

GEF Annual Performance Report 2011



The annual performance report (APR) of the Global Environment Facility (GEF), prepared each year by the GEF Independent Evaluation Office, provides a detailed overview of the performance of GEF activities and processes, key factors affecting performance, and the quality of monitoring and evaluation (M&E) arrangements. Through the APR, GEF Council members, countries, Agencies, and other stakeholders can better assess the degree to which GEF investments are meeting their objectives, and identify areas for improvement.

APR 2011 is the result of a synthesis of 102 terminal evaluation reports of completed projects that account for \$414 million in GEF funding. The report also presents findings from three reviews carried out by the Independent Evaluation Office covering: (1) assessment of the quality of M&E arrangements in project design documents; (2) tracking of parameters aligned with new requirements in the GEF's 2010 M&E Policy, the Policy on Gender Mainstreaming, the Policy on Environmental and Social Safeguard Standards, and the Council decision concerning mainstreaming and targeting of adaptation and resilience; and (3) project arrangements for impact evaluation at entry.

Findings and Conclusions

Outcome achievements of 80 percent of completed projects reviewed for fiscal year (FY) 2011 were rated in the satisfactory range. This level of achievement is comparable to FY 2009 and FY 2010. Within the APR 2011 cohort, 86 percent of projects implemented through the United Nations Environment Programme, 87 percent of United Nations Development Programme (UNDP) projects, and 67 percent of World Bank–implemented projects were rated moderately satisfactory or above. The number

of completed projects from the other GEF Agencies is not yet significant.

Fifty-seven projects were rated moderately likely or above in terms of the sustainability of their outcomes. Sixty percent of the total GEF investment in FY 2011—\$249 million out of \$412 million—went to these projects. Financial risks were the most frequently cited threats to outcome sustainability.

The level of cofinancing materialized, as reported by the GEF Agencies, is on average higher than the level of cofinancing expected at the time of project approval.

The GEF Council views cofinancing to be an indicator of a project's sustainability, country ownership, and mainstreaming of GEF activities into those of its partner institutions. For the FY 2011 cohort, \$2.90 in cofinancing was promised at project start for every dollar of GEF funding overall. The ratio of actual/materialized cofinancing to GEF grant amount at approval was higher, at \$5 of cofinancing per dollar of GEF grant. The FY 2011 overall percentage of actual cofinancing to promised cofinancing is 170 percent, indicating that actual cofinancing was 70 percent higher than expected. This percentage is significantly higher than the FY 2009–10 average of 131 percent. This jump in percentage from last year's cohort can be linked to eight UNDP projects.

The quality of monitoring and evaluation during implementation is rated moderately satisfactory or above for 67 percent of the projects evaluated since FY 2006.

The quality of M&E during implementation is strongly tied to quality of M&E arrangements at entry. Of the projects for which quality of M&E arrangements at entry is rated in the satisfactory range, quality during implementation is also rated in the satisfactory range for 80 percent in the FY 2011 cohort.

The quality of 84 percent of the terminal evaluations submitted during FY 2011 was rated as moderately satisfactory or above. The quality of terminal evaluation

reports was significantly higher among full-size projects than among medium-size projects: 90 percent versus 71 percent.

Eighty percent of projects endorsed by the Chief Executive Officer (CEO) in FY 2011 are compliant with minimum requirements for quality at entry as measured by GEF-4 standards. In comparison, 76 percent of the projects endorsed by the CEO during FY 2008 met the same minimum requirements. In FY 2011, projects by the original three GEF Agencies rated considerably higher than projects implemented through the newer GEF Agencies. As a group, the Asian Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Fund for Agricultural Development, the Food and Agriculture Organization of the United Nations, and the United Nations Industrial Development Organization have a significantly lower rate of compliance (58 percent). Among the focal areas, the multifocal area has the lowest rate of compliance at 33 percent.

GEF projects at entry demonstrate a high level of alignment between project logical frameworks and focal area results frameworks per the new requirement in the 2010 M&E Policy. In the context of the results-based management framework of the GEF, focal area results frameworks were developed outlining each focal area's strategic objectives, outcomes, indicators, targets, and outputs. In APR 2011, project results frameworks were assessed to determine if indicators from focal area results frameworks were included in project M&E design (at entry). The results were positive, with 96 percent of projects demonstrating a high level of alignment.

GEF projects are beginning to specify how operational focal points will be informed and, where feasible, involved in M&E activities. Of the 137 full-size projects endorsed by the GEF CEO in FY 2011, 24 address the role of operational focal points in planning, conduct, and results of all evaluation activities. The engagement of the focal points is a new requirement in the M&E Policy and is intended to improve national M&E, with an emphasis on increased country ownership.

For an **assessment of quality of arrangements for impact evaluation at entry**, 49 project proposals were chosen at random from projects endorsed by the CEO in FY 2011. The review rated overall quality of impact measurement arrangements specified in project proposals to be moderately satisfactory or above for 69 percent of the proposals. Forty-nine percent met the rating of satisfactory or above. A key finding was that project proposals that were endorsed as part of a programmatic approach largely tended to have a lower quality at entry rating for impact measurement arrangements.

The **GEF Management Action Record** tracks the level of adoption of GEF Council decisions on the basis of evaluation findings and recommendations. This year, 10 Council decisions were tracked and verified: 2 were rated as having a high level of adoption, 5 were rated as having made substantial progress on adoption, 2 were rated as having a medium level of adoption, and 1 had a negligible level of adoption.

Recommendations

One of the key courses of action recommended within the APR is that GEF Agencies should enhance their efforts to specify how operational focal points will be engaged, when feasible and relevant, in project M&E activities.

Issues for the Future

In the context of GEF Fifth Overall Performance Study, the GEF Independent Evaluation Office will further investigate the parameters for the new GEF Policy on Gender Mainstreaming, Environmental and Social Safeguard Standards, and the Strategic Priority for Adaptation. This will include a review of additional project documents and systems that Agencies have in place to monitor risks within these fields.

The GEF Independent Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF. The full version of *GEF Annual Performance Report 2011* (Evaluation Report No. 80) is available on the GEF Independent Evaluation Office website, www.gefeo.org. For more information, please contact the Office at gefevaluation@thegef.org.