Signposts

gef IEO Independent Evaluation Office
GLOBAL ENVIRONMENT FACILITY

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Fifth Overall Performance Study of the GEF Final Report: At the Crossroads for Higher Impact

The Final Report of the Fifth Overall Performance Study (OPS5) of the Global Environment Facility (GEF) was presented at the May 2014 GEF Council meeting in Cancun. OPS5 is a comprehensive evaluation that assesses the performance, institutional effectiveness, and impact of the GEF. OPSs are undertaken to inform the next replenishment cycle of the GEF and to identify potential improvements.

Overview of the GEF Portfolio

The GEF Fund is the primary source of funds for grants made by the GEF, but it also provides funding through the Least Developed Countries Fund, the Special Climate Change Fund, and the Nagoya Protocol Implementation Fund. As of September 30, 2013, the GEF had provided a total of $13.02 billion through these trust funds using four basic modalities: full-size projects, medium-size projects, enabling activities, and the Small Grants Programme (SGP). During GEF-5 (2010–14), full-size projects accounted for 86 percent of GEF funding, and medium-size projects accounted for 4 percent.

Climate change and biodiversity projects each account for about a third of the GEF Trust Fund funding utilized. The share of funding for international waters projects has fluctuated, while remaining stable for land degradation and rising for persistent organic pollutants.

Increased support for programmatic approaches within the GEF has led to a growing trend toward multifocal area projects during GEF-5. These are projects that address environmental objectives relevant to more than one GEF focal area, and receive funding accordingly. As of September 30, 2013, $2.82 billion of the GEF-5 focal area programming had been utilized, of which multifocal projects (including multitrust fund projects) accounted for $1.21 billion (42 percent).

Since GEF-4 (2006–10), the United Nations Development Programme has held the largest share of GEF funding, at over 40 percent. The World Bank has around 25 percent, and the United Nations Environment Programme has 10 percent; the other Agencies account for the remaining 25 percent. Major shifts in the share of funding among Agencies took place in GEF-4, when new Agencies became visible in GEF projects. Asia, with 30 percent of GEF-5 funding, continues to receive the largest share of funding by region. Spending in Africa continues to decline in terms of the GEF Trust Fund, but its share of adaptation funds from all GEF-administered funds increased to 27 percent. Compared to GEF-4, funding to fragile countries has nearly doubled, while funding to small island developing states has increased by 63 percent, and that to landlocked countries by 17 percent.

Approach and Scope

The evaluation approach taken for OPS5 is theory based and follows a mixed methods approach. OPS5 draws on evidence from 33 evaluations and studies undertaken by the GEF Independent Evaluation Office since OPS4, and 21 substudies, as well as reviews of terminal evaluations of 491 completed projects. It incorporates country-level evidence from 54 countries, and from visits to 118 full- and medium-size projects,as well as to 92 SGP projects. The full GEF portfolio of 3,566 projects since its inception has been included in the analysis, with specific attention to the 969 projects approved since OPS4.

Conclusions and Recommendations

Conclusion 1: Global environmental trends continue to decline. The replenishment may show no increase in purchasing power, while the GEF has accepted more

obligations. The GEF has accepted a major new commitment in becoming a key financial instrument to the Minamata Convention on Mercury. Meeting increasing obligations with the same replenishment amount will reduce the speed with which impact is achieved.

Recommendation 1: Resource mobilization and strategic choices in the GEF need to reflect the urgency of global environmental problems. Actions can be taken to encourage donors to contribute to the GEF without being constrained by inflexible pro rata burden-sharing arrangements. Broadening the financing basis should also be explored and should include inviting the European Commission to become a donor. A no-risk soft pipeline should be initiated as it would provide a one-time speeding up of up to $400 million in transfers to recipient countries.

Conclusion 2: The business model of the GEF is no longer appropriate and leads to growing inefficiencies. The GEF project cycle is slow, and the GEF network is complex and overburdened.

Recommendation 2: The business model of the GEF needs major overhaul in the GEF-6 period. The GEF should shift cofinancing considerations to programming and to the GEF Chief Executive Officer endorsement and GEF Agency approval stages of the project cycle. The GEF network should redefine the inclusion of partners at decision points, focusing on Council and country-level decisions. The clearance requirements for concepts should be reduced, and the work program should be published on a no-objection basis. A new GEF business model should include a revitalized public involvement policy, a results-based management framework based on a limited number of outcome indicators, a corporate strategy for the SGP, and a shift of the Scientific and Technical Advisory Panel's role from screening projects to screening programs and portfolios.

Conclusion 3: The intervention logic of the GEF is catalytic and successful in achieving impact over time. The different focal areas have the intervention logic in common, which is based on the generic GEF theory of change. Many of the GEF's projects continue to deliver excellent outcomes and show evidence of progress toward impact and broader adoption. Furthermore, a majority would not have occurred without a catalytic GEF contribution.

Recommendation 3: To maximize results, the intervention model of the GEF needs to be applied where it is most needed and supported by a better business model.More attention must be paid to activities that boost broader adoption of GEF initiatives by governments and other stakeholders. Civil society and the private sector should be involved in projects, programs, national and regional priority setting, and analysis. Furthermore, the GEF must strengthen the strategic role of the Scientific and Technical Advisory Panel, revitalize the SGP Steering Committee, adopt an action plan to implement the GEF Gender Mainstreaming Policy, and implement the knowledge management and capacity development strategy.

The GEF Independent Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF. The full version of *Fifth Overall Performance Study of the GEF Final Report: At the Crossroads for Higher Impact* (Evaluation Report No. 86), along with its supporting documents, is available on the GEF Independent Evaluation Office website, www.gefeo.org. For more information, please contact the Office at gefevaluation@thegef.org.