

## Summary of Document GEF/ME/C.38/4

### Annual Performance Report 2009

#### Recommended Council Decision

The GEF Council, having reviewed document GEF/ME/C.38/4, “*Annual Performance Report 2009*,” as well as GEF/ME/C.38/5, “*Management Response to the Annual Performance Report 2009*,” requests the GEF Evaluation Office, the Secretariat and the agencies to work together in identifying and implementing measures to improve the quality of information available through PMIS on the status of projects through the project cycle. The Evaluation Office is requested to report on the progress made in Annual Performance Report 2010.

#### EXECUTIVE SUMMARY

1. This document is the sixth annual performance report (APR) that the Global Environment Facility (GEF) Evaluation Office has presented. The report presents a detailed account of some aspects of project results, of processes that may affect these results, and of monitoring and evaluation (M&E) arrangements in completed GEF projects. This APR also contains an assessment of the GEF approach to cofinancing, a summary of the findings of the follow up assessment on quality of supervision, and an assessment on GEF approach to agency fees. For the third time, a performance matrix, which summarizes the performance of the GEF Agencies and the GEF Secretariat on various parameters tracked by the Office, is presented. It is primarily based on a review of 340 projects for which terminal evaluations have been submitted to the Evaluation Office so far. The special focus is on 55 completed projects for which terminal evaluations were submitted during the FY2009.
2. The APR primarily involves review of the evidence presented in the terminal evaluation reports, with verification of performance ratings based primarily on desk reviews. The evaluation offices of several agencies have been conducting similar reviews for the past couple of years. To reduce duplication of effort, this year on a sample basis the GEF Evaluation Office has accepted the ratings provided by the evaluation offices of UNEP and the World Bank for 12 projects. To ensure comparability the Office will continue to review a representative sample of terminal evaluations.
3. The APR 2009 contains the following conclusions:
  - a. Outcome achievements of 91 percent of completed projects reviewed for FY2009 were rated in the satisfactory range. This is higher than the long term average of 83 percent. However, given that the annual figures are prone to fluctuations this may not indicate a long term trend.

- b. GEF gains from mobilization of cofinancing through efficiency gains, risk reduction, synergies, and greater flexibility in terms of the types of projects it may undertake. However, although important, the role of cofinancing is sometimes overstated.
  - c. There has been a significant improvement in UNEP's performance on supervision services provided to GEF projects. The quality of supervision provided by the World Bank and UNDP continues to be in the satisfactory range for a high percentage of projects.
  - d. The present GEF approach to agency fees does not take into account the differences in the project portfolios of its agencies. Consequently, it is disadvantageous to agencies that have greater representation of medium size projects and enabling activities in their project portfolios.
  - e. Compared to the long term average of 55 percent, the quality of 72 percent of the terminal evaluations submitted during FY2009 was rated satisfactory or above.
  - f. Long time lags and uncertainty in completion and submission of terminal evaluation reports continue to be a concern.
4. Based on the analysis presented in the APR the following recommendation is made: The GEF Evaluation Office, the Secretariat and Agencies should collaborate to identify steps to improve the quality of information available through PMIS on the status of projects through the project cycle.
5. The GEF Evaluation Office will assess the efficacy of the indicators reported on, and of tools and instruments used for assessments, in the APR.
6. The Office will seek identify ways to improve reporting on completed projects and to improve efficiency in the review process through devolution to the independent evaluation offices of the agencies
7. The full version of the Annual Performance Report 2009, including the detailed data, reviews, analysis and methodological justification, will be published on the website of the Office at the same time as this Council working document. The Management Actions Records are published separately on the Evaluation Office website: [www.gefeo.org](http://www.gefeo.org).