

Fifth Overall Performance Study

Approach paper Sub-study on Approach to Assessment of GEF Project Cycle June 25, 2013

Background

Time taken on approval of a project for GEF funding has been an area of concern for the GEF partnership. The 'Joint Evaluation of the GEF Activity Cycle and Modalities' (GEF EO 2007) presented an in depth analysis of the time lags at various stages of the cycle and reasons for these time lags. The evaluation concluded that the lag time for proposals awaiting approval had become unacceptably long and recommended a "radical redrawing of the cycle". Taking note of the evaluation findings and recommendations, a new project cycle was approved by the GEF Council in June 2007. For the GEF-4 period a business standard of 22 months or less was established for time elapsed between PIF approval and endorsement by CEO for full size projects (GEF/C.31/7). It also established the business standard of a turnaround time of 10 days for the GEF Secretariat to respond to PIF submissions and CEO endorsement submissions.

The analysis presented in the Final Report of OPS-4 showed that the Secretariat responded to 56 percent of the PIF submissions within the 10-workday business standard and compared to first submissions it was quicker in responding to subsequent resubmissions. OPS-4 was not able to deal more fully with the project cycle issues because there had been major changes in the project cycle in 2007 and sufficient time had not elapsed to allow analysis of various stages in the new cycle.

During its July 2010 meeting, the Council further revised the business standard of time elapsed between PIF approval and project endorsement by CEO to 18 months for the full size projects but retained the business standard of 10 days for response time of the GEF Secretariat (GEF/C.38/5/Rev.1). The Secretariat has also been using a 12 month standard from PIF approval to CEO approval for the medium size project.

In early 2013 the GEF Secretariat and World Bank are piloting an approach whereby the Secretariat would engage with Agencies more closely at key points of decision making for project development by the Agency. The aim of the pilot is to, among other things, "reduce the duplication, and iteration and flow of documentation" (GEF/C.43/06). The pilot is still in early stages of implementation. Depending on the experience the GEF Secretariat intends to explore similar engagements with other GEF Agencies, particularly with multilateral development banks.

Coverage of Project Cycle issues in OPS-5

The terms of reference of OPS-5 give considerable attention to project cycle related performance issues. Question 10 of the terms of reference specifically identifies it as one of the areas that OPS-5 would

address.¹ The performance evaluation team of the GEF Evaluation Office is undertaking a sub-study on the topic to provide inputs to the Final Report of OPS-5. The sub-study would build on the analysis already carried out for and presented in the Final Report of OPS-4 and the First Report of OPS-5.

The preliminary analysis on project cycle issues carried out for the First Report of OPS-5 compared to GEF-4, the time lag between PIF approval and CEO endorsement of full-size projects may be reducing significantly for the GEF-5 period. However, given the relatively small number of observations on the GEF-5 period, it also indicated that there was a need for further work.

Objectives

The objectives of the project cycle sub-study for OPS-5 would be to:

- Determine the time taken by projects through various stages of the project cycle and assess the extent the project cycle is efficient.
- Compare project cycle performance during the pre-implementation stages during GEF-5 with performance during GEF-4 period and relate findings to those of other evaluations and other sub-studies in OPS5 that could shed light on project cycle effectiveness.
- Assess the extent the GEF Secretariat is meeting the 10 work-day standard for processing a project proposal submission.
- Identify the factors that affect the project cycle and the areas for improvement.

Methodology

Both quantitative and qualitative tools would be used to gather and analyze information on project cycle related performance issues. Much of the qualitative analysis would be focused on shedding further light on trends, issues and concerns that become apparent after preliminary qualitative analysis. Similarly, where possible new insights gained through interviews would be further probed through quantitative analysis. Thus, the two efforts would be interlocking and complementary. The Office is also undertaking several other evaluation and studies that would bring forth evidence relevant for project cycle sub-study. This includes mid-term evaluations on National Portfolio Formulation Exercise (NPFE) and System for Transparent Allocation of Resources; sub-studies on partnership, co-financing and resource mobilization. The relevant information gathered through these exercises would be synthesized and incorporated in the project cycle sub-study.

Quantitative analysis

The key focus of quantitative analysis would be to determine the extent of time lags at different stages of the project cycle. The focus would be less on determining the time lags for projects that were approved in a given period and more on assessing what the GEF performance was in terms of project cycle related efficiency issues during a given period. For example, a proposal for a GEF-4 project (i.e. a GEF project PIF approved in GEF-4) may have been submitted during the GEF-3 period, may have got PIF approval and CEO Endorsement during GEF-4, whereas its implementation may have begun in GEF-5. Therefore, performance of the GEF partnership in processing, preparation and in start-up of implementation is likely to be associated with three different replenishment periods. The aim, therefore, would be to disentangle these stages in a manner that project cycle time-lags related

¹*“What are trends in performance issues, including the project cycle, co-financing, management costs and project fees, quality at entry, supervision?”* Page 1, 5, 6 and 7 in GEF/ ME/C.42/05.

performance is better linked with periods to which it corresponds. Thus, the time lags for PIF submissions from GEF-4 would be compared with those from GEF-5. Similarly, time-lags for PIF approvals from GEF-4 would be compared with approvals from GEF-5. Further, comparisons in time taken from CEO Endorsement to first disbursement and/or project start would be made between projects that received CEO endorsement in GEF-4 and those that received it in GEF-5, and so on.

The quantitative data on performance on project cycle related issues would come through analysis of various relevant datasets that include the Project Management Information System (PMIS) dataset, the Terminal Evaluation Review (TER) dataset, the trustee records, implementing agency datasets, and the Project Implementation Report (PIR) dataset. To the extent possible gaps in the PMIS dataset would be filled up with additional work and the updated dataset would be analyzed. For this assessment the PMIS data up to April 30th 2013 would be used. Compared to the work undertaken for the First Report of OPS-5, where the data up to September 30th was taken into account, inclusion of data up to April 30th 2013 would more than double the number of observations for the GEF-5 period for assessment of time lags between PIF approvals and CEO endorsements, i.e. from 103 project proposals to more than 200 proposals.

For the period between CEO Endorsement/Approval to actual project start, PMIS dataset, trustee dataset, agency datasets, and the PIR dataset would be utilized. The TER dataset would be used to assess the extent extensions required for implementation completion and factors that make these extensions necessary. These analyses would focus on periods before GEF-5 as projects from the GEF-5 are not yet as advanced in the project cycle.

Historical data show that independent observations on time taken between stages of the project cycle do not follow a normal distribution. The actual distribution for data on time taken in project cycle tends to be skewed and with a long tail. This implies that use of arithmetic mean may not adequately capture the underlying patterns. The analysis conducted for the sub-study would, therefore, lay greater emphasis on cumulative distribution of a given population across different time thresholds including the business standards established by the GEF.

The datasets and quantitative analysis prepared for the sub-study on the project cycle will be made available to other teams in the Evaluation Office, especially the NPFE and STAR mid-term evaluation team as the sub-study has considerable overlaps with those evaluations. Similarly, the datasets prepared for those evaluations would also be used for the project cycle sub-study.

Qualitative Analysis

GEF EO evaluations published after 2007 would be reviewed to synthesize the already reported information on project cycle related concerns. A review of the Country Portfolio Evaluations (CPEs) is presently underway to understand how project cycle issues are influenced by country circumstances, including changes in governments and priority setting, as well as programming exercises. The hypotheses generated through this review would form an input for further enquiry through quantitative analysis, and through interviews and online surveys.

Much of the qualitative information on factors that affect project cycle would be gathered through the on-going mid-term evaluations on System for Transparent Allocation of Resources (STAR) and on National Portfolio Formulation Exercise (NPFE). The field work and interviews conducted for these evaluations would also cover issues related to efficiency of project cycle, especially issues that pertain to

the period before the first submission of the proposal and also from first submission to its endorsement / approval by the CEO. Interviews would be conducted to gather information on underlying causes for time lags in the project cycle, bottlenecks, and areas where there is scope for further improvement. An online survey to gather opinions of a wider range of stakeholders including agency staff, national stakeholders, relevant Conventions, STAP, etc. The aim would be to understand the factors that affect the project cycle, including those that may not reflect in the quantitative data in terms of time lags but affects the quality dimensions of the process.

In most instances information on pre-PIF related milestones is not available in the PMIS. The STAR and NPFE mid-term evaluations, and the CPEs, are expected to provide information on project cycle related concerns for the pre-PIF period. While the information gathered through these sources would shed light on the constraints being faced during the pre-PIF stage, the information would be difficult to aggregate at the portfolio level. The coverage of the pre-PIF period would, therefore, be exploratory in nature and based on qualitative analysis.

The evaluation team would also take into account the pilot that is being undertaken by the Secretariat in collaboration with the World Bank for streamlining the project preparation process. While it is too early to evaluate the pilot, it would be appraised within the context of the emerging conclusions of the sub-study and the direction for future action.

Evaluation Team

Neeraj Negi, Senior Evaluation Officer and team leader of the performance evaluation team, would lead the sub-study. Adria Mila, junior consultant, would conduct the analysis of relevant project cycle related datasets. The project cycle process related qualitative dimensions would be covered by Fredrick Swarzendruber, senior consultant. The sub-study would be implemented from May 1st to July 31st 2013 and would be completed by August 15, 2013. The report on the sub-study would be an input to OPS-5.