

Fifth Overall Performance Study

Approach paper Sub-study on Health of the GEF Partnership July 24, 2013

I. Background

1. As a result of negotiations among countries and Implementing Agencies between 1991 and 1994, the Instrument for the Establishment of the Restructured Global Environment Facility (GEF) was adopted in March 1994 defining the GEF as a partnership and mechanism for international cooperation. It was decided that rather than creating a new stand-alone institution that would help countries fulfill their obligations to the Conventions, the GEF would exist as a network of organizations collaborating to achieve its objectives. The partnership was designed to draw on the three Implementing Agencies' comparative advantages, geared towards implementing the GEF's three main types of interventions: investments (World Bank), capacity-building and technical assistance (UNDP) and scientific assessments and standards (UNEP). The GEF Instrument sets out the principles for cooperation, and defines the functions of each body in the governance structure, which in addition to the Agencies consists of the Assembly, the Council, Secretariat, and Scientific and Technical Advisory Panel (STAP). In 2004, the Evaluation Office, which was created to fulfill the Council's evaluation function, was made an independent part of the structure by the GEF Council. Other members of the partnership are the Conventions and the NGO Network. Collaboration with the private sector has also been highly encouraged.
2. Since 1994 GEF has expanded in several ways. The number of focal areas increased from four to six in 2002. From the three original Implementing Agencies, the GEF since 2006 has broadened its partnership to ten Agencies with direct access to the trust fund. The introduction of an allocation system (first RAF and then STAR) has led to country focal points having a more prominent role in the project cycle. As the GEF has evolved, roles and relationships have shifted and expanded, reshaping network dynamics based on the incentives that influence each member's degree of participation in the partnership. Roles and relationships that are defined in the GEF Instrument have, over time, not been as clear-cut. Previous Overall Performance Studies have noted overlaps, gaps and lack of clarity in expected responsibilities within the GEF framework. Reforms implemented in response to these concerns, as well as to other changes in GEF operations have led to the expansion of the functions of the Secretariat. A decision to further implement Paragraph 28 of the GEF Instrument in November 2010 has led to the establishment of an accreditation process intended to gradually further broaden the GEF partnership with an additional ten agencies to be chosen from national institutions, regional organizations, other UN agencies and programs, other international organizations, and non-governmental organizations.
3. The Fourth Overall Performance Study (OPS4) identified concerns related to the GEF partnership that remained unresolved from previous replenishments, such as increasing competition among GEF Agencies. Tensions created by overlapping roles and functions were also found to have emerged. While tensions can be constructive in the long-run, these become beneficial only if appropriately worked

through. One important finding was that no sufficient and independent conflict resolution mechanisms existed to resolve these tensions.

4. This sub-study is undertaken as an input to the Fifth Overall Performance Study of the GEF Evaluation Office to provide insight into how further changes in the GEF partnership since the last replenishment have affected its health, and to what extent this has influenced the achievement of GEF's objectives.

II. Objective and key questions

5. The evaluation aims to assess the current health of the GEF partnership relative to the beginning of the Fifth Replenishment, and provide recommendations on how the structure and functions of the partnership can be shaped in GEF-6 to better meet GEF's objective of achieving global environmental benefits. "Health" for the purposes of this evaluation is defined as the extent to which the structure of the partnership and the quality and relevance of interactions between the partners enable the GEF partnership to effectively and efficiently deliver global environmental benefits through its support.

6. To do this, the evaluation seeks to answer the following questions:

- 1) To what extent have the concerns identified in previous overall performance studies been addressed or remain relevant?
- 2) To what extent have structural changes in the GEF partnership since the last replenishment affected the realization of key roles and functions necessary for an effective partnership?
- 3) Which factors and developments have shaped and continue to shape the structure and function of the GEF partnership?
- 4) What are the areas of opportunity and risk with regards to more effectively achieving GEF's objectives as the partnership continues to evolve?

III. Approach and methodology

A. Scope and Limitations

7. While the partnership may be viewed narrowly as referring only to the GEF Agencies, or broadly as including the private sector, government bodies, and all other project stakeholders, this evaluation defines the scope of the partnership to be assessed as mainly comprised of the actors who have higher level operational roles in the GEF, namely the Secretariat, the ten Agencies, and the country focal points. It will not assess the partnership at lower operational levels, which may involve national and local government offices and project management units amongst others. Perspectives pertaining to the GEF country focal points will be obtained from parallel evaluations of the NPFE and STAR, participation in ECW consultations, and country portfolio evaluations carried out by the Office since OPS4. When dealing with the GEF Agencies, this review will mainly focus on interactions with the GEF units of each Agency, rather than with Agency units at regional, country and local levels. Relationships with other actors will be assessed only to the extent that they influence this partnership. Findings of a separate review being conducted of STAP will be incorporated in this review.

8. Based on a desk review of previous Overall Performance Studies, the evaluation will focus on assessing the following interrelated areas that were considered critical for the last replenishment:

Clarity of Roles

9. Although the GEF Instrument defines the role of each member of the partnership, lack of clarity emerging over time has resulted in tensions that exist until the present. Previous OPSs have attributed these tensions to overlapping responsibilities, and the unclear policies that encourage both competition and collaboration at the same time.

10. Annex D of the GEF Instrument lays out the “Principles of Cooperation among the Implementing Agencies”, which defines the “distinctive area of emphasis” of each of the original three Implementing Agencies, also known as their comparative advantage. Early on, the evaluation of the GEF Pilot Phase noted that “...Implementing Agencies have had difficulties working collaboratively within the GEF framework”. While OPS1 saw an improvement in coordination through mechanisms established, such as joint pipeline reviews and focal area task forces, it proposed that less defined comparative advantages and an increase in the number of agencies might benefit the countries more in terms of diversity, comparative advantages more specific to country contexts, and lower transaction fees. OPS3 and 4 specifically pointed out how high competition over GEF funds had resulted in the blurring of comparative advantages, especially when the partnership was broadened to include seven new Agencies with direct access to GEF funding. Low agency fees were encouraged over mechanisms for collaboration such as task forces.

11. As a consequence of the expansion of the partnership, overlaps and gaps in responsibilities were reported between the Secretariat and Agencies. Also, during OPS4, executing agencies voiced the need for their role to be defined as partners rather than simply project contractors. Policy reforms carried out in the last two replenishments having to do with decisions over resource allocation (e.g. RAF and STAR) further affected the roles and relationships between Agencies, the Secretariat and country focal points. Modifications of the fee structure have also become a factor in the discussion between the Secretariat and Agencies on the roles the latter would undertake. During the Fifth Replenishment in 2010, the first annex to the policy recommendations identified the “roles and responsibilities of GEF entities”. There is a need to assess whether this annex has succeeded in bringing clarification, including the processes by which these roles and responsibilities were developed.

Communication

12. Communication among partners is an important function for an effective partnership. Paragraph 21 of the GEF Instrument places the responsibility for facilitating and coordinating GEF-supported activities on the Secretariat. Thus the frequency, quality and relevance of communication between the Secretariat and each of the other members of the partnership are some of the most important aspects of the partnership. Communication takes place not just through timely dissemination of policies and guidelines, but also through consultations, capacity-building workshops, and other venues where other partners can provide feedback to the Secretariat.

13. OPS1, 2 and 3 observed that operational focal points were not playing as large a role as they potentially could. In response, the Secretariat strengthened its Country Support team and created a

country focal point program to better communicate changes in policies and fully engage focal points in the project cycle. The GEF-NGO Network was also created so that non-government institutions can provide inputs to GEF on the potential role of civil society organizations in projects. OPS3 also noted that the Secretariat was in a position to minimize the marginalization of partners. At that time, while mechanisms for communication such as interagency task forces and retreats were in place, the evaluation reported that the usefulness of and the coordination among these different mechanisms were unclear. The addition of agencies also posed the question of how the Secretariat would absorb the increase in coordination and communication channels resulting from the additional focal areas and agencies.

14. One of the critical issues raised repeatedly in previous OPSs is the communication of how the terms “incremental value”, “leveraging”, “cofinancing” and “global environmental benefits” are to be applied. While the Secretariat has developed definitions and principles for these, the interpretations of the different partners continue to vary. It is therefore important to assess what is being communicated, which channels are available for communication within and across different scales, and the extent to which partners perceive their concerns as being understood and responded to.

Conflict Resolution

15. Lack of clarity of roles, as mentioned above, has led to the emergence of tensions among partners. The OPS of the GEF Pilot Phase raised the issue of the lack of an independent arbiter in the GEF, which “has been a primary weakness in GEF operations.” In OPS4, one major finding was that while the Secretariat had established a conflict resolution mechanism to address issues between the Agencies and recipient countries, the Conflict Resolution Commissioner was not perceived as independent enough to resolve contentions between the Agencies and the Secretariat. The evaluation raised the risk of tensions possibly resulting in a reluctance of either party to communicate, therefore creating inefficiencies in the system. It recommended that the Council directly tackle the disagreements by more clearly delineating the role of each partner. Given that the healthy functioning of the partnership depends in part on harmonious relationships among its members, there is a need to assess the extent to which conflicts have been resolved since the last replenishment, whether new conflicts have emerged or not, and the extent to which effective mechanisms have been established.

B. Framework for Analysis

16. Since the GEF partnership is comprised of interacting groups that may be viewed as a network of partners, the evaluation will use social network theory as a framework to assess the partnership. A social network has three aspects or scales that determine its structure and health: 1) the characteristics and roles of each network member, 2) the characteristics of individual relationships between any two or among a sub-group of network members, and 3) the characteristics and functions of the network itself as a whole. The evaluation will study all three scales using parameters for each that are relevant for the evaluation of partnerships, and especially to the GEF context.

Roles

17. The characteristics of each network member are important for evaluating networks in that these determine their interests and capacities to take on actual or potential roles in the network. Roles in the network may both be explicitly and implicitly defined; even if a member has not been assigned a role,

their interests and capacities may lead them to fill a role that has been defined for another member. Thus, two types of roles may be in place at one time: the *de jure* role, or one that has been defined by the GEF instrument, and the *de facto* role, or one that a member takes on organically due to external circumstances and their intrinsic characteristics. Assessing the roles of the Secretariat, Agencies, and operational focal points in particular for overlaps and gaps will be an important focus of this evaluation.

18. Member characteristics that are often relevant in assessing networks are the member's level of power or influence in decision-making, the quantity and quality of resources they possess to implement these decisions and their interests or stake in the goals to be achieved by the network. Interests are often revealed through the discourse or narratives that network members base their decisions and actions on. For example, in the GEF, the term "cofinancing" continues to be a point of contention, as each member in the partnership has a different idea of how it is defined, what is an acceptable ratio, etc., depending on their interests and mandates. The evaluation will look at key points of discourse, and how each partner's interpretation shapes their perception of their role and the role of other members.

Relationships

19. Relationships between at least two network members may be defined by their exchange of resources--such as knowledge & information, funds, goods and services--that enable their and the network's objectives to be met. At the same time, relationships may be seen as interactions that build (or use up) social capital, which includes trust, influence, and recognition/ acknowledgement. The quantity and quality of these exchanges and interactions are on one hand determined by the characteristics (e.g. roles, needs) of each member, and on the other hand determined by the available channels for interaction. For example, in the GEF partnership, the Agencies interact with the Secretariat through technical advisory groups (TAGs) in the development of focal area strategies. While all Agencies used to be members of the TAGs, recently the membership has been reduced to only two Agencies to represent all the other Agencies for each TAG, which would mean that some Agencies have greater opportunities for interaction than others. The Agencies themselves may also be interacting with one specific agency more than they do with other agencies, affecting the amount of trust and influence built with each actor.

20. Characteristics of each network member as defined by the set of members they interact with may be measured in terms of centrality, location and the components or sub-groups that they are a part of. Centrality refers to the importance of one member relative to the others based on the number of their interactions as well as their location in the network. If one member has much higher centrality than the others, this could imply that any ideas they propose will be more likely implemented, and the alternatives not given due consideration. Location refers to the position of a member in the network structure, and how this affects the types of interactions that they have, as well as their access to resources or power. The Secretariat, for example, has been given a highly central location through the GEF Instrument, and its actions are intended to coordinate the network's structure and functions.

21. The components or sub-groups that a network member belongs to also affect their relative importance, and likewise influences their role in the network. Thus, the relationships that each network member enters into may be determined by the benefits and costs of maintaining these individual relationships, as well as the benefit to the individual members from achieving the network's goals, and

vice versa. For example, the progressive shift in decision-making authority over resource allocations away from the Agencies and towards the countries has also shifted the incentives for participation in a different direction. While the roles and relationships as defined in the GEF instrument have not changed, this has reconfigured perceptions of their roles within the relationship, ultimately affecting their behavior. The evaluation will look mainly at relationships of the Secretariat, Agencies and country focal points with each other and with the other members of the network, such as the Conventions, Council and STAP, particularly on the extent to which conflict and effective communication exist, using as a starting point the degree to which relationships are collaborative or competitive.

Network

22. Networks are most usefully characterized by their density, heterogeneity and centralization. Density measures the extent to which all the members of the network are connected to each other. In the GEF, high density would mean that relationships exist between network members independent of their relationship with the coordinating Secretariat. This could imply faster dissemination of information, as there are several members sharing information at the same time. A low-density network could be a sign of heterogeneity, or diversity in network membership. This means that network members normally do not interact outside of their participation in the GEF. Interactions across different administrative scales (i.e., global, regional and country) also contribute to network heterogeneity. The GEF Instrument emphasizes the need to fairly represent all regions and member countries, and to cooperate with other institutions. While there are higher transaction costs involved due to differences in perspectives and practices, the representation and participation of a wide spectrum of stakeholders may result in greater ownership of GEF initiatives in the long run. Centralization measures the extent to which interactions revolve around one or a few specific members. High centralization allows for greater efficiency in terms of the implementation of policies and guidelines, but may also limit innovation and the effective exercise of comparative advantages if there are no mechanisms for members that are further from the “center” to contribute to the governance of a network.

23. Another important characteristic that helps a network achieve its objectives is network function, particularly in relation to effective governance. Examples of functions that OPS3 and other, non-GEF evaluations have found to be critical to effective network governance are communication and alignment of goals, coordination across multiple scales, capacity-building of members, monitoring and feedback, conflict resolution, and maintenance of relationships with actors outside of the network. This evaluation will give attention primarily to network dynamics in terms of effectiveness of communication and conflict resolution, specifically the modes and venues that exist across and within the global-, regional- and national-level partners, the frequency of use and availability of these modes and venues, and the extent to which partners perceive their concerns to be understood and responded to. This includes looking at the extent to which the network structure promotes synergistic relationships, or leads to counterproductive actions.

C. Implementation

24. The evaluation will have three stages beginning from an assessment of how the partnership’s structure and function have changed since the Fifth Replenishment, which areas have been most affected and why, and how it can become more effective in meeting its objectives. At each stage, the

evaluation will seek to triangulate evidence by collecting information from different sources, using various data collection methods, and using both quantitative and qualitative methods for analyses. The main sources of information will be the GEF Instrument, Council decisions, Replenishment documents, previous over-all performance studies, surveys and interviews with stakeholders, other documents and studies pertaining to interactions among members of the partnership, and concurrent evaluations being undertaken as inputs to OPS5. The first stage addresses the first evaluation question; the second stage addresses the second question; and the third stage addresses the last two questions.

Question 1: To what extent have the concerns identified in previous overall performance studies been addressed or remain relevant?

Historical mapping of partnership structure and function

25. GEF Council documents will be reviewed to map out *de jure* changes in the structure and function of the GEF partnership, particularly since GEF-3, before the partnership was expanded to include 7 additional Agencies. Perceptions of partners of how the partnership has changed as a result of Council decisions, amendments to the GEF Instrument and other factors will also be gathered through surveys, interviews and/or focus group discussions, and mapped out. This will allow the assessment of the extent to which the concerns identified in previous over-all performance studies continue to be relevant at the various scales of the highest level of implementation at which the GEF partnership operates. It will include soliciting input from the partners on the most current concerns relevant to the partnership, such as how expectations on the structure and function of the partnership have evolved since the GEF Pilot phase, and which benchmarks the partnership must be measured against, particularly for future assessments, such as transparency, accountability, mainstreaming of GEF priorities in partner programs, and support to corporate policy and strategies. Findings of relevant evaluations, such as the review of the World Bank–GEF partnership by the IEG, will also be used as input.

The mapping and quantitative analyses of the partnership's structure and function at the three scales of analysis (i.e., roles, relationships, and network) will be done using social network analysis software such as UCInet/ NetDraw, Gephi and PARTNER Tool. Analyses of qualitative information will be done using Atlas.ti, Qualitative Comparative Analysis (QCA) or similar applications. Due to logistical constraints, quantitative analyses will be done only for interactions between and among the Agencies and the Secretariat, while for the most part, qualitative analyses drawing from other reviews carried out by the Office will be done for interactions with country focal points. Interactions with other members of the partnership that are not the focus of this evaluation will also be assessed through qualitative analyses of concurrent evaluations.

Question 2: To what extent have structural changes in the GEF partnership since the last replenishment affected the realization of key roles and functions necessary for an effective partnership?

Assessment of changes in partnership health

26. Characteristics of the GEF partnership at present and in previous replenishments, as represented in Council documents and through stakeholder perceptions, will be compared in order to assess changes in the partnership's strengths and weaknesses. Changes in the roles, relationships and network,

particularly in terms of clarity of roles, communication and conflict resolution will be assessed vis-à-vis the findings of previous over-all performance studies, with particular attention to the recommendations of OPS4. For example, the evaluation will assess the degree to which collaboration and competition are leading to more efficient and effective partnership functioning. The GEF Instrument and previous evaluations of the GEF partnership will be used to define benchmarks for measurement, such as the principles of cooperation and decision-making adopted in 1994. The evaluation will assess the extent to which these principles have been practiced specifically through the effectiveness of mechanisms for collaboration, communication and coordination.

Question 3: Which factors and developments have shaped and continue to shape the structure and function of the GEF partnership?

Question 4: What are the areas of opportunity and risk with regards to more effectively achieving GEF's objectives as the partnership continues to evolve?

Assessment of factors affecting partnership health

27. From the assessment of partnership structure and function, factors that have affected the health of the GEF partnership will be identified and further explored through interviews and surveys, possibly including a Delphi exercise. A case study approach may be used in the analysis of factors vis-à-vis changes in the health of the partnership. These factors may be linked with areas of the GEF system that are being covered by other ongoing evaluations, such as governance structures and responsiveness, knowledge management, national portfolio formulation exercises (NPFE), and project cycle efficiency. Areas of opportunity for and risk to improving the health of the partnership will also be identified. Studies of other partnerships and network organizations may also be used as a basis for assessing the relative significance of identified opportunities and risks, and how the partnership's strengths and weaknesses can be most effectively positioned in the light of anticipated developments in GEF-6.

28. Each stage of the evaluation will assess the following parameters based on the intersection of the main areas of concern identified by previous over-all performance studies and the scales of analysis, using social network theory as a framework, shown in Table 1.

Table 1. Parameters to be assessed based on areas of concern and scales of analysis

AREAS OF CONCERN	SCALES OF ANALYSIS		
	<i>Roles</i>	<i>Relationships</i>	<i>Network</i>
<i>Clarity of Roles</i>	▪ Extent of overlaps and gaps ▪ Benefits and costs of membership	▪ Extent of competition and collaboration ▪ Services exchanged	▪ Effects of structure and function on roles and relationships
<i>Communication</i>	▪ Degree of differences in discourse	▪ Quality of communication	▪ Effectiveness of communication channels
<i>Conflict Resolution</i>	▪ Positioning and independence	▪ Degree of conflict	▪ Effectiveness of conflict resolution mechanisms

IV. Timeline

June 17	Circulation of Approach Paper for Comments
June 17-July 09	Initial interviews and consultations
July 15-August 2	Document Reviews and Surveys
August 5-September 6	Network mapping and analyses
August 5-September 6	Assessment of factors
September 09	Preliminary Findings
Oct 1-Oct 15	Circulation of Draft Report
October 31	Final Technical Report (input to OPS5)