

Fourth Overall Performance Study of the GEF: Progress Towards Impact



Garry Nichols/Corbis

The Fourth Overall Performance Study (OPS4) of the Global Environment Facility (GEF) provides an assessment of the extent to which the GEF is achieving its objectives and informs the fifth GEF replenishment negotiations. The study was conducted by the GEF Evaluation Office,

except for some substudies on issues that would pose a conflict of interest for the Office. The Office is independent from GEF management and reports directly to the GEF Council.

The main findings, conclusions, and recommendations are presented in the report's first chapter. The second chapter, "The GEF in a Changing World," provides an overview of the international context in which the GEF operates and covers resource mobilization internationally and for the GEF in particular, presents evidence of guidance from the conventions, and describes the GEF's catalytic role. Chapter 3, "Progress Towards Impact," brings together evidence on the relevance to the conventions and results of the six GEF focal areas as well as multifocal area activities. Chapter 4, "Issues Affecting Results," deals with performance, learning, and resource management. Finally, chapter 5 addresses "Governance and Partnership" concerns in the GEF.

OPS4 builds on OPS3, evaluation reports conducted by the Office since 2004, and case studies and technical reports, and the full portfolio of GEF projects from the pilot phase through June 30, 2009. From these inputs, and additional case studies and project visits undertaken specifically for this study, OPS4 incorporates evaluative evidence from 57 countries, with varying degrees of depth and intensity. Consultations were held with representatives of all GEF stakeholders to ensure that their voices would be heard in OPS4.

The GEF Portfolio

The portfolio of the GEF totals \$8.7 billion in funding, with additional cofunding of \$37.6 billion. Two-thirds of this funding has gone to the climate change and biodiversity focal areas. The share of the World Bank in GEF projects and funding has gone down over time, and recently UNDP's share has become the largest.

OPS4 contains evidence from

- 2,389 completed, ongoing, and approved projects.
- 215 terminal evaluation reports of all finished projects since OPS3
- 57 countries
- 24+ evaluation reports
- 28 case studies and technical documents

Focal area	Number of projects	GEF funding
Climate change	659	\$2,743 million
Biodiversity	946	\$2,792 million
International waters	172	\$1,065 million
Ozone depleting substances	26	\$180 million
Persistent organic pollutants	200	\$358 million
Land degradation	76	\$339 million
Multifocal	310	\$1,114 million
All focal areas	2,389	\$8,591 million

Funding Trends and Strategic Issues

Replenishment levels have remained more or less the same since GEF-1 (1994–98). This means that the GEF has lost 17 percent purchasing power over time, whereas it became active in two new focal areas (persistent organic pollutants and land degradation), responsive to numerous additional requests from the conventions, and provided support to more countries. This has meant spreading the same amount of resources over more objectives and to more countries, which has led to disappointment in recipient countries and a reputation for the GEF as "unable to deliver." This reputation was also linked to the slow approval process in the GEF, which has been tackled through a reform process that shows promise. Furthermore, OPS4 demonstrates that once projects are approved, the GEF performs well and achieves impact on the ground. The resource allocation framework of the GEF needs to be improved. Moving from focal area project support toward programming on a national level would bring GEF further in line with the Paris Declaration on aid effectiveness.

Progress Towards Impact: Focal Areas

- GEF **climate change** funding has supported a solid level of progress towards intended global environmental benefits, both in terms of reduction or avoidance of greenhouse gas emissions and of sustainable market changes.
- The GEF has been responsive to guidance of the **biodiversity** convention, particularly on issues related to conservation and sustainable use. Access to biosafety has not kept up with potential demand.
- In **international waters**, the GEF has helped set the stage for national policy changes leading to reduced ecological stress by promoting new agreements on transboundary water bodies and catalyzing implementation of several existing agreements.
- GEF support for the phaseout of consumption and production of **ozone-depleting substances** in countries with economies in transition has contributed to global environmental benefits.

Conclusions and Recommendations

	Conclusion	Recommendation
The GEF in a Changing World	1 Global environmental trends continue to spiral downward and funding levels have not increased.	Funding levels for global environmental issues need to rise substantially in order to tackle increasingly urgent problems.
	2 The GEF has been underfunded since GEF-2, given the scope of its agenda, the guidance of the conventions, and its mode of operation. It has lost 17% purchasing power but has taken two new focal areas on board and incorporated more than 100 new requests from conventions and is spreading its support to more countries.	The GEF-5 replenishment needs to offer a sizable increase over GEF-4, or the GEF will have to reduce support dramatically to focal areas, groups of countries, or modalities, in order to deliver meaningful results.
	3 Its link to international environmental agreements as a financial mechanism is an added value for the GEF in tackling global environmental problems. It allows the GEF to support countries in incorporating global concerns in national priorities and policies.	The GEF and the conventions need to interact to improve and focus guidance, particularly at the national level, to ensure that both the conventions and the countries have a more realistic perspective on what the GEF can support through its limited means.
	4 The GEF's mode of operation through three levels of action—foundation, demonstration, and investment—brings an added value to its catalytic role; however, it cannot fully execute this catalytic role in countries with lower allocations, due to the overall funding level of the GEF. Furthermore, the linkages between foundation and demonstration and investment could be strengthened.	The GEF's catalytic role can be strengthened by increasing its funding level and incorporating catalytic lessons in improved guidance and monitoring.
	5 GEF support is relevant to national environmental and sustainable development priorities as well as to international and regional processes.	The GEF should further develop programming at the national level by supporting the creation of GEF national committees and GEF national business plans.
Progress Towards Impact	6 Seventy percent of finished GEF projects show moderate to solid progress towards impact. Follow-up action of local and national actors is essential to ensure continued impact.	Progress towards impact in GEF-supported outcomes shows the value of a portfolio approach at the national level, which enables recipient countries to fully support and maximize impact.
Issues Affecting Results	7 The GEF achieves 80 percent moderately satisfactory and higher outcomes as compared to the benchmark norm of 75 percent, yet inefficiencies continue in the preapproval phase.	GEF project performance should be further strengthened through improved guidelines, a better fee structure, and strengthening of social and gender issues.
	8 The Small Grants Programme continues to be an effective tool for the GEF in achieving global environmental benefits while addressing the livelihood needs of local populations, particularly in reaching the poor.	The Small Grants Programme should be recognized as a GEF modality available to all recipient countries.
	9 Learning in the GEF is still not structurally and systematically encouraged.	Learning in the GEF should focus on cross-agency and cross-country learning and be consolidated in a corporate strategy.
	10 Monitoring, tracking tools, and impact indicators are not yet fully integrated into a results-based management framework for the GEF.	The GEF should integrate impact indicators and measurements in the results-based framework for GEF-5.
	11 Resources are managed relatively well in the GEF, but improvements are possible.	Improvements in resource management should focus on developing a new system for reserving funds for project ideas and reforming fiduciary standards and the fee system.
Governance and Partnership	12 The governance model of the GEF compares well to that of other international organizations, but can be further improved.	This can be done by ensuring a more substantive role for the GEF Assembly, by addressing constituency problems, and by implementing a longer term process to achieve a better division between governance and management in the Council.
	13 Tensions in the GEF partnership arise from programming and project identification issues stemming mostly from a lack of communication but also due in part to fundamental questions on the appropriate roles of the GEF partners.	The GEF Council should address tensions within the GEF partnership and provide guidance on roles and responsibilities.