



## **OPS4 Technical Document # 1: Overview of the GEF Project Portfolio**

December 10, 2009

## Overview of the GEF Project Portfolio

1. The GEF Trust Fund (GET) has been the primary source of funds for grants made by the GEF. In addition to this trust fund, GEF also administers the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF). Including funding provided through SCCF and LDCF, in all GEF has provided funding of around US \$ 8.77 billion of which 97.9 percent (US \$ 8.59 billion) is from the GEF Trust Fund and the remainder from the other two funds that became operational during the GEF3 cycle (table 1). Table 1 presents the share of different funds in the investments made by the GEF. For GEF4 the GEF Trust Fund accounted for 92.5 percent of the GEF funding for projects and the other two funds together accounted for 7.5 percent.

**Table 1. GEF Project Funding in US \$ m from GET, SCCF and LDCF sources**

Name of the Trust Fund	Pilot	GEF1	GEF2	GEF3	GEF4	All phases
GEF Trust Fund (GET)	726 (100.0%)	1,228 100.0%)	1,857	2,784 (99.3%)	1,996 (92.5%)	8,590 (97.9%)
Least Developed Countries Fund (LDCF)	—	—	—	6 (0.2%)	88 (4.1%)	95 (1.1%)
Special Climate Change Fund (SCCF)	—	—	—	14 (0.5%)	72 (3.4%)	87 (1.0%)
All Funds	726 (100.0%)	1,228 (100.0%)	1,857 (100.0%)	2,804 (100.0%)	2,156 (100.0%)	8,772 (100%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

### ***GEF Portfolio funded through the GEF Trust Fund***

2. Up to June 30<sup>th</sup> 2009 GEF has supported 2389 approved projects involving GEF funding of US \$ 8.59 billion. In terms of approved projects and funding GEF3 was the most important (table 1 and 2). GEF4 is yet to end and, therefore, the absolute figures on number of projects and funding for this cycle are not directly comparable to those for the other cycles.

### **Focal Area**

3. Biodiversity accounts for a major proportion of the projects in the GEF portfolio. However, in terms of GEF funding its share is almost identical to that of the climate change focal area: both climate change and biodiversity focal area account for about a third of GEF investments. During GEF3 and GEF4 the share of these two focal areas in GEF project funding seems to have declined. However, to a great extent this is because a significant proportion of funding for the multi focal (area) projects is linked to the climate change and biodiversity focal area and also because utilization of resources for biodiversity and climate change focal areas (that are covered under RAF) has been slightly slower than that for other focal areas (that are not covered under RAF).

**Table 2. Distribution of Projects by Focal Area**

Phase	Pilot	GEF1	GEF2	GEF3	GEF4	All Phases
Biodiversity	57 (50.0%)	206 (54.5%)	286 (45.4%)	240 (30.3%)	157 (33.0%)	946 (39.6%)
Climate Change	41 (36.0%)	141 (37.3%)	215 (34.2%)	166 (20.9%)	96 (20.2%)	659 (27.6%)
International Waters	13 (11.4%)	13 (3.4%)	47 (7.5%)	48 (6.1%)	51 (10.7%)	172 (7.2%)
Land Degradation	—	—	—	45 (5.7%)	31 (6.5%)	76 (3.2%)
Multi Focal Area	1 (0.9%)	6 (1.6%)	28 (4.5%)	195 (24.6%)	80 (16.8%)	310 (13.0%)
Ozone Depleting Substances	2 (1.8%)	12 (3.2%)	7 (1.1%)	3 (0.3%)	2 (0.4%)	26 (1.1%)
Persistent Organic Pollutants	—	—	45 (7.2%)	96 (12.1%)	59 (12.4%)	200 (8.3%)
All focal area	114 (100.0%)	378 (100.0%)	628 (100.0%)	793 (100.0%)	476 (100.0%)	2,389 (100.0%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

4. In terms of funding for focal areas two distinct trends are evident. Firstly, funding for ozone depleting substances declined from GEF1 onwards. Secondly, there has been a significant increase in the proportion of funding for the persistent organic pollutants (PoPs) focal area (table 3). It was only since GEF2 PoPs has been supported as a separate focal area. However, before it became a separate focal area, some of the activities related to POPs were also funded as part of the international waters focal area. This is a mitigating factor to the observed trend.

**Table 3. GEF Funding by Focal Area (in m \$)**

Phase	Pilot	GEF1	GEF2	GEF3	GEF4	All Phases
Biodiversity	312 (43.0%)	445 (36.2%)	706 (38.0%)	841 (30.2%)	487 (24.4%)	2,792 (32.5%)
Climate Change	278 (38.3%)	500 (40.7%)	652 (35.1%)	852 (30.6%)	461 (23.1%)	2,743 (31.9%)
International Waters	119 (16.4%)	114 (9.3%)	288 (15.5%)	322 (11.6%)	222 (11.1%)	1,065 (12.4%)
Land Degradation	—	—	—	193 (6.9%)	146 (7.3%)	339 (3.9%)
Multi Focal Area	13 (1.8%)	49 (4.0%)	141 (7.6%)	413 (14.8%)	497 (24.9%)	1,114 (13.0%)
Ozone Depleting Substances	4 (0.6%)	120 (9.8%)	43 (2.3%)	12 (0.4%)	2 (0.1%)	180 (2.1%)
Persistent Organic Pollutants	—	—	27 (1.5%)	150 (5.4%)	180 (9.0%)	358 (4.2%)
All focal area	726 (100.0%)	1,228 (100.0%)	1,857 (100.0%)	2,784 (100.0%)	1,996 (100.0%)	8,590 (100.0%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

5. The increase in the funding for the multi focal (area) projects masks a significant proportion of the funding for the biodiversity and climate change focal areas, especially that provided through the Small Grants Program (SGP) modality. Funding for other focal areas such as International Waters has remained relatively stable. Land degradation, which was included as a GEF focal area during GEF3 now accounts for about 7 percent of the total GEF project funding.

#### Implementing Agency

6. While UNDP, UNEP and World Bank functioned as the GEF implementing agencies since the pilot phase of the GEF, during GEF 2 the executing agencies were also granted direct access to GEF resources through 'expanded opportunities.' Thereafter the share of executing agencies in the GEF project portfolio both in terms of number of projects and funding has been increasing. During GEF4 other agencies together accounted for 16 percent of the total GEF project funding (Table 4 and Figure 1).

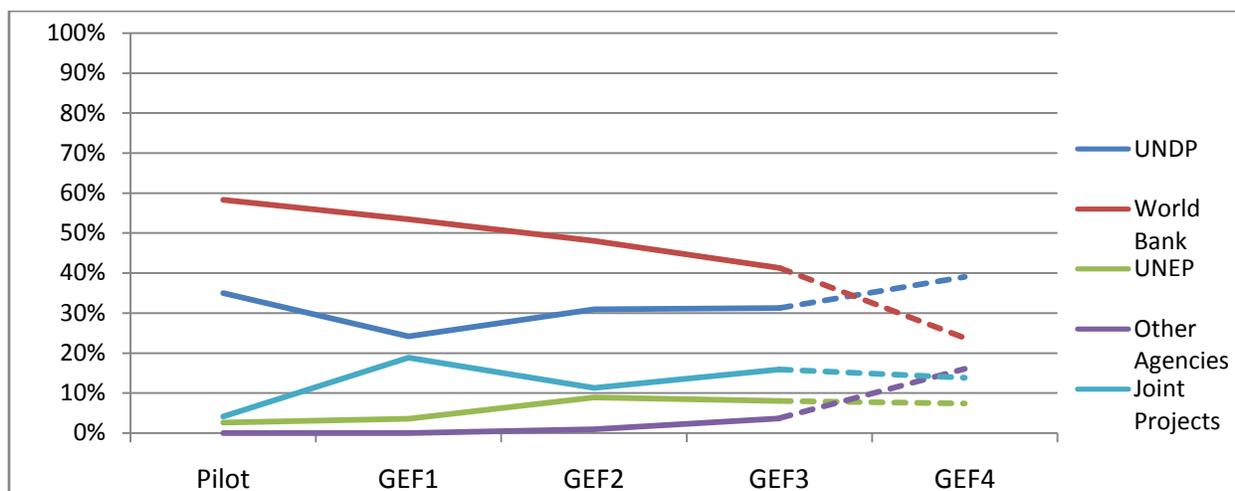
**Table 4. Funding by Agency (in m \$)**

Implementing Agency	Pilot	GEF1	GEF2	GEF3	GEF4	All Phases
UNDP	254 (35.0%)	297 (24.2%)	575 (31.0%)	869 (31.2%)	779 (39.0%)	2,774 (32.3%)
UNEP	19 (2.6%)	44 (3.6%)	164 (8.8%)	222 (8.0%)	147 (7.3%)	596 (6.9%)
World Bank	424 (58.3%)	656 (53.4%)	891 (48.0%)	1,148 (41.2%)	475 (23.8%)	3,593 (41.8%)
Other Agencies	—	—	17 (0.9%)	102 (3.7%)	320 (16.0%)	439 (5.1%)
Joint Projects	30 (4.1%)	231 (18.8%)	209 (11.3%)	442 (15.9%)	276 (13.8%)	1,188 (13.8%)
Total	726 (100.0%)	1,228 (100.0%)	1,857 (100.0%)	2,784 (100.0%)	1,996 (100.0%)	8,590 (100.0%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

7. Another remarkable trend in terms of the GEF funding share of the agencies has been the decline in the share of World Bank. During the pilot phase, World Bank accounted for 58.3 percent of the GEF funding. Thereafter, its share had been declining steadily. The pace of decline accelerated during GEF4 and it now accounts for less than a fourth of the total (Table 4 and Figure 1). The decline in World Bank share is spread across focal areas.

**Figure 1: Funding by Agency through GEF phases (as percent of the total)**



### Modality

8. GEF provides funding through four key modalities: full size projects; medium size projects; enabling activities; and, small grants. The small grants program (SGP), which is a corporate program, provides small grants to NGOs and community based organizations (CBOs) to undertake projects that address the GEF mandate locally and at a small scale. The tranches approved by the Council for this program are reflected as individual full size global projects of multifocal area in the project management information system (PMIS) dataset.

**Table 5. GEF Funding by Modality (in m \$)**

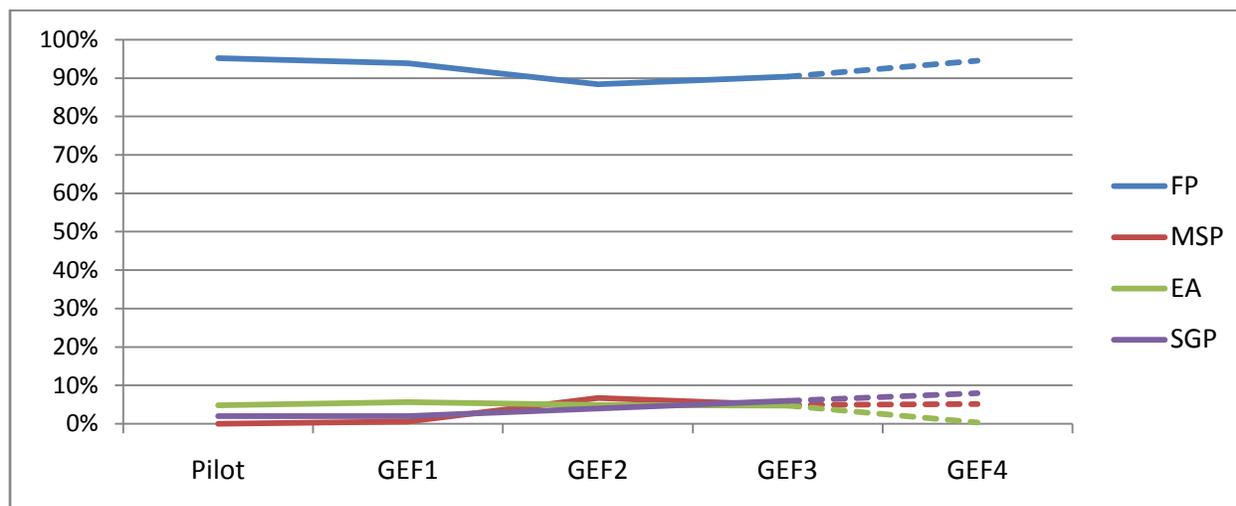
Modality	Pilot	GEF1	GEF2	GEF3	GEF4	All Phases
FP	678 (93%)	1126 (92%)	1566 (84%)	2351 (84%)	1719 (86%)	7440 (87%)
MSP	0 (0%)	7 (1%)	124 (7%)	136 (5%)	104 (5%)	371 (4%)
EA	35 (5%)	69 (6%)	91 (5%)	132 (5%)	7 (0%)	334 (4%)
SGP	13 (2%)	26 (2%)	75 (4%)	165 (6%)	166 (8%)	446 (5%)
Total	726 (100%)	1,228 (100%)	1,857 (100%)	2,784 (100%)	1,996 (100%)	8,590 (100%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

9. The full size projects account for 87 percent of the project funding (table 5 and figure 2). Its share in the portfolio slightly increased during GEF4. There is some increase in the share of SGP funding. However, this increase is not real as funding for SGP is front loaded. When GEF4 will be completed SGPs relative share will revert back to the GEF3 level. In contrast, the share of enabling activities has dropped substantially.

10. While the share of full size projects in GEF funding has increased, the size of the full size projects approved has decreased (from an average of US \$ 6.8 million per full size project in GEF3 to US \$ 5.4 million in GEF4). Most of the decrease is accounted for by the national full size projects that comprise the bulk of the full size projects and where the average size declined from US \$ 6.3 million to 4.7 million.

**Figure 2. GEF Funding by Modality (as percentage of total)**



### Geographical Scope

11. Geographical scope of a project indicates the expanse of the geographical unit within which a project is implemented. If a project is implemented within one country, then it is noted as a 'national' project. If it implemented in two countries or more it may be classified as a regional or a global project based on the number of countries and regions represented.

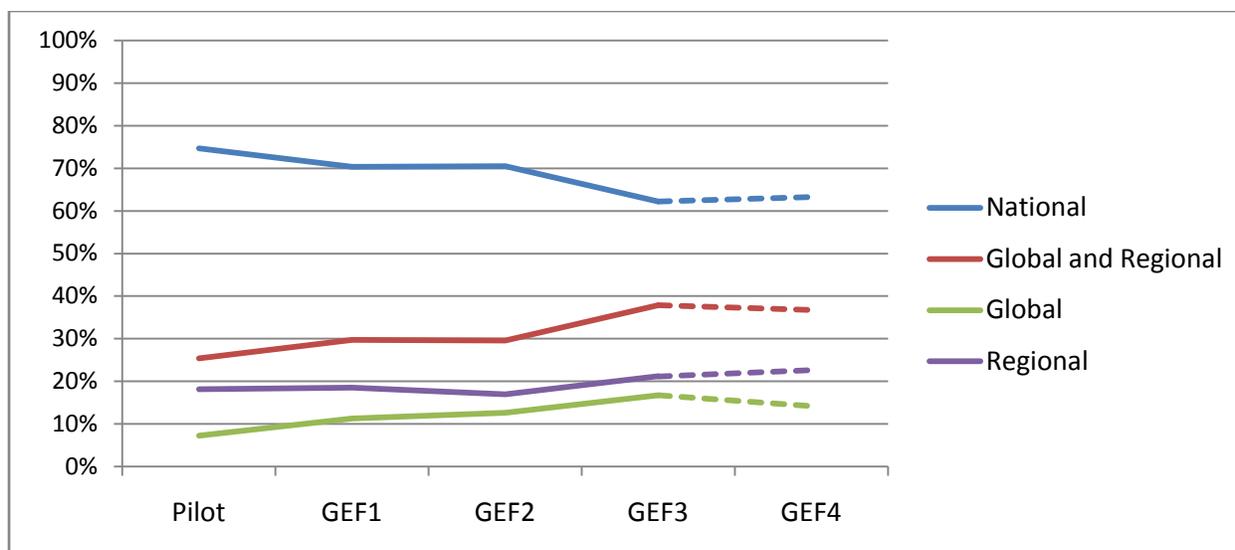
**Table 6. GEF Funding by Geographical Scope of projects (in m\$)**

Geographical Scope	Pilot	GEF1	GEF2	GEF3	GEF4	All Phases
National	542 (74.7%)	863 (70.3%)	1,309 (70.5%)	1,730 (62.2%)	1,262 (63.3%)	5,707 (66.4%)
Global	52 (7.2%)	138 (11.2%)	234 (12.6%)	465 (16.7%)	282 (14.1%)	1,172 (13.6%)
Regional	132 (18.1%)	227 (18.5%)	314 (16.9%)	589 (21.1%)	451 (22.6%)	1,712 (19.9%)
Total	726 (100.0%)	1,228 (100.0%)	1,857 (100.0%)	2,784 (100.0%)	1,996 (100.0%)	8,590 (100.0%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

12. During GEF4 the respective share of global and regional projects and the national projects have remained fairly stable. This said, there has been a marginal increase in the share of regional projects and a corresponding decrease in the share of global projects (table 6 and figure 3).

**Figure 3. GEF Funding by Geographical Scope of projects (as percentage of total funding)**



### Geographical Region

13. Annex E of the GEF instrument (2008) classifies GEF constituencies into four geographical regions: Africa; Asia and Pacific (Asia); Latin America and Caribbean; and, Central, Eastern Europe and Former Soviet Union (Europe and Central Asia). These groupings are used in the PMIS to denote the region where a project is to be implemented. In this section the projects that cover more than one region have been reported as inter-regional projects. These include all the projects reported as global projects and some of the regional projects in the subsection on geographical scope.

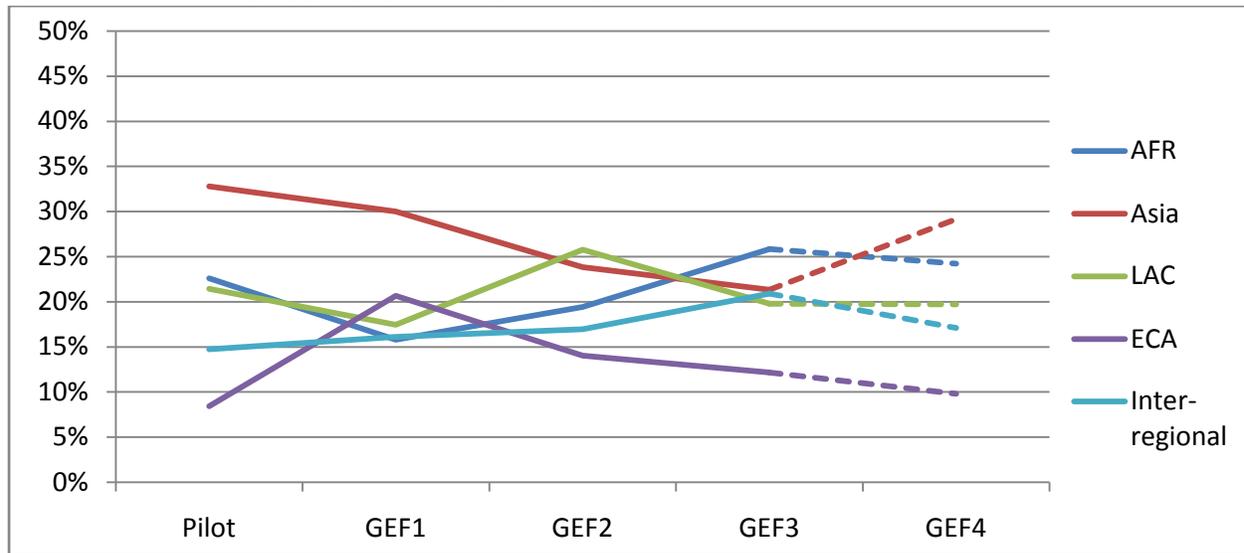
**Table 7. GEF funding by geographical region (in m \$)**

Geographical Region	Pilot	GEF1	GEF2	GEF3	GEF4	All Phase
AFR	164 (22.6%)	194 (15.8%)	361 (19.4%)	720 (25.9%)	483 (24.2%)	1,923 (22.4%)
Asia	238 (32.8%)	368 (30.0%)	442 (23.8%)	593 (21.3%)	582 (29.1%)	2,224 (25.9%)
LAC	156 (21.4%)	214 (17.5%)	478 (25.8%)	550 (19.8%)	394 (19.7%)	1,792 (20.9%)
ECA	61 (8.4%)	253 (20.6%)	260 (14.0%)	338 (12.1%)	196 (9.8%)	1,108 (12.9%)
Inter-regional	107 (14.7%)	198 (16.1%)	315 (16.9%)	582 (20.9%)	341 (17.1%)	1,543 (18.0%)
Total	726 (100.0%)	1,228 (100.0%)	1,857 (100%)	2,784 (100.0%)	1,996 (100.0%)	8,590 (100.0%)

(Source PMIS: Up to June 30<sup>th</sup> 2009)

14. Table 7 shows changes in the share of regions across the GEF phases. From GEF3 to GEF4 there has been a substantial increase in the share of Asia whereas that of the Europe and Central Asia has declined significantly. The shares of Africa and Latin America and Caribbean have remained stable. However, there has been a marginal decline in the share of inter-regional projects.

**Figure 4. GEF funding by geographical region (as percent of total)**



### Country Groups

15. Various countries that are not located in geographical vicinity may still have certain commonalities that may form a basis for classification. These could include characteristics such as whether countries face civil strife or political conflicts; whether they are small island states (SIDS), least developed countries (LDCs) or land locked countries. Similarly, another classification could include countries that are better endowed in terms of country size, access to sea routes, economic status, etc. In this subsection the GEF project portfolio has been looked at through such lenses. This subsection only discusses national projects because multi-country nature of global and regional projects does not allow such an assessment for those projects. From GEF3 to GEF4 the share of fragile states and SIDS has remained stable. However, that of the landlocked countries and LDCs has declined. The funding for other countries – comprised of countries that are not fragile, SIDS, LDC or land locked – has increased.

**Table 8. GEF Funding by Country Groups (in m \$) – only for national projects**

Country Group	Pilot	GEF1	GEF2	GEF3	GEF4	All phases
Fragile	69 (13%)	28 (3%)	73 (6%)	107 (6%)	78 (6%)	355 (6%)
SIDS	25 (5%)	25 (3%)	72 (5%)	66 (4%)	49 (4%)	236 (4%)
LDC	52 (10%)	104 (12%)	168 (13%)	269 (16%)	154 (12%)	746 (13%)
Land Locked	55 (10%)	73 (8%)	170 (13%)	271 (16%)	119 (9%)	688 (12%)
Others***	401 (74%)	696 (81%)	341 (26%)	1,246 (72%)	982 (78%)	4,287 (75%)
All National Projects	542 (100%)	863 (100%)	1,309 (100%)	1,730 (100%)	1,262 (100%)	5,707 (100%)

\*\*\* comprise of non-fragile, non-SIDS, non-LDC, and non-Land Locked, countries.

(Source PMIS: Up to June 30<sup>th</sup> 2009)

**Figure 5. GEF Funding by Country Groups (as percentage of total funding for national projects)**

