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Agenda Item 13

**SEMI-ANNUAL EVALUATION REPORT OF THE
GEF INDEPENDENT EVALUATION OFFICE: JUNE 2015**

(Prepared by the GEF Independent Evaluation Office)

Proposed Council decisions:

Regarding the Joint GEF-UNDP Small Grants Programme Evaluation

The Council, having reviewed GEF/ME/C.48/02 “Semi-Annual Evaluation Report of the GEF Independent Evaluation Office: June 2015,” section on the Joint GEF-UNDP Small Grants Programme Evaluation, and GEF/ME/C.48/03, “Management Response to the Semi-Annual Evaluation Report of the GEF Independent Evaluation Office: June 2015,” section on the Joint GEF-UNDP Small Grants Programme Evaluation, requests the Secretariat to:

1) Revitalize the global SGP Steering Committee to support high-level strategic thinking in developing a long-term vision for the SGP, to foster dialogue between UNDP and the GEF on the SGP, and to advise the Council as appropriate on strategic decision making concerning the SGP.

The Council requests the Secretariat and UNDP to:

2) Continue upgrading the SGP Country Program, building on strengths while addressing the weaknesses identified by the evaluation. The criteria for selection of countries for upgrading should be revisited.

The Council takes note of Recommendations 3 and 4 addressed to UNDP and the CPMT.

Regarding the Evaluation of the Accreditation Process for Expansion of the GEF Partnership

The Council acknowledges the emerging lessons from the accreditation pilot and requests that the Secretariat takes these into account in preparing proposals regarding possible directions on accreditation in the context of the evolving GEF business model, as a basis for discussion at the 49th meeting of the Council in October 2015.

EXECUTIVE SUMMARY

1. This is the first Semi-Annual Evaluation Report (SAER) prepared for and presented to the Council by the GEF Independent Evaluation Office (IEO); it is intended to become the main reporting format from the IEO in every Council meeting. The purpose of introducing this new report is to streamline reporting from the IEO, to collect proposed Council decisions in one document, and to facilitate follow-up and monitoring of reporting and issues from the IEO over the long term from one Council meeting to the next. The SAER replaces three of the four annual reports presented by the IEO to the Council in the past: the Annual Impact Report, the Annual Country Portfolio Evaluation Report, and Annual Thematic Evaluation Report. As a perennial cornerstone report, the Annual Performance Report (APR) remains in place and is presented to the Council separately as an information document, and is summarized herein. The SAER also replaces the Annual Progress Report from the IEO Director.
2. The SAER presents the main findings, conclusions, and recommendations of major evaluations completed by the IEO during the reporting period. The proposed Council decisions pertaining to these evaluations are included at the beginning of the SAER. The full reports of the evaluations are provided to the Council as information documents. In this first SAER, we report on the APR 2014, the Joint GEF-UNDP Small Grants Programme Evaluation, and the Evaluation of the Accreditation Process for Expansion of the GEF Partnership. The SAER also provides updates on the progress of ongoing evaluations and other non-evaluation work of the IEO.
3. Since the October 2014 Council meeting, the IEO has consolidated its approach to supporting the Council and providing inputs to decision making in the GEF to become more fit-for-purpose to contribute to the GEF 2020 Strategy and to provide accountability and learning for GEF-6. The IEO has been restructured to streamline human resource management and to break down silos in evaluation streams. This will allow the Office to make better and more flexible use of the skills of staff members and to promote collaboration among the staff.
4. The **APR** 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) systems within the GEF partnership. The APR provides GEF Council members, the Secretariat, countries, partner Agencies, and other stakeholders with information on the degree to which GEF activities, systems, and processes are meeting their objectives and identifies areas for further improvement.
5. APR 2014 contains the following conclusions:
 - (a) *Conclusion 1:* Seventy-nine percent of the projects in the APR 2014 cohort and 81 percent of the funding is in projects with outcome ratings in the satisfactory range. When ratings are assessed by GEF replenishment phase, a pronounced rise in ratings is seen, moving from the pilot phase to GEF-4.
 - (b) *Conclusion 2:* Sixty-three percent of the projects in the APR 2014 cohort and 62 percent of the funding is in projects with sustainability of outcome ratings of moderately likely or above. A pronounced rise in sustainability ratings is seen moving from the pilot phase to GEF-4.
 - (c) *Conclusion 3:* Quality of implementation and execution ratings are in the satisfactory range for some 80 percent of all completed projects, and have risen over time—in line

with improvements in outcome and sustainability ratings. Differences in quality of implementation ratings are seen among GEF partner Agencies.

- (d) *Conclusion 4:* There has been a steady rise in the median ratio of promised cofinancing to GEF grant over the replenishment phases. (5) Ratings on the quality of M&E design and implementation have risen substantially over the GEF replenishment phases. At the same time, some 30 percent of completed GEF-4 projects have unsatisfactory M&E design ratings, indicating considerable scope for improvement.
- (e) *Conclusion 6:* Lessons from terminal evaluations highlight weaknesses in project design, the most commonly cited of which were weaknesses in M&E design, overly ambitious project objectives, and weaknesses in intervention strategy.
- (f) *Conclusion 7:* The quality of terminal evaluations received by the IEO over the past eight years is high among all partner Agencies, with 86 percent rated in the satisfactory range for overall quality of reporting. GEF Agencies have to date been inconsistent in evaluating programmatic approaches.

6. The **Joint GEF-UNDP Small Grants Programme Evaluation** responds to a direct request from the GEF Council. The evaluation covers the period 2008 to the present, with a focus on the fifth SGP operational phase (OP5). It was a joint effort of the GEF and the UNDP Independent Evaluation Offices.

7. The Joint GEF-UNDP Small Grants Programme Evaluation reached the following conclusions:

- (a) *Conclusion 1:* The SGP continues to support communities with projects that are effective, efficient, and relevant in achieving global environmental benefits while addressing livelihoods and poverty as well as promoting gender equality and empowering women. Replication, scaling-up, and mainstreaming are occurring.
- (b) *Conclusion 2:* The introduction of upgrading and related policies contributed to the evolution of the SGP by setting out expectations for country programs and their development over time. The new policies have resulted in increased resources for the SGP. However, they have also brought challenges. The current criteria for selecting countries for upgrading to FSPs are not optimal.
- (c) *Conclusion 3:* As a global program acting nationally and locally, and being grassroots driven, the SGP must align to GEF, UNDP, and national and local priorities. Within this context, the SGP has remained coherent while being flexible. However, different perspectives and changing contexts create tensions. The SGP's global or long-term vision has not been updated.
- (d) *Conclusion 4:* The SGP governance and management structures have been adequate, but are increasingly strained by a rapidly changing context. The GEF corporate nature of the SGP and the role and value added of UNDP as the GEF Agency are not clearly articulated.

- (e) *Conclusion 5:* Despite important progress, M&E does not adequately support decision making and remains too complex.

8. The Joint GEF-UNDP Small Grants Programme Evaluation makes the following recommendations:

- (a) *Recommendation 1:* To the GEF—The GEF should revitalize the SGP Steering Committee to support high-level strategic thinking in developing a long-term vision for the SGP, foster dialogue between UNDP and the GEF, and advise the Council as appropriate on strategic decision making.
- (b) *Recommendation 2:* To the GEF and UNDP—Continue upgrading, building on strengths while addressing the weaknesses identified. The criteria for selecting countries for upgrading should be revisited.
- (c) *Recommendation 3:* To UNDP—Ensure that the SGP is implemented under a single, coherent global program framework.
- (d) *Recommendation 4:* To UNDP and the CPMT—Continue efforts to improve M&E, designing more streamlined and useful M&E tools and activities.

9. The **Evaluation of the Accreditation Process for Expansion of the GEF Partnership** responds to a direct request from the GEF Council. The evaluation drew on interviews of key stakeholders and experts, review of the documents on the procedures and rules for accreditation, and review of the correspondence between the Secretariat and the applicants.

10. The Evaluation of the Accreditation Process reached the following conclusions

- (a) *Conclusion 1:* Early results of broadening the GEF partnership indicate that expanding the choices of recipient countries has provided the GEF access to new expertise and networks. Project Agencies report having gained from the accreditation process through improvements in their systems and standards.
- (b) *Conclusion 2:* Some aspects of the original policy design slowed the accreditation process.
- (c) *Conclusion 3:* Sufficient arrangements are in place to ensure that the accreditation panel is functionally and behaviorally independent. There is room for further strengthening of the checks and balances in the accreditation process.
- (d) *Conclusion 4:* Implementation of the accreditation process has been largely satisfactory but slower than expected.
- (e) *Conclusion 5:* Design and implementation has been transparent although some applicants perceived as having been unfair.
- (f) *Conclusion 6:* The accreditation process has so far been costlier than expected.

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I. INTRODUCTION

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2. The SAER presents the main findings, conclusions, and recommendations of major evaluations completed by the IEO during the reporting period. The proposed Council decisions pertaining to these evaluations are included at the beginning of the SAER. The full reports of the evaluations are provided to the Council as information documents. In this first SAER, we report on the APR 2014, the Joint GEF-UNDP Small Grants Programme Evaluation, and the Evaluation of the Accreditation Process for Expansion of the GEF Partnership. The SAER also provides updates on the progress of ongoing evaluations and other non-evaluation work of the IEO.

3. Since the October 2014 Council meeting, the IEO has consolidated its approach to supporting the Council and providing inputs to decision making in the GEF to become more fit-for-purpose to contribute to the GEF 2020 Strategy and to provide accountability and learning for GEF-6. The IEO has been restructured to streamline human resource management and to break down silos in evaluation streams. This will allow the Office to make better and more flexible use of the skills of staff members and to promote collaboration among the staff.

II. ANNUAL PERFORMANCE REPORT 2014

4. The APR 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) systems within the GEF partnership. The APR provides GEF Council members, the Secretariat, countries, partner Agencies, and other stakeholders with information on the degree to which GEF activities, systems, and processes are meeting their objectives and identifies areas for further improvement.

5. In total, 918 projects are covered in APR 2014, representing \$4.07 billion in GEF funding and \$19.1 billion in realized cofinancing.¹ This cohort covers 156 recently completed projects representing \$803.8 million in GEF funding and 111 projects completed prior to 2005 that are reported on for the first time. The majority of newly reported projects completed in year 2005 or

¹ This excludes GEF funding for project development activities. Data on realized cofinancing are available for 782 completed GEF projects.

later are those for which terminal evaluation reports were submitted to the IEO during the period from January 1, 2013, to December 31, 2014.

6. As in past years, APR 2014 reports on project outcomes, sustainability of project outcomes, quality of project implementation and execution, trends in cofinancing, quality of project M&E systems, and quality of terminal evaluation reports. This year's APR also features a substudy examining lessons from terminal evaluations of 603 completed GEF projects.

7. The findings presented are based primarily on the evidence and ratings in the terminal evaluation reports prepared by the GEF partner Agencies at the time of project completion. Prior to reporting in APRs, all terminal evaluations and ratings are reviewed and validated by the IEO, the independent evaluation offices of the GEF partner Agencies, or both. Since 2009, the IEO has adopted the ratings from the evaluation offices of the World Bank, the United Nations Development Programme (UNDP), and the United Nations Environment Programme (UNEP), when available, as past reviews have shown them to be largely consistent with those provided by the GEF IEO. In other instances, ratings provided by the IEO are reported.

8. This year's management action record (MAR) tracks 22 separate GEF Council decisions and reports on adoption of 18 of these decision. The tracked decisions include 20 decisions that were part of MAR 2013, and two new decisions that emerged from the May 2014 GEF Council meeting. In addition to the GEF Council decisions, the IEO has, since APR 2012, been tracking the adoption of the decisions of the Least Developed Countries Fund and Special Climate Change Fund (LDCF/SCCF) Council. One decision from the LDCF/SCCF Council is tracked in MAR 2014. The MARs are published on the IEO website.²

Findings and Conclusions

Conclusion 1: Seventy-nine percent of the projects in the APR 2014 cohort and 81 percent of the funding is in projects with outcome ratings in the satisfactory range. When ratings are assessed by GEF replenishment phase, a pronounced rise in ratings is seen, moving from the pilot phase to GEF-4.

9. To date, 909 completed GEF projects have been rated on overall outcome achievement, based on the extent to which project objectives were achieved, the relevance of project results to GEF strategies and goals and country priorities, and the efficiency with which project outcomes were achieved. Key findings of this assessment follow.

- (a) Seventy-nine percent of the projects in the APR 2014 cohort and 81 percent of the funding is in projects with outcome ratings in the satisfactory range; this is in line with the overall GEF-5 replenishment target of 80 percent of completed projects receiving satisfactory outcome ratings and above the GEF-4 target of 75 percent of completed projects.

² <http://www.gefio.org>

- (b) When outcome ratings are assessed by GEF replenishment phase, a pronounced rise in outcome ratings is seen, moving from the pilot phase through GEF-4. Differences in outcome ratings are most pronounced when comparing projects from the pilot phase with those of later GEF phases. Analysis of factors associated with outcome ratings—including quality of implementation, quality of M&E systems, and level of cofinancing—suggest that the improvements in overall outcome ratings may be linked to improvements and changes in all of these associated factors. They may also be linked to factors that are not fully captured by the indicators tracked by the IEO through the APR.
- (c) Among the GEF partner Agencies, outcome ratings on UNDP-implemented projects have on average risen over time, from 64 percent of pilot phase projects ($n=33$) rated as satisfactory to 87 percent of GEF-4 projects ($n=86$). Reasons for the increase in UNDP ratings are not fully understood. Seventy-one percent of completed GEF-3 World Bank projects ($n=94$) are rated in the satisfactory range compared with 80 percent of World Bank projects from the pilot phase through GEF-2. Reasons for the lower ratings on GEF-3 World Bank ratings are not well understood, although they may be linked to an increase in the level of stringency with which the World Bank Independent Evaluation Group applies its ratings criteria when reviewing terminal evaluations.
- (d) Just 68 percent all completed jointly implemented projects ($n=34$) are rated as satisfactory, compared with 82 percent of single-Agency-implemented projects ($n=875$). This difference is significant at a 95 percent confidence level.
- (e) Two other areas that continue to underperform relative to the larger portfolio are projects implemented in African states and in small island developing states (SIDS).

Conclusion 2: Sixty-three percent of the projects in the APR 2014 cohort and 62 percent of the funding is in projects with sustainability of outcome ratings of moderately likely or above. A pronounced rise in sustainability ratings is seen moving from the pilot phase to GEF-4, with those of pilot phase projects significantly lower than those of other phase projects.

10. To date, 877 completed GEF projects have been rated on their sustainability, based on the perceived risks to sustainability of project outcomes. Key findings of this assessment follow.

- (a) Sixty percent of all completed projects and 61 percent of funding is in projects with sustainability ratings of moderately likely or above. By the same token, over a third of all completed projects have sustainability ratings of moderately unlikely or below.
- (b) Significant shifts in sustainability ratings are found when projects are grouped by GEF replenishment phase, with ratings on pilot phase projects significantly lower than those of other phase projects. Forty-five percent of rated projects from the pilot phase have sustainability ratings of moderately likely or above, compared with 61 percent of non-pilot phase projects. This difference is statistically significant at a 95 percent confidence level. There could be several reasons for this difference, including weakness in the project design of the pilot phase projects, changes in priorities

addressed through projects, and the change in the operational context in which these projects are implemented. This remains an area for further study.

- (c) Among completed GEF projects, satisfactory sustainability ratings (moderately likely or above) are highly correlated with satisfactory outcome ratings.
- (d) Among all completed projects, climate and chemical focal area projects tend to have higher sustainability ratings than biodiversity, land degradation, and multifocal projects.

Conclusion 3: Quality of implementation and execution ratings are in the satisfactory range for some 80 percent of all completed projects, and have risen over time—in line with improvements in outcome and sustainability ratings. Differences in quality of implementation ratings are seen among GEF partner Agencies.

11. To date, 726 completed projects have been rated on quality of implementation, and 734 rated on quality of execution. Key findings of this assessment follow.

- (a) Quality of implementation and quality of execution ratings are in the satisfactory range for 78 percent and 83 percent, respectively, of all completed projects.
- (b) The percentage of completed projects with satisfactory quality of implementation ratings has risen over time, from 52 percent of pilot phase projects to 87 percent of GEF-4 projects. Similarly, the percentage of completed projects with satisfactory quality of execution ratings has risen from 72 percent of pilot phase projects to 86 percent of GEF-4 projects. Improvements in quality of execution ratings are notable in that they suggest that the performance of executing partners on the ground may be linked to other factors that have shown improvement over time, including quality of implementation and quality of M&E systems.
- (c) Among the Agencies, from the pilot phase to the GEF-4 period, there has been a substantial increase in the percentage of UNDP projects that received quality of implementation ratings in the satisfactory range. The improvement from the pilot phase (26 percent) to GEF-1 (73 percent) is salient; after this, the ratings show marginal improvements. Trends for other Agencies are not as clear.
- (d) Among projects implemented in the Africa region, in SIDS, and under joint implementation arrangements—three areas of the GEF portfolio where overall outcome ratings have on average been lower—quality of execution ratings are also markedly lower. This finding is statistically significant at a 95 percent confidence level when considering all projects completed over the past eight years.

Conclusion 4: There has been a steady rise in the median ratio of promised cofinancing to GEF grant over the replenishment phases. The GEF partners continue to largely meet or exceed cofinancing expectations.

12. Of the completed projects to date, data on realized cofinancing is available for 782 projects. Trends in cofinancing follow.

- (a) The median ratio of promised cofinancing to GEF grant—what would be present in a “typical” project—has risen from around 30 cents of promised cofinancing to each dollar of GEF grant in the pilot phase, to over 2 dollars of cofinancing for each dollar in of GEF grant in GEF-4. When considering all approved full- and medium-size projects (FSPs and MSPs) from the pilot phase through GEF-4, the portfolio ratio of promised cofinancing to GEF grant has risen from 2.5 in GEF-1 to 6.3 in GEF-4.
- (b) Portfolio-level cofinancing ratios are driven by a small number of exceptional projects. Among all completed projects to date with data on realized cofinancing ($n=782$), the top 5 percent of projects with the highest cofinancing ratios ($n=39$) have generated some 66 percent of all realized cofinancing (\$12.57 billion of \$19.13 billion total realized cofinancing).
- (c) The percentages of projects realizing at least 90 percent and 100 percent of promised cofinancing have risen over time, from 68 percent and 60 percent of pilot phase projects realizing at least 90 percent and 100 percent, respectively, of promised cofinancing; to 79 percent and 69 percent in GEF-4.
- (d) By focal area, a smaller share of climate change projects have realized 90 percent or more of promised cofinancing compared to projects from other focal areas. Sixty-two percent of completed climate change projects ($n=192$) have realized at least 90 percent of promised cofinancing compared to 73 percent of non-climate change projects ($n=579$); this difference is statistically significant at a 95 percent confidence level. While the total amount of realized cofinancing among completed projects exceeds the total amount of promised cofinancing (\$11.4 billion compared to \$9.6 billion), findings show that at the project level, a significant share of climate projects fail to realize the expected levels of cofinancing.
- (e) Among regions and considering more recent GEF-3 and GEF-4 projects, a smaller share of projects implemented in African countries have realized 90 percent or more of promised cofinancing compared to projects implemented elsewhere. Sixty-four percent of completed GEF-3 and GEF-4 projects implemented in Africa have realized 90 percent or more of expected cofinancing, compared to 75 percent of non-African projects; again, the difference is significant at a 95 percent confidence level.

Conclusion 5: Ratings on the quality of M&E design and implementation have risen substantially over the GEF replenishment phases. At the same time, some 30 percent of completed GEF-4 projects have unsatisfactory M&E design ratings, indicating considerable scope for improvement.

13. To date, 847 completed projects have been rated on quality of M&E design, and 763 completed projects have been rated on quality of M&E implementation. Key findings of this assessment follow.

- (a) Ratings on quality of M&E design have risen substantially over time, from 34 percent of pilot phase projects rated in the satisfactory range to 72 percent of GEF-4 projects. Similarly, ratings on quality of M&E implementation have risen from 42 percent of

pilot phase projects to 70 percent of GEF-4 projects being in the satisfactory range. The difference in the share of projects with satisfactory M&E design and M&E implementation ratings between the pilot phase and GEF-1 and subsequent phase projects is statistically significant at a 95 percent confidence level.

- (b) Some 30 percent of completed GEF-4 projects are rated as having unsatisfactory quality of M&E design and implementation—showing considerable scope for improvement.
- (c) For pilot phase projects implemented by UNDP, M&E design at entry was weak, but M&E was weaker during project implementation. For GEF-1 projects, however, even though the M&E design at entry ratings are low for a significant percentage of projects, the M&E weaknesses seem to have been rectified by UNDP during implementation, leading to an improved M&E implementation rating. A similar pattern of rectifying weaknesses in M&E design during implementation is seen in GEF-2 for UNEP-implemented projects.
- (d) Ratings on quality of M&E implementation are, on average, lower among completed multifocal area projects than for all other focal areas and have declined over time: 56 percent of GEF-2 projects ($n=9$), 47 percent of GEF-3 projects ($n=34$), and 38 percent of GEF-4 projects ($n=16$) were rated in the satisfactory range. Reasons for the declining pattern in M&E implementation ratings among multifocal area projects are not yet understood.

Conclusion 6: Lessons from terminal evaluations highlight weaknesses in project design, the most commonly cited of which were weaknesses in M&E design, overly ambitious project objectives, and weaknesses in intervention strategy.

14. Lessons from terminal evaluations of 603 completed GEF projects were assessed to identify those meeting criteria for relevance and usefulness. In total, 594 lessons from 293 terminal evaluations met the criteria for inclusion; the lessons were then classified. Key findings of this study follow.

- (a) Only half of all terminal evaluations assessed had lessons meeting the study criteria for broad applicability and relevance.
- (b) Most lessons meeting the inclusion criteria highlighted perceived weaknesses in project design, of which—in order of frequency—weaknesses in M&E design, overly ambitious project objectives, and weaknesses in intervention strategy were the most commonly cited lesson types.
- (c) Multifocal area project evaluations were twice as likely as evaluations of single-focal projects to have lessons highlighting weaknesses in the design of the project's M&E system.
- (d) Lessons noting overambitious project objectives concerned, in order of frequency, underestimation of time and effort required, unrealistic objectives given the scope of the project, and underestimation of financial costs. Notably, no appreciable difference

was found between FSPs and MSPs in the percentage of terminal evaluations citing this issue.

- (e) The two most frequently cited strengths in project design were (1) including a strong role for stakeholder participation in design and/or implementation, which was seen as fostering ownership and a shared vision among project stakeholders; and (2) a flexible design that facilitated adaptive management.
- (f) Evaluations of projects implemented in SIDS were twice as likely to have lessons highlighting weaknesses in project management or oversight as evaluations of projects implemented in non-SIDS.

Conclusion 7: The quality of terminal evaluations received by the IEO over the past eight years is high among all partner Agencies, with 86 percent rated in the satisfactory range for overall quality of reporting. GEF Agencies have to date been inconsistent in evaluating programmatic approaches.

15. Six hundred and twenty-six terminal evaluations completed over the past eight years have been rated on quality of reporting. Key findings from this assessment follow.

- (a) Eighty-six percent of terminal evaluations received by the IEO over the past eight years have satisfactory ratings for overall quality of reporting. A small (~5 percent) difference in the percentage of terminal evaluations with satisfactory overall quality ratings is observed when evaluations are sorted based on project size.
- (b) Two areas where reporting has remained relatively weak are reporting on project financials and the quality of M&E systems.
- (c) APR 2014 includes the results of a study examining findings on lessons contained in terminal evaluations of GEF projects. One finding is that around half of all terminal evaluations assessed ($n=603$) did not contain lessons meeting the criteria used to identify lessons seen as having broad applicability among GEF partners.

16. To date, the GEF Agencies have been inconsistent in evaluating programmatic approaches. Agencies have submitted evaluations of child projects approved under a programmatic approach, but not of the overall programmatic approach itself; evaluated the programmatic approach but not completed child projects under the programmatic approach; and evaluated a subset of child projects approved under a programmatic approach. In addition, in one submitted evaluation covering 15 MSP child projects, it was not possible to discern individual project performance ratings on the individual MSPs using the information provided in the portfolio evaluation.

Management Action Record

17. The MAR 2014 tracked 22 GEF Council decisions, of which four were prescreened for detailed assessment through evaluations that are included in the IEO's four year work program. Of the remaining eighteen, six have been graduated due to high or substantial progress. Eight have been retired because action on these is linked to the GEF replenishment cycles, e.g.

decisions related to improvements in the System for Transparent Allocation of Resources (STAR) and National Portfolio Formulation Exercise for GEF-6. Four of the decisions continue to be relevant and will be reported on in future.

III. COMPLETED EVALUATIONS

Joint GEF-UNDP Small Grants Programme Evaluation

18. The Joint GEF-UNDP Small Grants Programme Evaluation responds to a direct request from the GEF Council. The evaluation covers the period 2008 to the present, with a focus on the fifth SGP operational phase (OP5). It was a joint effort of the GEF and the UNDP Independent Evaluation Offices. The evaluation's execution structure consisted of a steering committee, a management team, and an evaluation team; the latter comprised of independent evaluators, consultants, and research assistants.

19. The evaluation responds to a set of key questions included in the terms of reference,³ covering four main areas: (1) current role and results of the SGP—effectiveness in achieving global environmental benefits while addressing livelihoods, poverty, and gender; (2) broader adoption issues; (3) SGP's strategic positioning; and (4) efficiency issues, including M&E. Particular attention was given to the upgrading of SGP country programs and related policies.

20. The evaluation adopted a mixed-methods approach encompassing both quantitative and qualitative data gathering and analyses. Country studies were conducted through interviews, field visits, and documentation review in 12 countries, ranging from the longest running country program to more recent ones in the GEF's main geographical regions. In each country, 10 to 15 projects were visited to collect project-specific data. A global online survey was administered to national stakeholders. The questionnaire was sent to a total of 2,449 people, and the overall response rate was 48 percent. Responses were received from 124 countries. Other evaluation tools used included a general literature review; a meta-analysis of 50 evaluations related to the SGP; an in-depth review of a sample of 30 SGP country program strategy documents; a portfolio review of detailed financial data—in the UNDP, Central Program Management Team (CPMT), and United Nations Office for Project Services (UNOPS) databases; and interviews with key central-level SGP stakeholders.

Conclusions

21. The vast amounts of data collected provide a rich picture of the SGP and its operations during 2008–14, which allowed the evaluation to reach the following five main conclusions.

Conclusion 1: The SGP continues to support communities with projects that are effective, efficient, and relevant in achieving global environmental benefits while addressing livelihoods

³ The evaluation terms of reference are annexed to the final evaluation report, available as Council Information Document GEF/ME/C.48/Inf.02

and poverty as well as promoting gender equality and empowering women. Replication, scaling-up, and mainstreaming are occurring.

22. The SGP has successfully delivered grants to communities in more than 125 countries since start of operations in 1992. These grants are leading to a direct impact on biodiversity, climate change mitigation and adaptation, land and water resources, and use of chemicals, while addressing livelihoods. The grants and the overall SGP are used efficiently and are relevant.

23. The SGP has established a structure and system that are committed not only to achieving global environmental benefits but also to addressing the socioeconomic objectives of improving livelihoods, reducing poverty, promoting gender equality, and empowering women. The structure and system include skilled, competent, and committed people and institutions at the global, national, and local levels. The system ensures global policies are translated into action at the local level. Results at the local level are rather impressive, with high percentages of projects contributing to livelihoods, poverty reduction, and gender issues, although many projects do not contribute to all socioeconomic objectives.

24. SGP achievements are being replicated at the local scale, and up-scaled and mainstreamed into local and—at times—national development processes. This happens more frequently in the more mature countries. Broader adoption occurs through a range of mechanisms—essentially replication, scaling-up, and mainstreaming—which are country and site specific. In each case, many factors and stakeholders play a role. Of the many factors contributing to broader adoption, the single greatest is the activities of national stakeholders, notably the national coordinators and the national steering committee members.

Conclusion 2: The introduction of upgrading and related policies contributed to the evolution of the SGP by setting out expectations for country programs and their development over time. The new policies have resulted in increased resources for the SGP. However, they have also brought challenges. The current criteria for selecting countries for upgrading to FSPs are not optimal.

25. Since 2008, the SGP upgrading policy and other policies guiding SGP access to GEF resources have been actively implemented. This has not only enabled the SGP to continue, but has also contributed to its expansion in total funding and number of countries—leading in turn to other opportunities in terms of approach and partnerships.

26. However, the way these policies and measures were operationalized had a number of negative effects, including increased delays and transaction costs and increased competition with other GEF project proponents, with the risk of the SGP being left unfunded. And in the case of upgraded country programs, additional challenges included reduced time and flexibility to complete country programs and respond to local partners, and possibly to a more top-down approach with less community ownership over country program design and management. Some of these effects can be interpreted as teething problems, and their occurrence is to be expected with the introduction and operationalization of major policies such as these. There is now an opportunity to build on the strengths experienced and address the weaknesses identified.

27. Currently, country programs in upgraded countries are implemented through the FSP modality. This has the advantage of allowing more flexibility in-country and increasing available funds in some countries, but it does have some associated negative aspects. Countries with low capacity may face even greater challenges in implementing through the FSP modality. Additionally, as presently structured, upgrading is neither suitable for countries with a low STAR allocation nor for countries with limited ability to prepare and implement FSPs.

28. In OP5, countries were selected for upgrading to FSPs on the basis of two criteria that are not optimal and that are too narrow—i.e., age of the program (in years) and overall program size (in terms of cumulative grants). A wide range of factors affect the maturity of a country program, and progress does not always occur steadily over time. A widely held opinion among GEF stakeholders at all levels is that program maturity is not solely, or even predominantly, linked to program age or to number of grants issued. And if the selection criteria are inappropriate, there is a risk of choosing countries where the context and local capacity are not favorable to upgrading or not choosing countries where context and capacity are optimal for upgrading. Two new criteria have been introduced for OP6; unfortunately, they do not change the substance of this conclusion.

Conclusion 3: As a global program acting nationally and locally, and being grassroots driven, the SGP must align to GEF, UNDP, and national and local priorities. Within this context, the SGP has remained coherent while being flexible. However, different perspectives and changing contexts create tensions. The SGP's global or long-term vision has not been updated.

29. Not only does the SGP need to align to GEF and UNDP policies and priorities, but it also has to adapt to multiple and diverse national and local policies and priorities that vary from site to site and country to country. Notwithstanding, a high degree of relevance is found among SGP priorities and programs, encompassing a mixture of the global environment, the local environment, community empowerment, poverty and livelihoods, and gender.

30. Yet, there are also differences of opinion among SGP stakeholders, including global and national planners and managers. Different stakeholders have different interpretations of the SGP, of its components and of how they are interrelated; these translate into different expectations of what the SGP should be and do as a global environmental program. Notably, stakeholders have different views on how to balance the objectives of global environmental benefits and livelihoods, and on the extent to which there may be trade-offs between the two sets of objectives. The way and extent to which broader adoption should be pursued by the SGP is another example of diverging interpretation.

31. The overall context has changed since 1992. The policies and priorities driving SGP have evolved since its inception more than 20 years ago. Country programs have each followed unique, nonlinear paths. The SGP global vision has not been updated accordingly to adapt to these changes.

Conclusion 4: The SGP governance and management structures have been adequate, but are increasingly strained by a rapidly changing context. The GEF corporate nature of the SGP and the role and value added of UNDP as the GEF Agency are not clearly articulated.

32. The SGP governance and management structures have evolved with the SGP and have been, on the whole, effective in supporting the SGP. Some weaknesses have nevertheless emerged since 2008. The absence of a mechanism for high-level interactions between the GEF and UNDP affects the program's clarity of purpose. The upgrading process has led to tensions in the governance and management structure; these may grow as the number of upgraded countries increases. Defining SGP as a corporate program or modality has not yet contributed to shaping a vision or expectations for the SGP.

33. UNDP adds significant value to the SGP, including providing a management framework and implementation infrastructure, supporting substantive issues at the global level, and—many countries—providing technical support on issues such as the global environment, poverty, gender, capacity development, knowledge management, M&E, and broader adoption. However, as a GEF Agency, UNDP's added value is not optimized. The SGP is not mainstreamed into UNDP global programming, and the links between the SGP and UNDP's environment, governance, poverty, and gender initiatives are not fully established. At the national level, in many countries, the SGP is not seen as a full part of UNDP program and country activities. Globally and nationally, UNDP's identity and role as the GEF Agency for a corporate program have not been adequately explored and developed.

34. UNDP management of the upgraded countries has differed from that of the rest of the SGP. For most of the period under review, SGP implementation through two separate mechanisms (FSPs and the CPMT) undermined knowledge management and complicated M&E. Recently, UNDP has introduced several important changes in management arrangements at the central level in an attempt to bring the two components together. At the country level, as the number of upgraded countries is set to grow, this may become an increasingly significant issue, and there remains a real danger of the SGP splitting de facto into two (or more) programs—potentially undermining effectiveness and efficiency.

Conclusion 5: Despite important progress, M&E does not adequately support decision making and remains too complex.

35. Significant progress has been made with the SGP M&E system since 2008, particularly at the global level. Yet the challenging nature of a global program like the SGP means that weaknesses still remain related to monitoring and evaluating its impacts. There are also important weaknesses at the national and project levels. At present, the M&E system is unable to provide a clear picture of the impacts of the SGP on the global environment. Moreover, emerging issues such as addressing poverty, gender, broader adoption, and trade-offs, place additional burdens on the M&E system.

36. The issue is not a lack of resources for M&E. Rather, a sharper focus and better use of M&E resources and information are needed. An opportunity exists for the GEF and the SGP to continue developing innovative, simpler M&E tools and systems that are better adapted to the needs and resources of the SGP.

Recommendations

37. Based on these five conclusions, the evaluation formulated the following four main recommendations addressed to the relevant recipients. As a joint evaluation, a joint management response has been requested from the GEF and UNDP. Only Recommendations 1 and 2 are of direct concern for the GEF Council, and will be tracked in the Office's MAR.

To the GEF

Recommendation 1: The GEF should revitalize the SGP Steering Committee to support high-level strategic thinking in developing a long-term vision for the SGP, foster dialogue between UNDP and the GEF, and advise the Council as appropriate on strategic decision making.

38. The SGP has continued to be a relevant, effective, and efficient program; however, in some areas, there is a lack of clarity as to expectations for the program and its long-term evolution. The revitalized global Steering Committee—which could include the GEF Secretariat, UNDP, UNOPS, a representative from the GEF NGO Network, and/or other members as appropriate—would provide a forum for clarification of the SGP's long-term vision, future approaches to upgrading (including upgrading criteria), articulation of the role for broader adoption in the SGP, the balance between global environmental benefits and socioeconomic objectives, and other issues as they may arise. The Steering Committee should assist in articulating the GEF corporate nature of the SGP, clarifying the role and responsibilities of UNDP as a GEF Agency implementing a GEF corporate program, and developing a strategy to optimize UNDP's value added. Where policy decisions are required, the Steering Committee would provide advisory services to the GEF Council. At the final stakeholder consultation workshop on the draft evaluation, the evaluation team was informed that discussions are ongoing on draft terms of reference for a revitalized Steering Committee. In fact, the recommendation on revitalizing the global SGP Steering Committee was already formulated in the Fifth Overall Performance Study's (OPS5's) final report, which in turn was informed by the first phase report of this joint evaluation.

39. Some of these issues could also be discussed in a wider forum—for example, in an international workshop bringing in SGP decision makers and implementers, as well as other stakeholders and partners from selected program countries. The proceedings of such a high-level forum could then be shared with the GEF Council for consideration.

To the GEF and UNDP

Recommendation 2: Continue upgrading, building on strengths while addressing the weaknesses identified. The criteria for selecting countries for upgrading should be revisited.

40. Upgrading should be seen as a continual process, in which country programs mature, acquire capacity, and are expected to evolve in terms of their partnerships, cofinancing, and degree of mainstreaming to eventually reach an upgraded status. Consolidation of the upgrading process should be sufficiently flexible to match the conditions prevailing in all participating countries, while maintaining an incentive to each and every country program to evolve. The criteria for upgrading should be revisited and recommendations for revisions submitted to the

GEF Council. This revision should be informed by the SGP Steering Committee and/or the proceedings from the international conference mentioned in Recommendation 1.

41. The FSP modality for upgraded countries should be modified to maximize the positive and minimize the negative effects. This could include the use of innovative procedures that

- (a) allow FSPs to follow the annual rolling modality of the SGP rather than being limited to fixed time frames;
- (b) ensure that civil society continues to be at the “wheel” of the SGP—even when no longer alone in the driving seat;
- (c) allow groups of upgrading countries to implement their SGP country program through a single multicountry FSP, as was done for STAR I and STAR II non-upgraded countries; and
- (d) allow the most mature countries with small STAR allocations to be able to upgrade but still use SGP core funds—hopefully thereby combining the characteristics and benefits of the FSP modality with the use of SGP core funds.

42. Finally, although all countries should be able to adopt the upgraded status, this should be voluntary for least developed countries and SIDS.

43. For non-upgraded countries, the process for accessing STAR funds through a global project should be modified to minimize delays and uncertainties, as well as to lessen the current competition for GEF funding among stakeholders at the country level.

To UNDP

Recommendation 3: Ensure that the SGP is implemented under a single, coherent global program framework.

44. All SGP country programs, whether upgraded or not, should be implemented under a single, coherent global program framework. As country programs mature from being funded purely by core funds to increasingly accessing GEF STAR resources—and ultimately upgrading to be executed as FSPs—the type and level of support from UNDP and the CPMT should evolve as a continuum within that program management framework.

45. In addition, in line with a strategy to optimize UNDP’s value added as the SGP Implementing Agency, as mentioned under Recommendation 1, UNDP should provide guidance to the SGP and to its resident representatives to strengthen synergies between SGP and UNDP programming at the country level, while recognizing the SGP as a GEF corporate program.

To UNDP and the CPMT

Recommendation 4: Continue efforts to improve M&E, designing more streamlined and useful M&E tools and activities that balance the need to measure with the need to provide support to local communities in tackling environmental issues.

46. Under GEF Secretariat guidance, UNDP and the CPMT should continue to strengthen and streamline M&E. The CPMT should move quickly to update its M&E framework, with a focus on streamlining and aligning indicators and tools to track and validate progress toward SGP strategic objectives, as appropriate at the global, national, and local levels. An opportunity exists for developing and performing a more practical monitoring function by using simple but innovative M&E tools and systems that are adapted to the needs, resources, and community focus of the SGP, and that achieve a financial and operational balance between the need to measure and the need to provide support to local communities in tackling environmental issues of global significance. A concrete source of inspiration in developing village-level indicators is ongoing SGP cooperation with the Community Development and Knowledge Management for the Satoyama Initiative (COMDEKS).

47. As a result of the revised M&E framework, the monitoring demands on the national coordinators and grantees should be reduced overall, but should contribute to a clearer picture of project and national progress. The CPMT should consider moving quickly to recruit a full-time senior M&E officer whose main task would be to develop and implement the revised M&E framework.

Evaluation of the Accreditation Process for Expansion of the GEF Partnership

48. In November 2010, based on the recommendations presented in the paper “Broadening of the GEF Partnership under Paragraph 28 of the GEF Instrument: Key Policy Issues” (GEF/C.39/7/Rev.2), the Council decided that the GEF will initiate an accreditation process for broadening the GEF partnership. The Council also instructed the IEO to initiate an evaluation of the accreditation pilot by January 2015. The aim of the proposed evaluation was to help the Council decide whether to continue accrediting GEF Project Agencies and whether or how the accreditation policies and procedures should be amended (GEF/C.40/09).

49. In its October 2014 progress report on the pilot on accreditation, the GEF Secretariat requested the Council to consider postponing the start of the evaluation to October 2016, because it would be too early to learn about the effects of the expansion of the GEF partnership. The Council agreed that it is early to assess these effects, but felt that an evaluation focused on the accreditation process would still be useful. The Council therefore requested the IEO to undertake an evaluation of the GEF accreditation process, to be presented at the June 2015 meeting.⁴ The evaluation of the GEF accreditation process was undertaken by the IEO, and the detailed report is being presented as an information document (GEF/ME/C.48/Inf.03).

50. The key questions of this evaluation were the following:

- (a) To what extent is the accreditation process designed to achieve its intended purpose?
- (b) To what extent is the accreditation process fair and transparent?

⁴ Decision on Agenda Item 11 Progress Report on the Pilot Accreditation of GEF Project Agencies & Timeline for Further Discussion of Accreditation. *Joint Summary of the Chairs, October 28–30, 2014. October 2014*

- (c) To what extent has the accreditation process been efficient from the perspective of different stakeholders?
- (d) What are the early results of the accreditation process?
- (e) What lessons have emerged from the GEF's experience so far on accreditation?

51. The evaluation drew on interviews of key stakeholders and experts, review of the documents on the procedures and rules for accreditation, and review of the correspondence between the Secretariat and the applicants. It also drew on the application materials submitted by the Agencies and the assessments prepared by the value-added panel and the accreditation panel. Forty-seven respondents were interviewed or provided written responses if not available for interview. Some stakeholders were interviewed on multiple occasions. For most questions, information was available from several sources, which helped in identifying points of agreement and points where perspectives differed based on the type of information source or individual experience. This facilitated triangulation of the information.

Accreditation Process

52. The accreditation process has three distinct stages:

- (a) Stage 1: Application, value-added review, and council approval
- (b) Stage 2: Application and accreditation panel review
- (c) Stage 3: Negotiation and conclusion of financial procedures agreement and memorandum of understanding

53. After applicants clear Stage 3, they are included in the GEF partnership as GEF Project Agencies and become eligible to submit project identification forms (PIFs) for resources from the trust funds managed by the GEF—i.e., the GEF Trust Fund, the LDCF, and the SCCF.

54. The first round of submissions came after the call for applications on November 3, 2011, and included 16 applications—6 from national agencies, 4 from regional organizations, 4 from civil society organizations, and 2 from UN organizations. The UN organizations were not reviewed in light of the rule that at least five national agencies need to be approved before entities that are not national, regional, or nongovernmental organizations be considered. Of the remaining 14 applications that were considered, 11 were recommended for approval to the Council in its June 2012 meeting, all of which were accepted by the Council. These 11 applicants moved to Stage 2, and the panel began reviewing their applications in June 2012. The first agency cleared Stage 2 in June 2013; as of April 2015, five agencies had cleared Stage 2, four of which have completed Stage 3 as well. The applications of two other agencies were rejected, one was withdrawn, and the remaining three are in the process of completing Stage 2.

Conclusions

Early Results from Broadening

Conclusion 1: Early results of broadening the GEF partnership indicate that expanding the choices of recipient countries has provided the GEF access to new expertise and networks. Project Agencies report having gained from the accreditation process through improvements in their systems and standards. While the new Project Agencies in the GEF partnership have put additional demands on the Secretariat, such demands are expected to decline once these agencies gain more experience.

55. The Project Agencies that have been included in the GEF partnership have led to an expansion of the choices available for recipient countries. Responses provided by operational focal points, preferences indicated by recipient countries during Extended Constituency Workshops conducted by the GEF Secretariat, and the emerging portfolio of the GEF Project Agencies all present evidence of progress in this direction. As more agencies are included, the choices are bound to increase further. The new Project Agencies also provide the GEF with access to new networks and have comparative advantages in addressing several GEF priorities. WWF, IUCN, and CI report that their network of partners expands the reach of the GEF partnership. DBSA, the only national agency to have fully completed the accreditation process so far, notes that it works intimately with municipalities, and that this will expand the reach of the GEF partnership. The Project Agencies that have been accredited so far address concerns related to biodiversity conservation, sustainable forest management, land degradation, climate change adaptation, large marine ecosystems, and—to some extent—climate change mitigation, chemicals, and waste.

56. Given the steep learning curve, the project proposals submitted by the new Project Agencies require more upstream consultation and feedback from the Secretariat; however, this situation is improving as they gain more experience. The project reviewers at the GEF are appreciative of the flexibility and responsiveness demonstrated by the new Project Agencies in taking their feedback onboard.

57. Most applicants believe that the accreditation process has led to improvements within their organizations. For example, the accreditation process provided Conservation International an opportunity to strengthen its gender mainstreaming policy. Conservation International was also able to develop a uniform approach across the agency by adapting the best practices from among its different units. IUCN reported having made changes to its internal management practices, which has been appreciated by its donors. FUNBIO reported that accreditation process led their Board to agree to establish an internal audit system—something that their top management had wanted to do for long but had not gotten around to doing it. Additionally, FUNBIO noted that accreditation has added to their reputation, as accreditation has given them more international visibility. WWF-US reported improvements in its approach to safeguards.

Accreditation Process Design

Conclusion 2: The accreditation process is designed to identify agencies that are in compliance with the GEF fiduciary standards, environmental and social safeguards, and gender mainstreaming policy, and that add value to the GEF partnership. However, some aspects of the original policy design slowed the accreditation process.

58. The purpose of the accreditation process is to help the GEF identify Project Agencies that are strategically aligned with GEF priorities and would add value to the partnership, are in compliance with GEF fiduciary standards and environmental and social safeguards; and would provide greater choice to the recipient countries and foster country ownership. The process's design does ensure that the accredited agencies are likely to be in line with expectations. The criteria and questions developed for Stages 1 and 2 of the process are consistent with the relevant GEF policies, standards, and priorities. The process prioritized national entities in terms of assured representation in the pilot. The requirement that an application for Stage 1 also include a GEF operational focal point endorsement ensures that there is sufficient country ownership for an applicant as a Project Agency.

59. Ambiguities were created at Stage 1 with language in application forms and standards, and a lack of specification of performance thresholds for rating responses to the majority of questions. At Stage 2, the uniform criteria applied to applicants did not allow for sufficient flexibility. The policy required using the World Bank's fiduciary and environmental and social safeguard standards, which had been framed from a perspective of a multilateral development bank with lending operations, limited its potential for generic use and posed a high bar for applicants. While fiduciary standards were well aligned with international benchmarks, the environmental and social safeguard standards created a challenge. Unlike the fiduciary standards, there are no globally accepted environmental and social safeguard standards, so applicants were less familiar with these, and had few in place at the beginning of the process, thus creating the need to build new systems during accreditation and leading to delays.

60. Cost neutrality is a central feature of the accreditation design; however, certain trade-offs exist. First, cost neutrality would not have been achieved, because costs related to value-added assessment and GEF staff dedicated to accreditation were not covered. While the initial application fee was necessary to increase the likelihood that only qualified applicants responded, the case-by-case determination of additional fees for further review and field verification increased the potential for delay.

Independence of the Accreditation Process

Conclusion 3: Sufficient arrangements are in place to ensure that the accreditation panel is functionally and behaviorally independent, adding to the credibility of the process. There is room for further strengthening of the checks and balances in the accreditation process.

61. One of the challenges for the Council Subcommittee in designing the accreditation process was to ensure that the process was not susceptible to political pressures and that it would not pose a reputational risk for the GEF. To a large extent, the actual arrangements put in place are effective in meeting the challenge.

62. Stage 1 of the accreditation process, which entails value-added assessment, was designed as a criteria-based in-house assessment to be conducted by a panel comprised of the Secretariat staff. Elaborate criteria and procedures were developed for value-added assessment to provide legitimacy to what otherwise could have been an arbitrary exercise. However, given that it was conducted in-house and that the Value-Added Review panel members report to GEF management in their regular work, the process—by design—was not structurally independent. Despite this structural factor, the design of the Stage 1 process does increase the ability of GEF management to base its recommendation for Council approval of applicants to move to Stage 2 on rich information on strategic fit and value added gathered through the process.

63. Stage 2, which entails accreditation panel reviews and field verification, was expected to function independently. Although the Secretariat was responsible for the management of the consultancies, the panel is behaviorally independent. The professional stature of the consultants recruited for the panel added to the level of independence it could exercise and to the credibility of the process. A key procedural measure that accords greater legitimacy to the panel is that its decision on accreditation is final.

64. The panel has the ability to accredit, reject, or ask for further reviews and/or field verification in making a decision on an application. The panel's remuneration is based on the time spent on reviews. Given the level of self-regulation required from the panel, there is a risk of conflict of interest because of the panel's ability to request additional reviews and create its own work. The evaluation did not come across evidence to suggest that this happened but the risk still remains. Similarly, the Secretariat may extend the tenure of a panel member based on performance review, which might also be perceived as influencing the panel's independence. These arrangements need to be assessed alongside the approach to recovering the costs of accreditation panel review.

Efficiency of the Accreditation Process

Conclusion 4: Implementation of the accreditation process has been slower than expected primarily because of the high level of accreditation standards and design issues that became apparent during implementation. Overall the implementation of process was satisfactory, although there were some inefficiencies in implementation.

65. At the start of the accreditation process it was expected that 10 Project Agencies will be included in the GEF partnership during GEF-5. Implementation of the accreditation process has been slower than expected. High standards set for applicants and some design issues that manifested in the form of inefficiencies during implementation led to delays. While the working assumption at the start of the accreditation process was that several agencies that would apply for accreditation would already be in compliance with the relevant GEF policies, in practice this assumption was not found to be true. As a result the design of Stages 1 and 2 led to considerable back and forth to ensure that applications were complete.

66. The value-added reviews were conducted in March and April 2012 by an eight-member panel constituted of GEF Secretariat staff. Each completed application was reviewed by the panel members individually. For each question within the core criteria, an applicant's response was rated by each panel member separately. Subsequently, the ratings provided by the panel

members for an applicant on a given question were discussed. During this discussion, the panel members had the opportunity to share any relevant information they had on the applicant and—in case the rating they provided was an outlier—provide their rationale for the rating. This procedure facilitated harmonization of the ratings. The panel conducted its reviews by applicant type; the reviews entailed assessing 24–25 responses on 14 applications. There were some rating changes made in the group discussions, most of which increased scores. The panel members’ recollection of these meetings indicates that on several instances there were disagreements among the panelists on the ratings. Panel members were of the opinion that more precise wording of some of the questions and clearer performance thresholds for the questions would have streamline the discussion. The value-added panel meeting did provide the members access to the opinions of their peers and, in several instances, allowed the panel members to adjust their ratings.

67. So far, only four agencies—WWF-US (World Wide Fund for Nature), Conservation International (CI), International Union for Conservation of Nature (IUCN), and Development Bank of Southern Africa (DBSA)—have fully completed the accreditation process. The Brazilian Biodiversity Fund (FUNBIO) has reached Stage 3, but has yet to complete it. Three applicants are still at Stage 2; another three applications were either withdrawn or have been rejected by the panel.

68. The main reason for slow progress in completion of Stage 2 reviews was that there were severe gaps in the environmental and social safeguards policies and practices of applicants. Applicants often had to develop and adopt new policies, and develop requisite capacities, to be in compliance with the GEF requirements. The time spent going back and forth between the panel and the applicants to ensure that applications were complete also contributed to delays. According to the applicants, a major reason for incomplete applications was a lack of clarity in the questions on the application form. On Stage 2, applicants reported that questions related to environmental and social safeguards difficult to understand as their familiarity with these topics was limited. Applicants in general felt that the panel was meticulous and detail oriented, but not as flexible as they would have wished. The panel members, on the other hand, felt that although they were as flexible as possible the accreditation criteria also needed to be adequately addressed.

69. The GEF Secretariat was very prompt in responding to questions and in clarifying areas of uncertainty. This promptness was appreciated by both the applicants and the accreditation panel. Communication between applicants and the panel was a challenging aspect of implementation.

Fairness and Transparency

Conclusion 5: The accreditation process is seen as having been designed transparently. The manner in which it has been implemented has also been largely transparent. However, there are some areas where the process is perceived as having been unfair by the applicants.

70. The general perception of the applicants and of the stakeholders involved in the development of the GEF approach to accreditation and implementation was that the process was designed in a transparent manner and—to a large extent—implemented in that manner. Easy

availability of forms and relevant documents and timely reporting of progress to the Council were perceived as having made the process more transparent. However, evaluation assesses the treatment of cost recovery in the accreditation-related GEF documents to be less transparent. Similarly, the applicants did not know how their responses would be assessed and what the expected performance/compliance thresholds were for many questions.

71. Although most applicants perceived the accreditation process to be fair, some did express concerns: i.e., accreditation criteria and questions were not always seen as applicable, amount of document translations requested from applicants from non-English-speaking countries, and lack of a forum to contest the panel's decisions.

Cost and Benefits

Conclusion 6: The accreditation process has so far been costlier than expected. Applicants incurred much higher costs than the accreditation fees, and the cost incurred by the GEF has been substantially higher than that recovered through fees. Some of the cost recovery-related rules established during design added to delays.

72. Design assumed cost neutrality of accreditation to the GEF. This was not realistic. During the development of accreditation procedures, the scope of cost recovery was reduced from recovering the full costs of the process to recovering only the direct costs of the reviews conducted by the accreditation panel. Even within Stage 2, however, the costs of familiarization training of the accreditation panel and of providing support to the panel and applicants were not covered. Applicants were required to pay \$25,000 at the start of Stage 2 for the first desk review conducted by the accreditation panel.

73. Compared to the total fees of \$0.61 million received from the applicants, total actual costs for the GEF Secretariat—which also include the cost of the accreditation panel reviews—is estimated to be about \$1.53 million.⁵ Thus, the actual costs of accreditation to the Secretariat have been roughly about two and a half times the fees paid by the applicants. Most of the uncovered expenditures pertain to the salaries of the Secretariat staff involved in accreditation. Also, the actual costs for the applicants were substantially higher than the fees. For the five applicants that have cleared Stage 2 of the accreditation process, while the accreditation fee ranges between \$43,000 and \$76,181, the additional costs incurred are generally in the range of \$200,000–\$500,000. These additional costs include expenditures on staff salaries, travel, training, preparation of documents, and—for some of the agencies—translations. On average, the accreditation fees paid by these applicants were less than 15 percent of the total costs incurred by them on accreditation. Thus, overall, the total costs incurred by the applicants on accreditation was much higher than the total costs incurred by the GEF.⁶ Each time a request for additional

⁵ The amounts included in the estimates are not restricted to the corporate budget of the Secretariat. The accreditation panel was paid from a separate account. Panellist fees and traveling expenses have been included, as these were incurred as part of the accreditation process and were paid for by the applicants.

⁶ The total estimated expenditure for the Secretariat was about \$1.39 million, compared to about \$2.30 million in total for the five applicants that cleared the Stage 2. Since there are six others applicants whose costs have not been included, the total expenditure to date for the applicants is expected to be substantially higher than \$2.30 million.

fees was made to an applicant, time was spent in estimation of the additional costs, in requesting additional fees, and submission of additional fees by the applicant on receipt of the request. Each iteration of such requests generally added about a week to a month and a half to the Stage 2 application review process. For example, if required for subsequent reviews and field verification visits, applicants were required to pay additional fees on a case-by-case basis.

74. The GEF-5 Replenishment Group expected the broadening of the GEF partnership to “reduce the overhead costs of resource delivery.” This expected efficiency gain was one of the key pillars of the business case for broadening the GEF partnership. The Grant Thornton report’s (GEF/C.38/Inf.10) projection of the costs and benefits of accreditation for the GEF-5 period suggested that the net benefits would be from \$1.1 million to 1.6 million. Given the slow progress in accreditation, actual experience has been different. First, during GEF-5 only 10 projects accounting for \$47 million in GEF grants have been approved with Project Agencies acting as implementing agencies. This is less than 2 percent of the GEF-5 portfolio. Second, although the Grant Thornton report had assumed the Agency fee to be 10 percent, the effective Agency fee rate from July 2012 onwards has been 9.3 percent; within this fee, the Agencies also provide corporate services.⁷ The actual effective rate for the Project Agencies at 9.0 percent is marginally lower still. Even if it is assumed that savings due to the absence of a mandate to provide corporate services on the part of the Project Agencies are real savings, the gross savings for the GEF-5 period are \$141,000.⁸ Given that the equation does not take into account long-term costs, it is unlikely that there will be any material savings on this account for GEF-5. However, it should be noted that although Grant Thornton considered the benefits only for the GEF-5 period, there is no reason why these benefits would be restricted to this period. Further, this does not preclude the potential for net efficiency gains through lower cost of project administration, better prospects for follow-up on project activities (increased sustainability), and new expertise and geographical diversity. The evidence gathered for the evaluation shows that these advantages, although difficult to monetize, are plausible.

Lessons

75. The purpose of the GEF Accreditation Pilot was to generate lessons that may shape future GEF approach to broadening its partnership. The experience so far has indeed generated several lessons and has fostered learning across and beyond those involved in the GEF accreditation process.

76. The Pilot has helped the applicants take a critical look at their policies and practices related to environmental and social safeguards, fiduciary standards, and gender mainstreaming. In several instances it has led to policy reforms within the applicant organizations. The new Project Agencies are now gaining experience in designing GEF projects and catching up with the GEF Agencies. Among external stakeholders, the Green Climate Fund has used lessons from the

⁷ This excludes the SGP’s corporate program grant (with agency fee of 4.0 percent and paid at the central level), but includes the STAR allocations for the SGP (8.0 paid by the countries).

⁸ 0.3 percent * \$47 million = \$141,000.

GEF experience—along experiences from other organizations—in designing its approach to accreditation.

77. The GEF should consider the pros and cons of whether the accreditation process needs to be more calibrated to take into account the characteristics of the applicant organizations, without compromising GEF requirements. At a finer scale level, the criteria and questions for accreditation need to be better defined and articulated, and the expected performance thresholds of the ratings need to be specified.

78. Focusing on full cost recovery for a part of the process without fully appreciating the costs incurred during the entire accreditation process led to choices that increased the overall cost and also contributed to delays. Had the discussion during planning on the costs of accreditation taken into account the entire process, more appropriate policy choices—even if they led to lower fees—might have lowered overall costs.

79. Up front face-to-face interaction of the accreditation panel with the applicants to discuss the accreditation criteria and application forms would be likely to fill in information gaps, which caused some delay. Provision for an upfront face-to-face interaction between the applicants and panel is something to be considered if the GEF chooses to mainstream the pilot.

80. The Secretariat is already putting several of these lessons into practice. It is giving considerable attention to onboarding of the Project Agencies through training and upstream consultations on development of project proposals. These measures are likely to help the Project Agencies in being more efficient and effective in developing and implementing GEF projects.

IV. EVALUATION WORK IN PROGRESS

Impact Evaluations

81. The Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems conducted jointly with the UNDP Independent Evaluation Office completed analyses for its various components. A draft report will be circulated for comment in May. The evaluation assesses biodiversity outcomes (forest cover and wildlife abundance trends) on a global scale; and management effectiveness and community engagement at the national, project, and site levels, drawing on evidence from global databases and visits to 7 countries and 28 protected areas. It used an innovative mix of quantitative and qualitative analytical methods such as remote sensing analysis, quasi-experimental testing, qualitative comparative analysis, and statistical modeling of big data to determine the extent of the GEF's contribution toward these outcomes and its interaction with contextual conditions. The final evaluation report will be presented to the GEF Council in October 2015. Impact assessment methods continue to be mainstreamed in country-level evaluations and terminal evaluation reviews. A handbook on the IEO's approach to impact assessment is set to be completed this year.

Thematic Evaluations

82. The IEO completed the Good Practice Study on Principles for Indicator Development, Selection, and Use in Climate Change Adaptation Monitoring and Evaluation in January 2015. The study, commissioned by the Climate-Eval community of practice, documents principles and

steps to consider in choosing, developing, and using indicators in the M&E of adaptation interventions. The study also identifies common themes in the literature and gaps in data—including the role of learning in an adaptation M&E system and identification of linkages (or lack thereof) between indicators and policy formulation and decision making. The study report can be found on the Climate-Eval website.⁹

83. The IEO also completed the Scoping Study on Evaluation of Natural Resource Management Interventions Linked to Climate Change carried out on behalf of Climate-Eval. The study provides an overview of how climate change aspects are addressed in the evaluation of natural resource management interventions. It reviews evaluation approaches, identifies the main challenges faced by such evaluations, and proposes potential solutions to make these evaluations more useful and influential. The study report is available on the Climate-Eval website.¹⁰

Country Portfolio Evaluations

84. The last three GEF-5 country portfolio evaluations are in the data-gathering phase. National teams have been contracted and country-specific terms of reference finalized. Country ownership analysis guidelines are being prepared based on the meta-analysis framework used in OPS5.¹¹ Online stakeholder consultation platforms and webinars are being tested in the three ongoing evaluations. The evaluations will be made available to the Council as they are completed. The Office is also collaborating with the GEF Scientific and Technical Advisory Panel on country-level assessment of GEF-supported knowledge generation and its sustainability. The country-level evaluation scheme will be modified to be more strategic and to contribute effectively to the overall work of the Office, including providing lessons for GEF programming and operations. The new approach is elaborated on in the IEO Work Program and Budget.¹²

LDCF/SCCF Evaluation Work

85. In addition to the evaluative work for the GEF Trust Fund, the IEO provides support at full cost recovery to the two adaption funds managed by the GEF: the LDCF and the SCCF. The IEO prepared the LDCF/SCCF Annual Evaluation Report 2014 for submission to the June 2015 LDCF/SCCF Council meeting. It reports on performance, innovative approaches, and ongoing evaluation issues. This year's report presents gender considerations in completed projects and a synthesis of lessons learned from completed projects, both of which will be recurring reporting themes.

⁹<https://www.climate-eval.org/study/indicator-development-selection-and-use-principles-climate-change-adaptation-me>.

¹⁰ <https://climate-eval.org/study/scoping-study-natural-resource-management-interventions-linked-climate-change>.

¹¹http://www.thegef.org/gef/sites/thegef.org/files/EO/TD6_Meta-Evaluation%20on%20Country%20Ownership%20and%20Drivenness.pdf.

¹² GEF/ME/C.48/01

V. UPDATE ON OTHER INITIATIVES

Tools and Guidance

In collaboration with the GEF Secretariat, the IEO completed and published *Guidance Document: Monitoring and Evaluation in the LDCF/SCCF*. It provides relevant stakeholders with direction on how to monitor and evaluate results within the overarching framework of the GEF M&E Policy, modified as necessary to adapt to the LDCF/SCCF focus. The document can be found on the IEO webpage.¹³

Knowledge Management

86. The IEO is increasing its efforts to close the learning loop and better engage with stakeholders. The Office has prepared terms of reference for a knowledge management needs assessment that will be completed in FY16. The assessment will inform the IEO's Knowledge, Learning, and Communication Strategy for GEF-6. During FY15, three evaluations established plans for communication before, during, and after evaluations and are piloting the use of online platforms and webinars to facilitate stakeholder engagement for broader audiences. The progress report on these pilots will be available in June. The Office also used social media, webinars, publications, and Signposts (two-page summaries of evaluations) to disseminate evaluation findings. Recognizing the importance of collaboration in knowledge management, the IEO contributed to the work of the United Nations Evaluation Group, has been collaborating with the GEF Secretariat and the GEF Scientific and Technical Advisory Panel, and took the first steps toward initiating a dialogue on knowledge management and communications with the evaluation offices of the GEF Agencies.

Gender

87. The IEO is continuing its work on including dimensions of gender equality in evaluations, policies, and guidelines. The Joint GEF-UNDP Evaluation of the SGP, which is being presented to the Council at this session, has mainstreamed gender in its methodology and conclusions, as discussed above. The LDCF/SCCF Annual Evaluation Report 2014, which will be submitted to the June 2015 LDCF/SCCF Council, presents gender considerations in completed projects, with a focus on (1) gender disaggregation of indicator data, (2) explicit gender considerations in the description of project activities, and (3) the existence of an overarching women's inclusion or empowerment and/or gender mainstreaming strategy or approach. The conclusion is that making gender-positive outcomes intentional by developing integrated and holistic gender empowerment approaches as part of the gender mainstreaming strategy formulated at the project's onset seems to provide better results compared to only focusing on gender-disaggregated indicator data. There are signs that more gender-relevant analysis and strategizing is taking place than is being reported in project documents; consequently, these largely undocumented efforts do not receive targeted attention in midterm reviews and terminal evaluations. Regarding guidelines, the *Guidance Document: Monitoring*

¹³ <https://www.thegef.org/gef/M-and-E-in-the-LDCF-SCCF>

and Evaluation in the LDCE/SCCF (discussed above) includes a section on the increasing attention being paid to gender by the LDCE/SCCF.

88. The IEO reported for the first time in January 2015 to the United Nations System-Wide Action Plan on Gender Equality and Empowerment of Women (UN-SWAP) on the level of integration of gender in its evaluations. UN-SWAP is the first accountability framework for gender mainstreaming in the UN system designed to measure, monitor, and drive progress toward a common set of standards. In its reporting on gender mainstreaming in recent evaluations, the IEO highlighted OPS5 and evaluative work on adaptation to climate change. In the future, the IEO will report annually to UN-SWAP with a goal of meeting and exceeding performance requirements as the Office continues to mainstream gender considerations in its evaluations.

Climate-Eval and International Conference

89. The Climate-Eval community of practice, hosted by the IEO and other bilateral partners, organized the 2nd International Conference on Evaluating Climate Change and Development. The conference was held November 4–6, 2014, in Washington, D.C., and aimed to create a forum for evaluation professionals and a select group of policy makers and practitioners to explore how different methods and approaches to evaluating climate change, sustainable development, and natural resource management have worked; and how they can be improved to address new and emerging issues. Participants were carefully selected to represent global diversity, regional specificities, and national realities. In all, close to 300 participants from some 60 countries were drawn from government, academia, think tanks, nongovernmental organizations, the private sector, bilateral donors, and international organizations. They brought with them not only experience in the challenges associated with evaluating climate change but also rich and varied solutions to inform a common understanding. A book based on the conference is being prepared. Also, the Office is currently conducting a review of Climate-Eval to determine its impact within the evaluation community and to guide its future development. It is important to learn how the original objective of this community of practice, and the understanding and learning of evaluating climate change, has reached stakeholders and interested groups.