



GLOBAL ENVIRONMENT FACILITY  
**EVALUATION OFFICE**

# Mid Term Evaluation of the National Portfolio Formulation Exercise

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## Approach Paper

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# Mid Term Evaluation of the National Portfolio Formulation Exercise<sup>1</sup>

## Approach Paper

The Mid Term review of the Resource Allocation Framework (RAF) (2009) and the Overall Performance Study 4 (OPS4) of the GEF both identified the need to promote a portfolio approach at the national level. The OPS4 concluded that “*a portfolio approach that incorporates national GEF programming and follow-up, including monitoring, supervision, and evaluation, will enable recipient countries to fully support and maximize progress toward global environmental benefits*”<sup>2</sup>. The study acknowledged that countries with larger GEF project portfolios were already following the portfolio approach on their own. Nonetheless, it suggested promotion of the approach in other recipient countries as well. The recommendations made in the Mid Term Review of RAF and OPS4 were mainstreamed in the policy reforms package agreed upon during the replenishment negotiation process for GEF-5.

The proposed reforms are outlined in the *Programming Document Policy Recommendations for GEF-5*<sup>3</sup>. The objectives of the policy reforms that promote adoption of a portfolio approach at the national level are: “*Enhancing country ownership and Improving effectiveness and efficiency of the GEF partnership*”<sup>4</sup>. The reforms focused on: (i) support to recipient countries to undertake portfolio identification exercises for GEF Programming; and (ii) delivery of a reformed *Country Support Program* that includes the National Portfolio Formulation Exercise (NPFE).

In July 2010 the GEF Council approved the proposal for countries to receive resources from the GEF trust fund directly to undertake on a voluntary basis the GEF National Portfolio Formulation Exercises<sup>5</sup>. At the time when the Council approved the proposal for NPFE initiative, the Council also requested the Evaluation Office to undertake a mid-term evaluation of the initiative. The NPFE initiative has now been under implementation for about two years. To respond to the Council’s request, the Evaluation Office is undertaking the mid-term evaluation of NPFE and this paper presents the approach for the evaluation.

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<sup>2</sup> OPS4: Progress toward impact — fourth overall performance study of the GEF, page 15 (full report)

<sup>3</sup> GEF/R.5/31

<sup>4</sup> GEF/R.5/32, Policy recommendation for the fifth replenishment of the GEF trust fund, page 3

<sup>5</sup> (GEF/C.38/Joint Summary ), page 4

## National Portfolio Formulation Exercises

NPFEs are expected to enhance country ownership in determining programming priorities in a given GEF replenishment period. The NPFEs are also meant to set forth country priorities for the use of GEF resource in a transparent manner for the benefit of all GEF stakeholders, including the anticipated demand for resources, both from countries' national allocations under the System for Transparent Allocation of Resources (STAR) and outside these allocations<sup>6</sup>. Another aim of the NPFE process is to strengthen country capacity to coordinate ministries and other involved stakeholders from both private and public sectors. Other objectives of the NPFEs are:<sup>7</sup>

- a. *“Increased opportunities to align the programming of GEF resources with other relevant strategies and national planning processes and increased responsiveness to country priorities for generating global environmental benefits under the multilateral environmental conventions.*
- b. *Identification of projects and programmatic approaches that will use national allocations under the STAR in the three concerned focal areas, as well as other resources available under the GEF focal areas not subject to STAR allocations.*
- c. *Bringing together all relevant ministries and representatives of other key stakeholders (e.g. CSOs and the private sector) to provide input on decisions regarding GEF resource programming.*
- d. *Building the capacity of GEF focal points to coordinate GEF policy with other ministries and to solicit input from other stakeholders.*
- e. *Providing for a more predictable and transparent programming process at the national level, which will provide the GEF Secretariat, the GEF Agencies, and the GEF Council with a clearer understanding of each country's prospective project pipeline during a replenishment period.*
- f. *Making the pre-PIF (project identification form) portion of the GEF project cycle more efficient.*
- g. *Enhancing the mainstreaming of global environmental concerns into other national planning processes and strategies by raising awareness of global environmental issues and priorities among national decision-makers”.*

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<sup>6</sup> GEF/C.38/6/Rev.1, July 2010: Policies and Procedures for the execution of selected GEF activities – National Portfolio Formulation Exercises and Convention Reports – with direct access by recipient countries, page 1

<sup>7</sup> GEF/C38/7/Rev.2, July 2010, Reforming the Country Support Programme and Procedures for Implementation, page 3-4.

The NPFEs are funded completely from a special allocation in the GEF Secretariat budget for the Country Support Programme (CSP). Of the total CSP budget<sup>8</sup> for GEF-5 (FY11-14) \$3 million was allocated for the NPFEs with the aim of conducting 100 NPFEs during early GEF-5.

The NPFE initiative is implemented by the GEF Secretariat. At the national level, the NPFEs are executed by national entities in recipient countries. The funds are provided by the GEF Secretariat to the recipient country within the framework of the CSP and through 'Direct Access'. To gain access to GEF funding for NPFE, the Operational Focal Point of a country submits an application to the GEF with detailed description of the activities to be carried out to undertake a NPFE as well as a budget for the associated costs. The NPFE is expected to be complete in approximately 4 months with a maximum GEF funding of \$30,000. A toolkit issued by the GEF Secretariat in April 2011 and updated in September 2012 provides templates and guidance on accessing resources under the reformed CSP.<sup>9</sup>

The NPFE reports are expected to be approximately 5 pages in length (but no longer than 10). The reports need to provide the following<sup>10</sup>: a description of the National Steering Committee; description of broader consultations, a brief description of country's global environmental challenges in different sectors, the STAR allocation and priority projects, priority projects in Focal Areas and themes outside of the STAR, priority areas for regional collaboration, and an outline of how implementation of these projects will contribute to the fulfillment of obligations to the Conventions (CBD, UNCCD, UNFCCC).

A progress on the implementation of the NPFEs was presented to the GEF Council in June 2012<sup>11</sup> followed by another update in the Annual Monitoring Review FY12 to the November Council 2012. The former document outlines a number of administrative challenges that had led to delays and further described the shift to a simpler procedure reducing the time and complexity of the NPFE process. The simpler procedure meant a shift from a recipient executed trust fund to a World Bank executed trust fund using an 'ancillary expenses agreement' rather than the World Bank's small grants procedure.

The Council document<sup>12</sup> also noted that 10 countries carried out NPFEs or similar programming exercises without the financial support of the GEF<sup>13</sup>.

An overview of implementation of NPFEs to date with the regional distribution is described in table 1 (with a full list of NPFEs in Annex1)<sup>14</sup>. The PMIS lists 28 NPFEs and amongst these the

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<sup>8</sup> Total budget for CSP is 26 million for GEF-5.

<sup>9</sup> Toolkit to Access Resources Under the Country Support Programme, September 2012

<sup>10</sup> Ibid, Annex 2, page 10

<sup>11</sup> GEF/C.42/Inf.06

<sup>12</sup> GEF/C.42/Inf.06

<sup>13</sup> Burkina Faso, Chile, Colombia, India, Kazakhstan, Kenya, Mexico, Solomon Islands, Uruguay and Vietnam.

average implementation period amounts to 6.1 months<sup>15</sup>. The overwhelming majority, 79%, of NPFEs to date are being implemented in Africa. More than half, 57%, of the NPFE to date were undertaken in LDCs. The information available at the NPFE webpage of the GEF website is slightly different than that available through PMIS<sup>16</sup>. As per the GEF website on 14<sup>th</sup> of December 2012, 32 NPFEs had been completed with another ten under implementation<sup>17</sup>.

Table 1: Overview of NPFEs per region

Recipient Country group / region	Recipient countries and NPFEs				NPFEs Year of start <sup>18</sup>		
	Total Number of recipient Countries	Number of countries with NPFEs	Share of countries with NPFEs	Share of the region of total NPFEs	2010	2011	2012
Africa	51	22	43%	79%	6	16	n/a
Asia	39	4	10%	14%	n/a	n/a	n/a
LAC	33	2	6%	7%	n/a	n/a	n/a
ECA	18	0	0	0%	n/a	n/a	n/a
<b>Total</b>	<b>141</b>	<b>28</b>	<b>20%</b>	<b>100%</b>	<b>6</b>	<b>16</b>	<b>n/a</b>
LDC	47	16	34%	57%	5	11	n/a
SIDS	38	2	6%	7%	n/a	n/a	n/a

n/a = not applicable/available

Source: PMIS

## Evaluation Objectives and Scope

The purpose of the mid-term evaluation is to provide the GEF Council with a comprehensive assessment of the NPFE initiative and to generate evaluative evidence for the Fifth Overall Performance Study (OPS5), as well as lessons on good practices to strengthen this program.

The evaluation will aim to **identify lessons** that may help improve the initiative and/or may also be relevant for other activities supported by the GEF. The evaluation will, in certain areas, take a **formative approach** with a focus on learning, so as to gather the perceptions of the relevant stakeholders of the qualitative benefits (or lack thereof) generated by the NPFE exercise. These perceptions will not form an evaluative judgment, but rather gather information on perceived usefulness of the NPFE to its stakeholders.

Although the evaluation is being undertaken within the context of the country support program and support through direct access, the scope of this evaluation is limited to the assessment of

<sup>14</sup> PMIS, October 25<sup>th</sup> 2012.

<sup>15</sup> PMIS, October 25<sup>th</sup>, 2012, data available for 27 projects using expected start and expected closure dates.

<sup>16</sup> These data differences will be further explored in the course of the evaluation.

<sup>17</sup> As per GEF website on NPFEs on December 14th 2012.

<sup>18</sup> PMIS, October 25<sup>th</sup>, 2012

the NPFE initiative<sup>19</sup>. The initiative will be reviewed against its objectives and the extent to which these have been achieved. The evaluation will provide an assessment of the NPFE activities undertaken, and in turn determine the overall relevance and effectiveness of the initiative using a formative approach with a focus on learning. The evaluation will also look at countries undertaking country portfolio planning without funding from the GEF and the countries that have not conducted the NPFEs – the experiences across these different groups of countries would be compared with the purpose of ascertain the value added of the GEF funding and to understand the underlying factors behind countries making different choices.

Specifically the evaluation will address the following objectives and questions of interest:

**Evaluation Objective 1: Assessment of the NPFE process:** The evaluation will assess the effectiveness and efficiency of the NPFE processes and will aim to identify good practices/ opportunities and challenges. The evaluation will look at the process of implementing the NPFEs at country level as well as making an assessment of the administrative process and the NPFE guidance provided by the GEF Secretariat, using the following questions of interest: What implementation approaches have been used by the countries? Was there technical clarity and conceptual consistency in policies and operational procedures adopted by the GEF Secretariat? What was the nature, quality and timeliness of support provided by the GEF Secretariat? What is the preparation and implementation process of the NPFEs in terms of financial management and disbursements? Is the approach of the GEF Secretariat to directly administer the NPFE cost effective?

**Evaluation Objective 2: Assessment of the NPFE effects:** The evaluation will assess the effects of the NPFE with a focus on the extent to which the NPFEs lead to transparency and predictability in programming of available resources at the national level, and strengthen country ownership. The perceptions of the relevant stakeholders in the areas outlined in the NPFE guiding documents is of particular interest, specifically the evaluation will assess the extent to which: a portfolio approach was promoted; the NPFEs strengthened GEF partnerships; capacities of GEF Focal Point office were enhanced; there was any impact on the pre-PIF stage; NPFEs have led to better alignment of the GEF support with national strategies and planning processes and increased responsiveness to country priorities for generating GEBs (under the conventions.; NPFEs are leading to efficient fulfillment of obligations to the Conventions (CBD, UNCCD, UNFCCC).

The evaluation will also look at perceptions of enhanced synergies between the focal areas and more efficient use of STAR - and the evaluation will examine results from board consultation sessions including civil society and the private sector.

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<sup>19</sup> The evaluation will not include the Direct Access / Conventions Reports.

**Evaluation Objective 3: Assessment of the extent NPFE reports reflect the actual process, priorities identified and decisions taken during NPFEs, and the actual use of these reports by the GEF stakeholders:** The evaluation will assess the extent to which the documents produced as part of the NPFEs reflect the actual process followed during the NPFEs and decisions taken during these exercises. It would also assess how these documents are used by different stakeholders, especially the GEF recipient countries, but also including the GEF agencies that are expected to organize their support to the countries for preparation and implementation of GEF projects and programs based on the priorities identified in the NPFEs. The evaluation would also document and assess the process followed to accommodate changes in priorities.

### **Methodology and Approach**

The mid-term evaluation of the NPFEs will be conducted by an evaluation team comprising of the GEF Evaluation Office staff and consultants. The evaluation team will develop the necessary tools and protocols and use relevant methods as described in this section. The findings of the mid-term evaluation will be drawn using a mixed method approach, using triangulation and drawing on a range of qualitative and quantitative tools. The key activities that would be undertaken are as follows:

**Review of Documents:** Project documents will be reviewed for all NPFEs including the approval documentation, correspondence, applications, templates and the NPFEs documents themselves. This will also include any NPFEs applications that did not go through.

**Portfolio Analysis/Database:** An inventory database will be built for all NPFEs comprising key information with the purpose of analyzing and comparing the NPFEs with non-NPFE countries and with countries that conducted alternative or similar exercises. This database would also incorporate information gathered through other sources on quality and use of the NPFEs.

**Online Survey:** A combined online survey will be developed for the NPFE and the STAR mid-term evaluations. The survey will aim to gather the perspectives of a wider range of stakeholders with a focus on operational focal points, agency staff at the national level, government organizations, private sector actors, NGOs and Civil Society.

**Interviews with key stakeholders:** In-depth interviews will be conducted with relevant stakeholders. This would include staff from the GEF Secretariat, GEF Agencies and Country Governments, Civil Society and other relevant groups. A selection scheme for each of these groups will be developed.

**Field visits:** A small number of countries will be selected for field visits. The main selection criteria will be purposive, with the aim to visit a group of near-by countries representing ones

that conducted the NPFEs, ones that did not, and ones that conducted the NPFEs without funding from the GEF. The proximity criteria stems from limited budget and time available for the evaluation.

The evaluation will seek to develop synergies with the parallel mid-term evaluation of the STAR with regards to field visits, online survey and interviews of key stakeholders as many of these will be the same.

### **Limitations and Challenges**

The NPFE is a new initiative that started its implementation in GEF-5. Therefore this evaluation will only be able to provide an assessment of the early period of NPFE implementation when greater incidence of design and procedural inadequacies may be expected. The focus, therefore, would be on separating out the weaknesses that are fundamental in nature and need immediate correction from those that would get rectified with an increase in experience in program implementation.

Assessing the net effect of the program is a challenge as determining a reliable counterfactual would be difficult. Countries have opted for the NPFEs based on self-selection. Therefore, differences in results may be because the group of countries that participated in the program is different from the group that did not. The evaluation will, therefore, rely on comparisons: it would compare results in countries that opted for the program with those that did not and look at the underlying reasons, as well as alternative means of programming resources.

The comparison assessment would use a formative methodology considering the fact that the NPFEs did not follow a standardized approach, with the result of considerable variations in the NPFE processes and final documents between the countries.

### **Stakeholder Consultations**

The draft approach paper will be shared to get feedback from the GEF relevant stakeholders. The preliminary findings of the evaluation would be presented and discussed in an interagency meeting. The draft report will be shared within the GEF partnership including agencies, the GEF Secretariat, focal points, NGO network; and institutions with whom the evaluation team interacted during the course of the evaluation to validate the findings and receive feedback and comments on the evaluation.

### **Reporting and Dissemination**

This evaluation will be presented to the GEF Council and will feed into the OPS5. Its results will be reported in the second report of OPS5. The evaluation report will be published on the GEF Evaluation Office website and shared with the GEF Council members, GEF country focal points,



GEF Secretariat, relevant GEF Agency staff and other interested parties through email. A two page summary (Signpost) of the report will be produced and disseminated in three languages (English, French and Spanish).

### **Timeframe**

The timeframe of the evaluation is outlined in table 2 on the next page. The dates are tentative with a final deadline of including the evaluation findings in the final report of OPS5 in November 2013.

Table 2: Timeframe for the NPFE Mid Term Evaluation

Activities	Sept '12	Oct '12	Nov '12	Dec '12	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13	July '13	Aug '13
Approach paper preparation												
Document review												
Portfolio Analysis / Database												
Inventory and Quality Assessment of the NPFES												
Assessment of the administrative process of the NPFES												
Assessment Review of Guidance												
Comparison Exercise												
Interviews with stakeholders												
Field Visits												
Online Survey and Analysis												
Consultation workshop												
Preparation of Evaluation Report												

## Annex 1 Overview of NPFs by Country<sup>20</sup>

Region	Country	GEF ID	GEF Project Grant PIF stage	Expected date of implementation start	Expected date of closure
CEX	Global	4402	2,970,000		
Africa	Burkina Faso	4420	29,864	15-Nov-10	31-Mar-11
	Mali	4429	29,996	15-Nov-10	15-Feb-11
	Ghana	4430	30,000	16-Dec-10	25-Mar-11
	Congo DR	4435	26,720	27-Dec-10	24-Jun-11
	Gambia	4436	30,000	17-Jan-11	24-Jun-11
	Niger	4438	29,967	24-Jan-11	24-Jun-11
	Nigeria	4439	30,000	21-Jan-11	24-Jun-11
	Togo	4471	30,000	25-Mar-11	30-Jun-11
	Mauritania	4472	28,840	25-Mar-11	30-Jun-11
	Tanzania	4473	29,699	25-Mar-11	30-Jun-11
	Benin	4474	30,000	17-Dec-10	29-Apr-11
	Senegal	4502	-	31-Mar-11	30-Dec-11
	Cameroon	4518	30,000	25-Apr-11	30-Dec-11
	Congo	4521	-	29-Apr-11	30-Dec-11
	Ethiopia	4529	-	2-May-11	31-Jan-12
	Guinea	4537	-	1-Dec-10	31-Mar-11
	Rwanda	4540	-	27-May-11	27-Jan-12
	Mozambique	4542	-	27-May-11	27-Jan-12
	Liberia	4546	-	27-May-11	27-Jan-12
	Chad	4547	-	27-May-11	27-Jan-12
Guinea-Bissau	4548	-	20-May-11	27-Jan-12	
Kenya	4691	-	13-May-11	31-Jan-12	
Asia	Philippines	4418	30,000		29-Apr-11
	Cambodia	4428	29,700		30-Apr-11
	Thailand	4437	29,870		24-Jun-11
	Sri Lanka	4501	-		29-Jul-11
Latin America	Bahamas	4419	28,659		29-Apr-11
	St. Lucia	4509	-		29-Mar-11
<b>TOTAL</b>		<b>28</b>	<b>473,315</b>		

<sup>20</sup> PMIS, October 25<sup>th</sup>, 2012