GLOBAL ENVIRONMENT FACILITY
INVESTING IN OUR PLANET

GEF/ME/C.53/Inf.01
October 26, 2017

53rd GEF Council Meeting
November 28 – 30,2017
Washington, D.C.

THE GEF IN THE CHANGING ENVIRONMENTAL FINANCE LANDSCAPE

(Prepared by the Independent Evaluation Office of the GEF)

DRAFT FINAL REPORT OF OPS6
(Sixth Comprehensive Evaluation of The GEF)
October 2017

Global Environment Facility
Independent Evaluation Office

The GEF in the Changing Environmental Finance Landscape

DRAFT FINAL REPORT OF OPS6 – OCTOBER 2017

OPS6
SIXTH COMPREHENSIVE EVALUATION OF THE GEF

1818 H Street, NW
Washington, DC 20433
Internet: www.gefieo.org/
Email: gefevaluation@thegef.org

ISBN-10: 1-933992-93-X
ISBN-13: 978-1-933992-93-8

Evaluation Report No. 110

Contents

Executive summary

Background

Replenishments of the Global Environment Facility (GEF) are informed by a thorough, independent evaluation and assessment of GEF results and performance. This sixth comprehensive evaluation of the GEF (OPS6) aims to provide solid evaluative evidence to inform the negotiations for the seventh replenishment of the GEF. The objective of OPS6 is to evaluate the extent to which the GEF is achieving the objectives set out in GEF-6 (2014–18), and to identify potential improvements going into GEF-7. This report also assesses the relevance of the GEF in today's changing landscape for environmental finance.

OPS6 is based on the findings of 29 evaluations and studies, conducted by the Independent Evaluation Office (IEO) of the GEF over the past three years. The evaluations employ a variety of qualitative and quantitative approaches, including geospatial analyses and field visits to 43 countries across all GEF regions. OPS6 also draws on the terminal evaluation reviews of 1,184 completed GEF projects and covers the full GEF portfolio of 4,433 approved projects from the pilot phase through the end of June 2017. Formative evaluations assessing design and process were implemented for recently approved programs and projects, such as the integrated approach pilots (IAPs).

QUALITY ASSURANCE

Quality assurance for OPS6 has been provided by a team of five senior independent evaluation advisers: Hans Bruyninckx, Holly Dublin, Osvaldo Feinstein, Sunita Narain, and Kazuhiko Takemoto. They have evaluated the quality of the report, and the extent to which the conclusions and recommendations are based on the evaluative evidence. Quality assurance of the individual component evaluations was ensured through peer review processes. The IEO remains fully responsible for any remaining errors.

OVERVIEW OF THE GEF PORTFOLIO

The GEF Trust Fund is the primary source for grants made by the GEF. The GEF also administers the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), the Nagoya Protocol Implementation Fund, and—as of September 2016—the Capacity-Building Initiative for Transparency Trust Fund. As of June 30, 2017, the GEF had provided total funding of $17.17 billion through these trust funds. Overall, 4,047 projects, accounting for $15.47 billion in GEF grants, had been funded as of June 30, 2017, from the GEF Trust Fund. Utilization in the GEF-6 period is 63 percent as of June 30, 2017 ($2.42 billion for 444 projects) of the total GEF-6 allocation of $3.86 billion.

The revised replenishment allocation shares for GEF-6 are 24 percent and 26 percent for the

biodiversity and climate change focal areas, respectively; and 13, 10, and 9 percent for the chemicals and waste, international waters, and land degradation focal areas, respectively. The share of multifocal area projects in the GEF portfolio—those addressing more than one focal area—has been growing, rising from 29 percent in GEF-5 to 52 percent in GEF-6 until June 30, 2017. Full-size projects continued to be the main funding modality in GEF-6, accounting for 53 percent of GEF funding. The Small Grants Programme (SGP) portfolio share was 7 percent in GEF-6, a slight increase from 6 percent in GEF-5; the share for programmatic approaches and the IAPs was 31 percent in GEF-6, an increase of 19 percent over GEF-5. Since GEF-5, the United Nations Development Programme has accounted for the largest share of GEF funding, at over 30 percent; the World Bank's share dropped to 21 percent in GEF-6 from 32 percent in GEF-4. The United Nations Environment Programme has a 13 percent share of GEF funding; the other 15 Agencies account for the remaining 32 percent. In terms of regional distribution, the GEF Trust Fund shares for Africa and Latin America and the Caribbean stayed steady at 26 and 23 percent, respectively since GEF-5. The shares for the Asia and the Europe and Central Asia regions dropped substantially from GEF-5 funding levels to 24 and 7 percent respectively. The share of regional/global programs doubled from 10 to 20 percent during the GEF-6 period.

Findings and conclusions

THE GEF'S RELEVANCE IN THE GLOBAL ENVIRONMENT

With its broad focus and as a financial mechanism for environmental conventions, the GEF occupies a unique space in the global environmental financing architecture. Despite limited funding, the GEF is the only public international institution that addresses global environmental issues beyond climate change alone. The GEF is the principal financial mechanism for the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification (UNCCD), and the Minamata Convention on Mercury. Its focal area strategies have responded appropriately to the evolving needs of these conventions. The GEF also funds projects in international waters and sustainable forest management that support the implementation of a number of global and regional multilateral environmental agreements. As the financial mechanism for the CBD, the GEF is seen as a significant and reliable resource for funding for biodiversity, which attracts relatively few other funds. For its other focal areas—including international waters, land degradation, and chemicals and waste—the GEF is the only global financial mechanism.

In addition to the focal area strategies, the GEF implements multifocal area projects and programmatic approaches in recipient countries to help them meet commitments to more than one global convention or thematic area by tackling underlying drivers of environmental degradation. These programs and projects are designed to promote complementarities and synergies in seeking multiple environmental benefits, while avoiding trade-offs between competing objectives.

The GEF focal area strategies have been responsive to convention guidance. The GEF's Biodiversity Focal Area Strategy closely reflects CBD guidance, notably identifying the Aichi Biodiversity Targets; the GEF Strategy on Adaptation to Climate Change has been highly relevant to conference of the parties (COP) guidance related to the LDCF/SCCF. While not serving a specific

international agreement, the international waters focal area's portfolio interventions support the interlinked provisions of various conventions, treaties, and guidance. The GEF's land degradation focal area has responded to UNCCD guidance in GEF-6 by increasing the emphasis on projects focused on achieving land degradation neutrality. The chemicals and waste focal area has been coherent with the guidance of the conventions for which it is the financial mechanism, as well as supportive of the goals of related multilateral environmental agreements such as the Strategic Approach to International Chemicals Management, the Basel and Rotterdam Conventions, and the Montreal Protocol. In response to UNFCCC COP 21, the GEF established the Capacity-Building Initiative for Transparency in November 2016. Two other recent responses to the conventions include the establishment of the Nagoya Protocol Implementation Fund in response to the Nagoya Protocol under the CBD, and the adoption of the Minamata Convention to reduce and eliminate mercury pollution.

The GEF focal area strategies are also responsive to other major international environmental and development initiatives such as the Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development. The GEF's interventions directly relate to SDG Goals 2, 6, 11, 13, 14, and 15—on zero hunger, clean water and sanitation, sustainable cities and communities, climate action, life below water, and life on land. The GEF's responses to the SDGs are mainly through its support to the conventions.

The GEF distinguishes itself from other environmental financial mechanisms in its ability to work through multiple Agencies in more than 140 recipient countries. Through the System for Transparent Allocation of Resources (STAR) mechanism, and through programs and set-asides, these countries have access to GEF resources to address environmental issues of national priority. The expansion of the GEF partnership to 18 Agencies has increased GEF relevance in countries through greater access and focal area coverage. GEF focal area interventions are strongly aligned with country priorities, and have often been instrumental in setting national priorities in the environmental sector. The GEF also provides unique and critical support for countries in meeting their obligations under the various conventions.

GEF support to least developed countries (LDCs) and small island developing states (SIDS) has increased; however, support to middle-income countries remains critical. Compared to GEF-5 funding, support to LDCs has risen from 14 to 19 percent of total GEF funding; support to SIDS has increased from 8 percent to 9 percent. These increases are noteworthy, considering that they occurred during a zero-growth replenishment. Moreover, despite the funding shortfall in GEF-6 caused by exchange rate volatility, the GEF insulated LDCs and SIDS from the effects of the shortfall. Traditionally, the large middle-income countries have accounted for allocation of a large share of GEF funding on several grounds. Two-thirds of the rural poor live in large middle-income countries such as Brazil, China, India, and Indonesia. These countries also have significant biodiversity and substantial greenhouse gas emissions, and therefore much potential for achieving global environmental benefits. These countries also have a greater capacity for innovative financing involving the private sector, and are necessary partners in regional projects. The shift toward greater resources for LDCs and SIDS is appropriate because of limited alternative sources of funding; however, GEF support to the middle-income countries should continue for the reasons stated above, with a consideration for higher cofinancing.

PERFORMANCE AND IMPACT

The GEF has a strong track record in delivering overall good project performance; likely sustainability of outcomes remains the greatest challenge. Seventy-nine percent of the OPS6 project cohort had satisfactory outcomes. Focal area performance ranged from 73 percent in international waters to 83 percent in biodiversity projects. Project design—including objectives, institutional arrangements with government, and monitoring and evaluation (M&E) design—quality of implementation, quality of execution, and level of materialized cofinancing are the strongest drivers of performance. The commitments mobilized for GEF-6 approvals indicate cofinancing at 8.8:1.0, which exceeds the portfolio target, although the extent to which these commitments will materialize remains to be seen. Quality of implementation was rated as satisfactory in 79 percent of projects. Sustainability of outcomes is a challenge: only 63 percent of the OPS6 project cohort was rated as having outcomes that were likely to be sustained, primarily due to weak financial sustainability. Country context, quality of implementation, and quality of execution influence project sustainability ratings. Comparable to findings in the multilateral development banks, projects in Africa have comparatively lower ratings for outcomes and sustainability than other regions, with limited institutional capacity the greatest issue to be addressed.

GEF interventions have contributed to reducing environmental stress. Environmental stress reduction refers to biophysical changes that reflect reduction of threats emanating from human actions. Fifty-nine percent of completed GEF projects achieved stress reduction and/or environmental status change. Projects' ability to achieve environmental stress reduction at completion is affected by the environmental concern they tackle. For example, 80 percent of projects that focus on chemicals and waste, and 69 percent of those that focus on climate change, achieve stress reduction by implementation completion. In comparison, only 35 percent of the projects that address international waters–related concerns achieve stress reduction, largely because these projects focus more on strengthening the intergovernmental arrangements put in place to address issues; further, there is a time lag before these efforts lead to actual stress reduction and/or environmental status change on the ground. Country circumstances also play a role, as stress reduction and/or environmental status change was achieved in 73 percent of the projects implemented in the five countries with the largest GEF portfolios, but only in 52 percent of those implemented in SIDS.

The GEF is on track to meet its GEF-5 replenishment targets for most of the indicators, and to exceed a majority of GEF-6 targets. The GEF is projected to exceed targets for 8 of the 13 tracked indicators. For GEF-6, the Corporate Scorecard prepared by the Secretariat shows that the aggregated results from approved project identification forms (PIFs) exceed GEF-6 targets for 6 out of 10 environmental results indicators. The only indicator for which there was no uptake relates to ozone-depleting substances phaseout, where GEF involvement has been declining. Promised results on other indicators was at least commensurate with the level of funds allocated, although it is yet to be seen whether and how these results are actually achieved on the ground.

The GEF has played a catalytic role and supported transformational change primarily through mainstreaming. The GEF has played a catalytic role in more than half of the OPS6 cohort projects and supported transformational change primarily through mainstreaming and replication. Analysis shows that transformational change occurs where projects aspire to drive change;

market barriers are addressed through sound policy, legal, and regulatory reforms; private sector engagement is encouraged through targeted capacity building and financial incentives; and mechanisms are put in place for future financial sustainability through the market, government budgets, or both.

With their emphasis on integration, programmatic approaches and multifocal area projects are relevant in addressing drivers of environmental degradation; however, complex program designs have implications for outcomes, efficiency, and management. The GEF has appropriately chosen to focus on integrated programming through technically coherent multifocal programs, along with single focal area projects. Multifocal area projects are best suited when the environmental issue affects multiple focal areas, is caused by drivers linked to multiple focal areas, and when issues linked to multiple focal areas occur within the same geographical unit. Findings from evaluation of programmatic approaches suggest that child projects under programs perform somewhat better than standalone projects, but that outcome performance can decline with increased program complexity. Multifocal area projects and complex programs are associated with increasing cost inefficiencies, unless they are well managed and executed with commensurate on-the-ground implementation capacity.

The IAPs are relevant to environmental issues and the countries/cities they serve, and have been designed for long-term sustainability. Additionality needs to be demonstrated and process issues require attention. The design of the IAPs demonstrate attention to coordination, coherence in objectives between the program framework and child projects, innovative knowledge components, relevant selection of countries and cities, Agency selection based on comparative advantage, and well-designed M&E frameworks. The inclusion of these elements reflects lessons learned from previous programmatic interventions. A few shortcomings in IAP design have been observed, however. Targets need to be better specified and measured, and program additionality over a set of discrete focal area projects needs to be demonstrated. There have been some inefficiencies caused by delays in designing and launching the IAPs, in part because the GEF project cycle policy has not been explicit regarding the application of standards to child projects. Finally, the selection process of countries and Agencies has not always been clear, transparent, or communicated effectively. It is too early to assess the performance of these pilots, as they are in early stages of implementation. Findings from earlier programmatic approaches indicate the importance of good implementation and effective management of complexity.

FINANCING, GOVERNANCE, POLICIES, AND INTERNAL SYSTEMS

Over the years, the GEF has undergone several changes in its structure, governance, and partnership framework. Importantly, there has been a gradual and significant increase in its number of Agencies, from the initial three—the United Nations Development Programme, the United Nations Environment Programme, and the World Bank—to 10 and then to 18 Agencies today. This growth has had implications for the governance and administration of the partnership.

GEF financing has been constrained by exchange rate volatility, fragmentation in donor funding, and impediments to scaling-up nongrant instruments. Although donors have delivered on funding commitments, during GEF-6, the GEF encountered about a 15 percent shortfall in available financial resources due to foreign exchange volatility. The GEF has no financial mechanism

available to it, such as hedging, to manage these risks. This lack has had detrimental effects on the amount of funding available for GEF-6 projects; some project proposals could not proceed due to the funding shortage, which particularly affected a number of countries' STAR allocations. On average, this shortfall led to a decline of 19 percent in funding provided for STAR country allocations, with varied effects on recipient countries.

Uncertainty and fragmentation in donor funding due to competing demands places additional pressure on the GEF going into the next replenishment, necessitating a focus on innovative approaches. The nongrant pilot established in GEF-6 enables GEF financing to be used in products and mechanisms that have the potential to generate financial returns. It has been routinely used by partner multilateral development banks to raise financing for their projects. For nongrant instruments to be scaled up in the GEF Secretariat will require in-house capital markets expertise to originate/structure such instruments and sufficiently large transactions to make their use attractive, particularly to the multilateral development banks.

Operational restrictions and lack of awareness of the GEF have resulted in limiting or not fully realizing the potential for successful engagement with the private sector. While there is general agreement across the partnership that the GEF needs to raise private sector investment and financing, only about 43 percent of respondents to an IEO survey on financing and governance agree that the GEF's ability to engage the private sector is its comparative advantage. Operational restrictions—including the GEF project cycle, processes, timelines, staff capacity, and required documentation—are not fully aligned with private sector expectations and approaches, thereby constraining the GEF's ability to engage with it. There is a misperception in the partnership about the role of the private sector as a source of financing rather than as a partner in promoting environmental sustainability more broadly. GEF country recipients have varying degrees of knowledge of the role of the private sector in green finance, in accessing funds beyond the usual GEF grant instruments, or of opportunities for engaging in areas beyond finance. Interviews reveal that private sector respondents expect more clarity to help them better prepare for cooperation with the GEF, and that they see a distinct role for the GEF through its long-term regulatory and policy interventions—particularly where conditions are not yet ripe for investment.

Overall, the GEF partnership is well governed; concerns continue to exist on matters related to representation, efficiency, accountability, and transparency. Seventy-three percent of respondents to an IEO survey on GEF governance note that the GEF is effectively governed overall, and representatives of all stakeholder groups indicate that the governance structure has served the GEF reasonably well. Council members are engaged; and there is a high level of trust and goodwill, and a sense of common purpose. However, the GEF Instrument and current rules of procedure do not fully and accurately reflect the way in which the partnership is actually functioning.

There is no clarity on the participation of observers and Agencies at Council meetings. The GEF–Civil Society Organization Network continues to be relevant and contributes to policies at Council meetings, but there are no guidelines to manage the risks about potential conflict of interest situations associated with having several civil society organizations serve simultaneously as GEF Agencies and network members—often with field offices that are also members. The GEF Council has enabled good regional balance, but—unlike other partnerships—has not delegated decision making to committees.

With the expansion in the number of Agencies and the growth of the Secretariat, the relationship between the Agencies and the Secretariat is less clear. There are also overlaps between governance and management functions—for instance, with the Council, in accordance with provisions of the GEF Instrument, continues to have a role in reviewing individual project documents. A major difference between the governance of the GEF and that of six comparator organizations is the absence of an independent chair.

The GEF continues to be a transparent organization in terms of its governance, but is less so in terms of its management. Only half of stakeholder respondents to a survey on GEF governance believe that the operational decision making is appropriately transparent. While acknowledging the practical difficulties entailed in explaining all Secretariat decisions within an expanded partnership, concern was expressed by all groups of stakeholders on inadequate clarity and communication of programming decisions, project review criteria, project selection, the initial preparation of the IAPs in GEF-6 and the early stages of development of the GEF-7 Impact Programs. During interviews, concerns were raised on the communication of Agency selection by country operational focal points, with projects being awarded to Agencies based on their country presence and not necessarily based on their comparative advantage.

The GEF Gender Mainstreaming Policy has advanced the GEF's efforts to strengthen gender mainstreaming in GEF programming and operations in a more systematic manner; there is further room for improvement in implementation. Since implementation of the policy, gender consideration in project documentation at the point of Chief Executive Officer project endorsement/approval rose from about 57 percent to almost 98 percent. The GEF Gender Partnership is slowly developing into an effective platform on which to build a wider constituency on gender and the environment, providing a forum for leveraging the broad range of member skills and experiences on gender equality and women's empowerment. The policy stops short of providing a compelling rationale for why gender matters in environment-focused interventions. It also does not provide a rationale as to how the inclusion of gender equality in environmental projects would generate benefits beyond effectiveness and efficiency. Moreover, the policy does not reference the gender-related mandates or decisions of the five conventions the GEF serves. Even though gender performance has improved since the introduction of the policy, only about 14 percent of projects at entry included a gender analysis, which is integral to mainstreaming.

The GEF policies and guidance on safeguards and indigenous peoples have advanced the GEF's efforts in these areas; gaps exist in the policy frameworks relative to good practice in partner Agencies and in implementation. The adoption of the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards has prompted several Agencies to develop or revise their own safeguard systems. By design, these improvements have occurred principally during the accreditation process for new Agencies and compliance review for existing Agencies. Gaps exist in the framework in relation to recent updates made in GEF partner Agencies, and there is no guidance regarding ongoing reporting or monitoring on safeguard-related issues during project implementation. In general, GEF Agencies comply with the obligations specified under GEF Minimum Standard 4: Indigenous Peoples. The GEF "Principles and Guidelines for Engagement with Indigenous Peoples" reinforce GEF policies toward indigenous peoples, but lack practical guidance on project design and indicators, or a

list of requirements that could aid in operationalizing the minimum standard and other relevant GEF policies.

Some progress has been made with regard to the GEF's Project Management Information System (PMIS), results-based management system, and knowledge management; the availability and quality of information in these systems needs further improvement. As pointed out in several evaluations by the IEO, the availability and quality of information provided by the PMIS is an area of major concern, which primarily stems from information being manually entered and not updated with any regularity. The upgrade of the system planned prior to the launch of GEF-7 should help address the need for accurate and up-to-date information.

The GEF's results-based management system has played a strong role in supporting accountability, reporting, and communications. It provides information for two instruments of regular reporting to the Council: the Annual Portfolio Monitoring Report and the Corporate Scorecard. Nonetheless, the GEF is still tracking too much information, with little focus on impacts. As designed, the system does not provide useful feedback on Agency performance or enable the articulation of lessons drawn from good practices. An important issue is the limited availability of M&E evidence that demonstrates the value added or additionality of a program over a set of projects.

During GEF-6, an increased emphasis has been placed on knowledge management, and an action plan has been developed for implementation. The knowledge generated and shared by GEF projects is useful, but it is inconsistently integrated in repositories—thereby limiting accessibility. Two-thirds of surveyed stakeholders reported having used knowledge produced by the GEF, particularly in technical and strategy documents, as an input into the design of their own environmental programs and projects; for awareness raising; or in the formulation of national environmental policies, strategies, laws, and regulations. But access to information has been difficult. Compared to similar partnership organizations, the GEF has placed less emphasis on developing technical solutions to manage knowledge; developing a systematic approach to its knowledge management products; or linking creators of knowledge with users through facilitating access, transfer, and sharing.

SUMMARY

The changing landscape for environmental finance presents an opportunity for the GEF to build on its comparative advantage and make strategic choices. The establishment of new funding sources such as the Climate Investment Funds, the Green Climate Fund, the Asian Infrastructure Investment Bank, and the New Development Bank is an opportunity for the GEF to expand its presence in focal areas other than climate change that are not covered extensively or at all by other funds and/or where the GEF has a comparative advantage. In the climate change focal area, external analyses have identified potential niches for the GEF in addition to continuing support for convention obligations; these include focusing on upstream activities to develop supportive conditions for broader climate through capacity building, technical assistance, and policy and regulatory reform to accelerate market development. Sources of comparative advantage for the GEF include its mandate to serve the conventions; its strong record of performance over 26 years; and its ability to address interlinkages and synergies across focal areas, implement policy and regulatory reforms in countries to create an enabling environment that attracts

investment, deliver innovative financing models and risk-sharing approaches, and support LDCs and SIDS.

Recommendations

The recommendations for the 29 individual evaluations that were used in the preparation of this report are included in the individual evaluation reports and have been presented for adoption at GEF Council meetings. The recommendations that follow are at a strategic level and are intended to inform future directions for the GEF.

1. **Strategic positioning.** The GEF is operating in a changing world and should build on its position in addressing drivers of environmental degradation. It should enhance its efforts in the biodiversity, international waters, chemicals and waste, and land degradation focal areas, where there are limited sources of financing and few players with the GEF's depth of knowledge and experience. Within climate change, the GEF needs to sharpen its focus. Based on its comparative advantage and experience, the GEF should place continued emphasis on its work with the enabling environment and legal, policy, and regulatory measures to support market transformation. The GEF should also continue to emphasize innova-tive projects in its climate change mitigation, LDCF, and SCCF portfolios; and in piloting and demonstrating technologies and financial approaches that could be scaled up by other actors. The GEF should explore its potential to be an incubator for countries to test and refine their approaches prior to seeking large-scale finance through other partners.

2. **Promoting transformational change.** To drive transformational change in any focal area, the GEF will need to further its efforts in designing for transformation through adoption of systems approaches and addressing drivers of environmental degradation, and in promoting policy and regulatory reform and building institutional capacity in recipient countries. It would also require working with financial institutions to derisk investment, develop structured finance deals, and demonstrate how to engage markets. Ex ante assessments of the potential for transformation based on clear criteria should be completed for projects at the design stage.

3. **Continuing focus on integration based on additionality.** The GEF should continue pursuing an integrative principle in its programming based on scientific and technical merits. A strong, cogent rationale for designing integrated programs and multifocal area projects—based on demonstrated additionality, GEF experience, GEF comparative advantage, innovative contributions, environmental need, and national relevance—must be the basis for such interventions.

4. **Improving financial management.** To complement its financial resources, and to implement recent mandates including the Paris Agreement, the Minamata Convention on Mercury, and the Nagoya Protocol, the GEF should consider expanding the number and variety of donors from both Organization for Economic Co-operation and Development (OECD) countries and middle-income countries, including sub national states/provinces, that have not previously contributed and are increasingly in a position to do so. To secure its existing financing, the GEF should implement foreign exchange risk management within the parameters of the GEF Instrument, and/or as otherwise legally allowed to manage volatility.

5. **Engaging the private sector.** The GEF will need to adapt its strategy to improve its engage-ment with the private sector. Specifically, the private sector should be viewed more broadly

than just as a source of financing. There are various opportunities to engage the private sector in areas other than finance. For example, the GEF can affect industry practices by facilitating certifications and research, as well as changing sourcing and production practices along the supply chain. Where conditions are not ripe for investment, such as in biodiversity conservation, long-term regulatory and policy intervention by the GEF can help to catalyze private sector investment.

6. **Promoting gender equality.** In revising the Policy on Gender Mainstreaming, the GEF Secretariat needs to align the policy more closely with international gender mainstreaming good practice standards. The new policy should include a comprehensive results or accountability framework, with requirements for the GEF Secretariat to track and assess progress against any performance targets or benchmarks. Roles should be clearly assigned to oversee progress and to report on obligations to senior management.

7. **Reviewing and revising safeguard policies.** The policy on safeguards and rules of engagement with indigenous peoples should be reviewed for gaps against good practices and updated accordingly. Implementation of these by the GEF Agencies, and subsequent monitoring, will be required to assess gaps in compliance and the need for follow-up actions by the GEF.

8. **Strengthening operational governance.** Operational governance must be strengthened across the partnership. Ground rules for cooperation among Agencies must be established to support the implementation of multifocal area efforts and the expansion of programs. The GEF Secretariat should develop and clearly communicate the criteria for program selection and design. Similarly, the selection of Agencies by country governments should be based on clear criteria and comparative advantage. Addressing the potential for conflicts of interest arising from the overlapping roles between implementing and executing Agencies—including for international civil society organization partner Agencies—is imperative.

9. **Improving systems for data, monitoring, and knowledge.** GEF systems for project management information, results, and knowledge must be further strengthened to enable the GEF to demonstrate its results and serve the needs of the partnership for learning. The PMIS should be able to provide timely and accurate project information, the M&E system should capture good quantitative data on performance indicators with a focus on impacts, and the knowledge management system should provide a good repository of information to draw on in improving project design, implementation, and monitoring.

Chapter 1

The context for OPS6

1.1 OPS6 purpose, methods, and limitations

Replenishments of the Global Environment Facility (GEF) are informed by a thorough, independent evaluation and assessment of GEF results and performance. There have been five such overall performance studies (OPSs) of the GEF so far. This sixth comprehensive evaluation of the GEF (OPS6) aims to provide solid evaluative evidence to inform the negotiations for the seventh replenishment of the GEF, which will be finalized for the GEF Assembly in June 2018.

AUDIENCE AND OBJECTIVES

The audience for OPS6 comprises the replenishment participants—the GEF Council and the GEF Assembly—and the GEF partners—including the GEF Secretariat; the GEF Agencies; the Scientific and Technical Advisory Panel (STAP); the convention secretariats and their conferences of the parties; the GEF–Civil Society Organization (CSO) Network; and project proponents from civil society, the public and private sectors, and the academic community.

As established in the approach paper approved by the GEF Council in June 2016 (appended here as annex B), the objective of OPS6 is to evaluate the progress made by the GEF since OPS5 and the extent to which the GEF is achieving the objectives set out in GEF-6 (2014–18), and to identify potential improvements going into GEF-7. This report also assesses the relevance of the GEF in today's changing landscape for environmental finance.

METHODS AND SCOPE

OPS6 is based on the findings of 29 evaluations and studies (listed in annex C) conducted by the Independent Evaluation Office (IEO) of the GEF over the past three years. These individual evaluations—which used qualitative and quantitative methodologies, including geospatial methods among others—were specifically designed to inform this comprehensive evaluation. OPS6 also draws on the terminal evaluation reviews of 1,184 completed GEF projects and covers the full GEF portfolio of 4,433 approved projects from the pilot phase through June 2017. Section 1.3 details this GEF portfolio based on utilization and includes projects approved up until June 30, 2017. Particular attention is given to the 581 completed projects for which terminal evaluations were received after the close of OPS5, and the 373 projects that were approved during the GEF-6 period through December 2016.

LIMITATIONS

Limitations on evaluative evidence in the GEF have been highlighted in several evaluations of the IEO and in previous OPSs; these include the following.

- Terminal evaluations are typically of completed projects begun in earlier GEF periods, and thus their findings may not reflect current practice; however, they do provide valuable lessons for design and implementation.
- The incomplete information and inaccuracies in the Project Management Information System (PMIS) have posed challenges to the underlying analysis.
- The results of recently designed programs, such as the integrated approach pilots (IAPs) which have few child projects approved as of yet, are difficult to evaluate. To mitigate this limitation and extract useful information, formative evaluation approaches have been used to assess program/project design and quality at entry aspects—fully recognizing that findings could differ on implementation.
- Typically, impact evaluations and progress toward impact analyses search for evidence of impacts five to eight years after projects have been completed, with limited ability to regenerate baselines. The Office's recent use of geospatial analysis has provided flexibility in looking for environmental changes over longer periods of time, before and after project implementation.

QUALITY ASSURANCE

Quality assurance for OPS6 has been provided by a team of five senior independent evaluation advisers: Hans Bruyninckx, Holly Dublin, Osvaldo Feinstein, Sunita Narain, and Kazuhiko Takemoto. Their statement on the quality of the report, and the extent to which the conclusions and recommendations are based on the evaluative evidence, is included as annex A. Quality assurance of the component evaluations was conducted either through a review process or through circulation to a wide range of GEF stakeholders for comment on factual and analytical errors as well as on the feasibility of the recommendations. In all cases, the IEO responded to the comments received. The Office remains fully responsible for any remaining errors.

1.2 Understanding the GEF's role in the global environment

Proper understanding and interpretation of the findings of this comprehensive evaluation requires an appreciation of the current landscape within which the GEF is operating. This section provides a summary of this landscape.

The global environment continues to deteriorate. Environmental changes in the world are occurring at a faster pace than previously thought (UNEP 2016). In fact, in a number of areas, damage to the global environment has exceeded critical levels and threatens to lead to irreversible changes in global ecosystems. According to Steffen et al. (2015), the long-term averages of four core components of a planet suitable for human life—or "planetary boundaries"—have already been exceeded: in human-driven climate change, land system change, high levels of phosphorous and nitrogen flowing into oceans due to increased fertilizer use, and loss of biosphere integrity. All of these changes are leading the Earth into a new state—and are showing no signs of slowing down. Several global trends will continue to put pressure on already strained environmental resources in the coming decades. These include a projected increase of 2 billion in the global population by 2050; rapid urbanization; and rising levels of consumption, desertification, land degradation, and climate change (UNEP 2016).

Global demand for environmental finance far exceeds the resources made available by donors. While the international community has committed

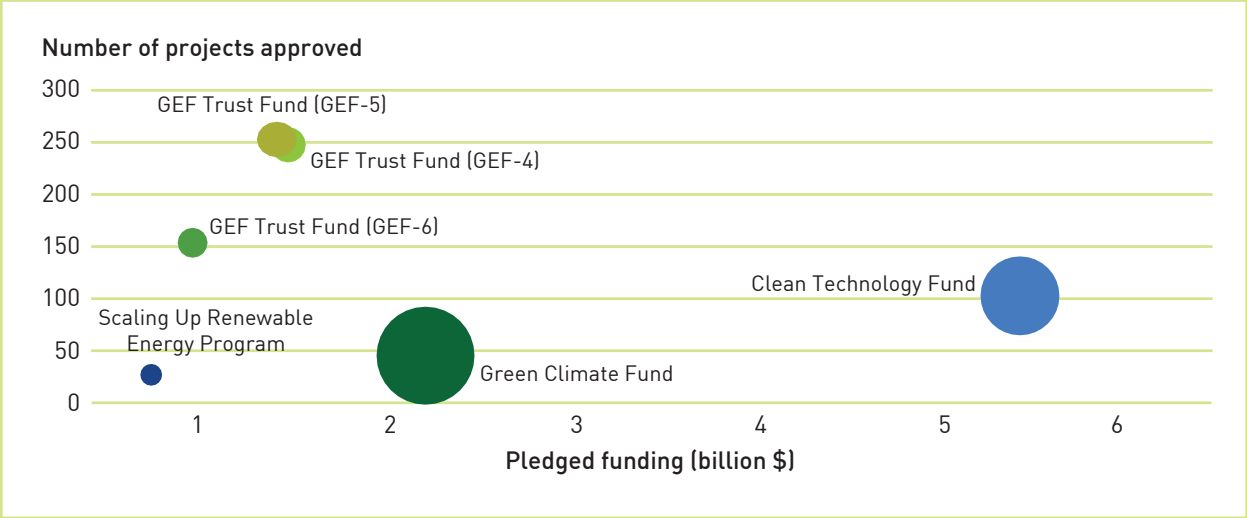
and invested sizable resources annually to address the mounting environmental issues, environmental financing needs are huge relative to demand, and remain largely unmet. Additionally, the World Economic Forum (2013) projects that by 2020, about $5.7 trillion will need to be invested annually in green infrastructure, much of which will be in today's developing world economies. The Climate Policy Initiative (2014) estimates current annual public and private climate investments at about $360 billion, with developed country governments providing somewhere between $10 and $20 billion each year, according to Organisation for Economic Co-operation and Development (OECD) estimates. At the same time, an estimated $2.5 trillion more in funds is needed each year to achieve the Sustainable Development Goals (SDGs) adopted by the United Nations member states in 2015 (UNCTAD 2014). Ongoing refugee and humanitarian crises compete for limited public funds, with implications for global environmental action. The funding situation is further exacerbated by increasingly frequent famines and natural disasters attributed to accelerating climate change and requiring immediate assistance, global market volatility, competing bilateral programs for environmental finance, and political uncertainty created by the U.S. withdrawal from the Paris Agreement.

The global landscape for environmental finance has evolved, especially with regard to climate finance. Today, there is widespread awareness of environmental issues. Recent initiatives in this regard include the adoption of the 2030 Agenda for Sustainable Development and the SDGs as a global framework for multifaceted development priorities, the Paris Agreement as a road map for tackling climate change and related issues, and the adoption of the Sendai Framework for Disaster Risk Reduction 2015–2030. Environmental issues are being mainstreamed across a broad range of organizations, including the multilateral development banks. In recent years, global funding flows have increasingly prioritized climate change and reduced emissions from deforestation and degradation (REDD+) over other environmental issues, notably biodiversity and transboundary waters.

The global landscape for climate change finance has changed significantly since the GEF become the first operating entity of the financial mechanism of the United Nations Framework Convention on Climate Change (UNFCCC) in 1994. While the GEF was a principal source of donor financing for climate change in the 1990s, the landscape has since expanded and fragmented, and the GEF has become a relatively smaller contributor to climate-related projects. New multilateral institutions such as the Clean Technology Fund and the Green Climate Fund have been established; their pledged amounts far exceed those of the GEF (figure 1.1). Additionally, many carbon finance facilities have become active. The private sector increasingly recognizes the economic, financial, and human risks posed by unchecked climate change and has increased its capital commitments across renewable energy and other sectors (UN 2015).

With its broad focus that extends across several focal areas, including biodiversity, climate change, international waters, chemicals and waste, and land degradation, the GEF occupies a unique space in the global environmental financing architecture. Despite limited funding, the GEF is the only institution that addresses several global environmental issues rather than climate change alone. With a 26-year history and established standing, the GEF goes beyond supporting implementation of the UNFCCC to supporting other major multilateral environmental agreements, including the Convention on Biological Diversity, the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention

FIGURE 1.1 Pledged funding for climate funds



SOURCE: Data from Climate Funds Update as of October 2016; http://www.climatefundsupdate.org.

NOTE: Bubbles represent the relative size of pledged funding.

to Combat Desertification, and the Minamata Convention on Mercury. The GEF also funds projects in the international waters focal area contributing to the implementation of many global and regional agreements, and supports sustainable forest management initiatives consistent with the objectives of the United Nations Forum on Forests. Through its programmatic approaches and multifocal projects, the GEF can—and does—create interlinkages and synergies across focal areas and planetary boundaries.

The GEF strategy has continued to evolve to address growing environmental challenges, with an emphasis on integration. In addition to the focal area strategies, the GEF-6 Programming Directions included a new integrated approach consisting of three pilot programs to support activities in recipient countries that would help them meet commitments to more than one global convention or thematic area by tackling underlying drivers of environmental degradation. These programs were designed to promote complementarities and synergies in seeking multiple environmental benefits, while avoiding trade-offs between competing objectives. While it is too early to assess the outcomes of these programs, the findings of a formative review of their design elements is discussed in chapter 5.

Over the years, the GEF has undergone several changes in its structure, governance, and partnership framework. Importantly, there has been a gradual and significant increase in its number of Agencies, from the initial three—the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank—to 10 and then to 18 Agencies. The expansion of the partnership was intended to increase choice, access, and availability for numerous underserved countries, especially least developed countries (LDCs) and small island developing states (SIDS), based on Agency comparative advantage.

The GEF's interventions also directly relate to SDG Goals 2, 6, 11, 13, 14, and 15—on zero hunger, clean water and sanitation, sustainable cities and

communities, climate action, life below water, and life on land. The GEF's responses to the SDGs are mainly through its support to the conventions.

1.3 Overview of the GEF portfolio

The GEF Trust Fund is the primary source for grants made by the GEF. The GEF also administers the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), the Nagoya Protocol Implementation Fund (NPIF), and—as of September 2016—the Capacity-Building Initiative for Transparency (CBIT) Trust Fund. As of June 30, 2017, the GEF had provided total funding of $17.17 billion through these trust funds (table 1.1). Overall, 4,047 projects, accounting for $15.47 billion in GEF grants, had been funded as of June 30, 2017, from the GEF Trust Fund. Utilization in the GEF-6 period is 63 percent as of June 30, 2017 ($2.42 billion for 444 projects) of the total GEF-6 allocation of $3.86 billion.

FOCAL AREAS

In dollar terms, the biodiversity and climate change single focal area projects account for 27 percent and 29 percent, respectively, of total GEF Trust Fund utilization from the pilot phase to GEF-6 (table 1.2). The share of funding utilized for international waters was 11 percent, for land degradation 5 percent, and for chemicals and waste 9 percent. The revised replenishment allocation shares for GEF-6 are 24 percent and 26 percent for the biodiversity and climate change focal areas, respectively; and 13, 10, and 9 percent for the chemicals and waste, international waters, and land degradation focal areas, respectively.

Multifocal area projects address global environmental issues that are relevant to more than one focal area. The share of such projects in the GEF portfolio has been growing, rising from 29 percent in GEF-5 to 52 percent in GEF-6 until June 30, 2017. As of end June 2017, over half, or $1.25 billion, of the total $2.42 billion in GEF-6 focal area programming had been utilized for multifocal area projects.

MODALITIES

The GEF provides funding through four modalities: full-size projects (FSPs), medium-size projects (MSPs), enabling activities, and the Small Grants Programme (SGP). During GEF-6, FSPs continued to be the main funding modality, accounting for 53 percent of GEF funding (table 1.3). The share of MSPs was 6 percent in

TABLE 1.1 **Utilization of the GEF Trust Fund and other funds administered by the GEF (million $)**

Fund	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	GEF-6	Total
GEF	732	1,218	1,903	2,969	2,827	3,400	2,423	15,472
CBIT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	13	13
LDCF	n.a.	n.a.	n.a.	11	145	768	188	1,112
SCCF	n.a.	n.a.	n.a.	16	96	161	49	322
NPIF	n.a.	n.a.	n.a.	n.a.	n.a.	15	0	15
MTF	n.a.	n.a.	n.a.	n.a.	n.a.	217	16	232
Total	732	1,218	1,903	2,995	3,068	4,560	2,689	17,165

SOURCE: GEF PMIS.

NOTE: n.a. = not applicable; MTF = multitrust funds. Data are as of June 30, 2017, and exclude all SGP projects and projects canceled without any utilization.

TABLE 1.2 Utilization of GEF Trust Fund over time by focal area (million $)

Focal area	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	GEF-6	Total
Biodiversity	323	458	770	957	759	635	219	4,121
Climate change	281	503	692	932	816	901	425	4,551
International waters	121	120	317	385	265	345	138	1,690
Land degradation	n.a.	n.a.	n.a.	231	279	138	64	712
Chemicals and waste[a]	4	112	43	178	279	387	325	1,328
Multifocal	3	25	81	285	429	994	1,253	3,069
Total	732	1,218	1,903	2,969	2,827	3,400	2,423	15,472

SOURCE: GEF PMIS.

NOTE: n.a. = not applicable. Data are as of June 30, 2017, and exclude all SGP projects and projects canceled without any utilization.

a. The chemicals and waste focal area has evolved, covering only ozone-depleting substances (ODS) during the pilot phase until GEF-2. Persistent organic pollutants (POPs) were added between GEF-3 and GEF-5. In GEF-6, the chemicals and waste focal area was formally created to include ODS, POPs, and mercury.

GEF-6. The SGP portfolio share was 7 percent in GEF-6, representing a slight increase from 6 percent in GEF-5. The share for programmatic approaches and the IAPs was 31 percent in GEF-6, an increase of 19 percent over GEF-5.

AGENCIES

The shares of GEF funding for individual GEF Agencies have shifted over time (table 1.4). Since GEF-5, UNDP has accounted for the largest share of GEF funding, at over 30 percent. The World Bank's share is 21 percent—a drop from 32 percent in GEF-4. UNEP has a 13 percent share; the other Agencies account for the remaining 32 percent. Among these other Agencies, the shares of the International Fund for Agricultural Development (IFAD) and the International Union for Conservation of Nature are about 3 percent each in GEF-6.

There are variations across Agencies in their use of the GEF trust funds. UNDP accounts for nearly $591 million of the $1.11 billion LDCF portfolio. In contrast, the World Bank has a very limited presence in LDCF projects, but is the Agency with the largest share of the SCCF portfolio.

TABLE 1.3 GEF funding by modality

	Pilot		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		GEF-6		Total	
Modality	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%
FSP	698	94	1,140	92	1,660	82	2,657	84	2,166	67	3,587	74	1,528	53	13,437	74
MSP	n.a.	n.a.	7	1	146	7	173	5	191	6	329	7	185	6	1,032	6
EA	34	5	71	6	100	5	161	5	24	1	77	2	83	3	550	3
SGP	13	2	26	2	108	5	171	5	175	5	309	6	195	7	998	5
PA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9	0	688	21	566	12	892	31	2,154	12
Total	745	100	1,244	100	2,014	100	3,171	100	3,245	100	4,868	100	2,884	100	18,170	100

SOURCE: GEF PMIS.

NOTE: n.a. = not applicable; EA = enabling activity; PA = programmatic approaches. Data are as of June 30, 2017, and exclude all projects canceled without any utilization.

TABLE 1.4 GEF funding by Agency, GEF Trust Fund (million $)

Lead Agency	Pilot	GEF-1	GEF-2	GEF-3	GEF-4	GEF-5	GEF-6	Total
Asian Development Bank	n.a.	n.a.	7	50	87	43	45	231
African Development Bank	n.a.	n.a.	n.a.	n.a.	11	90	80	181
Brazilian Biodiversity Fund	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	15	15
Conservation International	n.a.	n.a.	n.a.	n.a.	n.a.	20	27	47
Development Bank of Southern Africa	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	34	34
Eur. Bank for Reconstruction & Development	n.a.	n.a.	n.a.	n.a.	53	46	24	123
Food & Agriculture Organization of the UN	n.a.	n.a.	n.a.	14	78	276	159	526
GEF Secretariat	3	0	0	0	0	6	0	9
Inter-American Development Bank	n.a.	n.a.	n.a.	18	98	190	39	345
Int'l Fund for Agricultural Development	n.a.	n.a.	n.a.	30	75	14	83	203
Int'l Union for Conservation of Nature	n.a.	n.a.	n.a.	n.a.	n.a.	7	82	89
UNDP	245	361	611	974	976	1,190	736	5,093
UNEP	19	45	200	305	343	455	334	1,701
UN Industrial Development Organization	n.a.	n.a.	12	20	190	306	165	693
West African Development Bank	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	3	3
World Bank	465	812	1,073	1,559	917	729	562	6,117
World Wildlife Fund	n.a.	n.a.	n.a.	n.a.	n.a.	27	35	63
Total	732	1,218	1,903	2,969	2,827	3,400	2,423	15,472

SOURCE: GEF PMIS.

NOTE: n.a. = not applicable. Data are as of June 30, 2017, and exclude all SGP projects and projects canceled without any utilization.

REGIONS

Spending in Africa from the GEF Trust Fund in GEF-6 stood at 26 percent, a slight increase from 24 percent in GEF-5 (table 1.5). Africa's share of resources from the GEF Trust Fund and other GEF-administered funds was 29 percent in GEF-6. Between GEF-5 and GEF-6, Asia's share of the GEF Trust Fund dropped from 31 percent to 24 percent; the Latin America and the Caribbean region's share stayed steady at 23 percent, and that of the Europe and Central Asia region dropped from 12 to 7 percent. Regional/global programs doubled from 10 to 20 percent during the period.

COUNTRY TYPES

Based on national projects undertaken across countries through the main GEF Trust Fund, there has been an increase in GEF support for certain countries in special situations in GEF-6 (table 1.6). Compared to GEF-5 funding, support for LDCs increased from 14 to 19 percent, for fragile states from 8 to 10 percent, for SIDS from 8 to 9 percent, and for landlocked developing countries from 10 to 15 percent.

TABLE 1.5 GEF funding by region, GEF Trust Fund

Region	Pilot		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		GEF-6		Total	
	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%
Africa	174	24	201	16	394	21	846	28	797	28	820	24	619	26	3,851	25
Asia	245	33	375	31	471	25	669	23	835	30	1,052	31	591	24	4,238	27
ECA	71	10	252	21	248	13	398	13	330	12	423	12	175	7	1,896	12
LAC	158	22	214	18	535	28	628	21	605	21	778	23	562	23	3,480	22
Reg./global	83	11	176	14	255	13	429	14	261	9	327	10	476	20	2,007	13
Total	732	100	1,218	100	1,903	100	2,969	100	2,827	100	3,400	100	2,423	100	15,472	100

SOURCE: GEF PMIS.

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean. Data are as of June 30, 2017, and exclude all SGP projects and projects canceled without any utilization.

TABLE 1.6 GEF funding of national projects by country type, GEF Trust Fund

Country type	Pilot		GEF-1		GEF-2		GEF-3		GEF-4		GEF-5		GEF-6	
	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%
Landlocked	54	9	45	5	165	11	272	12	210	10	294	10	288	15
Fragile	33	5	60	6	67	4	92	4	149	7	234	8	180	10
SIDS	25	4	26	3	79	5	83	4	84	4	218	8	161	9
LDCs	52	9	100	11	178	12	311	14	270	12	413	14	358	19
Other[a]	451	73	719	76	1,028	68	1,470	66	1,476	67	1,726	60	901	48

SOURCE: GEF PMIS.

NOTE: Data are as of June 30, 2017, and exclude all SGP projects and projects canceled without any utilization.

a. Countries that are not LDCs, SIDS, landlocked developing countries, or fragile states. Fragile states are classified based on the World Bank's Harmonized List of Fragile Situations (www.worldbank.org/en/topic/fragilityconflictviolence/brief/harmonized-list-of-fragile-situations)/

1.4 Organization of this report

The remainder of this report is organized into six chapters, focusing on the broad themes of the approach paper.

- Chapter 2 addresses the strategic relevance of the GEF to the conventions, countries, and Agencies for, in, and through which it operates.
- Chapter 3 presents an analysis of the overall performance and impacts of GEF programs and projects, including pathways to broader adoption.
- Chapter 4 delves into each of the GEF focal areas, as well as the multifocal portfolio, and discusses the evolution of each focal area strategy and portfolio, including performance and impact.
- Chapter 5 presents results on the GEF's programmatic approaches and findings from formative reviews of the illegal wildlife trade component of the Global Wildlife Program and the IAPs.
- Chapter 6 looks at Institutional issues, including the overall governance of the GEF; its financing; key GEF policies on safeguards, gender, and indigenous peoples; and systems for results-based management and knowledge management.
- Chapter 7 summarizes the main OPS6 conclusions and recommendations.

Chapter 2

Strategic relevance of the GEF

The Global Environment Facility (GEF) draws its core relevance from the historical and foundational relationship it shares with the multilateral environmental agreements, providing support to countries in meeting their obligations under the agreements. Although other institutions with pledged amounts far exceeding those of the GEF have emerged—such as the Climate Investment Funds and the Green Climate Fund—the GEF retains broad coverage of environmental issues, a large number of recipient countries, and a rich diversity of partners. Since its establishment in 1991, the GEF has expanded, adding conventions and trust funds; member countries; and GEF Agencies, including national agencies from Brazil, China, and South Africa. This chapter focuses on the strategic relevance of the GEF to these partners: the conventions and agreements it serves, the countries within which it operates, and the global and regional entities that serve as its Agencies.

2.1 Relevance to conventions

The GEF serves as the financial mechanism for a number of global conventions including the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification (UNCCD), and the Minamata Convention on Mercury. The GEF also funds projects in international waters and sustainable forest management that are consistent with the objectives of the United Nations Convention on the Law of the Sea, the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activity, and the United Nations Forum on Forests.

Since its establishment, there have been several additions to the conventions for which the GEF serves as financial mechanism and the trust funds it manages (table 2.1). This growth suggests that the GEF has earned a level of trust and confidence within the environmental financing architecture over the past 25 years. In an online survey conducted for the review of the comparative advantage, financing, and governance of the GEF partnership, convention staff emphasized that the GEF was fundamental to the conventions and to the delivery of obligations under the conventions. As the financial mechanism for the conventions, the GEF receives guidance from the respective conferences of the parties (COPs); this guidance in turn influences the GEF's programming directions during the quadrennial negotiations preceding each replenishment phase.

The GEF strategies have mostly been responsive to convention guidance. The focal area studies conducted since the Fifth Overall Performance Study of the GEF (OPS5), the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF) program evaluations, and

TABLE 2.1 GEF conventions and trust funds

Convention	GEF focal area	Trust fund
Montreal Protocol on Substances that Deplete the Ozone Layer (1989)	Chemicals and waste	GEF Trust Fund[a]
Convention on Biological Diversity (1993)	Biodiversity	GEF Trust Fund (1996)
UN Framework Convention on Climate Change (1994)	Climate change	GEF Trust Fund (1994); Least Developed Countries Fund and Special Climate Change Fund (2001)
Multilateral agreements on international water and transboundary water systems	International waters	GEF Trust Fund
United Nations Convention to Combat Desertification (1996)	Land degradation	GEF Trust Fund (2010)
Cartagena Protocol on Biosafety to the Convention on Biological Diversity (2003)	Biodiversity	GEF Trust Fund (2000)
Stockholm Convention on Persistent Organic Pollutants (2004)	Chemicals and waste	GEF Trust Fund (2002)
Kyoto Protocol (2005)	Climate change	Adaptation Fund (2007)
Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization (2014)	Biodiversity	Trust Fund for Nagoya Protocol Implementation Fund (2011)
Paris Agreement (2016)	Climate change	GEF Trust Fund, Least Developed Countries Fund, Special Climate Change Fund, and Capacity-Building Initiative for Transparency Trust Fund (2016)
Minamata Convention on Mercury (2017)	Chemicals and waste	GEF Trust Fund (2014)

NOTE: The date indicated in the convention column is the year the agreement entered into force; the date in the trust fund column is the year a memorandum of understanding was signed between the GEF and the convention or the year the GEF Instrument was amended by the GEF Assembly.

a. The GEF Trust Fund is not an official financial mechanism of the Montreal Protocol, but supports its implementation in countries with economies in transition.

GEF Independent Evaluation Office (IEO) analysis indicate that, overall, the GEF-6 Programming Directions have responded to convention guidance, and there is a high level of relevance to convention guidance across all focal areas. The GEF's Biodiversity Focal Area Strategy closely reflects CBD guidance, notably identifying the Aichi Biodiversity Targets. These focal area synergies are being operationalized through the Integrated Approach Pilot and Sustainable Forest Management programs. UNFCCC COP guidance continues to be relatively sparse, a key finding of OPS5 (GEF IEO 2014a), leaving the GEF significant interpretative freedom in formulating the Climate Change Mitigation Focal Area Strategy. The LDCF and SCCF program evaluations concluded that the GEF Strategy on Adaptation to Climate Change has been highly relevant to COP guidance related to the LDCF/SCCF. While not serving a specific international agreement, the international waters focal area's portfolio has provided important support to global and regional water-related agreements, from global and regional conventions to programs of action and codes of conduct. Notably, the international waters interventions support the interlinked provisions of various conventions, treaties, and guidance—enhancing their effectiveness and reinforcing sectoral

agreements. The GEF's land degradation focal area has responded to UNCCD guidance in GEF-6 by increasing the emphasis on projects focused on achieving land degradation neutrality. The chemicals and waste focal area has been coherent with the guidance of the conventions for which it is the financial mechanism, as well as supportive of the goals of related multilateral environmental agreements such as the Strategic Approach to International Chemicals Management, the Basel and Rotterdam Conventions, and the Montreal Protocol.

The GEF has responded to additional mandates and guidance, which can occur in the middle of a replenishment phase. The major additional mandate in GEF-6 was the Paris Agreement. The COP21 decision in December 2015 adopting the Paris Agreement requested that the GEF establish and operate the Capacity-Building Initiative for Transparency to support developing country parties with tools, training, and assistance to meet enhanced transparency requirements and accuracy in measuring greenhouse gas emissions; the fund became operational in November 2016.

Two other recent changes occurred in the middle of GEF-5. These were the establishment of the Nagoya Protocol Implementation Fund in response to the Nagoya Protocol under the CBD, and the adoption of the Minamata Convention to reduce and eliminate mercury pollution in October 2013. In response to the latter, the GEF has consolidated its work on persistent organic pollutants, ozone-depleting substances, mercury, and its support of the Strategic Approach to Integrated Chemicals Management into a single focal area on chemicals and waste. However, in some cases, the response to the guidance is not complete, as the GEF did not establish the clearing house mechanism for knowledge requested by the Stockholm Convention.

Operationalizing convention guidance can sometimes be challenging. Although the GEF Secretariat has made efforts in recent years to get more usable guidance from the conventions, certain features of convention guidance have made operationalization challenging. OPS5 referred to ambiguous language, lack of prioritization, cumulative nature, and repetition (GEF IEO 2014a). Some of these issues have been addressed; for example, the CBD has eliminated repetitive messages and updated its guidance. Guidance often represents the lowest common denominator on which convention signatories can agree, and its specificity varies across conventions. For instance, guidance from the CBD tends to be explicit and technical, establishing (1) a consolidated list of program priorities that defines what should be financed and (2) an outcome-oriented framework taking into account the Strategic Plan for Biodiversity 2011–2020, including its Aichi Biodiversity Targets and associated indicators. On the other hand, guidance from the UNFCCC on mitigation focuses on national obligations under the conventions and gives the GEF a greater degree of flexibility in developing a climate change focal area strategy.

The continued shift toward multifocal area projects and the more recent shift toward integrated programs in the GEF has raised concerns with the convention secretariats. According to survey results from the IEO review of the comparative advantage, financing, and governance of the GEF partnership, focal area integration in multifocal area programs and projects is perceived as having less clear links to convention guidance and reporting; this makes it harder to determine whether country obligations to the conventions are being met. Integration was also said to make it more difficult to directly link focal area funding with reported focal area benefits—especially since some benefits, such as resilience,

are difficult to measure. Convention staff also expressed concern that expanding the integrated approach pilots could potentially reduce the commitment to multilateral environmental agreements, financially and otherwise; they would like to see more explicit attention to convention obligations and requirements.

2.2 Relevance to countries

The GEF distinguishes itself from other environmental financial mechanisms in its ability to work through multiple Agencies in more than 140 recipient countries. Through the System for Transparent Allocation of Resources (STAR) mechanism, and through programs and set-asides, these countries have access to GEF resources to address environmental issues of national priority.

Expansion of the GEF partnership has increased GEF relevance through greater choice. The second round of expansion, which took place from 2013 to 2015, led to the inclusion of three national Agencies, two subregional Agencies, and three international civil society organizations. Each of the GEF focal areas and most countries with a GEF STAR allocation of $20 million or more now have, on average, eight Agencies to assist with implementation (IEO 2017b).

GEF focal area interventions are strongly aligned with country priorities. The focal area studies conducted since OPS5, the LDCF and SCCF program evaluations, and IEO analysis indicate that GEF focal area interventions are strongly aligned with country priorities. GEF biodiversity focal area funding has continued to support the preparation of national biodiversity strategies and action plans and national reports to the CBD through enabling activities. Often, GEF support has been instrumental in setting national priorities in the environmental sector (box 2.1). In climate change mitigation, the GEF provides unique and critical support for countries in meeting their obligations under the UNFCCC; this includes support for nationally appropriate mitigation actions, national communications, biennial update reports, and intended nationally determined contributions/nationally determined contributions. The GEF's mandate to provide such support is seen as one of its comparative advantages over other climate funds. In climate change adaptation, the GEF provides critical support through the LDCF/SCCF to least developed countries (LDCs) and other non–Annex I partners to the UNFCCC to support national adaptation programs of action,

BOX 2.1 GEF support has helped set priorities in Tajikistan's environmental sector

The GEF has specifically targeted the establishment of national priorities for sustainable development and environmental protection in Tajikistan, where GEF support has been ongoing since 1999. Most of the national priorities relevant to the environment have been developed with GEF support. Recent GEF initiatives include the update and revision of Tajikistan's Biodiversity Strategic Action Plan and development of its fifth national report to the CBD. GEF financing represents an important share of overall funding of environmental protection in Tajikistan—reflecting its relevance to national priorities, as "domestic resources allocated to environmental protection are very small and their impact on environmental quality is marginal" (UNECE 2012, 65). A quick estimate based on Tajikistan portfolio data indicated that, from 2010 to 2012, the GEF approved approximately $5 million in funding for country projects, almost equaling the "total funds required for environment projects from 2010 to 2012" (UNECE 2012, 80).

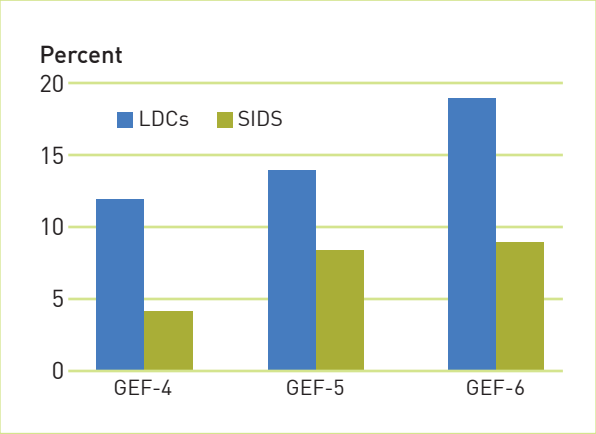
SOURCE: GEF IEO 2017g.

the national adaptation plan process, specific country adaptation priorities, and—through the SCCF—technology transfer activities. The international waters focal area is well aligned with national priorities, and relies on countries' willingness to work together on regional issues affecting joint waterbodies. The land degradation focal area is highly relevant to country needs in all regions—particularly in Africa—in sustainable land management and restoration. In particular, GEF support has helped countries align their national action plans to UNCCD strategic priorities. The chemicals and waste focal area is strongly aligned with national priorities, policies, and strategies; recipient country governments have provided more cofinancing to chemicals and waste projects than any other entity, including the private sector.

With respect to multifocal area projects, some country operational focal points interviewed as part of the multiple benefits evaluation noted that such projects help them meet the requirements of multiple conventions, as well as other national and international commitments, through a single project. Multifocal area projects also provide flexibility in the set of interventions to be implemented, which allows the priorities of multiple stakeholders to be achieved alongside those of the GEF and the national government.

GEF support to countries in special situations, such as LDCs and small island developing states (SIDS), has increased in recent GEF replenishment periods (figure 2.1). Compared to GEF-5 funding, support to LDCs has increased from 14 percent to 19 percent; support to SIDS has increased from 8 percent to 9 percent. The increase is noteworthy, considering that it occurred during a zero-growth replenishment. Also, a total of 3 percent of the GEF's funding over time has been through enabling activities that support countries in setting national priorities and in meeting their obligations to the conventions (table 1.3).

FIGURE 2.1 **Funding share of LDCs and SIDS by GEF replenishment period**



SOURCE: GEF PMIS.

NOTE: Data are as of June 30, 2017, and exclude all Small Grants Programme projects and all projects canceled without any utilization.

2.3 Relevance to Agencies

GEF Agencies continue to value the GEF for its complementary support to their efforts to address environmental issues. The number of countries and the breadth of focal areas covered by the GEF are especially attractive to GEF Agencies with overlapping mandates, including the United Nations (UN) Agencies, multilateral development banks (MDBs), and conservation organizations. The GEF Agencies value the resources that the GEF provides for generation of global environmental benefits. Most Agencies also acknowledge that well-regulated competition among them is important in addressing the needs of recipient countries efficiently and effectively. In interviews for the expansion of the GEF partnership evaluation, MDB representatives noted the importance of GEF funding in helping them unlock large-scale investment opportunities in projects that address environmental concerns. Given that

GEF resources are primarily in the form of grants, inclusion of a GEF grant component in a financing package may make that package more attractive to recipient countries. However, the benefits from the inclusion of a GEF grant in the package need to be balanced with the transaction costs involved in accessing it as opposed to internally managed sources of grants available for environmental projects. More recently, however, several Agencies—notably the MDBs—report that the relative importance of the GEF partnership vis-à-vis the availability of internal resources and other funding has diminished, despite its continued relevance to their respective mandates. In addition, the transaction costs and risks associated with materialization of GEF financing is often high relative to the size of the grant for the MDBs.

The GEF share in MDB programming is declining, while it is increasing for UN organizations. While the Agencies compete for GEF resources, the GEF in turn competes to be their partner of choice. An important consideration for a GEF Agency is the extent to which GEF funding contributes to its work program. Table 2.2 shows the scale of Agency annual work programs and the GEF's share within those work programs. GEF funding accounts for between 5 and 30 percent of the total funding of the UN organizations, and between 0.1 and 1.0 percent of the MDB portfolios. The portfolios of the two sets of GEF Agencies are not directly comparable, because the MDB portfolios consist primarily of loans and those of the UN Agencies of grants. However, given the magnitude of difference in the relative shares between the two sets of portfolios, it is more challenging for the GEF to receive top management attention within MDBs than within UN organizations.

Taken as a group, the UN organizations' share of the GEF portfolio increased from 37 percent during the pilot phase to 66 percent in GEF-5 (IEO 2017b). This increased share indicates the continued strong interest of these Agencies in the GEF partnership. Although representatives have expressed concerns regarding a gradual

TABLE 2.2 Scale of Agency operations and share of GEF funding

Agency	Estimated scale of Agency's annual work program	Estimated share of GEF funding in Agency expenditure/budget (%)
Multilateral development banks		
African Development Bank	$5–$7 billion	1.0
Asian Development Bank	$20–$22 billion	0.1
Inter-American Development Bank	$10–$12 billion	0.5
European Bank for Reconstruction & Dev.	$11–$12 billion	0.2
World Bank Group	$50 billion	0.5
UN Agencies		
Food & Agriculture Organization of the UN	$1 billion	10.0
Int'l Fund for Agricultural Development[a]	$1 billion	5.0
United Nations Development Programme	$4.3 billion	10.0
United Nations Environment Programme	$0.5–$0.8 billion	30.0
United Nations Industrial Development Org.	$0.35 billion	25.0

SOURCE: GEF IEO 2017b.

a. The International Fund for Agricultural Development is both a UN Agency and a financial institution with sizable lending operations.

decline in project fees and changing project cycle requirements, UN Agencies have in general made greater efforts than MDBs to adapt to GEF policies and processes.

Notwithstanding, the MDBs will continue to be important partners for the GEF. They leverage considerable levels of cofinancing and provide the GEF with access to strong technical capacities to address environmental challenges. Therefore, the GEF will need to find ways to retain and enhance their interest and participation in the partnership.

Finally, it is important to note that most of the new Agencies were not included in country-level programming for GEF-6, but have now had experience in preparing and submitting a project identification form (PIF). As of December 31, 2016, seven of them had been able to get a project approved.

Chapter 3

Performance and impact of GEF interventions

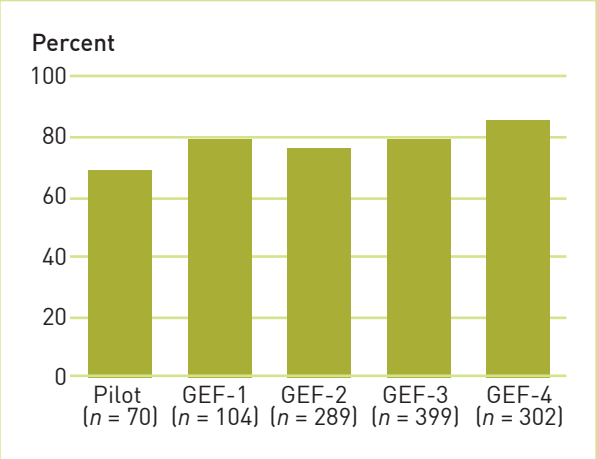
The first section of this chapter discusses the performance of the Global Environment Facility (GEF) portfolio and the various factors driving this performance. The second section of the chapter covers the longer-term impacts of GEF interventions and the channels through which these are achieved. Central to the achievement of large-scale, long-term impacts is the concept of broader adoption, which takes place when governments and other stakeholders adopt, expand, and build on GEF interventions based on initial success.

3.1 Performance

The GEF has built a strong record in delivering short- and medium-term results; in recent periods, the outcomes of about 80 percent of GEF projects have been rated as satisfactory. Through December 2016, the GEF Independent Evaluation Office (IEO) had received terminal evaluations for 1,184 completed GEF projects, all but 11 of which were rated on outcome achievements.[1] Eighty-one percent of the projects had outcomes in the satisfactory range. Of the 581 completed projects for which terminal evaluations were received since the Fifth Overall Performance Study (OPS5), 577 were rated on outcomes; 79 percent were rated as having outcomes in the satisfactory range. These ratings confirm the good performance of GEF projects in delivering expected short- to medium-term results. This level of performance has been relatively steady since GEF-1 (figure 3.1).

In general, the more recent the replenishment period, the lower the percentage of completed projects vis-à-vis approvals; a more complete

FIGURE 3.1 **Projects with outcomes rated in the satisfactory range, by GEF replenishment period**



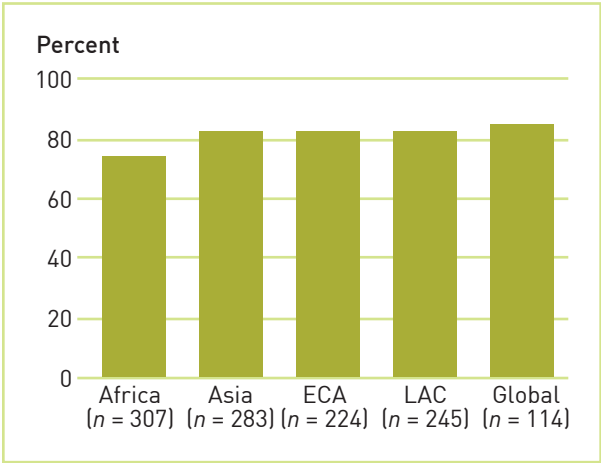
SOURCE: GEF IEO terminal evaluation review data set, with data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on outcomes are available for 1,173 projects.

[1] The remainder were not rated because of insufficient information in the terminal evaluations. Terminal evaluations are required for all full- and medium-size GEF projects, and for enabling activities accounting for $0.5 million or more in GEF funding. Of the total completed projects, 1,154 were funded by the GEF Trust Fund, 16 by the Least Developed Countries Fund, 13 by the Special Climate Change Fund, and 1 by the Nagoya Protocol Implementation Fund.

picture of the performance of a given period's projects emerges only after implementation has been completed and terminal evaluations have been received. GEF-4 is the most recent period for which a substantial number of projects have been rated on outcomes.[2] Of the 738 GEF-4 projects for which terminal evaluations are expected, 304 (41 percent) have been completed and the outcomes of 302 rated. Eighty-five percent of GEF-4 projects have received ratings in the satisfactory range, well exceeding the 75 percent performance target set for the replenishment period.

There are regional and subregional variations in performance. Seventy-four percent of all rated projects implemented in Africa had outcomes in the satisfactory range (figure 3.2); this is statistically lower than projects in other regions or global projects. There are variations in performance across African subregions, however. While outcomes of 90 percent of the projects implemented in North Africa were rated in the satisfactory range, 69 percent of those in East Africa and 62 percent of those in West Sub-Saharan countries had comparable ratings.[3] This underscores the importance of country context in development outcomes.

FIGURE 3.2 **Projects with outcomes rated in the satisfactory range, by region**



SOURCE: GEF IEO terminal evaluation review data set, with data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on outcomes are available for 1,173 projects.

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean.

The findings on performance in Africa are not unique to GEF projects. Other international organizations report similar trends, such as the World Bank, which found long-term trends in project performance ratings are about 10 percent lower in Africa compared to other regions.[4] The performance of International Fund for Agricultural Development (IFAD) projects in West and Central Africa was weaker than in other regions, with project ratings in Africa overall more than 10 percent lower than in other IFAD regions (IFAD IOE 2015).[5]

[2] Of the 893 GEF-5 projects for which terminal evaluations are expected, only 9 projects (1 percent) have been completed. Most GEF-6 projects are still under preparation.

[3] The North African countries are Algeria, the Arab Republic of Egypt, Libya, Morocco, Tunisia; the East African countries are Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, South Sudan, Sudan, Tanzania, and Uganda; the West Sub-Saharan countries are Benin, Côte d'Ivoire, Ghana, Guinea, Liberia, Nigeria, Sierra Leone, and Togo. Each of these subregions corresponds to a GEF constituency represented in the GEF Council.

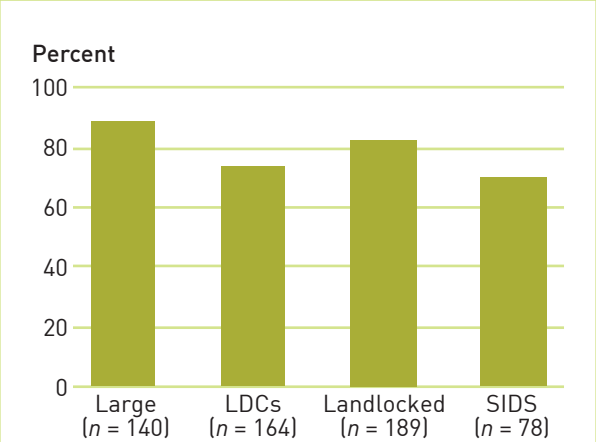
[4] http://ieg.worldbankgroup.org/, accessed June 2016. Also see IEG (2014).

[5] The analysis of the GEF IEO data set found that outcome ratings in Africa are linked with government effectiveness. The IFAD IEO noted a weaker policy and institutional context and a large proportion of fragile, conflict-affected states as contributing factors. The World Bank's Independent Evaluation Group observed that a steady decline in quality at entry was an important factor in relatively weak project outcome ratings in

Analyzing outcomes by country group and type, 88 percent of the projects implemented in Brazil, China, India, Mexico, and the Russian Federation—which account for the five largest country portfolios in terms of GEF funding—had outcomes rated in the satisfactory range (figure 3.3), compared with 71 percent in least developed countries (LDCs) and 68 percent in small island developing states (SIDS). Outcomes of 81 percent of GEF projects in landlocked developing countries were rated in the satisfactory range.

Quality of implementation and execution, materialization of cofinancing, and project design are drivers of project performance. While several factors drive performance, multiple linear regression models provide evidence of the strong correlation between the quality of implementation, the quality of execution, and the level of materialized cofinancing and outcome performance. Materialization of less than 50 percent of promised cofinancing negatively affects outcome ratings, as several planned activities are dropped or scaled down. In addition, as pointed out in an analysis in the *GEF Annual Performance Report 2014* (APR 2014; GEF IEO 2015), weaknesses in project design also contribute to poorer outcomes. These weaknesses include overly ambitious objectives, inadequate budgets for planned activities and arrangements to facilitate follow-up, weak institutional arrangements and government and stakeholder support, and poor monitoring and evaluation (M&E) design.

FIGURE 3.3 **Projects with outcomes rated in the satisfactory range, by country group and type**



SOURCE: GEF IEO data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on outcomes are available for 1,173 projects.

NOTE: "Large" refers to Brazil, China, India, Mexico, and Russian Federation, which account for the five largest GEF portfolios.

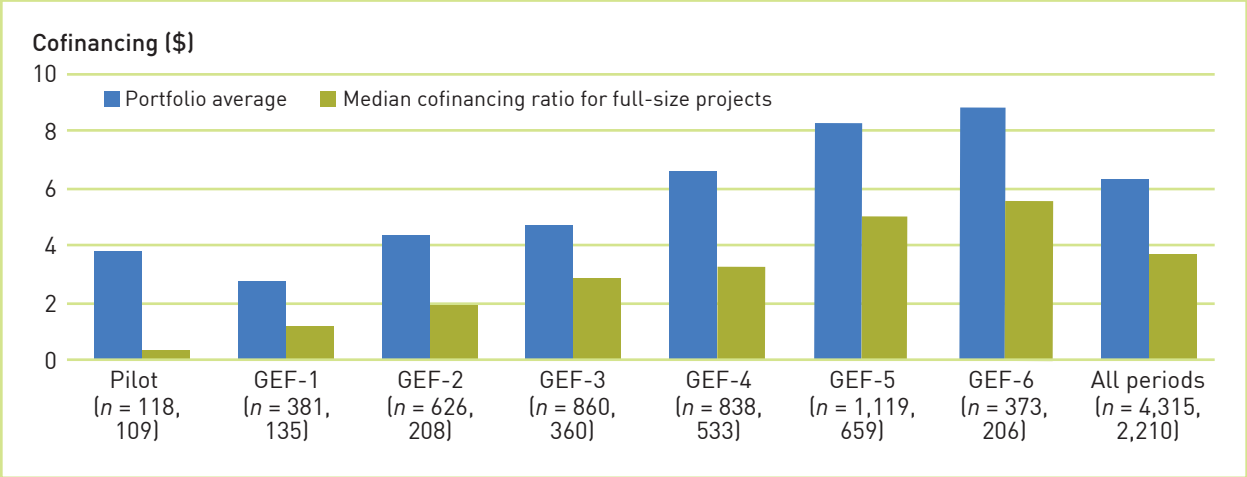
COFINANCING

Cofinancing commitments for GEF-6 projects exceed the target set by the GEF's cofinancing policy. The GEF Co-Financing Policy (GEF 2014a), which became operational during GEF-6, targets a 6:1 level of cofinancing for the GEF portfolio. The commitments mobilized for GEF-6 approvals indicate cofinancing at 8.8:1.0, which exceeds the portfolio target, although the extent to which these commitments will materialize remains to be seen (figure 3.4). Across the GEF replenishment periods from GEF-1 to GEF-6, there has been a steady increase in the cofinancing ratio at the portfolio level, as evidenced by an increase in the median ratio.

The approved projects in the five countries with the largest GEF portfolios (all major emerging economies) have so far mobilized promised cofinancing at 11:1 for GEF-6, which is higher

the region. Projects failed due to overambitiousness and complexity, a poor assessment of country conditions and capacity (not recognized or well addressed in project design), and a deficient results framework (IEG 2014).

FIGURE 3.4 Promised cofinancing per dollar of GEF funding for all approved GEF projects

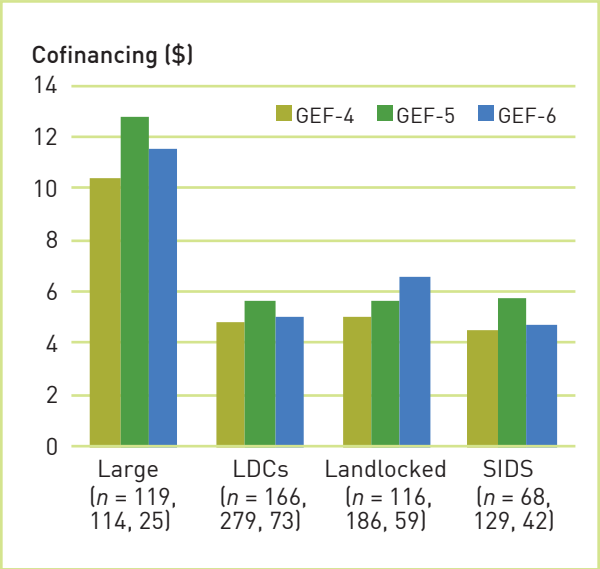


SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

than the GEF portfolio average for the period. The cofinancing ratio for countries with special circumstances such as landlocked developing countries, LDCs, and SIDS is lower than the GEF portfolio average (figure 3.5). By region, Africa, Asia, and Latin America and the Caribbean show an increase in cofinancing ratio for GEF-6 compared to preceding periods; Europe and Central Asia shows a drop (figure 3.6). The cofinancing ratio for projects that are global in geographic scope increased substantially between GEF-4 and GEF-6, in part due to the integrated approach pilots, which have attracted substantial cofinancing.

Multiple regression–based analysis shows that cofinancing levels depend on GEF Agency, country, environmental issue addressed, amount of GEF funding, project type, and year of project approval. On average, projects implemented by the development banks—the African Development Bank, the Asian Development Bank, the Development Bank of South Africa, the European Bank for Reconstruction and Development, and the World Bank—have higher levels of cofinancing than projects implemented by the other GEF Agencies. Development bank–implemented projects generate an additional $4.70 of promised cofinancing per dollar of GEF grant compared to the other Agencies. Projects implemented in the five countries with the largest GEF portfolios generate an additional $2.60 of promised cofinancing per dollar of GEF funding compared to those implemented in other recipient countries. Projects implemented in SIDS, LDCs, and landlocked developing countries generate lower levels of promised cofinancing per dollar of GEF funding. Projects that address climate change and international waters generate higher cofinancing ratios, whereas projects that address biodiversity and chemicals and waste generate lower ratios. As noted, the amount of GEF funding also affects cofinancing levels, with larger GEF projects attracting higher levels of cofinancing. Much of the influence of the amount of GEF funding is driven by differences in underlying activities—projects that involve less than $0.5 million are usually enabling activities which are not expected to generate cofinancing, whereas those for $2 million or more are exclusively full-size projects (FSPs). More recent projects generate a higher cofinancing ratio: an additional $0.35 of

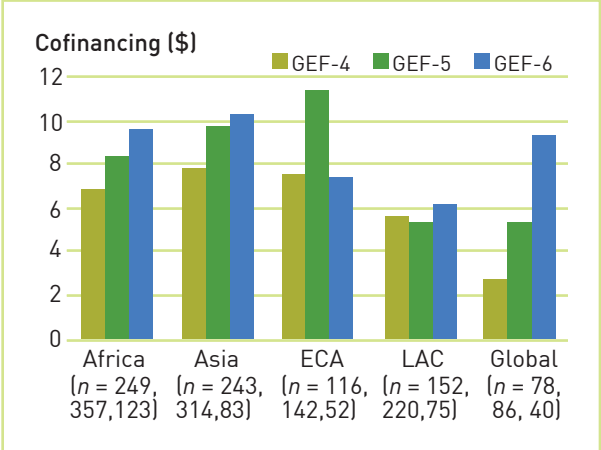
FIGURE 3.5 **Promised cofinancing per dollar of GEF funding for approved GEF projects, by country group and type**



SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

NOTE: "Large" refers to Brazil, China, India, Mexico, and Russian Federation, which account for the five largest GEF portfolios.

FIGURE 3.6 **Promised cofinancing per dollar of GEF funding for approved GEF projects, by region**



SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

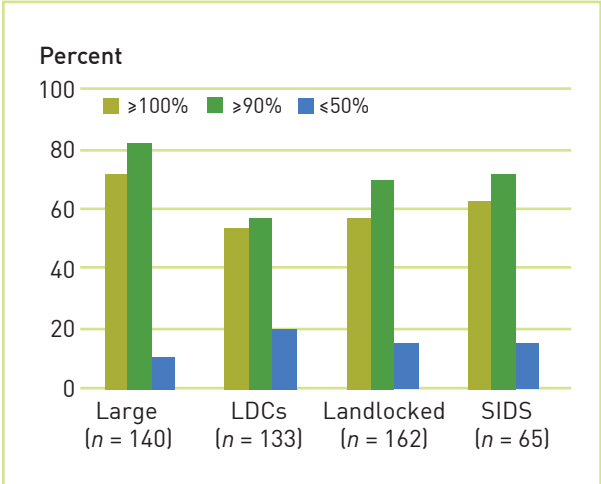
NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean.

cofinancing is generated per dollar of GEF funding with each subsequent year of approval.

Promised cofinancing successfully materializes during implementation. On average, 126 percent of expected cofinancing materializes during implementation. For 59 percent of the projects, cofinancing fully materialized; for 69 percent, at least 90 percent materialized; for 13 percent, less than half of promised cofinancing materialized.

Full materialization is higher in the five countries with the largest GEF portfolios: 72 percent, compared with 49 percent in LDCs (figure 3.7). There are regional variations in meeting cofinance targets (figure 3.8). Interestingly, while projects implemented by development banks generate a substantially higher level of promised cofinancing, implementation risks reduce full materialization to lower than that achieved by other GEF Agencies by 11 percent.

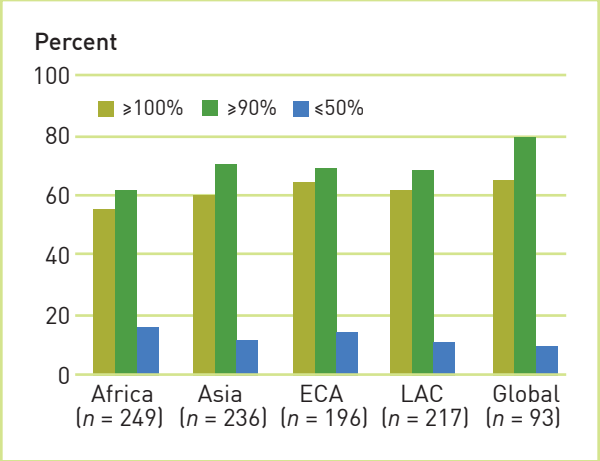
FIGURE 3.7 **Materialization of cofinancing during implementation, by country group and type**



SOURCE: GEF IEO data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on outcomes are available for 1,173 projects.

NOTE: "Large" refers to Brazil, China, India, Mexico, and Russian Federation, which account for the five largest GEF portfolios.

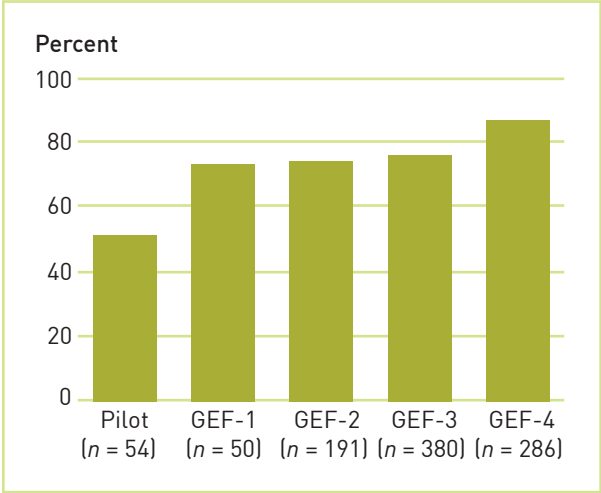
FIGURE 3.8 Materialization of cofinancing during implementation, by region



SOURCE: GEF IEO data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on outcomes are available for 1,173 projects.

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean.

FIGURE 3.9 Projects with Implementation rated in the satisfactory range, by GEF replenishment period



SOURCE: GEF IEO data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on quality of implementation are available for 970 projects. 9 rated GEF-5 projects are not displayed.

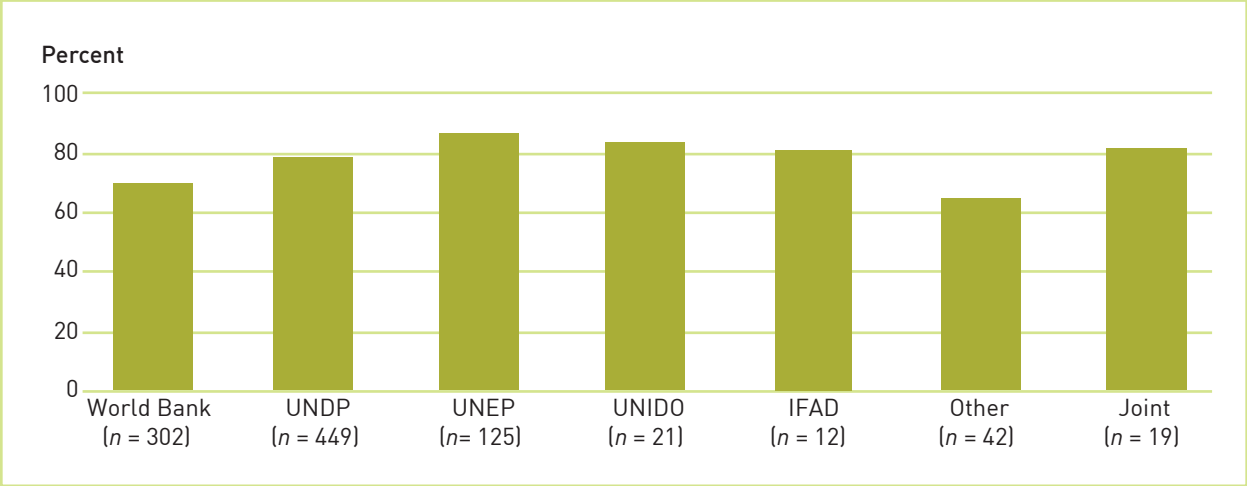
QUALITY OF IMPLEMENTATION

Four out of five GEF projects are rated in the satisfactory range for quality of implementation, which has a strong influence on project outcomes. Of the 1,184 completed projects for which terminal evaluations are available, 970 have been rated for quality of implementation. Of the 581 projects for which terminal evaluations were received after the close of OPS5, 547 were rated for quality of implementation; of these, 79 percent were rated in the satisfactory range. The ratings for GEF-4 projects are higher than for preceding periods (figure 3.9). However, as noted earlier, the majority of projects from this period are yet to be completed.

A higher percentage of projects implemented by the United Nations Environment Programme (UNEP) was rated in the satisfactory range for quality of implementation; projects implemented by the United Nations Development Programme (UNDP) or jointly had ratings closer to the overall average (figure 3.10). These findings are similar to those for outcomes. Ratings for World Bank–implemented projects are driven by low ratings for projects from the GEF-3 period: only 65 percent of World Bank projects from this period were rated in the satisfactory range. As explained in APR 2013 and APR 2014, some of this drop may be due to stringent application of the ratings criteria by the World Bank's Independent Evaluation Group for projects from this period (GEF IEO 2014c, 2015).[6] Information from the online survey conducted for the Evaluation of the Expansion of the GEF Partnership and from the quality of supervision reviews presented in APR 2006 and APR 2009 indicates that the World Bank performs

[6] The World Bank Independent Evaluation Group appears to have applied more stringent criteria during validations it conducted for the 2009–11 period. Since the GEF IEO accepts ratings provided by the Independent Evaluation Group, there was a drop in performance ratings for projects from the GEF-3 period.

FIGURE 3.10 Projects with implementation rated in the satisfactory range, by GEF Agency



SOURCE: GEF IEO, data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on quality of implementation are available for 970 projects.

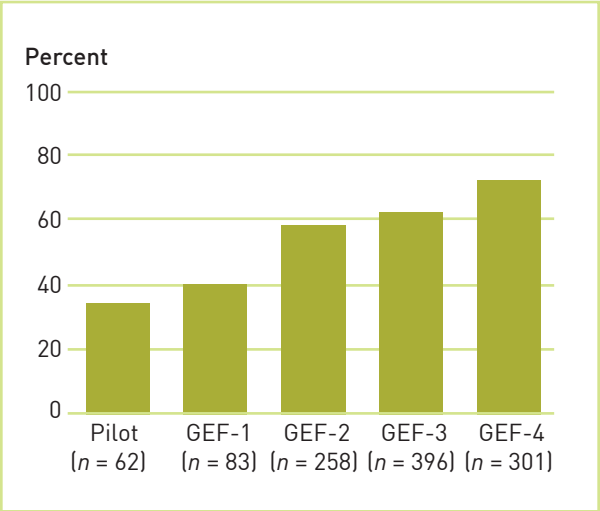
well in project implementation (GEF IEO 2008, 2010, 2017b).

As with outcomes, projects implemented in Africa have lower quality of implementation ratings compared with other regions (69 percent compared to 82 percent). While quality of implementation ratings of projects in SIDS is 69 percent (compared to 79 percent for projects in non-SIDS countries), the difference is not statistically significant due to the few observations included. Eighty-five percent of the projects in the five countries with the largest GEF portfolios have quality of implementation ratings in the satisfactory range versus 78 percent for projects in all other countries. The analysis of lessons presented in APR 2014 found that quality of implementation is adversely affected by inadequate oversight and technical support, the inability to take corrective measures in a timely manner, high staff turnover, and ineffective project governance structures, among others (GEF IEO 2015). To a large extent, these factors can be addressed by the GEF Agencies responsible for implementation.

MONITORING AND EVALUATION

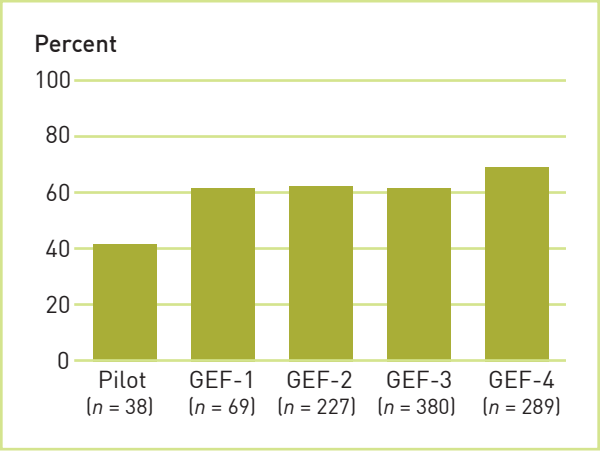
Despite an improving trend, ratings on quality of M&E design and implementation remain in the unsatisfactory range for a substantial percentage of projects. Of the 1,108 completed projects that have been rated on quality of M&E design, 61 percent were rated in the satisfactory range, with a steady trend of improvement in ratings over time (figure 3.11). Of the 1,012 completed projects rated on quality of M&E implementation, 64 percent were rated in the satisfactory range—again, with a stable upward trend from GEF-1 onwards. Much of the improvement in ratings on quality of M&E implementation was achieved from the pilot phase to GEF-1 (figure 3.12). Regression analysis shows that the quality of M&E design, and the quality of implementation and execution, positively affect M&E implementation; the quality of M&E design is in turn affected by capacities of the GEF Agency and the country context. Projects designed in more recent replenishment periods, and recent programs, are more likely to be rated in the satisfactory range for quality of M&E design.

FIGURE 3.11 Projects with M&E design rated in the satisfactory range, by GEF replenishment period



SOURCE: GEF IEO, data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on M&E Design are available for 1,108 projects. Eight rated GEF-5 projects are not displayed.

FIGURE 3.12 Projects with M&E implementation rated in the satisfactory range, by GEF replenishment period



SOURCE: GEF IEO, data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on M&E implementation are available for 1,012 projects. Nine rated GEF-5 projects are not displayed.

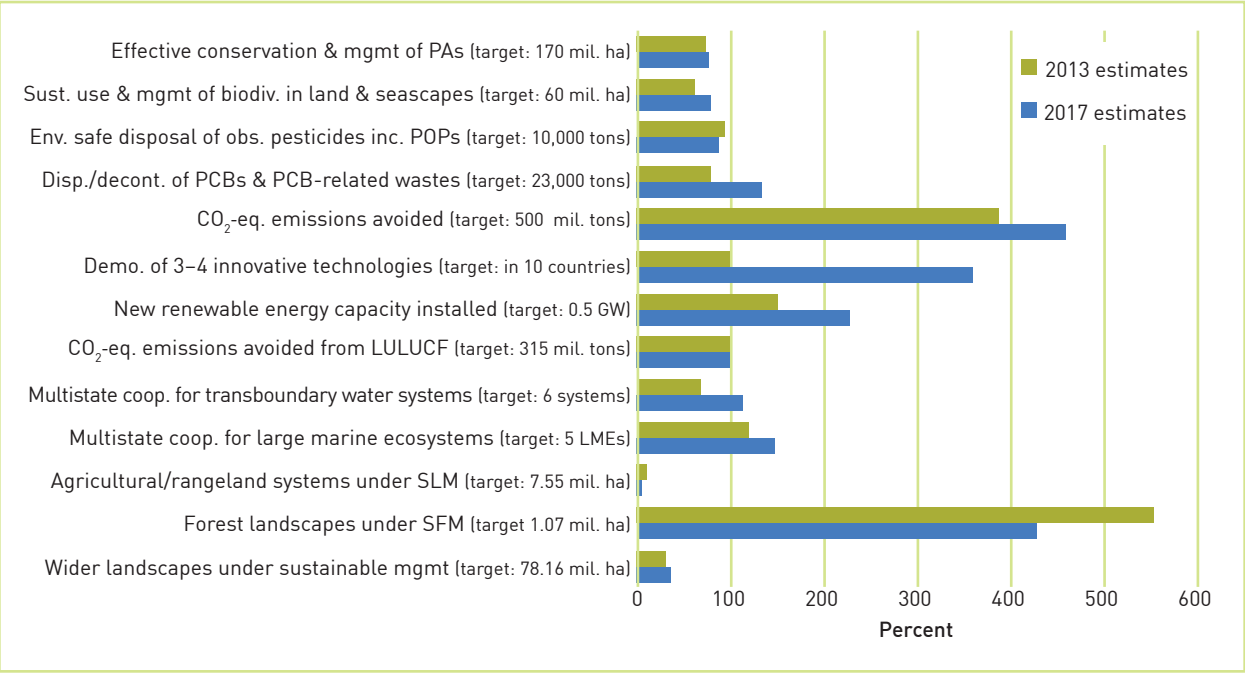
PROGRESS TOWARD GEF-5 AND GEF-6 TARGETS

GEF programming for GEF-5 and GEF-6 is consistent with the corporate environmental results targets for these replenishment periods. The GEF is on track to meet most of its GEF-5 replenishment environmental results targets. Given that a year remains till completion of the GEF-6 period, and that there is about a 15 percent shortfall in actual replenishment versus expected replenishment, progress for the GEF-6 period is reasonable.

Figure 3.13 presents the GEF IEO's June 2017 projections of expected environmental results as a percentage of the target commitments of the GEF Programming Directions for the full GEF-5 cohort and compares these with the progress estimates presented in March 2013 (GEF IEO 2013). Of the 13 environmental indicators that could be tracked—and after adjusting for cancellations and implementation failures—the GEF is on course to achieve or exceed its expected level of targets for 8 indicators. The level of achievement is likely to be slightly lower than the target for three indicators, of which two pertain to chemicals and one to biodiversity conservation. Of the three indicators relevant to the land degradation focal area, targets are unlikely to be met for two. The June 2017 data expectations are higher for 9 of the 13 indicators; for the remaining 4 indicators, there has been a decrease in expected benefits as the level of expected results was scaled down.

For GEF-6, the aggregated results from approved PIFs exceed GEF-6 targets for 6 out of 10 environmental results indicators (figure 3.14). The only indicator for which there was no uptake relates to ozone-depleting substances phaseout, where GEF involvement has been declining. When the level of fund utilization, likely cancellations, and the implementation failure rate are accounted

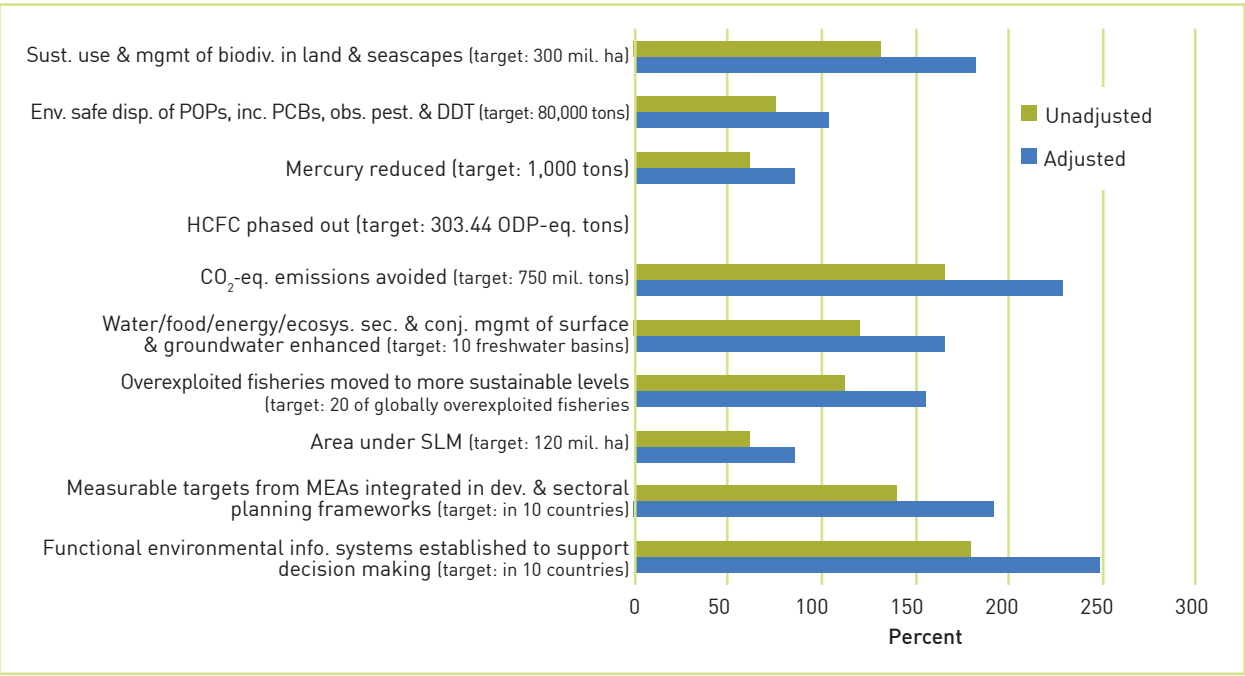
FIGURE 3.13 Expected adjusted environmental results for GEF-5 projects against GEF-5 targets



SOURCE: GEF IEO 2013.

NOTE: CO_2 = carbon dioxide; LULUCF = land use, land use change, and forestry; PA = protected area; PCBs = polychlorinated biphenyls; SFM = sustainable forest management; SLM = sustainable land management.

FIGURE 3.14 Unadjusted and adjusted expected environmental results as percentage of GEF-6 targets



NOTE: CO_2 = carbon dioxide; MEA = multilateral environmental agreement; PCBs = polychlorinated biphenyls; SLM = sustainable land management. Unadjusted data are based on PIF approvals to May 2012; adjusted data account for cancellations and implementation failure, and resources programmed.

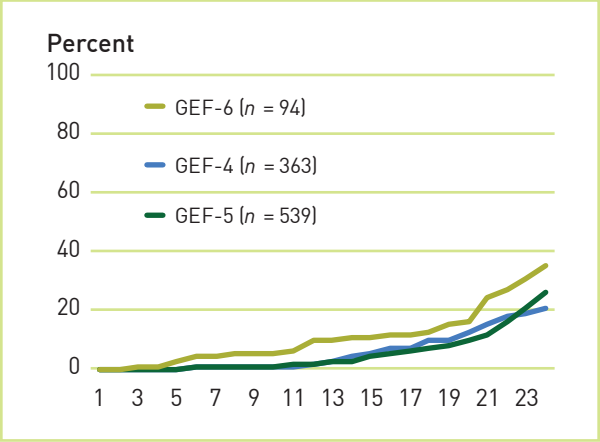
for, adjusted expected results are commensurate with funding for 7 of the 10 indicators. Once the GEF-6 period is complete, it will be possible to make more reliable projections.

EFFICIENCY

Despite some efficiency gains during the GEF-6 period, progress in improving project cycle efficiency has been slow. The efficiency of the GEF project cycle has been an important concern across the GEF partnership. There were some efficiency gains during GEF-6 in moving from PIF approval to the Chief Executive Officer (CEO) endorsement stage. However, performance during GEF-6 for moving from PIF submission to PIF approval was worse than in the GEF-5 period, primarily because of the anticipated shortfall in the realization of GEF-6 replenishment commitments. The GEF recently issued guidelines for program and project cycle management in 2017 (GEF 2017a); it is too early to assess the effects.

Figure 3.15 compares performance of the GEF-6 period with that of GEF-5 and GEF-4 for FSPs.

FIGURE 3.15 **Percentage of endorsed FSPs by months needed from PIF submission to CEO endorsement**

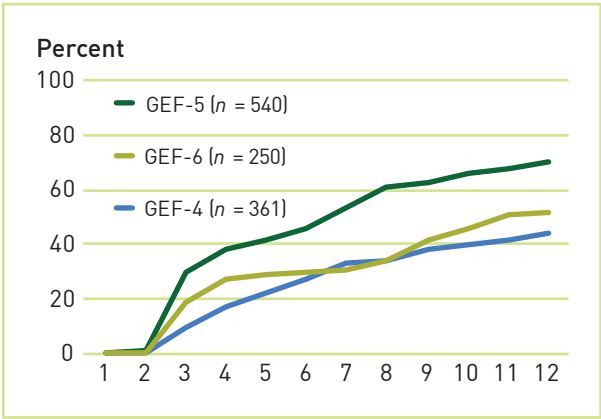


SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

It shows that of the 94 project PIFs submitted during the first year of GEF-6, 35 percent had been CEO endorsed 24 months from their submission—which is an improvement over the previous periods. However, since this analysis does not include PIF submissions beyond the first year of GEF-6, the full impact of shortfall in GEF-6 replenishment funding is not yet reflected. It is likely performance of the complete GEF-6 cohort of PIF submissions will be different from the early trend observed thus far.

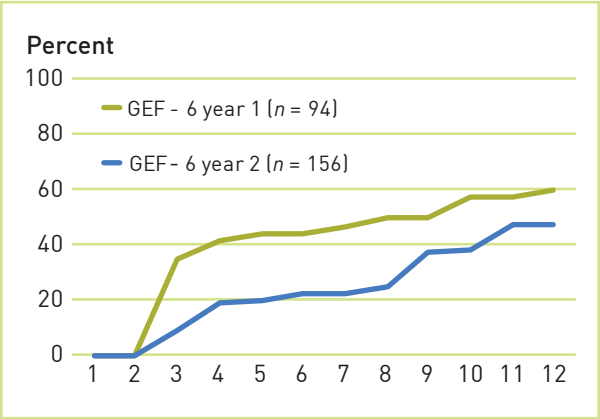
The approval process was analyzed in two stages—PIF submission to approval, and PIF approval to CEO endorsement. Figure 3.16 compares the time taken from PIF submission to PIF approval for GEF-4, GEF-5, and GEF-6. The data show that a greater percentage of GEF-6 PIF submissions were approved at various time thresholds than PIFs during the GEF-4 period. However, performance of the GEF-5 projects for this stage of the project cycle was substantially superior to both GEF-4 and GEF-6. Figure 3.17 compares the time taken by PIF submissions during the first year of GEF-6 with submissions during the second year. It shows that processing

FIGURE 3.16 **Percentage of approved FSPs by months needed for PIF approval**



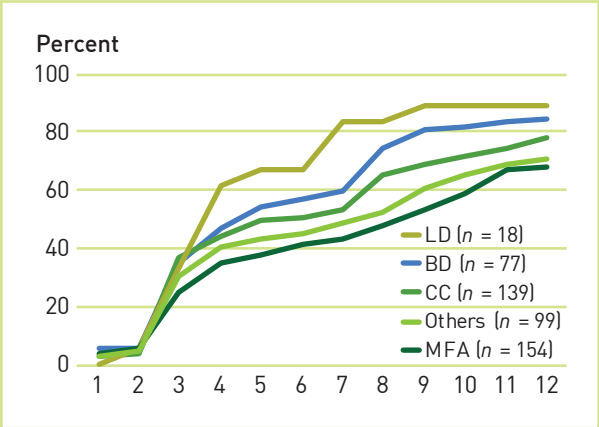
SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

FIGURE 3.17 Percentage of approved FSPs by months needed for PIF approval, GEF-6 year 1 versus year 2



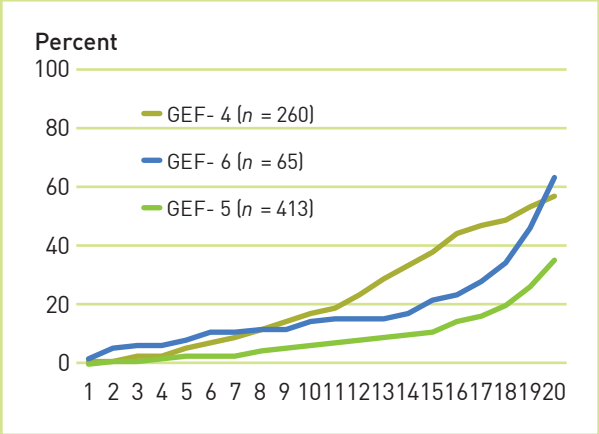
SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

FIGURE 3.18 Percentage of approved FSPs by months needed for PIF approval, by focal area, FY 2013–FY 2016



SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

FIGURE 3.19 Percentage of approved FSPs by months needed for CEO endorsement



SOURCE: GEF PMIS, approved projects from the pilot phase through December 2016.

of PIF submissions during the first year was considerably quicker than during the second year. This difference in performance within GEF-6 is primarily due to the funding shortfall for the GEF-6 period. During the second year, when the shortfall became apparent, the GEF Secretariat slowed PIF approvals.

Figure 3.18 compares performance of PIF submissions in obtaining approval by focal area. Submissions for focal areas covered by the System for Transparent Allocation of Resources (STAR)—i.e., biodiversity, climate change, and land degradation—appear to move faster than those not covered by the STAR. This finding is consistent with those of the Midterm Evaluation of the STAR (GEF IEO 2014d), which noted the STAR's role in making the project cycle more efficient in moving from PIF submission to PIF approval. There is not much difference among Agencies in terms of the time taken from PIF submission to approval.

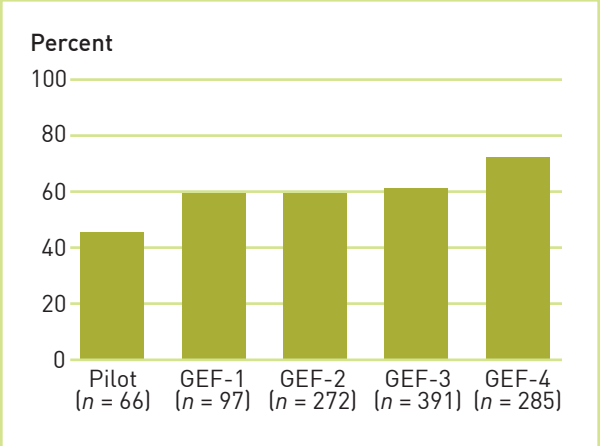
Figure 3.19 shows the progress of approved PIFs up to 20 months after their approval. Thirty-four percent of GEF-6 FSP proposals had obtained CEO endorsement within 18 months of PIF approval. Despite improvement over GEF-5 performance, a sizable percentage of the approved PIFs from GEF-6 do not meet the 18-month standard.

There are considerable risks to continuation of benefits in 38 percent of completed GEF projects: country context and quality of implementation and execution are key factors affecting

sustainability. Of the 1,118 closed projects rated on sustainability, 62 percent were rated as having outcomes in the likely range. This shows that roughly 4 out of 10 projects face considerable risks to continuation of their benefits. Of the 545 projects closed and rated after OPS5, the sustainability of outcomes for 63 percent were rated in the likely range, similar to the entire portfolio of closed projects. The trend across GEF replenishment periods shows improvement in sustainability ratings (figure 3.20), although the figures for GEF-4 may move toward the long-term average as more terminal evaluations become available. Sustainability, like outcomes and implementation, appears to be more of a challenge in Africa, reflecting differences in regional and country capacities (figure 3.21).

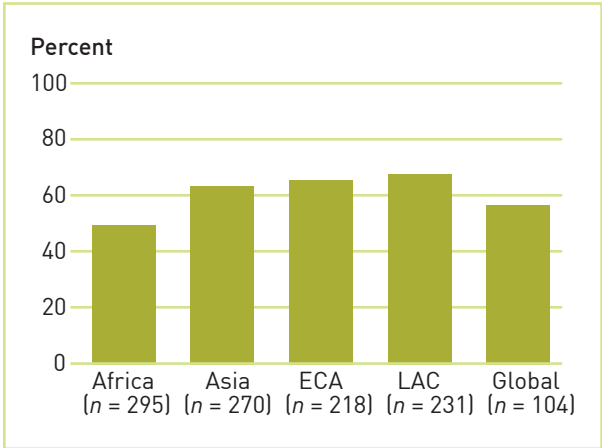
Among country groups and types, 85 percent of projects in the five countries with the largest GEF portfolios were rated in the likely range for sustainability, compared to 44 percent in LDCs. Projects in landlocked developing countries and SIDS closely tracked portfolio performance, at 58 percent and 64 percent, respectively.

FIGURE 3.20 **Projects with sustainability rated in the likely range, by GEF replenishment period**



SOURCE: GEF IEO data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on Sustainability are available for 1,118 projects. Seven rated GEF-5 projects are not displayed.

FIGURE 3.21 **Projects with sustainability rated in the likely range, by region**



SOURCE: GEF IEO, data on terminal evaluations of 1,184 GEF projects received by the GEF IEO as of December 2016. Ratings on Sustainability are available for 1,118 projects.

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean.

3.2 Progress toward impact

It is usually too early to assess the long-term impacts of a project at the point of project completion. Many environmental results take more than a decade to manifest. Also, many environmental results of GEF projects may be contingent on future actions by other actors. Any assessment of impacts of GEF projects at their completion is therefore likely to underestimate the number of projects with impacts, as well as the likely scale. Nonetheless, reviewing progress to impact at project completion helps determine what has already been achieved and the extent to which long-term results are likely. Of the 581 terminal evaluations that were submitted to the IEO after the close of OPS5, 415 were reviewed to determine the extent to which projects had achieved environmental stress reduction and/or status change; and whether broader adoption

of promoted approaches, initiatives, or technologies by other stakeholders was taking place, and through what mechanisms.[7]

ENVIRONMENTAL STRESS REDUCTION AND STATUS CHANGE

Environmental stress reduction refers to biophysical changes that reflect reduction of threats emanating from human actions. Fifty-nine percent of the GEF projects achieved stress reduction and/or environmental status change at project completion. Achievement of environmental stress reduction and/or environmental change appears to be linked with the environmental challenge being addressed, country context, global versus regional focus, and the scale of GEF funding. Thirteen percent of the projects were achieving environmental stress reduction and/or status change at a large scale—i.e., they targeted a system or national level—and 45 percent were achieving it at a local scale. Forty-one percent of the projects had either not achieved any environmental stress reduction and/or environmental status change yet, or it was not possible to assess whether this had taken place.

Projects' ability to achieve environmental stress reduction at completion is affected by the environmental concern they tackle. For example, 80 percent of projects that focus on chemicals and waste, and 69 percent of those that focus on climate change, achieve stress reduction by implementation completion (table 3.1). In comparison, only 35 percent of projects that address international waters–related concerns achieve stress reduction. This result is not surprising, as most of the GEF projects that address international waters focus more on strengthening the intergovernmental arrangements to address these issues, and there is a time lag before these efforts lead to actual stress reduction and/or environmental status change on the ground. Country circumstances also play a role, as stress reduction and/or environmental status change was achieved in 73 percent of the projects implemented in the five countries with the largest GEF portfolios, but only in 52 percent implemented in SIDS.

Compared to country-level or regional projects, global projects seem less likely to be achieving

[7] Initially, 426 projects were sampled. After preliminary screening, 11 were dropped because they focused on foundational activities and were not expected to deliver environmental stress reduction and status change and broader adoption.

TABLE 3.1 Percentage of projects with environmental stress reduction and/or environmental status change, by focal area

Focal area	Scale of stress reduction/status change		No evidence or unable to assess
	Large scale	Local scale	
Biodiversity (*n* = 147)	10	41	48
Climate change (*n* = 122)	20	49	30
International waters (*n* = 38)	11	24	66
Land degradation (*n* = 35)	11	63	26
Chemicals and waste (*n* = 25)	16	64	20
Multifocal area (*n* = 48)	6	42	52
All focal areas (*n* = 415)	13	45	41

SOURCE: GEF IEO, review of sample of OPS6 projects (*n* = 415).

environmental stress reduction and/or status change. Only 21 percent of global projects, compared to 62 percent of all other projects, are reported to be achieving environmental stress reduction and/or status change at implementation completion. Much of the difference is because global projects have, in the past, given more attention to building capacities than to activities on the ground that target stress reduction. This variation is evident among the GEF Agencies as well. Projects implemented by UNEP, which accounts for a disproportionately higher percentage of global projects, are less likely to be achieving stress reduction at completion than those implemented by other Agencies (33 percent for UNEP versus 62 percent for all other Agencies considered together). Compared to 67 percent of FSPs, 44 percent of medium-size projects (MSPs) achieve environmental stress reduction and/or status change at completion; this difference is statistically significant.

BROADER ADOPTION AND TRANSFORMATIONAL CHANGE

Broader adoption is said to have taken place when governments and other stakeholders adopt, expand, and build on the initiatives that the GEF funds, during program/project implementation or afterwards, as a result of initial successes. Broader adoption occurs through five mechanisms: sustaining, mainstreaming, replication, scaling-up, and market change (box 3.1). These mechanisms may occur sequentially or simultaneously to achieve transformational change within the systems that the GEF supports. As outlined in the GEF2020 Strategy (GEF 2015a), support leading to transformational change is one of the GEF's strategic priorities.

Based on the terminal evaluation review of 415 projects, 24 percent achieved broader adoption at a large scale (table 3.2). The approaches, initiatives, and/or technologies these promoted were adopted either mostly (8 percent, or 34 projects) or to some extent (16 percent, or 66 projects). Thirty-seven percent of the projects achieved broader adoption at a local scale. For 26 percent of the projects, although broader

BOX 3.1 Mechanisms for broader adoption

Sustaining. A GEF-supported intervention or outcome is continued to be implemented by the original beneficiaries without GEF support through clear budget allocations, implementing structures, and institutional frameworks so they can keep reaping the benefits and provide incentives for adoption by other stakeholders.

Mainstreaming. Information, lessons, or specific aspects of a GEF initiative become part of a stakeholder's own initiatives, such as laws, policies, regulations, and programs. Mainstreaming may occur through governments and/or development organizations and other sectors.

Replication. A GEF-supported intervention is reproduced at a similar administrative or ecological scale, often in other geographical areas or regions.

Scaling-up. GEF-supported initiatives are implemented at a larger geographical scale, often expanded to include more political, administrative, economic, or ecological components. Scale-up allows concerns that cannot be resolved at lower scales to be addressed, and promotes the spread of GEF contributions to areas contiguous to the original intervention site.

Market change. A GEF-supported intervention influences economic demand for and supply shifts to more environment-friendly products and services. Market change may encompass technological changes, policy and regulatory reforms, and financial instruments.

TABLE 3.2 **Project achievement of broader adoption at completion**

Broader adoption status	% of projects (number)
Broader adoption taking place	61 (252)
At large scale	24 (100)
At local scale	37 (152)
Broader adoption not taking place	39 (163)
But some progress	26 (108)
No progress or unable to assess	13 (55)
All projects	100 (415)

SOURCE: GEF IEO, review of sample of OPS6 projects (*n* = 415).

NOTE: Figures in parentheses are number of projects.

adoption was not yet taking place, plans were in place to facilitate this in the future. Only 13 percent of projects showed no progress in terms of broader adoption, or it was difficult to ascertain their broader adoption status. Differences across focal areas in terms of likelihood of projects achieving broader adoption at completion are not as apparent as they were for environmental stress reduction and/or status change.

A higher percentage of projects implemented in the countries with the largest GEF portfolios achieved broader adoption at the point of completion than projects in all other countries: 73 percent versus 59 percent).[8] Broader adoption at completion was also achieved by a higher percentage of projects that replicated an approach that had been piloted elsewhere (75 percent versus 58 percent) and projects that followed up on a preceding GEF project (75 percent versus 59 percent). Of the mechanisms for broader adoption, mainstreaming (38 percent of projects), sustaining progress (25 percent), and replication (23 percent) were observed more frequently than scaling-up (11 percent of projects) and market change (8 percent).

Broader adoption is a step toward transformational change. Transformational change is characterized by interventions that achieve deep, systemic, and sustainable change with large-scale impact in an area of major environmental concern. Building on work done by the World Bank's Independent Evaluation Group (IEG 2016), the Office has developed a framework to assess transformational change—an objective of the GEF-6 strategy—using the following four criteria to distinguish between GEF-supported interventions that are transformational in nature and those that are "merely" successful, complex, and large in size.

- **Relevance.** The intervention addresses a global environmental challenge such as climate change, biodiversity loss, and land degradation.
- **Depth.** The intervention causes or supports a fundamental change in a system or market.
- **Scale of change.** The intervention causes or supports a full-scale impact at the local, national, or regional level.
- **Sustainability.** The impact is financially, economically, environmentally, and politically sustainable in the long term, after the intervention ends.

Prerequisites for transformational change

A review of case studies and completed projects from various studies and evaluations conducted for OPS6 identified three necessary conditions for transformational change.

- **Long-term engagement at the system scale.** Building institutional capacity often takes several years beyond a typical project

[8] This difference is significant at a 90 percent confidence level but not at a 95 percent level.

implementation period for new knowledge and processes to be adopted. In cases where GEF support to build institutional capacity was mainstreamed and scaled up, this support was provided over a period longer than the typical project length. Continuous support—which in some cases extended over more than a decade—allowed national governments to build sufficient capacity over time to gradually mainstream GEF-supported interventions into their regular operations. This was the case in both the Arab Republic of Egypt and Uganda, where GEF support to strengthening financial and human resource systems over 10 years resulted in the creation of robust institutions and laws. In Uganda, a two-phase project spanning 12 years increased professionalism across its protected area system and built up capacities for financial sustainability. In Egypt, project extensions resulting in a 12-year implementation period had the unintended benefit of providing the necessary time for environmental awareness to be mainstreamed across different sectors. Long-term support through the Small Grants Programme has also enabled small-scale interventions to be broadly adopted (box 3.2).

- **Addressing local needs through innovations aligned with national priorities.** One of the GEF's catalytic roles is support for demonstration of new technologies and approaches. Successful outcomes motivate governments and other sectors to adopt these technologies using their own resources, either through replication, mainstreaming, or scaling-up. Technologies and approaches that were most broadly adopted were those that produced not only positive environmental outcomes but also local socioeconomic benefits. Cases of such adoption were found in Brazil and Senegal. In the state of Rio de Janeiro, integrated

BOX 3.2 Examples of broader adoption through the Small Grants Programme

Replication of Small Grants Programme (SGP) innovations was often identified at the local scale—from neighbor to neighbor or from one village to the next. For example, in Senegal, the SGP's work in the Delta duSaloum on the restoration of mangroves was replicated by other villages. In Cambodia, a technology to transport water to water-short areas using locally manufactured canals and pipes that was introduced through the SGP to one village was copied by a neighboring village.

There are also examples of SGP interventions being mainstreamed at the local scale. For example, grantees in Uganda worked with the local governments to introduce and implement waste management programs. These programs entail a radical behavioral change in communities that previously considered waste management to be the responsibility of government—and directly helped attract additional investment, including from the World Bank.

Broader adoption through the SGP occurs at higher levels, as well, even at the national level. In Jordan, stakeholders from the Management of Land, Water and Energy Resources project actively worked with the Ministry of Agriculture to organize the work of government rangers, leading to the appointment of two rangers from the local community in coordination with the environmental police. The project was also able to influence the Ministry of Agriculture in issuing pruning licenses in order to manage logging.

In Panama, the Inter-American Development Bank is planning a larger follow-up project to an SGP grant in the Darien region (Canglon village) which demonstrated the sustainable extraction of oil from coconuts. The Agency intends to continue working with the communities involved in implementing the SGP grant.

ecosystem management was introduced to 48 microwatersheds to reduce land degradation, protect biodiversity, and increase incomes from agriculture. In Senegal, GEF supported piloting of the Ecovillage model, which aimed to reduce forest degradation, carbon emissions, and emigration of youth from rural areas due to lack of livelihood options. In both cases, the respective approaches were scaled up to at least 400 more microwatersheds and villages due to the success of the approaches.

- **Designing for transformational change.** Project objectives play an important role in defining the scope of a project's impact. Case study evidence indicates that those projects that demonstrated positive environmental and socioeconomic outcomes by piloting innovations tend to show broader adoption after project completion. However, when projects were designed to make fundamental changes affecting an entire system (e.g., a market) while at the same time being financially sustainable, transformational change at higher scales could already be observed during project implementation. In those cases, market barriers were addressed through sound policy, legal, and regulatory reforms; private sector engagement through targeted capacity building and financial incentives; as well as by developing mechanisms for financial sustainability, whether through the market, government budgets, or both. The transformation of national chemicals and energy markets in China and Uruguay, respectively , provide examples of successful design for transformational change (box 3.3).

The GEF's role in supporting legal, regulatory and policy reforms in countries to support the process of transformational change is significant. There is broad recognition among private sector players and other stakeholders that consistent regulatory frameworks pave the way for investment. Reforms are particularly relevant in developing countries, where the need for environmental finance is higher and consistent government regulation is scarce.

Government regulation can act to provide opportunities, reduce risk, or transform the environmental benefits of investments from externalities into monetary returns. A recent IEO evaluation highlighted some of the positive outcomes from GEF interventions to support governments in the regulatory reform process (GEF IEO 2017h); these are captured in table 3.3. The specific activities included researching environmental conditions and reviewing existing laws, technical drafting of laws to provide justification for proposed legal reform, and facilitating a consultative process and political advocacy work. GEF enabling activities have been catalytic in this regard—especially in the biodiversity and climate change focal areas—providing expertise and resources for conducting the baseline studies, policy advocacy, and analyses needed to support strategy and policy formulation.

While the ability to enact laws and policies is challenging and is affected by a number of factors—including the scope of the proposed law, political sensitivities, competing interests of different constituencies within the government and the general population, and government budgetary implications—there is a clear role for the GEF to build on momentum in this area to drive transformational change.

Risks to further broader adoption and transformational change

Despite the GEF's contributions thus far, external drivers such as extreme weather events and shifting political priorities threaten further broader adoption and transformational change in cases where these risks are not mitigated. Evidence drawn by the IEO evaluations from case

BOX 3.3 Designing for transformational change in Uruguay and China

The **Uruguay Wind Energy Program** (GEF ID 2826, UNDP) was launched in 2007 to help eliminate barriers to the development of commercially viable wind energy investments. The country had almost exhausted its hydropower potential, and the default solution to meet its growing energy demand had been to import fossil fuels. The national government, interested in exploring the long-term benefits of renewable energy, provided $53.7 million of cofinancing to the GEF's $0.95 million grant. The program supported the creation of an enabling policy framework for wind energy—including regulations for the construction and operation of wind farms, access and dispatch to the network, technical codes, and financial incentives. The program strengthened business skills to prepare and implement wind energy technology with public and private delivery models. It also addressed technological barriers through the provision of measuring equipment, and the demonstration of the technology's viability through a 5 MW wind power plant connected to the grid.

The creation of a competitive and transparent wind energy market with a stable framework for investment and adequate tariff incentives—coupled with evident political will on the part of the national government—elicited a strong private sector response. In 2016, Uruguay generated about 33 percent of its total electricity needs from wind power, up from 0 percent in 2008, effectively transforming the market. Directly avoided carbon emissions were estimated at 0.86 million tons per year in 2015, from 0 in 2007.

Two GEF projects in China—**Improvement of DDT-Based Production of Dicofol and Introduction of Alternative Technologies Including IPM [Integrated Pest Management] for Leaf Mites Control in China** (GEF ID 2629, UNDP) and **Alternatives to DDT Usage for the Production of Anti-fouling Paint (AFP)** (GEF ID 2932, UNDP), together aimed to eliminate the sources of China's DDT consumption. During project implementation, a national ban on the production, distribution, use, and import of DDT was issued jointly by 10 ministries; this went into effect in May 2009.

The ban helped eliminate DDT production and consumption, but created new challenges in transforming the markets and introducing viable alternatives. For dicofol, the GEF project supported the closure of two dicofol plants, environmentally sound disposal of 1,600 t of high-risk DDT waste, and optimization of the only closed-system dicofol production facility. On the consumption side, the project demonstrated IPM technology in three counties and trained farmers in its use. The agricultural benefits motivated nonbeneficiary farmers to replicate IPM technologies at their own cost. Interviews indicate that the Ministry of Agriculture has mainstreamed IPM promotion into its regular budget.

On AFP, the project eliminated the use of 250 MT/year of DDT through conversion to nontoxic and environmentally friendly alternatives. It also played a role in supporting China's accession to the International Maritime Organization Convention on the Control of Harmful Anti-Fouling Systems on Ships.

The terminal evaluation concluded that AFP manufacturers had produced AFP alternatives for a sufficiently long period, and that the project's stakeholders had been successful in creating the required markets, such that the AFP market had been transformed and the results were likely to be sustained. By the end of the dicofol project, the private sector (dicofol plants and farmers) had exceeded its cofinancing commitment by almost 30 percent. Five years after the AFP project had begun, DDT and tributyltin levels in the marine environment had decreased.

SOURCES: GEF IEO 2017a, 2017l.

TABLE 3.3 Summary of outcomes of legal and regulatory reform in country case studies

Country	Law drafted or amended with GEF support	Results
Belarus	National Strategy for Peatlands and the Scheme for Wise Use of Peat Deposits and Sustainable Management of Peatlands to 2030	24 projects sites have been restored, for a total area of more than 51,0000 ha (10% of the area of degraded peatlands); significant decrease in size of area covered by fires, from a high of 18,500 ha in the early 2000s to 184 ha in 2015
Brazil	National Systems of Conservation Units Law	43 new protected areas were created by legal decree, totaling 24 million ha
Kazakhstan	Law on Energy Saving and Energy Efficiency Improvements	Government allocated $62 million to improve energy efficiency in residential buildings between 2011 and 2014; heating systems were renovated in 1,000 residential buildings
Namibia	Development of a Regulatory Framework for Renewable Energy and Government Directive	Power purchase agreements signed with 13 solar photovoltaic projects and 1 wind project; 800 MW gas-fired power station will come online this year
Philippines	Administrative reforms to promote energy efficient lighting systems	Aggregate energy savings through the project are 7,684 GWh and total greenhouse gas emissions reduction of 3.4 million tonnes of carbon dioxide equivalent
Vietnam	National Strategy for Urban Lighting	25 provinces have developed regulations on public lighting, and electricity consumption for public lighting has declined from 6.7% per year in 2010 to 4.8% in 2014–16 (estimated)

SOURCE: GEF IEO 2017h.

studies is based on progress made as many as 20 years after the start of a GEF project; other evidence comes from assessment of outcomes achieved by projects that have recently ended. Although the majority of projects already show some evidence of broader adoption by the time they close, the complex nature of the social-ecological systems in which the GEF works may yield unexpected changes that pose a risk to further broader adoption and transformational change taking place. The most common risks identified were related to the effects of extreme weather events and shifting political priorities, which may take place at time scales beyond the project implementation period. Unless GEF support is channeled toward mitigating these risks, the gains achieved through GEF support could be reversed.

Chapter 4

Focal area strategies and performance

Chapter 3 focuses on the overall performance and broader impact of Global Environment Facility (GEF) interventions. This chapter delves deeper into each focal area, presenting the evolution and adaptation of the respective strategies over time, key portfolio findings, and highlights of performance and impact. The focal area studies were carried out over a two-year period; consequently, the analysis is based on data available at the time.

4.1 Biodiversity

STRATEGY

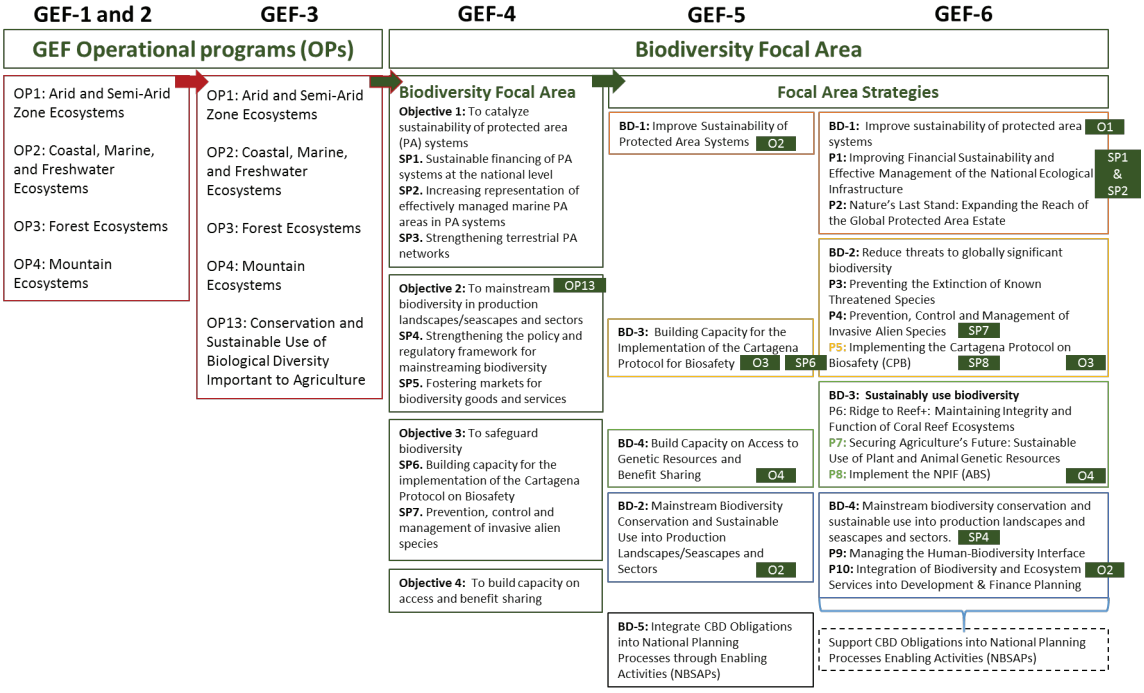
The GEF Biodiversity Strategy has evolved through the GEF phases to address specific drivers and pressures of biodiversity loss. The GEF's strategic objectives in biodiversity derive from the objectives of the Convention on Biological Diversity (CBD), which has three main goals: (1) the conservation of biodiversity, (2) sustainable use of the components of biodiversity, and (3) sharing the benefits arising from commercial and other uses of genetic resources in a fair and equitable way. From an initial focus on ecosystem types through its operational programs in GEF-1 to GEF-3, the focal area's strategies have evolved to include strategic objectives and programs that address specific drivers and pressures of biodiversity loss (figure 4.1). The GEF-6 Biodiversity Strategy prioritizes three out of five principal direct drivers—habitat loss, overexploitation, and invasive alien species—recognized as critical for implementation of the Strategic Plan of the CBD for 2011–2020 and the achievement of its associated Aichi Targets. The remaining two drivers—climate change and pollution—are targeted through separate focal area strategies and implemented through both individual and multifocal area programs and projects.

In GEF-6, the biodiversity focal area introduced Program 3: Preventing the Extinction of Known Threatened Species (Strategic Objective BD-2) which responds to Aichi Target 12.[1] The biodiversity focal area continues to maintain a focus on protected areas (PAs) and PA systems and on sustainable use of biodiversity through various strategic objectives. However, it is increasingly targeting areas beyond the PAs that include both natural and modified areas, and sectors with significant impacts on biodiversity (e.g., agriculture, forestry, fisheries, tourism, and extractives) through the biodiversity mainstreaming approach introduced during GEF-3.

The GEF biodiversity focal area strategies have responded well to CBD guidance and direction. The GEF-6 strategic objectives are well aligned with four of the five goals of the Strategic Plan

[1] "By 2020, the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved and sustained" (https://www.cbd.int/sp/targets/).

FIGURE 4.1 Evolution of the GEF Biodiversity Focal Area Strategy



of the CBD for 2011–2020 and the corresponding Aichi Targets. The fifth goal on enhancing implementation through participatory planning, knowledge management, and capacity building is considered cross-cutting; it is not specifically targeted by the biodiversity strategy. The GEF-6 Biodiversity Focal Area Strategy directly prioritizes 14 of the 20 Aichi Targets through a series of tailored programs, and supports the other targets through a mix of activities in the biodiversity portfolio.

The biodiversity focal area has also responded to specific guidance of the CBD on various protocols, including the Cartagena Protocol on Biosafety (GEF-4) and the Nagoya Protocol on Access and Benefit Sharing (GEF-5). The GEF biodiversity strategies have helped integrate convention commitments into national planning processes by supporting national biodiversity strategies and action plans (NBSAPs). GEF support has enabled 189 of 196 (96 percent) parties to the CBD to submit national reports to the CBD Secretariat; this is close to universal submission, considering that some parties have only joined recently and a few face political instability.[2] Although the biodiversity focal area specifically serves the CBD, its support to biodiversity programs and projects serves other biodiversity-related treaties including the Ramsar Convention and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

The GEF biodiversity strategy also supports the CBD with respect to the 2030 Agenda for Sustainable Development and the Sustainable

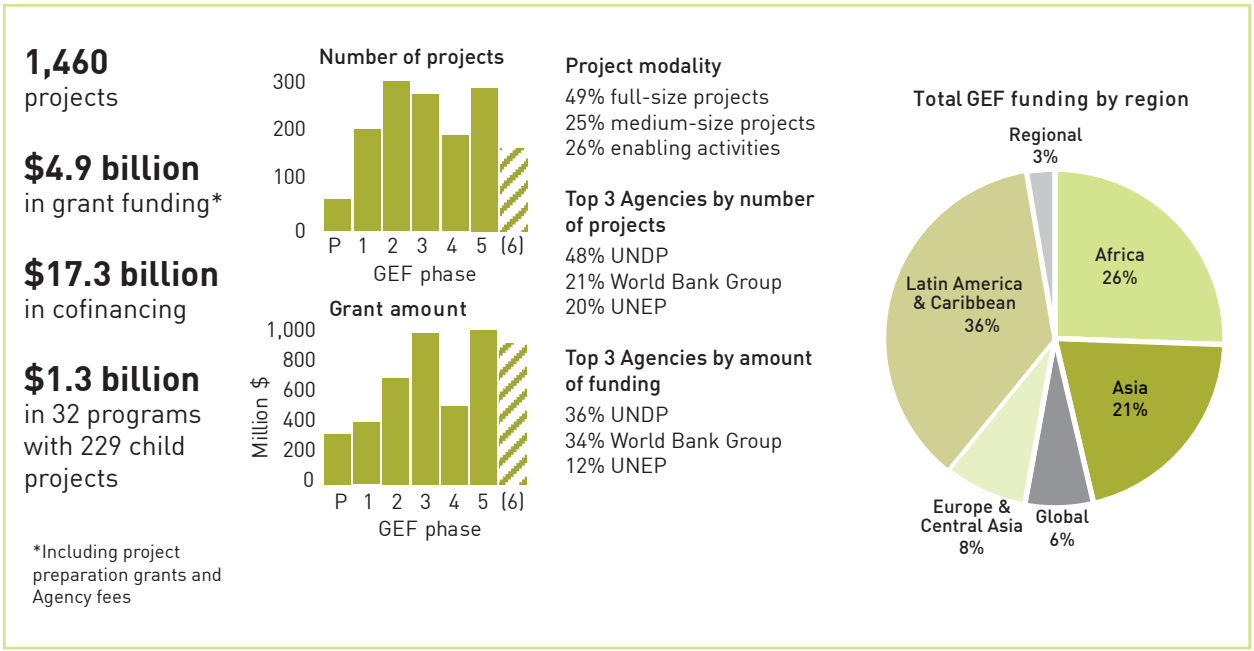
[2] CBD, https://www.cbd.int/reports/. Of these, 179 are fourth and 181 are fifth national reports to the CBD Secretariat.

Development Goals (SDGs), particularly Goal 14, covering life below water, and Goal 15, covering life on land, and their associated targets. Biodiversity and ecosystems feature prominently in the 2030 Agenda which "provide an opportunity for the mainstreaming of biodiversity" in the broader agenda for sustainable development (CBD 2013, 2). Figure 4.2 presents highlights of the GEF biodiversity portfolio.

The expansion of the partnership has increased capacity within the GEF to address biodiversity issues, but the newer Agencies face challenges. Fifteen of the 18 GEF partners work on biodiversity conservation issues. In addition to the three original GEF Agencies, five of the seven Agencies added during the first round of expansion (2007–13), and seven of the eight Agencies added during the second expansion of the GEF partnership, cover such issues. For the biodiversity focal area, the second expansion also meant an increase in choice by at least one Agency for 95 percent of the recipient countries (GEF IEO 2017b). While the second round of expansion during GEF-6 has brought on board three major international civil society organizations (CSOs)—Conservation International, International Union for Conservation of Nature, and the World Wildlife Fund)—whose experience and technical expertise in biodiversity conservation could be strategically leveraged by the GEF, challenges remain for these CSOs in terms of receiving country support for implementation, competition, and relative inexperience in GEF biodiversity project design and implementation.

There is potential for the GEF to engage the private sector in biodiversity through addressing market barriers. Projects in the climate change focal area account for the bulk of the private sector portfolio (more than 60 percent); biodiversity is a distant second with 13 percent of projects (GEF IEO 2017c). However, private sector engagement with biodiversity issues is picking up pace

FIGURE 4.2 Biodiversity portfolio highlights



SOURCE: GEF PMIS as of June 30, 2017, excluding canceled/dropped projects.

through biodiversity mainstreaming and access and benefit sharing (ABS) programs and projects. For example, the midterm report of the child project under the India biodiversity mainstreaming program notes that the project managed to establish partnerships with private sector actors and obtained commitments of corporate funds for conservation activities. However, the report states that private funds had marginal alignment with conservation objectives. A GEF-6 project in South Africa proposes to create enabling conditions for ABS through establishing a strategic partnership between the state, the bio-prospecting industry, and local communities. Challenges remain in engaging the private sector with biodiversity, primarily due to poor enabling conditions (e.g., enabling policy environment, adequate financing, awareness and capacity, well-developed sustainable markets). With its experience in policy and regulatory reform, there is a distinct role for the GEF to play in helping address market barriers. In addition, payment for ecosystem services and certification schemes offer the private sector means to increase their role in biodiversity conservation.

The portfolio and performance of three main themes in the biodiversity focal area are discussed in the next subsection: PAs and PA systems, mainstreaming, and ABS. A formative review of the illegal wildlife trade component of the Global Wildlife Program is presented in chapter 5.

PORTFOLIO AND PERFORMANCE

The outcome performance of the biodiversity portfolio is comparable to that of the GEF overall, but sustainability remains a challenge. Based on 554 terminal evaluations, 83 percent of biodiversity projects had satisfactory outcome ratings; this is slightly higher than the GEF overall average of 81 percent. The biodiversity portfolio performed slightly better than the overall GEF portfolio on all counts except sustainability. Similarly, the biodiversity single focal area projects slightly outperformed biodiversity multifocal area projects on all counts except sustainability (figure 4.3).

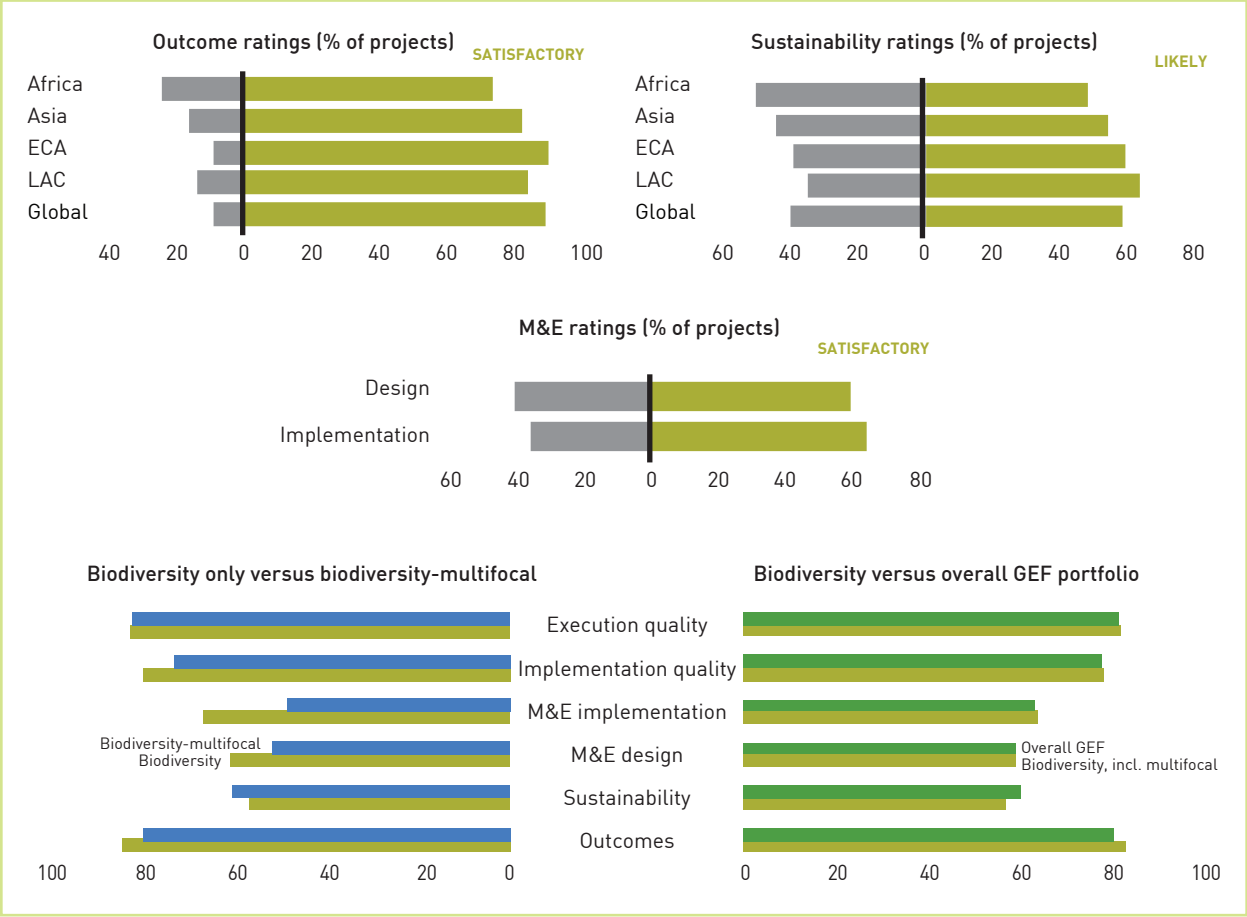
Projects in Africa generally have the lowest ratings for outcomes, sustainability, monitoring and evaluation (M&E) design, M&E implementation, and implementation and execution quality. Projects in Eastern Europe and Central Asia and global projects tend to have the highest ratings on all indicators. Average execution quality and average implementation quality are substantial to high in all regions, while the overall sustainability of projects is only low to modest. Box 4.1 highlights closed projects with high outcome and sustainability ratings.

Protected areas and protected area systems

Between 1991 and 2015, the GEF continued to support the establishment and management of PAs and PA systems, providing $3.4 billion in grants to 618 projects, matched by $12.0 billion in cofinancing, to help protect almost 2.8 million km^2 of the world's nonmarine ecosystems (GEF IEO 2016a). Most GEF interventions in this area focus on strengthening PAs and PA systems and ensuring their sustainability through strategic expansion, improved management effectiveness, sustainable financing, and targeting pressures and drivers of biodiversity loss beyond the PAs.

GEF interventions in PAs and PA systems have contributed to positive conservation outcomes in terms of reduced habitat loss, positive trends in species population, and reduction of threat. Of the 1,292 PAs supported by the GEF, 58 percent are classified as key biodiversity areas—which points to the high relevance of GEF investments in areas with significant biodiversity.

FIGURE 4.3 Biodiversity portfolio performance highlights



SOURCE: GEF IEO data on terminal evaluations of GEF biodiversity projects received by the GEF IEO as of December 2016.

Thirty-one percent of GEF-supported PAs in the evaluated cohort, while not classified as key biodiversity areas, have received one or more international designations of high biodiversity and/or cultural value;[3] the remaining 11 percent of PAs were of local or national significance. GEF support is contributing to biodiversity conservation by helping reduce habitat loss in PAs. For example, results from a geospatial analysis of data between 2001 and 2012 show that the percentage of forest loss in GEF-supported PAs was half that of PAs that were not supported by the GEF in the same biomes and countries. The results also show that the countries with long-term GEF support had better conservation outcomes. Box 4.2 presents an illustrative case for Mexico.

GEF-supported PAs generally show positive trends in species populations and reduced pressures to biodiversity (e.g., from agriculture, cattle ranching, and tourism) through targeted interventions at the site level. Sixty-eight percent of 191 completed projects reported positive

[3] WWF priority areas, Conservation International biodiversity hotspots, Alliance for Zero Extinction sites, Important Bird Areas, Ramsar sites, or UNESCO World Heritage Sites.

BOX 4.1 Biodiversity projects demonstrating good performance

South Africa's **CAPE (Cape Action for People and the Environment) Biodiversity Conservation and Sustainable Development Project** (GEF ID 1516, World Bank–UNDP) met—and in some cases—exceeded expected outcomes in expanding the PA network of the Cape Floristic Region and in improving the management of PAs with endangered species. It developed a landscape management plan and toolbox for mainstreaming biodiversity conservation into the productive sectors of the economy to conserve the world's smallest and most threatened plant kingdom, creating a blueprint for similar approaches across South Africa.

The **Promoting Payments for Environmental Services (PES) and Related Sustainable Financing Schemes in the Danube Basin** (GEF ID 2806, UNEP) project demonstrated and promoted sustainability financing schemes in the Lower Danube River Basin. The models of public and private sector payment for ecosystem service schemes demonstrated by the project were replicated in the wider region, with at least five memorandums of understanding signed for public-private partnerships covering payment for ecosystem services by the end of the project.

The **Mainstreaming Traditional Knowledge Associated with Agrobiodiversity in Colombian Agro-ecosystems** (GEF ID 3604, UNDP) project sought to strengthen national policies and regulations and promote marketing chains for agrobiodiversity products. The project surpassed many of its outcome targets, with 398 families incorporating traditional practices in demonstration projects, and a recorded increase of 53 percent of revenues derived from two products of organic certificates that incorporate traditional knowledge as examples. Additionally, the project developed a public policy for protection of traditional knowledge that incorporates knowledge associated with agrobiodiversity and traditional alimentation.

environmental impacts (e.g., reduced forest cover loss; positive trends in wildlife abundance). Overall, GEF support targeting key factors affecting biodiversity conservation in PAs—such as building stronger PA management capacities, promoting participatory planning and stakeholder support, improving institutional arrangements and technical capacities, mainstreaming biodiversity and sustainable use considerations in interventions and practices affecting PAs, and demonstrating social and economic benefits—contributed to the success of these interventions.

GEF investments in biodiversity projects deliver value for money.[4] A value for money analysis using a value transfer approach was conducted for 550 GEF biodiversity projects across 3,095 project locations. The analysis estimated the impacts along multiple indicators to capture changes in natural capital in three ecosystem services: carbon sequestration, recreation, and soil retention. Even with three ecosystem services, GEF biodiversity projects generate positive returns on investment. The overall value of a GEF biodiversity project was estimated at $6,065.59/ha. On average, it generated a return of $1.04 per dollar invested, which is likely to be an underestimate.

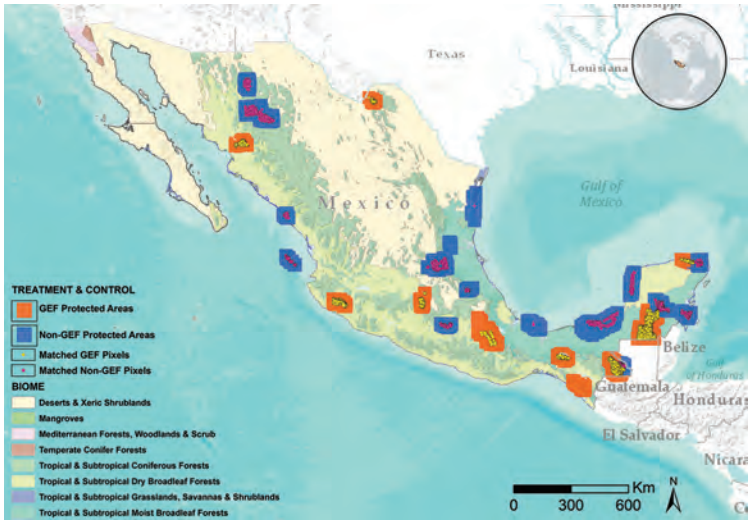
Biodiversity mainstreaming

Biodiversity mainstreaming is summarized in the GEF-6 strategy document as "the process of embedding biodiversity considerations into policies, strategies, and practices of key public and private actors that impact or rely on biodiversity. Mainstreaming enables biodiversity to persist across entire landscapes and seascapes" (GEF

[4] The value for money analysis uses natural capital accounting to estimate the value of land degradation and biodiversity in terms of the amount of carbon sequestered.

BOX 4.2 Mexico: Protected area impact assessment of GEF long-term support

Context. In Mexico, the GEF has provided support to the **National System of Natural Protected Areas (SINAP)** for nearly 25 years through three projects, the last one disbursed in four tranches (GEF IDs 62, 877, 2078, 2654, and 2655, World Bank; and GEF ID 839, UNDP). The first project was originally intended to strengthen PA management in up to 17 Mexican reserves. It was restructured to include an endowment that provided a long-term source of funding sufficiently flexible to hire high-quality staff and make timely disbursements to carry out operations in 10 PAs. It also provided funds for workshops and exchanges among PAs to transfer knowledge and systems tested in the PAs financed by the GEF. Over time, this model of learning by doing and exchange of knowledge led to the strengthening of Mexico's National Commission on Natural Protected Areas (CONANP), an institution now highly respected in the country's public administration system. In 2008, the Mexican Government decided to bring all CONANP staff under the government budget, and endowment funds previously dedicated to support of 23 PAs were made available to civil society organizations implementing strategic projects in PAs. Thus, GEF support to Mexico's PA system was mainstreamed through strengthened government institutions.



GEF and non-GEF supported PAs in Mexico. A quasi-experimental research design powered by satellite data was used to find counterfactual non-GEF PAs to assess the impact of GEF support.

Given the GEF's long-term support to Mexico and fewer gaps in identifying GEF-supported PAs, a robust quasi-experimental analysis was conducted to assess the impact of GEF funding. Using propensity score matching, satellite data products were used to compare similar GEF-supported PAs with PAs that did not receive GEF support.

Results. The analyses show that GEF-supported PAs in Mexico avoided up to 23 percent more forest loss from 2001 to 2012 compared to PAs that did not directly receive GEF support during this period. The results varied across biomes and ecoregions.

SOURCE: GEF IEO 2016b.

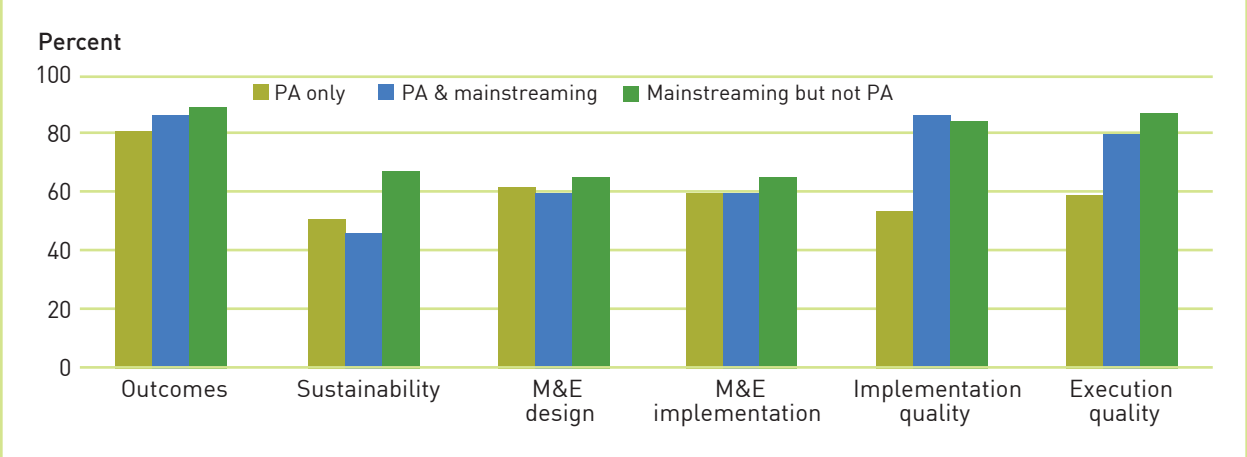
2014b, 5). The GEF began to incorporate biodiversity considerations first in the agricultural sector through Operational Program 13 in GEF-3. This was aligned with a COP 3 Decision on conservation and sustainable use of agricultural biological diversity and in line with guidance provided by the CBD. Biodiversity mainstreaming later became a strategic objective in GEF-4 (figure 4.1); since then, it has continued to be an important strategic objective while evolving to sharpen its focus. In GEF-6, the objectives and programs directly related to mainstreaming aim to embed biodiversity conservation and sustainability objectives into production landscapes/seascapes and in sectors, and address at least 10 of the 20 Aichi Targets. The GEF-6 biodiversity mainstreaming strategy includes four main sets of activities: developing policy and regulatory frameworks, spatial and land use planning, encouraging biodiversity-friendly production practices, and piloting financial mechanisms to incentivize the encouragement of biodiversity.

The mainstreaming portfolio has increased substantially in GEF-6 from previous replenishment periods and is in 51 percent of projects with 55 percent of the funding. It is the largest portfolio, comparable in size to PA and PA systems. So far in GEF-6, the majority of biodiversity mainstreaming projects are focused on planning and policy (82 percent); 11 percent focus on financing. The most common combinations of biodiversity mainstreaming projects are in the forestry and agriculture sectors.

Mainstreaming activities are associated with better outcomes and sustainability. Early evidence from analyzing the mainstreaming portfolio indicates that the sustainability of outcomes of projects that either have mainstreaming with other components or just mainstreaming outperformed those that are exclusively focused on PAs (figure 4.4). Review of the terminal evaluations suggests that PA projects receive more satisfactory ratings when they have mainstreaming components (box 4.3).

Eighty-nine percent of the biodiversity mainstreaming projects with the combination of forestry and agriculture have satisfactory ratings, followed by 86 percent of the projects in the agriculture sector. Only 56 percent of fisheries projects have satisfactory outcome ratings. In terms of sustainability, 90 percent of the projects

FIGURE 4.4 **Performance by biodiversity projects and mainstreaming**



SOURCE: GEF IEO data on terminal evaluations as of December 2016.

BOX 4.3 Demonstrating impacts in India's East Godavari River Estuarine Ecosystem

Context. Habitat destruction, pollution, and overexploitation of coastal and marine resources pose major threats to the biologically and economically important East Godavari River Estuarine Ecosystem (EGREE). The EGREE includes the Coringa Wildlife Sanctuary, the second largest extension of mangroves on the eastern coast of India. It is also a fast-growing development hub, including manufacturers, industries, and offshore oil and gas exploration. EGREE ecosystem services directly provide livelihoods to around 100,000 people, who inhabit 44 villages surrounding the sanctuary. Major activities include fisheries, aquaculture, and agriculture. The Godavari estuary, comprising 62,000 ha, lost 1,250 ha of mangroves in between 1992 and 2004, primarily due to anthropogenic pressures (Satapathy et al. 2007).

Satellite image and NDVI for the project area, 2015. The area outside the wildlife sanctuary is dominated by aquaculture and agricultural fields.

Goal. The **Mainstreaming Coastal and Marine Biodiversity Conservation into Production Sectors in the East Godavari River Estuary, Andhra Pradesh** child project (GEF ID 3936, UNDP) aimed to promote and enable a governance environment that prevents further degradation of coastal and marine ecosystems, allowing the continuous flow of ecosystem goods and services—such as coastal protection and fisheries—as well as preserving an ecosystem of unique biological value. This is to be achieved by facilitating the mainstreaming of biodiversity into sector plans of public and private organizations, as well as developing cross-sector institutional mechanisms to harmonize development and conservation of biodiversity.

Results. Remote sensing analysis was conducted to examine the long-term spatial and temporal patterns of vegetation to assess project activity impact on the local ecosystem. To understand the vegetation trend between 2000 and 2015, the inter-annual variation in vegetation productivity was measured by the Normalized Difference Vegetation Index (NDVI), derived from daily satellite observations. The results suggest that there was no net loss of vegetation cover in the project area. Overall, an average increase of +0.04 in the NDVI was estimated for the project period 2011–15, compared to the preproject period 2007–09; this suggests a minor increase in mangrove density.

SOURCE: GEF IEO 2017e.

in the agriculture sector were rated satisfactory; 50 percent in fisheries had satisfactory sustainability ratings.

Biodiversity mainstreaming project designs focus on legal and regulatory reforms more often than on scale-up and replication. While 75 percent of the projects are designed to influence policy reform, only 20 percent of biodiversity mainstreaming projects are designed for scale-up or replication (figure 4.5).

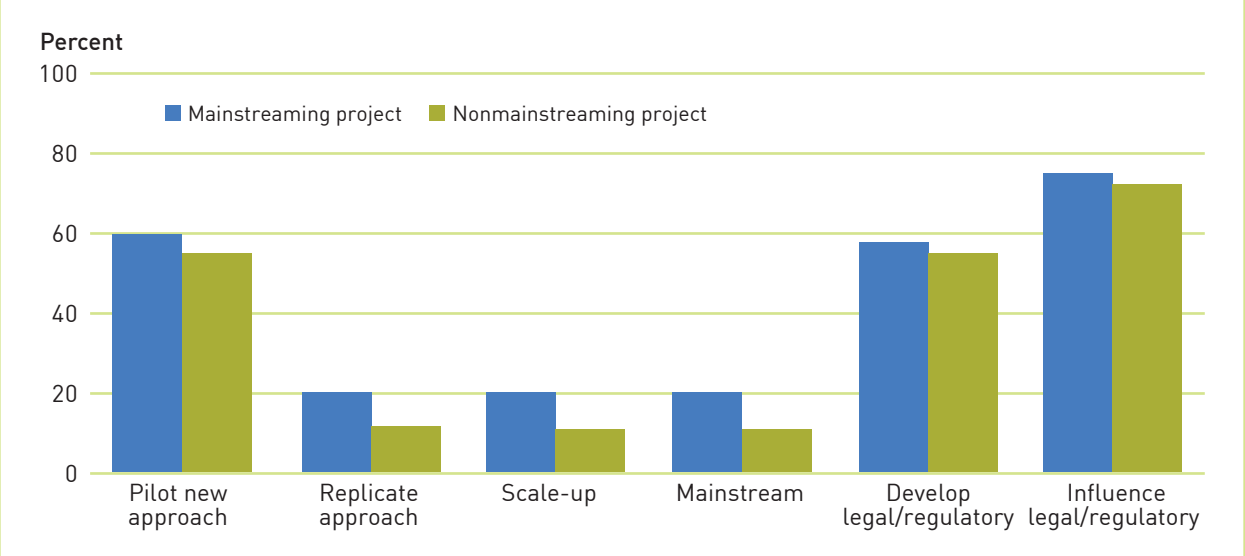
Most broader adoption happens at a limited to local scale. Most broader adoption takes place at the local administrative scale, with challenges observed at a large scale (across a country, region, or market). The factors contributing to broader adoption are stakeholder ownership (both community and local governments); incorporating lessons from historical and parallel initiatives; technical and institutional capacity development; inter-Agency and institutional collaboration and partnerships; and replication potential, long-term engagement, and sustainability.

Access and benefit sharing and the Nagoya Protocol

The GEF has been providing financial assistance through the ABS strategy since GEF-3. The Nagoya Protocol, which was adopted by the parties to the CBD in 2010 during COP 10 provides a legal framework for effective implementation of the CBD's third objective, aimed at "fair and equitable sharing of the benefits arising out of the utilization of genetic resources." The GEF supports implementation of the Nagoya Protocol both through GEF Trust Fund resources and the Nagoya Protocol Implementation Fund (NPIF).

As of June 2017, 26 biodiversity projects have supported ABS since GEF-4. A total of $78.2 million has been approved for ABS-related projects, with $219.9 million in cofinancing. The amount of GEF grants invested in ABS projects increased from GEF-4 to GEF-5 from $9.4 million to $42.7 million. To date, $30.79 million has been allocated to six ABS projects in GEF-6. For every dollar the GEF spends on ABS projects, another $2.80 in cofinancing is acquired.

FIGURE 4.5 **Project design features in mainstreaming and nonmainstreaming biodiversity projects**



SOURCE: GEF IEO, review of a sample of OPS6 projects, July 2017.

As of June 2017, there were 13 additional ABS projects funded by the NPIF; all of them are GEF-5 projects. A total of $14.39 million has been approved for NPIF projects, with $36.95 million in cofinancing. The GEF has supported more than 100 countries in fulfilling commitments toward CBD Objective 3 and Aichi Target 16. The GEF made significant efforts in supporting countries in ratifying the Nagoya Protocol in collaboration with the CBD Secretariat, and supported the development of ABS pilots with the private sector.

Activities to build governmental capacity, support to discovery of "promising compounds," and development of legislation dominates the ABS portfolio. Assessment of ongoing and proposed GEF-supported ABS projects indicates that building governmental capacity (92 percent of projects), support to the discovery of "promising compounds" and/or the negotiation/implementation of pilot ABS contracts (86 percent of projects), and legislation (65 percent of projects) activities dominate the ABS portfolio.[5] Other categories of project activities include building stakeholder capacity and technical capacity, increasing awareness of stakeholders not directly involved in government implementation of ABS frameworks, and support for indigenous and local communities (including awareness raising) and the protection of access to traditional knowledge.

Project designs may be "overpacked." Practitioners clearly make every effort to ensure that virtually every project includes at least one (and sometimes more than a dozen) activities and/or outcomes for each of the three elements of the GEF's ABS strategy.[6] Evaluation findings indicate that the current approach to ABS project design includes all elements for an effective ABS strategy—provided these are implemented in a stepwise manner and include steps for legislative development, domestic research and development (R&D) and compound identification, development of national ABS contracts, and protection of and benefit sharing for indigenous and local communities. While other activities such as awareness raising may be done in parallel, a clear legislative framework is a precondition for other interventions to yield effective ABS.

The complexity and individual uniqueness of each ABS situation is sometimes not sufficiently recognized. When countries with less advanced national ABS frameworks attempt to use examples from countries with highly developed national ABS frameworks as models, they have found that the draft instruments and procedures prepared are not consistent with their legislative and administrative requirements for adoption.

[5] Building governmental capacity includes processes for establishing and supporting a legislative framework, establishment and operation of a fund for receipt and distribution of benefits, and enforcement/oversight mechanisms. Capacity-building includes work with members of the public sitting on committees that participate in these processes. Promising compounds includes research and development on new drugs, dyes, enzymes, and other useful biochemical substances derived from genetic materials. Legislation activities include development of new legislation and revision/assessment of existing legislation. "Legislation" covers the entire framework of policy, law, regulations, and other administrative measures.

[6] The three major elements of the GEF ABS strategy are the development of national ABS legislative frameworks, the development of national ABS markets and technical capacity, and the promotion of ABS-based opportunities and the entrepreneurship of indigenous peoples.

4.2 Climate change

STRATEGY

GEF climate change support has been highly relevant to United Nations Framework Convention on Climate Change (UNFCCC) guidance and continues to be relevant in today's context. The GEF-6 Climate Change Focal Area Strategy is responsive to guidance from the convention, and the GEF-6 climate change mitigation portfolio is well aligned with convention guidance and GEF climate change mitigation objectives. The GEF has been notably responsive to COP guidance issued after the finalization of the GEF-6 strategy. In particular, the new Capacity-Building Initiative for Transparency (CBIT) Trust Fund was established just one year after the request from COP-21, and projects have already had their project identification forms (PIFs) approved. The GEF's continuing relevance was further confirmed in late 2015, when it, along with the Green Climate Fund (GCF), was requested to serve as a financial mechanism for the Paris Agreement. The GEF has demonstrated its continuing relevance to other major international climate and development initiatives, such as the SDGs and the United Nation's SE4All initiative, as evidenced by programmed resources for GEF-6. Also, the Least Developed Countries Fund and the Special Climate Change Fund (LDCF/SCCF) have supported activities that—for the most part—are highly relevant to UNFCCC decisions, GEF objectives, and GEF strategic pillars for climate change adaptation.

The GEF's strategies for climate change mitigation programming have appropriately evolved to focus on promoting innovation and technology transfer, and creating an enabling environment. The GEF-6 strategy focuses on three objectives: promoting innovation, technology transfer, and supportive policies and strategies, demonstrating systemic impacts of mitigation options, and fostering enabling conditions to mainstream mitigation concerns into sustainable development strategies. Funds are also set aside for convention obligations and enabling activities. The GEF-6 strategy features a stronger emphasis on integrated approaches, innovative measures (such as performance-based incentives), and links and complementarity with other initiatives and climate funds (figure 4.6).

PORTFOLIO

GEF support to least developed countries (LDCs) and small island developing states (SIDS) in climate change projects has increased substantially over time. Asia, with 40 percent of approved GEF resources, accounts for the largest share of funding by region, followed by Africa (25 percent) (figure 4.7). GEF support for LDCs in the climate change mitigation portfolio has increased over time, growing from 4 percent of approved resources in GEF-1 to 9 percent in GEF-5 and 14 percent thus far in GEF-6. GEF support for SIDS has also generally increased over time, growing from 5 percent in GEF-5 to 13 percent thus far in GEF-6. The GEF climate change mitigation portfolio is dominated by renewable energy and energy efficiency projects (38 and 29 percent of projects, respectively).[7] More than 40 percent of approved projects in GEF-6 seek to enhance synergies across focal areas, mostly through integrated urban management and mitigation-adaptation activities. The proportion of approved resources for multifocal area projects grew from 8 percent in GEF-4 to 35 percent in GEF-5 to 42 percent so far in GEF-6 (as a percentage of total approved climate change mitigation resources).

[7] This analysis excludes enabling activities; multifocal area and multitrust fund projects; and projects funded through the SCCF, LDCF, and CBIT.

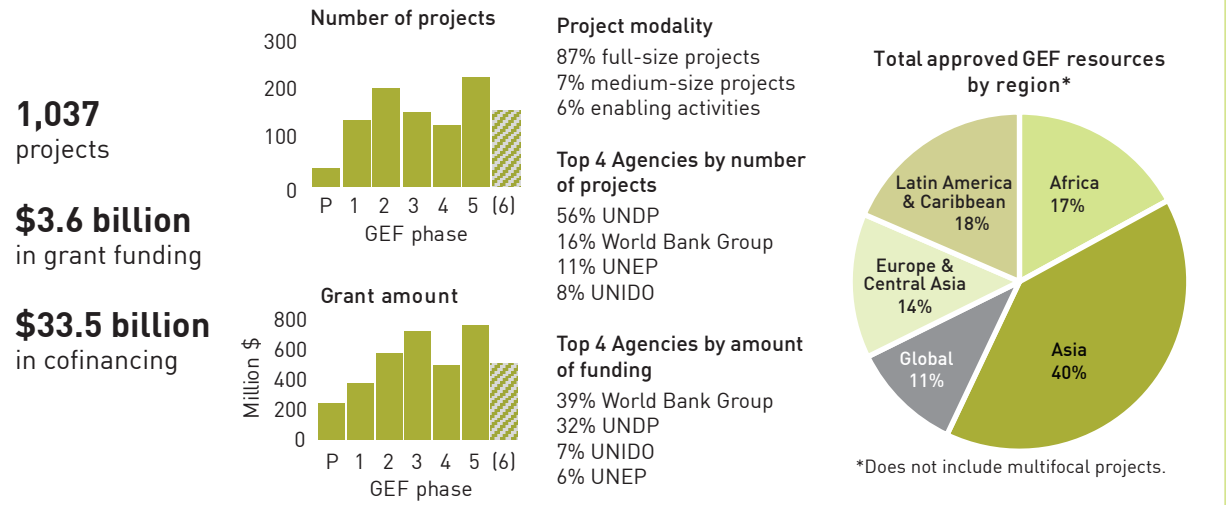
FIGURE 4.6 Evolution of the GEF Climate Change Focal Area Strategy

PERFORMANCE AND IMPACT

Overall outcome performance is satisfactory, but sustainability remains a challenge. Approximately 77 percent of completed projects in the climate change mitigation portfolio have overall outcome ratings in the satisfactory range (figure 4.8). By theme, projects with a forestry/land use, methane capture, and energy efficiency focus performed better on average than projects with a renewable energy, transportation, or other focus. Of projects with an energy efficiency focus, those focusing on appliances and equipment as well as industrial processes performed better on average than those focusing on lighting, buildings and heating, and energy supply/energy service companies. Of projects with a renewable energy focus, hydropower and wind projects performed better on average than biomass, geothermal, and solar projects. Lower sustainability ratings were primarily driven by poor ratings for the financial stability of projects; cofinancing did not fully materialize for nearly three-quarters of these projects. In the case of the LDCF/SCCF portfolio, the quality at entry review showed that 98.4 percent of LDCF/SCCF-funded implementation projects have a high to very high probability of delivering tangible adaptation benefits.[8]

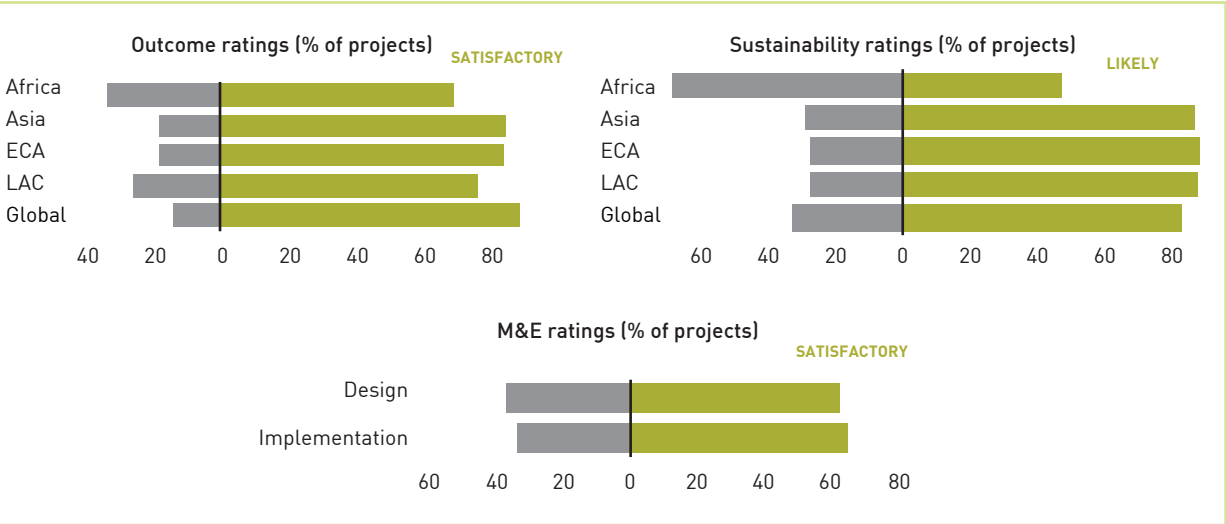
[8] Based on data from the LDCF and SCCF program evaluations, the LDCF/SCCF portfolio consists of 297 projects that are Council approved, CEO endorsed/approved, under implementation, or completed. These projects received a total of $1.37 billion in LDCF/SCCF funding and $6.88 billion in cofinancing.

FIGURE 4.7 Climate change portfolio highlights



SOURCE: GEF PMIS as of June 30, 2017, excluding canceled/dropped projects.

FIGURE 4.8 Climate change performance highlights



SOURCE: GEF IEO data on terminal evaluations of GEF climate change projects received by the GEF IEO as of December 2016.

Missing and inconsistently reported information is a limiting factor in analyzing performance against targets. The large majority of GEF projects show evidence at project closure of outcomes that should lead to greenhouse gas (GHG) emissions reductions; however, about a third of projects estimated no reductions had been achieved, and another quarter of projects fell short of their emissions target. The terminal evaluation review found that 20 of 52 projects exceeded their direct GHG emissions reduction targets, 12 fell short, and another 20 did not have

information available to evaluate their achievement against targets (17 of these estimated no reductions achieved). To date, the GEF has not systematically tracked or reported on estimated emissions reductions achieved at time of project closure. Most recently, in November 2014, the GEF Secretariat, in cooperation with the STAP, initiated a review process to refine its methodologies and explore opportunities to harmonize them with those developed by partners. The GEF has also participated in efforts to harmonize GHG accounting procedures of the MDBs and international financial institutions, given that many of these institutions are GEF Agencies. The extent to which such project-specific guidance is being followed is difficult to ascertain from reviewing tracking tools and terminal evaluation reports.

The GEF has an important role to play in strengthening the enabling environment for scaling-up public and especially private climate investment. Significant impact can be leveraged through capacity-building and policy activities, as a recent impact evaluation of GEF climate change mitigation support in China, India, Mexico, and Russia found. GEF climate change projects have frequently focused on policy and regulatory reform, public and private sector capacity building, and reducing information barriers and supporting market change through raising awareness of key stakeholder groups (box 4.4). GEF support has been limited but critical for development of energy policies and laws in some countries, primarily in the areas of energy efficiency (e.g., certification, standards, and labeling) and renewable energy (e.g., feed-in-tariffs). The GEF's impact on policy and regulatory reform has been most visible in countries with high levels of ownership among government and other stakeholders. This evaluation also confirmed that technical assistance and capacity building are critical components for successful private sector

BOX 4.4 Climate change projects demonstrating good performance

Africa's **Removal of Barriers to Energy Efficiency and Conservation in Buildings in Mauritius project** (GEF ID 2241, UNDP) had sustainable project achievements at the policy level, including passing a far-reaching Energy Efficiency Act into law in 2011 and helping establish an independent Energy Efficiency Management Office under the Ministry of Energy and Public Utilities. These policy accomplishments, including establishing a feed-in-tariff, helped the project exceed its greenhouse gas emissions reduction target.

The **Accelerating Renewable Energy Investments through the CABEI (Central American Bank for Economic Development) in Central America** project (GEF ID 975, UNDP) has catalyzed new investments of over $144 million, corresponding to 22 small- and medium-size renewable energy projects (SMREPs) resulting in an additional installed capacity of 52 MW and an estimated reduction of direct annual greenhouse gas emissions of almost 170,000 carbon dioxide tons per year. The CABEI is now strategically positioned to participate in financing SMREPs, having signed 36 contracts with international financial institutions granting partial risk guarantees.

The **Gdańsk Cycling Infrastructure Project** (GEF ID 1279, UNDP) changed the way of thinking about cycling and cycling facilities both in Gdańsk and at the national level in Poland. The success of the project motivated neighboring cities, including Sopot, Gdynia, and Tczew, to create their own cycling plans. It also led to the Gdańsk Multi-year Investment Programme, a cycling investment project with plans for construction and modernization of 130 km of cycling paths.

BOX 4.5 GEF engagement with the private sector in climate change

Climate change has been the GEF focal area most engaged with the private sector. Sixty-eight percent of the projects in the private sector portfolio are in the climate change focal area, amounting to 62 percent of the GEF's total investment in the private sector. Climate change projects have also accounted for 73 percent of nongrant projects—although, in GEF-6, the nongrant portfolio has further diversified, with climate change only 40 percent to date.

The climate change focal area has also been more successful than others in mainstreaming private sector engagement in GEF projects. GEF strategies for engaging the private sector have included the use of nongrant instruments (loans, guarantees and risk mitigation, and equity investment), engaging industry as service providers to help develop markets, supporting policy and regulatory change to promote market reform, strengthening public and private sector capacity, and providing advisory services such as support of small and medium enterprise innovation and entrepreneurship through the UNIDO Global CleanTech Programme, among others.

The GEF has played an important role in demonstrating private sector viability in nascent climate-related markets through its ability to tolerate higher levels of risk. More complex financial structures are relatively untested in the GEF. Several interviewees noted the constraints the GEF faces in supporting larger programs and projects due to its allocation system—and the disincentives the low-volume resources sometimes present in attracting private sector partners. This point was also raised by the GEF IEO's private sector evaluation and a recent report by the World Resources Institute, *The Future of the Funds* (WRI 2017). Private sector set-asides have been one tool used to address this issue.

Interviewees emphasized the important role small GEF grants can play in larger private sector operations, providing technical assistance and funding for innovative components finance ministries may not be willing to otherwise include. Aligning business models and coordinating approval cycles of the GEF and the multilateral development banks was also raised during interviews as a challenge for GEF-blended finance operations—an instrument that is seen as a powerful tool in engaging the private sector and leveraging cofinancing.

engagement, particularly in projects piloting financial models to scale up energy efficiency and renewable energy adoption. These lessons are particularly important in the context of the climate change focal area's relatively larger private sector portfolio compared to other focal areas (box 4.5).

Most GEF climate change projects have shown some evidence of catalytic effects; the most common of these was mainstreaming (primarily through policy or regulatory reform), and the least common was scaling-up. About 70 percent of closed projects analyzed showed evidence of progress toward impact through mainstreaming, which takes place when information, lessons, or specific results of GEF interventions are incorporated into broader stakeholder mandates and initiatives such as laws, policies, regulations, or programs (box 4.6). Performance was not as strong for replication, scaling-up, and market changes (with 38, 31, and 35 percent of projects, respectively, showing evidence of these effects). Further to this point, the impact evaluation of the GEF's mitigation portfolio in China, India, Mexico, and Russia found that projects demonstrating a high level of progress toward impact are those that have adopted comprehensive approaches to

BOX 4.6 Demonstrating impacts: Scaling-up China's renewable energy sector

The First Phase of the **China Renewable Energy Scale-up Program (CRESP-I)**, approved in 2005, was designed as a programmatic, sectorwide intervention that integrated a GEF grant (GEF ID 943, World Bank) of $40.2 million to support the development of a legal, regulatory, and policy framework to stimulate demand for renewable energy, improve its quality and reduce its costs, and build a strong local renewable energy equipment manufacturing industry; and two World Bank loans (of $87.0 million and $86.3 million) to support pilot investments in wind, biomass, and small hydropower in four participating provinces. The objectives were ambitious, aimed at major changes in the system and market for renewable energy. Specifically, the program sought to create a legal, regulatory, and institutional environment conducive to large-scale, renewable-based electricity generation; and demonstrate early success in large-scale, renewable energy development with participating local developers in four provinces.

Five years after project close, the Project Performance Assessment Report (IEG forthcoming) concluded that CRESP-I has made a substantial contribution to the transformation of China's renewable energy sector as a global leader in wind energy generation and the manufacture of wind power equipment. Between 2005 and 2010, China's installed wind power capacity increased from 1.3 GWh to 29.6 GWh, greatly exceeding the original 11th Five Year Plan target of 10 GWh. As of 2015, installed wind power capacity had reached 129.3 GWh—or 3.3 percent of China's electric power generation and equivalent to about 82.7 million tons per year of avoided carbon emissions. These impacts are likely to be sustained, given the government's implementation of a project-recommended tariff policy that delivers attractive financial returns to renewable energy investors, and its commitment to further increase the share of non-fossil fuels to 15 percent by 2020, up from 9.4 percent in 2010 and 12.0 percent in 2015.

address market barriers and specifically targeted supportive policy frameworks. Those projects that had scaled-up or showed significant potential to scale up frequently did so through securing follow-on funding from the GEF or other multilateral or bilateral donors, or through contributing to the development of nationally owned programs via projects that included significant MDB cofinancing. Similar results were found in the LDCF/SCCF portfolio, where virtually all 27 projects analyzed achieved production of a public good and demonstration, but performance was not as strong in replication and scaling-up. Two-thirds of the projects delivered replication to a moderate extent, and over half demonstrated a degree of scaling-up.

GEF climate change support offers comparative advantages within the changing global climate finance landscape, but these advantages need to be clearly articulated and promoted.

The GEF's distinguishing features in this focal area include its support in helping countries meet their convention obligations; flexible grant financing; a focus on the enabling environment to support scaled-up climate investment; an emphasis on demonstrating technologies and financial approaches, including innovative and risk-sharing approaches; and an ability to fund integrated projects across environmental issues. External analyses have identified potential niches for the GEF in addition to continuing support for convention obligations. These include focusing on upstream activities to develop supportive

conditions for broader climate through capacity building, technical assistance, and policy and regulatory reform to accelerate market development. These are areas where the GEF has demonstrated impact; where the Climate Investment Funds has engaged to a lesser degree—given its focus on investment—and where GCF-accredited entities are less interested in engaging, given the prevailing interest in scale and often infrastructure, based on interviews with the GCF Secretariat. Other areas for GEF contributions include piloting innovative technologies (e.g., such as those that are not yet commercially available) and market mechanisms.

Enhanced collaboration with the GCF would be beneficial for the GEF in scaling-up investments. One option would be for the Secretariats of the GEF and the GCF to jointly encourage countries, in collaboration with the GEF Agencies and GCF-accredited entities, to think strategically about their programming across the funds. If the GCF decides in the future to pursue a programmatic approach that involves developing a country program or investment plan as is being considered, the GEF could engage in that process to identify complementary activities. The GEF could also systematically participate in the country-level investment planning processes of the Climate Investment Funds, should those continue. Another option would be for the GEF Secretariat and Agencies, in collaboration with countries, to identify highly successful recently closed or near-closing GEF projects that could be good candidates for scaled-up GCF investments, and to communicate these to the GCF Secretariat. For example, these projects may have demonstrated innovative approaches at a pilot scale that could be implemented in larger geographic areas.

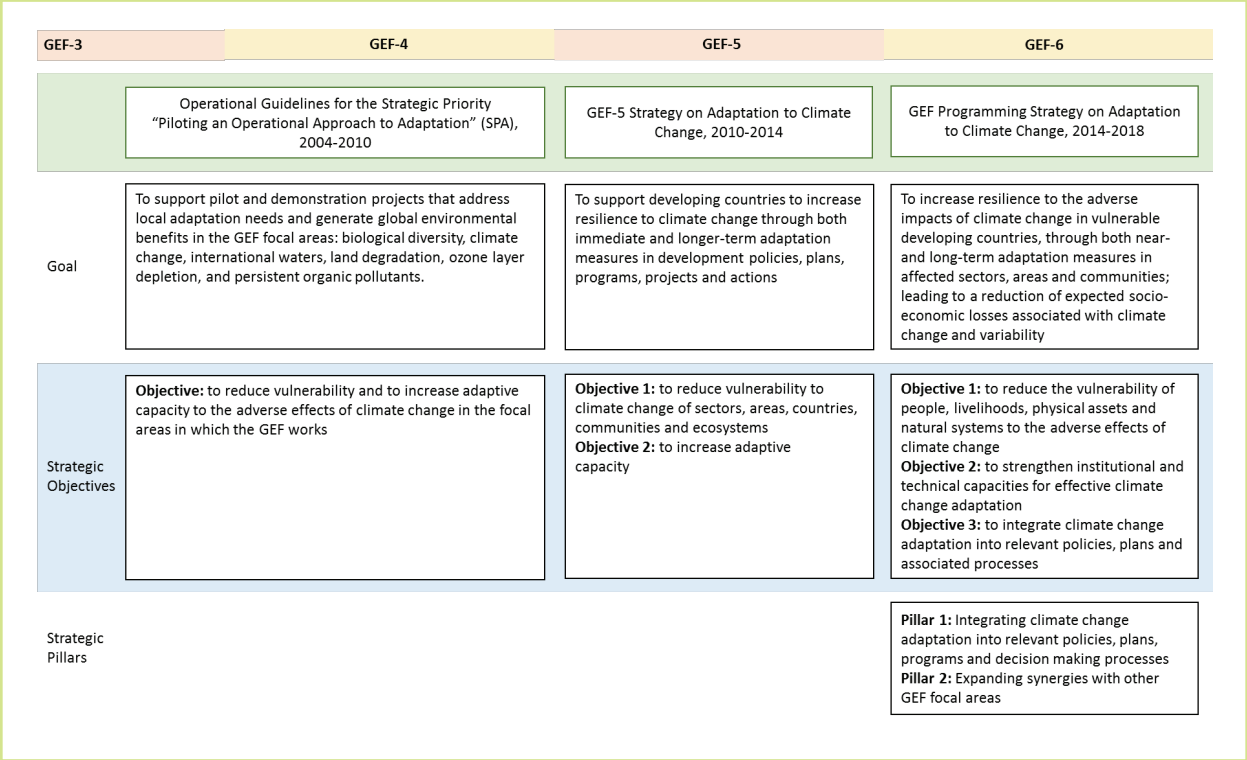
CLIMATE CHANGE ADAPTATION AND THE LDCF/SCCF

Based on data from the LDCF and SCCF program evaluations (GEF IEO 2016b, 2017k), the LDCF/SCCF portfolio consists of 297 projects that are Council approved, CEO endorsed/approved, under implementation, or completed. These projects received a total of $1.37 billion in LDCF/SCCF funding and $6.88 billion in cofinancing. Seventy-six percent of the projects are full-size projects, and most were approved under GEF-5. UNDP, UNEP, and the World Bank hold the largest shares of LDCF projects; UNDP, the World Bank, and IFAD hold the largest shares of SCCF projects, both in terms of number of projects and grant value.

LDCF/SCCF funding has supported activities that, for the most part, are highly relevant to UNFCCC decisions, GEF objectives, and GEF strategic pillars for climate change adaptation (figure 4.9). While still relevant, the least amount of alignment was found with the strategic pillar of expanding synergies with other focal areas. Synergies are mainly to be found between the climate change, biodiversity, international waters, and land degradation focal areas.

A quality at entry review showed that 98.4 percent of LDCF/SCCF-funded implementation projects have a high to very high probability of delivering tangible adaptation benefits. A second analysis of 27 completed LDCF/SCCF projects found that virtually all projects achieved—at least to a moderate extent—the first two effects on the catalytic chain, namely production of a public good and demonstration. Farmer-focused projects were the most typical, with, e.g., drought-resistant crop varieties introduced and demonstrated to new farmers and communities. Performance was not as strong against the latter two catalytic steps, replication and scaling-up; nevertheless, over

FIGURE 4.9 Evolution of the GEF Strategy for Adaptation to Climate Change



two-thirds of the projects did deliver replication to at least a moderate extent, and half of the projects demonstrated a degree of scaling-up—again, to at least a moderate extent.

In terms of sustainability of project outcomes, 75 percent of completed projects received ratings in the likely range, while the remaining projects were rated moderately unlikely. Most projects had the potential to achieve the ultimate catalytic goal of scaling-up, but the key constraint to actual scaling-up was post-implementation difficulty in securing sufficient resources and/or mainstreaming the work within, e.g., national budgets.

Despite the continued relevance of the funds, their popularity among non–Annex I countries, and evidence that tangible adaptation results are being delivered, LDCF/SCCF resources have been completely inadequate to meet demand. Unpredictability of funding creates uncertainty for GEF Agencies and countries reliant on LDCF/SCCF support for the implementation of their primary climate change adaptation priorities. It also negatively influences stakeholder perception of the funds' transparency and affects fund efficiency.

4.3 International waters

STRATEGY

The international waters focal area remains highly relevant. While not serving one specific international agreement, this focal area contributes to the enhancement of regional security and supports the sustainable use and protection of transboundary waters, their living resources, and dependent ecosystems. It also helps ease tensions between riparians, improve the livelihoods

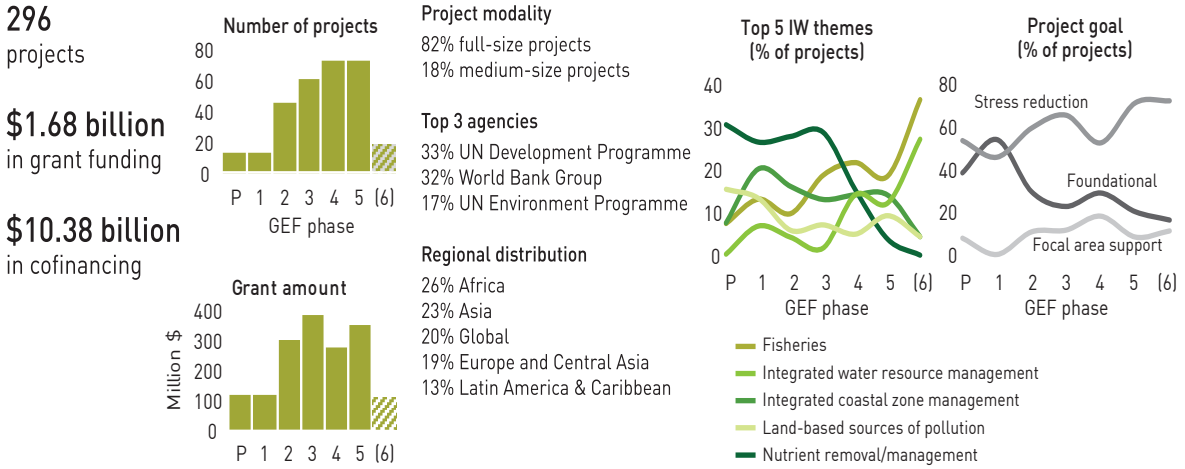
FIGURE 4.10 Evolution of the International Waters Focal Area Strategy

GEF-1–GEF-3 (1994–2006)	GEF-4 (2006–10)	GEF-5 (2010–14)	GEF-6 (2014–18)
Operational Programs (OPs)	GEF focal area strategies		
OP#8 Waterbody-Based	Strategic Program (SP)-1: Restoring and Sustaining Coastal and Marine Fish Stocks and Associated Biological Diversity	IW-1: Catalyze Multistate Cooperation to Balance Conflicting Water Uses in Transboundary Surface/ Groundwater Basins while Considering Climatic Variability and Change	IW 1: Catalyze sustainable management of transboundary water systems by supporting multistate cooperation through foundational capacity building, targeted research and portfolio learning.
OP#9 Integrated Land and Water	SP-2: Reducing Nutrient Over-Enrichment and Oxygen Depletion from Land-Based Pollution of Coastal Waters in Large Marine Ecosystems (LMEs) consistent with the Global Program of Action on Land-Based Sources of Marine Pollution (GRA)	IW-2: Catalyze Multistate Cooperation to Rebuild Marine Fisheries and Reduce Pollution of Coasts and LMEs while Considering Climatic Variability and Change	Program 1: Foster Cooperation for Sustainable Use of Transboundary Water Systems and Economic Growth Program 2: Increase Resilience and Flow of Ecosystem Services in the Context of Melting High Altitude Glaciers
OP#10 Contaminant-Based			IW 2: Catalyze investments to balance competing water uses in the management of transboundary surface and groundwater and enhance multistate cooperation.
OP#12 (Cross-Cutting) Integrated Ecosystem Management	SP-3: Balancing Overuse and Conflicting uses of Water Resources in Surface and Groundwater Basins that are Transboundary in Nature	IW-3: Support Foundational Capacity Building, Portfolio Learning, and Targeted Research Needs for Ecosystem-Based, Joint Management of Transboundary Water Systems	Program 3: Advance Conjunctive Management of Surface and Groundwater Program 4: Water/Food/Energy/ Ecosystem Security Nexus
	SP-4: Reducing Persistent Toxic Substances and Testing Adaptive Management of Waters with Melting Ice	IW-4: Promote Effective Management of Marine Areas Beyond National Jurisdiction (ABNJ)	IW 3: Enhance multistate cooperation & catalyze investments to foster sustainable fisheries, restore & protect coastal habitats, reduce pollution of coasts & LMEs Program 5: Reduce Ocean Hypoxia Program 6: Prevent Loss and Degradation of Ocean Habitats Program 7: Foster Sustainable Fisheries

of the vulnerable, and sustain economic and social development consistent with the 2030 Agenda for Sustainable Development.

The focal area's strategies (figure 4.10) have evolved over time, and a sense of urgency characterizes the background against which the GEF-6 strategy was developed. Freshwater is becoming increasingly scarce in most regions, with dramatic effects on the poor; hypoxia is growing in the oceans, driven by land-based sources of nutrients; and 30 percent of global fish stocks are considered collapsed and overexploited (FAO 2011). Added emphasis has been placed on water-related planetary boundaries and environmental tipping points in GEF-6. So far, the focal area is responding to the GEF-6 Programming Directions; the only subject not currently covered regards high-altitude melting glaciers.

FIGURE 4.11 International waters portfolio highlights



SOURCE: GEF PMIS as of June 2016, excluding canceled/dropped projects.

PORTFOLIO

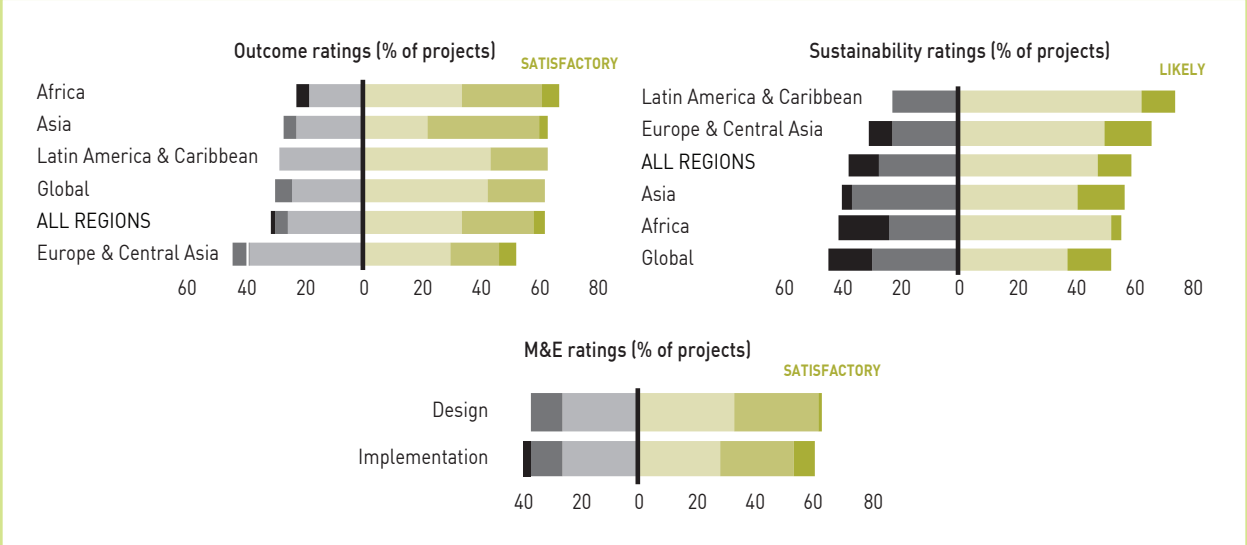
Projects addressing marine waters and their living resources dominate the portfolio. The evolution of the international waters portfolio over time has led to an unbalanced situation between freshwater and marine projects, with a marked prevalence of GEF investment in marine projects, particularly related to fisheries. The number of freshwater projects has remained constant since GEF-2, with decreasing investments (figure 4.11). In GEF-5 and GEF-6, investments in marine issues were twice those for freshwater, with over 50 percent going to fisheries projects. Marine fisheries have now become the object of the largest GEF international waters investment of the portfolio, with 66 projects and $466 million in investments. This increase coincided with the GEF-4, GEF-5, and GEF-6 cycles, beginning in 2008. While results have been achieved in reducing stresses caused by eutrophication and overfishing in a number of large marine ecosystems, the slow or absent growth of projects addressing transboundary surface and groundwater resources is of concern. The reasons for the strong prevalence of marine projects—and, within the marine cluster, of fisheries projects—may lie in the relatively less complex transboundary settings in the marine domain, the short-term economic and social benefits that may be derived from improved ecosystem-based sustainable fishing, and the clear benefits in terms of biodiversity conservation.

The focus on investments in marine fisheries and ocean affairs may limit the ability of the focal area to assist countries in facing the present challenges posed by climatic variability and water scarcity affecting the more vulnerable populations. What is needed is a balance between investments in marine waters and freshwater. The results of the GEF Transboundary Waters Assessment Program (GEF ID 4489, UNEP) have shown that most freshwater on Earth is to be found in transboundary river basins and aquifers—resources that can only be managed sustainably if considered within those transboundary contexts.

The international waters focal area serves as a catalyst for integration with other focal areas. The international waters focal area takes a stepwise, long-term ecosystem-based approach to building transboundary cooperation and restoring and protecting transboundary waterbodies. This approach, together with its reliance on science and knowledge management, and its systemic view of the many interconnected variables controlling water, places the focal area in a unique position as a catalyst for integration. International waters foundational projects have provided the evidence that solutions to water concerns lie not just in improving water supply and treatment, or in protecting aquatic ecosystems and environmental flows, but also—and often primarily—in disparate sectors such as food and energy production, trade, land use and urban planning, industrial processes, and forest management.

The international waters focal area was the first to shift toward a program modality, and demonstrated successes in that regard. Prior to the consolidation of the GEF policies on the programmatic approach funding modality in 2008, the international waters focal area had already experimented with multiproject programs as a funding modality particularly suited for supporting and accelerating the implementation of strategic action programs (GEF-2 and GEF-3). The Black Sea and Danube Strategic Partnership, the Strategic Partnership for the Mediterranean Large Marine Ecosystem, the Strategic Partnership for Sustainable Fisheries Management in the Large Marine Ecosystems in Africa, and the World Bank–GEF Partnership Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia are examples of this early experience. These programs involved large initiatives entailing multiple projects aimed at addressing either a specific major threat (e.g., nutrients in the Black Sea) or the multiple stresses degrading water resources in a transboundary ecosystem (as in the Mediterranean Sea program). These initiatives were broadly successful in leveraging large investments and catalyzing replication of practices, behaviors, and technologies.

FIGURE 4.12 International waters performance highlights



SOURCE: GEF IEO data on terminal evaluations of GEF international waters projects received by the GEF IEO as of December 2015.

PERFORMANCE AND IMPACT

Regional projects in the focal area have higher outcome ratings than do national projects. Seventy-five percent of 127 completed projects in the international waters portfolio have outcome ratings in the satisfactory range; 79 percent of regional projects have satisfactory outcomes, as compared with 64 percent of national projects (figure 4.12). Success rates were highest in Asia (80 percent) and lowest in Europe and Central Asia (65 percent). Focal area support projects (including research and scientific projects) had the highest outcome ratings (89 percent); stress reduction projects (including demonstration and foundation projects) had a success rating of 72 percent. The focal area has been recognized for the high broader adoption of the policies and practices promoted by its projects (the highest rate among GEF focal areas), for its demonstrated ability to leverage high levels of cofinancing, and for its stepwise long-term approach to transboundary cooperation; box 4.7 highlights closed projects with high outcome and sustainability ratings.

The international waters focal area places significant emphasis on learning and knowledge sharing. A unique feature of this focal area is the prevalence of projects (11 percent in terms of number of projects, and 6 percent in terms of funding) directed at learning, improving project quality, capturing existing knowledge on water issues, assessing global international waters priority concerns, and making knowledge and experience gained through international waters

BOX 4.7 International waters projects demonstrating good performance

The **Global Ballast Water Management Programme (GloBallast)** and **GloBallast Partnerships** (GEF IDs 610 and 2261, UNDP) projects provided considerable assistance to the formulation of the Ballast Water Management Convention and expedited ratification of the convention in countries and regions most vulnerable to the negative impacts of marine bioinvasions resulting from ballast water discharges. The convention aims to prevent the spread of harmful aquatic organisms by establishing standards and procedures for the management and control of ships' ballast water and sediments. The convention enters into force in September 2017.

The **Pacific Islands Oceanic Fisheries Management Project** (GEF ID 2131, UNDP) facilitated the establishment of the Western and Central Pacific Fisheries Commission; all major fishing states and all Pacific SIDS are now members of the commission. The measures adopted by the commission and Pacific SIDS are projected to maintain major tropical tuna species (skipjack and yellowfin), which account for around 90 percent of the total regional tuna catch and about 50 percent of global tuna supplies.

The **Hai River Basin Integrated Water Resources Management project** (GEF ID 1323, World Bank) aimed to catalyze an integrated approach to water resource management and pollution control in China's Hai Basin to improve the Bohai Sea environment. The project introduced a new concept of water saving, targeting a reduction in consumptive use of water in agriculture. The project's approaches have been adopted by project partners and captured in national policies, the country's five-year plan, and the Hai River Basin Integrated Water Resources Master Plan. The national policy calls for "increasing fiscal investment in water resources development," and the government has planned ongoing support of the Hai Basin Centre to further develop and apply the project's approach to control over the consumptive use of water.

projects available to all. By building databases; innovating knowledge management; and linking jurisdictions, focal areas, and environments, the international waters focal area has achieved significant outcomes in learning from its own experiences and through systematic exchange among projects and partners.

The GEF has had a considerable amount of success in promoting transboundary cooperation around freshwater basins and is the only multilateral fund in this space. The dominance of marine and ocean investments may limit the ability of the focal area to assist countries in facing the challenges posed by climatic variability and water scarcity affecting more vulnerable populations. Solutions to transboundary water concerns require national actions in multiple dimensions and GEF focal areas. Through its ecosystem approach and transboundary diagnostic analysis–strategic action program consensus-building process, the international waters focal area provides countries with a framework needed to direct part of their investments of GEF System for Transparent Allocation of Resources (STAR) funds where they are most needed to balance transboundary water uses (box 4.8).

4.4 Land degradation

STRATEGY

The GEF land degradation focal area has evolved through the GEF-3, GEF-4, GEF-5, and GEF-6 phases to remain relevant. The focal area strategy closely reflects convention guidance and, since 2016, has responded to include the United Nations Convention to Combat Desertification's (UNCCD's) new ambition toward achieving land degradation neutrality by integrating it into its programs and projects.[9] Land degradation was viewed as a linkage activity in the first decade of the GEF. It emerged as single focal area during GEF-3 and has been gradually moving toward integrated approaches aimed at delivering global environmental benefits in multiple focal areas while generating local environmental and development benefits (figure 4.13).

The GEF land degradation focal area strategies have responded well to UNCCD global priorities. This strategy includes its focus on combating desertification in Africa and an emphasis on drylands. In addition, GEF support in tackling land degradation has, since its early replenishment periods, aimed to achieve both geographical balance and to include nondryland areas. The land degradation focal area addresses unsustainable land management practices and degradation issues beyond arid, semi-arid, and dry subhumid areas as driven by country priorities and needs.

PORTFOLIO

Integrated landscape projects have increased, but restoration activities are limited. Agricultural lands, rangelands, degraded productive lands, and desert lands are the most frequent land type focus areas for land degradation single focal area projects, with a limited focus on urban lands (figure 4.14). Between GEF-3 and GEF-5, the focus on the above has declined, with a shift toward more holistic, integrated landscapes with an almost 30 percent increase in integrated landscapes over that time frame (GEF IEO 2017i). While new projects in the GEF-6 pipeline have increased their focus on responding to land degradation neutrality targets through both sustainable land management and restoration activities, about

[9] The definition of land degradation neutrality was approved by COP12 in July 2015.

BOX 4.8 Demonstrating impact in international waters: Lake Victoria

Context. Lake Victoria, with a surface area of about 68,800 km^2, is the second largest freshwater body in the world. It is a transboundary resource shared by Kenya, Tanzania, and Uganda. Burundi and Rwanda are a part of the upper watershed that drains into Lake Victoria through the Kagera River. The water hyacinth is an invasive weed first reported in Lake Victoria in 1988. It spread across the lake, cutting off communities and putting the economic and food security of millions at risk. Over the past two decades, the GEF has supported the Lake Victoria ecosystem through three primary interventions: the **Lake Victoria Environmental Management Project** (1996–2005; GEF ID 88, World Bank), the **Transboundary Diagnostic Analysis and Strategic Action Program Development for the Lake Victoria Basin** project (2004–06; GEF ID 2405, World Bank), and the **SIP: Lake Victoria Environmental Management Project II** (2008–15; GEF ID 3399, World Bank). The overall objective of these interventions was to address major threats facing the Lake Victoria ecosystem, including nutrient load management in the upstream areas to lessen the nutrient load and clear the water hyacinth on site. The first project included Kenya, Tanzania, and Uganda and applied various control methods, including the use of natural enemies of the water hyacinth. Since the Kagera River is the primary source of inflow into Lake Victoria and of the hyacinth infestation, the second and third projects were expanded to Burundi and Rwanda. Remote sensing methods were used to observe changes in hyacinth infestation (see figure).

Results. Overall vegetation in Lake Victoria has entered a declining phase since 2008, as measured on the Normalized Difference Vegetation Index (NDVI). As of end 2016, levels of vegetation productivity have been reduced from a peak observed in 2007–08, which was 58 percent higher than the 1981 level, to a level 20 percent higher than that observed in 1981.

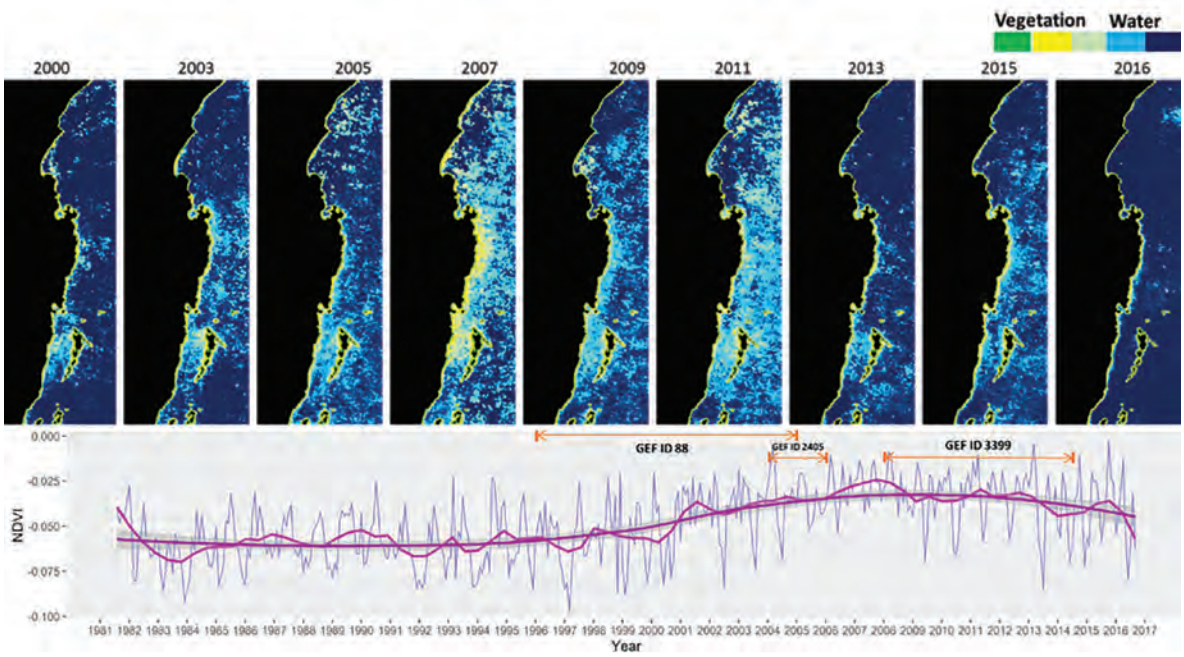


FIGURE 4.13 Evolution of the Land Degradation Focal Area Strategy

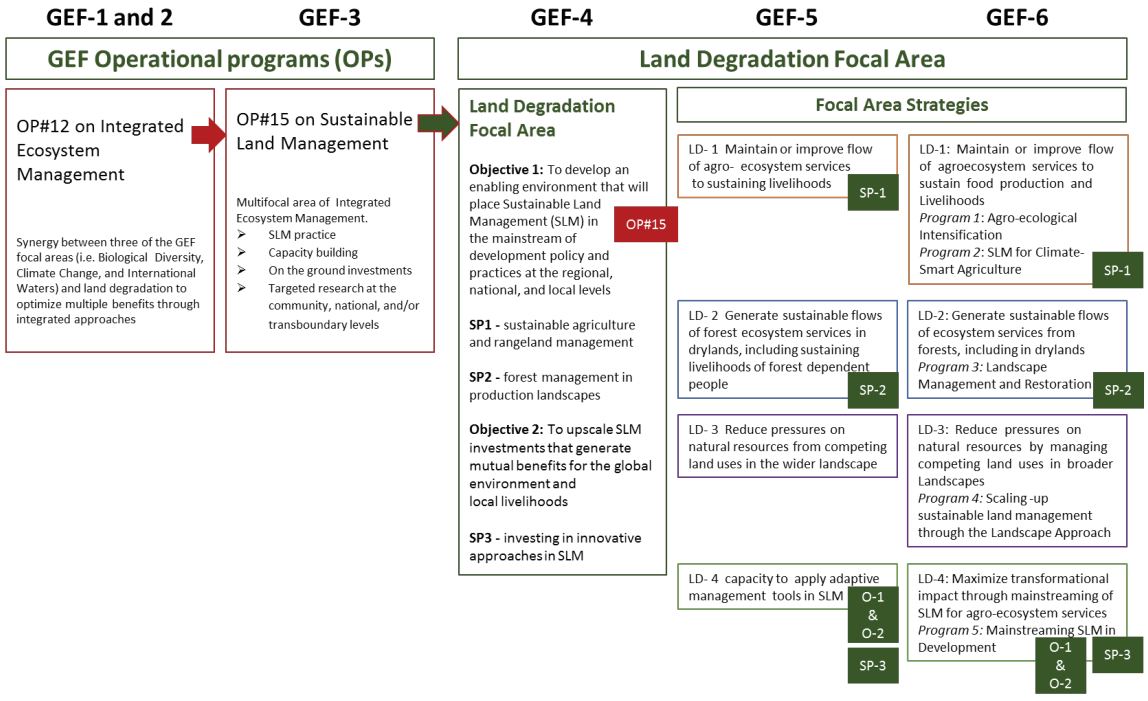
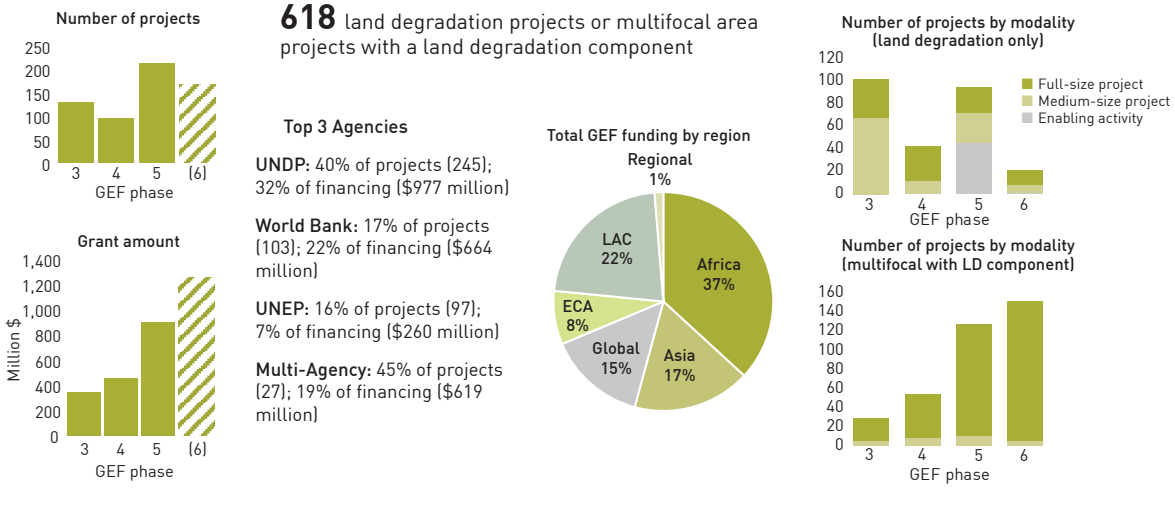


FIGURE 4.14 Land degradation portfolio highlights



SOURCE: GEF PMIS as of March 2017, excluding canceled/dropped projects.

three-quarters of land degradation focal area projects do not include a restoration component. When land restoration does occur, it is twice as likely to be in forested lands or other natural ecosystems such as rangelands and wetlands. Only 1 in 10 land degradation focal area projects includes a component to restore degraded land. Restoration is more expensive (Artiola, Pepper, and Brusseau 2004) in combating land degradation and desertification; thus, most GEF efforts are focused on sustainable land management. Box 4.9 provides good performance examples in the focal area, highlighting closed projects with high outcome and sustainability ratings.

PERFORMANCE AND IMPACT

Performance of the focal area is slightly lower than the GEF average. Overall, 76 percent of land degradation multifocal area projects and single focal area projects had satisfactory outcome ratings (figure 4.15). This percentage is slightly less than the GEF average of 82 percent for all projects from GEF-3, GEF-4, and GEF-5. On average, land degradation focal area projects have a shorter duration (5.1 years) than most GEF projects (5.7 years).

Land degradation focal area investments have led to positive impacts on UNCCD targets, specifically reducing forest loss, reducing forest fragmentation, and increasing vegetation productivity. A geospatial impact analysis of 202 land degradation projects and a value for money analysis show there have been important reductions in fragmentation and forest loss and an increase in vegetation productivity and carbon sequestration (GEF IEO 2017i). Vegetation productivity was measured using the Normalized Difference Vegetation Index (NDVI). On this measure, land degradation projects increased NDVI by approximately 0.03 percent, relative to an average NDVI of 0.55; they reduced forest loss by 1.3 percent, relative to the 2.4 percent global mean forest loss; and they increased average forest patch size by 0.25 km^2, relative to a global mean of 7.3 km^2. Impacts vary across geographic contexts.

Improvements in vegetation cover from land degradation projects have generated other environmental benefits in the form of higher levels of carbon sequestration. Based on a value for money analysis, the estimated carbon sequestered was 43.52 tC/ha, on average (GEF IEO 2017i). This equates to about 108,800 tC sequestered in each land degradation project location. The analysis further estimates that, at a valuation of $12.90 per ton, individual land degradation projects contributed $7.5 million on average to sequestration—well above the average cost of most land degradation projects.

GEF land degradation projects yield overall positive returns on investment. The range of potential benefits from a single focal area land degradation project is estimated at $52–$143/ha affected in terms of carbon sequestration alone. Soil retention promotes an additional value of $10–$43/ha, for a total valuation of $62–$186/ha across all land degradation projects (GEF IEO 2017i). After costs are accounted for, the per dollar return on investment for land degradation projects is estimated at approximately $1.08 per dollar invested. This is likely to be an underestimate, since it only captures two ecosystem services.

Project duration, infrastructure access, and initial conditions are correlated with effectiveness. A time lag of 4.5–5.5 years was an important inflection point at which impacts were observed. Projects with access to electricity tend to have some of the largest relative positive impacts. This may be due to better infrastructure and access to energy sources for irrigation. The initial state of the environment is a key driver in GEF impacts,

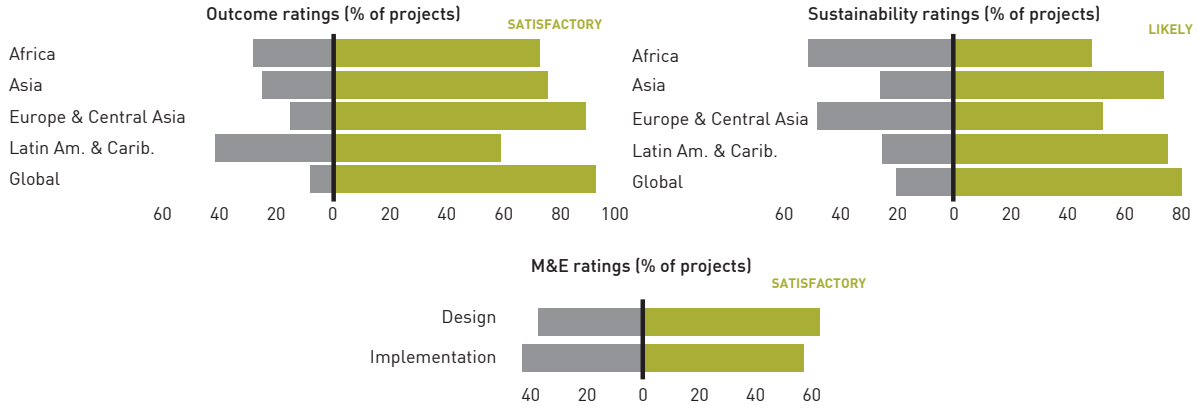
BOX 4.9 Land degradation projects demonstrating good performance

Gambia: Participatory Integrated Watershed Management Project (GEF ID 3368, AfDB-IFAD) established relevant institutional frameworks, formulated the Gambia Sustainable Land Management (SLM) Investment Framework, implemented 72 microprojects comprising lowland and upland soil and water controlled infrastructure, improved degraded woodlands, and improved vegetative cover in 13 protected sites. The project achieved all its targets in two components aimed at strengthening SLM institutional capacity and establishing community-based watershed/landscape management.

As part of the SLM Program, **Tanzania: Reducing Land Degradation on the Highlands of Kilimanjaro** (GEF ID 3391, UNDP) delivered its intended outcomes of establishing policies and an institutional framework for supporting SLM; developing markets to support expansion of livelihood options in Kilimanjaro to reduce pressure on agriculture and natural resources, and increase income; and developing institutions with capacities and skills to increase knowledge, skills, technologies, and changes in attitude for SLM adoption and adaption.

Alao part of the SLM Program, **Cuba: Capacity Building for Planning, Decision Making and Regulatory Systems & Awareness Building/Sustainable Land Management in Severely Degraded Ecosystems** (GEF ID 3578, UNDP) created capacities and awareness for planning, decision making, and regulation necessary for SLM application in Cuba. By the project's end—in line with its target—six of eight national development programs included an SLM approach, with many including the participation of stakeholders from multiple sectors.

FIGURE 4.15 Land degradation performance highlights



SOURCE: GEF IEO data on terminal evaluations of GEF land degradation projects received by the GEF IEO as of December 2016.

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean.

with GEF projects tending to have a larger impact in areas with poorer initial conditions.

Developing multistakeholder partnerships, improving income generation, and addressing climate risks are important to project success. Evidence from case studies demonstrates the importance of effective multistakeholder partnerships between government agencies, civil society, the private sector, and grassroots organizations in addressing policy issues such as land tenure rights, environmental issues such as soil erosion, and loss of land productivity. Project activities that focus on improving income and market access—as well as providing knowledge on adaptive practices to cope with climate risks—improve both environmental and socioeconomic outcomes and influence people's decision not to migrate to urban areas.

The GEF's land degradation focal area has an opportunity to address complex interrelated drivers and generate local socioeconomic benefits. The GEF's distinguishing features in this focal area are projects that combine the principles of landscape approach and integrated ecosystem management to support national and regional development priorities in reducing desertification and deforestation, and increasing livelihoods. The focal area has the potential to increase food production, mitigate GHG emissions, and increase climate resilience through adaptation. While neither land degradation nor drought are primary drivers, they increase food insecurity and vulnerability and therefore may exacerbate the risk of conflict or migration. Going forward, GEF-supported land degradation initiatives have the opportunity to address the complex interrelationships among contextual factors such as preexisting economic and political challenges, livelihoods, and food insecurity (box 4.10).

4.5 Chemicals and waste

STRATEGY

Ambitious SDG targets related to the environmentally sound management of chemicals and waste make the GEF's chemicals and waste focal area of increasing relevance and importance. The analysis of the evolution of the Chemicals and Waste Strategy over time (figure 4.16) concludes that the focal area has evolved well through the GEF-4, GEF-5, and GEF-6 phases to expand to cover new global priorities such as mercury and to embrace synergies between chemicals issues. The focal area has been coherent with the guidance of the conventions for which it is the financial mechanism, as well as supportive of the goals of related multilateral environmental agreements, including the Strategic Approach to International Chemicals Management, the Basel and Rotterdam Conventions, and the Montreal Protocol. The GEF-6 focal area strategy shows increased attention to mercury—which is covered under four of its six programs—consistent with the Minamata Convention's coming into force. Program 6 provides new, explicit support for regional approaches in LDCs and SIDS.

PORTFOLIO, PERFORMANCE, AND IMPACT

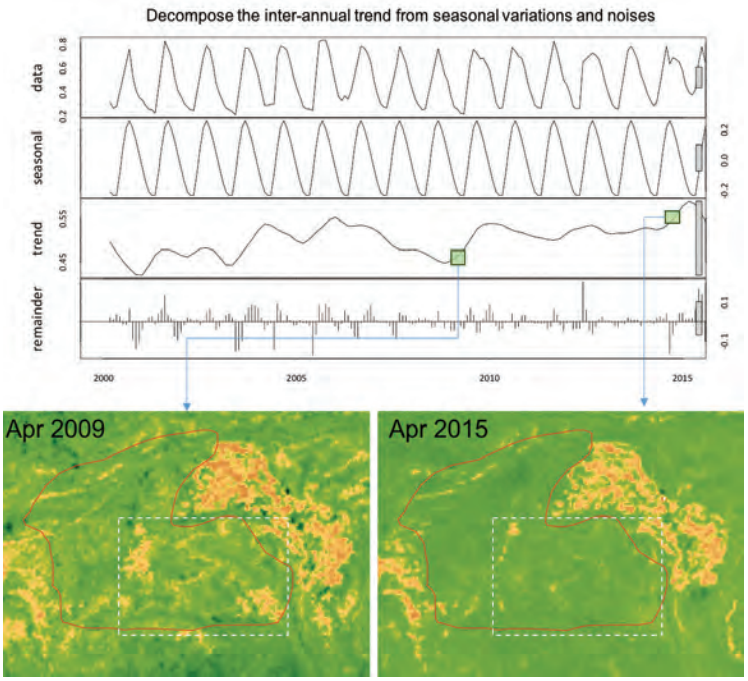
Common drivers of success in persistent organic pollutant (POP) projects with higher outcome and sustainability ratings feature strong government ownership and private sector commitment. Projects in the GEF chemicals and waste focal area have largely performed on par with projects in other focal areas in terms of achievement of outcomes. Based on 23 terminal evaluations of closed projects, 79 percent of national projects and 80 percent of global projects have been rated as having outcomes in the satisfactory range (GEF IEO 2017a). Success rates were higher in Asia (91 percent) and Europe and Central Asia

BOX 4.10 Demonstrating impacts: India's Sustainable Land and Ecosystem Management Country Partnership Program

Launched in 2009, the $327.8 million **Sustainable Land and Ecosystem Management Country Partnership Program** (SLEM-CCP; GEF ID 3268, World Bank–UNDP-FAO) consisted of six subprojects. One of these, Integrated Land Use Management to Combat Land Degradation in Madhya Pradesh, was implemented in an area of 15,000 ha of degraded bamboo forest in five districts. The area faced serious soil erosion and moisture retention issues. Land management in the area was based on traditional subsistence agriculture. Productivity was low, causing many people to migrate to nearby urban areas.

The subproject's main interventions involved allotting 20 ha of degraded areas for four years (5 ha/year) to each beneficiary family residing near these forests. Families received a monthly remuneration of approximately $40 for weeding, cleaning congested bamboo clumps, and soil work to rehabilitate the degraded bamboo forests. Supporting activities included vermicomposting, weed removal, water management, and techniques such as the use of mesh for moisture retention. The subproject provided occupational training and support for livelihood diversification activities—specifically, for establishing vegetable gardens and making furniture from bamboo and lantana, an invasive species.

Results indicate that the vegetation cover in the area improved over the project period. The average vegetation index (NDVI) for April, the driest month in 2015, increased about 10 percent compared to 2009 levels. The vegetation significantly improved inside the project area compared to areas outside the project boundary. Field visits and stakeholder perspectives corroborate that the interventions improved land management and helped in the regeneration of bamboo forests in the area. From a socioeconomic perspective, the subproject had positive outcomes, even though it had limited impact on incomes. Notably, it established decentralized decision-making and planning processes, and enhanced community participation in managing and rehabilitating degraded bamboo forests.



Time-series plot shows increase in vegetation productivity since the project started (upper panel). Vegetation productivity maps from before the start of the project and around the end of the project show restored areas (lower panel).

FIGURE 4.16 Evolution of GEF support for chemicals and waste

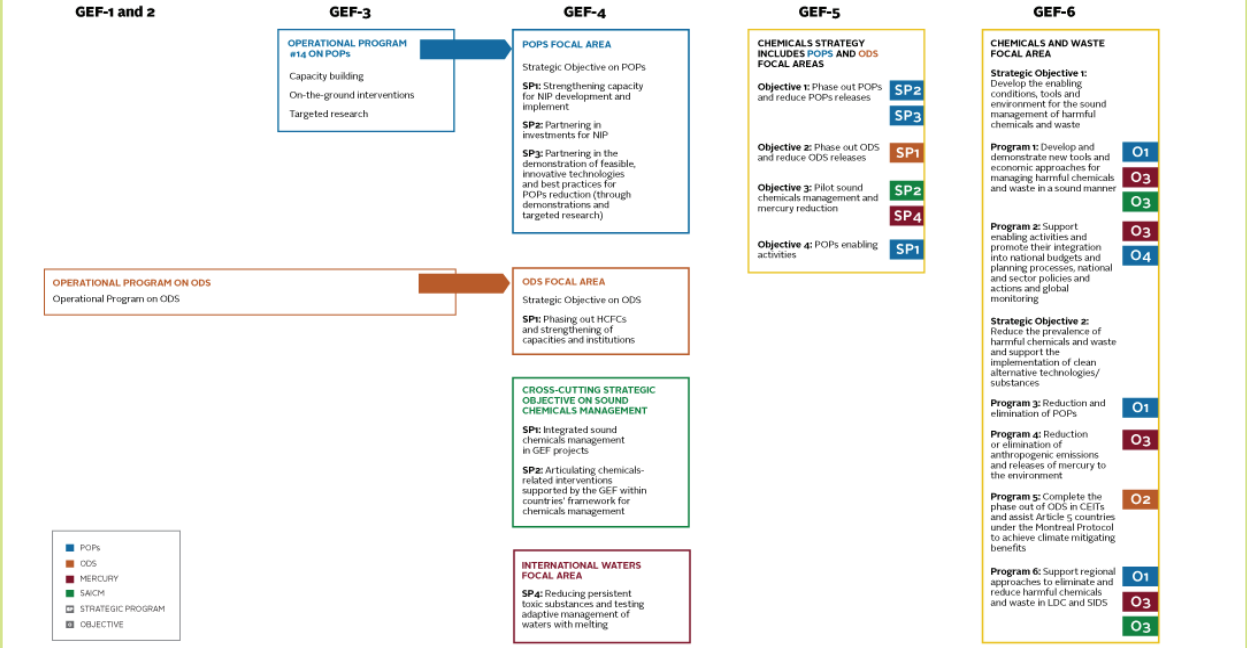
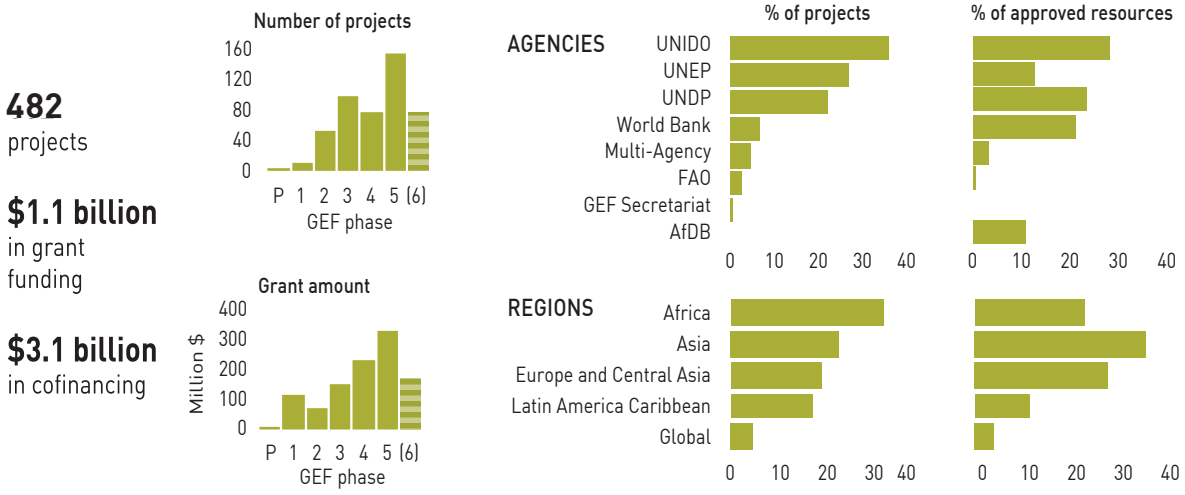
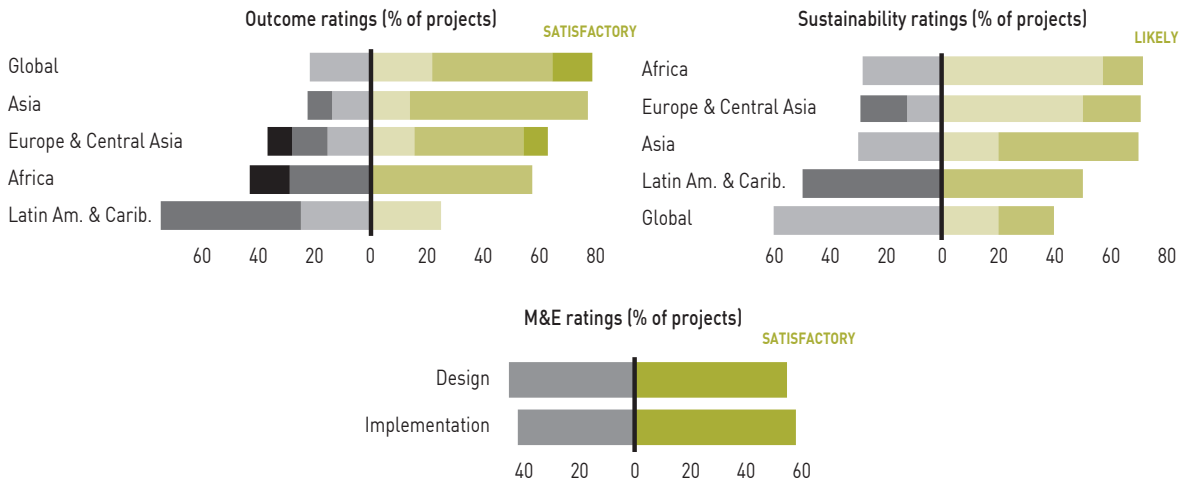


FIGURE 4.17 Chemicals and waste portfolio highlights



SOURCE: GEF PMIS as of September 2016, excluding canceled/dropped projects.

FIGURE 4.18 Chemicals and waste portfolio performance highlights



SOURCE: GEF IEO data on terminal evaluations of GEF chemicals and waste projects received by the GEF IEO as of December 2015

BOX 4.11 Chemicals and waste projects demonstrating good performance

Sustainable Management of POPs in Mauritius (GEF ID 3205, UNDP) sent all inventoried obsolete POPs for environmentally sound disposal, along with additional hazardous chemicals, exceeding project targets and eliminating POPs from the country. The project also achieved sustainable success in switching from DDT to pyrethroids as an alternative for vector management at airports and seaports.

Capacity Building on Obsolete Pesticides in EECCA (Eastern Europe, Caucasus, and Central Asia) Countries (GEF ID 3212, FAO) safeguarded more than 200 MT of obsolete pesticides in Azerbaijan, Belarus, and Georgia. It also achieved better-than-anticipated awareness raising and capacity building on obsolete pesticide management and disposal through the implementation of micro-support projects. The project was followed up with European Commission support totaling about $10 million to a regional project to dispose of obsolete pesticides in 10 countries.

(79 percent), and lower in Latin America and the Caribbean (67 percent) and Africa (50 percent). Performance data indicate potential challenges for chemicals and waste projects with regard to the sustainability of POPs results and the outcomes, sustainability, and quality of implementation of multicountry projects. Seventy-four percent of the projects demonstrated strong country ownership. Figures 4.17 and 4.18 provide highlights of the chemicals and waste portfolio and its performance. Box 4.11 provides examples of closed projects with high outcome and sustainability ratings.

More than 80 percent of chemicals and waste projects engaged the private sector in some form, which was a major factor driving project success. The private sector—primarily large national and multinational corporations—was engaged in these projects through cofinancing, capacity building, direct support, and participation in project design and implementation. Capacity building, such as training on the safe and sustainable use of chemicals, was the main focus

of GEF support in this focal area. In 40 percent of the projects, capacity-building assistance was provided in combination with direct support to the private sector, such as technology upgrades. Projects providing direct support to the private sector include those in which the GEF funded demonstration and implementation activities; such projects predominately involved polychlorinated biphenyls (PCBs), DDT, and unintentional POPs production. PCB management projects typically engage private (and public) PCB holders, primarily large electricity companies with PCB-containing transformers and capacitors, as well as waste management companies to handle safe dismantling, temporary storage, transportation, and disposal. Projects focused on unintentional POPs production involved industrial actors, including pulp and paper manufacturers, iron and steel producers, and cement kiln operators, as well as the health care industry (medical waste).

Promoting sectorwide approaches and balancing hard outcome targets against activities involving reforms is a challenge. While some multichemical projects have been approved in GEF-6, an ongoing challenge identified is a deficiency of incentives—or sometimes scope—to combine chemicals-related issues in order to promote sectorwide approaches such as updating legislation to fully address chemicals and waste rather than just PCBs, or to address solid waste management more broadly rather than just POPs waste. Some multifocal area projects—notably, the Sustainable Cities IAP (discussed in chapter 5)—focus on solid waste management more broadly, with benefits to climate change mitigation and other toxic substances. This challenge can affect the GEF's ability to scale up its interventions; broader institutional infrastructure may be needed to support hazardous waste or chemicals management. The challenge can also affect the GEF's ability to attract cofinancing or to mainstream into larger investment projects.

Nearly 80 percent of the projects in the focal area evaluation's quality at entry review included activities focused on regulatory or legal reform; more than 90 percent included measures for institutional strengthening or capacity building. It has not been easy to balance hard outcome targets (such as tons of POPs and mercury disposed), which are the typical indicators for required reporting, against the importance of such soft activities and outcomes that are focused on reforms and institutional strengthening (GEF IEO 2017a). A related challenge is the trade-off that sometimes needs to be made between hard outcome targets and political realities. Such a trade-off may be between addressing the largest problem sites to meet convention targets versus prioritizing countries that may not have yet received funding for their national implementation plan.

The most common form of broader adoption in chemicals and waste projects is mainstreaming, with limited success in scaling-up or replication. Mainstreaming was achieved primarily through the adoption and enforcement of laws and regulations focused on sound chemicals management, both at the national and local levels. Overall, chemicals and waste projects have not sufficiently focused on approaches to scale-up or replicate project successes. Many completed projects have demonstrated the collection and destruction of POPs and reduced environmental stress in a relatively straightforward manner, but have not succeeded in putting in place sustainable strategies and financial mechanisms to scale up those results.

There have been a few exceptions. Several GEF POPs interventions in China have successfully mobilized national replication programs. For

example, the Improvement of DDT-based Production of Dicofol and Introduction of Alternative Technologies Including IPM (Integrated Pest Management) for Leaf Mites Control in China project (GEF ID 2629, UNDP) finalized an integrated pest management national replication program prior to project completion. Replication activities have been initiated at several provincial locations and are expected to expand nationwide and to cover additional crops. Factors expected to influence the success of this program are availability of financial resources and technology support.

The GEF cannot finance the collection and destruction of every ton of legacy POPs, nor can it fund the conversion of every industrial facility to cleaner production processes. A more robust theory of change is needed to determine how the GEF's demonstration activities will catalyze broader action and impact in the chemicals and waste focal area. Such catalyzation may involve the development of innovative private

BOX 4.12 Chemicals and waste focal area: Achieving impact in SIDS

Under the first pillar of the GEF-4 **Sustainable Management of POPs in Mauritius** project (GEF ID 3205, UNDP), the quantities of obsolete POP pesticides and contaminated soil for final disposal exceeded the target, with the costs of the extra quantity supported by government cofinancing. The following obsolete POP chemicals were collected and sent for disposal in a cost-effective and environmentally sound manner:

- 138 t of DDT
- 6.7 t of hazardous chemicals
- 5,000 kg of PCB-containing oil
- 63 kg of Mirex, 13 L of Dieldrin, and 13 L of Aldrin
- 300 m^3 of DDT-contaminated soil

In addition, the spraying of DDT at airports and seaports ceased in 2011 and was substituted with an alternative vector control management strategy. A stock of 5 MT of technical DDT was retained for safe storage in UN-approved bags as a precautionary measure in case of malaria outbreak.

The results achieved through project activities have generated significant positive and sustainable impacts on the environment and human health for the population in Mauritius and have supported the government's goal to be waste free. Interviews with project stakeholders indicated that new infrastructure now exists on the previously contaminated sites. The project impacts also have contributed to reduced global environmental stress as a result of the disposal of POP pesticides, hazardous chemicals, and contaminated soil.

A contributing factor to the project's successes under the first pillar was strong participation from the government of Mauritius, including in the form of cofinancing. The government provided funds to UNDP to manage the disposal of contaminated soil beyond the scope of the project, demonstrating its capacity and capability to address hazardous chemical wastes as a result of the intervention. A secondary driver of success was active participation from other actors, including nongovernmental organizations and, to a more limited degree, the private sector.

The project's second pillar was less successful. An integrated vector management strategy was piloted in several villages, with the ultimate objective of national replication, and volunteers were solicited to monitor and prevent the accumulation of stagnant water. A lack of institutionalization of this initiative was a constraint (including a lack of ownership and uptake by the government, and the fact that the positions were volunteer and unpaid); the effort has not been scaled up.

sector partnerships, economic instruments, and financial models, as envisioned in the GEF-6 Chemicals and Waste Focal Area Strategy under Program 1; these efforts deserve continued support in GEF-7.

In particular, as the GEF chemicals and waste focal area evolves and its focus shifts, attention should be paid to ensure that remaining legacy POPs are not orphaned—especially given that cost, ownership, and other barriers are diminishing the efficacy of the demonstration effect for these projects. Different solutions will likely be required for LDCs and SIDS versus middle-income countries (box 4.12). The GEF may also want to consider providing more support for broad-based regulatory reform and sectorwide approaches to address chemicals and waste issues more holistically. The GEF should also not forget its focus on the reduction and phaseout of ozone-depleting substances, which may have new relevance with the recent adoption of the Kigali Amendments to the Montreal Protocol. In the coming years, some countries with economies in transition may need support to meet these new obligations, and opportunities are likely to arise for multifocal area collaborations with the climate change focal area, especially on energy efficiency.

4.6 Multifocal projects

HISTORY

A multifocal area program or project is one that is funded through allocations from more than one focal area, or whose objectives do not fit under any one single focal area. Combining multiple focal areas in one program or project has been evident in the GEF portfolio prior to the emergence of the multifocal area category in GEF-4. In GEF-3, the GEF Secretariat issued guidance for Operational Program 12 (OP12): Integrated Ecosystem Management, which required projects to generate at least two out of four types of the following environmental benefits: biodiversity conservation and sustainable use, carbon storage and emissions reduction, conservation and sustainable use of waterbodies, and pollution prevention in globally important ecosystems.

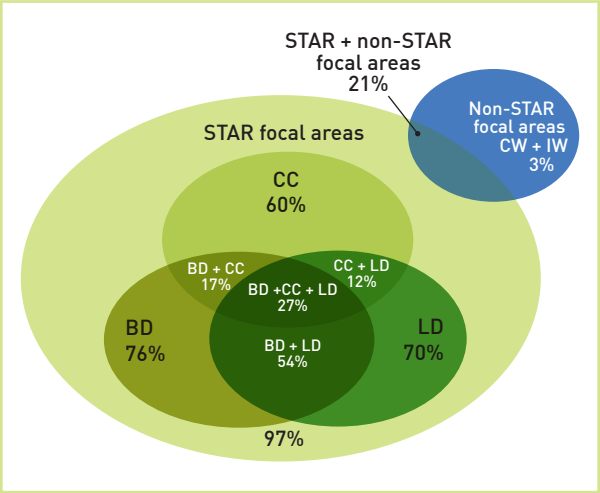
When the Resource Allocation Framework (RAF) was introduced in 2006—revised and renamed the STAR in 2009—the GEF transitioned from approving projects by operational program to focal area strategies. Under the RAF/STAR system, each country is given a specific funding envelope for the biodiversity, climate change, and land degradation focal areas. Projects that combine funding from different focal areas are categorized as multifocal area, and are required to address at least one strategic priority of each focal area that allocates funding.

PORTFOLIO

Of the 532 multifocal area projects in the GEF portfolio as of September 30, 2016, 250 projects have objectives designed to achieve environmental outcomes in more than one focal area; 282 projects were labeled as multifocal area due to their objectives not fitting under any single focal area (e.g., capacity development and enabling activities, projects under the Small Grants Programme). This portfolio includes projects funded prior to the RAF in GEF-4 that were retroactively labeled as multifocal by the GEF Secretariat.

The GEF portfolio of multifocal area projects is increasing. The set of 250 multifocal area projects accounts for 10 percent of the GEF portfolio, equivalent to 13 percent of total GEF grants. Since GEF-3, when the integration of the objectives of multiple focal areas in single projects was formalized, the number of multifocal area projects has increased by about 50 percent in each succeeding GEF phase in terms of both number of projects and total GEF grant funding.

FIGURE 4.19 Focal area combinations of multifocal area projects in GEF-4 and GEF-5



NOTE: *n* = 169 for all percentages. BD = biodiversity; CC = climate change; CW = chemicals and waste; IW = international waters; LD = land degradation.

More than half of the projects in the multifocal area portfolio combine the biodiversity and land degradation focal areas. Looking at the GEF-4 and GEF-5 combined portfolio (*n* = 169), The most common combinations in multifocal area projects include biodiversity and land degradation (54 percent of projects), half of which also include climate change (figure 4.19).

The great majority of multifocal area projects respond to convention guidance, as well as to both global trends and national priorities. Of the multifocal area projects addressing biodiversity or climate change focal area priorities, at least 79 percent respond directly to convention guidance (GEF IEO 2017d). The multifocal area portfolio reflects global trends toward integration across sectors and between environmental and socioeconomic goals as stated in the three Rio Conventions and the SDGs. Multifocal area projects also respond to national priorities, through flexibility in jointly addressing global environmental commitments and national sustainable development goals. GEF country operational focal points interviewed mentioned that multifocal area projects allow countries to achieve multiple focal area and livelihood objectives simultaneously.

Most multifocal area projects address focal area priorities through integrated approaches. Most multifocal area projects target focal area priorities that mainstream a variety of focal area concerns, especially within landscapes. The majority of multifocal area projects in GEF-5 targeted land degradation and biodiversity priorities in landscapes, including integrated landscapes, PA systems, and production landscapes (GEF IEO 2017d). Seventy-four percent of multifocal area projects were designed to implement integrated ecosystem management, landscape-based management, or both; these are management approaches that address multiple focal area issues simultaneously. Forty-three percent addressed both agriculture and forestry sectors by combining approaches such as sustainable agriculture or sustainable land management with sustainable forest management and sustainable forest use/protection. Of those projects addressing agriculture and forestry concerns together, 71 percent also addressed biodiversity concerns through ecosystem-based management.

PERFORMANCE AND IMPACT

The large majority of completed multifocal area projects reported achievement of multiple benefits and broader adoption of intermediate outcomes at project end.[10] Among projects with

[10] Multiple benefits refer to both global environmental benefits (e.g., ecosystem goods and services that have global significance, such as nutrient cycling and climate regulation) and the local benefits that support their achievement (e.g., food security, access to sustainable energy). Local social and economic benefits are recognized within the GEF as tightly linked to global benefits, as the latter provide incentives and

outcome ratings, 77 percent were rated moderately satisfactory or higher (n = 35). However, the generation of benefits linked to project activities was not necessarily dependent on overall project performance. For all 49 completed projects in the multifocal area portfolio, the terminal evaluations reported positive environmental outcomes as occurring at at least one project site. Benefits were reported for 80 percent of the projects in the same focal area combinations they had targeted, as well as in socioeconomic aspects. Positive environmental outcomes were most commonly reported to be in the form of reduction of environmental stress or threats (90 percent) and improvements in ecosystem cover or quality (71 percent). A little over half of the projects (51 percent) reported improvements in soil productivity or vegetation cover. Among socioeconomic outcomes, increased income or greater access to capital was the most frequently reported (79 percent). Broader adoption was reported to have begun or taken place in 80 percent of projects by project end, primarily in the form of mainstreaming and sustaining of outcomes, and replication.

Low institutional capacity among executing agencies was a primary factor linked to poor achievement of outcomes and broader adoption in the multifocal area portfolio. Project-related factors such as good engagement of key stakeholders, good project design, and coordination with related initiatives were among the factors most frequently cited as contributing to success. These results are similar to the rest of the GEF portfolio.

appropriate social conditions to enable behaviors that sustain global environmental benefits (GEF IEO 2006).

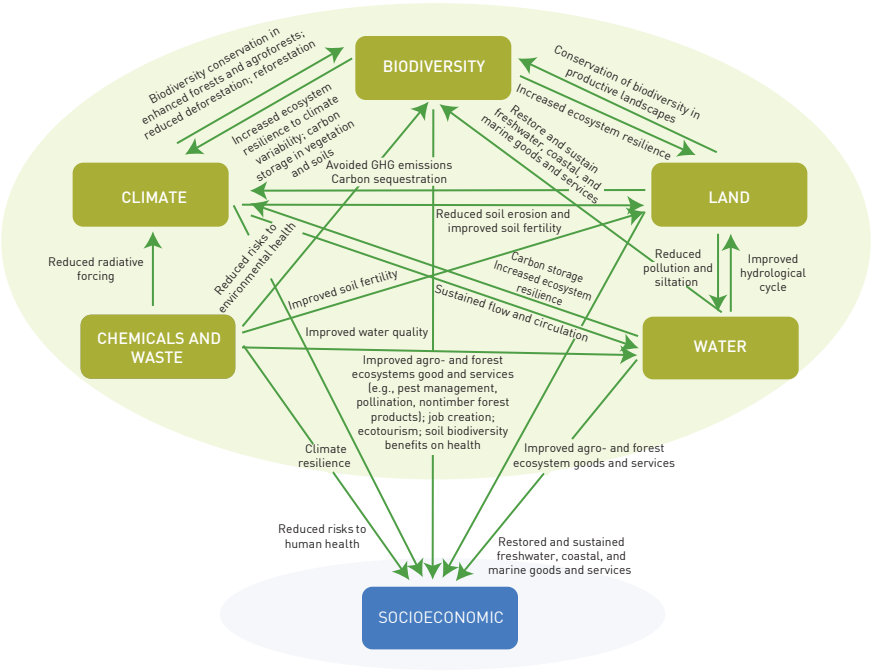
Multifocal area projects have the potential for producing synergies and mitigating trade-offs.[11] Given the interconnected nature of environmental issues, interventions intended to meet the targets of one convention can produce benefits aligned with the priorities of others (Cowie, Schneider, and Montanarella 2007). The three global environmental areas—land, biodiversity, and climate—are ecologically interlinked in a way that makes them particularly suited for exploring synergies (Gisladottir and Stocking 2005) (figure 4.20).

Opportunities for synergies across focal areas, as well as with socioeconomic priorities, were commonly found in project activities such as tree planting, clean energy technologies that reduced fuelwood use, sustainable agriculture practices such as the use of organic waste as fertilizer, and ecosystem protection and rehabilitation. Trade-offs were mainly identified between environmental and socioeconomic benefits, and also between objectives within the same or between focal areas, between short- and long-term objectives, between beneficiaries, and between local and national benefits.

Potential losses from trade-offs have been reduced through three types of mitigating measures: compensation, compromise, and value addition. Compensation involved direct payment or replacement of income to address the loss of socioeconomic benefits. Compromise occurred when the benefit to one focal area was decreased to reduce the anticipated loss to another focal area or socioeconomic aspect. Value addition

[11] Synergy refers to multiple benefits that are achieved either simultaneously through a single intervention, or through the interaction of outcomes of at least two interventions. A trade-off is defined as a reduction in one benefit in the process of maximizing or increasing another benefit (GEF IEO 2017d).

FIGURE 4.20 Demonstration of potential synergies among focal areas



SOURCE: GEF IEO 2017d.

BOX 4.13 Mitigating trade-offs through value addition

An Integrated Ecosystem Management Approach to the Conservation of Biodiversity in Dryland Ecosystems project (GEF ID 2369, IFAD) aimed to address desertification, deforestation, and biodiversity loss resulting from land degradation in three of China's western dryland provinces. Villagers were prohibited by law from using indigenous grass as forage and bedding for sheep. To mitigate this loss, the project helped provide warm sheep sheds, and alfalfa as substitute fodder. This measure had the added value of providing permanent shelter for sheep, which improved their survival in harsh climates. Alfalfa as fodder improved the quality of the sheep, which farmers could then sell for a higher price. Further supplementing this, the project supported off-season cultivation of vegetables and fruits in greenhouses. Through this combination of activities, a 100 percent reduction in resource extraction was reported, and villagers earned more income from the higher-value products than before the project (e.g., a 60 percent income increase in Ningxia Province). Shifting community livelihoods from grazing on grasslands to less climate-dependent forms of agriculture—such as using sheds for livestock and greenhouses for fruit and vegetables—has the synergistic benefit of reducing socioeconomic vulnerability to climate change. At the same time, these activities contribute to the protection of a critical ecosystem, which further mitigates the effects of climate change. The project's set of interventions has the added potential of being self-sustaining over time due to the higher income generated from multiple nonextractive livelihoods.

SOURCE: GEF IEO 2017d.

BOX 4.14 Enhancing synergies through integration in various project dimensions

The **Participatory Biodiversity Conservation and Low Carbon Development in Pilot Ecovillages** project (GEF ID 4080, UNDP) combines the biodiversity and climate change focal areas to meet energy and livelihood needs in rural villages without degrading natural habitat. To reduce resource extraction in protected areas, the project provided solar and fuel-efficient clay stoves, solar panels, biodigesters, and Jatropha for biofuel, among others. These technologies were reported to collectively reduce village GHG emissions by 62,110 tons of carbon dioxide equivalent (42 percent) from 2011 to 2016, and reduce firewood extraction equivalent to 900 ha of avoided deforestation. In addition, the planting of trees and bamboo to reduce soil erosion were estimated to sequester at least 164 tons of carbon dioxide equivalent per year.

Integrating additional types of benefits. Planting indigenous fruit trees rather than just any tree species for carbon sequestration contributed up to 20 percent of the villages' agricultural income from fruit sales. The choice to plant trees as hedges rather than as forest plantations served the additional functions of shade and fences for village paths and meeting spaces. When the project introduced additional sources of food and income to reduce pressure on protected areas, solar panels rather than traditional diesel-run generators were used to power pumps for irrigation and drinking water. Bakeries that employed villagers and supplied bread were designed to run on biogas from biodigesters.

Integrating multiple sectors in decision making. The project established a national-level steering committee with ministries representing economy and finance, environment, agriculture, power, hydraulics, and renewable energy. The committee met regularly to discuss overlapping jurisdictions and mandates within the ecovillages and adjacent PAs. For example, the committee helped resolve constraints in bringing the electricity network to ecovillage sites to reduce the need for fuelwood through discussions with the Ministry of Energy. As a result, 100 percent of the ecovillages' population had electricity at the end of the project compared to 10 percent at the start.

Delivering interventions within an integrated spatial unit. In Senegal, forest degradation was being driven by the need for fuel and food in rural villages. The project used villages as the spatial unit for delivering a set of interventions addressing loss of biodiversity from forest degradation, GHG emissions from burning of firewood, lack of food security, and out-migration of youth from rural areas due to lack of livelihood opportunities simultaneously. All villagers were engaged in and gained socioeconomic benefits from the project's multiple interventions, which at the same time addressed biodiversity and climate change priorities by reducing forest degradation.

SOURCE: GEF IEO 2017d.

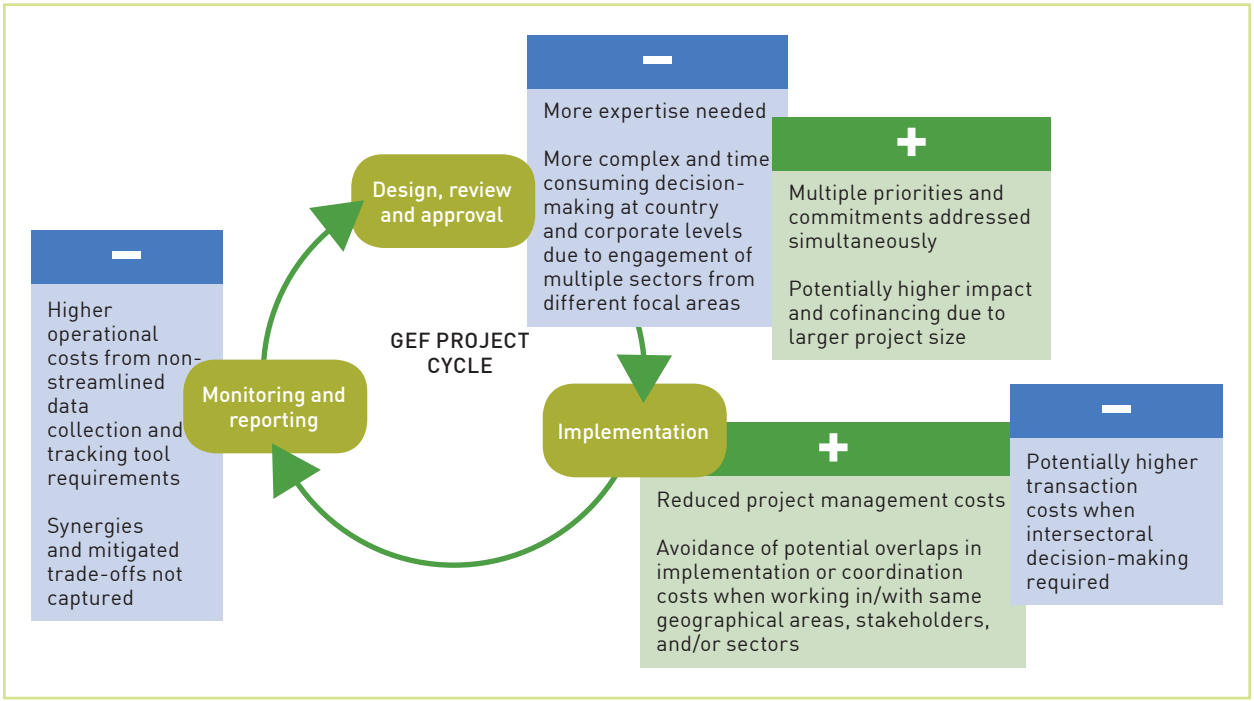
occurred when an intervention not only addressed the trade-off, but also created focal area and socioeconomic benefits beyond the status quo, essentially producing synergies (box 4.13). Projects were found to generate more synergistic benefits when they integrated plans for additional benefits at the design stage; involved multiple sectors in decision making; or implemented interventions within integrated spatial units, such as a village, landscape, or watershed (box 4.14).

Implementing a multifocal area project has both benefits and costs at different stages of the project cycle. Benefits occur in the form of

opportunities to fulfill global and national commitments simultaneously, leverage focal area funding, streamline project management costs, and increase multisectoral interaction. The option to integrate funds from multiple focal areas has allowed each focal area's priorities to be addressed in more interventions while using less of each focal area's allocation—especially for the land degradation focal area, which typically receives much less funding. While the involvement of more actors at all levels makes the project design and approval process more complex, it also provides an opportunity for interaction among sectors that otherwise might not typically work together. The larger size of multifocal area projects on average allows economies of scale in project management relative to implementing the same interventions with the same set of stakeholders through several smaller projects.

Costs were incurred in the form of efficiency losses, mainly during project design, review, and monitoring, due to the increase in number of stakeholders and sectors involved. More focal area expertise and agreement among the respective focal area stakeholders (e.g., convention focal points, GEF Agency and GEF Secretariat focal area teams) are needed in the design and approval of multifocal area projects. Whether at the country or corporate level, the involvement of more actors leads to more complex and time-consuming decision making, as each actor tries to maximize benefits for its respective focal area or sector. In some cases, these multiple objectives have created competition for funding at all levels of the GEF partnership rather than coordination of activities, further making negotiations challenging. Current reporting requirements for multifocal area projects increase operating costs; at the same time, synergies generated and trade-offs mitigated are not captured (figure 4.21).

FIGURE 4.21 **Benefits and costs of focal area integration within the GEF project cycle**



SOURCE: GEF IEO 2017d.

Multifocal area projects are appropriate when the environmental issue affects multiple focal areas, is caused by drivers linked to multiple focal areas, and when issues linked to multiple focal areas occur within the same spatial unit. Deforestation, unsustainable land use, and land use change are examples of environmental issues that negatively affect the biodiversity, climate change, and land degradation focal areas. In general, the degradation or destruction of ecosystems that provide services benefiting these three focal areas is suited to being addressed through multifocal area projects. Climate change adaptation is also suited to being addressed through multifocal area projects: failure to adapt to climate change can reduce or discontinue biodiversity, climate change, and land degradation benefits; also, where biodiversity, climate change, and land degradation priorities are not addressed, vulnerability to climate change increases. When several environmental issues linked to multiple focal areas occur within the same spatial unit, multifocal area projects are suitable, because interventions addressing these issues can then be implemented by the same set of stakeholders that are driving the environmental problems. Consequently, the decision to implement projects as multifocal area should be based on consideration of the environmental problems to be addressed.

An important condition observed as necessary to design and implement multifocal area projects is the existence of institutional arrangements for integrating multiple sectors and expertise in different focal areas. In contexts where capacities for focal area or sectoral integration is low, countries may be forced to rely more on Agency expertise, which reduces their control over the project preparation process. In some countries where interministerial bodies do not exist, the demand of various stakeholders to obtain funding for their respective priority projects may lead to GEF operational focal points allocating STAR funds to several small projects rather than to a larger multifocal area one—even when the latter may be more effective. Exacerbating the effects of low institutional capacity for integration, no guidance exists so far on how multifocal area projects are to be developed, reviewed, and approved. Because of this, these projects require more planning, consultation, and explanation with the stakeholders involved in approving them.

Chapter 5

Programmatic approaches and integrated approach pilots

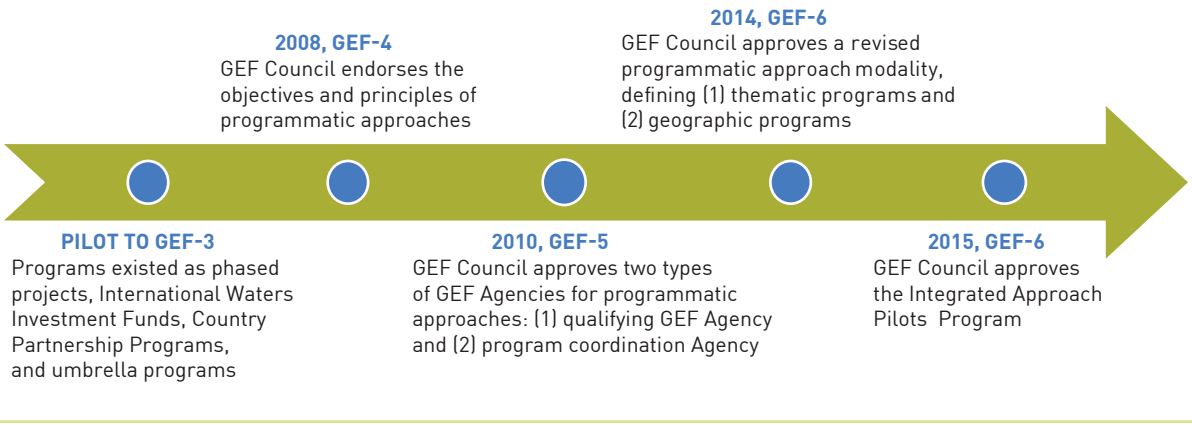
As early as 1999, the Global Environment Facility (GEF) Council supported the evolution of GEF support to recipient countries through a programmatic approach to better address the long-term, multifaceted nature of environmental problems as well as of potential solutions. This chapter focuses on the GEF programmatic approach modality of support, formally introduced in May 2008. It is based on the findings of the GEF Independent Evaluation Office's 2017 Evaluation of Programmatic Approaches in the GEF and formative reviews of the illegal wildlife trade component of the Global Wildlife Program (GWP) conducted as part of the Biodiversity Focal Area Study and of the integrated approach pilot (IAP) programs.

5.1 Programmatic approaches in the GEF

BACKGROUND AND PORTFOLIO

Programmatic approaches have been part of GEF operations since its establishment, but were formally introduced in May 2008. While the formal introduction of the objectives, basic principles, and detailed procedures for designing programs were endorsed by the GEF Council in 2008, phased programs had been an important part of GEF operations since inception (figure 5.1). These programs were de facto projects funded across GEF phases with subsequent correlated financing tranches. Clustered programs, introduced after May 2008, included a set of "child projects"

FIGURE 5.1 Timeline of the major Council decisions related to programs



designed to contribute to the overall objective of the parent program.

Until GEF-5, Council discussions on programs centered more on administrative than technical matters. This changed in 2014, when the Council approved a revised program modality based on scope and covering *thematic programs* (those addressing an emerging issue, such as a driver of environmental degradation), and *geographic programs* (those focusing on a specific geography). In GEF-6, the IAP Programs were introduced; these focus on the main drivers of environmental degradation, supporting broad coalitions of committed stakeholders and innovative scalable activities.

The GEF portfolio of programs is sizable, diverse, and growing. Program funding accounts for 8.7 percent of total GEF funding as of April 2016, as compared with 5 percent prior to the formal introduction of programs in 2008. GEF-4 country and regional programs are mostly multifocal, biodiversity and climate change. Overall, multifocal programs became increasingly predominant in GEF-5 and GEF-6 (table 5.1).

DESIGN

Programs represent a shift toward a more integrated, systemic approach to address drivers of environmental degradation. Over time, programs have evolved from a narrow approach—largely focused on mitigating the negative effects of food and energy production on biodiversity loss, land degradation, and climate change—toward applying an integrated approach encompassing a wider set of drivers such as food and energy production and consumption, buildings and infrastructure,

TABLE 5.1 GEF programs by geographic scope and focal area, after 2008

Scope and focal area	GEF-4			GEF-5			GEF-6		
	No.	GEF grant (mil. $)	Cofinancing (mil. $)	No.	GEF grant (mil. $)	Cofinancing (mil. $)	No.	GEF grant (mil. $)	Cofinancing (mil. $)
Country	7	215	2,337	2	54	453	0	0	0
Biodiversity	2	53	775	1	26	143	0	0	0
Climate change	2	101	875	0	0	0	0	0	0
Multifocal	3	62	687	1	28	310	0	0	0
Global	4	125	554	1	51	223	3	149	770
Biodiversity	1	41	48	0	0	0	0	0	0
Climate change	2	79	501	0	0	0	1	12	56
POPs	1	4	5	0	0	0	0	0	0
Multifocal	0	0	0	1	51	223	2	138	715
Regional	9	366	1,760	11	402	5,009	1	124	683
Biodiversity	1	34	128	0	0	0	0	0	0
Climate change	2	55	544	3	38	1,103	0	0	0
Int'l waters	1	34	133	2	49	479	0	0	0
POPs	1	18	21	0	0	0	0	0	0
Multifocal	4	225	934	6	315	3,427	1	124	683
Total	20	706	4,651	14	507	5,685	4	273	1,453

SOURCE: GEF PMIS as of April 2016.

NOTE: POPs = persistent organic pollutants.

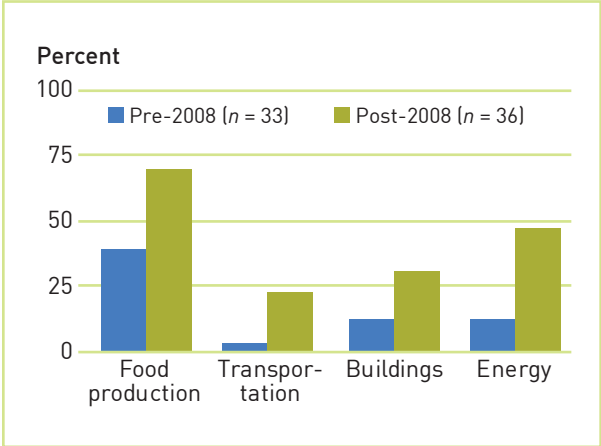
construction, and transportation (figure 5.2). This shift toward a broader integrated approach has been accompanied by a move toward more complex programs in both technical (e.g., multifocal) and organizational (e.g., multicountry, multi-Agency) terms.[1]

Program–child project coherence in objectives has improved in recent programs. Program objectives are now better defined than in earlier GEF funding periods. The design of child projects has also improved. Child projects are now better linked to their respective program in terms of objectives, results-based management, and M&E; they also specifically address program outcomes. Analysis of post-2008 child projects shows that 89 percent of them indicate clear linkages with their respective programs at the design stage. (GEF IEO 2017e); 31 percent are designed for broader adoption. M&E design has also improved and, when present, program M&E and results-based management strategies are coherent with those of their respective child projects.

PERFORMANCE

Compared to GEF stand-alone projects, programmatic projects performed slightly better, but program complexity influences outcomes. Child projects in simple programs generally performed better than stand-alone projects on all rating dimensions, particularly on execution quality, sustainability, and monitoring and evaluation (M&E) design (figure 5.3). However, performance declined with increased complexity. Child projects in complex programs underperformed relative to those in simpler programs or stand-alone projects, except with regard to

FIGURE 5.2 **Typologies of drivers addressed by GEF programs before and after 2008**



SOURCE: GEF IEO 2017e.

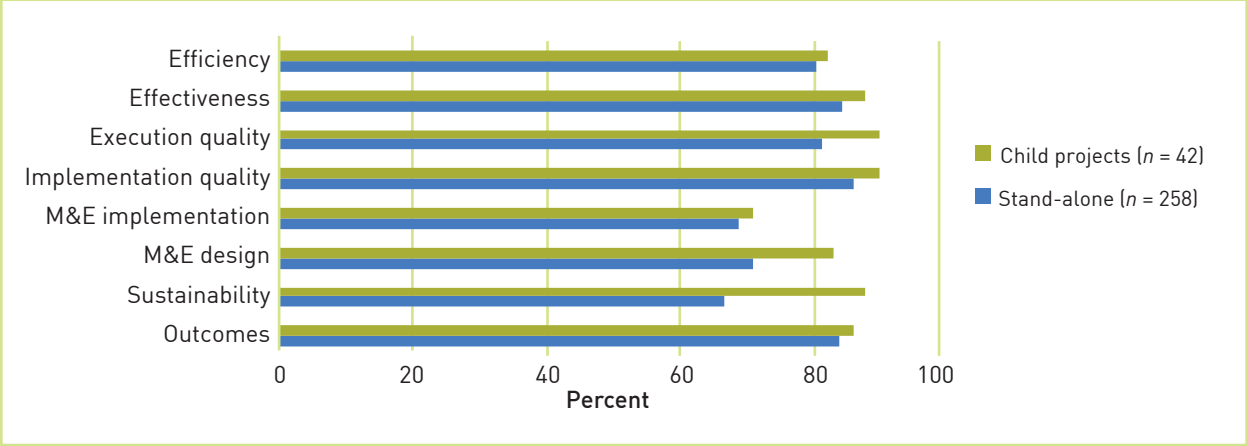
implementation quality, sustainability, and M&E design (figure 5.4).[2] The relatively higher ratings on sustainability suggest that complex programs are designed with a longer-term perspective. However, complex programs are substantially more difficult to execute than simple ones and require more resources to be managed.

For example, the multifocal, multicountry Middle East and North Africa Desert Ecosystems and Livelihoods Program (GEF ID 4620, World Bank) was a nonhomogeneous collection of individual national projects loosely related to each other through a regional "glue" project. These

[1] Complexity is a function of the degree of homogeneity of a program's child projects' structure and outcomes, and whether they belong to one or multiple countries, Agencies, and/or focal areas.

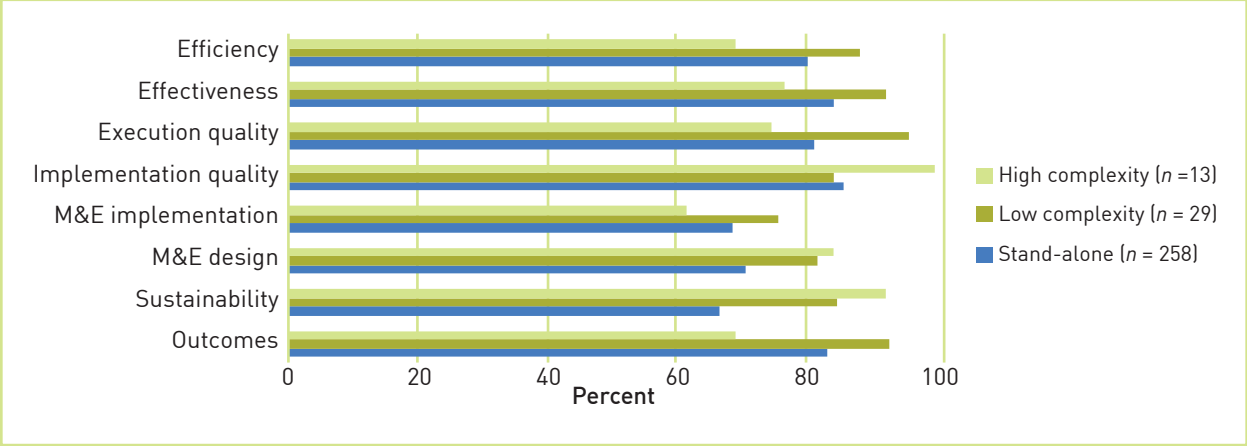
[2] This analysis was conducted by splitting the available terminal evaluations on completed child projects (n = 42) into two cohorts—projects that belong to simple programs (n = 29) with two or less complexity factors and projects that belong to complex programs (n = 13) with three or all four complexity factors —even though this reduces the number of observations available for comparison. However, tested for statistical significance, the relation between the outcome ratings from available terminal evaluations and complexity has shown that complexity is a good predictor of outcomes and is inversely related to outcomes: the higher the complexity, the lower the outcomes (GEF IEO 2017e).

FIGURE 5.3 Comparing child and stand-alone projects across relevant dimensions



SOURCE: GEF IEO 2017e.

FIGURE 5.4 Comparisons by program complexity



SOURCE: GEF IEO 2017e.

child projects did not demonstrate any additional benefits from their participation in the overall program. The program's aggregate outcomes and potential impacts do not differ from the sum of those of its child projects—apart from some inadequately aggregated M&E information, and limited experience sharing and lesson learning among child project stakeholders in the program's participating countries. Moreover, the levels of engagement with the glue project varied across countries.

This experience is in contrast to that of the India Coastal and Marine Program (GEF ID 3661, UNDP), which consisted of two projects—the Godavari child project (GEF ID 3936) and the Malvan child project (GEF ID 3941)—focused on mainstreaming biodiversity conservation into economic activities in Indian marine ecoregions. Both have informed national policies through the program's National Steering Committee; they thus demonstrate the potential for national policy reforms and replication through simple programs.

Broader adoption, a central concept for programmatic approaches, is starting to occur, but not yet at scale. Among the 52 child project terminal evaluations analyzed for broader adoption in the programmatic approaches evaluation, the most frequently observed forms of broader adoption were mainstreaming (box 5.1), mentioned in one-third of the terminal evaluations analyzed; and replication, observed in 21 percent of the cases. There is limited evidence of scaling-up (6 percent) and no evidence of market change.

Country programs, which are typically simple programs and predominantly funded through System for Transparent Allocation of Resources (STAR) resources, perform better than regional and global programs. They have stronger ownership and are better aligned with country priorities, compared with regional and global programs. With the notable exception of programs addressing transboundary issues (e.g., programs in the international waters focal area), GEF programs have progressively shifted over time from a single country to a multicountry focus. STAR funds are a substantial share of total program resources, regardless of geographic scope. Seventy-four percent of country programs are resourced from STAR allocations, as are 62 percent of regional/global programs. In general, countries with smaller STAR allocations tend to allocate a higher percentage of resources to programs in order to maximize their investments and returns in terms of global environmental benefits.

Though it is not considered part of the GEF programmatic approaches, it is instructive to look at the GEF's Small Grants Programme (SGP), a corporate program that has provided GEF presence and visibility at the community level. The SGP delivers grants that address local environmental concerns of global relevance at the national or subnational level, and links communities to long-term environmental management through income-generating activities. One of the main characteristics differentiating the SGP from other GEF programs is its ability to function as a demand-based type of community support, thereby engendering community/country ownership (box 5.2).

Efficiency declines as programs become multidimensional in response to the need for greater coordination and management.

BOX 5.1 Demonstrating program impacts through mainstreaming

The **PRC-GEF Partnership on Land Degradation in Dryland Ecosystems** (GEF ID 3482, ADB) aimed to address desertification, deforestation, and biodiversity loss resulting from land degradation in China's western dryland provinces. The national government at that time was looking for solutions to massive soil erosion that had led to fatal floods in the lower Yellow River. The program introduced integrated ecosystem management (IEM) to the country, an approach that brought together different sectors to address multiple environmental and socioeconomic issues in an integrated manner. Through interventions demonstrating IEM, beneficiaries reported improvements in ecosystem protection and vegetation productivity. Concurrent with the achievement of these environmental outcomes, local incomes also increased due to higher-value and more diverse crops. These positive results prompted local governments to mainstream IEM principles into provincial, state, village, and township planning systems. Planning approaches in four out of six provinces have shifted from a top-down to a multisector integrated approach. Recommended IEM actions served as inputs to 26 county development plans; these have been incorporated into provincial and national budgets.

SOURCE: GEF IEO 2017e.

BOX 5.2 Integrating the SGP into GEF programs at the country level

Operational in more than 120 countries, application of the SGP modality varies widely. Some countries have taken a programmatic approach to their SGP country program at the national or subnational level, setting specific programmatic targets. For example, SGP Panama has focused on building the social fabric: 89 percent of its grants involve community-based organizations, and 65 percent indigenous people. Granting also follows a geographic targeting approach, with a majority of SGP grants issued in the Darien region, one of the poorest in the country.

Good integration of well-established SGP national programs with the respective overall GEF country portfolio—possibly through a formal mandate to deliver the community-level components of GEF projects with the active participation of local communities—can increase the likelihood of sustainability and generate cost savings to the GEF as a whole. The national SGP program in Tanzania has been effective in this regard, with many SGP projects implemented in parallel to, integrated into the overall activities of, and/or synergized with full- and medium-size GEF projects. In Eritrea, SGP is being used to replicate activities introduced by two land degradation full-size projects in other regions of the country. Such strategic integration of the various GEF modalities enables consistent use of accumulated SGP expertise and experience for effective delivery of GEF activities at the community level, while optimizing GEF resources.

SOURCES: GEF IEO 2014b; GEF IEO and UNDP IEO 2015.

Cost-effectiveness in the GEF can be analyzed through three factors: program and child project approval times as per the GEF project cycle; program financing and cofinancing; and program effectiveness and efficiency, as expressed by terminal evaluation ratings. Program-level results represent the sum of project-level results on these factors. There are no major differences between programs and stand-alone projects with regard to the project cycle. Sixty-seven percent of full-size programmatic projects—the large majority in the post-2008 cohort—fail to meet the timeline standard from Council approval to Chief Executive Officer (CEO) endorsement, but 64 percent are within the standard for moving from CEO endorsement to start-up. Based on available terminal evaluation ratings, child projects scored higher on effectiveness and efficiency, and leveraged more cofinancing than stand-alone projects (at 1:10 versus 1:7), but efficiency ratings declined with increased program complexity. Working arrangements between GEF Agencies was cited in interviews among the main factors influencing the efficiency of multi-Agency program design and implementation. Because of their diversity in terms of mandates and operational approaches, and in the absence of clear guidance on inter-Agency collaboration, GEF Agencies have reported difficulties in working together.

Demonstration of the additionality of programs over stand-alone projects is limited. Child projects achieved higher ratings for M&E design compared to stand-alone projects. However, these projects also show weaker implementation of M&E than their stand-alone counterparts. An important additional issue is the limited availability of program M&E evidence demonstrating the value added of a program over a set of projects.

5.2 Addressing illegal wildlife trade through the GEF Global Wildlife Program

The GWP, launched in 2015, is the GEF's first concerted effort to address illegal wildlife trade in a coordinated and comprehensive way. The GWP is multifocal and involves four GEF Agencies—the Asian Development Bank, the United Nations

Development Programme (UNDP), the United Nations Environment Programme (UNEP), and the World Bank (as lead) across 19 countries in Asia and Africa. Funding comes from participating countries' STAR allocations and a sustainable forest management set-aside. One aspect that distinguishes the GWP from other GEF-6 programs is the fact that its child projects have been designed according to the participating countries' priorities in the wildlife management sector. This characteristic also accounts for the high country demand experienced by the program. The program framework document (PFD), first submitted in 2015 with 11 participating countries, had to be resubmitted to the GEF Council to accommodate an additional 8 countries.

Designed to be implemented over a period of seven years, the $131 million GWP aims to address supply, trafficking, and demand of illegal wildlife products through 20 child projects in Asia and Africa, including one global coordination and knowledge management grant. The GWP builds on predecessor projects and relevant Agency experiences. Notably, for the 2010–16 period, the GEF has been the top donor in this area, funding 79 wildlife trafficking-related projects with a portfolio valued at $345 million.[3] This section summarizes lessons on relevance and design from the formative review of the GWP's illegal wildlife trade–related activities to inform future GEF interventions in this area.[4]

RELEVANCE

The GWP is relevant to GEF-6 Biodiversity Strategy priorities. The program aims at preventing the extinction of known threatened species by focusing on reducing the rates of poaching of rhinos, elephants, and other threatened species, and increasing arrest and conviction rates within participating countries. The design of the GWP exhibits a high degree of alignment with this goal, and even with the strategy's emphasis on certain charismatic species; 18 of the 20 country-specific child projects include elephants and rhinos. In addition to being aligned with Program 3 of the GEF-6 Biodiversity Strategy, it also caters to other biodiversity programs and objectives, such as those related to protected areas, sustainable use and biodiversity mainstreaming efforts. Through country-led child projects, the program responds to the objectives of other focal areas such as land degradation, climate change and sustainable forest management.

The GWP is a relevant and necessary response in addressing illegal wildlife trade, but gaps in geographic and species coverage remain. For example, no countries from the Latin America and the Caribbean region have been included so far, even though substantial illegal wildlife trade occurs within the region. The gaps in coverage reflect the fact that the GWP emerged from concerns focused on the plight of charismatic megafauna—specifically the trafficking of elephant ivory, rhinoceros horn, and large cats. These concerns were heightened as a result of a pronounced spike in the poaching of elephants and rhinoceroses beginning around 2007.

DESIGN

The GWP has an appropriately comprehensive theory of change to address illegal wildlife trade. The theory of change, set out in the GWP's PFD,

[3] The other major donors are Germany, the United States, the European Commission, and the World Bank Group; together with the GEF, they account for 86 percent of total funding (World Bank 2016).

[4] The GEF Independent Evaluation Office formative review focused only on those GWP elements addressing illegal wildlife trade and did not cover the full scope of GWP activities.

emphasizes addressing each stage in the illegal wildlife trade supply chain, namely the source of wildlife traded illegally, the shipment and transportation of wildlife and wildlife products, and the market demand for those products. Furthermore, the theory of change encompasses both short- and long-term interventions to address illegal wildlife trade and ensure that wildlife resources are sustainably used. Short-terms interventions as laid out in the PFD include activities to tackle wildlife crimes through anti-poaching and intelligence operations. Long-term measures include sustainable livelihoods and integrated landscape management to address underlying issues related to poverty and a lack of benefits to local communities from conservation of wildlife resources. Despite the comprehensive theory of change, most GWP funding is focused on activities to fight illegal wildlife trade at the source, with 68.3 percent of the GEF's funding allocated to this component. Trafficking and demand—the two other illegal wildlife trade dimensions embodied in the theory of change—receive 22.3 percent and 1.8 percent of the funding, respectively. Demand constitutes the smallest portion of the funding allocated: $2.4 million, or approximately 1.8 percent of total GWP funding, with activities proposed in the Philippines, Thailand, and Vietnam.

There is potential for improved program–child project coherence in recent child projects. At the time of the evaluation (July 2017), 11 of the 20 child projects had been CEO endorsed and/or GEF Agency approved. The child projects are being approved in two groups. The first group of projects, which were included in the PFD first approved in July 2015—were already under development as the PFD was being written. The program was thus framed around projects whose objectives and methodologies were already set, rather than on developing projects around the theory of change to address illegal wildlife trade. For the projects in the second group, which have been added to the revised PFD, there is an opportunity to closely align them with the broader program.

There are structural limitations on the extent to which GWP child projects can be expected to fully realize the PFD because of the current funding mechanism. Most of the funding available for child projects under the program is from STAR allocations. While the STAR is beneficial in that it ensures that country recipients have adequate buy-in with respect to their country priorities on illegal wildlife issues, it is also a constraint because there is minimal leverage the GEF can exert over countries in directing their funding to the program. Moreover, issues of illegal wildlife trade need cross-boundary coordination, which will require incentivizing countries to participate in combating these issues at a regional scale.

With the exception of the global grant, all the child projects under the GWP are for a single country. Notwithstanding, cross-boundary issues must be addressed, as illegal wildlife trade is by nature international, and the techniques that are effective in combating the trafficking of other illicit goods must be employed. These techniques include training customs officials to better identify illegally traded wildlife, cross-border cooperation between countries and with international organizations such as INTERPOL and the International Consortium on Combating Wildlife Crime, and mutual legal assistance treaties to facilitate international cooperation in addressing cross-border criminal activity. Transportation and logistic sectors such as shipping lines, airlines, freight forwarders, and express couriers all play a critical role in combating wildlife trafficking.

Political will and corruption are not explicitly and directly addressed in projects. Eleven of the 20 country-specific projects describe corruption as a

problem in their project documentation, but only 6 projects mention anti-corruption measures as part of their objectives. Furthermore, the GWP does not mandate reporting of indicator data on arrests, prosecutions, and convictions for all projects, instead requiring this information only insofar as it is relevant to an individual project. Requiring reporting on all of these components of the criminal justice system would enhance GEF efforts to combat corruption and help build political will. A robust and coordinated focus on political will and corruption will ultimately help achieve the increases in arrests, prosecutions, and convictions the GEF-6 Biodiversity Strategy prescribes.

The M&E framework for child projects is simplified and more relevant to the program. The program M&E framework is limited to three key measures, with several subindicators under each. The three chief GWP indicators track the broad theory of change of the program, capturing number of law enforcement and judicial activities, number of people supported by GWP activities, and number of target species poached. This framework is simpler than those applied to other GEF programs and includes a streamlined set of core indicators for other focal areas, as well as a Management Effectiveness Tracking Tool (METT) applicable for all GEF projects with a protected area component. It is not clear whether this simplified M&E framework will be able to capture the uniqueness of the child projects as well as overall program accomplishment.

The GWP global coordination grant is accomplishing more than expected with the available funding. The global grant is an innovate design element of the program. It seeks to coordinate actions and build capacity, learning, and knowledge management to address the issue of illegal wildlife trade across the entire supply chain with implementing partners, donors, and international organizations—some of which are not GEF Agencies. To accomplish these manifold objectives, the global grant receives only 5 percent of total GWP funding. Nonetheless, the activities undertaken by the global grant to facilitate cooperation and knowledge exchange, foster interagency cooperation, and disseminate good practices and lessons have been uniformly praised by informants familiar with the work, based on its efficiency, relevance, accessibility, and helpfulness.

5.3 Integrated approach pilots

In GEF-6, to deploy integrated programming as a means of achieving systemic change at scale by addressing the major drivers of global environmental degradation in a holistic way, three IAP programs were introduced:

- **The Sustainable Cities IAP Program (the Cities IAP; GEF ID 9077)** recognizes challenges to rapid urbanization in developing countries, as well as the opportunity this presents. The program will initially engage 23 cities, and later 28 cities, in 11 countries to promote the integration of environmental sustainability in urban planning and management initiatives (GEF 2015e).
- **The Sustainability and Resilience for Food Security in Sub-Saharan Africa IAP Program (the Food Security IAP; GEF ID 9070)** seeks to support countries in target geographies to integrate priorities to safeguard and maintain ecosystem services into investments improving smallholder agriculture and food value chains. The program targets 10 million ha of production landscapes with 2–3 million beneficiary households in drylands ecosystems of 12 Sub-Saharan Africa countries (GEF 2015g).
- **The Taking Deforestation Out of Commodity Supply Chains IAP Program (the Commodities**

IAP; GEF ID 9072) has been designed through a supply chain lens for each of the three commodities responsible for 70 percent of tropical deforestation globally—soy, palm oil, and beef. It aims to support activities in four producing countries (Brazil, Indonesia, Liberia, and Paraguay) and in demand markets (including local consumption and emerging economies). One of the program's objectives is to engage with non-traditional GEF actors, particularly the private sector (GEF 2015f).

The three IAPs were designed with the intent to build on existing linkages and connections across focal areas. While developed separately and with their own distinguishing characteristics, they share the common objective of addressing global environmental issues holistically. The IAPs aim to support activities in recipient countries that can help them generate global environmental benefits that correspond to more than one convention or GEF focal area, by addressing the underlying drivers of environmental degradation.

The IAPs have been designed to include several GEF and non-GEF Agencies and countries, with interventions to be integrated across focal areas. The financial resources allocated to the three IAP programs from the GEF Trust Fund total $284 million (table 5.2).

Since the child projects have only recently been approved, this section brings lessons from the formative review of the three pilots, and highlights key good practices and areas for improvement that have emerged from the analysis of this pilot experience to date to inform future GEF programs.

The analysis presented here on relevance, design, process, and cross-cutting considerations reflects on some of the common issues affecting the early design and planning of these pilot programs, while recognizing the distinguishing characteristics of each.

RELEVANCE

This subsection focuses on the relevance of the IAP programs to the conventions and related focal areas, and to the participating countries and cities.

Ninety-three percent of respondents to an online survey conducted for the IAP review agree that the IAP child projects will help address the conventions at multiple levels (local, national, and regional); this view was not shared by all convention secretariats. Forty-seven percent of

TABLE 5.2 IAP basic information

IAP	No. of child projects	No. of countries involved	No. of Agencies involved	Focal area	GEF grant (mil. $)	Cofinancing	
						Amount (mil. $)	Ratio[a]
Cities	12	11	8	Biodiversity, climate change, chemicals and waste	137.3	2,416.7	18:1
Commodities	5	4	6	Biodiversity, climate change, sustainable forest management	40.3	263.5	7:1
Food Security	13	12	7	Biodiversity, climate change, land degradation	106.4	786.3	7:1
Total/average	30				284.0	3,466.5	12:1

SOURCE: GEF PMIS, as of July 31, 2017.

a. Cofinancing ratios are based on child project financing data.

respondents indicated that the IAP programs will improve the ability to report to multiple United Nations (UN) conventions, compared to previous GEF-supported projects in which they were involved. Representatives of the three convention secretariats were somewhat more critical when interviewed. Interviewees at the United Nations Framework Convention on Climate Change Secretariat stated that integrated approaches can be addressed in projects and do not necessarily require a programmatic approach. Interviewees at the Convention on Biological Diversity pointed to difficulties by partners in understanding how synergies relevant to biodiversity would be generated from food security, land degradation, and climate change projects. In contrast, interviewed partners from the United Nations Convention to Combat Desertification Secretariat fully supported the current GEF integrated approach to multiple focal areas. They regard land as central to all environmental issues, including biodiversity and climate change; the convention favors common country reporting for all three conventions.

Positive examples of alignment with country priorities through adequate entry points are observed, although this strategy risks sidelining some focal areas. For example, the Commodities IAP child projects align with specific government priorities, and enable and enhance compliance with existing initiatives in Brazil, Indonesia, and Paraguay. The program also provides an opportunity for a relative newcomer in palm oil, Liberia, to develop its sector sustainably while incorporating lessons from Indonesia. In an online survey, 15 out of 17 respondents indicated that the Commodities IAP Program and child projects will help maintain or enhance alignment with country priorities, compared to previous projects with which they were involved.

In the design of the Food Security IAP, there are certainly synergies across the focal areas of biodiversity, climate change, and land degradation, with financial allocations clearly favoring the latter as an entry point. A considerably higher proportion of STAR resources was allocated to land degradation in CEO-endorsed child projects than to biodiversity and climate change: 55 percent compared to 25 percent for biodiversity and 20 percent for climate change. In most cases, interviewees indicated that the biodiversity and climate change aspects of a given child project were included as more of an afterthought in project design. The major drivers of the Cities IAP connect local urban sustainability priorities to three GEF focal areas: climate change mitigation, biodiversity conservation, and abatement of chemicals and waste release. The program's initial ambition was for an even greater synergy with the other focal areas, but neither international waters nor sustainable forest management were eventually incorporated into the design of the Cities IAP.

The three IAPs draw on the comparative strengths of several Agencies and other experienced think tanks. An element common to the three IAPs is the involvement of specialized think tanks serving as consultants to the IAP lead Agencies. These executing partners are assigned specific tasks, mainly through the hub projects, which function as capacity-building, coordination, and knowledge platforms or networks for the child projects. Examples of involved non-GEF agencies include the World Resources Institute, the C40 Cities Climate Leadership Group, and ICLEI – Local Governments for Sustainability in the Cities IAP; the World Agroforestry Centre (ICRAF), the Commonwealth Scientific and Industrial Research Organization, and the Alliance for a Green Revolution in Africa in the Food Security IAP; and the Stockholm Environment Institute and Tropical Forest Alliance in the Commodities IAP.

The countries and cities selected in the three IAPs are relevant to the drivers of environmental degradation being addressed by the programs. While the selection of countries and cities was appropriate, there might have been other countries or cities whose participation would have been equally relevant. The country and city selection process is further discussed below.

DESIGN

This subsection focuses on the individual IAP programs' theory of change, the coherence of objectives and design across projects, alignment with international good practice, and the innovative features of these programs. It also considers design elements focused on sustainability, broader adoption, M&E, and learning and knowledge management.

IAPs demonstrate interesting innovative features as compared with previous programs, beginning with the theory of change. Ninety-eight percent of IAP survey respondents (n = 45) reported that the child projects are helping their country introduce transformative innovations in terms of approaches, institutional arrangements, and new technologies.

The Commodities IAP has incorporated elements in its design and theory of change that address the major causes of deforestation in a holistic fashion through integrating the entire supply chain. Its theory of change builds on the premise that increased adoption of agricultural commodity production practices that are less destructive of forests is contingent on several factors: land use policies promoting agricultural and degraded lands and reducing use of high conservation value and high carbon stock forests, increased producer capacity to adopt good agricultural practices and improve yields, increased financial flows and economic incentives to support these good agricultural practices in appropriate locations, and consumer market awareness and demand for reduced deforestation supply.

The Food Security IAP developed a theory of change that integrates three main pillars: local and landscape natural resource management practices by promoting partnering and enabling policies (the "engage" pillar), scaling-up of best integrated natural resource management practices (the "scale-up" pillar), and common measurements and learning (the "track" pillar). The theory of change is consistently applied in all child projects as well as in the hub project, enabling a strong coherence in program design. At the child project level, innovation in the Food Security IAP includes scaling-up of new technologies and best practices in areas not previously covered; new ways of doing business, e.g., by focusing on inclusive and green value chains; and broadening perspectives to a landscape approach, such as upstream protection in small-scale irrigation schemes. An additional innovative feature consists of better bridging the gap between the ministries of agriculture and environment and other government entities.

The Cities IAP positions itself in a crowded space of urban sustainability–focused interventions; rather than competing, it attempts to provide a comprehensive and inclusive approach and to link with as many relevant initiatives as possible. An important innovation for the GEF consists in working directly with subnational governments. As with the Food Security IAP, the urban focus of the Cities IAP has shifted the policy dialogue from the ministry of environment—where the GEF focal point is usually located—to the ministry of urban development and metropolitan authorities to define IAP content and outcomes.

The IAPs and their associated child projects are broadly coherent in terms of their objectives. The

three IAPs and related child projects have been designed coherently in terms of alignment of program and child project objectives, results-based management frameworks, and M&E systems, reflecting lessons learned from previous programmatic approaches. Almost all child projects refer to focal area objectives and components as stated in the respective IAP program PFD. Eleven of the 12 projects in the Cities IAP, all 5 projects for the Commodities IAP, and 11 out of 13 projects for the Food Security IAP align on objectives with their respective programs.

Alignment between program/project results frameworks and tracking tools in terms of specification of outcomes and indicators varies across the three IAP programs. A quality at entry review showed that only 2 of the 12 child projects in the Cities IAP show alignment between program/project results frameworks and tracking tools. The Commodities IAP provides a slightly more positive picture, with three of five child projects aligning. For the Food Security IAP, less than half of the child projects show alignment between program/project results frameworks and tracking tools with regard to specified outcomes and indicators.

The IAP programs emphasize knowledge exchange through dedicated platforms for collaborative learning, and considerable efforts will need to be made to realize their potential. The IAP programs have developed hub projects to support coordination and cross-learning among child projects while building implementation capacity. The introduction of specific knowledge platforms and networks for cross-learning among child projects is a new approach for the GEF and one of the main features being piloted in the three IAP programs. National/global platforms and partnerships are certainly useful initiatives, but there will need to be a strong evidence base on the benefits to assess whether they can provide the support and momentum needed to influence activities and perceptions associated with the global commons and sustainability.

Broader adoption has been emphasized in the design of the IAP programs. The quality at entry review of country child project documentation showed that all child projects have a plan for sustaining their interventions beyond the project time frame. Almost all child project documentation provides evidence of specific measures for planned broader adoption of outcomes by stakeholders, as well as plans for replication at a comparable administrative or ecological scale, and include measures for scaling-up interventions into larger geographical areas (box 5.3). Measures to help catalyze market transformation are visible in all child projects of the Commodities IAP and 7 of the 13 child projects of the Food Security IAP. Market transformation is not a specific goal of the Cities IAP.

Broader adoption was the main reason countries opted to take part in the IAP programs. Survey respondents were asked to select three main motivations for participating in the programs, and 71 percent cited developing models for replication, scaling-up, or mainstreaming this pilot in future (emerging) programs or projects.

IAPs show well-designed M&E systems, with some exceptions. While over 90 percent of survey respondents agreed that appropriate multifocal tracking tools have been developed for the IAP programs and related child projects, alignment between program/project results frameworks and tracking tools in terms of specification of outcomes and indicators can improve. This is especially the case for the Cities IAP, where—as indicated earlier—the quality at entry review showed that only two of the 12 child projects show alignment between program/project results frameworks and tracking tools. In the case of

BOX 5.3 Embedding broader adoption in IAP design

All the child projects in the Food Security IAP provide specific measures or plans for broader adoption, in the form of sustaining and replication measures at a comparable scale, and scaling-up into larger geographical areas. Only the Niger and Swaziland child projects do not directly refer to planned mainstreaming of knowledge and lessons learned into laws, regulations, and other programs. Seven of 12 country child projects provide measures to help catalyze market transformation (Nigeria, Kenya, Malawi, Uganda, Niger, Swaziland and Tanzania).

All the Commodities IAP child project designs include mechanisms for broader adoption already during implementation, the most important being scaling up and market transformation. Sustaining has been embedded in the project activities. The Brazil child project is designed to support the country's Forest Code with its rural environmental registry. The specific focus on commodities sourced from targeted landscapes, complemented by measures to enhance investment in reduced deforestation commodities, is expected to support ongoing efforts by the Indonesian government to tip the palm oil supply chain toward practices that do not lead to deforestation.

the Commodities IAP, M&E baselines have been established for all child projects, but economic indicators for production efficiency are missing.[5] In the case of food security, approval of the hub project took 23 months, which prevented the design and operationalization of an aligned M&E system in the child projects that would demonstrate the program's additionality.

There are inconsistencies in the expression and measurement of global environmental benefit targets, which risks hampering program-level M&E. All three IAPs provide targets toward global environmental benefits that, for the most part, align with the focal area objectives covered, but data on global environmental benefit targets are not consistent between program and project documents. Furthermore, there are variations in child project calculation methods of direct and indirect carbon dioxide equivalent mitigated; different technical life-span values and periods of influence are used in calculations; and different indirect bottom-up methods for similar project elements.

PROCESS

This subsection includes a review of the efficiency of the program and project design process and the phasing between projects, the selection of participating countries and cities, the process of engagement with key stakeholders, funding and financial incentives, and GEF Agencies' roles and coordination.

The GEF underestimated the time it takes to design and launch a coherent and complex program. It took 26 months to bring all 30 child projects to the stage of CEO endorsement from PFD Council approval in June 2015. The three IAPs are complex programs—multifocal, multicountry, and multi–Agency endeavors. In addition, they are all multiscale, working at local, landscape, national, and regional levels. While complex programs have the potential for additionality over single projects, longer-term sustainability, and better M&E design, they are substantially more difficult to execute than simple ones. The time required to set them up properly should be factored into design and

[5]The GEF Scientific and Technical Advisory Panel reviewed the Commodities IAP and recommended that certain environmental and economic indicators be tracked (GEF STAP 2016b).

implementation to minimize inefficiencies (GEF IEO 2017e).

Three GEF project cycle standards apply to the IAP programs: (1) the commitment deadline before which the GEF Agencies are required to submit child project documents for Secretariat review for CEO endorsement, which is set for each IAP individually; (2) the 18-month deadline for CEO endorsement of full-size projects after Council approval of the relevant work program; and (3) the 18-month project cancellation deadline, at which time a first submission for CEO endorsement should be received for a project not to be automatically canceled. Note that, because the second requirement applies to all full-size projects, it should apply to all child projects under the IAPs. However, both the GEF Project and Program Cycle Policy and the Project Cancellation Policy do not explicitly state that the 18-month standard for full-size projects (and the 12-month standard for medium-size projects) also applies to child projects. Neither do they indicate a different standard to be specifically applied to those full-/medium-size projects that are part of a program (GEF 2015c, 2016a); this needs to be addressed.

On average, it took child projects 14–15 months to reach commitment deadlines. It took an average of 21 months for child projects to reach the actual CEO endorsement stage. Given the complexity of child projects being part of a program, and the learning involved in the pilots, these timelines were not unreasonable.

Approaches for country selection varied across the three IAPs. For the Commodities and Food Security IAPs, country selection was based on sound criteria, but the process was not always clear; for the Cities IAP, the selection criteria were formalized after child project concepts were complete.

For the Food Security IAP, the process yielded a country selection that meets all the PFD-established criteria: agro-ecological coverage, leverage and catalytic potential, and government interest and institutional support. Boundaries were given by the targeted major agro-ecological geographies, mainly dryland ecosystems in Sub-Saharan Africa with a long record of concerns about food security and environmental sustainability, located in the Sahel and Eastern and Southern African high- and lowlands. The only minor drawback consists of underrepresentation of the Southern Africa drylands/mountainous areas. Interviews revealed that the respective roles of the lead agency and the GEF Secretariat in the Food Security IAP design and launch were unclear for too long. Despite these concerns, the GEF and the executing agencies are motivated about implementing the program, at hub project, country and field levels.

For the Cities IAP, the country selection process occurred via several informal, parallel consultations between the GEF Secretariat, the MDBs, the UN Agencies, and the national governments during the early project design phase; there were no agreed-upon criteria for the selection of countries/cities to be involved in the program.[6] These criteria were only formalized once the selection of project countries had already taken place, and in the end was based on careful consideration of criteria, including commitment, impact, potential and readiness.

For the Commodities IAP, the Secretariat led the process on the countries to be included based on the geography of high deforestation, with proposals presented to the countries in the midst of designing the program. However, based on the

[6] A background paper for the Cities IAP Program's August 2014 consultative meeting proposed a universal set of 10 criteria for the selection of pilot cities and

need to include major commodities that cause deforestation, country coverage of the Commodities IAP is appropriate as it includes primary producers of the targeted commodities. Survey respondents confirm the proactive role played by the GEF Secretariat in designing the IAPs. Ninety-one percent of survey respondents indicated that in GEF-6 the Secretariat has engaged more with countries in designing programs and projects. Notably, it has directly engaged in dialogue with country decision makers in selecting GEF Agencies for the IAP child projects, promoting the participation of newer GEF Agencies.

Set-aside funds provided incentives for countries to commit STAR resources to the program. The IAP program budget totals $3.75 billion, of which $284 million is from the GEF Trust Fund. In both the Cities and Food Security IAPs, applicants were required to match the IAP set-aside on a dollar-for-dollar basis out of their national STAR allocation. In the case of the Cities IAP, most participating countries ultimately matched at a higher ratio, and child projects use their joint IAP-STAR allocation to leverage other public or private funds. The Commodities IAP is funded fully from biodiversity and climate change set-aside allocations. Because the Commodities IAP is a global program with a supply chain focus and multiple entry points, countries were not forthcoming with their STAR resources to fund the work—particularly given its large knowledge management and partnership strategy component. However, there is evidence of projects being designed to exploit complementarities with the Commodities IAP, as in Indonesia's Strengthening Forest Area Planning and Management in Kalimantan project (GEF ID 6965, UNDP), using a $9 million GEF grant.

urban areas, but no evidence was found indicating that these criteria have been used afterward in the actual selection of cities.

The IAP programs provided complementary funding to financial resources, most of which were already committed. The vast majority of IAP cofinancing had already been programmed by the GEF Agencies and the countries for intended purposes of food security, integrated natural resource management, or urban infrastructure provision. While this is not a negative aspect, as the GEF successfully fulfilled its convening role in mobilizing additional financial resources, the GEF was not the primary initiator in funding these programs. For example, in the case of the Food Security IAP, 8 of 12 child projects (7 by IFAD and one by the World Bank) were designed in parallel with the respective Agencies' loans that were already programmed. Table 5.3 provides more detail on IAP cofinancing.

Despite the emphasis placed on private sector involvement in the IAPs by the GEF-6 programming document, private sector cofinancing—which is one indicator of private sector involvement—is limited, and no private sector cofinancing is expected for the Commodities IAP (table 5.4). In-kind contributions represent 26.3 percent of total cofinancing ($911.85 million), but the child project documents do not demonstrate how the related monetary values have been established, nor do they present a way to track in-kind contributions during project implementation. In most cases, the project budgets presented cover exclusively the detailed allocations of GEF grants, with limited explanation given as to how the cofinancing amounts will contribute to project implementation. This issue is not unique to the IAPs.

GEF Agency roles in the three IAPs followed clear criteria, and selection was based on their comparative advantage. Ninety-five percent of survey respondents agreed that the relevant GEF Agencies with a presence in the country have been involved in IAP program and child project

TABLE 5.3 IAP cofinancing by source

Source	Cities IAP		Commodities IAP		Food Security IAP		Total	
	Mil. $	%	Mil. $	%	Mil. $	%	Mil. $	%
Loan	1,739.65	72.0	0	0	179.95	22.9	1,919.60	55.38
Grant	340.49	14.1	53.01	20.1	235.61	30.0	629.11	18.15
In-kind	336.51	13.9	210.45	79.9	364.89	46.4	911.85	26.31
Guarantees	0	0	0	0	2.30	0.3	2.30	0.07
Unknown	0	0	0	0	3.50	0.4	3.50	0.10
Total	2,416.65	100.0	263.47	100.0	786.25	100.0	3,466.36	100.00

SOURCE: GEF PMIS, as of July 31, 2017.

TABLE 5.4 IAP private sector cofinancing

IAP	Cofinancing (mil. $)[a]		%
	Total	Private sector	
Cities	2,416.65	23.21	1.0
Commodities	263.47	0.00	0.0
Food Security	786.25	15.30	1.9
Total	3,466.36	38.50	1.1

SOURCE: GEF PMIS, as of July 31, 2017.

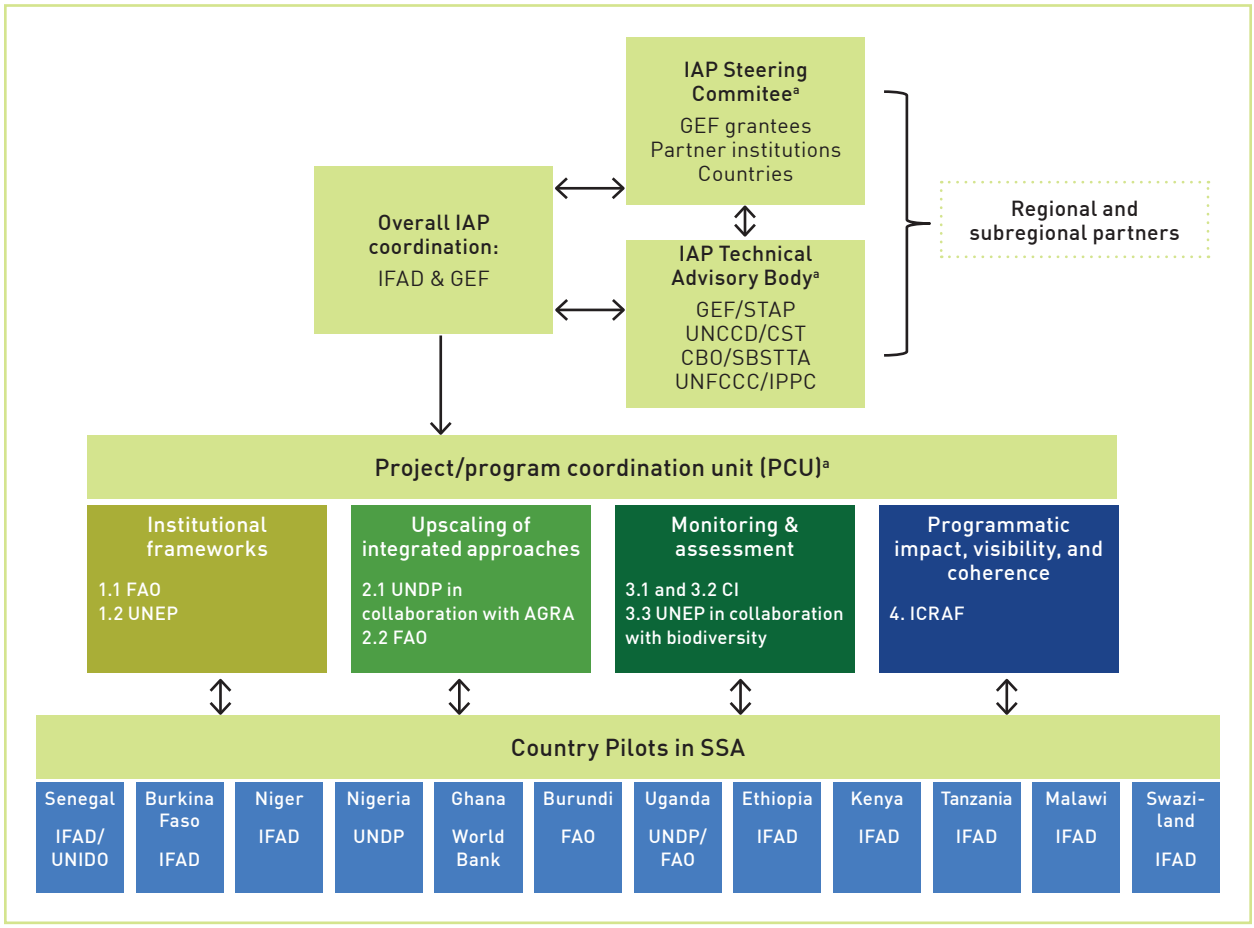
a. Based on child project financing data.

design based on their comparative advantage. The three IAPs are characterized by a large range of GEF Agencies and executing partners. All of them are generally individually well qualified, but their number increases the multitude of institutional preferences, and requires greater planning and coordination. For example, although partnerships have emerged as a favored approach and are critical to the Commodities IAP, a wider set of stakeholders has the potential to make the program coordination cumbersome and challenging. The Commodities IAP child project focusing on production intends to engage over 135 entities, including governmental bodies, private sector entities, nongovernmental organizations and civil society organizations, platforms and collaboration forums, and development partners. The transaction costs associated with coordinating stakeholder engagement during the design phase are undoubtedly high (GEF IEO 2017e).

The Food Security IAP incorporated relatively new partners for the GEF in agriculture and food security: Conservation International and the United Nations Industrial Development Organization as GEF Agencies; ICRAF and the Alliance for a Green Revolution in Africa (AGRA) as executing agencies, subcontracted by the International Fund for Agricultural Development (IFAD) and UNDP, respectively. Many of these entities occupy important positions of responsibility (figure 5.6). Interviewed participants view the final hub management structure as overly complex and fragmented, with resources spread too thin to make a real difference.

There have been competitions for the lead role among Agencies, and the selection process was not always clear. The choice of the five GEF Agencies chosen for the Commodities IAP considered their experience with the subject matter, their country presence, and their credibility with other stakeholders. The responsibility of the lead agency, UNDP, was established early on and agreed to by the other Agencies. For both the Cities and Food Security IAPs, there was some competition for the lead role. The selection of the Cities IAP's lead agency—the World Bank—was a complex, opaque process, involving multiple conversations and negotiations between the GEF Secretariat and management of the World Bank's urban sector. Notwithstanding these issues in the

FIGURE 5.6 Food Security IAP program organigram



SOURCE: Food Security IAP hub project (GEF ID 9140) CEO endorsement document.

a. Established and operated via Component 4 of the hub project.

selection process, the World Bank has a definite comparative advantage as GEF's lead agency in the Cities IAP Program, given its overall profile, standing, and engagement both in urban development and the pursuit of sustainable development and climate action.

As for the Food Security IAP, all involved GEF Agencies agree that IFAD not only offers cofinancing and leverage, but also technical and organizational experience and institutional capacity. The main drawback is IFAD's inability, in accordance with its operational statutes, to directly execute activities on the ground. IFAD addressed this disadvantage by placing a full-time staff member in the Addis Ababa office to supervise. Furthermore, the coordinating unit of the hub project is hosted by ICRAF and delivered by five executing partners (FAO, UNEP, UNDP, Conservation International, and AGRA). Despite these arrangements, many have questioned the appropriateness of the key role to ensure programmatic impact and coherence being handled by ICRAF, which is a non-GEF Agency with limited experience in the management of programs involving multiple international donors and UN agencies.

CROSS-CUTTING ISSUES

The subsection focuses on the extent to which gender and resilience have been addressed in the IAPs.

Gender has been considered in most child projects, and more than half have a gender mainstreaming strategy or plan in place. Based on project documentation, most child projects aim for gender-specific objectives or activities and intend to collect gender-disaggregated indicator-level information. A gender analysis has been completed, and a gender mainstreaming strategy or plan is either planned or completed for most child projects. The Food Security IAP is ahead in this regard, with 77 percent of its child projects (10 of 13) having developed a gender mainstreaming strategy or plan at CEO endorsement. Over 90 percent of survey respondents agreed that special efforts have been made to analyze gender aspects in IAP program child projects; 95 percent agreed that women will participate in the child projects as beneficiaries with specific targets set, and that the projects include gender-specific indicators.

Resilience considerations—in terms of risk management, as a co-benefit, or integrated into a multiple benefits framework—are embedded in the IAP programs. Resilience is described as an integrating concept in almost all child project requests for CEO endorsement. The Commodities IAP has undertaken an analysis of risks at the level of each child project and for the program as a whole and adaptation measures for risks are proposed, though resilience does not appear to be a central feature of the Commodities IAP.

In the Cities IAP, resilience is used as a core concept in the Senegal, South Africa, and—most notably—Vietnam child projects. Resilience is prominent in the Brazil and Malaysian child projects. While the Resilience Adaptation Pathways and Transformational Assessment (RAPTA) tool is referenced in the remaining Cities IAP child projects, it is not engaged with in project elaboration. In the Cities IAP child projects, the focus is almost exclusively on climate resilience.

The Food Security IAP has not succeeded in standardizing a resilience assessment tool, despite assistance from a research team and drawing on the RAPTA tool guidelines (GEF STAP 2016a). The tool developed was not sufficiently practical, or time and cost efficient, for application across child projects. Consequently, Food Security IAP child projects are using very different tools and entry points to determine resilience indicators.

LEARNING FROM THE IAPS

This subsection summarizes early lessons on good practices, as well as identified areas for improvement, in the design and implementation of integrated programs going forward (table 5.5). In short, programs have been designed for long-term sustainability, there is coherence in objectives between the program framework and the child projects, innovative elements have been included, the selection of countries/cities is relevant, Agency selection has been based on comparative advantage, and attention has been given to the M&E frameworks and knowledge platforms. The inclusion of these dimensions clearly reflects lessons learned from previous programmatic interventions. Areas for improvement include the need for a clear presentation of the additionality of programs over projects; better alignment of results frameworks between child projects and programs; periodic assessment of innovative components and knowledge platforms; guidance for inter-Agency cooperation to reduce complexity and transaction costs; creation of opportunities to leverage private sector and MDB participation; and greater attention to process elements, including the selection of countries and Agencies based on clear criteria and clear communication of selection decisions made.

TABLE 5.5 Lessons from the IAPs

Topic	Good practices	Areas for improvement
Engagement and communication	Strong convening role by GEF Secretariat in coordination	IAP value addition needs to be better explained to countries, donors and convention secretariats based on the GEF's additionality in programming and financing, comparative advantage, and synergies
Design	Rich knowledge brought by the involvement of specialized think tanks and IAP lead agency subcontractors, based on comparative advantage Well-developed theories of change with innovative elements and alignment of program and child project objectives ensures program coherence All IAP child projects have at entry a plan for sustaining project interventions beyond the project time frame Almost all child projects provide evidence of specific measures for planned replication and broader adoption of outcomes	The establishment of partnership arrangements with non-GEF Agencies takes time and should be initiated earlier in the design process; furthermore, their number and the nature of their involvement should be kept at a manageable level Guidance is needed for engagement between GEF Agencies Alignment of program and child project objectives should translate into alignment between program and child project results frameworks and tracking tools in terms of specification of indicators
Process	Selection of IAP lead agencies is based on clear criteria Selection of countries and cities is based on clear criteria	A more transparent lead agency selection process will potentially result in a stronger description of the agency's mandate and acceptance thereof by other involved Agencies Country and city selection criteria should be developed, formally agreed upon, and communicated well before the selection of child project concepts
Implementation	Innovative knowledge platforms	Standardized indicators and metrics are needed across child projects for global environmental benefit target setting based on country context A process is needed for tracking delivery on GEF targets and, as necessary, for adjusting global environmental benefit target setting during project implementation It would be advisable to have a process in place to track in-kind contributions during project implementation, if these are a sizable component of total cofinancing Country involvement in programs should be monitored Effectiveness of knowledge platforms should be monitored

Chapter 6

GEF institutional framework: The partnership, policies, and systems

The previous chapters demonstrate the Global Environment Facility's (GEF's) experience in implementing interventions that generate environmental and socioeconomic impacts. The success stories and lessons learned are made possible by a strong foundation that has been put in place over the past 26 years. The GEF partnership, policies and procedures, and systems for capturing results and lessons learned have contributed toward strengthening this foundation. This chapter takes an indepth look at the GEF financing and resource allocation mechanism; the governance and health of the partnership; the policies that underpin GEF operations including on safeguards, gender, and indigenous peoples; and systems for results and knowledge. The chapter's findings and insights draw on several surveys and interviews.[1]

6.1 Financing the partnership

The GEF is an important, albeit limited, source of environmental financing. Despite its limited funding, it remains one of the most significant players in the existing multilateral funding and environmental landscape, as the GEF is the only fund to focus on environmental issues in general and not just climate change. Recognizing that donors and the public sector alone cannot provide the full range and type of financial resources required, the GEF has sought to unlock additional resources through engaging private sector actors and investors, while employing both grants and nongrant instruments (NGIs).

DONOR FINANCING

Donors have delivered on funding commitments, but the exchange rate risk needs to be better managed. The GEF's resources were $4.43 billion for the GEF-6 replenishment period. The vast majority of donors have delivered on their financial commitments to the GEF as promised and on time. Despite the delivery of pledged commitments, the GEF encountered a significant shortfall—about 15 percent—in available financial resources due to foreign exchange volatility. Because commitments are paid on a tranched payment schedule, they are exposed to currency risk. Over the course of GEF-6, appreciation of the dollar led to a shortage of funds when converting from other donor currencies/special drawing rights to U.S. dollars. The GEF has no financial mechanism, such as hedging, to manage these risks. This shortage has had detrimental effects on the amount of funding available for GEF-6 projects, and some projects could not proceed.

The GEF has relied on the same core set of donors over many years and needs to diversify

[1] Survey responses from 128 stakeholders and interviews with 87 stakeholders contributed to the study on governance, financing, and the health of the partnership; the knowledge management study draws on 589 survey respondents.

this donor base. Since its inception, the GEF has received contributions from 39 donor countries in all. It needs to attract resources from new donors. It also needs to seek further resources from some existing donors that might now be in a position to contribute more.

Fragmentation in donor funding places pressure on the GEF. There is uncertainty in donor funding for the GEF going forward, given competing environmental/climate funds and varying demands made on donors. Moreover, donors are increasingly insisting that climate change/climate finance funds be used for innovative approaches rather than business as usual.[2] One reason for this focus on innovation is that donors have to decide between allocating climate finance funds to bilateral programs or to multilateral organizations such as the GEF and the Green Climate Fund (GCF), while balancing multiple competing priorities within a shrinking pool of resources. Still, several donors surveyed expressed a willingness to consider additional funding above their GEF contribution, and outside of the System for Transparent Allocation of Resources (STAR), for truly innovative work that the GEF may pursue. Additionally, the focus on innovation provides an impetus for the GEF to engage in partnerships, such as with the GCF, that could potentially contribute to scaling-up.

NONGRANT INSTRUMENTS

The GEF's ability to offer grants and nongrants is appreciated across the partnership. Since its inception, GEF funding has primarily been delivered in the form of grants. However, NGIs have been used by many GEF Agencies since GEF-2 to promote innovative financial solutions for environmental benefits; and in GEF-6, the GEF established a $110 million NGI pilot program. NGIs are a financing tool used globally by both the public and private sectors. Their use is dictated by the perceived riskiness and size of an investment, investor risk profile, credit markets, investment horizons, and return relative to risk. Sovereign countries, subnational governments, and municipalities/utilities have traditionally tapped capital markets to finance infrastructure. Multilateral development banks (MDBs) routinely use NGIs to raise financing for their own projects. Within the GEF, NGIs are being used in products and mechanisms that have the potential to generate financial returns. Survey results suggest that the GEF's ability to offer both grants and NGIs is appreciated across the partnership. Almost three-quarters (71.5 percent) of survey respondents agree or strongly agree that the GEF should maintain both grant and NGI financing.

The range of NGIs employed by the GEF, combined with technical assistance, is needed to target specific environmental market failures. Justification for GEF nongrant financing includes limited availability of capital; limited appetite on the part of commercial banks; and lack of familiarity with GEF sectors, financing modalities, and instruments. Technical assistance plays a significant role in most nongrant projects, and is often integrated into the financing structure. It is a necessary adjunct to investment support, and a clear niche for the GEF when acting in conjunction with other financiers. The GEF appears to have a greater risk appetite and tolerance than other financiers, as evidenced by its willingness to take first loss positions and assume the highest risk in a financing plan (GEF IEO 2017c). This can play a vital role in unlocking other sources of finance, and—together with technical assistance—has

[2] For example, the Swedish International Development Agency (Sida) must now prove to the Swedish Parliament that its climate finance funds are being used for innovation instead of routine development issues.

catalyzed systemic shifts in climate change mitigation.

The GEF uses a spectrum of NGIs, which fall into three broad types of financial instruments: loans, including hard loans, concessional loans, contingent loans, and revolving funds; guarantees and risk mitigation, such as credit, risk, or performance guarantees; and equity investment, either through direct participation in a company, or through a fund. Loans and guarantees were the most commonly encountered nongrant financing vehicles. In the sample of 10 GEF-6 projects analyzed, 4 involved equity investments. Equity investments appear more frequently among the newer projects approved. The performance of the portfolio has been comparable to overall GEF performance, with the performance of 78 percent of nongrant projects rated in the satisfactory range.

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

There is a trend toward greater diversity in the use of NGIs. The vast majority of projects analyzed (79 percent) are in the climate change area. However, the trend is shifting; and among nongrant projects in GEF-5 and GEF-6, there is a relative increase in non–climate change projects (8 out of 29). In particular, the GEF-6 projects show greater diversity in sector coverage, with an increased focus on biodiversity (two projects) and land degradation (three projects). One reason for this diversity could be that there are more sources for climate change–related investment now compared to previous cycles, and the GEF is one of the few financiers of other convention areas. An argument could also be made that private markets in biodiversity and other sectors are reaching a stage where external financing is a viable growth option for private firms (Credit Suisse AG and McKinsey Center for Business and Environment 2016).

For the GEF-6 NGI pilot, the GEF invested in 10 projects amounting to $91.2 million (out of an envelope of $110 million). The equity instrument features more prominently and is generally in the form of participation in a fund. There are two unusual features that can be observed in the GEF-6 batch of projects compared to previous ones: pari passu structures that place the GEF on an equal footing with co-investors; and a broad proliferation of financial instruments including mezzanine structures with quasi-equity upsides, unique equity opportunities, and senior, subordinated, and other tailored debt instruments. A noteworthy development is that new GEF Agencies such as the Development Bank of Southern Africa (DBSA) and Conservation International (CI) have partnered with the GEF for the first time on

nongrant projects, and some older Agencies are not part of the GEF-6 NGI portfolio. Both GEF-5 and GEF-6 NGI projects anticipate reflows to the GEF.

NGIs can work more effectively in the GEF in the future, but there are a series of issues that need to be addressed. As noted in interviews, the GEF Secretariat does not have in-house capital market structuring expertise to originate/structure NGIs. The Secretariat should interact with the environmental/capital market specialty groups within the MDBs and regional banks that have this capacity. The issue of NGIs to middle-income countries is complex: as soon as NGIs are provided to governments, they become part of sovereign debt, triggering a different government approval process. The GEF Trustee will need to review this issue, including whether GEF NGIs provided to governments will be part of the Paris Club Agreement.

NGIs only work if they are structured correctly for risks that investors can bear. One key component is that transactions need to be of sufficient size to allow for the use of NGIs. The type and size of NGI that is possible or desirable is a function of project size, risks, and investor appetite for risk. There is no one-size-fits-all NGI—although the MDBs often refer to $10–$50 million as the minimum size of project finance deals for their involvement. Smaller Agencies interviewed—especially those focused on biodiversity, food security, and land degradation—express a desire to use NGIs, but lack the capacity to do so. Nongovernmental organizations are by definition not banking institutions and lack the capabilities to deal with loans, reflows, and the due diligence requirements to address innovative financial products and financial risk.

Interviews with donors, MDBs, and other Agencies reveal that it is widely understood throughout the GEF partnership that providing risk mitigation to facilitate innovative financing is critical for the GEF to remain relevant, and to increase funding. Both grants and NGIs can be used to do this. It is nonetheless important to understand that NGI projects are not restricted to private sector projects, as is widely practiced by the GEF. A 2016 International Finance Corporation study emphasizes that thorough due diligence at early project concept stages is essential in identifying and assessing barriers to investment and project risks, determining whether they can be overcome and how, and whether the rewards justify the risks (IFC 2016). This due diligence needs to be integrated into project design from inception. Shortcomings in the Climate Investment Funds (CIF) and the Earth Fund, among others, are being attributed to a lack of proper due diligence at inception, combined with improperly determining how technologies could be adapted to local country conditions, and not designing appropriate risk mitigation approaches.

PRIVATE SECTOR PARTNERSHIPS

The GEF engages with a wide variety of private sector entities that vary in their industry focus, size, and approach to environmental issues using a mix of intervention models. The range extends from multinational corporations; through large domestic firms and financial institutions; to micro, small, and medium enterprises and smallholders/individuals. Because GEF projects are designed to address complex and interrelated issues, an assortment of intervention models is needed to address the variety of barriers to environmental protection. Among the intervention models, the most commonly applied are those that facilitate institutional strengthening and those that transform policy and regulatory environments. The GEF's private sector activities overall can thus be broadly considered as

"upstream" in the development continuum—to create and nurture the necessary ecosystem for private sector engagement. There is general agreement across the partnership that the GEF needs to engage with the private sector more broadly, and not just as a mechanism to raise financing. Only 42.7 percent of respondents to the governance and financing survey agreed that the GEF's ability to engage the private sector is a comparative advantage.

The GEF is constrained in its engagement with the private sector due to operational restrictions. The GEF's ability to engage the private sector diminished during GEF-4 as a result of the then-introduced Resource Allocation Framework (RAF). Private sector set-asides have been a primary modality through which engagement has continued, first with the Earth Fund platform and then the public-private partnership platform in GEF-5 and the nongrant pilot in GEF-6. The fragmented nature of these interventions, combined with the limits of STAR allocations, often means that private sector innovation is not easily reconciled with country ownership and national strategies and priorities. In addition, the GEF project cycle, processes, timelines, staff capacity, and type of documentation required are mismatched with private sector expectations and approaches. The GEF could apply some of the innovative operational/program modalities previously adopted that have eased the transaction costs and risks of working with it and delivered exemplary results. Examples of such modalities include the tranching model adopted by the Black Sea Danube Basin Partnership; and the $30 million International Finance Corporation (IFC) Earth Fund Platform, in which the IFC had delegated authority to approve projects with no requirement to seek CEO endorsement. Both programs provided the with financing certainty and programming flexibility critical to the investment environment in which the GEF operates.

There are several private sector participants in the climate finance space, but few in the other focal areas covered by the GEF. In comparison to climate change, the other focal areas have limited private sector activity in present-day challenge areas such as water scarcity and food security affecting vulnerable populations. Though the low levels of activity impede the GEF's ability to structure nongrant projects in these areas with significant reflows and returns, the earlier stage of development is an opportunity to focus and develop the upstream environments needed to enable private sector participation and thereby grow new environmental markets. The GEF has the flexibility and thematic breadth to employ cross-cutting approaches and to work in a wide range of environmental finance and conservation domains. In recent years, all the conventions the GEF supports have in their decisions articulated a critical role for the private sector, and both grant and nongrant GEF projects are responding. For example, among nongrant projects in GEF-5 and GEF-6, there is a relative increase in non–climate change projects. In particular, the GEF-6 projects show greater diversity in sector coverage, with an increased focus on biodiversity and land degradation.

GEF country clients and private sector stakeholders lack awareness of opportunities for engagement with one another. Interviews indicated that the GEF's processes and role are insufficiently clear to the private sector. Similarly, GEF recipients have varying degrees of knowledge of the role of the private sector in green finance and in accessing funds beyond the usual GEF grant instruments. Private sector respondents find it difficult to obtain information on the GEF's private sector engagement and the role of the GEF Agencies and opportunities for

cooperation. Additionally, nearly all stakeholder respondents mentioned that the GEF approval process is too slow and complex, creating uncertainty and deterring potential private sector partners from working with the GEF. Private sector respondents expect more clarity on GEF offerings, procedures, and timelines to help them better prepare for cooperation with the GEF.

Opportunities to engage the private sector extend beyond direct financing. There are a number of opportunities to engage the private sector, as businesses are clearly changing their own internal practices to make them more sustainable and are establishing for-profit environmental businesses. Through programs designed for sustainable cities, commodity value chains, and food security, the GEF can affect industry practices by facilitating certifications and research, as well as changing sourcing and production practices along the supply chain. As noted in interviews with the private sector, where conditions are not ripe for investment, long-term regulatory and policy intervention by the GEF can also help level the playing field in countries. Reducing and/or removing barriers to investment and risks are the main ways to mobilize private sector investments and environmental finance for GEF projects.

6.2 The System for Transparent Allocation of Resources

This section addresses the modifications made to the STAR at the start of GEF-6 and the impacts of these changes on country ownership; competition among GEF Agencies; and partnering with relevant actors, including the private sector. The major changes made to the STAR during GEF-5 and GEF-6 are shown in table 6.1.

THE STAR ENVELOPE

The shortfall in funding caused by exchange rate volatility is projected to have reduced GEF Trust Fund resources by 15 percent as of March 31, 2017. On average, this led to a decline of 19 percent in funding provided for STAR country allocations, with varied effects on recipient countries. Focal areas have had proportional reductions: from $1.05 billion to $849 million for biodiversity, from $941 million to $760 million for climate change, and from $346 million to $280 million for land degradation—on average, a 27 percent reduction for recipient countries that are not least developed countries (LDCs) or small island developing states (SIDS) (tables 6.2 and 6.3). The relative allocation reductions for Africa as a region were substantially smaller than those for other GEF regions (table 6.4). Reductions have affected the remaining (non-LDC and non-SIDS) countries differently. Twenty-two non-LDC and non-SIDS countries, which were quick to program their country allocations and obtain project identification form (PIF) approval, have already exceeded the revised targets, after adjustment for the GEF Council decision on funding shortfall and updated shortfall estimates of May 2017. Therefore, the Council's decision is applicable to these 22 countries only to the extent that they have not fully utilized their ex ante allocation (i.e., 15 percent instead of the average 27 percent). This in effect has meant a funds transfer of $62.5 million from the countries with slow programming to fast-programming countries—which on average stand to lose 33 percent in funding instead of 27 percent. A ceiling on the extent to which countries may program within the first two years and/or hedge against currency fluctuations—which was the main driver of the shortfall—may have precluded this situation. Although a 50 percent ceiling had been in force during GEF-4, this was too conservative and also led to underutilization

TABLE 6.1 Major changes to the STAR for GEF-5 and GEF-6

Item	GEF-5	GEF-6
Gross domestic product (GDP) per capita index	Introduced into the STAR with a weight of –0.04	Increased weight of the index to –0.08
Maximum country shares of total focal area allocations (ceilings)	Climate change: 11% Biodiversity: 10% Land degradation: 10%	Uniform ceiling of 10% for the focal areas
Minimum country allocations (floors)	Introduced a minimum country allocation of $4 million ($2 million for climate change, $1.5 million for biodiversity, and $0.5 million for land degradation)	Increased the minimum allocation, for least developed countries only, to $6 million ($3 million for climate change, $2 million for biodiversity, and $1 million for land degradation)
Marginal flexibility	Introduced a flexibility scheme by which countries falling within certain thresholds ($7–$20 million, $20–$100 million, and greater than $100 million) could reprogram some allocations (up to $200,000, $1 million, and $2 million, respectively) to other focal areas	Simplified the flexibility scheme: all countries with an aggregate allocation of more than $7 million can now reprogram up to $2 million of their allocation to other focal areas
Set-asides	Set-aside increased from 5% under the RAF to 20% under the STAR; sustainable forest management accounted for 8.4% ($250 million), and the remainder (11.6%, or $340 million) accounted for other activities	Slight overall increase in STAR set-asides from 20% in GEF-5 to 21.7% in GEF-6, with variations across the focal areas covered; of the total $649 million set-aside for the three focal areas, $250 million accounted for sustainable forest management, $135 million for the Integrated Approach Pilots, and the remainder for other activities

SOURCES: GEF 2013, 2014g, 2014h.

TABLE 6.2 STAR allocations by focal area

	GEF-4		GEF-5		GEF-6		GEF-6[a]	
Focal area	Million $	%	Million $	%	Million $	%	Million $	%
Country								
Biodiversity	900.3	50	968.0	41	1,051.0	45	885.0	45
Climate change	900.0	50	1,088.0	46	941.0	40	793.0	40
Land degradation	n.a.	n.a.	323.9	14	346.0	15	291.0	15
Total	1,800.3	100	2,380.0	100	2,338.0	100	1,969.0	100
Global/regional								
Biodiversity	50.0	50	112.0	32	50.0	19	50.0	19
Climate change	50.0	50	172.0	50	189.0	72	189.0	72
Land degradation	n.a.	n.a.	61.0	18	25.0	9	25.0	9
Total	100.0	100	345.0	100	264.0	100	264.0	100

SOURCE: GEF PMIS as of May 2017.

NOTE: n.a. = not applicable.

a. Due to a projected funding shortfall in GEF-6, country allocations were reduced evenly across STAR focal areas.

TABLE 6.3 STAR country allocations, by focal area in select country types

Country type and focal area	GEF-4		GEF-5		GEF-6		GEF-6[a]	
	Million $	%	Million $	%	Million $	%	Million $	%
SIDS								
Biodiversity	106.5	67	120.6	51	130.3	50	130.3	50
Climate change	52.0	33	79.9	34	91.8	35	91.8	35
Land degradation	n.a.	n.a.	34.9	15	37.8	15	37.8	15
Total	158.5	100	235.5	100	259.9	100	259.9	100
LDC								
Biodiversity	143.6	65	176.9	42	209.1	41	209.1	41
Climate change	78.9	35	147.7	35	180.8	36	180.8	36
Land degradation	n.a.	n.a.	99.8	24	115.2	23	115.2	23
Total	222.5	100	424.4	100	505.2	100	505.2	100
Landlocked								
Biodiversity	89.9	49	91.9	29	107.0	31	94.0	34
Climate change	93.4	51	131.0	41	129.5	38	110.8	40
Land degradation	n.a.	n.a.	93.2	29	103.9	31	71.8	26
Total	183.3	100	316.1	100	340.3	100	276.5	100

SOURCE: GEF PMIS as of May 2017.

NOTE: n.a. = not applicable.

a. Due to a projected funding shortfall in GEF-6, country allocations were reduced evenly across STAR focal areas.

TABLE 6.4 GEF-6 funding shortfall by focal area and region

Focal area	Total	Africa	Asia	ECA	LAC
Biodiversity					
Original GEF-6 target (million $)	1,051	263.3	340.8	60.8	386.1
Revised target (million $)	849	237.0	272.3	44.2	295.6
Percentage change	–19	–10	–20	–27	–23
Climate change					
Original GEF-6 target (million $)	941	209.6	394.7	154.1	182.5
Revised target (million $)	760	188.6	313.3	114.0	144.1
Percentage change	–19	–10	–21	–26	–21
Land degradation					
Original GEF-6 target (million $)	346	153.0	82.0	55.9	55.2
Revised target (million $)	280	134.7	65.2	37.8	42.3
Percentage change	–19	–12	–20	–32	–23
Total STAR country allocation					
Original GEF-6 target (million $)	2,338	625.9	817.4	270.8	623.9
Revised target (million $)	1,889	560.3	650.8	196.0	482.0
Percentage change	–19	–10	–20	–28	–23

SOURCE: GEF PMIS as of May 2017.

NOTE: ECA = Europe and Central Asia; LAC = Latin America and the Caribbean.

of resources. Consideration of a higher ceiling may help spread the shortfall more equitably without constraining the GEF's ability to utilize resources.

EQUITY AND TRANSPARENCY IN COUNTRY ALLOCATIONS

The STAR has generally enhanced transparency in resource allocation, increased country ownership in programming GEF resources, and improved predictability in project preparation. This finding confirms that of an earlier Independent Evaluation Office (IEO) evaluation and one by the International Fund for Agricultural Development (IFAD); both shows that performance-based allocation increases transparency and predictability in resource allocation (GEF IEO 2014d; IFAD IOE 2016). Three-quarters of survey respondents agree that the STAR enables the GEF to support environmental activities in a wide range of countries, 71 percent agree that it enables the GEF to meet country objectives, and 63 percent agree that it ensures an equitable distribution of resources overall. Some of the newly accredited Agencies and operational focal points (OFPs) in small countries view the STAR's more transparent, predictable approach as one of the GEF's comparative advantages compared to the first-come, first-served approach of the GCF. Larger countries with more capacity to develop projects tend to obtain relatively more resources under a first-come, first-served approach; smaller countries with less capacity are less able to develop projects as quickly, making their funding more secure.

The STAR, along with the expansion in the number of Agencies, has increased competition among the GEF Agencies. There is a widespread consensus among all stakeholder groups interviewed that the STAR has given an advantage to the United Nations Development Programme (UNDP) relative to the MDBs, including IFAD. The relative predictability of the STAR allocations has enabled UNDP to lock up significant GEF-6 STAR allocations in some countries even before the GEF-6 replenishment period began. Such first-in programming works less well for the MDBs; and Agencies that receive their accreditation during a replenishment period cannot effectively compete until the next replenishment.

RESOURCES FOR LOWER-INCOME COUNTRIES

Increasing the aggregate floor for LDCs to $6 million and doubling the weight of the gross domestic product (GDP) index in the STAR formula in GEF-6 led to a significant increase in their allocations. During GEF-6, ex ante country allocations of LDCs increased by 21 percent and those of SIDS by 10 percent. Much of the growth (9 percent) for LDCs was due to an increase in their country allocation floors from $4 million to $6 million. While the increase in the weight of the GDP index also helped, its effect was about half (4.9 percent) that due to enhanced floors. Other factors, including a reduction in the climate change focal area ceiling from 11 to 10 percent for large countries, aim to ensure a more equitable distribution of funds among countries. An increase in the weight of the GDP index on average led to a decline in allocations for SIDS by 0.5 percent. On the other hand, an increase in the floors of 10 SIDS that are also LDCs led to an average increase of 5.1 percent in allocations for the SIDS. Other factors accounted for the remainder of the difference.

Actions taken to adapt to the funding shortfall demonstrate the GEF's commitment to provide support to LDCs and SIDS. Despite the shortfall, the GEF insulated LDCs and SIDS from its effects. As a result, these effects were primarily borne by other countries.

Traditionally, the large middle-income countries such as Brazil, China, India, and Indonesia have accounted for a large share of GEF funding on several grounds. Two-thirds of the rural poor live in these countries. They also have significant biodiversity and substantial greenhouse gas emissions, and therefore much potential for achieving global environmental benefits. The middle-income countries also have a greater capacity for innovative financing involving the private sector, and are necessary partners in regional projects. The shift toward greater resources for LDCs is appropriate; however, GEF support to middle-income countries should continue for the reasons stated above, with a consideration for higher cofinancing as stated in the GEF Co-Financing Policy.

FRAGMENTATION OF GEF RESOURCES

The country allocations for biodiversity, climate change, and land degradation are relatively small and unattractive for the MDBs to serve as Implementing Agencies. This is a concern for the GEF as a whole because the MDBs bring in most of the cofinancing and blending associated with GEF projects. Distributing GEF resources equitably across all countries has led to an average allocation of $16.4 million per country in GEF-6 for biodiversity, climate change, and land degradation combined. But this is a skewed distribution with a small number of large countries followed by a long tail of small countries (table 6.5). Dividing STAR allocations into focal areas also leads to relatively small projects, even with the flexibility that the STAR allows. Only 29 out of 142 countries received biodiversity allocations of more than $10 million in GEF-6, and only 19 countries received climate change allocations of more than $10 million. No countries received land degradation allocations of more than $10 million.

At the other end of the distribution, 83 countries received aggregate allocations of less than $10 million, and 48 countries of less than $7 million. From a country perspective, the full flexibility of the latter 48 countries to program their aggregate allocations across the three focal areas is clearly important. From an Agency perspective, only 17 percent of survey respondents agreed that the size of GEF projects is attractive to the five MDBs—the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group. Preparation and supervision costs being largely independent of project size, the Agencies assert that the GEF's administrative fee of 9 percent requires projects of $8–$10 million to break even.

TABLE 6.5 **Country distribution of GEF-5 and GEF-6 STAR allocations**

	GEF-5	GEF-6
Country STAR allocation	Number of countries	
Biodiversity allocations greater than $10 million	25	29
Climate change allocations greater than $10 million	21	19
Land degradation allocations greater than $10 million	0	0
Aggregate allocations less than $10 million	85	83
Aggregate allocations less than $7 million	62	48
Average	$16.7 million	$16.4 million

SOURCE: GEF PMIS as of May 2017.

About half the survey respondents agreed that the STAR limits the GEF's ability to address important environmental concerns at scale, such as the drivers of environmental degradation highlighted in the GEF2020 Strategy (GEF 2015a). Representatives of all stakeholder groups also said that the broad distribution and small size of STAR allocations hinders "big picture" thinking about global and regional environmental concerns that transcend national boundaries or are outside national jurisdictions. Increasing the set-aside for global and regional programs from $190 million in GEF-5 to $266 million in GEF-6, and introducing the three integrated approach pilots (IAPs) in GEF-6 were responses to these concerns.

The share of regional projects is recovering. The share of regional projects in biodiversity and climate change declined with the introduction of the RAF in GEF-4 and that in land degradation when it was included in the STAR in GEF-5. However, these shares appear to have recovered so far in GEF-6 with the increased set-aside for global and regional programs and the three IAPs.

Representatives of the conventions, GEF Secretariat staff, and GEF Agency staff said in interviews that the STAR has hindered the development of transboundary projects. Agencies have to seek OFP endorsements to use STAR allocations from all countries participating in a regional project—unless they can utilize resources from set-asides—meaning it can take two to three years from the proposal stage to final approval to put together regional projects. Only 13 percent of GEF Agency survey respondents and 11 percent of GEF Secretariat respondents agree that the STAR enables delivery of regional projects, compared with three-quarters of OFP respondents. By far the largest number of regional projects are in the international waters focal area, where 65 percent of the projects have been regional projects. These projects have not been affected by the STAR, as it does not cover this focal area.

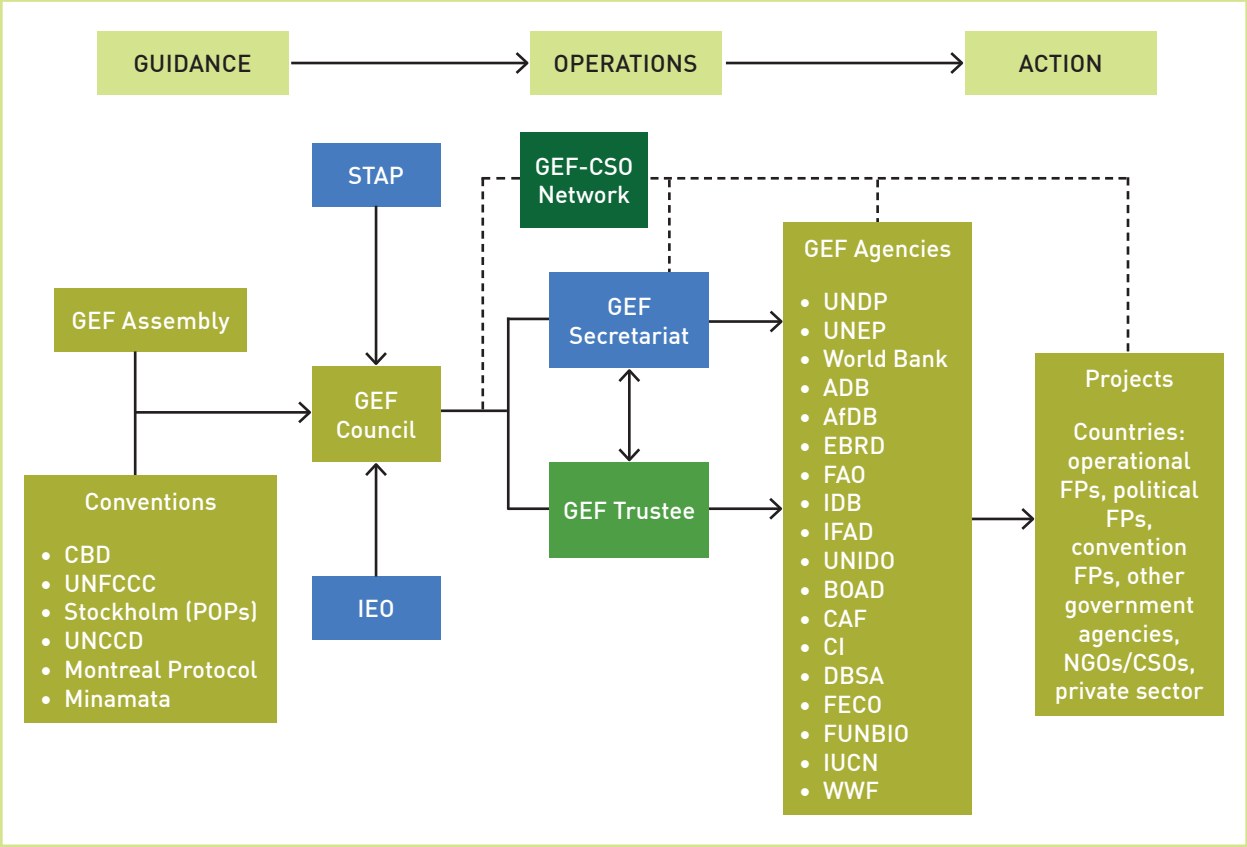
Looking ahead to GEF-7, there continues to be strong political support for the STAR among GEF recipient countries—notwithstanding many of the countries' small allocations—because it has enhanced country ownership and influence over programming of their GEF allocations. There is also support among all stakeholder groups for further modifications to the STAR such as allowing even more flexibility in programming small STAR allocations among focal areas. There is no apparent consensus across stakeholder groups on the optimal relative shares of the STAR country allocations vis-à-vis the set-asides for global and regional programs, including impact programs. Some stakeholders interviewed have suggested using set-asides to top up STAR allocations, thereby incentivizing countries to use their STAR allocations for regional initiatives and themes.

6.3 Governance and an expanded partnership

This section addresses the governance structure of the GEF and the extent to which the overall structure of the expanded GEF partnership, based on the quality and relevance of interactions among the partners, enables the GEF to effectively and efficiently support the delivery of global environmental benefits.

The GEF partnership comprises a number of different entities (figure 6.1). The principal governing and administrative bodies are the GEF Council and the GEF Secretariat, respectively—the Chief Executive Officer (CEO) being both the head of the Secretariat and the chair of the Council. The Council functions under the guidance of the GEF Assembly and the conferences of the parties of the conventions for which the GEF is the financial mechanism.

FIGURE 6.1 The GEF structure



SOURCE: GEF website, www.thegef.org/gef/gef_structure.

The Agencies are responsible for developing project proposals and for supervising implementation of approved projects. Operational, political, and convention focal points play important coordination roles regarding GEF matters at the country level and handle liaison with the GEF Secretariat, the GEF Agencies, and the conventions. All countries have political and convention focal points, while countries eligible for GEF project assistance also have OFPs. The Scientific and Technical Advisory Panel (STAP) provides the GEF with scientific and technical advice on policies, operational strategies, programs, and projects; while the IEO undertakes independent evaluations of GEF impact and effectiveness. The World Bank as Trustee helps with resource mobilization, manages donor contributions to the GEF trust funds, and facilitates the transfer of resources to the Agencies for preparing and implementing projects.

The only change in the GEF structure between GEF-5 and GEF-6 was an increase in the number of Agencies from 10 to 18.

OVERALL GOVERNANCE

This subsection addresses selected issues related to the governance of the partnership that emerged from reviewing relevant documentation, stakeholder interviews, and a survey. It also compares the governance arrangements of the GEF with six comparator organizations—the CIF, the Consultative Group on International Agricultural

Research (CGIAR), the GCF, the Global Alliance for Vaccines and Immunization (GAVI), the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), and the Global Partnership for Education (GPE). This comparative analysis draws upon the most recent constitutive documents of these organizations as well as their recent evaluations, because the legitimacy and effectiveness of an organization's governance cannot be discerned only by looking at its governance arrangements. These arrangements also depend on the mandate, history, and culture of each organization.

Seventy-three percent of survey respondents noted that the GEF is effectively governed overall. Representatives of all stakeholder groups indicated that the governance structure has served the GEF reasonably well. Council members are engaged; there is a high level of trust, goodwill, and sense of common purpose; decision making is by consensus, and the STAP and the IEO provide checks and balances. However, the GEF Instrument does not fully and accurately reflect the way in which the partnership is actually functioning. Concerns related to the GEF governance structure remain related to matters of representation, efficiency, accountability, and transparency.

Representation and voice

Similar to the structure in the six comparator partnerships, both the GEF Assembly and the GEF Council comprise voting representatives of donor and recipient governments. The GEF is also the financial mechanism for the conventions, which in turn were adopted by the governments of the world. Recognizing the major role that civil society organizations (CSOs) have played in bringing environmental issues to the attention of national governments, and the role that CSOs play in increasing the visibility of the GEF on the ground, the Council has made a concerted effort to give CSOs a voice in GEF decision making—even though they are not voting members of the Council.

The GEF Instrument needs to provide greater clarity on the participation of observers and the Agencies at Council meetings. In addition to donor and recipient governments, the GAVI and GFATM governing bodies include voting representation from civil society and the private sector; and the constitutive documents of the CGIAR, the CIF, the GCF, and the GFATM explicitly specify other forms of participation in their governing bodies—such as ex officio nonvoting members, active observers, accredited observers, or simply observers, typically from related organizations, civil society, and the private sector. While the GEF Council admits ex officio nonvoting members and observers to its meetings, the GEF Instrument does not specify the types of participation permitted, a matter that needs to be addressed (GEF 2015d). The only current reference to "observers" in the GEF Instrument is the authority granted to the Assembly and the Council in paragraph 25(a) to "determine any aspect of their respective procedures, including the admission of observers.

While the 18 Agencies also attend Council meetings, their representatives indicate that they have less voice at the GEF Council than in earlier years. Agency representatives reported in interviews that, as the number of Agencies has expanded and the GEF Secretariat has grown over time, the Secretariat's role in the preparation of GEF policy and strategic documents has become increasingly dominant, while that of the Agencies has become less collaborative and more consultative. Today, the situation has evolved into one in which the Agencies largely review and comment on documents produced by the GEF Secretariat, and produce reports at the specific request of the GEF Council and participants at the GEF replenishments. The three original Agencies do not

participate actively in policy and strategic discussions at the GEF Council as they did before, even though they are invited with no formal vote. This is inconsistent with the spirit of several provisions in the GEF Instrument (GEF 2015d), such as paragraph 21(c), and Annex D, paragraph 14. Confronted with a similar situation, the CGIAR initiated governance reforms in 2015 to provide the international research centers, which play a role analogous to that of the GEF Agencies, with more representation on the governing body.[3]

The GEF-CSO Network continues to be relevant and delivers results; it needs a new vision and should address the potential for conflict of interest issues in an expanded partnership. A recent IEO evaluation found that the network's influence is acknowledged with regard to the review of the GEF Public Involvement Policy, the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards, and on support to indigenous peoples. Partnership members noted that it is time for the network to develop a new vision clarifying its role, set out a shared understanding among all members of the partnership of its contribution in guarding the global commons, and identify a modality to appropriately finance its activities.

In addition, there is a need to address concerns about potential conflict of interest situations associated with several CSO entities that are both GEF Agencies and network members, and have field offices that are also members. There are presently no guidelines to manage this risk. One complicating factor is that the CSOs now acting in GEF Agency roles operate as separate legal entities at the country level; in each case, it is only the headquarters entity that is accredited as a GEF Agency. Network rules allow country offices of Agency CSOs to participate freely in network activities; this includes being able to act as fiduciary agents where members wish to fundraise within their own borders. What makes this complicated, as the World Bank's legal adviser to the GEF noted in an interview, is that there are issues of optics and reputation to contend with, as opposed to a more narrowly defined legal issue.

Efficiency

The large size of the Council has enabled good regional balance; there may be potential to increase efficiencies in decision making. The large size of the Council (32 members) has enabled good regional balance in terms of representation and opportunity for members to have their views considered in decision-making processes, but there is scope to further increase efficiencies in decision making and strategic planning as is done in smaller boards.

The six comparator partnership programs have all established standing committees of their governing bodies and specified these in their constitutive documents, to enhance decision-making efficiency. These include committees such as the Strategy and Impact Committee, the Audit and Finance Committee, the Investment Committee,

[3] Evaluations of the CGIAR in 2003 found that the 15 international research centers that actually conduct the system's agricultural and environmental research—like the 18 Agencies that actually prepare and supervise implementation of GEF projects—had little influence over the policy and strategic direction of the CGIAR, since they were only observers, not voting members of the governing body (Barrett 2003; Kelley, Ryan, and Gregersen 2008). This lack of influence and the increasing share of restricted funding by the donors were two of the main drivers behind the CGIAR's governance reforms. The current CGIAR framework and charter provide, in addition to the system council, for a management board consisting of seven representatives of center board members or directors general, as well as two independent members, one of whom serves as chair of the management board.

and the Fundraising Committee. The GEF Council has only one standing committee—the Selection and Review Committee—which oversees the processes for appointing and reappointing the GEF CEO and the IEO Director, and conducting their annual performance reviews, although this is not referenced in the GEF Instrument. The Council may reconsider the option to form committees to improve efficiencies in decision making while drawing on the experiences of the six comparator organizations as well as its own recent ad hoc committees.

The Assembly activities at the end of the replenishment process, involving all 183 GEF members, have been largely formal (although the Assembly is the body that may approve changes to the Instrument). An important recommendation from the 2009 evaluation (GEF IEO 2009) of GEF governance still needs to be pursued: that the Assembly become a forum for discussion and coordination of all funding devoted to environmental programs and projects, in collaboration with the CIF and the GCF, similar to the current CIF Forum currently held every 18 months.

Accountability

While 72 percent of survey respondents believe the GEF Secretariat provides appropriate strategic leadership, only 54 percent indicate that GEF decision-making processes ensure accountability of the Agencies to the Secretariat and of the Secretariat to the Council. Accountability concerns the extent to which an organization makes, accepts, and fulfills its commitments along the chain of command and control—in the GEF case, starting from the Assembly downwards through the Council, the CEO, the Secretariat, the Implementing Agencies, the executing agencies, the STAP, and the IEO. For example, paragraph 21 of the GEF Instrument specifies that "the CEO shall be accountable for the performance of Secretariat functions to the Council"; paragraph 22 states that the Agencies "shall be accountable to the Council for their GEF-financed activities, including the preparation and cost-effectiveness of GEF projects, and for the implementation of the operational policies, strategies and decisions of the Council within their respective areas of competence and in accordance with an interagency agreement to be concluded on the basis of the principles of cooperation set forth in Annex D" (GEF 2015d). However, with the expansion in the number of Agencies and the growth of the Secretariat, there is a perception that the relationship between the Agencies and the Secretariat has shifted from one of collaboration to one of accountability.

There are some overlaps between governance and management functions. The 2009 evaluation of GEF governance found some overlapping governance and management functions that still exist today, with the Council performing some functions generally regarded as management (GEF IEO 2009). The Council still spends about 20 percent of the time during its semiannual meetings reviewing individual projects in the proposed work program. While most members agree that the Council should concentrate more on strategy and less on project appraisal, the GEF Instrument, in paragraphs 20(c) and (d), gives the Council a role in reviewing individual project documents (GEF 2015d).

The major difference between the governance of the GEF and that of the six comparator organizations is the absence of an independent chair. While the GEF combines the offices of CEO and chair of the Council, all six comparator organizations have an independent chair appointed or selected for a generally renewable term of one to four years. Some of their constitutive documents specify additional duties for the chair in between board meetings such as representing

the organization at external meetings, advocacy, fundraising, and making urgent decisions on behalf of the board. By contrast, the GEF, like several MDBs, does not have a chair other than the CEO in between Council meetings, since the elected co-chair for each Council meeting serves only for that particular meeting. And while the CEO and co-chair share responsibility, according to paragraph 18 of the GEF Instrument (GEF 2015d), for presiding over different issues being addressed by the Council, the CEO is in command of the most substantive issues.

Some Council members and other stakeholders interviewed express strong reservations about continuing to combine the roles of CEO and chair in a single individual. As occurs in each of the six comparator organizations, they suggest that the independent chair preside over the meetings and represent the Council in between meetings. In both the United States and Europe, nonprofit organizations almost always have an independent chair. This clear division of functions would allow the CEO to focus on operations and organizational issues; while the chair focuses on Council leadership, management oversight, and other governance-related matters.

Transparency

The GEF continues to be a transparent international organization in terms of governance, but more needs to be done to improve transparency in terms of management, both centrally and within countries. The most widespread concern expressed by all groups of stakeholders except the GEF Secretariat staff is inadequate transparency in programming decisions, in project review criteria and selection of projects, and in the initial preparation of the IAPs in GEF-6 and the future impact programs in GEF-7. Only 52 percent of survey respondents believe that GEF Secretariat decision making is appropriately transparent. Interviewees acknowledge the practical difficulty in clearly communicating all Secretariat decisions in such a large partnership when faced with deadlines, such as submitting documents in advance of Council meetings. However, there is a greater need for clarity on the decisions made in submitting projects for Council approval, as well as on Agency selection in the context of programs and projects. OFPs, the GEF Secretariat, and the Agencies all have a role to play in ensuring that the system for project and Agency selection is transparent and communicated within the partnership.

BENEFITS AND COSTS OF AN EXPANDED PARTNERSHIP

With expansion of the partnership, there has been an overall increase in access to new capacities. The first and second rounds of expansion have increased the Agency choices available in each GEF focal area at the overall partnership level. The expansion has also increased the choices available to recipient countries for programming GEF resources. Forty-three percent of OFP survey respondents felt that the second round of expansion has provided countries enhanced access to new technical capacities to address environmental concerns, indicating their appreciation of the capacities added by the new Agencies.

Expansion of the GEF Agencies has increased choices for most countries, although there are variations in focal area coverage. The majority of the GEF Agencies included during the second round of expansion cover the biodiversity, climate change, and land degradation focal areas, but only three of the eight new Agencies cover the chemicals and waste focal area. The eight Agencies added in the second phase of expansion—the Brazilian Biodiversity Fund (FUNBIO), CI, the Development Bank of Latin America (CAF),

DBSA, the Foreign Economic Cooperation Office, Ministry of Environmental Protection of China (FECO), the International Union for Conservation of Nature (IUCN), the West African Development Bank (BOAD), and the World Wildlife Fund (WWF)—provide countries with access to additional capacities and networks; and, on average, a recipient country has the presence of about two additional Agencies. The LDCs, SIDS, fragile states, and landlocked developing countries have an average of eight Agencies to work with them as a result of the two rounds of expansion.

Although the newer Agencies have experienced a steep learning curve, they are catching up quickly with the older Agencies. According to the GEF Secretariat staff interviewed for this evaluation, although the new Agencies are less proficient at managing GEF resources, they are likely to improve with experience. The interviewees also noted that the new Agencies have gaps in focal area coverage and do not have a long track record in implementing GEF activities. Nonetheless, the newer Agencies have comparative strengths within the focal areas. They are also able to work at multiple scales and to develop project ideas quickly; their strong networks with partners on the ground help them to work efficiently and avoid delays during implementation.

Projects prepared by the eight new Agencies are more likely to have a CSO as the lead executing agency than are projects prepared by the other Agencies (53 percent versus 10 percent). They are less likely to include activities to develop legal, policy, and regulatory frameworks in recipient countries than the other Agencies (13 versus 60 percent). The mobilized cofinancing ratio for the newer Agencies is $5 per dollar of GEF grant, which is somewhat lower than the 7.7:1.0 ratio generated by the other Agencies.

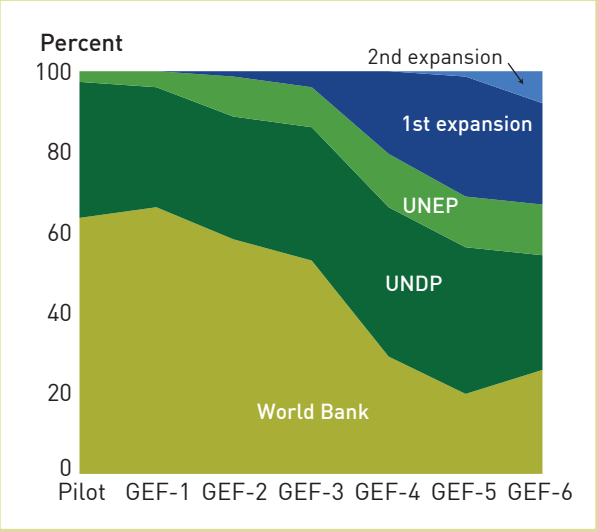
Country ownership has been enhanced. The second round of expansion has enhanced country ownership, but the gain is modest and varies among countries. The new Agencies may be classified into three categories: national entities (DBSA, FECO, and FUNBIO), regional or subregional entities (BOAD and CAF), and international CSOs (CI, IUCN, and WWF). Each of these groups is perceived differently by recipient countries. The national Agencies tend to receive strong support from the respective OFPs in Brazil, China, and South Africa. The OFPs view accreditation of the national Agencies as an instrument to build capacities of national institutions, and to facilitate better alignment of GEF activities with national priorities. BOAD and CAF, which are sub/regional development banks, report that they receive good support from the OFPs because the latter are familiar with their work; they have a strong relationship with finance ministries as well as with the other ministries and sectors they have worked with through their lending operations. The international CSOs reported having experienced difficulties in gaining endorsement from the OFPs for their proposals. In some countries, past involvement of the international CSOs in policy advocacy work may not inspire OFP confidence in their new role as Agencies, but this will be mitigated with time and experience.

Increased competition among Agencies has been positive, but sometimes counterproductive. The increased number of Agencies, the STAR, and the resulting small scale of GEF resources allocated to many countries have contributed to increased competition among Agencies for GEF resources at the country level. GEF Agencies describe this competitive environment as everything from "healthy" to "ugly" and "cutthroat." There is essentially universal agreement that the current arrangements have provided an advantage to UNDP and some other United Nations (UN)

Agencies at the expense of the MDBs, especially the World Bank and including IFAD. UNDP has not only a widespread country presence but also closer relationships with senior government officials and a stronger need to generate administrative fees (from implementing GEF projects) to pay its own staff salaries. The relative predictability of STAR allocations enabled UNDP to lock up numerous country GEF-6 STAR allocations even before the GEF-6 replenishment period began; the same dynamic is beginning in GEF-7. Such first-in programming works less well for the MDBs. The increasing share of the first and second sets of new Agencies has come almost completely at the expense of the World Bank's share (figure 6.2). Both UNDP and the United Nations Environment Programme (UNEP) have essentially retained their long-term shares of 33 percent and 11 percent, respectively, through GEF-6. The newest eight Agencies have so far realized 8 percent collectively of GEF-6 commitments.

The Herfindahl-Hirschman Index (HHI) is a commonly accepted measure of market concentration

FIGURE 6.2 **Shares of GEF commitments, by lead Agency and replenishment period**



SOURCE: Calculated from a GEF project database provided by the IEO.

with values ranging from 0 to 1, with 0 indicating perfect competition and 1 indicating perfect monopoly. Figure 6.3 presents changes in HHI measurements for the GEF project portfolio through the GEF replenishment periods. The index is presented for the global portfolio and

FIGURE 6.3 **Herfindahl-Hirschman Index by country category**

also for groups of countries that have special characteristics. The analysis shows that the level of concentration in the project portfolio share, as measured by the HHI, has declined from GEF-1 onwards. The decline has been steady, and most country groups with special circumstances—with the exception of SIDS—also show a declining pattern since GEF-2.

There have been efficiency trade-offs with expansion. Efficiency gains in some areas may be balanced or even outweighed by cost increases in others. There has been an increase in the transaction costs associated with the learning curve of the new Agencies. Although individual experience varies and some GEF Secretariat program managers have experienced no change in their workload, they generally report having to spend more time in upstream consultations and post-PIF submission back-and-forth on proposals. Some of the new Agencies have addressed this by hiring staff with experience in working on GEF activities. Some OFPs note that an increase in choice of Agencies has led to an increase in their transaction costs, as they are now required to manage relationships with more Agencies. At another level, managing a partnership of 18 Agencies requires more time and attention from GEF management. Senior management of the GEF Secretariat now has to divide time among a greater number of Agencies to ensure that GEF priorities continue to gain management's attention within the Agencies.

As more GEF resources are allocated to IAPs in GEF-6 and the impact programs envisaged in GEF-7, the relationships among the Agencies are becoming more complex. While IAPs enable Agencies to play to their own comparative advantages, there is a need for better ground rules to mitigate frictions among the partners. There also need to be incentives for the Agencies to work together. Thus far, there has not been a real appetite in the GEF to establish ground rules and incentives for the different types of Agencies to work together in a synergistic way in the IAPs and other programs.

Overall, 70 percent of survey respondents agree that the STAP provides high-quality knowledge-based guidance to the GEF, but feel it should play a stronger unifying role across the partnership. The STAP provides strategic advice to the GEF Council regarding contemporary issues of the global environment, screening full-size projects and programmatic approaches at the PIF and program framework document (PFD) stages. The GEF Council regards this screening as an important contribution to quality at entry, particularly given the increase in the number of Agencies. Council members rely on the STAP to identify projects with major issues to address: the STAP has so far identified 14 of 149 projects (9 percent) as having major issues to address during GEF-6.

The STAP has become more involved in knowledge management activities during GEF-6—drawing and disseminating lessons from the GEF's own programs and projects, rather than focusing on bringing in external scientific and technical advice downstream of project implementation. STAP publications are recognized to be of high quality, but the peer review process is not seen as transparent. Some interviewees indicated that the STAP has not reached out sufficiently to counterparts in the GEF Agency research departments, and that there is currently no formal basis for the STAP to interact with science professionals in the Agencies.

6.4 The policy framework

This section focuses on findings from evaluations on the policy framework and implementation of two GEF policies—on safeguards and gender

mainstreaming—and the GEF's engagement with indigenous peoples.

THE GEF SAFEGUARDS POLICY

In November 2011, the GEF adopted its Policy on Agency Minimum Standards on Environmental and Social Safeguards to ensure a minimum level of consistency across the GEF partnership in addressing environmental and social risks associated with GEF-supported operations (GEF 2011).

The GEF minimum standards have served as an important catalyst among many GEF Agencies to strengthen existing safeguard policies and, in a number of cases, to adopt comprehensive safeguard policy frameworks. During the GEF's safeguards compliance review process, it was found that the GEF Agencies—in particular the MDBs—had well-developed safeguard policies that were broadly equivalent to the GEF minimum standards. Adoption of the GEF minimum standards provided the impetus for many other Agencies to be more ambitious in developing and revising their safeguard systems. The GEF minimum standards have contributed to more harmonized approaches in managing project-level environmental and social risks and impacts.

A range of environmental and social risks are identifiable in the GEF-6 portfolio. A small number of projects (4 out of 253) were categorized as being of potentially high social and environmental risk (i.e., Category A projects). Significantly, the majority of GEF-6 projects (69) in the reviewed sample exhibit a wide range of moderate-level risks (i.e., Category B projects). These projects could lead to an array of social and environmental harms if not effectively managed. In addition, a number of projects identified potential stakeholder risks (e.g., lack of participation and acceptance) as well as the potential for adverse gender-differentiated impacts. Projects proposed a range of measures and plans to manage identified risks and impacts. The terminal evaluations of a set of closed projects from GEF-4 identified a number of safeguard-related risks predominantly stemming from insufficient environmental and social risk assessments and insufficient stakeholder engagement (table 6.6).

To date, the GEF Secretariat has not developed guidance covering ongoing reporting on safeguard-related issues during project implementation. By design, the GEF minimum standards have been applied principally at the Agency level during the accreditation process for new Agencies and at compliance review for existing Agencies. GEF project proposal and review templates do not seek to record Agency-designated environmental and social risk category levels assigned to programs or projects. Rather, the Secretariat is informed ex ante about potential project-level environmental and social risks and impacts. At the portfolio level, potential environmental and social risks are not systematically tracked. This impedes the Secretariat's ability to maintain an overview of the level of social and environmental risks across the GEF portfolio.

Both the Adaptation Fund and the GCF include specific requirements for accredited entities to report on safeguard implementation issues during project implementation and completion. Many GEF Agencies are accredited by either or both of these other multilateral climate funds, and hence would be in a position to provide similar information to the GEF.

Gaps exist in the GEF minimum standards framework that merit review. When developed more than a decade ago, the principles upon which the GEF minimum standards are based reflected a consensus on operational safeguard principles. These requirements continue to underpin thematic safeguard areas among many institutions

TABLE 6.6 Examples of safeguard-related risks identified in terminal evaluations

Project	Potential risk	Terminal evaluation comment
Development of a National Implementation Plan in India as a First Step to Implement the Stockholm Convention on Persistent Organic Pollutants (POPs) (GEF ID 1520; UNIDO)	Lack of stakeholder involvement and consultation	A lack of consultation from the beginning of the project might put project outcomes at risk.
Lake Skader-Shkoder Integrated Ecosystem Management (GEF ID 2133; World Bank)	Insufficient environmental impact assessment	The risk assessment process for this Category B project was insufficient regarding the installation of wastewater treatment facilities and constructed wetlands. Because constructed wetlands are not a conventional technology in many places, they were very controversial to local communities and authorities.
Integration of Ecosystem Management Principles and Practices into Land and Water Management of Laborec-Uh region (Eastern Slovakian Lowlands) (GEF ID 2422; UNDP)	Inadequate environmental and social impact assessment	The final proposal was very ambitious and the potential risks were underestimated. During consultations with stakeholders, lack of capacities and commitment to the project were identified in the preparation stage; these risks became very crucial to project implementation in the absence of effective countermeasures.
Sustainable Public Transport and Sport: A 2010 Opportunity (GEF ID 2604; UNDP)	Insufficient environmental and social impact assessment	Displaced informal transport providers were not sufficiently consulted or adequately integrated into the new transport system. Transport development would face significant risks in terms of project sustainability if it failed to adequately integrate them.
SIP: Community Driven SLM for Environmental and Food Security (GEF ID 3382; World Bank)	Inadequate environmental and social impact assessment	No environmental/social specialist was hired, resulting in inadequate environmental and social studies for the first two years of project implementation.
Extension of Kasanka Management System to Lavushi Manda National Park (GEF ID 3368; World Bank)	Inadequate environmental and social impact assessment	Local people were insufficiently familiar with the promoted concept of green entrepreneurship, and the risk was very high that the regional parks would become "paper parks" not enhancing conservation, or that they would become a tool for tourism promotion.

SOURCE: GEF project documents.

and remain aligned with international good practice. However, in the intervening years, many agencies—including the GEF Agencies—have adopted more comprehensive safeguard frameworks. Importantly, some international climate funds have adopted broader safeguard frameworks together with more explicit procedural requirements for their implementation, including monitoring and evaluation. A high-level comparison of the GEF minimum standards with more recently adopted policy frameworks identified a range of gaps and/or areas of greater emphasis, including with regard to stakeholder engagement; climate change and disaster risk; biodiversity offsets; invasive alien species; supply chains; sustainable resource management; community health, safety, and security; hazardous materials; involuntary resettlement; indigenous

peoples and the application of free, prior and informed consent (FPIC); cultural heritage; and labor and working conditions.

THE GEF GENDER MAINSTREAMING POLICY

The GEF Council approved in May 2011—and developed into a stand-alone policy document in May 2012—the GEF Policy on Gender Mainstreaming (GEF 2012a). The policy expresses the GEF's commitment to enhancing the degree to which it and its partner Agencies promote the goal of gender equality through GEF operations. The policy commits the GEF to address the link between gender equality and environmental sustainability and toward gender mainstreaming in its policies, programs, and operations.

Prior to the adoption of the policy, there were only limited references to gender within GEF guidance and templates, and only limited gender-related requirements demanded of GEF Agencies. The policy requires GEF Agencies to have policies or strategies that satisfy a set of minimum requirements to mainstream gender into their operations. The policy also requires the GEF Secretariat to strengthen its own capacity for supporting gender mainstreaming. A revised policy will be submitted to the 53rd GEF Council meeting in November 2017.

The GEF gender mainstreaming policy is supported by a Gender Equality Action Plan (GEAP), which aims—among other things—to operationalize the policy through implementation of concrete gender mainstreaming actions at both the corporate and focal area levels (GEF 2014f). The plan advances both the GEF's goal for attaining global environmental benefits and the goal of gender equity and social inclusion. It provides a clear road map, building on existing and proposed gender strategies and plans of the GEF Agencies. The GEAP supports the GEF-6 period.

Overall appropriateness and performance of the Gender Mainstreaming Policy and the GEAP

The gender mainstreaming policy has advanced the GEF's efforts to strengthen gender mainstreaming in GEF programming and operations, but more remains to be done. The GEAP has served as a relevant framework for implementing the requirements of the policy and has provided a good mandate, with actions and outputs specified on a four-year time frame. Overall, it has advanced the GEF's efforts to strengthen gender integration in GEF programming and operations in a more systematic manner, and has put in place a results framework and some indicators to support accountability and better monitoring of gender mainstreaming progress.

One of the GEAP's most significant achievements has been the establishment of the GEF Gender Partnership. The partnership has brought together gender focal points/practitioners of GEF Agencies, other climate funds, the secretariats of relevant conventions, and other partners. Seen as an important forum for leveraging the wide range of member skills and experiences on gender equality and women's empowerment, it provides partners with a space to share and exchange knowledge, learning, and good practices as well as to discuss common issues, challenges, and solutions.

While the policy acknowledges that gender mainstreaming advances the GEF goal of attaining global environmental benefits as well as the goal of gender equity and social inclusion, it stops short of providing a compelling rationale for why gender matters in environment-focused interventions. It also does not provide a rationale as to how the inclusion of gender equality in environmental projects would generate benefits beyond project effectiveness and efficiency. The policy does not reference the gender-related mandates or decisions of the five conventions the GEF

serves. Further, the policy was issued without a results or accountability framework. There are no requirements for the GEF Secretariat to track and assess progress against any performance targets or benchmarks; nor were clear roles assigned to oversee overall progress or to report on obligations to senior management or the GEF Council. While the policy called for a review in 2015, this review is only now ongoing.

Agencies confirmed that they have been able to align their own policies and plans with the GEF policy requirements. Several also noted that their own corporate requirements have evolved and now exceed those of the GEF policy. It will thus be important for the GEF to revisit its gender policy to reflect improvements in practice among its partners. GEF Agencies also note that the current review and updating of the policy needs to align the revised policy more closely with international good practice standards on gender mainstreaming.

Gender performance trends

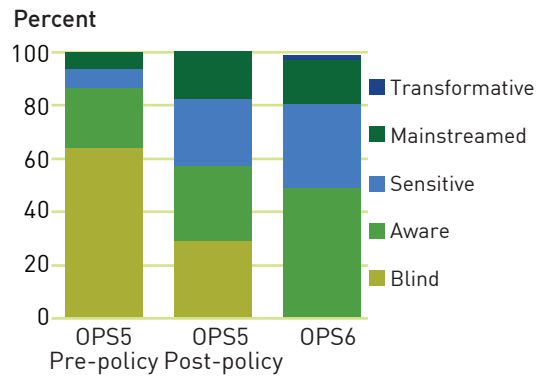
Projects' gender performance at entry has improved since the introduction of the policy, but only 13.9 percent of sampled OPS6 cohort projects include a gender analysis, which is integral to mainstreaming. An IEO quality at entry review analyzed the extent to which gender was considered at CEO endorsement/approval within project documentation such as proposals and results frameworks, and whether projects had undertaken a gender analysis.[4] The evaluation team reviewed and rated a random sample of 304 projects out of 565 projects CEO endorsed or approved in GEF-6 after the approval of the GEAP. The quality at entry review provides a picture of the extent to which the gender mainstreaming policy and its implementation through the GEAP is reflected in project design.

Gender consideration in project documentation rose from 56.5 percent to almost 98.0 percent (218 out of 223 projects); 70 percent of the projects in the OPS6 cohort use gender-disaggregated indicators. The area of most significant change is seen in the dramatic reduction of gender-blind projects from 64 percent before the policy on gender mainstreaming was introduced to 1.3 percent in OPS6 as seen in figure 6.4; the number of projects rated gender aware grew nearly sixfold in this same time period. There was, however, a limited increase in the

[4] The gender ratings used in the analysis are as follows:

- *Not gender relevant.* Gender plays no role in the planned intervention.
- *Gender blind.* Project does not demonstrate awareness of the set of roles, rights, responsibilities, and power relations associated with being male or female.
- *Gender aware.* Project recognizes the economic/social/political roles, rights, entitlements, responsibilities, obligations, and power relations socially assigned to men and women, but might work around existing gender differences and inequalities or does not sufficiently show how it addresses gender differences and promotes gender equalities.
- *Gender sensitive.* Project adopts gender-sensitive methodologies (a gender assessment is undertaken, gender-disaggregated data are collected, gender-sensitive indicators are integrated in M&E) to address gender differences and promote gender equality.
- *Gender mainstreamed.* Project ensures that gender perspectives and attention to the goal of gender equality are central to most, if not all, activities. It assesses the implications for women and men of any planned action, including legislation, policies, or programs, in any area and at all levels.
- *Gender transformative.* Project goes beyond gender mainstreaming and facilitates a critical examination of gender norms, roles, and relationships; strengthens or creates systems that support gender equity; and/or questions and changes gender norms and dynamics.

FIGURE 6.4 Gender rating for quality at entry review by OPS5 baselines and OPS6 data



SOURCE: Evaluation of Gender Mainstreaming in the GEF.

percentage of projects rated gender sensitive and gender mainstreamed (box 6.1).

The evaluation team used a weighted gender rating score, with a value between 0 (gender blind) and 4 (gender transformative), to make comparisons between sets of projects.[5] The quality at entry review score for the OPS6 cohort was 1.68; projects for which a gender analysis had taken place before CEO endorsement/approval had a combined score of 2.97. However, only 13.9 percent of projects at entry were found to have undertaken a gender analysis and/or social assessment with gender elements. A gender analysis or social assessment with gender elements is an important component of gender mainstreaming in project review and design. Consequently, none of the projects lacking mention of a gender analysis or social assessment were rated gender mainstreamed, and less than 5 percent of these projects were rated gender sensitive.

[5] Details on the methodology are available in the Evaluation of Gender Mainstreaming in the GEF.

BOX 6.1 Country examples of gender-mainstreamed and gender-sensitive projects

The IFAD-implemented **Promoting Value Chain Approach to Adaptation in Agriculture** project (GEF ID 4368) in Ghana was the only visited project to earn a gender-mainstreamed rating. The project engaged a gender specialist as part of the core implementation team and conducted gender-sensitivity training for all project team members, including on the project's guiding gender principles. It also used an approach that ensured the inclusion of women, youth, and vulnerable people in decision-making processes as well as in community-level capacity development efforts—e.g., by convening women-only training and consultation sessions where necessary. The evaluation team found a strong level of women's participation within the project's producer group-focused activities, given that women dominate this part of the cassava production value chain in Ghana.

The Philippines project **Improve the Health and Environment of Artisanal Gold Mining Communities by Reducing Mercury Emissions** (GEF ID 5216) is an example of a gender-sensitive project. It undertook a situational analysis of women in the mining sector to support the design of a set of activities related to community awareness-raising of the health risks of mercury and capacity building of mining communities on alternative technologies in artisanal gold mining. It also incorporated gender-disaggregated indicators in the results framework.

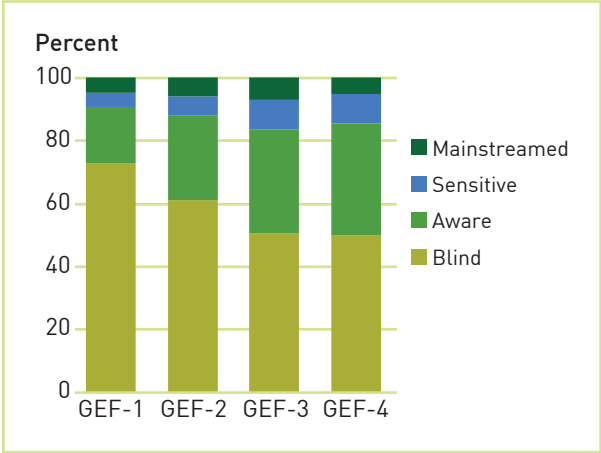
Analysis was also undertaken on completed projects to assess trends in mainstreaming gender in GEF projects with regard to project results and as an update on findings from a similar exercise conducted for OPS5. The evaluation team reviewed all documentation available at project completion and rated a random sample of 246

of 581 completed projects for which terminal evaluations had been submitted to the IEO since OPS5. It is important to note that almost all of the completed projects that are part of the OPS6 cohort were developed prior to approval of the gender policy, so the policy's effect on the OPS6 cohort of completed projects will be limited. Thirty-five percent of completed projects reviewed by the evaluation team for OPS6 considered gender, 26.5 percent of completed projects reviewed included gender-disaggregated indicators, and a gender analysis took place for 15.6 percent of the completed projects. For the OPS6 cohort of completed projects, the weighted gender rating score is 0.71, as opposed to 0.65 for the OPS5 baseline; this suggests that projects, on average, are closer to being gender aware than gender blind.

The evaluation team combined OPS5 and OPS6 gender rating data for completed projects to review performance across the GEF replenishment periods for a combined data set of 537 projects. Through the GEF phases, there is a clear, albeit slow, improvement when it comes to gender in GEF-funded projects. Comparing the GEF-3 and GEF-4 periods, which perform in a similar fashion, note that GEF-4 terminal evaluations are still being received, so the overall performance of the phase is expected to change over time as new data are taken into account (figure 6.5).

The GEF Gender Partnership is slowly developing into a relevant and effective platform for building a wider constituency on gender and the environment. The partnership has facilitated a number of reviews, helping to compile and build evaluative evidence on gender and the environment, and plans to produce a series of tools that will strengthen the GEF's capacity to mainstream gender systematically in projects and support the achievement of results related to gender equality and women's empowerment. The partnership would be an effective vehicle for the GEF to engage with its stakeholders to review and update the gender policy to reflect good practice in design and implementation.

FIGURE 6.5 Gender rating for completed projects by GEF replenishment period



SOURCE: Evaluation of Gender Mainstreaming in the GEF.

GEF ENGAGEMENT WITH INDIGENOUS PEOPLES

Minimum Standard 4: Indigenous Peoples of the 2011 GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards provides detailed minimum requirements on indigenous peoples, including standards for consultation (free, prior and informed consent) and references to land, culture, traditional knowledge, and livelihoods. It also details the GEF grievance system. In lieu of a policy, "Principles and Guidelines for Engagement with Indigenous Peoples" (GEF 2012b) affirms the importance of indigenous peoples in GEF-financed projects, identifies unintended adverse effects that can result from such projects, and expresses a desire for enhanced engagement by both indigenous peoples and the GEF. The principles and guidelines form a useful guide to and reinforcement of GEF policy toward

indigenous peoples—though they lack practical guidance on project design and indicators, or a specific list of requirements for use in operationalizing Minimum Standard 4 and other relevant GEF policies.

Recognition of the presence of indigenous peoples by national governments is axiomatic to the application of indigenous peoples' rights. In some country contexts, the absence of recognition creates a significant challenge for the GEF partnership. Some Agencies have addressed this situation by casting indigenous peoples within the broader nomenclature of "local communities." This term is sometimes used to avoid discrimination in places where populations are diverse in their makeup. The current consensus by the UN and climate convention bodies, adopted by the Convention on Biological Diversity in 2014, is that use of the term "indigenous peoples and local communities" enables inclusive approaches, while avoiding presumptions of common identity or that such groups are subject to the same circumstances.

The GEF recognizes indigenous peoples as important stakeholders in its mission to tackle global environmental issues, and the proportion of full- and medium-size projects that include indigenous peoples has increased substantially since the beginning of the GEF. The GEF has engaged with indigenous peoples since its first pilot phase of project financing in 1991; and the level of engagement, consultation, and policy review with indigenous peoples has increased through each GEF funding period. Indigenous peoples are increasingly recognized for their traditional knowledge and customary practices. Application of these practices influences broader understanding of forestry, traditional medicine, conservation, resource management, and livelihood patterns, as well as responses to climate change, resilience, and adaptation. Project evidence suggests that empowering indigenous peoples, ensuring deeper engagement, and strengthening indigenous and local voices in program development and implementation may enhance GEF performance. An ability to manage biodiversity in their own territories can result in more sustained and cost-effective ways to protect the environment.

The biodiversity focal area dominates the indigenous peoples portfolio, accounting for a total of 55 percent of projects. Indigenous peoples have been increasingly engaged in the other focal areas, however; and the relative number of biodiversity projects in the indigenous peoples portfolio has declined over time, with an increase of projects especially in the multifocal and climate change focal area. Most of the projects involving indigenous peoples fall into the full-size category, and have been implemented by just four of the GEF Agencies: the Food and Agriculture Organization of the United Nations (FAO), UNDP, UNEP, and the World Bank. The portfolio's greatest number of projects and largest concentration of investment are in Latin America and the Caribbean. In terms of performance, 75 percent of indigenous peoples projects are rated as moderately satisfactory or above, and just over half of the projects show at least a moderate likelihood of being sustainable. Capacity issues stand in the way of some indigenous peoples' organizations assuming project management roles.

The UNDP-implemented Small Grants Programme (SGP) is the primary modality for the GEF's engagement with indigenous peoples, though the size of its disbursements limits the extent to which the mechanism can address needs and opportunities among indigenous peoples. Approximately 15 percent of SGP grants are awarded to indigenous organizations or communities. Flexible approaches to proposal development enable involvement by indigenous

peoples' organizations. Biodiversity is by far the most common thematic area covered across the SGP indigenous peoples portfolio. According to a survey of SGP national coordinators, the observed benefits of SGP funding to indigenous peoples include access to training/capacity building, income and livelihood improvements, and increased inclusion for consultation and project design.

The Indigenous Peoples' Advisory Group (IPAG) provides relevant advice to the GEF Secretariat on indigenous peoples' issues. The development of IPAG has been a positive step for the GEF's engagement with indigenous peoples. In its composition and facilitation, the IPAG has drawn together traditional and expert knowledge in dialogues among indigenous peoples and the GEF in developing indigenous peoples' capacity to engage in GEF projects and processes, providing recommendations on financial arrangements to better support indigenous peoples' projects and project development, and providing outreach with indigenous peoples' organizations and communities. IPAG has also assisted in developing indicators for the GEF Secretariat to better measure benefits and outcomes from GEF-funded projects to indigenous peoples; these are now being used to improve monitoring systems. A key achievement of IPAG is the establishment of the Indigenous Peoples Fellowship Initiative, under the SGP. This initiative is aimed at developing leadership to advance the work in indigenous communities, organizations, and networks on national, regional, and global scales. It is too soon to draw conclusions about the impact of the fellowship, which only has a few beneficiaries to date.

IPAG fulfills an important technical advisory and dissemination role; however, operational limitations require attention, and opportunities for an expanded advocacy role remain limited. The scope of IPAG's mandate and geographic coverage is large for a seven-person advisory group with limited face-to-face contact. No formal system of contact with larger regional indigenous peoples' networks appears to exist either within IPAG or the GEF Secretariat. IPAG members' communication and familiarity with the GEF and GEF Agencies is less than optimal for an advisory body. This is also the case for the relationship between IPAG and the SGP national coordinators. Thus far, budgetary and staff support for IPAG has been insufficient to engage participants in training, to support information dissemination at the country and regional levels, and to incentivize indigenous peoples' project innovation.

In general, GEF Agencies are in alignment with the obligations under GEF Minimum Standard 4: Indigenous Peoples. Of the nine provisions of Minimum Standard 4, Agencies show particularly high levels of conformity with regard to appropriate socioeconomic benefits, indigenous peoples' plans, and document disclosure. With regard to consultation, FPIC, and participation, GEF Agencies tend to exceed Minimum Standard 4 provisions by insisting on greater protections for indigenous peoples, greater participation within project frameworks, use and rights to cultural resources and traditional knowledge, and specific attention to the monitoring of GEF-funded projects. There are a few instances where the wording of GEF Agency safeguards appears to fall short of meeting all minimum standard provisions. In these situations, the GEF is expected to detect discrepancies as part of periodic compliance monitoring of the minimum standards.

Some restrictiveness and ambiguity exists around the GEF's approach to FPIC. The FPIC principle is intended to apply such that GEF projects can have benefits for local people while avoiding negative environmental and social impacts and do no harm. Currently, the GEF limits

FPIC approaches to Indigenous and Tribal Peoples Convention signatory states. In so doing, it misses an opportunity to support self-determination—something intrinsic to indigenous peoples' rights. The Agency safeguard policies of BOAD, CI, DBSA, FAO, FUNBIO, IFAD, the Inter-American Development Bank, IUCN, UNEP, the United Nations Industrial Development Organization, and WWF all have mandatory FPIC processes for projects involving indigenous peoples. The GEF's use of the term "free, prior and informed consultations" complicates matters somewhat, as this is a term borrowed from World Bank operational policies that includes elements of—but is not the same as—free, prior and informed consent. Any implied intention to avoid a commitment to consent appears to be confounded by Minimum Standard 4, which states that GEF partner Agencies must "ensure that such consultations result in broad community support for the GEF-financed operation being proposed."

The GEF's ability to describe the application of Minimum Standard 4, and the benefits that flow from its engagement with indigenous peoples, is restricted by the lack of portfolio and monitoring information. Some adjustments to monitoring practices have recently been introduced to better track projects involving indigenous peoples and to report on the number of projects engaging indigenous peoples in the Corporate Scorecard and the annual monitoring report. What is being counted here, though, are instances of projects with indigenous peoples' involvement; there is little in the way of qualitative information. While there is some assurance (through the Agency accreditation process) that GEF Agencies are prepared to abide by safeguards, there are presently no requirements on GEF Agencies to report against them at a portfolio level. Thus, there is a lesser basis for assurance that engagement with indigenous peoples is occurring to expectations. At the same time, some GEF Agencies recognize the need for more engagement—through, e.g., the inclusion of indigenous peoples on staff and in setting up indigenous peoples' advisory structures—and more robust tracking of indigenous peoples' engagement and benefits.

6.5 Institutional frameworks for results-based management and knowledge management

The GEF's systems for results and knowledge management are adapting to provide information for accountability and reporting as well as for learning. This section examines recent developments in these systems, with a focus on progress made and the challenges ahead.

THE RESULTS-BASED MANAGEMENT SYSTEM

As in other organizations, the purpose of results-based management (RBM) in the GEF is to "improve management effectiveness and accountability" by "defining realistic expected results, monitoring progress toward the achievement of expected results, integrating lessons learned into management decisions and reporting on performance" (GEF 2007). While the GEF Secretariat has followed up on GEF-6 policy recommendations by developing a work plan, progress on measures specified in the RBM work plan has varied.

The GEF RBM system has played a strong role in support of reporting, accountability, and communications. In comparison, its role in supporting evidence-based decision making and learning has so far been limited. The GEF RBM system facilitates reporting on progress in utilization of GEF resources, on efficiency and effectiveness of GEF activities and processes, and on environmental results. It provides information for the two key instruments of regular reporting to the

GEF Council: the Annual Portfolio Monitoring Report and the Corporate Scorecard. The system also allows the Secretariat to respond to ad hoc requests from the Council, the Replenishment Group, and the conventions for reporting on specific topics. Most of the GEF Agency and Secretariat staff interviewed indicated that RBM should play a greater role in supporting learning across the partnership. Several Agency staff noted that RBM reporting does not provide useful feedback on Agency performance, identify areas where an Agency may improve, or draw on lessons from good practices in other Agencies.

The GEF has not articulated a clear theory of change or time frames for the achievement of and reporting on expected environmental results for its GEF-6 focal area programs. The GEF-6 Programming Directions provide some information on each of the period's 43 programs (GEF 2014d). However, causal linkages and underlying assumptions have not been clearly articulated for the GEF-6 programs. Cogent expression of a program's theory of change is necessary to identify appropriate indicators to track outcomes and impact, and to monitor change. The corporate results framework for the GEF-6 period tracks fewer core environmental results indicators than the framework for GEF-5. The absence of indicators measuring long-term impacts is a gap in the framework. Nonetheless, there has been some improvement compared to the corporate results framework for the preceding two replenishment periods, which gave more attention to outputs. This focus on indicators to track outcomes of GEF activities is an improvement in the corporate environmental results framework for GEF-6.

Long duration of the feedback loop poses challenges to learning from results for development of future programs. After the start of a replenishment period, proposals for GEF activities for that period are submitted on a rolling basis. Analysis of Project Management Information System (PMIS) data shows that the median time to start implementation of a project is about 32 months, and implementation duration may range from 4 to 10 years. It may take two more replenishment periods before the actual outcomes of the approved activities of a replenishment period can be assessed against the period's targets—and most of the long-term impacts will become evident much later. The long duration for which projects of a replenishment period are under implementation poses constraints to reporting on actual results on the ground against the targets and the use of this information in future work. The challenge of a long time lag in manifestation of results is not unique to the GEF. Although information on long-term impacts of GEF activities will not be available in real time to support decision making, given that there is some continuity in GEF activities in several situations, the information may still be useful for designing better programs and strategies. The use of intermediate outcome indicators could help address this challenge.

The GEF is addressing several Sustainable Development Goals (SDGs) through its programs, and needs to incorporate the relevant SDG indicators in its corporate results framework and focal area tracking tools. In its 48th Session in March 2017, the United Nations Statistical Commission adopted a global indicator framework for the SDGs and targets. While several GEF environmental results indicators already respond to SDG targets, they may need some adjustments to make them fully compatible with the indicators listed in the global framework.[6] Given that

[6] This would include SDG indicators such as proportion of transboundary basin area with an operational arrangement for water cooperation (6.5.2), progress toward sustainable forest management (15.2.1), and proportion of fish stocks within biologically sustainable levels (14.4.1).

multilateral organizations and UN member countries have already committed to measuring and reporting on the SDGs, it is likely that GEF-relevant SDG indicators may be tracked by the GEF Partnership without additional burden on the GEF Agencies.

Corporate indicators track results at the institutional level; at the focal area level, more granular information on program results is tracked through the focal area tracking tools. *GEF Annual Performance Report 2015* reports that the number of tracking tools remains relatively higher in biodiversity compared to other focal areas; and that little progress has been made for multifocal area projects, as a streamlined and integrated tracking tool has not yet been developed for them (GEF IEO 2017f). For the three IAPs, a customized tool that draws only the relevant indicators from the focal area tracking tools was prepared; nonetheless, the number of indicators on which the IAPs will report has not been reduced from use of the focal area tracking tools for the focal areas covered by the respective IAP. An internal review conducted by the RBM team within the GEF Secretariat in 2016 showed substantial gaps in the submission of tracking tools and overall poor quality of information in the submitted tracking tools for several focal areas.

The GEF PMIS and its quality have not kept pace with the growing needs and expectations of the partnership. The PMIS is expected to provide support for real-time decision making across the GEF partnership and to be an information reservoir for monitoring, evaluation, and learning. It primarily serves the needs of the GEF Secretariat, for which it was designed, and other users often find it difficult to prepare and download customized reports. The quality of information provided by the PMIS is another area of concern, which primarily stems from data being manually entered. In the absence of quality assurance processes, mistakes creep in—such as double entry of data—and may not be noticed for a long time. In addition, the data provided by the Agencies may not be up to date.

Managing for results remains a stated priority of the GEF, although RBM utilization has so far been primarily for accountability and communication purposes. With increased attention to RBM during GEF-6—notably in terms of staffing and funding—several gains have been made. For example, corporate results reporting has improved, and several focal area tracking tools have been streamlined. Table 6.7 summarizes the GEF's performance on key RBM dimensions, highlighting areas of progress in terms of increased management attention and support, development of the Corporate Scorecard, streamlining of indicators, and theories of change for focal areas. Areas for improvement include further analysis of indicators to streamline the reporting burden, updating the RBM framework, improving data timeliness and quality, and designing program theories of change.

THE KNOWLEDGE MANAGEMENT SYSTEM

The relevance of knowledge management to the GEF mandate has been increasingly recognized, and efforts to improve knowledge management in the partnership have been made on several fronts. The GEF2020 Strategy emphasizes "strategically generating knowledge" as a priority (GEF 2015a, 32). In 2014, the policy recommendations in the GEF-6 Replenishment Document similarly emphasized "the importance of developing a knowledge management (KM) system that aims to improve the GEF partnership's ability to learn by doing and thereby enhance its impact over time" (GEF 2014c, 6).

In 2015, the knowledge management work stream was established to coordinate such work across the GEF partnership. Since then, substantial

TABLE 6.7 GEF performance on key dimensions of results-based management

Dimension	Performance
Clear purpose for the RBM system	The stated purpose of the GEF RBM system is clear.
Quality of the RBM framework	The RBM framework of 2007 is inadequate for the present needs of the GEF partnership and needs to be updated. The GEF-6 programming document and GEF2020 Strategy implicitly discuss the GEF theory of change. However, a clear statement has not been made.
Support for RBM	During GEF-6, there was an increase in GEF management's support for RBM. While Agencies are generally supportive of the GEF RBM system, GEF requirements for RBM are over and above what GEF Agencies do on their own. Their support is likely to increase if learning is strengthened, and they see the information they provide is being used.
Clear results set at the corporate level	The GEF has set clear and relevant results at the corporate level. However, long-term impacts and synergies between supported activities are not captured.
Program theories of change	Theories of change were not articulated for GEF-6 focal area programs.
Clear results set at the program level	Clear program outcome indicators have been specified in the GEF-6 programming documents. However, long-term impacts were not addressed.
Balance between short-term and long-term results	When compared to GEF-4 and GEF-5, the balance improved during GEF-6. Despite fair coverage of outcomes, indicators for long-term impacts have not been adequately captured.
Manageable focal area results frameworks aligned to priorities	Focal area results frameworks are aligned to GEF priorities. However, too much is being tracked for biodiversity and multifocal area projects.
Data availability and reliability	The GEF Secretariat assessed and found gaps in data availability and reliability through a diagnostic exercise. Some improvements in data and data-related processes were made. Full upgrade of the PMIS was delayed.
Use for reporting	The RBM system is used for reporting to the GEF Council, the conventions, the replenishment, and the wider partnership. Several improvements were made during the GEF-6 period, especially introduction of the scorecard.
Use for decision making	GEF Secretariat and Agency staff report low use of information from the RBM system for decision making, although there are variations across focal areas. There is a potential for the PMIS to play an increased role.
Use for learning	Less attention to promoting learning through RBM. Current reporting centers more on presenting successes and less on analysis of challenges encountered and causes of failure. Candor in project implementation review reporting is low.

NOTE: GEF IEO 2017m. Several key measurement-related dimensions included here were adapted from OECD DAC 2014.

activities have been implemented, including a self-assessment, the development of a road map for knowledge management, new country-level Knowledge Days, the GEF Kaleo question and answer online tool, a project-level handbook on knowledge exchange, and the incorporation of mandatory questions on knowledge management issues in project documents. However, the needs for learning at the project level (standardization of creating, storing, and accessing GEF program and project documentation) and those at the corporate level (compilation, analysis, and sharing of knowledge in a systematic manner) are largely unmet. As a result, GEF Agencies mainly rely on their own knowledge management systems and cannot draw on knowledge generated from other Agencies. There are a few exceptions, notably IW:LEARN (the International Waters Learning

Exchange and Resource Network), which collects and shares good practices, lessons learned, and innovative solutions to common problems across the GEF international waters portfolio. IW:LEARN promotes learning among project managers, country officials, GEF Agencies, and other partners.

Within the 26 GEF portfolios reviewed in the IEO country portfolio evaluations since 2006, each project had an activity to share knowledge through the creation of networks, awareness-raising activities, or the creation of knowledge centers (often websites). In these country-level portfolios, examples were found where knowledge management has contributed to behavioral and policy changes that support global environmental benefits in biodiversity, land management, solar energy, marine ecosystems, and coastal management. The effectiveness of GEF knowledge management in contributing to environmental benefits was found to be dependent upon access to its knowledge and products. To date, knowledge generated by GEF projects is inconsistently integrated into the knowledge base of the GEF and GEF Agencies that are accessible to all interested parties.

For country-level stakeholders surveyed in the knowledge management study (GEF IEO 2017j), the knowledge produced by the GEF made an input mainly into the design of their own environmental projects; as a contribution to education and awareness campaigns; or as an input into national environmental policies, strategies, laws, and regulations.

There is no common approach to knowledge management across focal areas. Moreover, the GEF Agencies interviewed indicated that their approach to knowledge sharing often depends on Agency-specific approaches, and therefore differs widely. Improved knowledge sharing is seen in programs (as opposed to stand-alone projects) and within the integrated approach pilots. In addition, stakeholders noted that the secretariats of the conventions for which the GEF is a financial mechanism were largely underserved by knowledge management in the GEF.

Knowledge is often generated during project implementation and facilitates achievement of environmental benefits primarily through monitoring systems, information sharing, and awareness raising. Marine monitoring systems in Samoa provided information on fish population and coral health over several years. A biodiversity monitoring system established in the Philippines contributed to documentation of trends on several species under threat. In Nicaragua, awareness-raising efforts have contributed to the protection of 5,796 flora species and 12,290 fauna species in 72 protected areas. In Sri Lanka, raised awareness among forest department officials contributed to a reduction of illegal activities such as logging and encroachment. The SGP has been cited as an effective channel to share information and raise awareness among stakeholders at the local level in a number of countries, including the Arab Republic of Egypt, Eritrea, India, and Sri Lanka (GEF IEO and UNDP IEO 2015).

The knowledge generated and shared by GEF projects is useful, and needs to be consistently integrated into repositories to increase accessibility by all interested parties. Two-thirds of the 456 stakeholders surveyed in the knowledge management study reported having used knowledge produced by the GEF as an input into the design of their own environmental programs and projects. Half of them used knowledge as a contribution to education and awareness campaigns; 45 percent reported using it as an input into national environmental policies, strategies, laws, and regulations. Technical documents such as a guideline or a manual, followed by strategy

documents (e.g., national biodiversity strategies and action plans or the GEF2020 Strategy), were found to be the most widely used.

According to the stakeholders interviewed, the GEF is not effective at linking creators of knowledge with users by facilitating access, transfer, and sharing. Notably, the PMIS, which is a repository of program and project documentation, is not seen as an effective tool, since its data are incomplete. The GEF Secretariat has recognized this issue and has proposed, as part of its GEF-6 knowledge management approach, to update the PMIS, as well as to set up an improved document management system/library and a knowledge exchange hub. Aside from the redesign of the PMIS, these initiatives have not yet started.

A common approach to knowledge sharing will require guidance from the Secretariat to the GEF partnership, and application of a consistent approach to knowledge collation and analysis. Between May 2016 and March 2017, the Secretariat produced nearly 50 knowledge products (videos and publications), but these did not have the proper categorization and typology. Aspects of a common approach that need to be considered include common classification (i.e., the use of taxonomies and categories of knowledge products and activities consistent with GEF Agencies and convention secretariats), access (i.e., for projects and Agency staff for uploading and downloading program/project documents from concept through implementation, completion, and formulation of lessons learned), and sharing (i.e., the ability to link to Agency platforms).

Compared to four similar partnership organizations (the CIF, the GCF, GAVI, and the GPE), the GEF has placed less emphasis on knowledge management at the program/project level in developing technical solutions to manage knowledge and in developing a systematic approach to its knowledge management products. A comparison between four similar partnership organizations indicates that the comparator organizations have a greater focus on internal systems at the strategic level than does the GEF. As mentioned above, internal systems have been identified as a priority for the GEF, but are still to be fully resourced.

Within the comparator organizations, different structures exist to support knowledge management, with the CIF and the GPE having cross-cutting staff teams/groups to advance knowledge management within their respective organizations. While the GEF established the Knowledge Management Advisory Group with representatives from different levels of the partnership, which other organizations do not have (with the exception of the CIF), it does not have an internal cross-cutting staff team/group to support knowledge management.

The comparator organizations are at different stages of implementing technology solutions to support their knowledge management strategies. Of the four, GAVI is the most advanced, allowing the organization and its partners to monitor project progress in real time. The GEF has recognized the importance of its technology solutions for knowledge management (as evidenced by GEF 2015b), but these solutions have yet to be fully developed and implemented.

Compared to the GEF, other organizations such as the CIF and the GPE were more advanced in developing common knowledge products, and showed a stronger link between their knowledge products and their evaluation activities. The GCF is an exception in this regard, as it is in the process of setting up an evaluation unit. GAVI was most advanced in terms of focusing knowledge management efforts on improving delivery processes. The GEF has recently produced some

specific resources, notably 2017's *The Art of Knowledge Exchange: A Results-Focused Planning Guide for the GEF Partnership*, coauthored with the World Bank, which addresses project-level knowledge exchange (WBG and GEF 2017).

In terms of knowledge management as an integrated service or activity within organizations, the GPE was most advanced. Its Knowledge and Innovation Exchange mechanism seeks to support innovation and exchange of evidence on policy solutions. This mechanism is focused on funding for scaling-up of innovation technologies and educational models that have already demonstrated results in pilot stages and are ready to be tested at a higher level of scale, complexity, and integration at the system level. In the GEF, integration of knowledge management as part of a service stream within, e.g., the IAPs is a step toward integrating knowledge management into programs.

Chapter 7

Conclusions and recommendations

Chapters 1–6 of this report discuss the existing landscape within which the Global Environment Facility (GEF) operates and the status of the GEF portfolio, and present evaluative evidence on program/project outcomes and impacts and the institutional performance of the GEF. Drawing on this evidence, which is taken from a set of 29 evaluations and studies conducted by the Independent Evaluation Office over the past two years, this chapter presents key findings of the Sixth Comprehensive Evaluation of the GEF (OPS6). It is structured around a set of main conclusions and recommendations geared at informing replenishment discussions for GEF-7, and with the longer-term view of strategically positioning and strengthening the GEF as a critical global environmental financing organization.

7.1 Conclusions

Conclusion 1: The changing landscape for environmental finance presents an opportunity for the GEF to build on its comparative advantage and make strategic choices. The GEF is the principal financial mechanism for the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, the Stockholm Convention on Persistent Organic Pollutants, the United Nations Convention to Combat Desertification, and the Minamata Convention on Mercury. Its focal area strategies have responded appropriately to the evolving needs of these conventions. The GEF also funds projects in international waters and sustainable forest management that support the implementation of a number of global and regional multilateral environmental agreements. As the financial mechanism for the Convention on Biological Diversity, the GEF is seen as a significant and reliable resource for funding for biodiversity, which attracts relatively few other funds. For its other focal areas—including international waters, land degradation, and chemicals and waste—the GEF is the only global financial mechanism.

The establishment of new funding sources such as the Climate Investment Funds (CIF), the Green Climate Fund (GCF), the Asian Infrastructure Investment Bank, and the New Development Bank is an opportunity for the GEF to expand its presence in focal areas not covered extensively or at all by other funds and/or where the GEF has a comparative advantage. Sources of comparative advantage for the GEF include its ability to address interlinkages and synergies across focal areas, implement policy and regulatory reforms in countries to create an enabling environment that attracts investment, implement innovative financing models and risk-sharing approaches, and support lower-income countries and small island developing states.

Conclusion 2: The GEF has a strong track record in delivering overall good project performance, being catalytic, and driving transformational change. Seventy-nine percent of the OPS6 project

cohort had satisfactory outcomes, with regional variations ranging from 74 to 88 percent. Project design—including objectives, institutional arrangements with government, and monitoring and evaluation (M&E) design—quality of implementation, quality of execution, and level of materialized cofinancing are the strongest drivers of performance. Sustainability of outcomes is the greatest challenge in GEF projects, and only 63 percent of the OPS6 project cohort was rated as having outcomes that were likely to be sustained—this was primarily a reflection of weak financial sustainability.

The GEF has played a catalytic role in more than half the OPS6 cohort projects and supported transformational change primarily through mainstreaming and replication; scaling-up and market transformation/change have had limited success. Analysis shows that transformational change occurs where projects aspire to drive change; market barriers are addressed through sound policy, legal, and regulatory reforms; private sector engagement is encouraged through targeted capacity building and financial incentives; and mechanisms are put in place for future financial sustainability through the market, government budgets, or both.

Conclusion 3: With their emphasis on integration, programmatic approaches and multifocal area projects are relevant in addressing drivers of environmental degradation; however, complex program designs have implications for outcomes, efficiency, and management. The GEF has appropriately chosen to focus on integrated programming through technically coherent multifocal programs alongside single focal area projects. Multifocal area projects are best suited when the environmental issue affects multiple focal areas, is caused by drivers linked to multiple focal areas, and when issues linked to multiple focal areas occur within the same geographical unit. Findings from evaluation of programmatic approaches suggest that child projects under programs perform somewhat better than stand-alone projects, but that outcome performance can decline with increased program complexity. Multifocal area projects and complex programs are associated with increasing cost inefficiencies, unless they are well managed and executed with commensurate on-the-ground implementation capacity.

Conclusion 4: The recently undertaken integrated approach pilots (IAPs) are relevant to the environmental issues they address and the countries/cities in which they are located, and have been designed for long-term sustainability. Additionality needs to be demonstrated and process issues require attention. The IAPs demonstrate attention to coordination, coherence in objectives between the program framework and child projects, innovative knowledge components, relevant selection of countries and cities, Agency selection based on comparative advantage, and well-designed M&E frameworks. The inclusion of these elements reflects lessons learned from previous programmatic interventions. A few shortcomings in IAP design have been observed, however. Targets need to be better specified and measured, and program additionality over a set of discrete focal area projects needs to be demonstrated. There have been some inefficiencies caused by delays in designing and launching the IAPs, in part because the GEF project cycle policy has not been explicit regarding the application of standards to child projects. Finally, the selection process of countries and Agencies has not always been transparent, or communicated effectively. It is too early to assess the performance of these pilots, as they are in early stages of implementation. Findings from earlier programmatic approaches indicate the importance of good implementation and effective management of complexity.

Conclusion 5: The GEF Gender Mainstreaming Policy has advanced the GEF's efforts to strengthen gender mainstreaming in GEF programming and operations in a more systematic manner, though more remains to be done. Since implementation of the policy, gender consideration in project documentation at the point of Chief Executive Officer project endorsement/approval rose from about 57 percent to almost 98 percent. The GEF Gender Partnership is slowly developing into an effective platform on which to build a wider constituency on gender and the environment, providing a forum for leveraging the broad range of member skills and experiences on gender equality and women's empowerment. The policy stops short of providing a compelling rationale for why gender matters in environment-focused interventions. It also does not provide a rationale as to how the inclusion of gender equality in environmental projects would generate benefits beyond effectiveness and efficiency. Moreover, the policy does not reference the gender-related mandates or decisions of the five conventions the GEF serves. Even though gender performance has improved since the introduction of the policy, only about 14 percent of projects at entry included a gender analysis, which is integral to mainstreaming.

Conclusion 6: The GEF policies and guidance on safeguards and indigenous peoples have advanced the GEF's efforts in these areas; gaps exist in the policy frameworks relative to good practice in partner Agencies and in implementation. The adoption of the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards has prompted several Agencies to develop or revise their own safeguard systems. By design, these improvements have occurred principally during the accreditation process for new Agencies and compliance review for existing Agencies. Gaps exist in the framework in relation to recent updates made in GEF partner Agencies, and there is no guidance regarding ongoing reporting or monitoring on safeguard-related issues during project implementation. Most GEF Agencies comply with the obligations specified under GEF Minimum Standard 4: Indigenous Peoples. These principles and guidelines reinforce GEF policies toward indigenous peoples, but lack practical guidance on project design and indicators, or a list of requirements that could aid in operationalizing the minimum standard and other relevant GEF policies.

Conclusion 7: GEF financing has been constrained by exchange rate volatility, fragmentation in donor funding, and impediments to scaling-up nongrant instruments. Although donors have delivered on funding commitments, during GEF-6, the GEF encountered about a 15 percent shortfall in available financial resources due to foreign exchange volatility. The GEF has no financial mechanism available to it, such as hedging, to manage these risks. This lack has had detrimental effects on the amount of funding available for GEF-6 projects; some project proposals could not proceed due to the funding shortage, which particularly affected a number of countries' System for Transparent Allocation of Resources (STAR) allocations. On average, this shortfall led to a decline of 19 percent in funding provided for STAR country allocations, with varied effects on recipient countries.

Uncertainty and fragmentation in donor funding due to competing demands places additional pressure on the GEF going into the next replenishment, necessitating a focus on innovative approaches. The nongrant pilot established in GEF-6 enables GEF financing to be used in products and mechanisms that have the potential to generate financial returns. It has been routinely used by partner multilateral development banks

to raise financing for their projects. For nongrant instruments to be scaled up in the GEF will require in-house capital markets expertise to originate/structure nongrant instruments and sufficiently large transactions to make the use of nongrant instruments attractive, particularly to the multilateral development banks.

Conclusion 8: Operational restrictions and lack of awareness of the GEF have resulted in limiting or not fully realizing the potential for successful engagement with the private sector. While there is general agreement across the partnership that the GEF needs to raise private sector investment and financing, only about 43 percent of survey respondents agree that the GEF's ability to engage the private sector is a comparative advantage—in large part, because operational restrictions constrain the GEF's ability to engage with the private sector. There is also a misperception about the role of the private sector as a source of financing versus a partner in promoting environmental sustainability more broadly. Set-asides have been a primary modality through which engagement with the private sector has taken place, first with the Earth Fund platform and then the private-public partnership platform in GEF-5 and the nongrant pilot in GEF-6. The fragmented nature of these interventions, combined with the limitations of the STAR allocation framework, often means that private sector innovation is not easily reconciled with country ownership and national strategies and priorities. The GEF project cycle, processes, timelines, staff capacity, and required documentation are also mismatched with private sector expectations and approaches.

In addition, GEF country clients and private sector stakeholders lack awareness of the opportunities for engagement with one another; and the GEF's position, processes, and role are insufficiently clear to the private sector. For their part, GEF country recipients have varying degrees of knowledge of the role of the private sector in green finance, in accessing funds beyond the usual GEF grant instruments, or in opportunities for engaging in areas beyond finance. Interviews reveal that private sector respondents expect more clarity to help them better prepare for cooperation with the GEF, and see a distinct role for the GEF where conditions are still not ripe for investment through its long-term regulatory and policy interventions.

Conclusion 9: Overall, the GEF partnership is well governed; concerns continue to exist on matters related to representation, efficiency, accountability, and transparency. Seventy-three percent of survey respondents note that the GEF is effectively governed overall, and representatives of all stakeholder groups indicate that the governance structure has served the GEF reasonably well. Council members are engaged; and there is a high level of trust and goodwill, and a sense of common purpose. However, the GEF Instrument and current rules of procedure do not fully and accurately reflect the way in which the partnership is actually functioning. There is no clarity on the participation of observers and Agencies at Council meetings. The GEF–Civil Society Organization Network continues to be relevant and contributes to policies at Council meetings, but there are no guidelines to manage the risks about potential conflict of interest situations associated with having several civil society organizations serve simultaneously as GEF Agencies and network members—often with field offices that are also members.

The GEF Council has enabled good regional balance, but—unlike other partnerships—has not delegated decision making to committees, a practice that has the potential to increase efficiencies in decision making. A major difference between the governance of the GEF and that of

six comparator organizations is the absence of an independent chair.

The GEF continues to be a transparent organization in terms of its governance, but is less so in terms of its operational management. Only half of stakeholder respondents to a survey on GEF governance believe that the Secretariat's decision making is appropriately transparent. While acknowledging the practical difficulties entailed in explaining all Secretariat decisions within an expanded partnership, concern was expressed by all groups of stakeholders on inadequate clarity and communication of programming decisions, project review criteria, project selection, the initial preparation of the IAPs in GEF-6 and the early stages of development of the GEF-7 Impact Programs. During interviews, concerns were raised on the transparency of Agency selection by country operational focal points, with projects being awarded to Agencies based on their country presence and not necessarily their comparative advantage.

Conclusion 10: Some progress has been made with regard to the GEF's Project Management Information System (PMIS), results-based management system, and knowledge management. As pointed out in several evaluations by the Independent Evaluation Office, the availability and quality of information provided by the PMIS is an area of major concern, which primarily stems from information being manually entered and not updated with any regularity. The upgrade of the system planned prior to the launch of GEF-7 should help address the need for accurate and up-to-date information.

The GEF's results-based management system has played a strong role in supporting accountability, reporting, and communications; and provides information for two key instruments of regular reporting to the Council: the Annual Portfolio Monitoring Report and the Corporate Scorecard. Nonetheless, the GEF is still tracking too much information, with little focus on impacts. As designed, the system does not provide useful feedback on Agency performance or enable the articulation of lessons drawn from good practices. An important issue is the limited availability of M&E evidence that demonstrates the value added or additionality of a program over a set of projects.

During GEF-6, an increased emphasis has been placed on knowledge management, and an action plan has been developed for implementation. The knowledge generated and shared by GEF projects is useful, but it is inconsistently integrated in repositories—thereby limiting accessibility. Two-thirds of surveyed stakeholders reported having used knowledge produced by the GEF, particularly in technical and strategy documents, as an input into the design of their own environmental programs and projects; for awareness raising; or in the formulation of national environmental policies, strategies, laws, and regulations. But access to information has been difficult. Compared to similar partnership organizations, the GEF has placed less emphasis on knowledge management at the program/project level; developing technical solutions to manage knowledge; developing a systematic approach to its knowledge management products; or linking creators of knowledge with users through facilitating access, transfer, and sharing.

7.2 Recommendations

The recommendations for the 29 individual evaluations that were used in the preparation of this report are included in the individual evaluation reports and have been presented for adoption at GEF Council meetings. The recommendations that follow are at a strategic level and are intended to help the GEF going forward.

1. **Strategic positioning.** The GEF is operating in a changing world and should build on its position in addressing drivers of environmental degradation. It should enhance its efforts in the biodiversity, international waters, chemicals and waste, and land degradation focal areas, where there are limited sources of financing and few players with the GEF's depth of knowledge and experience. Within climate change, the GEF needs to sharpen its focus. Based on its comparative advantage and experience, the GEF should place continued emphasis on its work with the enabling environment and legal, policy, and regulatory measures to support market transformation. The GEF should also continue to emphasize innova-tive projects in its climate change mitigation, LDCF, and SCCF portfolios; and in piloting and demonstrating technologies and financial approaches that could be scaled up by other actors. The GEF should explore its potential to be an incubator for countries to test and refine their approaches prior to seeking large-scale finance through other partners.

2. **Promoting transformational change.** To drive transformational change in any focal area, the GEF will need to further its efforts in design-ing for transformation through adoption of systems approaches and addressing drivers of environmental degradation, and in promot-ing policy and regulatory reform and building institutional capacity in recipient countries. It would also require working with financial institutions to derisk investment, develop structured finance deals, and demonstrate how to engage markets. Ex ante assessments of the potential for transformation based on clear criteria should be completed for projects at the design stage.

3. **Continuing focus on integration based on additionality.** The GEF should continue pursuing an integrative principle in its programming based on scientific and technical merits. A strong, cogent rationale for designing integrated programs and multifocal area projects—based on demonstrated additionality, GEF experience, GEF comparative advantage, innovative contributions, environmental need, and national relevance—must be the basis for such interventions.

4. **Improving financial management.** To complement its financial resources, and to implement recent mandates including the Paris Agreement, the Minamata Convention on Mercury, and the Nagoya Protocol, the GEF should consider expanding the number and variety of donors from both Organization for Economic Co-operation and Development (OECD) countries and middle-income countries, including sub national states/provinces, that have not previously contributed and are increasingly in a position to do so. To secure its existing financing, the GEF should implement foreign exchange risk management within the parameters of the GEF Instrument, and/or as otherwise legally allowed to manage volatility.

5. **Engaging the private sector.** The GEF will need to adapt its strategy to improve its engagement with the private sector. Specifically, the private sector should be viewed more broadly than just as a source of financing. There are various opportunities to engage the private sector in areas other than finance. For example, the GEF can affect industry practices by facilitating certifications and research, as well as changing sourcing and production practices along the supply chain. Where conditions are not ripe for investment, such as in biodiversity conservation, long-term regulatory and policy intervention by the GEF can help to catalyze private sector investment.

6. **Promoting gender equality.** In revising the Policy on Gender Mainstreaming, the GEF

Secretariat needs to align the policy more closely with international gender mainstreaming good practice standards. The new policy should include a comprehensive results or accountability framework, with requirements for the GEF Secretariat to track and assess progress against any performance targets or benchmarks. Roles should be clearly assigned to oversee progress and to report on obligations to senior management.

7. **Reviewing and revising safeguard policies.** The policy on safeguards and rules of engagement with indigenous peoples should be reviewed for gaps against good practices and updated accordingly. Implementation of these by the GEF Agencies, and subsequent monitoring, will be required to assess gaps in compliance and the need for follow-up actions by the GEF.

8. **Strengthening operational governance.** Operational governance must be strengthened across the partnership. Ground rules for cooperation among Agencies must be established to support the implementation of multifocal area efforts and the expansion of programs. The GEF Secretariat should develop and clearly communicate the criteria for program selection and design. Similarly, the selection of Agencies by country governments should be based on clear criteria and comparative advantage. Addressing the potential for conflicts of interest arising from the overlapping roles between implementing and executing Agencies—including for international civil society organization partner Agencies—is imperative.

9. **Improving systems for data, monitoring, and knowledge.** GEF systems for project management information, results, and knowledge must be further strengthened to enable the GEF to demonstrate its results and serve the needs of the partnership for learning. The PMIS should be able to provide timely and accurate project information, the M&E system should capture good quantitative data on performance indicators with a focus on impacts, and the knowledge management system should provide a good repository of information to draw on in improving project design, implementation, and monitoring.

Annex A

Independent Advisory Panel statement

A.1 Introduction

The Independent Advisory Panel prepared this Statement after reviewing the final draft of OPS6. The Panel acknowledges the impressive work that has been done by GEF's Independent Evaluation Office (IEO) to produce the OPS6 report, which takes into account the complexities that the GEF faces and synthesizes the enormous amount of information collected through 29 independent evaluations. These detailed reports were building blocks for the OPS6, which brought rigor and depth to its findings and conclusions, distilling the essence from those evaluations.

This Statement discusses the process followed for OPS6 and focuses on the OPS6 report, both on the quality of the evidence and methods used as well as on the quality of the arguments, considering first the links between evidence and conclusions and second the links between conclusions and recommendations. Finally, the Panel provides comments on a set of key issues.

A.2 On the OPS6 process

The evaluation briefs prepared by IEO of completed and ongoing evaluations summarized in a four-page format, including information on the status of the various evaluations, preliminary findings and collected evidence, as well as the construction of a dedicated website for OPS6, provided an appropriate means of communicating in real-time the results of the evaluation.

The Independent Advisory Panel reviewed and made observations on the approach paper for OPS6. It also provided comments and suggestions on an annotated outline of the report at a face-to-face meeting with the IEO. The Panel reviewed and provided comments on a zero draft of the report, which was prepared and circulated 6 weeks after that meeting. Finally, as mentioned in the Introduction, the Independent Advisory Panel prepared this statement after reviewing the final draft of OPS6, which to a great extent incorporated the comments of the Panel on the zero draft.

A.3 On the OPS6 report

QUALITY OF THE EVIDENCE AND METHODS

The Panel commends the use of multiple sources of evidence and the application of different methods, thus allowing for adequate triangulation to ensure the reliability and veracity of the findings. However, a more detailed presentation of the methods used would have been worthwhile.

QUALITY OF THE ARGUMENTS

The conclusions are supported by the evidence, although this is not evident at a glance in all cases. The recommendations provide valuable

guidance on how to deal with the issues identified in the report.

SOME KEY ISSUES

This section addresses some issues that the Panel feels are not fully considered in the conclusions or presented in the recommendations.

1. The GEF project data base is not yet comprehensive, consistent, updated and accessible. This information is a global public good and its consolidation and appropriate dissemination would make an important contribution if properly curated and placed in the public domain.
2. The fundamental systemic and urgent nature of the issues at stake should be acknowledged, moving beyond a largely project-driven logic in the funding cycle.
3. Although, as indicated in conclusion 4 of the OPS6 report, it is too early to assess the performance of the Integrated Approach Pilots, the Panel believes that the GEF should continue pursuing an integrated approach and that it would be appropriate to include a full assessment of the Pilots' performance in OPS7.
4. Although the quality of private sector engagement is improving there is still a need for greater clarity on how the GEF sees the role of the private sector and vice versa. Specifically, whether it is seen by the GEF primarily as a mechanism for securing additional funding, as a mechanism to achieving desired environmental outcomes or both, and whether the private sector sees the GEF as primarily creating the enabling environment for investment. To enhance the engagement strategy, there should be greater understanding and recognition that the private sector is not a single entity but a complex mosaic of for-profit businesses, including the financial sector.
5. Even though the report states that the GEF appears to have a greater risk appetite and tolerance than other financiers, the very high percent of completed GEF-4 projects, which had outcomes rated in the satisfactory range (85%, exceeding the 75% performance target set out in the replenishment), may be a sign of a rather risk averse, insufficiently innovative project portfolio. The Panel considers that the GEF is well placed to take more risks and play a more innovative and transformative role.

The Panel would also like to emphasize the importance and urgency of implementing a foreign exchange risk management mechanism, as indicated in the second part of recommendation 4.

Finally, the Panel commends the GEF for its excellent responsiveness to the Conventions, as reported in OPS6.

A.4 Overall assessment

The Independent Advisory Panel considers that the Sixth Comprehensive Evaluation of the GEF provides solid evaluative evidence to inform the negotiations for the seventh replenishment of the GEF and therefore OPS6 fulfills its purpose.

Annex B

Approach paper for the Sixth Comprehensive Evaluation of the GEF

B.1 Introduction

1. The global landscape for environment finance has been rapidly changing. In 2014, global investments in climate finance were US$391 billion. Approximately 38%, equivalent to US$148 billion of global climate finance was committed by the public sector largely (88%) through development finance institutions with 32% through Multilateral Development Banks. The remaining 62%, equivalent to US$243 billion, of all climate finance was provided by the private sector. New institutions with similar mandates to the Global Environment Facility (GEF) such as the Green Climate Fund (GCF) and the Climate Investment Fund have become key funders of climate activities while private investors, including pension and sovereign funds, are also increasingly involved in green investments through public-private partnerships. Traditional development partners such as the World Bank and the regional development banks have continued to focus on the funding of sustainable development initiatives consistent with the Sustainable Development Goals (SDGs), and more recently, the two new multilateral development banks, the Asian Infrastructure Development Bank and the BRICS Bank provide an opportunity for mainstreaming global environmental benefits.

2. Against this backdrop, the GEF occupies a unique space in the global financing architecture. Its comparative advantage is its role in financing the major Multilateral Environmental Conventions (MEAs), including the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants, and the United Nations Convention to Combat Desertification (UNCCD). The Minamata Convention on Mercury is the most recent addition in 2013. In addition, the GEF provided funding support to countries with economies in transition to phase out ozone depleting substances under the Montreal Protocol. The Facility also funds projects in International Waters and Sustainable Forest Management that are consistent with the objectives of the United Nations Forum on Forests (UNFF).

3. Recent policy moves by the global community including on the SDGs and the Paris Climate Negotiations (including the Aichi Targets) will certainly have roll on effects as well as provide opportunities for the GEF. The private sector is in the midst of major innovations in this space in particular in the areas of (a) natural capital assessment; b) in the demand-driven search for systems to provide accessible, high quality, reliable, credible, consistent and comparable information to be used in natural capital assessments, and c) in the rapidly developing field of creating new, commercial financial instruments

NOTE: This approach paper was approved by the GEF Council at its 50th meeting in June 2016.

to support the environment, such as impact investing, as it pertains to environment. Support to the growing world of natural capital assessment and assistance in helping to unleash capital in the "private sector" presents a unique opportunity.

4. To achieve its overall objective of enhancing global environment benefits, GEF has an expanded network of implementing partners. The network has increased from the initial three implementing agencies (UNDP, UNEP and the World Bank Group) to 18 implementing agencies today.

5. The GEF continues to utilize the "System for Transparent Allocation of Resources (STAR)"[2] developed in 2009-2010 and was designed to provide predictable funding to recipient countries, contribute to country ownership, enhance country engagement and promote flexibility in programming.

6. During the 6th replenishment negotiations, in addition to the focal area strategies, there was broad support for innovative programming directions in the GEF. Replenishment participants agreed that the introduction of Integrated Approach Pilot Programs could keep the GEF on the leading edge of innovation and improve its responsiveness to regional and global issues.[3] The GEF-6 programming strategy includes three pilots in the Integrated Approach Pilots (IAP) program, including the Fostering Sustainability and Resilience for Food Security in Sub-Saharan Africa IAP, the Sustainable Cities IAP and the IAP on taking Deforestation out of Global Commodity Supply Chains. Common among these three pilots is that they are designed with the objective to address global environmental issues more holistically, within a much broader and more complex set of development challenges. GEF contributions to these challenges would seek to ensure that key global environmental issues were adequately considered in this broader context and to identify the most effective and innovative ways to use funds to reach a greater impact and scale.

7. The negotiations for the seventh replenishment of the GEF will be informed by an overall Comprehensive Evaluation of the GEF conducted by the Independent Evaluation Office (IEO). The new terminology for what would have been the 6th Overall Performance Study (OPS6) was introduced in OPS5 with the reason that "the sheer volume of evaluative evidence in the GEF has increased dramatically and rather than a study based on interviews and expert opinion, it should now rightly be called an 'evaluation' based on solid evidence". It is expected that the Sixth Comprehensive Evaluation of the GEF will be a working document of the next Assembly of the GEF, which will be held in 2018.

8. This approach paper is intended to form a basis for discussion in preparing the next Comprehensive Evaluation of the GEF. The purpose is to guide the preparation of the inputs into the next Comprehensive Evaluation and to facilitate constructive dialogue in the GEF and among its partner agencies. This evaluation will build on the findings of OPS5, assess the implementation of the recommendations in OPS5, and assess progress on the elements of the GEF6 strategy. In addition, the report will, inter alia, take an in-depth look at the health of the expanded partnership, will address issues of efficiency (through value for money analysis), discuss socio economic

[2] System for Transparent Allocation of Resources https://www.thegef.org/gef/sites/thegef.org/files/publication/GEF_STAR_A4_april11_CRA.pdf

[3] GEF Programming Directions, GEF Secretariat, March 2014. https://www.thegef.org/gef/sites/thegef.org/files/webpage_attached/GEF6_programming_directions_final_0.pdf

benefits in addition to environmental co-benefits in projects that cut across focal areas, provide early insights into the integrated approach pilots, and report on the progress towards achieving gender mainstreaming and women's empowerment, enhancing the role of the private sector and strengthening results based management and knowledge sharing.

9. This paper begins with a brief discussion on the evolution of the GEF Overall Performance Studies (OPS), defines the key areas of focus and the evaluation questions, identifies sources of evaluative evidence and discusses methodological considerations and limitations. Based on preliminary discussions with GEF partners, with participating agencies, members of the GEF Council and the GEF Secretariat, the paper has identified issues to be addressed. The approach paper then highlights the various gaps that would need to be filled through additional studies that are not currently part of the approved IEO work program.

10. In preparing this approach paper the IEO has initiated a consultative process with a variety of stakeholder groups. In addition, the draft approach paper for the Comprehensive Evaluation of the GEF (OPS6) will be posted on the IEO website, with an invitation to send in comments and suggestions. GEF constituencies and partners will also be approached directly to send in their comments. A five member external review panel will advise the IEO throughout the evaluation process in addition to providing quality assurance.

B.2 Background

EVOLUTION OF THE GEF OVERALL PERFORMANCE STUDIES (OPS)

11. The first study[4] of the restructured GEF was requested in 1996. The study concluded that, in general, the GEF had performed effectively in creating new institutional arrangements and approaches to programming its resources in the four focal areas of its work and had been quite successful in leveraging co-financing for GEF projects with some positive impact on policies and programs in recipient countries. The study further concluded that good stakeholder involvement and participation in GEF projects was one of the key strengths in GEF operations

12. The Second Overall Performance Study (OPS2)[5] was designed to assess the extent to which GEF had achieved its primary objectives as specified in the 1994 restructuring and GEF policies of subsequent years. The evaluation concluded that GEF-supported projects have been able to produce significant results that address important global environmental problems.[6] It was clear around 2002 that the GEF had produced a wide array of project results considered important in achieving future positive environmental impacts.

13. The Third in the series of Overall Performance Studies (OPS3),[7] was prepared during the period between September 2004 and June 2005.

[4] https://www.gefieo.org/sites/default/files/ieo/evaluations/ops1.pdf

[5] https://www.gefieo.org/sites/default/files/ieo/evaluations/ops2.pdf

[6] The first Decade of the GEF; Second Overall Performance Study, January 25, 2002.

[7] http://www.gefieo.org/sites/default/files/ieo/evaluations/ops3.pdf

Specifically it evaluated the 1) results of GEF activities, 2) sustainability of results at the country level, 3) GEF as a catalytic institution, 4) GEF policies, institutional structure and partnerships, and 5) GEF implementation processes. OPS3 concluded that while there had been substantial progress in the GEF system with a much better informed stakeholder group as well as better functioning processes than four years before, there was need for "constructive dialogue" in defining baselines in the face of a moving target; for example, as additional species are catalogued or as abandoned stockpiles of POPs are uncovered.[8]

14. The effort to determine progress towards results within the GEF continued in OPS4.[9] The study concluded that the GEF was relevant both to the conventions and to regional and national priorities. GEF projects were assessed to be effective in producing sustainable outcomes. Seventy (70%) per cent of completed projects were expected to make progress toward global environmental benefits. However, follow-up actions from national partners were key impact drivers that required attention. The study recommended improving the efficiency of the GEF with particular emphasis on programming, reducing the period for project identification, improving project formulation and enhancing the fee structure. It also recommended a more integrated learning and a results-based management framework that provided the basis for measurement of progress towards impact.

15. The Fifth Overall Performance Study of the GEF (2014) concluded that there is enough evidence to show that the GEF is achieving its objectives and has played a catalytic role in supporting countries in meeting their obligations under the Multilateral Environmental Agreements (MEAs) and in tackling global environmental issues. As a network, OPS5 noted that the GEF continues to search for ways to function as smoothly as possible. The report argued that network interactions have been scaled back, and effective interaction was adversely affected. Delays in the project approval process which had often occurred in the past were reduced but could not yet be considered efficient. The report questioned the appropriateness of the current organizational and business model and concluded that there was a need for the GEF to reflect and find appropriate solutions in the coming replenishment period."[10] These issues will be specifically addressed in this evaluation.

THE CONTEXT FOR THE 7TH REPLENISHMENT

16. The 7th replenishment of the GEF takes place in an international context that continues to be difficult to predict and navigate. Several global megatrends, including a 2 billion global population increase by 2050, accompanied by a rapid increase in the global middle class by 3 billion in the next two decades, rapidly growing income and wealth inequality both within countries and between them, marginalization, agrarian stress, and unprecedented levels of youth unemployment, will continue to increase pressure on resources in the coming decades. These trends will require the world to meet a doubling in demand for food, energy, human habitat, transportation, and others that create direct pressures

[8] http://www.gefieo.org/sites/default/files/ieo/evaluations/ops3.pdf

[9] http://www.gefieo.org/sites/default/files/ieo/evaluations/ops4_0.pdf

[10] http://www.gefieo.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf

on the global environment.[11] In short, the global environment continues on a downward trend and the global economic and political environment continues to be unstable. Wars in the Middle East have dislodged large numbers of people placing tremendous migration pressures on countries particularly within the European Union. These pressures are straining national budgets in countries which have barely emerged from the financial crises of 2008. Further, the international environmental architecture of conventions, funds, programs and donors continues to show increasing fragmentation, making it more difficult to coordinate and harmonize funding for the implementation of environmental activities globally. The earlier UNFCCC COP Agreement to establish the Green Climate Fund and the GEF's role in supporting the transitional committee and establishing the interim secretariat, as well as the recent Climate Change agreements, are likely to further affect the balance of funding within the international environmental architecture.

17. In this context, the 7th replenishment will need a good perspective on the international landscape, solid evidence on the actual achievements, results and performance of the GEF—both in focal areas as well as in multi focal projects, early insights into the evidence from the design of the new integrated pilots and associated child projects. In addition, evidence on the progress on the GEF2020 strategy with respect to the mainstreaming of cross cutting issues including gender, private sector and civil society, resilience; improving operational efficiencies and results management will also be important. Key evaluation parameters such as impact, country ownership, performance, and the catalytic role of the GEF which were investigated in earlier OPSs are now a part of the regular work program of the IEO.[12] To that extent, the Comprehensive Evaluation of the GEF will have the benefit of using existing accumulated evaluation evidence emerging for the period 2014-2017. A key component of the Comprehensive Evaluation will include a meta-analysis of completed evaluations undertaken not only by the Independent Evaluation Office of the GEF but also by other independent evaluation offices of GEF agencies. The aim will be to distill evidence from aggregate data to provide additional insights into the role the GEF has played and could potentially play within governments and in the GEF agencies in supporting the environmental agenda and mainstreaming environmental issues into the development agenda. This meta- analysis will be complemented by several in-depth studies to address the various institutional and governance issues as highlighted in Tables 1 and 2.

B.3 Objectives and audience for the Sixth Comprehensive Evaluation

18. The overall purpose of the Sixth Comprehensive Evaluation of the GEF is to provide solid evaluative evidence to inform the negotiations for the seventh replenishment of the GEF. Following the objectives of the previous overall performance studies, the objective is to assess the extent to which the GEF is achieving its objectives as laid down in the GEF Instrument and reviews by the Assembly, as developed and adopted by the GEF Council in operational policies and programs for GEF financed activities, and to identify potential improvements going forward. In addition, this evaluation will also assess the relevance of the

[11] https://www.thegef.org/gef/sites/thegef.org/files/webpage_attached/GEF6_programming_directions_final_0.pdf

[12] OPS5 draft approach paper, March 2015. http://www.gefieo.org/sites/default/files/ieo/documents/files/ops5-approach-paper.pdf

GEF objectives in this changing external landscape. The audience for the Sixth Comprehensive Evaluation comprises replenishment participants, the GEF Council, the GEF Assembly, members of the GEF and external stakeholders. Relevant findings will be presented to stakeholders and parties in the GEF, including the GEF Secretariat, GEF Agencies, STAP, the GEF CSO network, and project proponents ranging from different Civil Society groups that includes private and public sector entities as well as the academic community, through existing channels such as the Extended Constituency Workshops and GEF CSO network meetings. In addition the evaluation will be distributed to the MEA secretariats and their conferences of the parties.

19. The Independent Evaluation Offices' four-year work program and budget which presents the strategy, programming and other work for the GEF6 period was discussed and approved by the GEF Council in June 2015. The work program was designed to provide evaluative evidence on the major strategies approved in the Sixth Replenishment of the GEF. As such, all evaluations that address trends in performance, achievements, results and impacts have been approved in the work program and will feed into the comprehensive evaluation; additional studies that address specific questions and issues relevant for the replenishment process will be carried out over the next fiscal year and are presented here for discussion and Council approval.

B.4 Approach to preparing the comprehensive evaluation

ISSUES, QUESTIONS, AND SCOPE

20. The Comprehensive Evaluation will deal with two related themes: (1) institutional, governance, strategy and programming issues and (2) the performance and impact of the GEF. With respect to performance and impact, the Comprehensive Evaluation will assess the performance of the GEF as synthesized from evaluations conducted by the Independent Evaluation Office and its partner organizations over the period from 2014 to 2017.

21. The work program has been constructed appropriately to assess the key strategic priorities in the GEF-6 programming directions. The overall approach of the IEO program is consistent with issues explored in the Fourth and Fifth Overall Performance Studies and addresses issues such as impact, drivers of environmental degradation and innovation through its impact evaluations. Results at the country level will be assessed through country portfolio evaluations and performance of the GEF partnership in terms of relevance, efficiency and effectiveness will be assessed through the Annual Performance. This body of work will form the basis for evaluating the GEF-6 Strategic priorities and other issues associated with the effective functioning of the GEF.

22. In addition, evaluations being currently implemented, including multiple benefits in the GEF that evaluates the impacts of multi focal projects, the evaluation of the programmatic approaches and the integrated approach pilots will provide evidence on GEF programming strategies. The current work program of the IEO does not sufficiently address the relevance of GEF to the guidance of the conventions, institutional and governance issues. Additional work on the role of the GEF and its comparative advantage in a changing environment finance landscape, the health of the expanded partnership, institutional issues, overall governance, and individual focal area studies that will address the relevance of the GEF to the conventions, will be conducted. Besides the evaluation work of the GEF Trust Fund, evaluations of the Least Developed Countries Fund (LDCF) and the Special Climate Change

Fund (SCCF) constitute part of the body of work that would contribute to the Comprehensive Evaluation of the GEF.

23. Several technical reports and an overall synthesis report will be prepared to inform the seventh replenishment process. The synthesis report will provide analyses of trends in performance and impact of the GEF, and evidence from the evaluations and sub-studies commissioned by the IEO and its partner agencies. The reports will be timed to support the first and last meetings of the GEF Council's replenishment exercise with the draft report being submitted to the June 2017 meeting.

INSTITUTIONAL, GOVERNANCE AND PROGRAM ISSUES

24. In its review of OPS5 the expert review panel identified issues that were either not adequately covered or which required additional follow-up in the subsequent evaluation of the GEF.[13] These issues relate, inter alia, to the alignment of the results management system in the GEF to support adaptive management, the disproportionate share of GEF funding flowing to Climate Change at the expense of other MEAs, the extent to which gender and the evaluation of its effectiveness has been mainstreamed in GEF's work since the development of the gender policy, further analysis of emerging multi-focal area projects and their impact, and the extent of GEF's global relevance in the face of huge subsidies by governments to support environmentally damaging activities and the consequent accelerating environmental degradation.

25. In preparing this approach paper, members from GEF agencies, the Secretariat and CSO network members were interviewed for their views on institutional and governance issues that they considered important for this evaluation. Most common among the issues raised are the following: a) The expansion of GEF partnership agencies (scope and number), incentives and project cycle and program modalities to collaborate and the role for Operational Focal Points; b) the knowledge management role of the GEF; c) the policy on private sector engagement; d) the potential for synergies between the GEF and the Green Climate Fund (GCF) at the country level; e) the integration of GEF funded activities into agency programs at the country level; and f) the impacts of the System for Transparent Allocation of Resources (STAR).

26. Based on the inputs from stakeholders, themes that will be addressed include:

RELEVANCE AND THE GLOBAL CONTRIBUTION OF THE GEF

a. Global relevance, GEF 6 Strategy and the focus on integrated program approaches
b. Focal area strategy Results and relevance to Conventions
c. Governance of the GEF, donor performance and resource mobilization
d. Health of the expanded partnership
e. Attention to cross cutting policies including gender
f. Engagement with the private sector
g. Attention to Civil Society Organizations and Indigenous People
h. Resource allocation (STAR)
i. Results Based Management
j. Knowledge Management

[13] https://www.thegef.org/gef/sites/thegef.org/files/EO/Senior%20Independent%20Evaluation%20Advisors%20Statement%20Final.pdf

27. The themes will be addressed through independent evaluations and sub-studies while drawing on literature reviews, interviews, analysis of existing data and meta analysis of existing evaluations. Synergies are expected between many of the on-going evaluations and sub-studies to be commissioned for the Comprehensive Evaluation. The matrix in Table 1 below details the key questions related to the themes above, identifies potential sources of information, and the scope and limitations of the studies.

PROGRAM PERFORMANCE AND IMPACT

28. The evaluation of program performance and outcomes/impacts will consider the following key themes:

a. Outcome and Sustainability Ratings for completed GEF Projects as emerging from the 2013-2017 period

b. Ratings on progress towards impact of completed GEF projects for the period 2013-2017

c. Trends in the catalytic role of the GEF as characterized by projects that focus on demonstration, scale up or investment

d. Trends in country ownership and drivenness and GEF's role in contributing to policy and regulatory improvements in countries

e. An understanding of the longer term impact of the GEF based on evidence from impact evaluations

f. Trends in performance issues including quality at entry, co-financing, supervision

g. Trends in implementation and achievement of the focal areas of the GEF

29. Providing answers to these questions will involve undertaking a meta-analysis of GEF evaluations and additional data gathering and analysis as required. A meta-analysis is essentially a systematic synthesis of evaluation studies that provides information to facilitate examination of patterns, trends and relationships with the aim of providing a greater understanding and importance of program characteristics, outcome domains and methods. Cumulative synthesis of evaluations adds to knowledge in the field, trends become apparent, and their potential contribution to decision making clearer.

30. While meta-analyses are not necessarily easy to conduct because the evaluations are derived from difference sources with dissimilar methods, data quality and reliability making comparisons difficult, evaluations undertaken by the IEO are less likely to face the same difficulties. These evaluations use similar approaches and methods making data aggregation and comparison much easier.

31. A major exercise was undertaken during OPS5 to assemble, clean-up and validate a database of GEF interventions through exchanges with the GEF Secretariat, GEF Agencies, and the Trustee. The OPS5 database will serve as a starting point for conducting the meta-analysis for the 6th Comprehensive Evaluation of the GEF. These updates will produce two lists of projects. A list of 1) completed and 2) on-going projects after OPS5 closed. These databases will be used to conduct a meta-analysis of trends in GEF support in terms of modalities, focal areas, countries and regions covered and in terms of performance (results and impact) for closed projects. Table 2 below presents a matrix of issues to be considered in the meta-analysis. It includes key evaluation questions, sources of evaluative evidence, and scope and limitations.

TABLE B.1 Relevance and the global contribution of the GEF

Key issue	Evaluation question	Sources of evidence	Scope and limitations
Global relevance of the GEF	To what extent is the GEF relevant globally and how could its global relevance be enhanced? What would be the comparative advantage of the GEF in the changing landscape?	Environmental/ scientific literature, patterns of government spending, interviews with governments and international development agencies, and research institutions.	Broad review of existing literature and interviews. Relevance will be assessed in terms of both alignment with the global context (including the SDGs) and needs, GEF's mandate, strategic focus of the core areas of intervention, appropriateness of approaches used, geographical scope, and delivery of GEB.
GEF 6 Strategy	To what extent is the GEF6 strategy achieving its objectives? What does the early evidence suggest on the integrated approaches?	GEF6 Programming Directions, Evaluations of Focal Area strategies, Strategic country level and cluster evaluations, Formative evaluation of programmatic approaches	This will draw on the focal area studies, the private sector study, the multiple benefits evaluation, the programmatic approaches evaluation and the process evaluation of integrated approaches.
Continuing relevance and effectiveness of the current GEF Business Model and Health of the Partnership	To what extent is the current GEF business model effective and still relevant? Does the current business model optimize the capabilities within the GEF partnership?	Strategy documents, Interviews with partner agencies, governments, Council members, working papers, council deliberations, results of multi-focal area projects, sub study will look at trends in network and partnership relations and link these with developments in the GEF.	Current focal area studies, Multiple benefits evaluation, the study of the expansion of the GEF partnership, interviews with stakeholders and partners. An update to OPS5 on the role of STAP.
Funding Structure of the GEF	To what extent has the disproportionate share of funding flowing to climate change in recent years been addressed in order to create balance in GEF allocations to the focal areas? Have the issues related to the substantial donor areas been addressed? What are the implications of the interlinkages between the MEAs for GEF financing? How has the STAR allocation mechanism deepened country ownership?	Examination of the funding structure and resource allocation. Interviews with stakeholders and a study of donor disbursements to the Trust Fund.	General review of the funding structure of the GEF. Update on the review of the STAR allocation in the context of the expansion of the partnership and the integrated approaches.
Governance of the GEF	Extent to which the governance of the GEF continues to follow good practices.	A study will look at OPS5 conclusions and update them.	Findings to draw on a governance study and any other relevant issues identified in the paper on the Health of the Partnership.
Focal Area Strategies and Results	Are the Focal Area Theories of Change realistic? Do they align meaningfully with the objective of supporting integrated solutions?	Focal area strategy evaluations, evaluations of GEF's results framework	Project level evaluations in focal areas will provide some evidence and additional analysis will be undertaken. Focal area studies are being undertaken to address alignment with conventions.
Multiple Benefits of GEF Support	To what extent has GEF support generated multiple benefits?	Evaluation of multiple Benefits of GEF Support	Multiple Benefits evaluation, focal area studies.

(continued)

TABLE B.1 Relevance and the global contribution of the GEF *(continued)*

Key issue	Evaluation question	Sources of evidence	Scope and limitations
Programmatic Approaches	What has been GEF's experience with programmatic approaches? How effective have these approaches been in different contexts and what has been their contribution to global environmental benefits? What is the early evidence on the Integrated Approaches programs (IAPs)?	Evaluation of programmatic approaches, the IAPs, Working Paper clarifying programmatic approaches	Issues related to process effectiveness and efficiency , Integrated approaches and value for money as well as contribution to global environmental benefit will be explored The evaluation of programmatic approaches will assess whether and how GEF support delivered under the modality has delivered the expected results in terms of global environmental benefits while addressing the main drivers of global environmental change. Comparison of programs vs stand alone projects will be explored.
Results Based Management (RBM)	To what extent is the RBM system in a position to capture the impacts of GEF interventions? To what extent does this system support adaptive management?	An evaluation of GEF's results framework, RBM system and tracking tools.	Technical paper to cover strategic management, governance and operational activities.
Gender Mainstreaming	To what extent have gender issues and evaluation of its effectiveness been mainstreamed into GEF's work since the development of its gender policy?	Meta-Analysis Sub-studies on Gender for OPS5 , Gender Policy of the GEF, Project and country program evaluations	The sub-study on gender in OPS5 can provide a starting point in undertaking this study. This will be updated with a technical review. All ongoing evaluations will address gender.
Role of the Private Sector	To what extent has the GEF played a catalytic role in mobilizing private sector financing in address GEBs? How has the GEF engaged the private sector to identify opportunities and leverage them effectively? How is the Non Grant Instrument performing?	A more in-depth look at the involvement of the private sector at the project level and in the integrated programs	The portfolio analysis and a technical paper will provide solid indications of trends and performance, drawing on other international examples.
Role of Civil Society Organizations and Indigenous peoples participation	What has been the role of civil society organizations in GEF's work? To what extent has the use of traditional knowledge been promoted in and by GEF activities?	A more in-depth look at the involvement of civil society organizations at the project level –a sub-study will link this to the findings in the focal area strategy evaluations as well as Strategic Country Level and Cluster Evaluations (SCCCEs)	The portfolio analysis and the sub-study together with the CSO Network evaluation will provide indications of trends and achievements.
Knowledge Management	Is the GEF performing as a major data and information provider and are there any systemic issues to be addressed? What is the extent to which Knowledge Management has been effectively managed and shared across the partnership?	An in-depth review of the KM strategy and the effectiveness of the implementation of the strategy	Desk study plus field evidence and interviews with stakeholders, evidence from all ongoing evaluations.

TABLE B.2 Program performance and impact

Key issue	Evaluation question	Sources of evidence	Scope and limitations
Continuing relevance of the GEF to Multilateral Environmental Agreements (MEA)	How relevant is the GEF to the guidance of the conventions, as emerging from the evaluations in the period 2013-2017? What are the implications of the focus on integrated approaches?	Terminal evaluations of projects, country portfolio evaluations, thematic and impact evaluations.	Issues related to relevance will be synthesized from Focal area strategy Evaluations, project level evaluations and the Programmatic/Integrated approaches evaluations.
Project Level Accomplishments	What are the outcome and performance ratings on outcomes and sustainability of completed GEF projects, for which terminal evaluations are available (2013-2017); to what extent have the ratings improved?	Terminal evaluations of projects, country portfolio evaluations, impact evaluations, annual performance reports (APR), available benchmarks from other agencies such as IEG.	Terminal evaluations are quality assured and follow roughly the same guidelines. Trends can be established from 2004. High level of coverage and Confidence; validations will be performed to ensure consistency.
Progress toward impact of completed GEF projects	To what extent are the ratings on progress toward impact of completed GEF projects for the period 2013-2017 better or worse than the full cohort of OPS4 and OPS5 completed projects? What are some of the factors responsible for the observed trends?	Terminal Evaluations of projects with review of outcomes to impact through. Strategic Country Level and Cluster Evaluations (SCCCEs) and Impact Evaluations, APRs.	Terminal evaluations of completed projects are likely to have wider coverage. Strategic Country Level and Cluster Evaluations, programmatic and multiple benefits evaluations will contribute.
Catalytic role of the GEF	What trends are discernible on the catalytic role of the GEF as characterized by foundation, demonstration and/or investment projects?	Country program, Thematic and Impact Evaluations. Demonstration, Foundation and Investment portfolio analysis, APR.	Scope and coverage will be broader than OPS5. Terminal evaluations, focal area studies, Multiple Benefits and programmatic approaches will provide insights.
Focal Area Achievements	What are current trends in the implementation and performance of focal area support of the GEF as synthesized from thematic, country portfolio and impact evaluations.	Focal area strategies, Meta-analysis, based on Strategic Country Level and Cluster Evaluations (SCCCEs), thematic and impact evaluations, as well as terminal evaluations.	The Focal area strategies are more current than evidence that may emerge from some project level evaluations since some projects pre-date the focal area strategies.
Country Ownership and Drivenness and GEF's contribution to changes in country policy and regulations	What trends are evident from the country portfolio evaluations in regards to ownership and country drivenness.	Project terminal evaluations, thematic evaluations and impact evaluations, Strategic Country Level and Cluster Evaluations (SCCCEs) – country selection to be determined.	Evidence will be derived from planned Strategic Country Level and Cluster Evaluations (SCCCEs), project level terminal evaluations and relevant evaluations from partner agencies evaluation offices.
Addressing Drivers of Global Environmental Change	To what extent and in what forms has GEF support addressed drivers of environmental degradation (these would include positive and negative drivers). What is the role of the GEF in policy matters such as UNFCCC and the SDGs?	Impact evaluations, Strategic Country Level and Cluster Evaluations (SCCCEs).	Evaluation of cluster of GEF projects at country, regional or global levels. Evaluation of Programmatic approaches and Multiple Benefits, and the Integrated Approaches evaluation will provide evidence on the extent to which GEF Portfolios are addressing drivers of Global Change.
GEF Performance	Extent to which performance in the GEF has improved, especially on: Project cycle, Co-funding, Management costs and fees, Quality at entry, Supervision, LDCF-SCCF. What are the challenges in addressing these?	Portfolio analysis, SCCCEs, terminal evaluations. Annual Performance Reports (APRs), LDCF/SCCF Annual Evaluation Reports, Governance, Health of the Partnership studies.	Changes in trends will be discerned from the portfolio analysis, Health of the Partnership and Governance of the GEF, focal area studies, and Programmatic and Multiple Benefits evaluations.

B.5 Methodological notes

32. This Comprehensive Evaluation of the GEF is essentially a synthesis of many evaluations and studies designed to produce findings and recommendations that will inform the 7th Replenishment exercise. To that extent, there will be considerable variability in the methods to be used for the cohort of evaluations and studies that make up the comprehensive evaluation. These will be detailed for each evaluation in the approach papers/ inception reports as the case may be. In general, however, the specific methods used to collect data; methods of analysis and the validation of findings are standard methods that will be applied and will follow international best practice. They include: literature and document reviews; portfolio analysis; structured and semi-structured interviews; surveys; the use of GIS and remote sensing methods; rapid impact evaluations; stakeholder consultations and analysis; country and field visits; statistical analysis; qualitative analysis; data triangulation and case studies.

33. IEO's Generic Theory of change[14] (TOC) represents, for all intents and purposes, a conceptual framework of GEF investment and not a framework for understanding the causal pathways between GEF support and global environmental benefits. The Generic Theory of Change is still relevant for developing the Comprehensive Evaluation. The TOC will provide the general framework for organizing and classifying data and to carry out comparative analysis of data derived from different sources. For specific evaluations, however, theories of change may be developed along with detailed evaluation matrices consistent with international best practice.

34. The full portfolio of GEF projects and activities will be analyzed. Evidence on progress toward impact will be gathered from completed projects from July 2013 to January 2017. The process of measuring results through attribution which, by definition, makes causal claims is difficult and in many cases impractical. Given the fact that GEF supported interventions are implemented through partnerships among several institutions, impacts in the GEF are often determined through analysis of what GEF-supported interventions have "contributed" to, without distinguishing the results of activities supported by GEF funding alone from the activities of co-financiers.

35. Credible claims of "contribution" can be made if 1) the intervention is logically and feasibly designed to directly or indirectly result in the desired benefits as outlined in a theory of change, 2) the intervention is implemented as designed, 3) the immediate results occur as expected in the causal chain, and 4) other rival explanations for the results have either been considered and rejected, or their relative role in making a difference to an observed result has been adequately recognized.[15] Whenever possible, the analysis will attempt to determine the added value of GEF's contributions in light of the roles played by other actors at different times and locations. In the programmatic and multiple benefits evaluations, attempts will be made to address the counterfactual to understand what things would have been like without GEF involvement.

36. The process of identifying the impact pathways and specifying the impact drivers and assumptions for modeling progress toward impact – the outcome-to-impact pathway

[14] See annex II, Generic Theory of Change of the Global Environment Facility support.

[15] OPS5 Technical Document #2: Impact of the GEF. http://www.gefieo.org/documents/ops5-td02-impact-gef

developed in OPS5 will be applied. This method, beyond providing ratings based on a project's specific context, identifies the specific areas of GEF contribution towards the achievement of impacts or of intermediate states.

B.6 Organizational issues

STAKEHOLDER CONSULTATIONS

37. The Comprehensive Evaluation of the GEF is being conducted between October 2016[16] and October 2017, with several of the technical papers and evaluations submitted to Council in June 2017.[17] It will be an in-depth evaluation using a participatory approach characterized by regular stakeholder consultation and involvement throughout the evaluation process. This will involve consultation and outreach during the preparation of this approach paper, during the conduct of the evaluation and the dissemination and outreach to key stakeholders. Sub-regional meetings of GEF focal points and Extended Constituency Workshops are an important means by which the Independent Evaluation Office will interact with key stakeholders.

QUALITY ASSURANCE

38. Five external quality assurance advisors from the developed, the newly emerging group of (BRICS) countries, and the developing nations have been appointed. The external review panel comprises of the following experts: Ms. Holly Dublin, Ms. Sunita Narain, Mr. Hans Bruyninckx, Mr. Osvaldo Feinstein, Mr. Kazuhiko Takemoto. These recognized international development professionals in the fields of environment, development and evaluation would provide quality assurance through all stages of preparing the comprehensive evaluation. They will provide guidance throughout the evaluation process—including the conceptualization of the evaluation, the interpretation of findings and the framing of recommendations. Another key component of the quality assurance process is the review for individual evaluations and sub-studies. Reference Groups and peer reviewers will provide quality feedback and inputs into the independent evaluations.

B.7 Deliverables

39. The Comprehensive Evaluation of the GEF will produce several independent evaluations and sub-studies to be presented to the June2016-June 2017 GEF Council meetings. The main report will provide a clear understanding of the performance of the GEF including current results and impact as synthesized from evaluations conducted by the GEF Independent Evaluation Office and its partner organizations. The main report will also synthesize findings and recommendations on issues related to governance, program and institutional development from the independent evaluations and sub-studies. The individual evaluations and sub-studies that contribute, in a significant way, to the Comprehensive Evaluation will be presented to the Council and published as technical documents and be uploaded to the IEO website. The draft report will be timed to inform the 7th Replenishment exercise with the final report being delivered in December 2017. Besides the GEF Council and Replenishment participants, the reports will be distributed widely to GEF partners, stakeholders and Civil Society and be uploaded to the IEO website.

[16] Some of the contributing evaluations to the Comprehensive evaluation such as the evaluation of Programmatic approaches had been initiated in October 2015.

[17] The Comprehensive Evaluation of the GEF will become a working document of the Sixth Assembly of the GEF, which will be held in 2018.

B.8 Schedule and budget

40. The independent evaluations or technical reports should be completed and made available by June 2017 and the synthesis report by December 2017. Below is the tentative schedule for the comprehensive evaluation.

Task	Year	
	2016	2017
Approach Paper	June	
Preparation of Meta-Analysis		March
Preparation of sub-studies and other evaluations (Technical Reports)	July-December	June
Delivery of OPS6 Progress Report		June
Delivery of Synthesis Report		December

BUDGET

41. The Council has approved the 4 year Budget and Plan for the IEO. This Comprehensive evaluation will be adequately resourced through this approved budget. This evaluation will draw on the individual evaluations approved as part of the work program. The separate studies that are undertaken as part of this evaluation will be budgeted for once the approach paper is approved. A tentative budget estimate for the extra studies for this evaluation is approximately $0.7 million.

Annex B.I: References

OPS5, Fifth Overall Performance Study of GEF, The GEF Portfolio, OPS5 Technical Document #1 March 2013.

Terms of Reference and Budget for the Fifth Overall Performance Study of the GEF.

OPS5 Annex: Comments of the Senior Independent Evaluation Advisors.

OPS5 draft approach paper, March 2012.

ALNAP Annual Review 2003. www.alnap.org/pool/files/alnap-annual-review-2003.pdf

Fifth Overall Performance Study of the GEF. Final report: At the Crossroads for Higher Impact, Summary, GEF 2014. http://www.gefieo.org/sites/default/files/ieo/evaluations/ops5-final-report-eng.pdf

Four-Year Work Program and Budget of the GEF Independent Evaluation Office May 2015.

Audit Trail of Comments on the Draft Approach Paper, GEF IEO, May 9 2012. https://www.gefieo.org/sites/default/files/ieo/ieo-documents/ops5-siea-comments-1st-report.pdf

Fourth Overall Performance Study of the GEF(OPS4): Progress Toward Impact, April 2010. https://www.thegef.org/gef/sites/thegef.org/files/documents/FULL REPORT_OPS4 Progress Toward Impact_0.pd

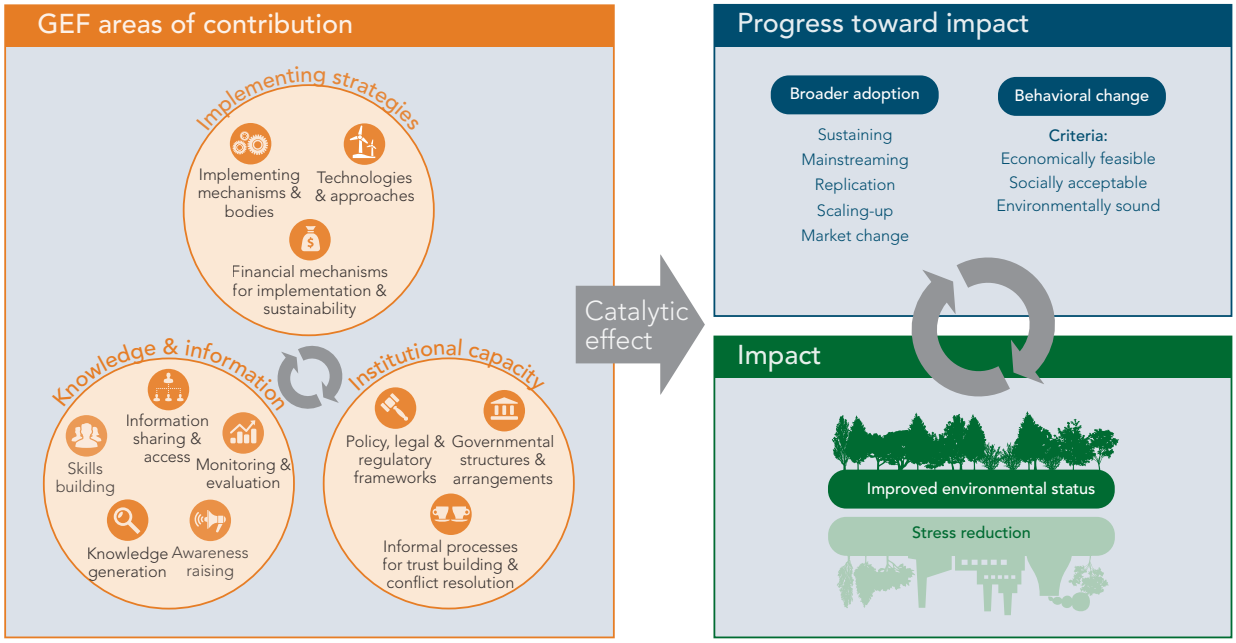
Third Overall Performance Study of the GEF (OPS3): Progressing Toward Environmental Results, June 2005. http://www.gefieo.org/sites/default/files/ieo/evaluations/ops3.pdf

Second Overall Performance Study of the GEF (OPS2): The First Decade of the GEF, January 2002. https://www.gefieo.org/sites/default/files/ieo/evaluations/ops2.pdf

First Overall Performance Study of the GEF (OPS1): Study of GEF's Overall Performance, https://www.thegef.org/gef/sites/thegef.org/files/documents/OPS1.pdf

GEF-6 PROGRAMMING DIRECTIONS https://www.thegef.org/gef/sites/thegef.org/files/webpage_attached/GEF6_programming_directions_final_0.pdf

Annex B.II: GEF theory of change



Annex C

IEO evaluations and studies contributing to OPS6

Evaluation of Programmatic Approaches in the GEF (2017)

Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio (2017)

Formative Evaluation of Integrated Approach Pilot Program: Sustainable Cities (2017)

Formative Evaluation of Integrated Approach Pilot Program: Taking Deforestation Out of Commodity Supply Chains (2017)

Formative Evaluation of Integrated Approach Pilot Program: Food Security in Africa (2017)

Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems (2016)

Impact of GEF Support on National Environmental Laws and Policies (2017)

Value for Money Analysis for the Land Degradation Projects of the GEF (2016)

Value for Money Analysis for the Biodiversity Projects of the GEF (2017)

Project-Level Accomplishments Study (2017)

Review of GEF Support for Transformational Change (2017)

Biodiversity Focal Area Study (2017)

Climate Change Focal Area Study (2017)

International Waters Focal Area Study (2016)

Land Degradation Focal Area Study (2017)

Chemicals and Waste Focal Area Study (2017)

Joint GEF-UNDP Evaluation of the Small Grants Programme (2015)

Program Evaluation of the Least Developed Countries Fund (2016)

Program Evaluation of the Special Climate Change Fund (2017)

Review of the Comparative Advantage, Financing, and Governance of the GEF Partnership (2017)

Evaluation of the System for Transparent Allocation of Resources (2017)

Evaluation of the Expansion of the GEF Partnership (2017)

Evaluation of the GEF's Engagement with the Private Sector (2017)

Evaluation of the GEF–Civil Society Organization Network (2016)

Evaluation of Gender Mainstreaming in the GEF (2017)

Review of the GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards (2017)

Evaluation of GEF Engagement with Indigenous Peoples (2017)

Review of Results-Based Management in the GEF (2017)

Knowledge Management Study (2017)

Annex D

Acknowledgments

The Sixth Comprehensive Evaluation (OPS6) of the Global Environment Facility (GEF) has been prepared by a large team of colleagues, consultants, and external firms led by the GEF Independent Evaluation Office; these contributors are listed below. However, the work would have not been possible without the full support of all GEF partners: the Council, the Secretariat, the Agencies, the Scientific and Technical Advisory Panel, the GEF focal points in the countries, and the GEF–Civil Society Organization (CSO) Network. Furthermore, the GEF Independent Evaluation Office would like to acknowledge all the respondents to surveys, interviews, focus groups, and email inquiries; and the governments, agencies, and project staff who received OPS6 team members in the field. OPS6 would have not been possible without this support.

GEF Independent Evaluation Office

Juha I. Uitto, Director
Geeta Batra, Deputy Director and Chief Evaluation Officer (OPS6 Team Lead)
Anupam Anand, Evaluation Officer
Dennis Bours, Evaluation Officer
Carlo Carugi, Senior Evaluation Officer
Evelyn Chihuguyu, Program Assistant
Sara El Choufi, Evaluation Analyst
Jeneen Garcia, Evaluation Officer
Francisco Grahammer, Information Analyst
Malac Kabir, Research Assistant
Marie Constance Manuella Koukoui, Senior Executive Assistant
Kyoko Matsumoto, Senior Evaluation Officer
Neeraj Negi, Senior Evaluation Officer
Juan Portillo, Senior Operations Officer
Molly Watts Sohn, Evaluation Analyst
Kseniya Temnenko, Knowledge Management Officer
Anna Viggh, Senior Evaluation Officer
Baljit Wadhwa, Senior Evaluation Officer
Peixuan Zhou, Evaluation Analyst

GEF Independent Evaluation Office consultants

Brent McCullough Almond
Maximillian Shen Ashwill
Joumana Asso
Amit Bandopadhay
Spandana Battula
Barbara Befani
Anthony G. Bigio
Matteo Borzoni
Pamela Jean Branch
Ashley L. Camhi
Benjamin Begbie Clench
Philip William Maurice Cox
Lasha Dolidze
Bakary Doucoure
Jillian Blair Dyszynski
Andrew Eil
Mathias Einberger
Min Feng
Francis Gagnon
Erin Nicole Glennie
Hayley Lauren Gillooly
Virginia Boris Gorsevski

Xie He
Sarah Rodrigues da Cunha Irffi
Bruce Jenkins
Ghada Isa Jiha
Brian Thomas Benney Jones
Robert Kafakoma
Ritu Kanotra
Noel Gerard Keough
Michael U. Klein
Sujata Nitin Lamba
Caroline Laroche
Antonio La Vina
Punjanit Leagnavar
Andres Liebenthal
Chenhao Liu
Mi Lu
Christopher Paul Lysy
Mireia Duran Mate
Sean Eaton McCartney
Matthew Stephen McFall
Katherine Ann Melocik
Andrea Merla
Laura Reynolds Nissley
Segbedzi Norgbey
Perry Charles Oddo
Glenn Andrew O'Neil
Katia Oneissi
Beverly Anderson Parsons
Maria Elisa Passeri
Shilpa Patel
Rafael Barbosa Pereira Pinto
Detlev Puetz
Eduardo Raul Quiroga
Kent Hubbard Redford
Rosa Maria Vidal Rodriguez
Andy Rowe
Dalia Abbas Saleh
Daniel Andrew Slayback
Emily Pierce Smith
Joana Talafre
Alison Nicole Thieme
David Michael Todd
Pogouliaev Vassili
Ekaterina Anastasia Verkhovsky
Qianjing Wang
Michael Peter Wells
Michelle Weston
Qijin Wu
Xiangyu Wu
Deeba Yavrom
Semi Yoon
Tomme Rozanne Young
Sandra Kathryn Znajda

Consulting firms and partner institutions

College of William and Mary
Environmental Law Institute
ICF Incorporated, LLC
IUCN World Commission on Protected Areas–Species Survival Commission
Global Land Cover Facility, University of Maryland
National Aeronautics and Space Administration (NASA)
Nexus Associates, Inc.
Steward Redqueen
Universalia Management Group Ltd

Independent Advisers

Dr. Hans Bruyninckx, Executive Director, European Environment Agency
Dr. Holly Dublin, Independent Expert, Biodiversity Conservation, Community Wildlife Management and Corporate Sustainability
Prof. Osvaldo Néstor Feinstein, Universidad Complutense de Madrid's Master in the Evaluation of Programs and Public Policies
Dr. Sunita Narain, Director General, Centre for Science and Environment
Dr. Kazuhiko Takemoto, Director, Institute for the Advanced Study of Sustainability, United Nations University (UNU-IAS)

Editor/designer

Nita Congress

References

Artiola, Janick, Ian L. Pepper, and Mark L. Brusseau. 2004. *Environmental Monitoring and Characterization*. Elsevier Science & Technology Books.

Barrett, Christopher B. 2003. "The CGIAR at 31: An Independent Meta-Evaluation of the Consultative Group on International Agricultural Research." Operations Evaluation Department Working Paper. World Bank, Washington, DC.

Climate Policy Initiative. 2014. "Global Landscape of Climate Finance 2014." Climate Policy Initiative.

CBD (Convention on Biological Diversity). 1996. "COP 3 Decision III/11."

———. 2013. "Biodiversity and Sustainable Development." UNEP/CBD/SBSTTA/17/INF/2. Note by the Executive Secretary. Montreal.

Cowie, Annette, Uwe A. Schneider, and Luca Montanarella. 2007. "Potential Synergies between Existing Multilateral Environmental Agreements in the Implementation of Land Use, Land-use Change and Forestry Activities." Environmental Science & Policy 10 (4): 335–52.

Credit Suisse AG and McKinsey Center for Business and Environment. 2016. *Conservation Finance. From Niche to Mainstream: The Building of an Institutional Asset Class*. Geneva: Credit Suisse.

FAO (Food and Agriculture Organization of the United Nations). 2011. "Review of the State of World Marine Fishery Resources." FAO Fisheries and Aquaculture Technical Paper No. 569. FAO, Rome.

GEF (Global Environment Facility). 2007. "Results-Based Management Framework." GEF/C.31/11. GEF, Washington, DC.

———. 2011. "GEF Policies on Environmental and Social Safeguard Standards and Gender Mainstreaming." GEF/C.40/10/Rev.1. GEF, Washington, DC.

———. 2012a. "Policy on Gender Mainstreaming." GEF/SD/PL/02. GEF, Washington, DC.

———. 2012b. "Principles and Guidelines for Engagement with Indigenous Peoples." GEF/C.42/Inf.03/Rev.1. GEF, Washington, DC

———. 2013. "System for Transparent Allocation of Resources (STAR)." PL/RA/01. GEF, Washington, DC.

———. 2014a. "Co-Financing Policy." GEF/C.46/09. GEF, Washington, DC.

———. 2014b. "The GEF-6 Biodiversity Strategy." GEF, Washington, DC.

———. 2014c. "GEF-6 Policy Recommendations." GEF/R.6/21/Rev.03. GEF, Washington, DC.

———. 2014d. "GEF-6 Programming Directions." GEF/R.6/20/Rev.04. GEF, Washington, DC.

———. 2014e. "GEF Programming Strategy on Adaptation to Climate Change for the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF)." GEF/LDCF.SCCF.16/03/Rev.01. GEF, Washington, DC.

———. 2014f. "Gender Equality Action Plan (GEAP)." GEF/C.47/09/Rev.01. GEF, Washington, DC.

——— . 2014g. "Proposal for the System of Transparent Allocation of Resources (STAR) for GEF-6." GEF/C.46/05/Rev.01. GEF, Washington, DC.

——— . 2014h. "Summary of the Negotiations of the Sixth Replenishment of the GEF Trust Fund." GEF/C.46/07/Rev.01. GEF, Washington, DC.

——— . 2015a. "GEF2020: Strategy Paper for the Global Environment Facility." GEF, Washington, DC.

——— . 2015b. "GEF Knowledge Management Approach Paper." GEF/C.48/07/Rev.01. GEF, Washington, DC.

——— . 2015c. "GEF Policy: Project Cancellation." OP/PL/01. GEF, Washington, DC.

——— . 2015d. *Instrument for the Establishment of the Restructured GEF*. Washington, DC: GEF.

——— . 2015e. "PFD Document of Cities-IAP: Sustainable Cities Integrated Approach Pilot (IAP-PROGRAM)." GEF ID 9077. GEF, Washington, DC.

——— . 2015f. "PFD Document of Commodities-IAP: Taking Deforestation out of Commodity Supply Chains Integrated Approach Pilot (IAP-PROGRAM)." GEF ID 9072. GEF, Washington, DC.

——— . 2015g. "PFD Document of Food Security-IAP: Sustainability and Resilience for Food Security in Sub-Saharan Africa Integrated Approach Pilot (IAP-PROGRAM)." GEF ID 9070. GEF, Washington, DC.

——— . 2016a. "GEF Project and Program Cycle Policy." OP/PL/01. GEF, Washington, DC.

——— . 2016b. "Update on GEF-6 Resource Availability." GEF/C.51/04. GEF, Washington, DC.

——— . 2017a. "Guidelines on the Project and Program Cycle Policy." GEF/C.52/Inf.06/Rev.01. GEF, Washington, DC.

——— . 2017b. "Tackling the Drivers of Global Environmental Degradation through the Integrated Approach Pilot Programs - Progress Report for GEF Council October 2016 - April 2017." GEF/C.52/Inf.04, 12. GEF, Washington, DC.

GEF IEO (Global Environment Facility Independent Evaluation Office; formerly GEF Evaluation Office). 2006. *The Role of Local Benefits in Global Environmental Programs*. Evaluation Report No. 30. Washington, DC: GEF IEO.

——— . 2008. *GEF Annual Performance Report 2006*. Evaluation Report No. 38. Washington, DC: GEF IEO.

——— . 2009. "Governance of the GEF." OPS4 Technical Document #5. GEF IEO, Washington, DC.

——— . 2010. *GEF Annual Performance Report 2009*. Evaluation Report No. 57. Washington, DC: GEF IEO.

——— . 2013. "Updated Verification Note on the Realization of GEF-5 Targets." GEF/R.6/Inf.13. GEF, Washington, DC.

——— . 2014a. *At the Crossroads for Higher Impact: Fifth Overall Performance Study*. Evaluation Report No. 86. GEF IEO, Washington, DC.

——— . 2014b. *GEF Annual Country Portfolio Evaluation Report 2014*. Evaluation Report No. 95. Washington, DC: GEF IEO.

——— . 2014c. *GEF Annual Performance Report 2013*. Evaluation Report No. 92. Washington, DC: GEF IEO.

——— . 2014d. *Midterm Evaluation of the System of Transparent Allocation of Resources*. Evaluation Report No. 94. Washington, DC: GEF IEO.

——— . 2015. *GEF Annual Performance Report 2014*. Evaluation Report No. 102. Washington, DC: GEF IEO.

——— . 2016a. *Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems*. Evaluation Report No. 104. Washington, DC: GEF IEO.

——— . 2016b. *Program Evaluation of the Least Developed Countries Fund*. Evaluation Report No. 106. Washington, DC: GEF IEO.

——. 2017a. "Chemicals and Waste Focal Area Study." GEF/ME/C.52/Inf.03. GEF IEO, Washington, DC.

——. 2017b. "Evaluation of the Expansion of the GEF Partnership." GEF IEO, Washington, DC.

——. 2017c. "Evaluation of GEF's Engagement with the Private Sector." GEF/ME/C.52/Inf.04. GEF IEO, Washington, DC.

——. 2017d. "Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio." GEF IEO, Washington, DC.

——. 2017e. "Evaluation of the Programmatic Approaches in the GEF." GEF/ME/C.52/Inf.01/Rev.01. GEF IEO, Washington, DC.

——. 2017f. *GEF Annual Performance Report 2015*. Evaluation Report No. 109. Washington, DC: GEF IEO.

——. 2017g. *GEF Country Portfolio Evaluation: Tajikistan (1999–2015)*. Evaluation Report No. 107. Washington, DC: GEF IEO.

——. 2017h. "Impact of GEF Support on National Environment Laws and Policies." GEF/ME/C.52/Inf.05. GEF IEO, Washington, DC.

——. 2017i. "Land Degradation Focal Area Study." GEF/ME/C.52/Inf.02. GEF IEO, Washington, DC.

——. 2017j. "OPS6 Knowledge Management Study." GEF IEO, Washington, DC.

——. 2017k. "Program Evaluation of the SCCF." GEF/LDCF.SCCF.22/ME/02. GEF IEO, Washington, DC.

——. 2017l. "Review of GEF Support for Transformational Change." GEF/ME/C.52/Inf.06. GEF IEO, Washington, DC.

——. 2017m. "Review of Results-Based Management in the GEF." GEF IEO, Washington, DC.

GEF IEO and UNDP IEO (Global Environment Facility Independent Evaluation Office and United Nations Development Programme Independent Evaluation Office). 2015. *Joint GEF-UNDP Evaluation of the Small Grants Programme*. Washington, DC: GEF IEO and UNDP IEO.

GEF STAP (Scientific and Technical Advisory Panel of the Global Environment Facility). 2016a. *Designing Projects in a Rapidly Changing World: Guidelines for Embedding Resilience, Adaptation and Transformation into Sustainable Development Projects*. Version 1.0. Washington, DC: GEF.

——. 2016b. "A Review of Indicators on Sustainability of Commodity Agricultural Production." GEF/STAP/C.50/Inf.04. STAP, Washington, DC.

Gisladottir, Gudrun, and Michael Stocking. 2005. "Land Degradation Control and Its Global Environmental Benefits." *Land Degradation & Development* 16 (2): 99–112.

IEG (Independent Evaluation Group). 2014. *Results and Performance of the World Bank Group 2014*. Washington, DC: World Bank.

——. 2016. *Supporting Transformational Change for Poverty Reduction and Shared Prosperity: Lessons from World Bank Group Experience*. Washington, DC: World Bank.

——. Forthcoming. "Project Performance Assessment Report: China—First Phase of the Renewable Energy Scale-up Program and Follow-up Project to the First Phase of the China Renewable Energy Scale-up Program." World Bank. Washington, DC.

IFAD IOE (International Fund for Agricultural Development Independent Office of Evaluation). 2015. Annual Report on Results and Impact of IFAD Operations Evaluated in 2014 (ARRI). 2015. Rome, Italy.

——. 2016. *IFAD's Performance-based Allocation System: Corporate Level Evaluation*. Report No. 4039. Rome: IFAD.

IFC (International Finance Corporation). 2016. *Climate Investment Opportunities in Emerging Markets: An IFC Analysis*. Washington, DC: IFC.

Kelley, Timothy, Jim Ryan, and Hans Gregersen. 20008. "Enhancing Ex Post Impact Assessment of Agricultural Research: The CGIAR Experience." Research Evaluation 17.3 (2008): 201-212.

OECD DAC (Organisation for Economic Co-operation and Development Development Assistance Committee). 2014. *Measuring and Managing Results in Development Co-operation: A Review of Challenges and Practices among DAC Members and Observers*. Paris: OECD.

Satapathy, D. R., R. J. Krupadam, L. Pawan Kumar, and S. R. Wate. 2007. "The application of satellite data for the quantification of mangrove loss and coastal management in the Godavari estuary, East Coast of India." *Environmental monitoring and assessment* 134 (1): 453–69.

Steffen, Will, Katherine Richardson, Johan Rockström, Sarah E. Cornell, Ingo Fetzer, Elena M. Bennett, R. Biggs, Stephen R. Carpenter, Wim de Vries, Cynthia A. de Wit, Carl Folke, Dieter Gerten, Jens Heinke, Georgina M. Mace, Linn M. Persson, Veerabhadran Ramanathan, B. Reyers, Sverker Sörlin. 2015. "Planetary Boundaries: Guiding Human Development on a Changing Planet." *Science* 347 (6223).

UN (United Nations). 2015. "Transforming our World: The 2030 Agenda for Sustainable Development." A/RES/70/1. Resolution adopted by the General Assembly on 25 September 2015.

UNCTAD (United Nations Conference on Trade and Development). 2014. *World Investment Report 2014*. Investing in the SDGs: An Action Plan. Geneva: UNCTAD.

UNECE (United Nations Economic Commission for Europe). 2012. "2nd Environmental Performance Review of Tajikistan." UNECE, Geneva.

UNEP (United Nations Environment Programme). 2016. "Rate of Environmental Damage Increasing Across the Planet but There Is Still Time to Reverse Worst Impacts if Governments Act Now, UNEP Assessment Says." Press release May 19. UNEP News Centre, Nairobi.

World Bank. 2016. "Analysis of International Funding to Tackle Illegal Wildlife Trade." Working Paper. World Bank Group, Washington, DC.

WBG and GEF (World Bank Group and Global Environment Facility). 2017. *The Art of Knowledge Exchange. A Results-Focused Planning Guide for the GEF Partnership*. WBG/GEF, Washington, DC.

World Economic Forum. 2013. *Green Investment Report*: The Ways and Means to Unlock Private Finance for Green Growth. Geneva: World Economic Forum.

WRI (World Resources Institute). 2017. *Future of the Funds: Exploring the Architecture of Multilateral Climate Finance*. Washington, DC: WRI.