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**SEMI-ANNUAL EVALUATION REPORT OF THE  
INDEPENDENT EVALUATION OFFICE: MAY 2017**

(Prepared by the Independent Evaluation Office of the GEF)

**Recommended Council Decisions**

Regarding the Semi-Annual Evaluation Report of the Independent Evaluation Office.

The Council, having reviewed the “Semi-Annual Evaluation Report of the GEF Independent Evaluation Office: May 2017,” approves the IEO Budget for FY18.

The Council, having reviewed the “Semi-Annual Evaluation Report of the GEF Independent Evaluation Office: May 2017,” endorses the recommendations of the evaluations.

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## EXECUTIVE SUMMARY

1. This Semi-Annual Evaluation report summarizes the key conclusions from the 9 evaluations completed between October 2016 and May 2017, provided in full in the information documents listed below. The document also includes updates on the Sixth Comprehensive Evaluation of the GEF (OPS6), the knowledge management activities of the Office, and the budget and staffing of the Independent Evaluation Office (IEO). Finally, the Management Action Record on the status of recommendations is also included as an Information document.

- GEF/ME/C.52/Inf. 01, Evaluation of Programmatic Approaches in the GEF/Volume I—Main Report and Annexes; —Volume II—Technical Documents
- GEF/ME/C.52/Inf. 02, Land Degradation Focal Area Study
- GEF/ME/C.52/Inf. 03, Chemicals and Waste Focal Area Study
- GEF/ME/C.52/Inf. 04, Evaluation of GEF Engagement with the Private Sector/Main Report and Annexes
- GEF/ME/C.52/Inf. 05, Impact of GEF Support on National Environmental Laws and Policies in Selected Countries
- GEF/ME/C.52/Inf. 06, Review of GEF Support for Transformational Change
- GEF/ME/C.52/Inf. 07, Review of Results-Based Management in the GEF
- GEF/ME/C.52/Inf. 08, Review of the GEF Policy on Minimum Standards on Environmental and Social Safeguards
- GEF/ME/C.52/Inf. 09, Evaluation of Gender Mainstreaming in the GEF
- GEF/ME/C.52/Inf. 10 - Management Action Record 2016

## **I. INTRODUCTION**

1. This Semi-Annual Evaluation Report (SAER) presents a brief summary of the conclusions of the evaluations completed by the IEO during the reporting period October 2016–May 2017. These include the Chemicals and Waste Focal Area Study, the Land Degradation Focal Area Study, the Evaluation of Programmatic Approaches in the GEF, the Evaluation of the Impact of GEF Support on National Environmental Laws and Policies, the Review of GEF Support for Transformational Change, the Review of Results-Based Management in the GEF, the Review of the GEF Policy on Minimum Standards on Environmental and Social Safeguards, and the Evaluation of Gender Mainstreaming in the GEF. The proposed Council decision pertaining to the recommendations of the nine GEF evaluations is also included, as is the Management Action Record which reports on the status of implementation of evaluation recommendations; the IEO budget for FY18; and an update on knowledge management activities and the Sixth Comprehensive Evaluation of the GEF (OPS6). The full evaluation reports of the nine completed evaluations and the Management Action Record are included as information documents.

## **II. COMPLETED EVALUATIONS**

### **1. Chemicals and Waste Focal Area Study**

2. This study provides the first comprehensive look at the relevance, performance, and effectiveness of the GEF's activities in the chemicals and waste (CW) focal area, as well as challenges and future opportunities.

3. The CW focal area of the GEF has evolved through the GEF-4, GEF-5, and GEF-6 phases to remain highly relevant, including expanding to cover new global priorities such as mercury and embracing synergies between chemicals issues. The transition to a single CW focal area has been synergistic. Ambitious Sustainable Development Goal (SDG) targets related to the environmentally sound management of chemicals and waste make the CW focal area of increasing relevance and importance moving forward. Numerous reviews—including this study—have found that the focal area is coherent with the guidance of the Stockholm and Minamata Conventions for which the GEF serves as financial mechanism; and that it supports the goals of related agreements, including SAICM, the Basel and Rotterdam Conventions, and the Montreal Protocol.

4. Projects in the GEF's CW focal area have largely performed on par with projects in other focal areas, in terms of the achievement of outcomes (78 percent) and quality of implementation and execution. Performance data indicate potential challenges for CW projects with regard to the sustainability of POPs results and the outcomes, sustainability, and quality of implementation of multi country projects.

5. CW projects are paying increased attention to financial and institutional mechanisms for scaling up in GEF-6, but lessons learned from terminal evaluations suggest that this is an area for continued diligence and innovation. The terminal evaluation review found that overall CW projects have not sufficiently focused on approaches to scale up or replicate project successes, particularly at the national level. Many completed projects have demonstrated the collection

and destruction of POPs and reduced environmental stress in a relatively straightforward manner, but have not succeeded in setting in place sustainable strategies and financial mechanisms to scale up those results. As the GEF's portfolio looks toward UPOPs, mercury, and other emerging chemicals issues, it is still critical to ensure that a strategy for legacy POPs is articulated.

6. Promoting sector-wide approaches for chemicals and waste has proved a challenge for the GEF, given its mandate to address POPs and mercury, and not other heavy metals and toxic chemicals. Some multifocal area projects, including the Sustainable Cities IAP, have focused on solid waste management more broadly, with benefits for climate change mitigation and other toxic substances.

7. As the first to attempt to comprehensively assess the results of the CW focal area,<sup>1</sup> this study faced some difficulties. Reliable data on the aggregate impact of closed CW projects in terms of tons of POPs, ODS, mercury, and other chemicals and related wastes phased out, reduced, or disposed were not consistently available. This shortcoming in the capacity of the GEF monitoring system deserves more attention moving forward. Long implementation timelines and frequent delays in project completion have also meant that results and lessons learned are being tallied with a significant lag.

8. The partnership between the GEF Secretariat, Agencies, and Convention Secretariats is generally seen as improved since OPS5. However, resource scarcity in GEF-6 has highlighted some concerns about actions that contribute to an uneven playing field, including over-management of the GEF pipeline by the GEF Secretariat, active engagement by GEF management at the country level and perceived resulting preferential treatment, and lack of transparency in the early stages of the GEF project cycle. These concerns suggest that there is still room for improvement in communications among the partnership organizations, and that such improvement may be particularly important in the context of possible continued resource scarcity and movement toward more programs and integrated approaches.

9. Following are the key recommendations from the evaluation.

- (a) **Strategies for scaling up.** More attention needs to be paid during project design and implementation to considering strategies for scaling up and particularly financial mechanisms to support private sector engagement and sustainability. The GEF cannot finance the collection and destruction of every ton of legacy POPs, nor cannot it fund the conversion of every industrial facility to cleaner production processes. A more robust theory of change is needed for how the GEF's demonstration activities will catalyze broader action and impact in the CW focal area. This may involve the development of innovative private sector partnerships, economic instruments, and financial models, as envisioned in the GEF-6 CW Focal

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<sup>1</sup> Previous studies refrained from making substantive conclusions given the small number of completed POPs and ODS projects.

Area Strategy under Program 1; such efforts deserve continued support in GEF-7. In particular, as the GEF CW portfolio evolves and focus changes, attention should be paid to ensure that remaining legacy POPs are not orphaned, especially given that cost, ownership, and other barriers are diminishing the efficacy of the demonstration effect for these projects. Different solutions will likely be required for LDCs and SIDS versus middle income countries.

- (b) **Support for reforms.** The GEF may also want to consider providing more support for broad-based regulatory reform and sector-wide approaches, to address chemicals and waste issues more holistically.
- (c) **The GEF should also not forget its ozone depletion program,** which may have new relevance with the recent adoption of the Kigali Amendments to the Montreal Protocol. In the coming years, some CEITs may need support to meet these new obligations, and opportunities are likely to arise for MFA collaborations with the climate change focal area, especially on energy efficiency.
- (d) **Better monitoring practices.** Given the challenges this study faced in tallying the verified results of the GEF CW focal area, the GEF's monitoring procedures deserve more scrutiny. Tracking tools should be consistently submitted and clearly identified as annual or terminal submissions, and terminal results reported by indicator should match values in the terminal evaluation. Project proposals should consistently incorporate resources designated for monitoring and evaluation (M&E).
- (e) **Communications among the GEF partnership organizations is an area for continued attention.** Given an evolving and expanding landscape of opportunities, it is important that all aspects of communication are transparent and collaborative and that country perspectives drive the process. To facilitate the process, a more structured set of partnership planning meetings that fosters ongoing dialogue on resource availability over the replenishment period, focus or priority among strategic objectives and program areas, and transparency of the project pipeline process would be helpful in reducing pockets of confusion.

## 2. Land Degradation Focal Area Study

10. The land degradation focal area (LDFA), established during GEF-3 as a separate focal area, currently combines the principles of landscape approach and integrated ecosystem management to maximize the global environmental benefits of combating land degradation. This focal area study is the first stand-alone study undertaken by the IEO to assess the relevance and effectiveness of the GEF LDFA.

11. The GEF LDFA has evolved through the GEF-3, GEF-4, GEF-5 and GEF-6 phases to remain relevant, closely reflecting convention guidance, and more recently, expanding to include the new ambition toward achieving Land Degradation Neutrality (LDN). Land Degradation, viewed

as a linkage activity in the first decade of the GEF, emerged as single focal area during GEF-3 and has been gradually moving toward integrated approaches aiming to deliver Global Environmental Benefits (GEBs) in multiple focal areas while generating local environmental and development benefits.

12. The LDFA is highly relevant to country needs in all regions, particularly in Africa. The LDFA has the largest number of projects and funding in Africa. An analysis of the UN's Small Grants Programme, which allocates small donations to CSOs, shows that LDFA projects are in much higher demand than actual GEF funding would suggest.

13. Following are key findings regarding the LDFA portfolio.

- (a) **Move toward MFAs.** Since the launch of the LDFA in GEF-3, there have been 618 land degradation projects<sup>2</sup> or multifocal area projects with an LD component amounting to a total of \$3.364 billion in financing. 42 percent are classified solely as LD projects and 58 percent are classified as MFA projects with an LD component.
- (b) **Regional focus.** Africa has the highest share of LDFA projects in the portfolio with \$1.12 billion or 37 percent of financing, followed by Latin American and the Caribbean with \$674 million or 24 percent of financing, and then Asia with \$528 million or 17 percent of financing. In fact, the Africa region receives fewer GEF resources than Asia or regional projects, but by far the most LDFA resources.
- (c) **Cofinancing.** On average, for every GEF dollar spent on LD projects, another \$6.7 in cofinancing is acquired. The GEF average cofinancing has improved from \$5.50 to \$1 during GEF-4 to \$7.50 to \$1 during GEF-6.
- (d) **Shift toward Integrated Landscapes.** Agricultural lands, rangelands, degraded productive lands, and desert lands are the most frequent land type focus areas for LD stand-alone projects. Between GEF-3 and GEF-5, the focus on forest lands, agricultural lands, and water bodies have declined as a focus of LDFA projects. Although forest lands saw a 35 percent decline, the focus shifted to more holistic integrated landscapes with an almost 30 percent increase over that timeframe.

14. Overall the LDFA has helped the GEF achieve its mandate of creating global environmental benefits. LDFA investments have led to positive impacts on UNCCD targets, specifically increasing vegetation productivity and carbon sequestration, and reducing forest loss and forest fragmentation, besides generating additional benefits for the biodiversity and climate change focal areas.

15. The LDFA is responding to the UNCCD framework toward land degradation neutrality (LDN). The UNCCD, in line with the SDGs, has made a major shift in focus toward achieving LDN

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<sup>2</sup> At the time of analysis April 2017.



by maintaining and improving the productivity of land resources through SLM practices, and restoring productive lands that have been degraded.

16. The LDFA is effective in producing global environmental benefits, though results varied across regions. A Geospatial Impact analysis and Value for Money (VFM) analysis show there have been important reductions in fragmentation and forest loss and an increase in vegetation productivity and carbon sequestration. The VFM analysis reveals three pertinent findings on project effectiveness:

- (a) A lag time of 4.5–5.5 years was an important inflection point at which impacts were observed to be larger in magnitude.
- (b) Projects with access to electricity tend to have some of the largest relative positive impacts. This may be due to better infrastructure, and access to energy sources for irrigation.
- (c) The initial state of the environment is a key driver in GEF impacts, with GEF projects tending to have a larger impact in areas with poorer initial conditions.

17. Analysis of LDFA projects in the APR 2016 database showed that the LDFA portfolio was rated satisfactorily on outcomes, sustainability, M&E Design and Implementation, Implementation Quality, and Execution Quality. LDFA projects have slightly higher M&E design ratings than the GEF average where 63 percent of LDFA projects were rated “satisfactory” compared to 61 percent of non-LDFA projects.

18. Other key findings include the following.

- (a) **Multistakeholder partnerships and local participation.** The SLEM India case study analysis show that effective multistakeholder partnerships between government agencies, civil society, private sector, and grassroots organizations, as well as prioritizing the participation of local stakeholders play a critical role in addressing policy issues such as land tenure rights, and environmental issues such soil erosion, and loss of land productivity at the local level, while generating environmental and socio-economic benefits that are sustainable.
- (b) **Income generation and livelihood security.** Income generation and livelihood security through LDFA initiatives offered the greatest motivation for people to adopt sustainable land management practices with subsequent influence on their decision to migrate. Case study analysis and beneficiary survey results show that project activities that focus on improving income and market access, and the productive capabilities of project beneficiaries, improve both environmental and socio-economic outcomes and influence peoples’ decision not to migrate to urban areas.
- (c) **Climate risks.** Case study analysis in India demonstrates that variability in weather, and extreme events such as droughts were not given due consideration in designing

some of the agriculture based livelihood activities. While the projects did generate environmental and socio-economic benefits through SLM practices, beneficiaries raised concerns regarding their knowledge, adaptive capacity, and the suitability of the ongoing practices to cope with climate related shocks.

19. Following are the evaluation's key recommendations.

- (a) **Implementing LDN with an appropriate mix of interventions.** While being cognizant of cost-effectiveness, context, and country priorities, LDFA should also consider restoration activities along with SLM. SLM practices are intended to help avoid and reduce land degradation while ecosystem restoration will help reverse the process. Newer projects in GEF-6 increasingly focus on achieving LDN targets and therefore would benefit from distinguishing between the two complementary pathways— SLM, and ecosystem restoration, to be able to measure progress toward the LDN targets.
- (b) **Give due consideration to complex contextual factors within an integrated approach framework.** While LDFA's strategic focus has appropriately moved toward integrated approaches, complex contextual factors including drought, food insecurity and migration should be given due consideration during project design. The LDFA is highly relevant to areas with land degradation, including Africa, particularly with its distressed emigration hotspots. While neither land degradation nor drought are the primary drivers, they increase food insecurity and vulnerability and therefore may exacerbate the risk of conflict or migration
- (c) **Assess climate risks to LDFA initiatives and design adaptive management responses to such risks.** Unsustainable land management practices which the GEF LDFA strategies aim to ameliorate, have a direct and clear linkage to climate change. The effects of climate change are likely to affect many land-based activities including ecosystem functions and services. Broader application of the RAPTA framework is encouraged.
- (d) **Strengthen M&E tools, and methods of knowledge dissemination.** The development and continued improvement of the tracking tool is a step in the right direction but will be inadequate to assess project impacts in the long run. The tracking tools should include additional biophysical indicators, increasingly available through geospatial data, to set baselines and measure progress of land productivity to track both GEB's and LDN targets. Precise geospatial information on project locations is imperative for carrying out accurate M&E of LD projects. The LDFA should consider integrating the indicators proposed by the UNCCD's Land Degradation Neutrality (LDN) framework. The benefits and impacts of sustained SLM practices and restoration measures are not fully accounted for in the current M&E

system. Recognition therefore should be given to the fact that it might be necessary to set a sufficiently longer time frame in monitoring projects striving to achieve LDN.

### 3. Evaluation of Programmatic Approaches in the GEF

20. Programmatic approaches, formalized in 2008, are particularly relevant to the GEF, given the long-term nature of the environmental problems the GEF addresses. This evaluation assessed the mechanisms and conditions by which GEF programs have delivered broader- scale and longer- term results by comparing them to stand-alone projects. It focused on the extent to which GEF programs addressed drivers of environmental change; performance issues such as coherence, ownership, efficiency, M&E have also been evaluated. The evaluation is based on evidence from a wide array of sources, analyzed with a mixed-methods approach. In this evaluation, complexity is a function of the degree of homogeneity of a program's child projects and whether they belong to one or multiple countries, agencies and/or focal areas. We note that the total number of child projects is 301 in 38 programs, of which 63 are completed and the ratings evidence is based on 42 project terminal evaluations of which 29 are categorized as simple and 13 are relatively more complex.

21. Following are the key findings of the evaluation.

- (a) **Child projects under programmatic approaches performed better than stand-alone projects that are not part of programs.** Child projects, implemented as part of programs, performed better than stand-alone projects on all dimensions. In addition, in terms of vegetation density and forest cover, child projects have improved local environmental conditions as compared with no GEF interventions, and single focal biodiversity projects provided more benefits than their stand-alone comparators.
- (b) **Complexity matters for outcomes.** A simple regression analysis on 42 completed projects suggests that complexity as measured by multicountry, multifocal, multi-agency dimensions and project heterogeneity, is negatively correlated with outcomes. In addition, based on the sample of closed child projects in complex programs (n=13), we find that these projects underperformed relative to those in simpler programs (n=29) or standalone projects on 5 dimensions including outcomes, M&E implementation, execution quality, effectiveness and efficiency but out-performed these comparators on implementation, sustainability and M&E design.
- (c) **Program design for broader adoption has improved substantially over time across focal areas, but actions were limited.** International water programs are the only exception, and have shown well-designed programmatic thinking from the early GEF phases. However, data from terminal evaluations as to whether this has translated into better performance is not yet available. The data indicate that while child projects rated higher than stand-alone projects on the design for broader adoption,

they demonstrated less concrete action for broader adoption during implementation.

- (d) **The programs represent a shift toward a more integrated systemic approach to address drivers.** GEF programs have evolved from a narrow approach focused on mitigating the negative effects of both food and energy production on biodiversity loss, land degradation, and climate change to applying a systemic integrated approach encompassing a wider set of drivers such as food and energy production and consumption, buildings and infrastructure construction, and transportation.
- (e) **Program ownership at the country level is highly linked to the degree of alignment with national priorities.** With the notable exception of programs addressing transboundary issues (i.e. international waters) GEF programs progressively shifted over time from a country to a multicountry focus. STAR funds are a substantial share of total program resources regardless of the program geographic scope. Central and country level stakeholders stated that country programs have stronger ownership than regional/global ones, as they tend to be closely aligned with national priorities. Country focused programs typically employ more of their STAR allocations and tend to receive higher cofinancing from national budgets. Regional/Global programs rely heavily on set-asides.
- (f) **Program/child project coherence has improved in recent programs.** Program objectives are better defined; child projects have improved in design and are better linked to the overall program. This improved coherence of programs and the associated child projects is notable in the design of increasingly complex programs, under which projects more specifically address the outcomes of their programs.
- (g) **Cost-effectiveness and efficiency declines as programs become more multidimensional.** Overall, based on the terminal evaluations, child projects scored higher on efficiency and leveraged higher cofinancing, but these ratings declined with increased complexity. Child projects don't differ much from standalone in terms of project cycles. GEF Agencies consider simple programs, particularly homogeneous ones, as having lower transaction costs and being easier to manage. Most programs involve more than one GEF Agency, but child projects tend to be implemented by a single agency. Due to their diversity in mandates and operational approaches, GEF Agencies often find it challenging to work together. The increased costs in coordinating large complex programs in terms of resource and coordination requirements, are now being addressed through better design and are being resourced to improve knowledge management and coordination.
- (h) **M&E has improved in the design of recent programs, but still faces challenges.** Child projects achieved higher M&E design ratings compared to stand-alone projects, indicating that child projects tend to be more cognizant in designing their

M&E frameworks. However, these projects show weaker implementation of M&E than their stand-alone counterparts. More complex programs have similar M&E ratings to simpler ones, but again their ratings drop from design to implementation. Little evidence of program level M&E has been found. When present, it is most likely because of individual GEF Agency requirements. Early evidence from the Integrated Approach Pilots (IAPs) suggests more attention to M&E design, but the systems have yet to be implemented.

- (i) **Roles for partners in program design has evolved with changing focus on global programs and IAPs.** While this was not a concrete objective within the scope of the evaluation, partners expressed a need for greater clarity on roles in program formulation.

22. Based on the above findings, the evaluation has reached five main conclusions and formulated three main recommendations.

- (a) **Conclusion 1:** GEF programmatic approaches have promoted projects that are better designed to produce broader and more sustainable results than stand-alone ones;
- (b) **Conclusion 2:** The multidimensional nature of programs has generated greater need for coordination and management, with implications for efficiency, results and performance;
- (c) **Conclusion 3:** Alignment of program support with country priorities has generated strong program ownership;
- (d) **Conclusion 4:** Program design has improved, but the M&E system has not adapted to measure and demonstrate program level results and additionality;
- (e) **Conclusion 5:** Decision making on program design needs to reflect greater transparency and clear roles for all players in the partnership.
  
- (f) **Recommendation 1:** The GEF should continue with appropriate programmatic interventions, addressing issues that are likely to impede outcomes and performance, efficiency, and management, as they become multidimensional;
- (g) **Recommendation 2:** The GEF should continue ensuring that programs are relevant to the national environmental priorities of the participating countries while meeting the requirements of the Conventions;
- (h) **Recommendation 3:** M&E should be implemented at the program levels, with a clear demonstration of the additionality of the program over projects.

#### 4. Evaluation of GEFs Engagement with the Private Sector

23. GEF strategies to engage the private sector and encourage investment have historically included a variety of intervention models: transforming policy and regulatory environments to encourage sustainable business investment, deploying innovative financial instruments, convening multistakeholder alliances, strengthening institutional capacity, and demonstrating innovative approaches.

24. Three priorities were identified for expanding private sector engagement in GEF-6: mainstreaming private sector engagement in all GEF projects; setting aside \$115 million for a Non-Grant Pilot Program which funds proposals that have the potential of generating reflows; and making the private sector integral to design, development and implementation of three integrated approach pilots (IAPs) featured in GEF-6 and which is at mid-course. This evaluation assesses the performance of the private sector and Non grant instruments portfolio since GEF5. The main conclusions and recommendations of the study are included here.

25. **Conclusion 1: The GEF engages with a wide variety of for-profit entities that vary in their industry focus, size, and approach to environmental issues using a mix of intervention models.** The range extends in size from multinational corporations, through large domestic firms and financial institutions to micro, small and medium enterprises and smallholders/individuals. Because GEF projects are designed to address complex issues, an assortment of intervention models is needed to address the assortment of barriers to environmental protection. Among the intervention models, the most commonly applied ones are those that facilitate institutional strengthening and those that transform policy and regulatory environments. GEF's private sector activities overall, can be broadly considered as "upstream" in the development continuum—to create and nurture the necessary ecosystem for private sector engagement. However, this is potentially at odds with a push for greater financial self-sufficiency, which emphasizes reflows and financial structures that provide a financial return to the GEF. Indeed, the GEF appears to be drifting more "downstream," even structuring its nongrant instrument on equal footing with other investors in some recent cases.

26. **Conclusion 2: The GEF is constrained in its engagement with the private sector due to operational restrictions.** The GEF's ability to engage the private sector diminished during GEF-4 as a result of the then-introduced resource allocation framework (RAF). For many Operational Focal Points and countries this was a shift to empowering them to program GEF support to the country. Consequently, private sector set-asides have been a primary modality through which engagement has continued, first with the Earth Fund platform and then the PPP platform in GEF-5 and the nongrant pilot in GEF-6. The fragmented nature of these interventions combined with the limits of STAR allocation often mean that private sector innovation is not easily reconciled with country ownership and national strategies and priorities. In a survey for the study on the health of the GEF partnership only 25 percent of respondents agreed that STAR enables partnerships between the public and private sector.

27. **Conclusion 3: It is difficult to systematically gather evidence on elements of GEF's private sector activities without improvements to the GEF Project Management Information System (PMIS).** GEF projects that have an element of private sector engagement are not easily retrieved from the organizational database. This lack of systematic "tagging" of those projects was raised by the IEO in the OPS5 study on private sector engagement. The inability to generate

accurate project data still persists. Moreover, the quality of the information about private sector engagement contained in terminal evaluations is extremely variable. A significant shortcoming was the scant attention paid in most nongrant project TEs to the financial information about the project.

28. **Conclusion 4: GEF investments involving private sector engagement have higher cofinancing.** In particular, private sector portfolio is catalyzing private investment. Every \$1 from GEF grant leverages a competitive ratio of \$8 in cofinancing, compared to \$6 in cofinancing estimated for the overall GEF portfolio. Three (\$3) out of \$8 in cofinancing come from private sector investments, mostly in the form of equity investment. The leverage ratio has been steadily increasing since the first GEF period (with exception in GEF-4). In GEF-5, for every \$1 spent by the GEF, \$11 in cofinancing was received for private sector projects by other parties (incl. private sector). By stimulating markets and reducing risk, nongrant projects have resulted in high cofinancing leverage ratios. On average, \$1 GEF grant spent for nongrant projects leverages \$10 in cofinancing. Not only is the overall leverage ratio highest amongst the private sector portfolio, but also highest among the general GEF portfolio. Notably, this ratio has improved greatly in GEF-5 and GEF-6. For every \$10 leveraged by GEF nongrant, \$5 comes from private sector investments.

29. **Conclusion 5: Climate change projects feature heavily in the private sector portfolio.** Two thirds of projects in the portfolio are in the climate change focal area, amounting to 62 percent of GEF's total investment in private sector projects. Furthermore, the majority of the nongrant projects concern climate change. This reflects the significant global effort that has gone into creating conducive policy and regulatory environments that would facilitate private activity in the climate change arena. In GEF-6, chemicals and waste, a differentiated focal area, was added. Sixteen chemicals and waste projects representing 17 percent of private sector portfolio projects and 15 percent in terms of investment in this period are being implemented. While all focal areas have consistently identified the private sector in their focal area strategies, it was considerably easier to locate examples of engagement from the climate change and biodiversity focal areas than it was to find project examples for International Waters, Land Degradation (excluding projects concerning small holders).

30. **Conclusion 6: There are several players in the climate finance space but few in the other Convention areas covered by the GEF.** In comparison to climate change, the other Convention areas have limited private sector activity in present-day challenge areas such as water scarcity and food security affecting vulnerable populations. Though the low levels of activity impede GEF's ability to structure nongrant projects in these areas with significant reflows and returns, the earlier stage of development is an opportunity to focus and develop the upstream environments needed to enable private sector participation and thereby grow new environmental markets. The GEF has the flexibility and thematic breadth to employ cross-cutting approaches and to work in a wide range of environmental finance and conservation domains. Among nongrant projects in GEF-5 and GEF-6, there is a relative increase in nonclimate change projects. In particular, the GEF-6 projects show greater diversity in the sectors covered, with an increased focus on biodiversity and land degradation.

31. **Conclusion 7: The range of nongrant instruments employed by the GEF is needed to target specific environmental market failures.** Many of the barriers to private sector investment have not fundamentally changed in the 20-plus years covered by the sample projects. Justification for the GEF nongrant financing still includes limited availability of capital; limited appetite on the part of commercial banks; lack of familiarity with the sectors, financing modalities and instruments. Technical assistance (TA) plays a significant role in most nongrant projects, and is often integrated into the financing structure or mechanism. The GEF has a long history of and experience with providing TA and capacity building. These are necessary adjuncts to investment support, and a clear niche for the GEF when acting in conjunction with other financiers. The GEF also appears to have a greater risk appetite and tolerance than other financiers, as evidenced by its willingness to take first loss positions and assume the highest risk in a financing plan. This can play a vital role in unlocking other sources of finance, and together with TA, has catalyzed systemic shifts in climate change mitigation. Alongside TA and capacity building, the nongrant instrument can lend itself to a variety of structuring to address some subset or combination of these barriers.

32. **Conclusion 8: There has been an evolution in the use of the nongrant instrument toward more systematic reflows and a more explicit requirement for returns.** Nongrant projects in earlier cycles were structured to recover principal at best. In later cycles, there was an expectation of a positive financial return. To date \$8.2 million in reflows has been received. GEF-5 and GEF-6 projects have not yet begun generating reflows, and the long timeframes involved in the sorts of activities financed means that reflows would be generated 10-20 years into the future. It Projected reflows in GEF-5 and GEF-6 seem optimistic, particularly in light of GEF experience which suggests that many nongrant projects set overly ambitious targets for implementation results. It should also be noted that there are tradeoffs with returns and reflows based on the development phase of the activity being financed. If used in the context of more upstream activities, then instruments will need to focus more on concessionality, which will sacrifice returns and reflows. For more downstream activities, such as in early-stage and new concept projects, the GEF could expand the use of the nongrant instrument, with potential for greater returns and reflows.

33. **Conclusion 9: GEF country clients and private sector stakeholders each lack awareness of the opportunities for engagement with one another.** As reported through the online survey, the GEF's position, processes and role is insufficiently clear to the private sector. Similarly, GEF recipients have varying degrees of knowledge of the role of private sector in green finance and accessing funds beyond the usual GEF grant instruments. Private sector respondents find it hard to obtain information on the GEF's private sector engagement and the role of Agencies and opportunities for cooperation. Additionally, nearly all stakeholder respondents mentioned that the approval process of the GEF is too slow and complex. This causes uncertainty and deters potential private sector partners from working with the GEF. Private sector respondents expect more clarity to help them better prepare for cooperation with the GEF.

**The recommendations of this study will be presented in OPS6.**

## **5. Impact of GEF Support on National Environment Laws and Policies**



34. In keeping with GEF strategies over the past few decades, some projects have been directed specifically toward strengthening national environmental policy in member countries, including relevant environmental laws. This study examines how GEF-funded projects in Kazakhstan, Brazil, Vietnam, Philippines, Belarus and Namibia led to changes in legislative statutes and regulations issued by the national governments that have the effect of law.

35. The GEF has contributed to several legal reforms in countries which have had significant impacts. For example, in Namibia the GEF supported the development of a regulatory framework for renewable energy which has resulted in power purchase agreements with 13 solar PV projects and a wind project. In Kazakhstan GEF contributed to the Law on Energy Saving and Energy Efficiency improvements and 1000 residential buildings had heating systems renovated. In Brazil 43 new protected areas were created by legal decree totaling 24 million hectares as a result of the National Systems of Conservation Units Law, with GEF assistance.

36. The study drew the following conclusions.

- (a) **Conclusion 1: Strong environmental laws at the national level are essential to protect human health and the natural environment and are clearly recognized in the GEF Strategies.** The need for strong environmental laws is clearly recognized in GEF strategies. In this regard, international conventions, including those for which the GEF serves as the financing mechanism—UN Framework Convention on Climate Change, UN Convention to Combat Desertification and the Convention on Biological Diversity—oblige parties to enact laws needed to accomplish stated objectives. All of the strategies developed over the last three cycles call for GEF to support efforts to strengthen legislative and/or regulatory frameworks.
- (b) **Conclusion 2: GEF-funded projects include a wide range of activities to support governments in the lawmaking process.** The bulk of GEF-funded projects in the countries selected have included activities that aim at passage of laws at the national level. Generally, these activities were included as small components of much larger projects. The specific activities ranged from research on environmental conditions and reviews of existing laws, or technical drafting of laws to provide the justification for proposed legal reform as well as facilitation of a consultative process and political advocacy work. In addition, GEF enabling activities have functioned as an important catalyst, especially in the biodiversity and climate change focal areas, galvanizing expertise and resources for conducting the baseline studies, policy advocacy, and analyses needed to formulate and support strategy and policy formulation.
- (c) **Conclusion 3: Legal reforms are often necessary, particularly in transforming markets, but not always sufficient to achieve aims, and require complementary efforts in institutional strengthening and enforcement.** In general, the laws established with the support of GEF-funded projects are intended to achieve environmental aims by regulating the behavior of individuals or institutions, allowing for the provision of public or private services, and establishing requisite conditions for legal arrangements among parties. Creating a level playing field for private

- investment is another important objective. However, the case studies demonstrate that effectiveness of the law is dependent on many factors, such as the strength of administrative or judicial enforcement and implementation capacity.
- (d) **Conclusion 4: Several GEF-funded projects contributed to the enactment of environmental laws, and capacity building is important.** Stakeholder interviews and a review of key documents demonstrate that GEF-funded projects contributed to the enactment of statutes and implementing regulations across different focal areas and capacity building facilitated through GEF foundational support is likely to enhance progress in legislative action.
  - (e) **Conclusion 5: Many factors influence the implementation and success of reforms and should be considered in project design.** The case studies show that the ability to enact laws is affected by a number of factors, including the scope of the proposed law, political sensitivities, competing interests of different constituencies within government and the general population, government budgetary implications, stability of government structures, continuity of key officials, and the technical capacity of government institutions.
  - (f) **Conclusion 6: Project designs are sometimes based on unrealistic expectations for change.** Project documents often conflate policy statements, legislative statutes, regulations issued by authorized bodies, and administrative directives. These are very different in terms of their legal authority and development process. With respect to statutes and regulations, the case studies reveal a tendency among stakeholders to misjudge the ability of governments to enact laws within the timeframe of the project. Specifically, GEF agencies and implementing partners are often overly optimistic about the likelihood and pace of legal reform
  - (g) **Conclusion 7: Limited follow-up and evaluation of impacts.** With respect to evaluations, documents generally do not describe the specific role of projects in advancing legal reforms, the content and wording of laws as proposed or enacted, or the extent to which laws, once enacted, achieved stated aims. In general, data needed to assess the effectiveness of legislation or regulations are not available.

Following are the evaluation recommendations.

- (a) **Recommendation 1: Strengthen plans for legal and policy reforms presented in project documents.** GEF plays a very important role in the environmental policy and regulatory reform agenda in client countries. When reforms are contemplated, GEF should ensure that project documents clearly differentiate among policies, statutes, regulations, and administrative directives. If a specific environmental law is identified, the document should describe how it fits into the government's legislative/regulatory agenda with specific details on the extent of support from key stakeholders, including government officials, parties directly affected, and the general population.

- (b) **Recommendation 2: Develop and implement projects or specific program components that focus solely on legal and/or policy reforms.** Rather than embedding work on legal reforms in a component of a project, GEF should consider structuring some entire projects around advancing a specific set of legal reforms, particularly in countries with limited institutional capacity. This should focus on putting laws in place that are needed to meet goals defined in international conventions for which GEF serves as the designated financing mechanism. As GEF seeks to achieve more transformational change through its programmatic approaches, and mainstream private sector engagement, the role of policy reform will become even more important.
- (c) **Recommendation 3: Improve M&E and learning from the reform process.** GEF should consider modifying the PMIS to enable projects components that deal with legal reforms to be identified and tracked in the system. Evaluations should be more rigorous, including an assessment of project activities undertaken to advance legal reforms, resulting changes in the content and wording of laws, and the extent to which laws achieved stated aims. Thus, follow up on implementation should be carried out two to three years after project closure to assess the impacts and document lessons learned.

## 6. Review of GEF Support for Transformational Change

37. The objective of this study is to review the GEF experience with a representative sample of operations that have generated transformational results, identify key factors in the design and implementation of these projects that have contributed to such results, and distill the lessons learned. For the purpose of this study, transformational interventions are defined as engagements that help achieve deep, systemic, and sustainable change with large-scale impact in an area of global environmental concern. The purpose is to help improve the identification, design and implementation of future operations aimed at supporting transformational change.

38. The following interventions were selected through a series of iterative screenings.

- (a) Lighting Africa (LA)
- (b) China Renewable Energy Scale-up Program (CRESP)-Phase I
- (c) Uruguay Wind Energy Programme (UWEP)
- (d) Sanjiang Plain Wetlands Protection Project
- (e) Sustainable Land, Water, and Biodiversity Conservation and Management for Improved Livelihoods in Uttarakhand Watershed Sector Project (SLEM-U)
- (f) Namibia—Strengthening the Protected Area System (PAS)
- (g) Amazon Protected Areas Program (ARPA)-Phase I

- (h) Promoting Payments for Environmental Services (PES) and Related Sustainable Financing Schemes in the Danube Basin

39. Completed transformations all involved a fundamental change of a system. They all established a demonstration-and-replication mechanism to trigger and scale up the supported activities and reforms, were satisfactorily implemented and executed, and were also adequately supported by the policy and economic environment. Financial sustainability was achieved by either harnessing market forces to drive and expand the desired environment-friendly impacts, or through government budgetary allocations that continue funding the programs and activities established by the project.

40. The study found the following to be important drivers of change; this should serve as lessons going forward.

- (a) **The level of ambition.** The reviewed interventions each had ambitious objectives—explicit or implicit—in terms of aiming to trigger and support a deep, fundamental change in addressing a market distortion or systemic bottleneck that was a root cause for an environmental issue of global concern.
- (b) **Establishing an effective transformational mechanism.** All the interventions helped establish a mechanism—mainstreaming, demonstration/replication and/or catalytic—to scale-up and expand the activities supported by the intervention.
- (c) **The quality of implementation and execution.** All interventions were well implemented in terms of the quality of project design, supervision and assistance by the GEF agency, and the effectiveness of the executing agency in performing its roles and responsibilities.
- (d) **Harnessing market forces.** Three of the four cases that primarily aimed at market changes had successfully elicited a strong private sector response that ensured the achievement of a deep, financially sustainable transformation. In fact, subject to alignment with project objectives, a strong private sector response was identified as a sufficient condition for achieving a fully completed transformation. This suggests that where there is an opportunity to harness market forces—by addressing the removal of barriers, encouraging sustainable supply and/or catalyzing potential demand—it deserves careful attention for the identification and design of an intervention.
- (e) **Size does not matter.** Last, but not least, the eight sample cases illustrate how both relatively modest GEF medium-size projects—such as UWEP and Danube PES—can be just as transformational as major, multiphase investment projects—such as CRESP and ARPA.

41. **Recommendation.** The GEF should consider developing and applying a framework for ex- ante assessments of projects or programs that are intended to be transformational to enhance impacts. This study has presented an example of a framework that could be applied.

## 7. Review of Results-Based Management in the GEF

42. The review assesses the extent to which the GEF RBM system captures key results of GEF activities and promotes adaptive management. It seeks to answer the following key questions:

- (a) What is the role of RBM in the GEF partnership?
- (b) To what extent is the GEF RBM system relevant, effective and efficient?
- (c) To what extent, and how, is the information generated through the RBM system utilized?
- (d) To what extent have the key concerns noted in OPS-5 and in the GEF-6 Replenishment Group policy recommendations been addressed?

43. The review includes a survey of relevant GEF documents and literature, an analysis of PMIS and GEF IEO data sets, and semi structured interviews of key informants. Those interviewed include GEF Secretariat's RBM team and program managers, focal area coordinators, GEF Partner Agency staff and consultants, GEF Convention staff, and staff of select peer organizations.

44. The review reached following conclusions:

- (a) The GEF RBM system has played a strong role in supporting reporting, accountability and communications. In comparison, so far, its role in supporting evidence based decision making and learning has been limited.
- (b) GEF has not articulated a clear theory of change, timeframes for achievement of, and reporting on, the expected environmental results for its GEF-6 focal area programs.
- (c) Long duration of the feedback loop poses challenges to incorporation of information on actual results of GEF activities in development of future programs.
- (d) GEF is already addressing several Sustainable Development Goals (SDGs) through its programs. For GEF-7 it would need to incorporate the relevant SDG indicators in its RBM framework.
- (e) Although the burden for tracking results decreased during GEF-6, GEF is still tracking too much information.
- (f) There are gaps in the submission and availability of tracking tools, and the quality of submitted information is often poor.
- (g) The GEF Project Management Information System (PMIS) has not kept pace with the growing needs of, and expectations from, the partnership.

45. The GEF Secretariat has followed up on the GEF-6 Policy Recommendations by developing a work plan, although progress on measures specified in the RBM work plan has varied.

46. Managing for results remains a stated priority of the GEF although its utilization has so far been primarily for accountability and communication purposes. With increased attention to RBM during GEF-6, including staffing and funding, several gains were made. For example, corporate results reporting has improved and several focal area tracking tools have been streamlined. However, the GEF approach to RBM needs to be strengthened further for the GEF-7 period. The review has following recommendations.

- (a) **Recommendation 1: Update the GEF RBM Framework.** The GEF RBM framework of 2007 needs to be updated to reflect the evolved understanding of RBM across the GEF Partnership. During GEF-6, the focus has been on inputs, outputs and in some cases outcomes of GEF activities. The updated framework needs to address the indicators for drivers of environmental degradation and long term impacts of GEF activities so that these are also tracked systematically. GEF should also incorporate the relevant SDG indicators in its results framework for GEF-7 (and beyond).
- (b) **Recommendation 2: Upgrade the PMIS to facilitate reporting on achievement of targets.** Reporting on results also needs to give adequate attention to past results. Given that GEF-4 and GEF-5 Programming Directions documents had specified targets for those replenishment periods, there is a case for reporting on the actual achievement of these targets. It may be the case that past gaps in the submission of tracking tools, availability of tracking tool data, and data quality, is a constraint. Therefore, it is imperative that measures are put in place to ensure that these bottlenecks are mitigated. Upgrading of the PMIS has been delayed by several years; this upgrade needs to be completed with urgency.
- (c) **Recommendation 3: Address the shortcomings of the focal area tracking tools.** GEF needs to rethink the approach to tracking tools for the biodiversity and multiple focal area projects. Although streamlining of the biodiversity tracking tools may be challenging, GEF may consider alternatives such as tracking changes in the protected areas through GIS and remote sensing based tools, coupled with targeted learning missions. Streamlining of the approach to tracking results of the multifocal projects was recommended by OPS-5 and by the GEF-6 Policy Recommendations. However, no direct progress has been made on this front. Given that multifocal projects have emerged as an important modality, the burden for tracking of the results needs to be rationalized.

## 8. Review of the GEF Policy on Minimum Standards on Environmental and Social Safeguards

47. The safeguard policies of multilateral development institutions and funding agencies promote the social and environmental sustainability of supported projects and programs. In safeguarding people and the environment, these policies seek to strengthen project/program effectiveness and outcomes. In November 2011, the GEF adopted Agency Minimum Standards on Environmental and Social Safeguards to ensure a minimum-level of consistency across the GEF Partnership in addressing environmental and social risks associated with GEF-supported operations.

48. The purpose of this review is to provide insights and lessons for the GEF-7 replenishment cycle regarding GEF's experiences to date in implementing the GEF Safeguards. This review has focused on addressing four key issues: (a) the extent to which the GEF Safeguards have added value to the GEF Partnership, (b) the degree to which they are aligned with relevant international best safeguard standards and practices, (c) how the GEF is informed of safeguard-related risks in supported operations, and (d) recommendations for how might the GEF Safeguards evolve in coming years. The review does not focus on the safeguard policies and systems of GEF Agencies.

49. Key findings of the review include the following.

- (a) **The GEF Safeguards have added significant value to the GEF Partnership, serving as an important catalyst among many GEF Agencies to strengthen existing safeguard policies and, in a number of cases, to adopt comprehensive safeguard policy frameworks.** During the GEF's safeguards compliance review process, GEF Agencies, in particular the MDBs, had well developed safeguard policies that were broadly equivalent to the GEF Minimum Standards. The adoption of GEF Safeguards provided the impetus for many other Agencies to be more ambitious in developing and revising their safeguard systems. The GEF Safeguards have contributed to more harmonized approaches in managing project-level environmental and social risks and impacts.
- (b) **A range of environmental and social risks are identifiable in the GEF 6 portfolio.** A small number of projects were categorized as potentially high social and environmental risk (e.g., Category A projects). Significantly, the majority of GEF 6 projects in the reviewed sample exhibit a wide range of moderate-level risks (e.g., Category B projects). These projects could lead to an array of social and environmental harms if not effectively managed. In addition, a number of projects identified potential stakeholder risks (e.g., lack of participation and acceptance) as well as the potential for adverse gender-differentiated impacts. Projects proposed a range of management measures and plans to manage identified risks and impacts.
- (c) **The GEF Safeguards, by design, have been applied principally at the Agency-level during the accreditation process for new agencies and compliance review for existing Agencies.** During GEF's project/program cycle, the GEF Secretariat has developed several project templates and tools that reflect a degree of due diligence

related to the GEF Safeguards. The Secretariat is informed ex-ante about potential project-level environmental and social risks and impacts. However, to date, the GEF Secretariat has not developed guidance regarding ongoing reporting on safeguard-related issues during project implementation. At the portfolio level, potential environmental and social risks are not systematically tracked. Both the Adaptation Fund and the Green Climate Fund include specific requirements for accredited entities to report on safeguard implementation issues during project implementation and completion. Many GEF Agencies are accredited to either or both of these other multilateral climate funds.

- (d) **When developed more than a decade ago, the key principles upon which the GEF Minimum Standards are based, reflected a consensus on key operational safeguard principles.** These requirements continue to underpin key thematic safeguard areas among many institutions and remain aligned with international good practice. However, in the intervening years, many Agencies (including GEF Agencies) have adopted more comprehensive safeguard frameworks. Importantly, some international climate funds have adopted broader safeguard frameworks together with more explicit procedural requirements for their implementation, including M&E. A high-level comparison of the GEF Safeguards with more recently adopted policy frameworks identified a range of gaps and/or areas of greater emphasis, including human rights, nondiscrimination equity; stakeholder engagement; climate change and disaster risk; biodiversity offsets; invasive alien species; supply chains; sustainable resource management; community health, safety and security; hazardous materials; involuntary resettlement; indigenous peoples and the application of free, prior informed consent (FPIC); cultural heritage; and labor and working conditions.

50. The recommendations include the following.

- (a) **Recommendation 1: Review the GEF Minimum Standards.** While the key requirements of the GEF safeguards remain relevant and aligned with international good safeguards practice, a high-level comparative review identified a range of gaps in thematic coverage in the GEF Minimum Standards that appear germane for the types of environmental and social risks present in the GEF portfolio. A review and potential update of the GEF Minimum Standards may be warranted. A phased, collaborative review process could be undertaken, with more targeted analyses of potential gap areas. A potential revision process would need to strike a proper balance between addressing relevant policy gaps in the GEF Standards while avoiding such extensive changes that would require wholesale revisions to often newly adopted safeguard frameworks of many GEF Agencies. Avenues for minimizing costs of a review and potential update would need to be identified.
- (b) **Recommendation 2: Improve safeguards monitoring and reporting.** GEF should consider tracking social and environmental risks at the portfolio-level and ensuring a “flow-through” of monitoring information on safeguards implementation. Agencies should inform GEF of the safeguards risk categorization assigned to



projects/programs and keep GEF informed of safeguards implementation issues through monitoring and reporting. Where available, this should ideally build off Agency systems rather than duplicating them. GEF could issue guidance regarding safeguards-related reporting in annual reporting and project/program evaluations. Increased GEF attention of safeguards implementation reporting may support and strengthen relatively new safeguards systems among some GEF Agencies and promote greater consistency.

- (c) **Recommendation 3: Support capacity development, expert convening, and communications.** The expanded GEF Partnership encompasses Agencies with widely diverse levels of safeguards experience and institutional capacity. Expanded networking, knowledge sharing, and expert convening may be beneficial. A number of GEF Agencies would welcome increased opportunities for knowledge sharing and capacity support regarding key challenges in addressing certain safeguard issues. GEF could seek opportunities to gain from existing international safeguard networks (not ‘recreating the wheel’) and leverage the significant safeguards expertise across the GEF Partnership. GEF and GEF Agencies could convene safeguard focused workshops during Expanded Constituency Workshops or other GEF events. GEF could also consider how best to communicate GEF’s policy requirements, including the GEF Minimum Standards, with country partners to further build a shared understanding on the need for effective safeguards implementation.

## 9. Evaluation of Gender Mainstreaming in the GEF

51. As part of OPS6, the IEO has undertaken a study on the mainstreaming of gender in the GEF to follow up on the OPS5 gender mainstreaming sub-study, and to assess the progress towards achieving gender mainstreaming and women's empowerment since October 2013. For this study an assessment of the GEF Secretariat’s responsiveness to the *Policy on Gender Mainstreaming* was carried out and a meta-analysis of GEF Agencies’ gender mainstreaming policies, strategies, action plans was conducted. The evaluation team carried out a quality-at-entry review of projects at CEO endorsement/approval and a review of completed projects interviewed select key stakeholders regarding the mainstreaming of gender in GEF activities. Field visits to a select number of projects in Ghana, Honduras and the Philippines provided in-depth, field-verified inputs to the national processes, findings and recommendations. Method triangulation, combining of quantitative and qualitative methods to verify and complement evaluative findings, and data triangulation, collecting data from different sources, was used to increase data validity and to limit errors of interpretation.

52. IEO reached the following conclusions and recommendations:

### Conclusions on Trends in Gender Mainstreaming

- (a) **Conclusion 1. Current trends in gender mainstreaming in the GEF show modest improvement over the previous OPS period.** According to the quality-at-entry review, the area of most significant change is seen in the dramatic reduction of gender blind projects from 64 percent, before the *Policy on Gender Mainstreaming*

was introduced (OPS5 pre-May 2011) to 1.3 percent in OPS6, and the growth of nearly six times the number of projects rated gender aware in this same time period. There was, however, a limited increase in the percentage of projects rated gender sensitive and gender mainstreamed, when comparing post-May 2011 OPS5 data (after adoption of the policy) with the OPS6 rating. The OPS6 review of completed projects shows modest signs of improvement compared to the OPS5 baseline of completed projects, with a decline in gender blind projects and a similar increase in the percentage of completed projects rated gender aware.

- (b) **Conclusion 2. Projects that conducted gender analyses achieved higher gender ratings.** Very few projects conducted gender analyses, despite it being one of the minimum requirements of the GEF Policy on Gender Mainstreaming. Only 13.9 percent of MSP/FSP projects part of the quality-at-entry review and 15.7 percent of completed projects reviewed had completed a gender analysis prior to CEO endorsement/approval. The evaluation team used a Weighted Gender Rating Score, with a value between zero and four - zero being gender blind, and four being gender transformative - to make comparisons between sets of projects. The quality-at-entry review Weighted Gender Rating Score for the OPS6 cohort was 1.68; projects for which a gender analysis had taken place before CEO endorsement/approval had a combined score of 2.97. Projects that either planned a gender analysis or for which a gender analysis had taken place at entry had a Weighted Gender Rating Score of 2.22. Improvements were noted in terms of gender consideration in project documentation.

### Conclusions towards the Appropriateness of the Policy

- (c) **Conclusion 3. While the GEF Policy on Gender Mainstreaming has increased attention to, and performance of, gender in GEF operations, it does not provide a clear framework and remains unclear on certain provisions and implementation.** The objective of the policy is “attaining the goal of gender equality, the equal treatment of women and men, including the equal access to resource and services through its operations”. The policy leaves too much room for interpretation on gender analysis, and on the responsibilities of the GEF Agencies vis-à-vis the GEF Secretariat regarding its implementation. The inclusion of gender-disaggregated and gender-specific indicators in project results frameworks is highly variable across GEF projects, as is the collection and use of gender-related data to measure gender equality-related progress and results during monitoring, in mid-term reviews and terminal evaluations. The policy is not informed by or situated in wider human rights and gender equality norms governing international development frameworks, nor does it reference gender-related mandates or decisions issued by the conventions.
- (d) **Conclusion 4: Institutional capacity to implement the policy and achieve gender mainstreaming is insufficient.** The recruitment of a dedicated senior gender specialist, as part of the GEF Secretariat team, is widely recognized as an important and essential step forward that has helped increase attention to gender equality and women’s empowerment; but insufficient on its own to build wider staff

competencies and capacities to support gender mainstreaming across GEF programming and processes.

### **Conclusions towards the Gender Equality Action Plan's (GEAP) Role regarding the Policy's Implementation**

- (e) **Conclusion 5. The GEAP has been a relevant and effective framework for implementing the GEF Policy on Gender Mainstreaming.** The GEAP has facilitated the implementation of the requirements of the GEF policy, and key stakeholders concur that the action plan has been a good directive for action. The GEF Secretariat has provided annual updates on progress made on the implementation of the GEAP through information documents to the GEF Council. Taking into account the timeframe of the GEAP and the updating of the GEF *Policy on Gender Mainstreaming*, it is important to point out that a strong action plan facilitates strategic priority-setting and can drive GEF's institutional agenda on gender mainstreaming.
- (f) **Conclusion 6. The GEF Gender Partnership is slowly developing into a relevant and effective platform for building a wider constituency on gender and the environment.** The GEF Gender Partnership has brought together the gender focal points/practitioners of GEF Agencies, other climate funds, the secretariats of relevant conventions and other partners. It has become an important forum for leveraging the wide range of skills and experiences of members on gender equality and women's empowerment in the GEF. It has facilitated a number of reviews, helping to compile and build the evaluative evidence on gender and the environment, and plans to produce a series of tools, which will strengthen the GEF's capacity to mainstream gender systematically in projects and support the achievement of results related to gender equality and women's empowerment.

### **Recommendations**

- (a) **Recommendation 1. The GEF Secretariat should consider a revision of its policy to better align with best practice standards.** As a financial mechanism for five major international environmental conventions and a partnership of 18 agencies, this should include anchoring the policy in the gender-related decisions of the conventions and best practice standards from the GEF Agencies. In the revisions of the policy, the GEF Secretariat should take into account that policies rooted in rights-based frameworks result in more effective gender mainstreaming. Given the effectiveness of the GEF Gender Partnership, the GEF Secretariat should consider the partnership as the vehicle for stakeholder engagement in the updating of its policy. Lastly, the policy should provide greater guidance on gender analysis, and on the responsibilities of the GEF Agencies vis-à-vis the GEF Secretariat.
- (b) **Recommendation 2: The GEF Secretariat with its partners should develop an action plan for implementation of the gender policy in GEF-7.** An appropriate gender action plan should support the implementation of the potentially revised policy on

Gender Mainstreaming, and should include continued focus on developing and finalizing comprehensive guidelines, tools and methods. This should be done in collaboration with the GEF Gender Partnership, drawing on the knowledge and best practice standards of GEF Agencies, other climate funds, the secretariats of relevant conventions and other partners. Upstream analytical work on the associated links between gender equality and project performance across GEF programmatic areas would support mainstreaming.

- (c) **Recommendation 3. To achieve the objectives of institutional strengthening and gender mainstreaming the GEF Secretariat should ensure that adequate resources are made available.** During GEF-7 institutional capacity within the Secretariat and its staff on gender mainstreaming will need strengthening, and resources within the agencies which have strong institutional gender focus and expertise should be leveraged.

### III. UPDATES ON OPS6 AND KNOWLEDGE MANAGEMENT

#### Updates on OPS6

53. OPS6 is ongoing, and all 29 studies will be completed by June 15, 2017. Twenty-one evaluations that feed into OPS6 have been completed with evaluation reports available; 8 are ongoing and are at different stages of the evaluation process (Table 1). The draft report for OPS6 will be available September 3, 2017.

54. Status of Evaluations for OPS6

**Table 1: Status of Evaluations for OPS6**

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

\*Findings not included at this stage.

## Knowledge Management

55. During the reporting period, IEO staff have contributed to publications on evaluations and sustainable development.<sup>3</sup> In addition, the IEO staff have made presentations at a variety of conferences focused on environmental and evaluation issues, including the meetings of the conferences of the parties to the Basel, Rotterdam, and Stockholm Conventions (April 2017), the UN Permanent Forum on Indigenous Issues (April 2017), the 8<sup>th</sup> International Conference of the African Evaluation Association (AfrEA) (March 2017), the World Bank Land and Poverty Conference (March 2017), the Strategic Directions and Visioning Workshop of the GEF Small Grants Programme (January 2017), and the Wilton Park Meeting on Tracking Development Progress in Evaluating Development Partnerships in the Post-2015 Era (December 2016).

56. The Evaluation Brief, a new knowledge product, was developed by the office to share the key messages from OPS6. Twenty-three briefs on completed and ongoing evaluations were prepared in time for the first replenishment meetings in March '17. The IEO sessions at the Expanded Constituency Workshops (ECWs) have also focused on timely sharing of evaluation findings with country and regional stakeholders. The first three workshops in Swaziland, Ukraine, and Brazil discussed the findings of completed evaluations contributing to OPS6. The subsequent ECWs in Vietnam and Seychelles informed stakeholders of ongoing OPS6 findings.

57. The IEO website continues to be revised to provide interactive displays of data maps for recently completed and ongoing evaluations. For example, it includes pages on project-level accomplishments, evaluation of multiple benefits of GEF support, the chemicals and waste and international waters focal area studies, and program evaluations of the Least Developed Countries Fund and the Special Climate Change Fund. The [web-pages](#) support users in exploring evaluative data. The Climate-Eval, the evaluation community of practice, was re-launched in collaboration with the Evaluation and Learning Initiative of the Climate Investment Funds (CIFs). The reinvigorated platform will facilitate opportunities for evaluators and practitioners to learn about priority themes, such as transformational change, private sector investment, and local stakeholder engagement.

## IV. BUDGET AND HUMAN RESOURCES

### Budget for FY18

58. The approved IEO budget for FY17 covering Operations and Evaluation work has been executed as planned. The Operations budget, including both fixed and variable costs was kept within the amount approved last year by Council, albeit with some slight funding shifts across the variable costs to accommodate OPS6 activities. Notably, there was a shift from the training budget to participation in networks and IEO Operations.

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<sup>3</sup> *Evaluating Climate Change Action for Sustainable Development*/Juha Ilari Uitto, Jyotsna Puri, Rob D. van den Berg, editors, 2017; Koehn, Peter H., Uitto, Juha I. (2017). *Universities and the Sustainable Development Future. Evaluating Higher-Education Contributions to the 2030 Agenda*.

59. The IEO's main evaluation activity this year has been the preparation of OPS6. To better track expenses, the multiyear evaluations budget has been divided in five clusters: focal area studies, mainstreaming/cross-cutting, performance and impacts, institutional issues, and OPS6. FY17 represents the peak year in the multiyear evaluations budget to reflect the preparation of OPS6. For FY2018, budget outlays will decline with the release of the OPS6 final report. The Office will continue its regular work program that will include country evaluations, focal area studies such as Sustainable Forest Management, and dissemination of OPS6 findings and recommendations leading up to the GEF Assembly in June 2018.

60. The original preparation of this budget was based on the four-year IEO program budget approved for the current GEF cycle. This budget, prepared in 2014, did not take into account the recently announced World Bank Group mandate that, as of July 1, 2017, the charge for staff benefits will increase from 50 percent to 70 percent annually. The extra funds required to cover these costs total \$1.2 million, or \$600,000 for FY18 and FY19, respectively. This is the case as well for the GEFSEC.<sup>4</sup> In anticipation of this increase in the World Bank staff benefit, the IEO has estimated for FY18 a budget of \$5.246 million, of which \$4.296 million is assigned to Operations and \$950,000 to cover costs of evaluations (Table 2).

**Table 2: Estimated IEO Budget for Fiscal Year 2018**

<i>Expense Category</i>	<i>FY17 Approved Budget</i>	<i>FY17 Estimated</i>	<i>FY18 Budget Request</i>	<i>FY18 Budget Request</i>	
IEO Evaluators Team- Salaries/Benefits	2.777	2.720	3.005	0.285	10%
Non- Salary Staff-cost			0.601	0.601	
General Operations Costs (B)	0.470	0.470	0.490	0.020	4%
<b>Total (A)</b>	<b>3.247</b>	<b>3.190</b>	<b>4.096</b>	<b>0.906</b>	<b>28%</b>
Variable Costs				0.000	
Professional Development	0.060	0.021	0.060	0.039	186%
Participations in Networks	0.040	0.060	0.040	(0.020)	-33%
IEO Management Operations	0.055	0.094	0.060	(0.034)	-36%
Knowledge Management	0.030	0.067	0.040	(0.027)	-40%
<b>Total (B)</b>	<b>0.185</b>	<b>0.242</b>	<b>0.200</b>	<b>(0.042)</b>	<b>-17%</b>
<b>Total Annual Budget (A+B)</b>	<b>3.432</b>	<b>3.432</b>	<b>4.296</b>	<b>0.864</b>	<b>25%</b>
<i>Evaluations</i>					
Focal area	0.300	0.290	0.065	(0.225)	-78%
Mainstreaming/Cross Cutting	0.300	0.279	0.175	(0.104)	-37%
Performance and Impacts	0.825	0.800	0.295	(0.505)	-63%
Institutional Issues	0.300	0.341	0.175	(0.166)	-49%
OPS6	0.500	0.432	0.240	(0.192)	-44%
<b>Total Evaluations Budget (C)</b>	<b>2.225</b>	<b>2.142</b>	<b>0.950</b>	<b>(1.192)</b>	<b>-56%</b>
<b>Total IEO Budget GEF-6 (A+B+C)</b>	<b>5.657</b>	<b>5.574</b>	<b>5.246</b>	<b>(0.328)</b>	<b>-6%</b>

<sup>4</sup> GEF Business Plan and Corporate Budget for FY18. GEF/C.52/\_ April 24, 2017

## Human Resources

61. During FY17, the IEO continued to operate with 19 staff and there was no change in staff composition over the year. The current staff composition of the IEO is shown in the Table 3 below.

**Table 3: IEO Staff Composition**

	<b>IEO Staff</b>
<i>1</i>	Director
<i>1</i>	Chief Evaluation Officer
<i>5</i>	Senior Evaluation Officer*
<i>1</i>	Senior Operations Officer
<i>3</i>	Evaluation Officer
<i>1</i>	Knowledge Management Officer
<i>3</i>	Evaluation Analyst
<i>1</i>	Information Analyst
<i>1</i>	Research Assistant
<i>1</i>	Senior Program Assistant
<i>1</i>	Program Assistant

\*One donor funded staff position