The outcome achievements of all but one of these projects were rated. For a majority (59 percent), the outcome ratings provided by the independent evaluation offices of the GEF Agencies have been adopted. Overall, outcome achievements of 86 percent of the completed projects included in the OPS5 cohort were rated to be in the satisfactory range. Annex A of the Annual Performance Report (APR) 2009 provides details on the rating approach used by the GEF Evaluation Office to assess outcome achievements (GEF EO 2010b).

33. Table 3 presents a summary of the outcome ratings for the OPS4 and OPS5 cohorts. Of the completed projects included in the OPS5 cohort, 86 percent received outcome achievement ratings in the satisfactory range. The trend for a higher percentage of medium-size projects than full-size projects

**TABLE 3** COMPLETED PROJECTS WITH OUTCOME ACHIEVEMENTS RATED IN THE SATISFACTORY RANGE

COHORT	MEDIUM-SIZE PROJECTS	FULL-SIZE PROJECTS	ALL PROJECTS
OPS4, <i>n</i> = 210	84% (rated projects: 91)	78% (rated projects: 114)	80% (rated projects: 205)
OPS5, <i>n</i> = 281	88% (rated projects: 123)	85% (rated projects: 157)	86% (rated projects: 280)
Total, <i>n</i> = 491	86% (rated projects: 214)	82% (rated projects: 271)	84% (rated projects: 485)

Note: Satisfactory range includes ratings of moderately satisfactory, satisfactory, and highly satisfactory. Enabling activities that were not approved through expedited procedures have been reported here as either medium- or full-size projects, depending on the GEF grant amount.

receiving ratings in the satisfactory range noted in OPS4 continued in the OPS5 cohort as well.

34. Although the OPS5 cohort does not include projects designed and initiated from the GEF-5 strategies, the 86 percent of projects whose outcome achievements were rated in the satisfactory range exceeds the 80 percent target set for GEF-5 projects (GEF Secretariat 2010); it is also significantly better than the 75 percent target established for GEF-4 (GEF 2006). Even given the provisional nature of the outcome ratings provided in this report, it is clear that GEF projects overall seem to be on track toward achieving the expected targets of their respective GEF replenishment periods.

## PROGRESS TOWARD IMPACT

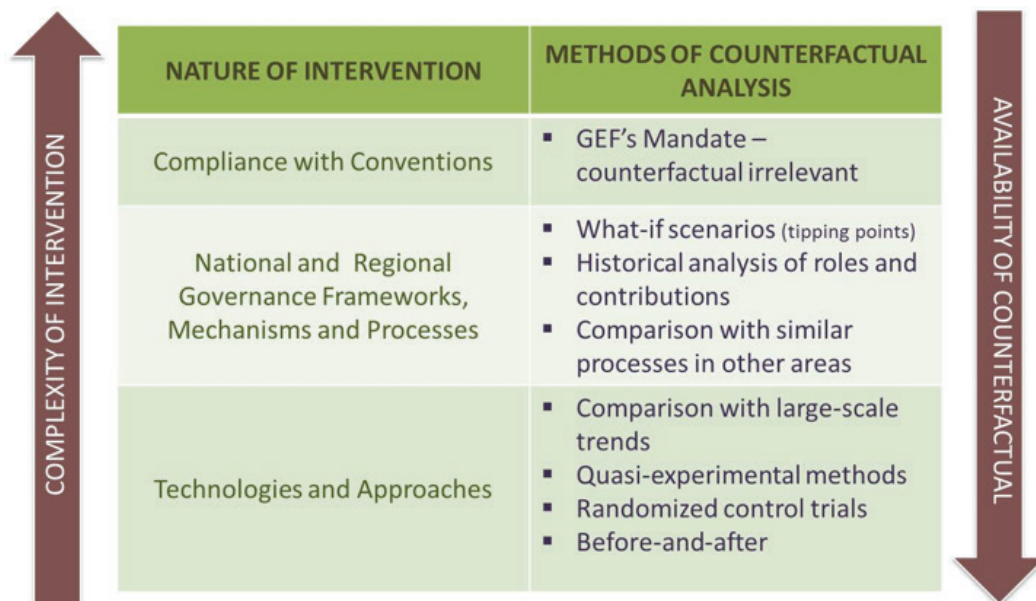
### ASSESSING THE GEF CONTRIBUTION TO PROGRESS TOWARD IMPACT

35. In evaluation, “impact” is associated with the attribution of outcomes to particular interventions.

However, assessing the specific impacts of GEF grants can be difficult because GEF support is typically designed to interact with initiatives of other agents such as governments, the private sector, civil society organizations, and other donors. Where determining attribution is not feasible, assessment of impact instead focuses on determining the contribution of GEF support. Attribution is generally used to denote that cause and effect are directly related. The term “contribution” is used to suggest that a given intervention has made some difference to an observed result in a context where multiple factors are in play. Both attribution- and contribution-based analyses aim to make credible causal claims, but contribution analysis is more practical in situations where the isolation of causes and factors is not feasible.

36. The determination of a “counterfactual”—i.e., what would have happened had GEF support not taken place—is typically used in assessing the impact of an intervention (figure 3). For interventions that introduce specific technologies, counterfactual assessment is easily measured in terms of before and after the technology’s introduction. For innovative and technology-oriented interventions targeting small geographical units, experimental design-based evaluation may be

FIGURE 3 APPLICABILITY OF COUNTERFACTUAL ANALYSIS



used by measuring the differences in the desired results between a treatment site and a control site that has not received GEF support. To use such an approach, randomized control trials require the experimental design to be included in the project design. Quasi-experimental methods may be used in cases where the project has not included an experimental set-up.

37. As interventions become more complex with increasing spatial and temporal scales of implementation and broader adoption, the availability of clear-cut counterfactuals becomes more difficult. Along with the increase in complexity is a corresponding increase in the range of stakeholders and scales of administrative units involved—which decreases the evaluator’s ability to distinguish the results of GEF support from those of other actors’ initiatives. In these cases, other methods drawing on the concept of counterfactual analysis are used to approximate clear-cut counterfactuals.

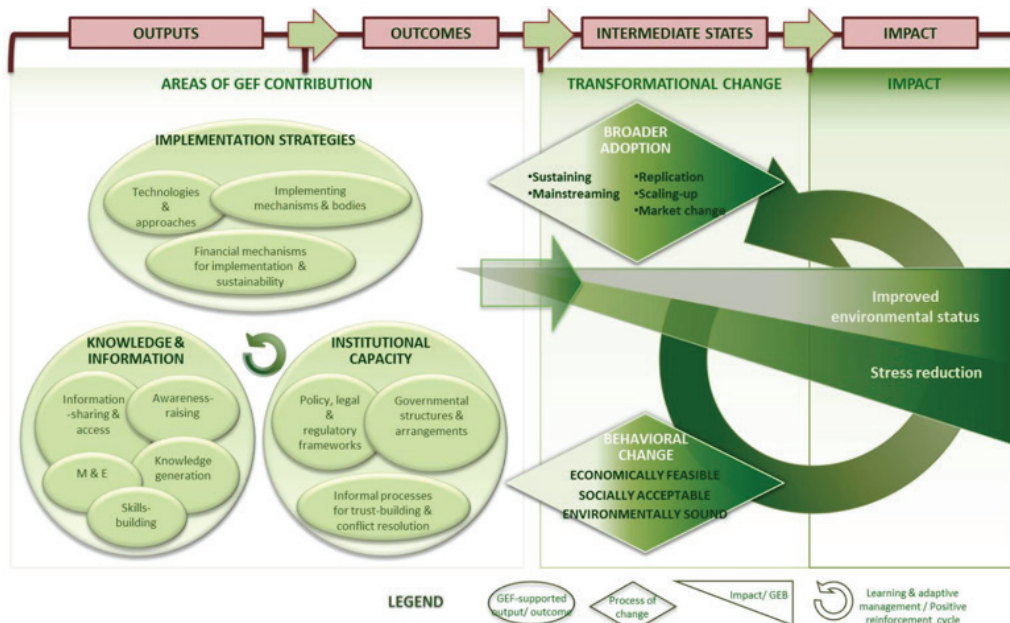
### PROGRESS TOWARD IMPACT AT PROJECT COMPLETION

38. In OPS4, the review of outcomes to impacts (ROtI) methodology was introduced as an assessment tool for completed projects. This rating system

is based on two aspects: the extent to which a project had delivered the outcomes it was intended to deliver, including the existence of arrangements for follow-up action beyond project end; and the extent to which the conditions necessary for achieving intermediate states toward impact were in place and had produced secondary outcomes (e.g., scaling-up) or impacts that were likely to progress further toward global environmental benefits. ROtIs also assess whether measurable impact, defined as threat reduction or change in environmental status, had been achieved within the project’s lifetime.

39. In its impact evaluations, the GEF Evaluation Office has built on the ROtI methodology by adopting the framework of the outcomes-to-impacts pathway (figure 4). Beyond providing ratings based on a project’s specific context, this theory of change framework identifies the specific areas that the GEF contributes toward the achievement of impacts or intermediate states. Thus, specific outputs and outcomes or areas of contribution may be linked with specific changes in environmental conditions or intermediate states. This framework is based on the concept that progress toward impact cannot be attributed to the GEF unless GEF-supported

FIGURE 4 OUTCOMES-TO-IMPACTS PATHWAY FRAMEWORK OF THE ROtI METHODOLOGY IN RELATION TO GENERAL GEF THEORY OF CHANGE FRAMEWORK



initiatives have contributed to outputs and outcomes that are prerequisites for achieving the identified impact, according to the causal chain. Special attention is given to four causal pathways to achieve transformational change: mainstreaming, replication, scaling-up, and market change (box 1).

**BOX 1** MAINSTREAMING, REPLICATION, SCALING-UP, AND MARKET CHANGE

**Mainstreaming:** Information, lessons, or specific results of the GEF are incorporated into broader stakeholder mandates and initiatives such as laws, policies, regulations, and programs.

**Replication:** GEF-supported initiatives are reproduced or adopted at a comparable administrative or ecological scale, often in another geographical area or region.

**Scaling-up:** GEF-supported initiatives are implemented at a larger geographical scale, often expanded to include new aspects or concerns that may be political, administrative, or ecological in nature.

**Market change:** GEF-supported initiatives catalyze market transformation by influencing the supply of and/or demand for goods and services that contribute to global environmental benefits.

40. To allow comparability between the OPS4 and OPS5 data sets, projects included in OPS4, whose terminal evaluations were submitted in the period 2005–08, were reviewed using the general GEF

theory of change framework. Of the 410 projects for which the Office had terminal evaluations available up to the end of fiscal year 2011, 370 were included in this assessment of progress toward impact. Excluded were 34 projects that were not designed to result in direct environmental impact or broader adoption processes—i.e., those whose sole aim was to produce data, facilitate exchange of lessons learned, support primary research, or assist countries in fulfilling their reporting requirements to the conventions. Also excluded were six projects whose contributions to impact could not be assessed due to insufficient information from the terminal evaluations. Table 4 shows how the portfolio of reviewed projects was established.

**CONCLUSION 4**  
 More than 70 percent of completed projects show positive environmental impacts, mostly at the local scale.

41. Seventy-one percent of GEF projects lead to some form of stress reduction or environmental status change. Of these, the great majority (189, or 72 percent of projects with impact, or 51 percent of total projects) show local-scale impacts, with 62 projects demonstrating actual improvements in environmental status and 127 yielding only local stress reduction (table 5). Similarly, of the 73 projects (28 percent of projects with impact, or 20 percent of total projects) with impact at both the local and system scales, 14 registered an actual change in environmental status, versus 59 leading to stress reduction.

**TABLE 4** SELECTION OF PROJECTS FOR REVIEW IN THIS ANALYSIS

NUMBER OF...	OPS4 COHORT (2005–08)	INITIAL OPS5 COHORT (2009–11)	TOTAL
Completed projects	210	203	413
Terminal evaluations available	210	200	410
Terminal evaluations included in this analysis	188	182	370
Projects excluded	22	18	40



**TABLE 5** NUMBER OF PROJECTS SHOWING ENVIRONMENTAL IMPACT AT DIFFERENT SCALES

ENVIRONMENTAL IMPACT	NUMBER OF PROJECTS	PERCENTAGE OF ALL PROJECTS <sup>a</sup>
Local impact	189	51
Stress reduction	127	34
Environmental status change	62	17
System impact	73	20
Stress reduction	59	16
Environmental status change	14	4
Total	262	71

a. Figured as a percentage of all 370 projects in the OPS4 and (initial) OPS5 cohorts.

42. Of the 73 projects showing system-scale environmental impact, 36 (49 percent) were climate change projects. All five projects in this portfolio in the ozone layer depletion focal area also show evidence of environmental impact at the system scale. At the local scale, biodiversity projects had the greatest percentage reporting environmental impact, followed by multifocal area projects. It must be noted that in many cases, the status of the ecosystem was not being monitored, or no appropriate monitoring technology was available, which made it difficult to assess if change had occurred. The extent to which projects had arrangements for monitoring environmental impact will be discussed in the final OPS5 report.

43. Of the projects assessed, 173 (47 percent) show some form of socioeconomic impact, with the great majority of these impacts felt at the local scale. Such impacts include increases in income due to alternative livelihoods, reduction of living costs, or an increase in sources of income as a result of technologies that open up opportunities (e.g., access to electricity) or create more free time to engage in other livelihoods. Socioeconomic impacts also include improvements in community relationships as well as in health due to reduction in environmental stresses and resource use conflicts. Of the 173 projects, 19 documented no environmental impact, and another 19 showed no form of broader adoption. Only three

projects had neither environmental impact nor broader adoption, yet demonstrated socioeconomic change. No significant difference was seen in the number of projects yielding socioeconomic impacts from OPS4 to OPS5, especially at the local scale.

**KEY FINDING 2**

The most common form of broader adoption was mainstreaming. Scaling-up and market change, which are broader adoption processes that take place at higher scales, were the least common forms.

44. **Mainstreaming** was the most common form of broader adoption, documented in 76 percent of projects. It includes the adoption of laws, programs, strategic plans, and administrative bodies that incorporate GEF-supported technologies and approaches. It may also involve stakeholder groups such as the private sector incorporating methods and principles promoted by the GEF into their regular business practices. Among GEF Agencies, it may mean the integration of these approaches and principles into their projects funded by other donors. Thus, the majority of completed GEF projects have been able to influence government and other stakeholder activities in some way.

45. **Scaling-up and market change** were the least common forms of broader adoption, as expected, as these require a longer time period and usually entail changes within a political or economic system. Of the 77 projects showing market change, 48 (62 percent) were approved through the climate change focal area. And of the five ozone layer depletion projects included in the portfolio, 4 (80 percent) achieved market change. International waters projects, which had the highest percentage of projects showing broader adoption in its various forms, had the lowest percentage of projects exhibiting market change; this is likely due to the nature of the focal area, which largely deals with regional cooperation regarding ecosystem protection rather than changes in economic sectors such as fishery industries.

46. Sixty-eight projects (18 percent) did not document any form of broader adoption. Even so, 47 of these projects still revealed some form of stress reduction or improved environmental status.

**KEY FINDING 3**

**Sixty percent of projects show environmental impact, and have shown progress toward further impact through processes of broader adoption. Only 4 percent did not show either impact or broader adoption.**

47. Taking environmental impact and broader adoption together as indicators of progress toward impact, 61 percent of projects show the occurrence of both (table 6). This circumstance suggests that most completed projects in the portfolio have achieved the minimum conditions for further

progress to take place. Actual progress would then depend on whether contextual factors are favorable toward the continuation of these project outcomes. More than half of these projects (or 37 percent of the entire portfolio) also show socioeconomic impacts, which are generally viewed as resulting in more robust support for environmental initiatives among stakeholders.

48. In 4 percent of the projects, neither impact nor broader adoption was shown to have occurred, suggesting that these projects are not likely to result in further progress. This group of projects also shows the lowest percentage of socioeconomic impact. In the 35 percent of projects that show only environmental impact or broader adoption (table 6), further intervention may be needed either to ensure the broader adoption of initiatives that have been proven to result in positive environmental impact, or to ensure that the technologies and approaches that have been adopted are effective in achieving positive environmental impact.

49. While market change and scaling-up were the least common forms of broader adoption, most projects that showed impact have also shown the occurrence of these processes in addition to other forms of broader adoption, indicating that such higher forms of adoption occur concurrently with other processes.

50. The great majority of projects that show impact and have begun broader adoption at higher scales (through scaling-up or market change) have also been rated likely to continue generating benefits on the basis of observed risk factors, suggesting that the

**TABLE 6** COMPARISON OF PROJECTS SHOWING OCCURRENCE OF IMPACT AND BROADER ADOPTION

	NO BROADER ADOPTION	BROADER ADOPTION REPORTED	TOTAL (n = 370)
No environmental impact reported	15 (4%)	93 (25%)	108 (29%)
Environmental impact reported	36 (10%)	226 (61%)	262 (71%)
Total	51 (14%)	319 (86%)	370 (100%)

extent of these impacts is likely to increase over time across larger geographical areas.

51. The amount of GEF financing is not correlated to impact achievement. However, project size is a factor determining the maximum scale of impact that can be achieved, with a much higher percentage of projects achieving system-scale impact among full-size as opposed to medium-size projects.

52. More than 80 percent of GEF projects contributed to knowledge and information initiatives and to technologies and approaches expected to result in positive environmental impacts. Almost 50 percent contributed to strengthening administrative structures and implementing bodies. While most knowledge and information-type projects were not designed to result directly in environmental impacts, a large percentage of such projects have contributed to knowledge products that have been adopted at a large scale. Knowledge and information-type projects typically receive lower funding, yet most are global in scope.

## CATALYTIC ROLE OF THE GEF

53. GEF support is catalytic in nature: it does not achieve impact on its own but rather in collaboration with its partners, especially through follow-up actions by governments and other agents at different scales. In OPS4, the GEF's catalytic role was characterized as a three-phased approach consisting of **foundational activities**, then **demonstrations**, and finally **investments**. These three categories of GEF support were used to identify which types of interventions were most common in each GEF phase, and if there had indeed been a movement in the number of projects from foundational to demonstration and investment, while fully recognizing that in many projects these three elements were commingled and overlapping.

54. OPS5 has further assessed the GEF's catalytic role by looking not only at these three broad categories but at the specific mechanisms and interactions through which the GEF fulfills this role. For example, evaluative evidence over several years has shown that GEF initiatives often catalyze global environmental benefits through the work of GEF partners by

promoting champions of change, building on promising initiatives that otherwise would not be funded, raising the profile of existing initiatives to attract more support from partners, removing barriers that prevent existing initiatives from moving forward, and accelerating the adoption of innovative elements that contribute to global environmental benefits. The general GEF theory of change framework recognizes that GEF support is usually comprised of not just one but several types of initiatives, which interact in synergy to contribute to progress toward impact in ways that activities of only a single type might not. The theory of change framework in OPS5 views the GEF's catalytic role as comprised of several specific areas of contribution that are interdependent, complementary elements (figure 5).

55. **Foundational activities** have been further disaggregated as outputs and outcomes related to knowledge and information and institutional capacity (or governance architecture). **Demonstration activities** have been expanded to include implementing strategies in general, which can be further classified as the innovative technologies and approaches that the GEF supports, the mechanisms and bodies that are put in place to implement these technologies and approaches, and the financing mechanisms to ensure that these implementing strategies may be sustained and broadly adopted. **Investment activities** have been more specifically defined to mean the mechanisms of broader adoption that lead to transformational change—i.e., mainstreaming, replication, scaling-up, and market change—as well as the increasing investment of stakeholders to fully sustain GEF-supported initiatives beyond GEF funding.

56. In the process of reviewing the progress toward impact of GEF projects, an analysis of the GEF's catalytic role was conducted by looking at each project's intended contributions, and mapping these to the specific areas of contribution mentioned above. Projects were thus classified into five categories: broader adoption, implementation strategies, institutional capacity, knowledge and information, or some combination of these (table 7). A total of 410 completed projects were assessed in this analysis, of which 210 had already been assessed using the

FIGURE 5 THE GEF’S CATALYTIC ROLE IN ACHIEVING PROGRESS TOWARD IMPACT

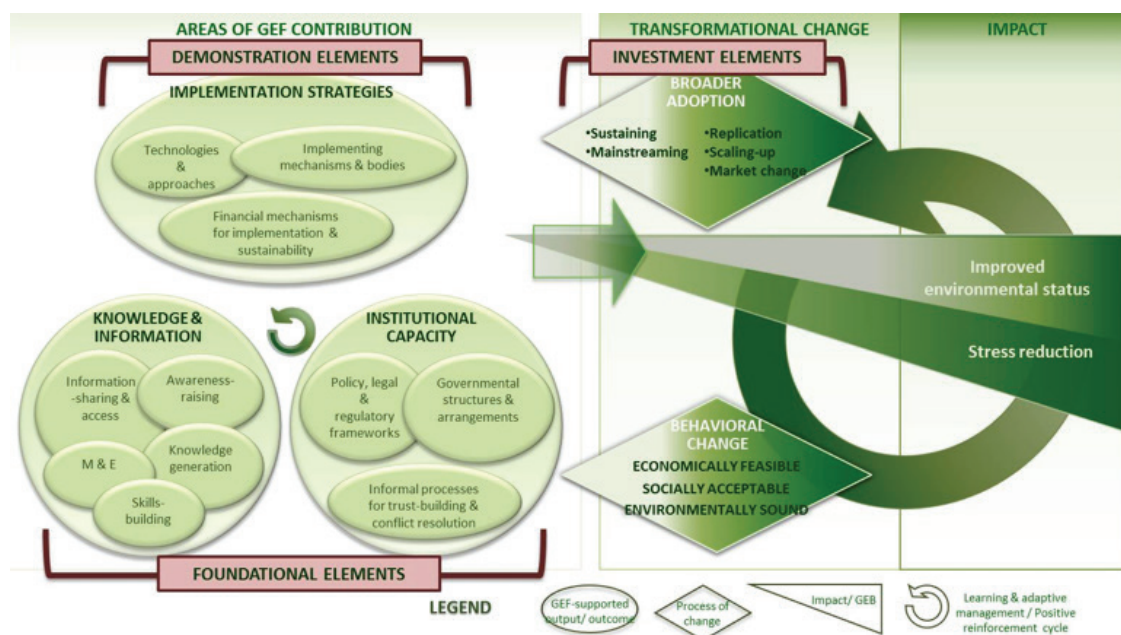


TABLE 7 PRIMARY TYPES OF INITIATIVES INCLUDED IN PROJECT DESIGN

TYPE OF INITIATIVE	NUMBER OF PROJECTS	% (n = 410)
Broader adoption	11	3
Implementation strategies	63	15
Institutional capacity	7	2
Knowledge and Information	42	10
Combination	287	70
<i>Broader adoption +</i>	92	22
<i>Implementation strategies +</i>	226	55
<i>Institutional capacity +</i>	114	28
<i>Knowledge and Information +</i>	134	33
Total number of projects	410	100

foundation-demonstration-investment approach in OPS4, and were reassessed using the general GEF theory of change framework for this report to allow comparability with projects in the OPS5 cohort. The other 200 projects were completed after OPS4, and were thus assessed for the first time using the general GEF theory of change framework.

#### KEY FINDING 4

The majority of GEF projects were designed to have a combination of different types of initiatives, with most of these related to implementing strategies and knowledge and information. The great majority of projects that had primarily foundational elements in their design also had implementation strategies as a primary type of initiative.

57. Of the projects that had a combination of types of initiatives, implementation strategies–knowledge and information was the most common combination (23 percent), followed by implementation strategies–institutional capacity (17 percent), and implementation strategies–broader adoption (16 percent). Thus, while the GEF is primarily assuming the role of supporting the implementation of technologies and approaches to catalyze global environmental benefits, it is also still providing critical support toward developing foundational elements such as policy frameworks, baseline ecological data, and awareness raising. And the GEF is supporting more initiatives that catalyze the broader adoption of these implementing strategies than those that catalyze primarily foundational elements (i.e., a combination of institutional capacity and knowledge and information). In 67 out of 123 projects—or in more than half of the projects where the GEF was intended to primarily play a role in building institutional capacity—it also supported implementation strategies as a primary type of initiative.

58. Projects that primarily addressed institutional capacity had the greatest proportion showing replication and mainstreaming, but relatively few contributing to market change. Projects designed

with broader adoption as a type of initiative had the highest percentage showing market change and scaling-up (more than 30 percent), sometimes in combination with other types of initiatives. The percentage of projects showing transformational processes among those designed with implementation strategies as a type of initiative was found to be significantly higher when in combination with other types of initiatives than otherwise. Overall, projects designed with broader adoption as a type of initiative showed a higher proportion of different transformational processes, regardless of what other type of initiative with which it was combined.

## LONG-TERM PROGRESS TOWARD IMPACT AT THE PROJECT LEVEL

59. Long-term progress toward impact has been studied at both the project and system levels. Inputs to this section on project-level progress are two impact evaluations and 18 field ROTIs (table 8). The two impact evaluations are the completed Evaluation of the Impacts of GEF Biodiversity Projects in Peru and the ongoing climate change mitigation impact evaluation. As it is still in progress, the full findings of this last impact evaluation will be reported on in the final report of OPS5; what this present study takes into account are the theory of change analyses of projects included in that evaluation.

60. Of the 18 field ROTIs, 2 were implemented as verifications of terminal evaluations (Hungary and Kenya) and 16 were carried out in support of country portfolio evaluations in Brazil, Cuba, El Salvador, Jamaica, Moldova, Nicaragua, the six recipient countries of the Organisation of Eastern Caribbean States (OECS),<sup>1</sup> and Turkey. The field ROTI assessments were conducted for projects that have been completed for at least two years, as per the GEF Evaluation Office's ROTI Handbook (GEF EO 2009c). Beyond this, ROTI projects are selected with a view to equally

1 The Cluster Country Portfolio Evaluation for the OECS focused on the six GEF recipient countries of the OECS: Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, and Saint Vincent and the Grenadines.

**TABLE 8** PROJECTS FOR ANALYSIS OF LONG-TERM PROGRESS TOWARD IMPACT

DATA SOURCE	FULL-SIZE PROJECTS	MEDIUM-SIZE PROJECTS	FOCAL AREA	GEF FUNDING (MILLION \$)
Field ROTIs	10	8	9 biodiversity, 6 climate change, 2 international waters, 1 multifocal	82
Climate change mitigation impact evaluation	17	1	18 climate change	195
Peru biodiversity impact evaluation	3	2	5 biodiversity	31
Total	30	11	22 biodiversity, 24 climate change, 26 international waters, 2 persistent organic pollutants, 1 multifocal	308

represent GEF Agencies and focal areas. The Office has endeavored to complete at least two ROTIs per country portfolio evaluation; this has been recently increased, starting with the Brazil country portfolio evaluation, for which five ROTIs were completed.

61. The two impact evaluations used as inputs to this review are comprised of projects selected because of their relevance to the specific system GEF support seeks to influence or transform and on which these evaluations have focused. Due to the specific objectives and criteria used by these evaluations, the projects reviewed are heavily weighted toward World Bank–implemented projects (23 of 41), climate change projects (24 of 41), and projects in Latin America and the Caribbean (23 of 41). They are somewhat evenly split among GEF phases in terms of approval time, with the largest number coming from GEF-2 (14 of 41). The average amount of time between completion of projects and their respective ex post impact assessment was approximately six to seven years, with 13 months the shortest period, and 15 years and 1 month the longest.

62. Analyzing the results of GEF funding vis-à-vis the general theory of change framework presents an opportunity to take stock of the extent of impacts achieved by this particular set of projects given sufficient time after GEF support ended, as opposed to only achievements at project completion. This data set is used for triangulation purposes and thus is

interpreted in the context of the findings of the larger sets of evidence obtained through desk reviews and the more thorough analysis carried out by impact evaluations.

**KEY FINDING 5**

Eighty-five percent of the projects reviewed show a moderate to high level of progress toward impact. In six projects (15 percent), evidence was found that changes at the system level had taken place with robust mechanisms for stress reduction or sustainable management present.

63. The majority of the projects under review (35 of 41, or 85 percent) have achieved impact to some extent (table 9). In 19 projects (46 percent), change

**TABLE 9** DISTRIBUTION OF PROJECTS BY GEF EVALUATION OFFICE IMPACT RATING

RATING	NUMBER	PERCENTAGE
Low/negligible	6	14
Moderate	16	39
Significant	13	31
High	6	15

Note: n = 41.

has taken place or is reaching the system level (significant to high impact rating). Of the 19, 13 projects (32 percent) showed evidence of transformational change beginning; in 6 (15 percent), evidence of environmental impacts at the system scale had taken place with robust mechanisms for stress reduction or sustainable management present. The rest of the projects examined (54 percent) were found to have achieved moderate (39 percent) or low (16 percent) progress toward impact, implying that transformational changes have not yet begun. In these cases, threat removal may have remained at similar levels as at the point of project closing, or effective and robust mechanisms for stress reduction or sustainable management are not in place. Note that based on the limited environmental monitoring data available in most GEF countries, it is difficult to identify the achievement of global environmental benefits that can be linked to the results of GEF support, as outlined in the theory of change.

64. Projects rated as having high impact differed from projects with lower ratings in that a greater percentage of them saw different processes of broader adoption (mainstreaming, replication, scaling-up, and market change) occurring. Each project had at least two processes occurring simultaneously, with five of six projects (83 percent) exhibiting scaling-up or market change as one of these processes. Only projects with environmental impact at the system scale were rated as having significant or high impact. Some projects that were rated as low or moderate did not show any environmental impact. Of the 41 projects, only 16 had information on environmental impacts achieved.

65. The GEF Evaluation Office is conducting a separate assessment of progress toward impact of projects at completion. Desk-based impact ratings at project completion were available for 15 of the 41 projects in this review. When comparing ratings

based on available information at project completion with the field-based ROtI assessments, no clear patterns emerge (table 10). The project that increased its rating by two levels was Mexico High Efficiency Lighting Pilot (GEF ID 575), which was rated moderate based on the information available at completion, and high based on the field assessment, which took place more than 15 years after project completion. This was the longest period after project completion in which an ex post field assessment was conducted. Overall, however, no patterns were discerned regarding impact ratings achieved and the number of years between project completion and ex post evaluation.

## IMPACTS AT THE SYSTEM LEVEL

### CONCLUSION 5

The approaches supported by the GEF have resulted in the reduction of environmental stress at the local scale. GEF support is also contributing to legal, regulatory and Institutional changes at higher scales, but improvements in environmental status at these scales requires a much broader adoption of the promoted approaches and technologies.

66. This section is based on three impact evaluations: the Biodiversity Focal Area Impact Evaluation in Peru, the GEF Impact Evaluation in the South China Sea and Adjacent Areas, and the climate change mitigation impact evaluation. They assess the impact of GEF support by measuring change at various scales of particular systems that the GEF seeks to transform. The Peru biodiversity impact evaluation focused on assessing the GEF’s impact on the sustainable management of protected areas and improved livelihoods of indigenous people

**TABLE 10** PROGRESS TOWARD IMPACT RATING DIFFERENTIAL BETWEEN COMPLETION AND EX POST ASSESSMENTS

RATING DIFFERENCE	+ TWO LEVELS	+ ONE LEVEL	SAME RATING	- ONE LEVEL
Number of projects	1	3	8	3

in communities in or adjacent to protected areas. The South China Sea impact evaluation focused on assessed impact at the scale of the water body. The evaluation included an analysis of the full GEF portfolio relevant for the area, which includes 34 projects and a total grant amount of \$115 million. The objective of the climate change mitigation evaluation is to assess the contribution of GEF support to emerging market economies. As this evaluation is still ongoing, the information reported here on broader adoption refers to 12 of the 18 projects covered by the evaluation. Progress toward impact at the system scale in climate change mitigation will be more fully analyzed and presented in the final report of OPS5.

#### KEY FINDING 6

**Although environmental pressures in the South China Sea continue to increase, the GEF has made important contributions.**

67. Evidence from the three impact evaluations demonstrates that system-scale environmental trends continue to worsen due to a continued increase in environmental pressures. The considerable achievements of GEF support in the South China Sea demonstrate the difficulties in ensuring broader adaptation in a situation where many impact drivers continue to put adverse stress on the ecological system. However, improvements have been seen locally, showing that given the right approaches, environmental decline can be slowed or reversed. These evaluations have been reported to the Council in the most recent annual report on impact, except for the climate change mitigation impact evaluation, which is ongoing.

68. Preliminary findings from the climate change mitigation evaluation indicate important GEF contributions at the highest scale. All countries with emerging economies have formulated objectives on mitigation through either renewable energy or energy efficiency or both. This is a global trend. While this trend is not attributed to GEF support, through historical analysis and the establishment of causal chains, the evaluation indicates that the GEF

has contributed to this trend by enabling countries to experiment with and develop expertise on renewable energy and energy efficiency. All 18 projects assessed in the climate change mitigation impact evaluation show that this experimentation has enhanced the readiness of countries to adopt renewable energy and energy efficiency than would have been the case without GEF support.

#### KEY FINDING 7

**Broader adoption is critical to fully addressing environmental pressures at the appropriate scales, but faces constraints to further progress.**

69. Demonstrations have often introduced approaches that work, delivering environmental and socioeconomic benefits at the local scale. But much broader adoption of promoted approaches and technologies is needed to effect changes at larger scales. In the South China Sea, 20 of the 27 verified demonstration sites were at a stage in which indications of broader adoption could be identified through chains of causality. While there were great differences in the extent of progress made, 18 of the 20 sites reported some form of broader adoption, including 14 cases of replication, 9 of scaling-up, and 13 of mainstreaming. At the regional and national scales, broader adoption is more commonly seen in the mainstreaming of GEF-supported approaches—such as integrated coastal management and national strategic action plans—in national laws, and in mechanisms and nonbinding agreements between countries to address transboundary concerns.

70. Different processes of broader adoption may be at work in parallel for a given demonstration, and may take place at different scales; often, one process may have to occur to foster another. Preliminary findings of the GEF climate change mitigation impact evaluation support the findings of the South China Sea impact evaluation with regard to the main mechanisms at work for broader adoption. Several of the technologies or business models introduced by the GEF have had trail-blazing effects, establishing



approaches replicated in other locations. The final OPS5 report will report on the findings of the climate change mitigation evaluation now in progress.

71. In all impact evaluations, broader adoption was found to be more likely to take place through replication, mainstreaming, scaling-up, and market change when five key contextual factors are present: incentives to commit based on the attributes of the introduced technology or approach, attributes of the targeted adopter, institutional capacities of the adopting governments, availability of financial resources, and appropriate policy frameworks and markets. Mainstreaming and scaling-up were most successful in areas that had the same receptive capacity as existed at the demonstration site—most notably in terms of economic and governance capacities. The South China Sea impact evaluation also found that government priorities have an important role not only in the extent of broader adoption that takes place, but also in the issues that are addressed through intergovernmental collective action. Most of the regional support provided by the GEF has been in the form of building institutional capacity and a knowledge and information base (e.g., transboundary diagnosis, priority setting, baseline research). Environmental responses that have been supported by the GEF have taken place mostly at the country level, and on issues that do not require coordinated intergovernmental responses.

72. While the contextual factors were found to be key in understanding the extent to which GEF support actually catalyzes transformational change, factors internal to GEF operations have also been found to affect likelihood of broader adoption. In general, preliminary evidence from the climate change mitigation evaluation also supports the finding in the analysis of progress to impact at project completion that indicates that projects including broader adoption in their design tend to make more inroads in affecting larger systems. Other factors within the control of the GEF partnership that affect the extent of progress to impact and broader adoption include the selection of approaches or technologies that are supported, the careful screening of initiatives, timing, choice of executing agencies, and—especially—extent to

which the GEF supports the “champions” who can promote the new approaches after GEF assistance ends, and the extent to which the GEF builds on ongoing initiatives. The final OPS5 report will present a full analysis of contextual factors and factors that are under the GEF’s control that support and hinder broader adoption, and the transformational effect of GEF projects over time.

## FOCAL AREA STRATEGIES

### RELEVANCE OF THE GEF TO THE CONVENTIONS

#### CONCLUSION 6

The overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels.

73. OPS4 found that the GEF is, across all focal areas, generally responsive to convention guidance at the strategic and portfolio levels as well as with regard to adjusting processes and procedures at the corporate level. This finding is affirmed by evaluative evidence gathered since OPS4. All evaluation streams consistently report high levels of relevance for GEF activities to convention guidance. The mapping of GEF-5 focal area strategies conducted as part of the focal area strategies evaluation concluded that they closely reflect convention guidance, with a few exceptions, and are shaped by requests received from the respective conference of the parties (COP). Additional evaluative work on GEF responsiveness to the conventions conducted in the context of OPS5—including interviews with all four convention secretariats as well as with the corresponding GEF Secretariat teams—supports this general picture.

74. For the international waters focal area, which does not relate to a global multilateral environmental agreement, the final report will contain more evaluative evidence on the relevance of the GEF’s support to global environmental benefits in international

waters, from transboundary water bodies to the oceans. Technical Paper #4 provides a preliminary analysis of international agreements and other sources of guidance linked to international waters.

### KEY FINDING 8

Several features of convention guidance make operationalization by the GEF challenging: ambiguous language, lack of prioritization, cumulative nature, and repetition.

75. OPS4 highlighted a number of findings on the general nature of convention guidance that make operationalization of the guidance by the GEF challenging. These features of convention guidance are also highlighted by the OPS5 analysis:

- The **cumulative nature** of the guidance, since new guidance seldom replaces older guidance, creating a steadily increasing set of requirements and requests
- The **repetitiveness** of some convention guidance, which is issued unchanged or with very minor changes in several decisions from one COP to the other, adding to the accumulation of irrelevant or obsolete items
- The **ambiguity** of guidance formulation, as many COP decisions are negotiated political compromises that deliberately leave room for interpretation, which in turn complicates operationalization
- The **lack of prioritization** of the requests, which makes a strategic approach to the guidance difficult

76. The OPS5 review of convention guidance finds that these characteristics of COP guidance continue to apply in many cases and that the way in which convention guidance is formulated has not fundamentally changed. Based on the refined quantitative analysis (see Technical Paper #4) of items of convention guidance introduced in the context of the focal area strategies evaluation, items of guidance continue to accumulate rapidly and had reached a cumulative burden of 730 items across the four

conventions by the end of 2011 (table 11)<sup>2</sup>. Most of these items repeat earlier guidance.

77. The challenge of lacking strategic prioritization of convention guidance is particularly pronounced for the Convention on Biological Diversity (CBD). The qualitative review conducted as part of the evaluation of GEF focal area strategies concluded that the CBD issued frequent guidance on a multitude of technical matters, identifying a high number of concrete areas to be supported by GEF financing. CBD guidance exerts a direct and strong influence on GEF programming at the strategy as well as the portfolio level. This becomes particularly clear in the qualitative comparison of guidance between different conventions. The other three conventions that issue direct guidance to the GEF as a financial mechanism largely refrain from providing guidance on GEF programming beyond support for fulfilling national obligations to the respective convention.

78. To meet this challenge, the CBD has initiated several actions to improve the strategic coherence of its guidance and provide additional information on prioritization. The Framework of Programme Priorities Related to Utilization of GEF Resources provides some guidance, and the Strategic Plan of the CBD for 2011–2020 and the corresponding Aichi Targets aim to provide a more coherent and consistent overall framework for GEF support. On the one hand, these actions still provide a very broad spectrum of priority areas representing an insufficient level of strategic prioritization. On the other hand, they represent important initial efforts and promising starting points to allow for a more strategic GEF approach to operationalize convention guidance. The focal area strategies evaluation therefore recommended further strengthening and intensification of these actions through collaboration between the GEF Secretariat

2 The OPS5 review of convention guidance further refined the OPS4 quantitative assessment. The count of items of guidance is now defined as COP decision text that addresses the GEF directly (this excludes related guidance to GEF Agencies, convention secretariats, or other stakeholders) and expresses a request or invitation to act on a specific topic. Subparagraphs that address different topics are counted as separate items of guidance, which explains the difference in total numbers in comparison to OPS4.

TABLE 11 ITEMS OF GUIDANCE PROVIDED BY THE CONVENTIONS

	94	95	96	97	98	99	00	01	02	03	04	05	06	07	08	09	10	11	TOTAL
CBD	23	11	14		33		20		39		26		46		45		44		301
UNFCCC		21	17	0	14	2	7	49	22	20	19	14	36	22	26	0	25	14	308
UNCCD				2	1	1	1	3		2		17		9		9		8	53
POPs												22	12	11		11		12	68

and the CBD. The effects of these efforts will need to be assessed in future evaluations.

### KEY FINDING 9

**At times, convention guidance is not realized due to a lack of resources, including short-term availability between replenishments, or because requests were interpreted as not eligible for GEF funding.**

79. The climate change mitigation focal area provides a recent example for the challenge of limited flexibility between GEF replenishment periods. The United Nations Framework Convention on Climate Change (UNFCCC) COP 17 issued the following guidance to the GEF: “[The COP] [u]rges and requests the Global Environment Facility to make available support to non-Annex I Parties preparing their first biennial update reports as early as possible in 2012 and on the basis of agreed full-cost funding.”<sup>3</sup> Given the resource allocation made available for the enabling activities modality within the climate change mitigation focal area, the operationalization of this guidance in the requested time frame for all eligible countries was impossible, as the GEF has limited instruments for the provision of additional resources between replenishments.

80. The OPS5 analysis of convention guidance finds two recent examples where conventions issued guidance that the GEF interpreted as outside the mandate for GEF support. Guidance by the United Nations Convention to Combat Desertification (UNCCD) invites GEF financial support for the

development of regional and subregional action plans. Several UNCCD parties interpret corresponding convention guidance as a request for GEF support for such action plans through the enabling activities modality responding to obligations under the convention. The GEF Secretariat maintains that these action plans fall outside the GEF mandate covered by the enabling activities modality as they lack the eligibility criterion of country drivenness.

81. Similarly, a recent decision of the Stockholm Convention on Persistent Organic Pollutants provides an example of guidance that, according to the GEF Secretariat’s interpretation, issues a request outside the GEF’s mandate and the set of activities defined as eligible for GEF funding. The Stockholm Convention COP “[r]equests the financial mechanism of the Convention...to provide financial support for country-driven training and capacity-building activities related to activities of the polychlorinated biphenyls elimination network.”<sup>4</sup> The chemicals focal area of the GEF Secretariat interprets requested support for activities of the PCB Elimination Network as ineligible for receiving GEF resources.

82. At the portfolio level, the biodiversity focal area provides an example of the challenge of limitations in country requests. The programmatic areas of biosafety under the Cartagena Protocol as well as on access and benefit sharing under the Nagoya Protocol are operationalized through the GEF-5 focal area strategy objectives BD-3 and BD-4, but countries have not been requesting corresponding resources from their STAR allocations, and the level of approved GEF financing in these areas is

3 Decision 2/CP.17, paragraph 44. <http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf>.

4 Decision SC-5/23, paragraph 3. <http://chm.pops.int/Convention/ConferenceoftheParties%28COP%29/Decisions/tabid/208/Default.aspx>.

correspondingly low. Approved resources under the biodiversity focal area are focused almost exclusively on activities under objectives BD-1 and BD-2. Possible explanations are that countries put a higher priority on other GEF-funded activities, and overall STAR allocations are insufficient to additionally finance biosafety or access and benefit-sharing activities. These explanations will be explored in more detail by the ongoing STAR midterm evaluation as well as the OPS5 final report.

83. As a partial remedy to this situation, a dedicated fund separate from the STAR allocation for the implementation of activities related to the Nagoya Protocol, the NPIF, was created under the GEF biodiversity focal area. However, CBD stakeholders interviewed for the OPS5 analysis have expressed concerns that the original set-up and activities under the NPIF were not fully consistent with the objectives of the Nagoya Protocol, limiting the NPIF's utility as an instrument for channeling resources into the protocol's implementation. This issue will be taken up in more detail in the OPS5 final report.

84. OPS4 assessed the relationship between the GEF and the convention secretariats and concluded that important steps have been initiated to improve the relationship between the GEF and the conventions as well as their secretariats, most notably the climate change convention. OPS5 confirms this trend and finds that the relationship has continued to improve and that progress has been made toward implementation of the recommendations for the period under review. Evaluative work on the relationship and mechanisms of cooperation and consultation between the GEF Secretariat and the convention secretariats and the COP meetings conducted in the context of OPS5—including interviews with all four convention secretariats as well as the corresponding GEF Secretariat teams—supports the general findings of responsive and expanding processes of collaboration and consultation.

85. OPS4 identified areas of improvement to enhance the quality of reporting to the conventions by the GEF. This report notes the progress made toward implementation of the recommendations,

most notably in the areas of cofinancing and assessment of project implementation.

## FOCAL AREA ACHIEVEMENTS

### KEY FINDING 10

**Compared to the indicative allocations of the GEF-5 replenishment, approved funding for activities mainstreaming environmental goals into productive landscapes are significantly higher than expected.**

86. OPS5 conducted an overview analysis of the current GEF-5 portfolio including all projects that have received at least project identification form (PIF) approval or that are farther along in the project cycle as of September 30, 2012. The resulting total number of projects included in the analysis is 383 including 277 full-size projects, 29 medium-size projects, and 77 enabling activities. Compared to the indicative resource allocations identified during GEF-5 and articulated in the GEF-5 focal area strategies, several focal area objectives deviate significantly. In biodiversity, objective BD-2 (mainstream biodiversity conservation and sustainable use into production land/seascapes and sectors) received a much larger proportion of resources than indicated, while BD-1 (protected areas) received slightly less than the indicated proportion. In climate change mitigation, CCM-5 (land use, land-use change, and forestry) received more resources than expected and has already reached almost \$90 million while the indicated total amount for the entire GEF-5 period was only \$50 million. Similarly, IW-4 (areas beyond national jurisdiction) has already received \$52 million, while its indicative allocation for GEF-5 was only \$20 million. In the land degradation focal area, LD-3 (reduce pressures on natural resources from competing land uses in the wider landscape) drew more resources than expected, having allocated \$105 million; this is close to its full indicative allocation of \$135 million, which is likely to be exceeded by the end of the replenishment period.

87. The overall analysis of focal area objectives that have allocated more resources than expected

reveals a certain pattern. Objectives BD-2, CCM-5, and LD-3, as the most prominent examples of high country demand and resource allocation, all relate to the nexus and the trade-offs between environmental protection and economic activities, addressing issues of competing land use and changes in land use as well as mainstreaming of environmental goals into productive sectors.

88. Based on a detailed financial breakdown of approved resources for the 383 projects of the OPS5 cohort of projects post-PIF approval, 45 percent of all funding approved during GEF-5 as of September 30, 2012, went to multifocal area projects. The most frequent combinations of multifocal area projects are as follows:

- BD-1 + LD-3 (protected areas and competing land use)
- BD-1 + BD-2 + IW-4 (areas beyond national jurisdiction)
- BD-2 + LD-3 + SFM-1 (sustainable forest management and land use)
- BD-1 + BD-2 + CCM-5 + SFM-1 (forest management and land use)

89. Land degradation and international waters boast a particularly high proportion of multifocal area projects, representing 78 percent and 70 percent of the respective focal area's resources. The climate change mitigation proportion of multifocal area projects is relatively low (32 percent) reflecting findings about the separation of most climate change mitigation objectives from other focal areas. The proportion of chemical resources in multifocal area projects is particularly low (7.2 percent), possibly signifying the distinct character of this focal area. Another explanation could be that chemicals are not included under the STAR .

90. The possibility of combining climate change adaptation activities under LDCF/SCCF with activities funded through focal areas under the GEF Trust Fund has been introduced in GEF-5 as multi-trust fund projects. Given the crosscutting nature of adaptation activities that can complement activities under GEF

focal areas, the number of corresponding projects is quickly increasing. At this point, GEF-5 features 13 approved projects that combine funding from different trust funds. The SCCF, which allocated about 30 percent of its resources into multi-trust fund projects within the current GEF-5 portfolio, has funded 9 of these 13 projects.

### KEY FINDING 11

**GEF strategies and programs have been very consistent over time, and most GEF-5 objectives can be traced back to the original operational programs of 1996.**

91. As a follow-up to the focal area strategies evaluation, the main issues and objectives addressed by the GEF were mapped to illustrate the evolution of GEF approaches to specific issues at the strategic level. The key finding of this mapping was the high degree of consistency over time. Almost all GEF-5 strategy objectives across all focal areas can be clearly traced back to the initial 10 operational programs approved by the GEF Council in 1996. Even the objectives of new focal areas—especially land degradation—can be linked to similar objectives expressed in Operational Programs 1–4 under biodiversity. The land degradation agenda was further defined through OP-12 on integrated ecosystem management (2000) and OP-15 on sustainable land management (2003).

92. Overall, the strategy mapping illustrates that most of the GEF-5 objectives in the original focal areas of biodiversity, climate change, and international waters were already defined in the original operational programs and have undergone only gradual adjustments in prioritization since then. Regarding the corresponding outputs, an initial analysis suggests a high level of consistency as well. However, a systematic mapping of strategies at the expected outcome level is needed to provide sound conclusions on strategic consistency over time; this will be prepared for the OPS5 final report.

93. The two areas that can be characterized as additions to the GEF's strategic framework—even

though they can also be linked to earlier efforts—are management of areas beyond national jurisdiction, addressed by objective IW-4 supplemented by a corresponding focal area set-aside in the biodiversity strategy; and the GEF’s activities in the area of mercury reduction.

## COUNTRY-LEVEL ACHIEVEMENTS

### COUNTRY-LEVEL EVIDENCE

#### CONCLUSION 7

GEF support at the country level is well aligned with national priorities, shows progress toward impact at the local level, and enables countries to meet their obligations to the conventions.

94. For the GEF to be effective in tackling the challenges posed by today’s global environmental threats, it must operate in partnership and demand action from all the entities making up the GEF global network—including the member countries. Since the beginning of GEF-4 in 2006, the role of countries in achieving global environmental benefits has been strengthened through several key reforms—NPFs, envisaged inclusion of national institutions as GEF project agencies, involvement of operational focal points in monitoring and evaluation (M&E) activities, and direct access, among others. Parallel to that, in 2006 the GEF Council requested that the GEF Evaluation Office look at country portfolios and assess their results and effectiveness, relevance, and efficiency.

95. In response, country-level evidence has been gathered through 14 country portfolio evaluations and 3 country portfolio studies.<sup>5</sup> The first three country portfolio evaluations in Costa Rica, the Philippines, and Samoa were stand-alone evaluations.

<sup>5</sup> For a description of these two country evaluation modalities, see [www.thegef.org/gef/CPE](http://www.thegef.org/gef/CPE).

Beginning in 2008, the Office began summarizing its country-level evaluations in annual country portfolio evaluation reports (ACPERs). The key findings presented in this report are based on the 2008, 2009, 2010, 2011, and 2012 ACPERs (GEF EO 2008, 2009a, 2010a, 2011, 2012a).<sup>6</sup> Country-level evidence provides an opportunity to triangulate findings with evidence emerging from the Office’s impact, thematic, and performance streams of work with a country perspective. The following summarizes the main conclusions emerging from the ACPERs that triangulate with other findings in this report.

#### KEY FINDING 12

Country-level evidence supports impact analysis concerning broader adoption, including the focus on mainstreaming and the role of capacity building.

96. Country-level evidence confirms the key OPS5 finding from the impact stream that GEF support is effective at the local level, but faces challenges when scaling-up. Several country portfolio evaluations reported project-level environmental and socio-economic impact at the local scale—including in Benin, Madagascar, and South Africa in biodiversity; OECS in all focal areas except adaptation to climate change; El Salvador and Jamaica; and even large countries such as Brazil—but a lack of further up-scale replication. Country-level evidence in Brazil and Cuba, among others, also confirmed the impact finding that the most common form of broader adoption is mainstreaming, generally in the form of information, lessons, or specific results of the GEF that are incorporated into broader stakeholder mandates and initiatives such as laws, policies, regulations, and programs. Progress toward impact is limited by unresolved institutional barriers and broader socioeconomic factors; this is the case in Moldova and Turkey. Also, country-level evidence shows that GEF support has made a significant contribution to

<sup>6</sup> ACPERs 2008 and 2009 were considered in OPS4, and are analyzed again for OPS5 as they help in identifying recurring themes.

institutional strengthening for environmental management; this triangulates well with impact findings.

### KEY FINDING 13

**Country-level evidence strongly confirms GEF relevance to national needs as well as to the GEF mandate of achieving global environmental benefits.**

97. GEF support has assisted the countries reviewed in determining their environmental priorities and developing and implementing national environmental policies and strategies; this has mostly been accomplished through enabling activities. In all countries, GEF support was deemed to be relevant to national sustainable development priorities. The country environmental legal framework analyses conducted in country-level evaluations largely confirmed that GEF projects have supported national frameworks for developing environmental laws and policies in biodiversity, biosafety, climate change, and persistent organic pollutants. GEF support in fulfilling countries' reporting obligations to international environmental conventions has been relevant as well. In general, GEF support either provides funding to develop national priorities (e.g., through prioritization and inventory exercises funded by enabling activities), to implement an already established national priority, or for application within an existing framework.

98. A few exceptions to this general trend are noted. While adaptation to climate change was recognized by the Nicaraguan authorities as a priority for the country, only one project in the portfolio had this specific focus. Also, regional projects in the OECS had lower relevance for participating countries, as their focus was often not in line with national priorities. Specifically, the alignment of global and regional project objectives to OECS member countries' national priorities was observed to be difficult. Furthermore, the relevance of regional project objectives and outputs was not always clear to national stakeholders; this was the case for the Montreal

Protocol, which is not a national priority for OECS countries.

### KEY FINDING 14

**GEF support provided through enabling activities is highly relevant in helping countries addressing environmental concerns, especially for LDCs and SIDS.**

99. The GEF provision for enabling activities is extremely relevant, especially for least developed countries (LDCs) and small island developing states (SIDS). GEF-funded enabling activities such as national biodiversity strategies and action plans, national adaptation programs of action, national environmental action plans, and—last but not least—the national communications to the various conventions have provided direct support to policy development in the countries reviewed. In a few cases, enabling activities in climate change have not only helped in complying with the requirements of reporting to the UNFCCC, but have also contributed to capacity building in creating and maintaining greenhouse gas inventories and vulnerability assessments, including analysis of options for mitigation and adaptation. As a result, climate change has been put higher on the government agenda in both Moldova and Turkey, and is shaping ongoing action, debate, and future climate change policy, strategy, and planning decisions.

100. In the OECS region, the GEF has been providing funding for 17 years. Efforts completed to date can be described as primarily focused on enabling countries to address environmental issues in law and regulations, whereas implementation strategies are still in the early stages. This is often the case in SIDS and LDCs, where GEF support is characterized as of an enabling, capacity development, or pilot/demonstration nature, and countries lack the resources to scale up these initial benefits. Furthermore, as in Jamaica, the GEF portfolio is often not sufficiently well known among other international development partners to maximize collaboration

and follow-up—which makes it even more difficult to sustain and scale up the results achieved.

### KEY FINDING 15

**Multifocal area projects emerge increasingly in country portfolios, which requires exploring new ways to do business.**

101. Several country portfolio evaluations have noted an increasing number of multifocal area projects within country-level evaluations. At the same time, evidence from thematic analysis clearly shows that multifocal projects have become the predominant GEF modality in GEF-5. The OPS5 final report will examine the reasons behind this observed trend. Country-level evidence points at some initial possible explanations.

102. ACPER 2008 noted that the GEF was missing opportunities to maximize benefits and improve linkages due to the historic lack of integration among GEF focal areas and with other donor initiatives in such areas as rural development, agriculture, and poverty reduction. “Piggybacking” and coordinative efforts would be particularly useful with regard to adaptation to climate change and land degradation—two issues that top Africa’s continent-level priorities and have the potential for providing local incentives to enhance the delivery and sustainability of global environmental benefits. Based on a recommendation included in ACPER 2008, the GEF Council requested that the GEF Secretariat strengthen the concept of integrated multifocal area approaches, including addressing transboundary issues. This decision led to an increase (first observed in OPS4) of multifocal area projects in GEF country portfolios in the various geographic regions in which the GEF operates.

103. ACPER 2012 observed that, in recent years, an ecosystem approach to environmental conservation and sustainable use has emerged across the GEF. However, country-level evidence also shows that multifocal area projects are considered a challenge by many project planners, as baselines and corresponding tracking tools have to be submitted

for all the focal areas involved. These projects thus carry a considerably higher monitoring burden than comparable single focal area projects—even though their efforts in the respective focal areas may be less intense, since their emphasis is on crosscutting, synergetic issues. The GEF Council, in response to an ACPER 2012 recommendation, requested that the GEF Secretariat reduce this monitoring burden by deciding on essential focal area indicators to be monitored throughout multifocal area projects as opposed to application of the full tracking tools package, in order to bring the burden to a level comparable to that of single focal area projects.

104. Findings from the country-level evaluations reaffirm the need to **build national M&E capacities** to meet the challenges of global environmental action. Reinforcing, reactivating, and strengthening the coordinating M&E role of the focal points and national committees (where active) is imperative in enhancing the country ownership and drivenness of GEF initiatives. Lack of capacity within the focal point mechanism made for missed opportunities for information sharing and learning that could have improved synergies. The underlying problem was that circulation of project monitoring information did not include the focal point on a routine basis. This lack had the effect of impeding the lesson learning and knowledge management functions of the focal points; this was particularly evident in Benin and Madagascar.

105. **M&E tracking tools** are still considered challenging in most countries visited during country-level evaluations. While the collection of information through the use of tracking tools is paramount at the central level to inform the GEF partnership on progress toward the achievement of global environmental benefits, countries often have difficulty in complying with this requirement. Some countries questioned the adequacy of these tools for the purpose they have been designed to serve. The tools were not well used in the OECS region. Furthermore, assessing impact-level results in the OECS was extraordinarily challenging due to a lack of solid baseline data on the status of environmental resources, and a corresponding lack of systematic monitoring data to



assess trends over time. Brazilian stakeholders indicated that they had difficulties in filling out the tracking tool tables and in understanding the relevance of some of the indicators included. There too, most project baselines are not yet well established. Biodiversity indicators in Brazil are often ignored, even when they represent a significant project component. Several possible explanations have been provided, including lack of staff, training, or funding; poorly designed indicators that are difficult to monitor; and lack of knowledge about biodiversity monitoring.

106. The high demand for GEF support in **combating land degradation** began to emerge in ACPER 2008, which reported that no national projects had been approved in the land degradation focal area for the three countries reviewed, despite the importance of land degradation problems there. Although some regional projects were providing support in this focal area, the scale of the problems outstripped the planned investment. ACPER 2009 recommended exploring modalities within the GEF partnership to address the significant gap of available resources for addressing land degradation to support key challenges facing countries such as Cameroon, Egypt, and Syria. In GEF-5, land degradation has been included in the STAR. Nonetheless, ACPER 2010 highlighted that opportunities were missed to address land degradation through multifocal area projects, and recommended exploring the possibility of additional allocations for sustainable land management activities.

## COUNTRY OWNERSHIP AND DRIVENNESS

### CONCLUSION 8

GEF support to countries rates well on indicators for meeting the Paris Declaration and outperforms bilateral and multilateral donors on alignment with national priorities.

107. Comprehensive evaluations such as the GEF OPSs as well as country-level evaluations have tended to report on issues of ownership without fully

reflecting the ongoing international discussion of aid effectiveness, as expressed in the Paris Declaration, the Accra Agenda for Action, and the Busan Partnership Declaration. OPS5 seeks to relate country-ownership and -drivenness issues in the GEF to this international discussion, fully cognizant of the fact that cooperation toward global environmental benefits has some fundamental differences with traditional aid. To this end, the Office has developed an analysis framework that contains a set of indicators extracted from the Paris Declaration Phase 2 evaluation (Wood et al. 2011) and re-elaborated them to serve this analysis (figure 6).<sup>7</sup> These indicators have been used to review the country-level evaluative evidence on ownership and drivenness through a meta-evaluation, the scope of which included all country-level evaluations conducted since 2006 until 2012.

108. Assessing country ownership is difficult because the concept lacks both a precise definition and indicators for measurement. Also, the degree of ownership of a given policy, strategy, program, or project often cannot be attributed to particular stakeholders or donors, as the unique country context plays a role. Furthermore, the nature of country relations between recipients and donors is characterized by dialogue and negotiation in which ownership within the partnership is challenging.

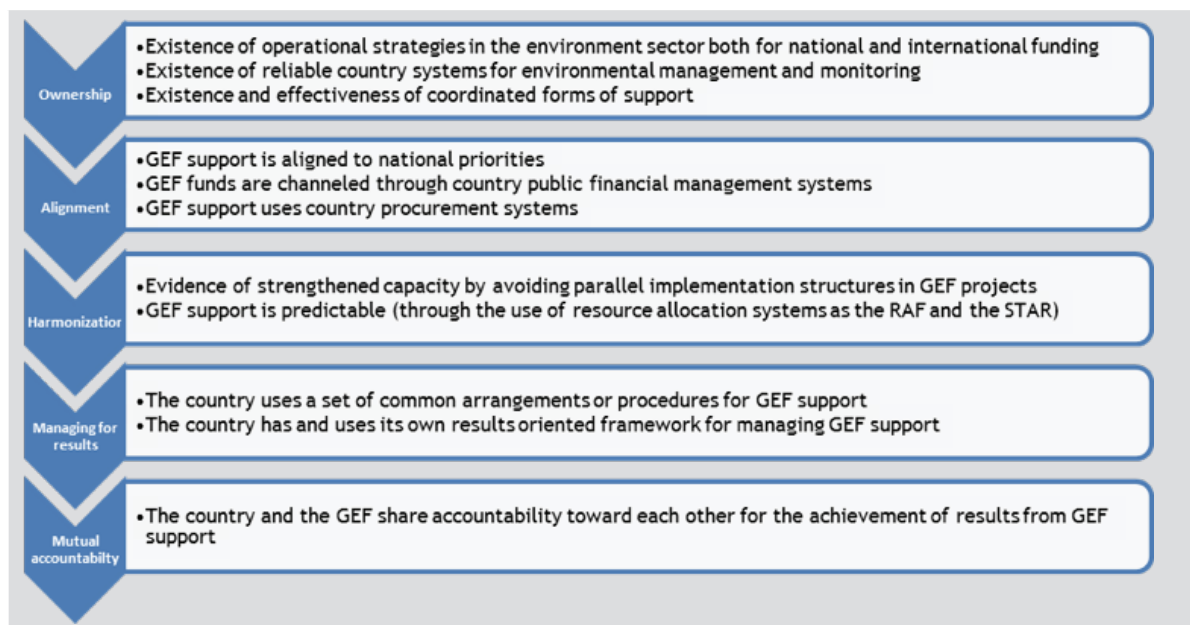
109. The Paris Declaration<sup>8</sup> affirmed the responsibility of developed and developing countries for delivering and managing aid in terms of five principles:

- **Ownership:** partner countries exercise effective leadership over their development policies and strategies, and coordinate development actions
- **Alignment:** donors base their overall support on partner countries' national development strategies, institutions, and procedures

7 Annex 5 of the Paris Declaration Phase 2 evaluation report (Wood et al. 2011) features a methodological discussion, including a table containing a "critique" of the indicators that were used to score progress toward fulfilling the Paris Declaration: <http://pd-website.inforce.dk/content/pdf/PD-EN-annex5.pdf>, 214.

8 <http://www.oecd.org/dac/aideffectiveness/parisdeclarationandaccraagendaforaction.htm>.

FIGURE 6 HIGH-LEVEL INDICATORS FOR AGGREGATED ANALYSIS OF COUNTRY OWNERSHIP IN THE GEF



- **Harmonization:** donors’ actions are more harmonized, transparent, and collectively effective
- **Managing for results:** managing resources and improving decision making for results
- **Mutual accountability:** donors and partners are accountable for development results

110. The Accra Agenda for Action further elaborated on the Paris Declaration, recognizing the role of societies as owners of development efforts, alongside the government, parliament, local authorities, and donors.<sup>9</sup> In Busan, among other actions, the role and integration of global funds in these efforts was explicated.<sup>10</sup>

111. The GEF Instrument emphasizes country drivenness (which could be seen as analogous to country ownership) in relation to alignment with national priorities (policies and strategies) and to coordination. The initial GEF Operational Strategy

9 <http://www.oecd.org/dac/effectiveness/parisdeclarationandaccraagendaforaction.htm#Accra>.

10 Busan Partnership Declaration, <http://www.effectivecooperation.org/files/Busan%20Partnership%20Document.pdf>.

(GEF 1995) outlined the eight operational principles to guide the GEF program, one of which affirmed that the GEF would fund projects that are country driven and based on national priorities designed to support sustainable development. In 1998, an action plan was adopted that aimed to strengthen country-level coordination and ownership of GEF support (GEF 1998). The GEF’s conception of country drivenness/ownership, as established by the GEF Instrument, initial strategy, and Council documents, consists of three elements:

- **Alignment** with national priorities, expressed by laws, policies, and strategies
- **Coordination** among stakeholders
- **Stakeholder involvement** in the development, implementation, and M&E of GEF activities

112. These elements have resonance with the Paris Declaration definitions of ownership, alignment, and harmonization. However, in general, the GEF concepts are less refined and detailed. For example, there is no emphasis on managing for results or

mutual accountability; this lack partly reflects the time (1990s) in which they were developed (table 12).

### EXISTENCE OF OPERATIONAL STRATEGIES IN THE ENVIRONMENT SECTOR FOR NATIONAL AND INTERNATIONAL FUNDING

113. The country-level evaluations indicate that 26 countries have in place more than moderate

to strong environmental sector and/or sustainable development strategies and/or plans to guide their national budgetary and international funding decisions. In many cases, some environmental (e.g., national environmental action plans) and sustainable development laws and strategies have predated GEF funding or have been in place since the late 1980s or early 1990s in the run-up to Rio 1992; this is true for Benin, Bhutan, Brazil, Cameroon, Costa Rica, Madagascar, Mexico, Nicaragua, Samoa, and Syria.

TABLE 12 COMPARISON OF PARIS DECLARATION AND GEF TERMINOLOGY

PARIS DECLARATION		GEF	
CONCEPT	ELEMENT OF DEFINITION	CONCEPT	ELEMENT OF DEFINITION
Country ownership	<ul style="list-style-type: none"> <li>• Countries leading development: policy, strategy, and manage development work (projects and programs) on the ground</li> <li>• Ownership is dependent on leadership, individual and institutional capacities for management</li> </ul>	Country drivenness	<ul style="list-style-type: none"> <li>• No formal definition</li> <li>• Implied that drivenness is dependent on involvement and capacity of countries to define GEF projects and programs; strong national focal point mechanisms</li> </ul>
Alignment	<ul style="list-style-type: none"> <li>• Donors align with and support developing country strategies/policies</li> <li>• Use local systems and institutions to deliver aid and avoid parallel structures</li> <li>• Use public financial management systems</li> </ul>	Alignment	<ul style="list-style-type: none"> <li>• GEF projects and programs align with national priorities designed to support sustainable development</li> <li>• Linked to national sustainable development efforts</li> <li>• Implied that alignment with national priorities will lead to enhanced drivenness</li> </ul>
Harmonization	<ul style="list-style-type: none"> <li>• Donors coordinate work and avoid duplication of effort</li> <li>• Pooling of resources in programmatic/sectorwide assistance</li> </ul>	Coordination	<ul style="list-style-type: none"> <li>• GEF activities coordinated with national policies and strategies</li> <li>• GEF activities coordinated with development financing</li> <li>• Implied that GEF activities coordinated with development financing and national policies and strategies will enhance drivenness</li> </ul>
Managing for results	<ul style="list-style-type: none"> <li>• All parties focus on the results of aid</li> <li>• Better tools and systems for impact measurement</li> </ul>	Stakeholder involvement	<ul style="list-style-type: none"> <li>• GEF activities based on public consultation with participation of communities and other stakeholders</li> <li>• Implied that consultation and participation of stakeholders leads to enhanced drivenness</li> </ul>
Mutual accountability	<ul style="list-style-type: none"> <li>• Donors and developing countries must account for the use of funds</li> </ul>	—	—

114. In many countries, the key operational strategies and legal frameworks have been improved through the 1990s and early 2000s to guide support to the environmental sector as the national importance of environmental sustainability has gained acceptance. Strategies related to the international environmental conventions and treaties that countries have ratified—including the CBD, the UNFCCC, the UNCCD, and the Stockholm Convention—have mostly been developed with initial GEF support through enabling activities (e.g., national biodiversity strategies and action plans/national implementation plans/national adaptation programs of action and national communications). In the majority of countries, progress toward operational strategies has been strong. In some countries, progress has been more moderate because they are either still in the process of developing or integrating environmental concerns and national strategies and development planning frameworks; or because strategies for some areas such as biodiversity conservation or climate change have been outlined more slowly, particularly where one has been favored more than the other.

115. The Paris Declaration Phase 2 evaluation shows that progress for partner countries toward “strong national development strategies and frameworks and detailed operational plans” has been moderate to fast for development strategies, but mostly slow on progress toward operational planning (Wood et al. 2011, 18–20). These results are broadly comparable to those emerging from the GEF country-level evaluations: for the environment sector, progress in developing operational planning seems to be more advanced in terms of offering donors a range of funding opportunities. However, there is a risk of fragmentation of donor support with the lack of sectorwide approaches in environmental sectors.

### EXISTENCE OF RELIABLE COUNTRY SYSTEMS FOR ENVIRONMENTAL MANAGEMENT AND MONITORING

116. The review of country-level evaluations revealed mixed results. Four countries—Brazil, Chile, Costa Rica, and Mexico—have established capacities for environmental management with relatively

strong national financing and institutional capacities as compared to the rest of the cohort. These four are middle-income countries with significant global environmental assets that have attracted international funding. Nine other countries were judged as having more than moderately reliable systems—i.e., functioning managerial institutions but with some weakness relating to certain focal areas and monitoring. Eleven countries were judged to have weak (two) to less than moderately (nine) reliable systems. Two countries have systems characterized by weaker institutional and individual capacities: Madagascar and Timor-Leste.

117. Evidence from the Paris Declaration Phase 2 evaluation reports that partner country progress on building capacity in systems has been rated mostly slow (Wood et al. 2011). It was reported in several country case studies that insufficient progress and/or overstretched capacities existed. Progress in putting M&E systems in place was also reported to be slow. A combination of underlying factors included lack of attention among donors and countries to building capacities to measure results, and lack of organizational culture and interest in results on the part of the partner countries.

### EXISTENCE AND EFFECTIVENESS OF COORDINATED FORMS OF SUPPORT

118. Country-level evidence indicates that achieving effective coordination to support GEF activities has been mixed, with only 12 countries having more than moderate to strong interministerial and stakeholder coordination, and 10 having weak to less than moderate coordination. The main reasons for weak performance have been unstable capacity, particularly within the focal point position/office, resulting in a loss of coordination momentum due to staff changes (this was the case in Benin, Madagascar, and the OECS); “turf wars” between ministries and departments (as in Cameroon and Timor-Leste); and ministries working in isolation, exacerbated by a lack of incentives and leadership for coordination and sharing of information (this was found in Costa Rica, Moldova, Nicaragua, and the Philippines).

## GEF SUPPORT IS ALIGNED TO NATIONAL PRIORITIES

119. All country-level evaluations indicate more than moderate to strong alignment of GEF projects with national policies and strategies (table 13). Some of the plans, strategies, and policies related to biodiversity and climate change mitigation and adaptation have been developed by GEF enabling activities (or following on from such activities, and have been nationally owned with subsequent GEF activities aligned to those plans and strategies (e.g., in El Salvador, Jamaica, and Nicaragua). Therefore, the GEF has helped develop the national priorities with which future activities have been aligned. The process is currently most pronounced in Timor-Leste, where the GEF has been a major catalyst since the mid-2000s in helping government ratify and then develop national strategies and priorities for climate change, biodiversity, and land degradation in relation to poverty reduction and state-building priorities.

120. The Paris Declaration Phase 2 evaluation reported that bilateral and multilateral donor alignment with country priorities and financial, procurement, etc., systems was mostly slow with the distance remaining to achieve alignment rated as substantial (Wood et al. 2011). In comparison, the GEF results show that alignment is the Paris Declaration criterion on which it performs best and on which support in 22 countries is rated as substantial; in the 5 remaining countries, the evaluative evidence available rates alignment as being more than moderate. The explanation for this extraordinary performance compared to other bilateral and multilateral donors surely lies in the enabling activities and the link of GEF support to meeting convention obligations, as this requires countries to align their national development objectives, priorities, and systems with convention guidance.

121. There is insufficient evidence to judge GEF performance on the use of country public financial management systems and procurement systems.

TABLE 13 GEF ALIGNMENT

COUNTRY	GEF SUPPORT IS ALIGNED WITH NATIONAL PRIORITIES			
	S	MM	LM	W
Belize	X			
Benin	X			
Bhutan	X			
Brazil	X			
Cameroon	X			
Chile	X			
China	X			
Costa Rica	X			
Cuba	X			
Egypt		X		
El Salvador	X			
Ethiopia		X		
Iran	X			
Jamaica	X			
Madagascar	X			
Mexico	X			
Moldova	X			
Nicaragua	X			
OECS	X			
Philippines	X			
Samoa	X			
Seychelles	X			
South Africa	X			
Syria		X		
Timor-Leste		X		
Turkey		X		
Uruguay	X			
Total	22	5		

Note: S = satisfactory; MM = more than moderate; LM = less than moderate; W = without progress.

## EVIDENCE OF STRENGTHENED CAPACITY BY AVOIDING PARALLEL IMPLEMENTATION STRUCTURES IN GEF PROJECTS

122. Data from country-level evaluations on the existence of parallel implementation structures is not reported precisely or consistently. However, from the data that are available, a mixed picture emerges, with six countries having more than moderate to strong results, and six having less than moderate to weak results. The Paris Declaration Phase 2 evaluation reported that donors' use of country systems and progress toward avoidance of parallel systems was mostly slow (Wood et al. 2011).

## GEF SUPPORT IS PREDICTABLE (THROUGH THE USE OF RESOURCE ALLOCATION SYSTEMS SUCH AS THE RAF/STAR)

123. The evidence on this indicator from the GEF country-level evaluations is somewhat uneven and inconclusive, as most reported confusion and lack of clarity surrounding the initial Resource Allocation Framework (RAF) implementation. At the same time, the RAF—and more clearly its successor the STAR—have provided countries with a level of certainty in terms of their focal area resource allocations; this has been reflected in the more recent country-level evaluations.

124. The Paris Declaration Phase 2 evaluation reported that progress toward more predictable and multiyear commitments on aid flows has been mostly slow, although there have been good performers such as the United Kingdom, which provides the majority of its aid through budget support and 10-year development partnership arrangements, thus allowing countries to have great control over how aid is used across a range of sectors (Wood et al. 2011). The GEF STAR essentially provides a four- to five-year budget for countries, with some level of control dependent on their use of voluntary NPFs introduced in GEF-5. However, the project-based delivery mechanism remains, and the GEF has yet to move toward sector-based support for the environment.

125. The GEF has contributed to the development of country operational strategies in the environmental sector that guide national and international funding. Furthermore, GEF activities are strongly aligned with national priorities in the majority of countries. The GEF has thus assisted countries in meeting their commitments to international environmental conventions.

## PERFORMANCE ISSUES AFFECTING RESULTS

### COFINANCING

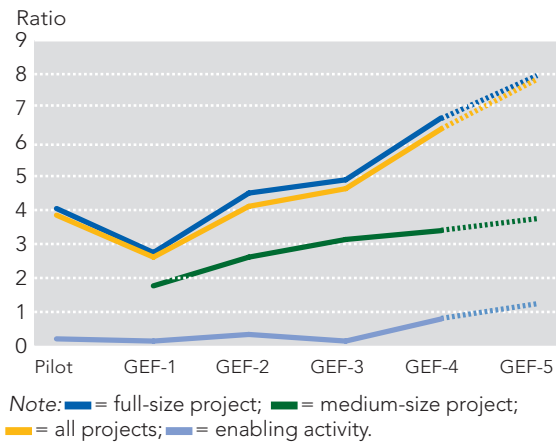
#### KEY FINDING 16

The level of materialized cofinancing vis-à-vis expected cofinancing reported for the OPS5 cohort of completed projects is higher than that for earlier cohorts.

126. **Cofinancing** is often considered to be an indicator of a project's sustainability, country ownership, and mainstreaming of GEF activities; and a way to mobilize additional resources for the global environment. APR 2009 provided a detailed analysis of the GEF's approach to cofinancing and concluded that "the GEF gains from mobilization of cofinancing through efficiency gains, risk reduction, synergies, and greater flexibility in terms of the types of projects it may undertake" (GEF EO 2010b, 4). It cautioned, however, that a focus on achieving high cofinancing ratios could be counterproductive, as this would create disincentives for undertaking projects where the potential for global environmental benefits is immense but the raising of cofinancing is difficult. The conclusion was a call for a balanced approach toward seeking cofinancing.

127. Figure 7 shows the trends in cofinancing promised per dollar of GEF grant by project type. The graph clearly shows that full-size projects have higher cofinancing ratios than medium-size projects, and that the ratio for enabling activities is the lowest. GEF-4 and GEF-5 have seen a rapid increase

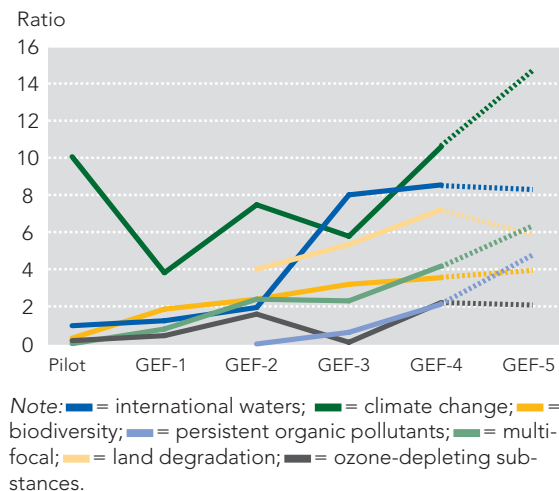
**FIGURE 7** TRENDS IN COFINANCING RATIOS BY PROJECT TYPE



in promised cofinancing for all project categories. Given that the full-size projects account for a higher share of GEF funding, the overall cofinancing ratio closely tracks that for full-size projects.

128. Figure 8 shows the trends in cofinancing promised per dollar of GEF grant by focal area. Cofinancing has been higher for the climate change and international waters focal areas; while ratios have been lower for the ozone layer depletion, persistent organic pollutants, and biodiversity focal areas.

**FIGURE 8** TRENDS IN RATIO OF PROMISED COFINANCING BY FOCAL AREA



These differences are as expected given the different kind of activities undertaken in each focal area.

129. From a performance perspective, it important to know the extent to which promised cofinancing materializes. Of the 281 completed projects of the OPS5 cohort, information on the materialization of cofinancing was provided by the Agencies for 261. For these projects, the materialized cofinancing was reported to be 147 percent of the promised amount. This ratio is considerably higher than that for the completed projects included in the OPS4 cohort—or indeed for any earlier GEF reporting period.

## AGENCY FEES

### KEY FINDING 17

The Agency fees provided by the GEF for implementation of its project portfolio have dropped compared to earlier periods.

130. The GEF approach to management fees for project implementation has evolved, resulting in a decline in the GEF expenditure for Agency fees over the past two decades. While this represents an improvement in terms of cost reduction, its effects with regard to changes in portfolio quality and results are not well understood. In May 2012, the GEF Council approved a new fee structure for Implementing Agencies that provided some flexibility in the fee rate based on the size of the project grant (GEF 2012a). This policy came into force in January 2013. Several Agencies expressed their concern that the new approach does not adequately provide for the costs they incur. Because the policy has been implemented recently, and there has been a push for reforming project preparation and approval processes, the net effect of the new approach to the Agency fee and efforts to reduce the burden on the Implementing Agencies is not well understood. The OPS5 final report will aim to provide more evaluative evidence regarding this issue.

## PROJECT CYCLE

### KEY FINDING 18

There are early indications that compared to GEF-4 the time lag between PIF approval and CEO endorsement of full-size projects has been reduced significantly for the GEF-5 period. However, given the relatively small number of observations so far on the GEF-5 period, this needs to be further verified.

131. The amount of time needed for GEF project preparation and approval prior to their implementation has been an area of concern. The Joint Evaluation of the GEF Activity Cycle and Modalities (GEF EO 2007) presented an in-depth analysis of the time lags at various stages of the cycle. The evaluation concluded that the lag time for proposals awaiting approval had become unacceptably long and recommended a “radical redrawing of the cycle.” Taking note of the evaluation findings and recommendations, a new project cycle was approved by the GEF Council in June 2007. For the GEF-4 period, a business standard of 22 months or less was established for time elapsed between PIF approval and endorsement by the Chief Executive Officer (CEO) for full-size projects (GEF 2007). During its July 2010 meeting, the Council further revised the business standard to 18 months for full-size projects (GEF 2010b). While there have been minor changes in the project cycle requirements, the cycle has remained more or less the same since June 2007.

132. Given the September 30, 2012, data cutoff point used in this report, very few GEF-5 project proposals that have received PIF approval have been in the cycle for sufficiently long to facilitate time lag analysis. Nonetheless, there are early indications that the time lag between PIF approval and CEO endorsement has been reduced for full-size projects during this replenishment period. By the end of 18 months, more than half of the PIF-approved project proposals for GEF-5 full-size projects had been endorsed by the CEO. In comparison, only a third of comparable GEF-4 proposals had received CEO

endorsement within 18 months. This early result may turn out to be an aberration once more data become available. In the OPS5 final report, the Evaluation Office will be able to take data for a significantly greater number of projects into account and draw conclusions on this topic with greater confidence.

## QUALITY OF MONITORING AND EVALUATION AT ENTRY

### KEY FINDING 19

The level of compliance with GEF requirements for M&E arrangements in projects at the point of endorsement has improved compared to earlier periods. The quality of impact measurement arrangements was assessed to be in the satisfactory range for 69 percent of proposals submitted for full-size projects.

133. The Evaluation Office assesses the level of **compliance with M&E requirements** at entry at regular intervals. The aim is to provide timely feedback to the GEF partnership on the extent to which project proposals have adequate arrangements allowing for effective M&E of a given project and facilitating adaptive management. APR 2005 (GEF EO 2006) presented a pilot review that assessed quality of M&E arrangements in full-size projects at the point of CEO endorsement. APR 2008 presented results of a follow-up review that took stock of the quality of M&E arrangements in the 82 full-size projects that had been CEO endorsed during fiscal year 2008 (GEF EO 2009b). APR 2011 presented the findings of the third review in this series, which took stock of the quality at entry of M&E arrangements for full-size projects that were CEO endorsed in fiscal year 2011 (GEF EO 2012b). Together, the three reviews cover proposals that had been CEO endorsed during the GEF-3, GEF-4, and GEF-5 periods, respectively.

134. Of the reviewed GEF-5 full-size projects, 80 percent were assessed to be in compliance with the minimum requirements for M&E arrangements at the point of CEO endorsement. In comparison, the pilot review had assessed 58 percent of the project



proposals to be in compliance, and the first follow-up review had found 76 percent to be in compliance.

135. Within the framework of APR 2011, the GEF Evaluation Office, in collaboration with the GEF Scientific and Technical Advisory Panel, undertook a review to assess **quality at entry of arrangements for impact measurements** to provide real-time feedback to the GEF partnership on this issue. Since this was a pilot review, comparisons with the earlier cohorts were not undertaken. The review rated overall quality of impact measurement arrangements specified in project proposals to be moderately satisfactory or above for 69 percent of the proposals. Forty-nine percent of the proposals met a more stringent yardstick of satisfactory or above.

136. The Evaluation Office also tracks **quality of M&E during implementation** for projects that have been completed. These results are reported on in the Office's annual performance reports. The review process for APR 2012 is not fully complete; results will be available for the OPS5 final report.

## OVERARCHING CONCLUSIONS AND FURTHER WORK

137. The OPS5 findings and conclusions reported here present an overview of GEF achievements that update OPS4. The picture that emerges is of a GEF that is highly consistent in its approaches and has a high level of continuity in its achievements, both in terms of outcomes and in progress toward impact. OPS4 concluded that the GEF was **relevant** to both the conventions and to regional and national priorities. This First OPS5 Report confirms this, and highlights that the GEF's rates of alignment with national priorities are higher than those for other donors, according to Paris Declaration principles. The **effectiveness** of the GEF was praised in OPS4, with ratings for projects' outcome achievements higher than 80 percent. OPS5 shows that this high rate of achievement has continued. On **progress toward impact**, OPS4 concluded that 70 percent of

completed projects showed evidence of progress toward global environmental benefits. This judgment was confirmed—as noted in Conclusion 4—and further elaborated on by OPS5, which distinguishes progress toward impact at the project level from that at the systems level. It concludes that progress toward impact is occurring, but can and should be further improved by paying more attention to barriers and constraints to broader adoption leading to transformational change.

138. Regarding **efficiency**, OPS4 called attention to improvements that can and should be made on programming, project identification, design and the decision cycle, an enhanced fee structure, more integrated learning, and a results-based management framework that would include perspectives on progress toward impact. This report provides some findings on efficiency issues, but many efficiency issues are still the subject of ongoing work of the Office, such as the midterm evaluations of the STAR and the NPFE.

### CONCLUSION 9

Evidence from several evaluations points to the emergence of multifocal area projects and programs as a strong new modality of the GEF. This poses challenges for the formulation of the strategies for GEF-6.

139. Several OPS5 substudies have pointed to the strong emergence of multifocal area projects and programs throughout the portfolio in response to guidance of the conventions and at the country level. Evidence from the impact stream, which took an in-depth look at GEF support in the South China Sea and adjacent areas, points to the importance of a programmatic approach that goes beyond a single issue or focus to ensure that circumstances are created in which broader adoption can take place. The general framework for a theory of change of the GEF (discussed below) describes the elements needed for progress toward impact.

140. This general framework for a GEF theory of change was presented to the GEF Council at its

November 2012 meeting. Both the impact work of the Office and the focal area strategies evaluation pointed to the model's utility as a heuristic tool supporting further thought on causal chains, linkages, and the roles of the GEF as well as of its partners and member countries to better focus on how broader adoption could lead to environmental stress reduction and improvement of global environmental trends. The Council asked that the Secretariat ensure that causal linkages and chains leading to broader adoption would be included in the strategies to be prepared for GEF-6.

### CONCLUSION 10

**Impact and country-level evidence show that there is scope for improving progress toward impact through incorporating broader adoption strategies in project and program design.**

141. The impact work for OPS5 highlights that there is room for further broadening adoption of those implementation strategies the GEF has a high track record in achieving. Typical mechanisms that should be used include mainstreaming, replication, scaling-up, and market change. The impact analysis, along with country-level evidence, shows that higher levels of adoption are reached when more than one of these mechanisms is taken up and followed through.

### RECOMMENDATION

**The replenishment meeting should request that the Secretariat develop strategies for GEF-6 that would strengthen efforts toward broader adoption and focus on more programmatic multifocal area approaches, within the guidance of the conventions.**

142. Based on the evidence presented in this report, the Evaluation Office recommends that the OPS5 findings on impact, focal area strategies, and country-level evidence be taken into account in crafting the GEF-6 strategies. To do so may require a shift from using the focal area as the starting point in formulating strategies to a more programmatic approach to achieving impact on an ecosystem or other appropriate geographical basis—provided the requisite linkage to convention guidance and focal area reporting to the conventions can be incorporated in such an approach. The international waters focal area could provide inspiration in this regard, as it has always focused on transboundary water issues rather than on specific sector problems. Elements of more holistic and integrated approaches can be seen in the history of the focal areas and in new developments such as the attention to biodiversity protection in landscapes, and is moreover requested by convention guidance.

143. Further work for OPS5 will include more analysis of progress toward impact; of achievements of the focal area strategies; of country-level evidence; and of the performance of the GEF as a manager and decision maker with regard to its support to countries, regions, and the global environmental commons. It will be guided by the terms of reference for OPS5 as approved by the Council in June 2012.

## ANNEX A

# COMMENTS FROM THE SENIOR INDEPENDENT EVALUATION ADVISERS

CHEN ZHAOYING, ELIZABETH MCALLISTER, KABIR HASHIM

**T**he terms of reference for the Fifth Overall Performance Study of the Global Environment Facility state that the objective of the First OPS5 Report is to provide a solid understanding of the current results, the achievement, and performance of the GEF as gathered from evaluative evidence up to the end of 2012.

Overall, the report provides a rigorous analysis of the GEF portfolio and provides useful insights to support decision making on future directions for GEF funding.

The First OPS5 Report is to be applauded for measuring the GEF's performance relative to the agreements made by the international community in the four High-Level Meetings that followed the Monterrey Consensus on Financing for Development (2002): the Rome Declaration on Harmonization (2003), the Paris Declaration for Aid Effectiveness (2005), the Accra Agenda for Action (2008), and the Busan Partnership Agreement (2011). It has drawn extensively from the recent evaluation of the Paris Declaration to guide its own methodology (Wood et al. 2011).

Running through all of these global agreements is a commitment to improve development effectiveness using outcome metrics (measures of environmental betterment) to align funding and investment with country-driven goals, policy, and their outcome measures in order to leverage the resulting evidence to scale up and replicate best practice. The host governments have committed to develop clear strategies for development and to demonstrate country governance probity to ensure effectiveness but also to assist donors in maintaining support for official development assistance from increasingly skeptical and tax-adverse publics.

Where outcome-based public management has been adopted, it has become evident that institutional changes are needed for environmental sustainability. Outcomes are achieved at the level of partnerships, and more and more multisector and multiagency arrangements using collective results agreements and measures are being used to guide and demonstrate partner contribution to joint outcomes.

The First OPS5 Report, using the GEF progress toward impact model, makes great strides in defining outcomes and impacts as being achieved at the partnership level. In doing so, it brings home the need for attention to policy renewal and system-level change as the goal of its intervention.

## CONFORMITY WITH THE TERMS OF REFERENCE: 11 QUESTIONS

While a rigorous process has been used for the meta-evaluation, strict conformity with the terms of reference has been only partially achieved at this stage. Of the 11 questions approved for the study, all 11 have been addressed, but 3 questions require more exploration. These three questions are as follows:

- (2) Has GEF support in international waters focused on key transboundary issues?
- (5) What have been concrete achievements in global environmental benefits and adaptation challenges in focal areas since 2009, and how do these compare to achievements before 2009?
- (7) What are trends in ownership and country drivenness, as emerging in the country portfolio evaluations of the Office?

The first two of these questions are to be answered in the OPS5 final report, with the benefit of further findings from the studies under way. Question 7 on country drivenness poses greater challenges to the evaluation. Country drivenness or ownership lies at the center of the agreements set out by Monterrey and the High-Level Meetings.<sup>1</sup>

## COUNTRY OWNERSHIP, RESULTS-BASED MANAGEMENT, AND ALIGNMENT

The First Report and the technical report on country ownership grappled with the application of the prescriptions for development effectiveness and partnership that have emerged from the High-Level Meetings. The evaluation team is to be commended for applying lessons of the Paris evaluation to the analysis of how GEF funding is supporting the work of the international community.

Further work on ownership and country drivenness should start from the perspective of the 2004 Marrakech Roundtable on Results definition of “managing for development results” (MfRD) which was adopted to move the focus on results from results-based management as a project tool for accountability to strengthening results-based management’s original purpose as the underpinning of the New Public Management Reform. Marrakech defined MfRD as a

management strategy focused on development performance and on sustainable improvements in country outcomes. It provides a coherent framework for development effectiveness in which performance information (metrics) is used for improved decision making and it includes tools for strategic planning, progress monitoring and outcome evaluation (OECD and World Bank 2006, 1).

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1 “Country ownership is key. Developing country governments will take stronger leadership of their own development policies, and will engage with their parliaments and citizens in shaping those policies. Donors will support them by respecting countries’ priorities, investing in their human resources and institutions, making greater use of *their systems* to deliver aid, and increasing the predictability of aid flows,” Accra Agenda for Action, paragraph 8, <http://siteresources.worldbank.org/ACCRAEXT/Resources/4700790-1217425866038/AAA-4-SEPTEMBER-FINAL-16h00.pdf>.

Alignment, as set out by the international community, refers to funding agency implementation strategies being designed to directly support outcomes as defined in the country's own MfRD national or sector strategies and development plans. Stakeholder and country plans are continuously adapted to adjust to evidence generated through implementation to ensure planned outcomes are achieved. Indicators and M&E strategies are linked to the overarching strategies. The same set of measures are used consistently by the country, development agencies, and other stakeholders to align programming, monitoring, and financial support to be consistent with the country's own strategy (OECD and World Bank 2006). Alignment was not meant to be alignment of narratives, but rather it lies in measurable performance **linkages** between levels of intervention and national and sectoral strategies and legislation. Nor was alignment through results frameworks meant to become a straightjacket except at the highest outcome level, which does stay steady. Results measures when used effectively by decision makers support resource allocation changes in real-time **adaptation** to new evidence emerging from implementation and changing circumstances (performance management).

The project is the final delivery instrument. If a project is to be aligned, its highest level results measures link one level up with few, but vital, indicators that contribute strategic information to an overarching program's strategic objectives—which in turn contribute to governmental, institutional, or global development results.

The First Report's definition of alignment (table 12) is "linked to national sustainable development efforts." It is the metrics that are the nervous system of a results-based strategy (MfDR). Alignment supports coordination through the use of a common currency of metrics or measures: incentives, resources, and decisions are lined up with high-level strategic priorities.

Without alignment based on metrics, each project remains idiosyncratic and too often measured against itself. Management and evaluation systems usually die at the end of a project. As long as the project-by-project approach to monitoring and evaluation continues, it is understandable that senior-level government management continues to view results as an administrative compliance tool that only serves the needs of donor representatives. They often recognize that project-by-project measurement systems take time and resources from building national management and measurement systems, but frequently feel powerless to challenge M&E per project as it is still so deeply embedded in the project-based development paradigm of many development agencies.

The First OPS5 Report suggests that the GEF is better aligned with country priorities than other multilateral and bilateral agencies. Alignment with country systems is an area of continued weakness as found in the second Evaluation of the Paris Declaration (Wood et al. 2011). Yet, there is no mention in the First OPS5 Report of an analysis of whether or how GEF-financed project-level outcome measures contribute to country-specific national- or sector-level outcome measures. In fact, one background study found "M&E information did not always flow from GEF Agencies to national partners and vice versa."

The Final Report of OPS5 would benefit from further analysis of alignment and country ownership to ensure that the GEF is reinforcing and supporting the use of country results frameworks and strategic information systems.

## GENDER ANALYSIS

There is no reference to GEF impact on gender. Recommendation 7 of OPS4 stated, “GEF project performance should be further strengthened through improved guidelines, a better fee structure, and strengthening of social and gender issues.” Some mention of progress would be expected in the OPS5 portfolio review.

The GEF currently does not use gender intelligence at the project level. While gender will be covered in the final report, a finding and recommendation on this limitation would be useful to bring the GEF in line with international good practice.

## RELEVANCE TO THE REPLENISHMENT PROCESS

The OPS5 is timed to support the GEF decision-making cycles. This is an important improvement over the previous OPSs. The First Report was available at the early stage of the replenishment process when related policy and programming documents were under preparation. It was presented to the first replenishment meeting and will be submitted to the next GEF Council. The proper timing of OPS5 enhances the likelihood that the conclusions and recommendations of the First Report will be taken up during the replenishment preparations, or taken up directly by the Council.

The targeting of the replenishment group and the GEF Council as the core audiences has enhanced the relevance of the First Report. By providing an update on the main GEF achievements since OPS4, the First Report contributes to the replenishment negotiations. For example, the overarching conclusions in the report focus on the key concerns for the replenishment negotiations: multifocal area approaches and broader adoption. Recommendations are offered to the replenishment group and aimed at the possible shift of approaches and strategies to be prepared for GEF-6. The discussions in the first replenishment meeting show that the report seems to have addressed the key issues and facilitated discussions in the meeting. A key strength of the first OPS5 report is its utilization focus and its relevance to the replenishment process.

## META-EVALUATION APPROACH FOR FIRST OPS5 REPORT

The First OPS5 Report provides an overview of the achievements and results of the GEF under the meta-evaluation approach. Seven substudies have been undertaken on the basis of integrated evidence from the GEF Evaluation Office’s various evaluation streams since OPS4. The evaluative sources, mainly including annual performance evaluations, country portfolio evaluations, impact evaluations, thematic evaluations, and the full GEF portfolio database, serve as the building blocks for the meta-evaluation.

The key challenge for the meta-evaluation is to ensure the building blocks are of sufficient quality and reasonable coverage. As OPSs have been integrated in the work

programs of the GEF Evaluation Office since OPS4, the Office has published a number of evaluation reports on a rolling basis, which provide coverage of the majority of GEF interventions to support OPS5. In addition to the quality control integrated in regular works of the Office, the core OPS5 team has conducted a cross-check among the different sources of evidence in line with good evaluation practice. In some substudies, evidence from other evaluation streams has been used to triangulate findings. In principle, the evaluative sources for the meta-evaluation are of reasonable quality and sufficient coverage, although the quality of the evaluative sources varies across substudies, focal areas, and evaluation questions in the report.

Despite the larger evidence base available and significant efforts expended to aggregate evidence in the First Report, at this stage the evidence base is still to be completed and more in-depth analysis is required on some key issues. The panel also recognizes that, on many issues, the First Report clarifies the limitations of the evidence so far and promises further work.

Some issues are not fully addressed in the report because the relevant evaluations are still ongoing, or the GEF Evaluation Office has not yet finished the verification and analysis. Some examples that need further work follow: “GEF in a changing world” is not fully developed, partly because there is a lack of comparative information with other multilateral organizations; on the issue of broader adoption, more exploration is needed to determine if there is appropriate prioritization among the four mechanisms identified; as covered, the conclusions on alignment of results have not been fully formulated in the report. Further, clearer clarification of outcome ratings could be included in the Technical Document of OPS5 to explain how the conclusion of “more than 80 percent of GEF projects completed during GEF-4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher” has been formed within the margin of error, taking into account a possible bias in ratings. A definition of what is included in a “satisfactory” rating needs to be included, as it encompasses a broad category of projects in organizations using this rating system.

## IMPLICATIONS FOR FINAL REPORT OF OPS5

The final OPS5 report will cover evaluative studies targeting specific questions posed for OPS5. The advantages and limitations of the First Report have implications for the preparation of the final report.

The final report of OPS5 will look again at some key issues, which are not fully addressed in the First Report as covered earlier. It is anticipated that this might necessitate changes in the scope and key questions in the final report, which have been identified in the terms of reference for OPS5.

As noted, the First Report provided little comparative information among multilateral organizations. The final report will look at value added and the specific role of the GEF in addressing global environmental issues in relation to other relevant multilateral organizations. It is suggested that the final report could take better account of comparative issues. It would also be useful if a database describing basic characteristics of multilateral organizations were built up for this purpose.

The OPS5 First Report has indeed summarized some key results from the most recent studies and policy reports of global environmental trends. However, as a key multilateral funding vehicle, the GEF also needs to tackle the divided views between the North and the South, which are of even greater importance for the developing and the most vulnerable countries. For example, “green growth” and “green development” is a divided view between the North and the South. In the First Report, “green growth” is mentioned. While there are significant similarities between the United Nation Environment Programme’s Green Development Initiative and OECD’s Green Growth Strategy, there are still clear differences in priority settings and practical approaches in these two initiatives. The GEF may need to play a proactive role in bridging the diverging views between the North and the South.



## ANNEX B

# MANAGEMENT RESPONSE

PREPARED BY THE GEF SECRETARIAT

## INTRODUCTION

1. This document (GEF/R.6/05) is the management response to GEF/R.6/04/Rev.01, *Fifth Overall Performance Study of the GEF. First Report: Cumulative Evidence on the Challenging Pathways to Impact*, submitted by the GEF Evaluation Office for discussion at the first meeting of the GEF-6 replenishment negotiations, scheduled to be held in Paris during April 3–4, 2013.
2. Given the short turnaround time available for the management response, feedback was not received from all the GEF entities, and therefore this report largely reflects the views of the GEF Secretariat.<sup>1</sup>
3. In general, the Secretariat appreciates the findings, conclusions, and the recommendation of OPS5. In particular, we appreciate the recognition of the growing importance of the multifocal area projects and programs as a strong modality of the GEF, one that builds on its comparative advantage of being the financial mechanism of multiple environmental conventions. We also agree with the conclusions and the overarching recommendation to strengthen efforts toward broader adoption and focus on more programmatic and integrated multifocal area approaches. Indeed, the documents submitted by the Secretariat for the April 2013 replenishment meeting contain several elements that respond to this recommendation.

## RECOMMENDATION OF OPS5

4. The first OPS5 report contains one recommendation, “The replenishment meeting should request that the Secretariat develop strategies for GEF-6 that would strengthen efforts toward broader adoption and focus on more programmatic multifocal area approaches, within the guidance of the conventions.”
5. The documents prepared by the Secretariat for the meeting contain several elements to support programmatic integrated approaches in future programming. A shift toward more integrated multifocal programming began in GEF-5 with the crosscutting program on sustainable forest management. Such an approach builds on the

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<sup>1</sup> This response includes some elements of the feedback received from the World Bank as Implementing Agency.

GEF comparative advantage of being the financial mechanism to four multilateral environmental conventions. Examining similar additional opportunities, the Integrated Approaches section is included as part of the draft programming directions document (GEF Secretariat 2013a), with a series of signature programs such as global commodities supply chains, partnering with cities, or rebuilding fisheries that could be developed for financing during GEF-6.

6. Among the 10 questions raised in the draft strategic positioning document (GEF Secretariat 2013b), is one about taking a more program-based approach that could provide the GEF with the opportunity to deliver a more holistic and integrated response to underlying drivers of environmental deterioration in specific areas where such an approach can deliver high impacts or create synergies that otherwise might not be realized. As noted in the replenishment documents, such integrated approaches would mean tackling some of the constraints posed by current GEF resource allocation and programming modalities.

## CONCLUSIONS AND FINDINGS OF OPS5

### ENVIRONMENTAL TRENDS

7. The OPS5 conclusion that “global environmental trends continue to spiral downward” resonates with the evidence noted in the draft strategic positioning document that thresholds have been exceeded or are close to being exceeded on various environmental fronts. It is in this context that we argue that the GEF cannot continue to function in a business-as-usual fashion if it is to have a meaningful impact on the management of global environmental commons.

### PROJECT/PROGRAM PERFORMANCE

8. We appreciate the OPS5 conclusion that the GEF performs above the international benchmark norm with regard to project performance ratings,<sup>2</sup> particularly given that many GEF operations are innovative and often take risks that would not be normally borne by other sources of financing. We note the OPS5 finding that more than 70 percent of the projects demonstrate direct environmental impacts, mostly at the local level. It will be helpful if OPS5 could shed light on the remaining 30 percent of the projects that did not show local-level environmental impacts.

9. We welcome the distinction that OPS5 makes between “local impact” and “system impact,” as achieving system impact toward improving global environmental commons is the *raison d’être* of the GEF. We note that only 20 percent of the projects show system impact. Going forward, we look to improve system impact by adopting approaches, particularly through integrated programs, as proposed in the draft programming

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2 Compared to the international benchmark norm of 75 percent, more than 80 percent of GEF projects completed during GEF-4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher. Of the projects that completed implementation during GEF-5, 86 percent received outcome achievement ratings in the satisfactory range, which exceeds the target set for GEF-5 projects. It is to be noted though that these projects were designed and approved during the earlier phases of the GEF.

directions document, that will capitalize on synergies and facilitate scaling-up toward higher impact.

10. The Secretariat notes the OPS5 finding that mainstreaming was the most common form of broader adoption, documented in 76 percent of projects. We also note the finding that nearly 60 percent of projects examined achieved both environmental impact and broader adoption, and that more than 80 percent contributed to knowledge and information initiatives and to technologies and approaches expected to result in positive environmental impacts.

11. We acknowledge that improvements in environmental status at higher scales require a much broader adoption of approaches and technologies. To make further gains on this front, the Secretariat has raised the issue in the draft strategic positioning document as to how the GEF can establish a systemwide knowledge management and learning function. We hope to build on the success of IW:Learn in developing such a systemwide capacity.

## RESPONSE TO CONVENTIONS

12. Given that the GEF is the financial mechanism to four environmental conventions, the OPS5 conclusion that “the overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels,” is very welcome. Convention guidance continues to be a key element in the focal area programming strategies of the GEF, including for preparing reports and national communications as fundamental obligations of the conventions. In the international waters focal area that does not receive guidance from a global environmental convention, the GEF supports activities under the 2008 United Nations General Assembly Resolution on Articles on the Law of Transboundary Aquifers, which provides a framework for institutionalizing transboundary cooperation on groundwater resources, as well as activities under the Ramsar Convention.

13. The Secretariat continues to work closely with the convention secretariats in interpreting and operationalizing convention guidance through GEF program priorities and programming, recognizing that there are constraints imposed by availability of financial resources and actionability of the guidance.

14. OPS5 may want to reconsider its finding that the UNCCD guidance on regional and subregional actions was interpreted as “outside the GEF mandate.” Despite the lack of provision in the land degradation focal area set-aside for supporting regional and subregional action plans, support for such action plans would be provided if countries chose to use their focal area allocations for the plans. The GEF policy and Council decision on programming the land degradation focal area set-aside included “enabling activities related to reporting processes and alignment of National Action Programs with the 10-year strategy” that was already made available to countries before COP guidance on regional and subregional action plans.

15. In a similar vein, we suggest that OPS5 undertake further review of its interpretation regarding GEF support for biennial update reports as a response to guidance from

the UNFCCC. The Secretariat contacted all eligible countries about the biennial update reports and provision of resources in early 2012 and set up a mechanism for full-cost funding from the global and regional set-aside of the STAR, and the GEF has supported all requests to date.

## NATIONAL PRIORITIES

16. The Secretariat notes the finding by OPS5 that the GEF is relevant to national needs, and that support provided through enabling activities is highly relevant for national needs, particularly LDCs and SIDS.

17. We agree that further work on OPS5 should critically assess the feedback received from CBD stakeholders that the activities under the Nagoya Protocol Implementation Fund are not consistent with the Nagoya Protocol before arriving at any conclusion. The NPIF was established to complement the GEF Trust Fund in its support for the ratification and implementation of the Nagoya Protocol. The activities approved by the GEF Council for the NPIF are: scoping studies, technology transfer, traditional knowledge, public awareness, and further the knowledge and scientific basis for the implementation of the Nagoya Protocol.<sup>3</sup> All these activities can be found in the guidance provided by the CBD.<sup>4</sup>

18. The Secretariat notes that the GEF compares well to international benchmarks promoted by the Paris Declaration, and that it supports countries in bringing their national priorities in line with global obligations. The Secretariat also takes note of the constraints of the current project-based resource delivery system.

## MULTIFOCAL AREA OPERATIONS

19. We are encouraged by the OPS5 conclusion that multifocal area projects and programs are emerging as a strong new modality of the GEF. Indeed, as the GEF has matured over its 20 years, there has been an increasing share of multifocal area projects and programs in the portfolio, with nearly half the projects in GEF-5 belonging in this category. The increasing trend of multifocal projects reflects the growing appreciation of and understanding that issues related to global environmental commons are best tackled in the context of sustainable development strategies and priorities of countries that are often not reflected or organized neatly along the focal area partitions of the GEF, but follow other sectoral imperatives that cut across the focal areas of the GEF. This finding, even though a challenge, provides an opportunity for the GEF and its partners in GEF-6 to align more closely with country priorities and strategies through different windows of intervention during GEF-6.

20. In further inquiry into this area, we suggest that OPS5 undertake a deeper analysis of multifocal area projects, in particular with regard to the contribution of SFM/REDD-plus (sustainable forest management/reduce emissions from deforestation and forest

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3 See GEF (2011).

4 Refer to decisions associated with the 2nd meeting of the Intergovernmental Committee for the Nagoya Protocol on ABS (ICNP-2), July 2012 in India, and the 11th Meeting of the Parties to the CBD (COP-11) October 2012, India.

degradation) and its role in coalescing actions from different focal areas around forest landscapes. Also included could be multi-trust fund projects with LDCF/SCCF that involve adaptation elements.

21. The assessment of the growth of multifocal area approaches would also benefit from an examination of the opportunities and/or constraints toward such approaches that may be posed by the current resource allocation approaches (by focal area and by country) practiced by the GEF.

## FOCAL AREA STRATEGIES AND OPERATIONAL PROGRAMS

22. We suggest that OPS5 undertake significant review of its analysis that led to the finding that “GEF strategies and programs have been very consistent over time, and most GEF-5 objectives can be traced back to the original operational programs of 1996.” In our view, the current focal area strategies are significantly different in focus, comprehensiveness, and sophistication compared to the prior GEF operational programs. For example, in the case of biodiversity, the GEF-3 strategy already started to break away from a more generic listing of potentially eligible activities by ecosystem type that formed the core of the GEF’s original biodiversity operational program. This departure set forth a new type of strategy that began addressing the direct and indirect drivers of biodiversity loss in a more comprehensive manner. The draft GEF-6 strategy, building on lessons learned from GEF-4 and GEF-5, represents the ongoing evolution of ever-more targeted and defined approaches that are both systemic and response-specific to the drivers of biodiversity loss. GEF support to protected areas, for example, is now focused on entire protected area systems through targeted support to financial sustainability and to the expansion of protected area estate toward ensuring adequate ecosystem and threatened species representation. Furthermore, GEF support to mainstreaming biodiversity conservation was not even identified in the operational programs as a priority, while in the draft GEF-6 biodiversity strategy, our approach to mainstreaming has evolved to incorporate comprehensive approaches to reduce the biodiversity impact of global commodity production and the application of biodiversity and ecosystem services valuation to influence development finance and economic planning at the national level.

## BROADER ADOPTION

23. We welcome the OPS5 conclusion that “impact and country-level evidence show that there is scope for improving progress toward impact through incorporating broader adoption strategies in project and program design.” While we will strive to analyze and focus better on further broadening adoption of those implementation strategies where the GEF has a high track record of achievement, the GEF network would benefit if OPS5 could further clarify what “broader adoption” means. OPS5 defines “broader adoption” as mainstreaming, scaling-up, and market change, which are common strategies in the GEF portfolio, without clarifying what are the elements the GEF should be doing more of. We believe that more programmatic approaches could ensure that we have a sufficient number of success factors/conditions/mechanisms to be in place simultaneously.

## CONCLUSION

24. The Secretariat is in agreement with the major conclusions and the recommendation of the report, and views the development of the long-term strategy and the GEF-6 replenishment process as opportunities for developing concrete actions to respond to OPS5. Preliminary ideas for such actions are contained in the documents tabled for discussion at the April 2013 replenishment meeting, and the Secretariat looks for further guidance from the replenishment participants in this regard.

25. We look forward to further evolution of OPS5 towards its final report by December 2013. The Secretariat and the Agencies welcome opportunities to review early drafts of the report for exchanges with the Evaluation Office so that we may provide clarification and additional inputs, as necessary, to ensure a final report that presents a good analysis of the GEF, and is helpful to the replenishment participants and the GEF Council in charting the future of the Facility.

## ANNEX C

# ABBREVIATIONS

ACPER	annual country portfolio evaluation report
APR	annual performance report
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
COP	conference of the parties
GEF	Global Environment Facility
LDC	least developed country
LDCF	Least Developed Countries Fund
M&E	monitoring and evaluation
MfRD	managing for development results
NPFE	National Portfolio Formulation Exercise
NPIF	Nagoya Protocol Implementation Fund
OECS	Organisation of Eastern Caribbean States
OPS	overall performance study
PIF	project identification form
RAF	Resource Allocation Framework
ROtI	review of outcomes to impacts
SCCF	Special Climate Change Fund
SIDS	small island developing states
STAR	System for Transparent Allocation of Resources
UNCCD	United Nations Convention to Combat Desertification
UNFCCC	United Nations Framework Convention on Climate Change





## ANNEX D

# GEF EVALUATION OFFICE PUBLICATIONS

AS OF MAY 15, 2013

### ANNUAL PERFORMANCE REPORTS

GEF Annual Performance Report 2008

GEF Annual Performance Report 2009

GEF Annual Performance Report 2010 (unedited)

GEF Annual Performance Report 2011 (unedited)

### COUNTRY PORTFOLIO EVALUATION REPORTS

GEF Annual Country Portfolio Evaluation Report 2009

GEF Country Portfolio Evaluation: Egypt (1991–2008)

GEF Country Portfolio Evaluation: Syria (1994–2008)

GEF Annual Country Portfolio Evaluation Report 2010

GEF Country Portfolio Evaluation: Moldova (1994–2009)

GEF Country Portfolio Evaluation: Turkey (1992–2009)

GEF Annual Country Portfolio Evaluation Report 2011

GEF Country Portfolio Study: Jamaica (1994–2010)

Estudio de la cartera de proyectos del FMAM en El Salvador (1994–2010) (unedited)

Annual Country Portfolio Evaluation Report 2012 (unedited)

Evaluación de la cartera de proyectos del FMAM en Nicaragua (1996–2010)

Cluster Country Portfolio Evaluation Organization of Eastern Caribbean States (OECS) : (1992-2011)

GEF Country Portfolio Study: Democratic Republic of Timor-Leste (unedited)

GEF Country Portfolio Evaluation Brazil (unedited)

GEF Country Portfolio Evaluation Cuba (unedited)

### IMPACT EVALUATION WORK

GEF Annual Impact Report 2008

GEF Annual Impact Report 2009

GEF Annual Impact Report 2010

GEF Annual Impact Report 2011

GEF Impact Evaluation of the Phaseout of Ozone-Depleting Substances in Countries with Economies in Transition

Impact Evaluation of the GEF in the South China Sea and Adjacent Areas (unedited)

GEF Annual Impact Report 2012 (unedited)

Assessing the Potential for Experimental Evaluation of Intervention Effects: The Case of the Regional Integrated Silvopastoral Approaches to Ecosystem Management Project (RISEMP)

Review of Outcomes to Impacts (ROtI)

Impact Evaluation of ODS Phase Out. Volume 1

Impact Evaluation of ODS Phase Out. Volume 2

Water Body Selection Criteria and Process for GEF IW Evaluation

#### THEMATIC EVALUATION REPORTS

Evaluation of the GEF Strategic Priority for Adaptation

Review of the Global Environment Facility Earth Fund

Annual Thematic Evaluation Report 2011 (unedited)

Evaluation of GEF National Capacity Self-Assessments (unedited)

Evaluation of the Special Climate Change Fund (SCCF)

Evaluation of the GEF Focal Area Strategies (unedited)

Annual Thematic Evaluation Report 2012 (unedited)

#### OVERALL PERFORMANCE STUDIES

OPS4: Progress Toward Impact—Fourth Overall Performance Study of the GEF, Executive Version

OPS4: Progress Toward Impact—Fourth Overall Performance Study of the GEF, Full Report

#### LEARNING PRODUCTS

The Journey to Rio+20: Gathering Evidence on Expectations for the GEF

#### EVALUATION DOCUMENTS

The GEF Monitoring and Evaluation Policy 2010

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