

OPS5

FIFTH OVERALL PERFORMANCE STUDY OF THE GEF

ASSESSMENT OF THE GEF PROJECT CYCLE

OPS5 Technical Document #18

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I. OVERVIEW

1. Time taken at different stages of project cycle is indicative of the efficiency with which GEF projects are prepared, and implemented. Delays at different stages in the project cycle may lengthen the time taken from the point of generation of a project idea to implementation and may affect the extent to which global environmental benefits are generated in a timely and cost effective manner.
2. The sub-study on the project cycle was undertaken as an input to the Fifth Overall Performance Study (OPS-5) of the GEF. The sub-study focuses on the project cycle for full sized projects. It aims to assess the extent the GEF project cycle is efficient and the factors that affect the cycle.
3. The sub-study draws on various sources on information, which include literature review; analysis of the PMIS dataset, the project implementation review (PIR) dataset, GEF trustee dataset on disbursement requests, and the terminal evaluation review (TER) dataset; online survey of key stakeholders in GEF partnership; and, interviews of the key stakeholders in recipient countries and GEF Agencies.
4. The key findings and conclusions of the sub-study are:
 - 1) The key stakeholders in the GEF partnership perceive the GEF project cycle to be lengthy and bureaucratic. However, a sizable proportion of stakeholders also feel that the project appraisal process leads to improvements in project design. The respondents also reported that the new project cycle and related requirements entail more effort at project preparation. They also perceive that co-financing related requirements are leading to delays in project preparation.
 - 2) During the pre-submission and pre-Council approval stages several capacity and process related constraints in country governments, national agencies, and GEF Agencies may stall progress of PIF preparation. Despite these constraints, due to fewer changes in the PIF forms and increasing familiarity of the newer GEF Agencies¹ with the project preparation process improvements in the pre-PIF submission stages have been reported.
 - 3) The GEF target for Council approved projects to get CEO Endorsed within 18 months is not being met for more than half of the approved projects in GEF-5 and does not show improvements compared to the GEF-4 period. Much of the time taken during this stage is due to processes that are not internal to the GEF Secretariat. However, some of the delays are also due to increase in the level of information required in the proposals and also the increase in the extent to which revisions in proposals are requested by the Secretariat.
 - 4) During GEF-5 the 10 day standard for the Secretariat's response was met for 65 percent of PIF submissions (including re-submissions), and 50 percent of CEO Endorsement requests. Eighty three percent of PIF submissions and 77 percent of CEO Endorsement requests were responded to within 15 days of submission. Although performance during GEF-5 in terms of response time to PIF submissions seems to be more or less similar to GEF-4, there seems to be a slight improvement in speed with which the Secretariat responds to CEO Endorsement requests. However, much of this improvement is in terms of better response rate after the targeted 10 day turnaround time. More than the time taken in responding to submission, the

¹ The agencies referred to here are UNIDO, IADB, FAO, ADB, IFAD, AfDB, and EBRD.

improvements and modifications requested by the Secretariat, and time taken by the project proponents in addressing the Secretariat's feedback, seem to be the drivers of the total time taken from first submission to PIF approval.

- 5) Time taken from the point of CEO Endorsement to start of implementation has reduced for the more recent cohorts of endorsed projects. Much of the improvement in this stage took place during 2003-2006. During 2007-2010 this improvement has been sustained. The projects for which less time was taken from the first PIF submission to CEO endorsement were also more likely to be started in a timelier manner. Sufficient data on implementation start for projects that were endorsed during the 2011-13 period is not available because of the time lag involved in reporting through the PIRs.
- 6) Implementation of the projects that were endorsed during 2003-2006 (GEF-3) was more likely to be completed in a timely manner than for the projects that had been endorsed during the earlier periods. Implementation of a sizable proportion of projects endorsed from 2007 onwards is still ongoing. Therefore, it is difficult to draw conclusions about them.
- 7) As a result of adoption of RAF and STAR, the GEF grants requested through project proposal submissions tend to be well aligned with country allocations and – by extension – the GEF replenishment. This has reduced 'queuing' of projects for Council approval: the queuing had been a major cause of delays and a source of frustration for the project proponents.

5. During the past two replenishment periods there have been several improvements in the project cycle. Firstly, country allocations under STAR (and RAF during GEF-4) are leading to better alignment of the funding requests from the recipient countries with the replenishment amounts, leading to lesser queuing for GEF resources. Due to time taken by the Agencies and recipient countries in familiarizing themselves with the new project cycle, the changes made in the project cycle in 2007 led to a slowdown in preparation of project proposals. Thereafter, the relative stability in project cycle related requirements has facilitated greater familiarity with the GEF procedures and requirements. This seems to have reduced the time taken in the pre-PIF submission stages. Further, although data is not available for the GEF-5 cohorts, time taken from CEO endorsement to project start has reduced and timeliness of project completion has improved for more recent cohorts.

6. There is, however, little evidence to suggest that there have been major gains from the point of PIF submission onwards. From PIF submission to Council approval, increased focus on co-financing and, in some instances, lesser than expected materialization of replenishment funds, has added to delays. For the stages after Council approval to CEO endorsement, the GEF standard of 18 months between Council approval and CEO endorsement is not being met for majority of projects. At this stage attention to issues related to M&E; co-financing; and discrepancies between documents submitted for PIF approval and for endorsement, are leading to increased number of resubmissions. This is adding to project preparation time. However, much of delay in project preparation is due to factors that are difficult for GEF influence. For example, government processes for endorsement within the recipient countries tend to be slow, in several instances project preparation faces delays due to staffing related changes at the GEF Secretariat and in the agencies. Similarly, appointment of a new OFP may delay endorsement by the governments in the recipient countries.

7. The work on project cycle carried out so far does not suggest any easy answers. Nonetheless, it is likely that small nudges at different stages of the project cycle might help in making the cycle more efficient. There is also a case for considering programmatic approaches to speed up the cycle as (child) projects prepared under programmatic approach are not required to prepare PIFs in instances where the respective GEF Agency has a board that approves projects. This reduces the time from the point recipient countries and Agencies start preparing a (child) project and its endorsement by the CEO. For other

projects developed under programmatic approach too, the time taken for project preparation may be lower because often a precedent is available and it is easier to address concerns that were raised in the earlier child projects beforehand for a new proposal. For stand-alone projects, the review process may be streamlined by shifting the focus to establishing eligibility of the proposed project for GEF funding and the CEO Endorsement stage may continue to focus on a more thorough review of the proposal. Similarly, requirements related to M&E and tracking tools may be streamlined. While reduction in burden contingent on project proponents and Agencies for preparing project proposals might lead to some gains, there are project design quality (including M&E) related tradeoff that may need to be made. Another area for improvement is emphasis given to co-financing – while the work carried out for this sub-study did not go in adequate depth on whether co-financing related back and forth during PIF review and during review of documents for CEO endorsement was appropriate in each individual case, it is clear that over the past two replenishment periods emphasis on co-financing has increased dramatically and is creating barriers to speedy development of projects. In many instances is the requirement that the agencies provide a firm proof of intent from co-financing partners stalls progress, as Agencies have to do considerable leg work to get the appropriate documentation.

II. BACKGROUND

8. GEF provides support for activities that are expected to generate global environmental benefits through several modalities. These modalities include full size projects, medium size projects, enabling activities, and small grants. Each of these modalities has a different project cycle and project appraisal related requirements. How efficiently projects move through their respective project cycles has been one of the important indicators of GEF performance. Issues related to project cycle have, therefore, been covered in several evaluations and are reported on a regular basis in the GEF Evaluation Office's Annual Performance Report (APR) and GEF Secretariat's Annual Monitoring Review (AMR) report. Much of the discussion on project cycle tends to center around time taken in preparation and approval of full size projects. This is so as full size projects account for most of GEF funding and, compared to other modalities, their preparation requires greater time and effort.

9. 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 that pertain to project preparation and appraisal and reasons for these time lags. The evaluation concluded that the lag time for proposals awaiting approval had become unacceptably long. In order to simplify the process, the evaluation recommended that the identification phase of the project cycle "*should simply establish project eligibility, whether resources are in principle available, and whether the concept is endorsed by recipient countries.*" Taking note of the evaluation findings and recommendations, a new project cycle was approved by the GEF Council in June 2007. The new cycle eliminated the stage of project concept approval. Further, instead of detailed project documents for work program inclusion, the Agencies were expected to submit a streamlined Project Identification Form (PIF). A business standard of 22 months or less was established for time elapsed between PIF approval and endorsement by CEO for the GEF-4 period (GEF/C.31/7). A business standard of 10 work days for the GEF Secretariat to respond to PIF submissions and requests for CEO endorsement was also established.

10. 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 cycle². The analysis presented in the Final Report of OPS-4 showed that the Secretariat

² Instead of 1st of July 2006, GEF-4 became operational in February 2007. Also due to changes in the cycle, it was difficult to directly compare the results with the GEF-3 and earlier periods.

responded to 56 percent of the PIF submissions within the 10-workday business standard and compared to first submissions the Secretariat was quicker in responding to subsequent resubmissions.

11. 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 a full size project but retained the business standard of 10 days for response time of the GEF Secretariat (GEF/C.38/5/Rev.1). For GEF-5 the Secretariat uses a 12 month standard from PIF approval to CEO approval for a medium size project.

12. In early 2013 the GEF Secretariat and World Bank started 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. Also to reduce the back and forth when project preparation for CEO endorsement gets delayed Agencies are now not expected to seek extension of the GEF CEO – they are just expected to inform.

III. GEF PROJECT CYCLE FOR FULL SIZE PROJECTS

13. The project cycle applicable during GEF-5 entails several steps. The Council information document on ‘GEF Project and Programmatic Approach Cycles’ (GEF/C.39/Inf.3) outlines four steps in the project cycle of full size projects that pertain to the project approval and implementation phases. In addition to the steps outlined in the Council information document, there are also project cycle stages that pertain to the period before a Project Identification Form (PIF) is submitted to the GEF Secretariat. The project cycle for full size projects may be divided into following major stages:

- I. Project identification: identification of project and preparation of a PIF.
- II. Council Approval: Submission of PIF, PIF review, clearance, and Council approval.
- III. CEO Endorsement: project preparation, and endorsement of the project by the CEO.
- IV. Project implementation: Agency approval, project start and implementation
- V. Project completion: operational completion of project, preparation of terminal evaluation, and financial closure.

14. **Project identification:** recipient countries work with the GEF Agencies to identify project ideas that may be further developed and presented to the GEF Secretariat. They then prepare a PIF, which may be submitted to the GEF Secretariat after it is endorsed by the country’s Operational Focal Point (OFP). Where relevant, a request for Project Preparation Grant (PPG) is also submitted simultaneously with the PIF. When a PIF is submitted, for the first time information on the proposed project gets entered in the PMIS³. From that point onwards the time taken by a project to move from one stage to the other may be tracked.

15. **Council approval:** after its submission, a PIF is reviewed by the GEF Secretariat. The Secretariat is expected to provide feedback to the respective GEF Agency within 10-days of receipt of the PIF. The Secretariat may clear the PIF and recommend it to the CEO for inclusion in the work program, or request the respective Agency to provide additional information or clarifications, or reject the PIF. Where required the Agencies and project proponents make the requested changes in the PIF and submit the revised version to the Secretariat. After a PIF is cleared, the STAP screens all the PIFs for full size

³ The OFPs also have an option to enter information on the milestones related to the pre-PIF submission period. So far this option is not being used by the recipient countries.

projects to advise the GEF Agency and Council on STAPs concerns and suggest improvements, if any. The CEO constitutes the work program from the cleared PIFs. The GEF Council reviews several work programs in a year including those presented to it during the Council meetings and those presented through inter-sessional communications. Based on the merits of the work program and PIFs included in it, the Council may approve a work program. Once a work program is approved, the trustee sets aside the GEF resources requested in the PIF for the relevant GEF Agency.

16. **CEO endorsement:** After a PIF is approved the Agencies are expected to prepare the project within 18 months and secure CEO endorsement. After Agencies prepare a project, they submit it to the GEF Secretariat for CEO endorsement. The Secretariat may request revisions where it assesses that a proposal is not in compliance with conditions for endorsement. When the Secretariat requests a revision, the Agencies working with the recipient countries revise the proposal or in some cases may also drop it altogether. After the Secretariat is satisfied that conditions for endorsement have been met, a project may be endorsed by the CEO. The final GEF grant amount is also confirmed by the CEO at this stage.

17. **Project implementation:** After a project has been endorsed by the CEO, the project proposal may have to go through Agency procedures for approval. Once approved by the Agency, it notifies the GEF Trustee so that the Trustee may release funds for the project. The implementation of the project may then begin. Procedures for actual start of project implementation and also what is considered as start of project implementation differs across the Agencies. During the period a project is under implementation, the GEF Agency supervises the project and undertakes periodic reviews such as the Project Implementation Reviews (PIRs) and mid-term review. These reviews are aggregated and reported on through the Annual Monitoring Review (AMR) process.

18. **Project completion:** The GEF Agencies are responsible for project completion, preparation of terminal evaluation, and financial closure of the project. At project completion the Agencies are required to prepare a terminal evaluation report, which it then submits to the GEF Evaluation Office. The Agency also financially closes the project. After the GEF Evaluation Office receives terminal evaluations, it reports on the performance of the completed projects through APRs. Terminal evaluation findings are also synthesized and reported by the Secretariat through AMR.

IV. SCOPE AND KEY QUESTIONS

19. 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 project cycle as one of the areas that OPS-5 would address.⁴ The sub-study is limited in its scope. It focuses on the full size projects and does not cover the project cycles for medium size projects and enabling activities. This choice was informed by several considerations including share of these modalities in GEF funding, level of perceived project cycle related concerns about the modality, and time and resources available for this sub-study. Full size projects account for most of the GEF funding and delay in its project cycle continues to be a major expressed concern within the GEF partnership.

20. The key questions addressed by the sub-study are:

- To what extent is the GEF project cycle for full size projects efficient? How much time does it take for projects to move through different stages of the cycle?

⁴ Page 1, 5, 6 and 7 in GEF/ ME/C.42/05.

- How does project cycle related performance during GEF-5 compare with that during GEF-4 and earlier periods?
- To what extent does the GEF Secretariat meet the 10 work-day standard for processing project proposal submissions?
- What are the factors affect the project cycle and the areas for improvement?

V. METHODOLOGY

Quantitative Analysis

21. The focus of quantitative analysis is on determining the extent of time lags at different stages of the project cycle and identifying patterns based on the periods, the Agencies, etc. The quantitative data on project cycle related performance was assembled through various relevant datasets that include the Project Management Information System (PMIS) dataset, the Terminal Evaluation Review (TER) dataset, the GEF trustee dataset, and the Project Implementation Report (PIR) dataset. To the extent possible gaps in the PMIS dataset have been filled through information gathered from a survey of the documents available through PMIS and in some cases validation with the World Bank project dataset.

22. Historical data shows that, statistically, independent observations on time taken between stages of the project cycle do not follow a ‘normal distribution’- they tend to be skewed and with a long tail. As a result, arithmetic mean doesn’t provide a good measure of the distributions central tendencies. The analysis conducted for the sub-study, therefore, lays greater emphasis on percentiles and cumulative distributions.

23. Barring the analysis on time taken from project approval to endorsement, analysis of other milestones is focused less on determining the time lags for projects based on their approval dates but 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. It’s, therefore, important to disentangle these stages in a manner that project cycle time-lags related performance is better linked with periods to which it corresponds. Thus, the time lags for PIF submissions from GEF-4 have been compared with those from GEF-5. Similarly, time-taken for PIF approvals from GEF-4 have been compared with approvals from GEF-5.

24. In most instances the PMIS data up to June 30th 2013 has been used. For some of the analysis the cut-off date was extended to September 30th 2013 so that the number of observations for the GEF-5 period could be increased. A cut-off date of June 30th or September 30th 2013 does not automatically mean that all the projects – depending upon the type of analysis – that were submitted, approved or endorsed by this date are reflected in the analysis. It just means that for the projects considered, progress up to these cut-off dates is reflected in the analysis. The cohort of project is determined by taking both – the cut-off date and the period for which its progress in the project cycle is to be tracked – into account.

25. As part of this sub-study on project cycle, the GEF Evaluation Office undertook a survey of the GEF Secretariat’s PIF review and CEO endorsement request appraisal reports to identify the issues that

are raised in these reviews. These reports were accessed from the PMIS. After a preliminary survey, issues related to co-financing and M&E were looked at greater detail.

26. An online survey was administered to gain information on stakeholder perspective on project cycle related issues. In all 79 unique respondents representing Operational Focal Points (15 respondents), GEF Agencies (29 respondents), national executing agencies (17 respondents), and Civil Society Organizations (18 respondents) participated in the online survey.

Qualitative Analysis

27. GEF evaluations that address project cycle related issues were reviewed to synthesize the already reported information on project cycle related concerns. Qualitative analysis also draws on the information gathered through focus groups during Expanded Constituency Workshops (ECWs); interviews of the key stakeholders such as the GEF Agency staff, national executing agency staff, OFPs, Civil Society Organizations (CSOs), etc. during country visits to India, Nepal, Maldives, Indonesia, Thailand, Philippines, Cambodia, Jordan, Congo, Swaziland, Mozambique, Congo DR, Georgia, Turkey, Mexico, Colombia, and Nicaragua. The GEF Secretariat and Agency staff was also interviewed to gather information on their perspectives on issues related to the project cycle.

28. Qualitative analysis also takes note of proposals that took a long time during the approval process. The respective project managers in the Agencies were contacted to get their perspective on why these projects got delayed. The program managers at the GEF Secretariat were also interviewed to get their perspective on the reasons for the delay.

Limitations

29. The pre-PIF submission stages are not tracked effectively by the GEF partnership. Although PMIS provides an option to the Operational Focal Points to fill information on the proposals that PIF prepared for submission, so far this option has not been utilized. For countries that undertook a the National Portfolio Formulation Exercise (NPFE) information on the pre-PIF submission stages is available for the projects that were identified. However, this information is difficult to aggregate to get a global portfolio level picture because only a third of countries eligible for GEF grants participated in this exercise and, even for those that did participate, there are lot of variations in the projects that they identified and the PIF submissions that they actually made. Therefore, the sub-study had to restrict its analysis of these stages to what may be learnt from the available qualitative information.

30. The sub study has assessed the time taken for CEO endorsement for the child projects prepared under programmatic approach using Council approval for the parent project as the point of approval for child projects. While this approach works well in instances where preparation for a child project starts immediately after the Council's approval to the parent project, it may not be appropriate for situations where preparation starts after considerable time lag. In such cases the approach used in this sub-study will estimate longer than actual preparation times. The Evaluation Office is still working on developing a better way to address projects prepared under programmatic approach. The number of programmatic approach projects for the GEF-5 period covered by the analysis was low. As a result, the overall results of the analysis presented in this paper are not overly sensitive to inclusion or exclusion of child projects for calculation of time lags between the Council approval and CEO Endorsement stages.

31. Assessing results of recent policy measures that may affect project cycle is difficult as these results become apparent only after some time lag. This limits the number of observations that may be taken into account. For example, during GEF-5 up to September 2013 363 full size projects had been approved.

However, of these only 124 FSP could be taken into account if the extent the 18 month target for CEO endorsement is being achieved is to be assessed. Of those approved implementation is likely to have begun only for a few projects. Similarly, no project that was approved in GEF-5 has been completed yet. Consequently, for the projects approved in GEF-4 and GEF-5 very little information is available on for the latter stages of the project cycle. Therefore, when discussing extension of project completion date this sub-study focused on projects whose implementation started in 2006 or earlier.

32. For OPS-5 several online surveys were undertaken. To lessen the burden on GEF stakeholders that were being asked to participate in several of these surveys, the online survey for performance related issues – which also covered project cycle related concerns – was administered to a more contained set of respondents and with relatively few questions on project cycle (see annex). Broadly only stakeholders in countries that were covered through field visits and the Agency staff that had been contacted for interviews were covered through online survey. Had the survey been administered to a wider set of potential respondents, it is likely to have led to greater participation in the survey. Similarly, more questions on this topic would have provided more insights.

VI. FINDINGS

Overview of the Project Cycle

33. As discussed in the section on methodology, only anecdotal and perception based information is available on the pre-PIF submission stages of the project cycle. While some improvements in PIF preparation have been reported by the Agencies and national stakeholders, country processes and limited capacities have been reported as major barriers by the respondents. Similarly, at the PIF preparation stage difficulty identifying co-financing was reported in several countries as a major barrier. Overall greater certainty in resources that may be accessed by the countries has led them to be able to move forward with more confidence in project preparation. At the global portfolio level better alignment of the funding requests with the country allocations – and by extension GEF replenishment – has reduced the queuing for GEF resources. Thus, there is greater control over the PIFs that are being generated in the recipient countries.

Table 1: Time taken during different stages of the project appraisal process

GEF Replenishment Period Percentile	Time by which X percent of projects reach the next stage					
	GEF-5			GEF-4		
	25%	50%	75%	25%	50%	75%
PIF Submission to CEO Endorsement (in months)	22	—	—	22	28	43
PIF submission to Council Approval (in months)	2.8	6.3	17	4.3	7.6	13
<i>PIF submission to Clearance (in months)</i>	1	4.2	14.7	1	3.9	12.6
<i>Clearance to Council Approval (in months)</i>	1.6	1.7	1.9	1.9	2.2	3.4
<i>GEF Sec's response time to PIF Submission (in work days)</i>	3	8	13	2	6	12
Council Approval to CEO Endorsement (in months)	14.7	19.7	—	12.1	18.1	23.9
<i>Council Approval to 1st Endorsement Submission (in months)</i>	12.1	18	—	9.5	13.7	20.3
<i>First submission for Endorsement to actual Endorsement (in months)</i>	1.9	3.1	5.2	1.7	2.8	4.8
<i>GEF Secretariat's response time for CEO Endorsement (in work days)</i>	6	10	15	7	11	22

34. The appraisal process starts with submission of a PIF to the GEF Secretariat and ends with its endorsement by the CEO. Table 1 presents time taken in various stages and/or steps within these two mile

stones. Of the PIFs that were submitted during GEF-4, from the point of first PIF submission it took 22 months for the 25th percentile to get endorsement of the CEO Endorsement. For PIF submissions of GEF-5 period too an identical time of 22 months was taken for the 25th percentile project to get CEO Endorsement. Since GEF-5 is still underway, sufficient time has not passed to assess the time it would take the 50th percentile and 75th percentile PIF submission to get CEO Endorsement. For PIF submissions during the GEF4 period, the 50th percentile took 28 months and the 75th percentile took 43 months to get CEO Endorsement.

35. In terms of time taken from PIF submission to Council approval, the 25th and 50th percentile of the GEF-5 submissions took about 3 months and 6 months, respectively. However, the 75th percentile of the GEF-5 submissions took 17 months to get approval. Compared to GEF-4 submissions, the performance for the GEF-5 submissions is better for the 25th and 50th percentiles but for 75th percentile submissions during GEF-4 fared better.

36. From first PIF submission to PIF clearance, the submissions for GEF-5 closely track performance of the GEF-4 submissions. In terms of time taken from clearance to Council approval, GEF-5 submissions moved quicker than GEF-4 submission. In terms of time taken by the GEF Secretariat to respond to PIF submissions performance during GEF-5 was slightly slower than during GEF-4 period.

37. The preliminary analysis on project cycle issues carried out for the First Report of OPS-5 had indicated that compared to GEF-4, the time lag between PIF approval and CEO endorsement of full-size projects may be reducing 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. The subsequent work, which was presented during the second meeting of the replenishment group in September 2013, showed that indication of improvement reported in First report of OPS-5 was indeed due to statistical anomalies. As more data was incorporated in the analysis the earlier reported improvement disappeared. Table 1 provides a comparison of performance for GEF-4 and GEF-5 projects in terms of the 18 month target. Overall, it shows that the 18 month target from Council approval to CEO endorsement is not being met for a majority of GEF-5 approvals, as the 50th percentile took about 20 months. Even when analysis is restricted to the period from Council approval to first submission of CEO endorsement request, endorsement requests for only 50 percent of the approved projects for GEF-5 were submitted within 18 months.

38. During GEF-5 the GEF Secretariat is meeting its 10 work day business standard for CEO Endorsement requests in only 65 percent of instances. This is lower than 70 percent target achievement during GEF-4. The difference in performance for the two periods in terms of days for 50th and 75th percentile PIF submission is not substantial.

39. Table 2 presents the time taken during different stages from CEO endorsement of a project to its actual start⁵. It shows that overall the times taken from CEO endorsement to project start has reduced. However, when period between CEO endorsement and IA approval, and IA approval to project start is considered separately, no clear trend is evident.

⁵ There are differences across GEF Agencies in the manner in which they define project start. Here the term project start indicates the date that the respective agencies have reported as the start date of a project.

Table 2: Time taken during different stages between CEO endorsement to project start

Period of CEO Endorsement	Time by which X percent of endorsed project reach next stage					
	2007-2010		2003-2006		1999-2002	
Percentile	50%	75%	50%	75%	50%	75%
CEO Endorsement to Start (in months)	4.9	9.9	5.2	9.4	6.4	16
<i>CEO Endorsement to IA Approval (in months)</i>	<i>2</i>	<i>5.2</i>	<i>1.7</i>	<i>3.3</i>	<i>1.9</i>	<i>4.1</i>
<i>IA Approval to Start (in months)</i>	<i>1</i>	<i>9.5</i>	<i>1.2</i>	<i>6.7</i>	<i>1</i>	<i>10.7</i>

40. Table 3 presents information on delay in project completion vis-à-vis expectations at the start of the project. The comparison is based on the period when implementation of the projects started. Implementation of the most recent cohort, for which sufficient information on project completion related extensions is available, started during the 2003 to 2006 period (i.e. GEF-3 period). Compared to the 1992-98 and 1999-2002 periods, full size projects that started during 2003-2006 period were completed in a timelier manner.

Table 3: Extension of project completion date

	Cumulative duration of extensions versus the given project percentile of implemented projects that is completed								
Period of start of implementation	2003-2006			1999-2002			1992-1998		
Percentile	50%	60%	75%	50%	60%	75%	50%	60%	75%
Extension of completion date (in months)	8	11.9	19.1	17.9	25	>36	12.6	19	32.5

Pre-PIF Submission Stages

41. Although time taken during various pre-PIF submission stages is not recorded, information gathered through interviews of key stakeholders in the recipient countries indicates that compared to the GEF-4 period, there may have been an improvement in the GEF-5 period. Barriers related to country capacity and processes, lack of transparency in co-financing related requirements, and for some countries barriers related to language, are reported to slow down PIF preparation. However, overall, stakeholders perceive that during GEF-5 the project cycle moved swiftly during the pre-PIF stages.

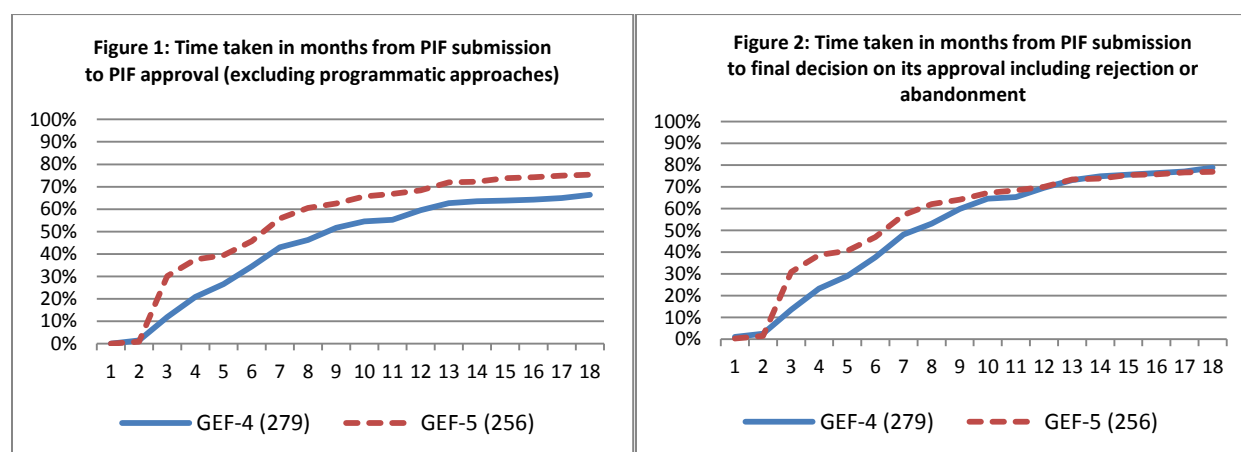
42. Firstly, the project cycle related requirements for PIF have remained fairly stable with very few changes compared to the cycle for the GEF-4 period. The respondents in the recipient countries reported that this has helped in faster PIF preparation. Secondly, the Agencies that became GEF implementing agencies under expanded opportunities have become increasingly familiar with project preparation requirements. For countries that had smaller allocations, full flexibility to use allocations across focal areas – and having individual allocations instead of group allocations – were identified as factors that have helped in swifter preparation during the pre-PIF stages.

43. In countries that undertook NPFE, it is difficult to assess the effect of NPFE on the pre-PIF submission stages. On one hand it brought key stakeholders together and led to greater transparency in identification of project ideas. On the other hand, in countries that had smaller allocations – which accounts for a bulk of the countries that undertook NPFEs – the process itself was long drawn. Therefore, in terms of effect of NPFEs no clear trends are evident.

PIF submission to Council Approval

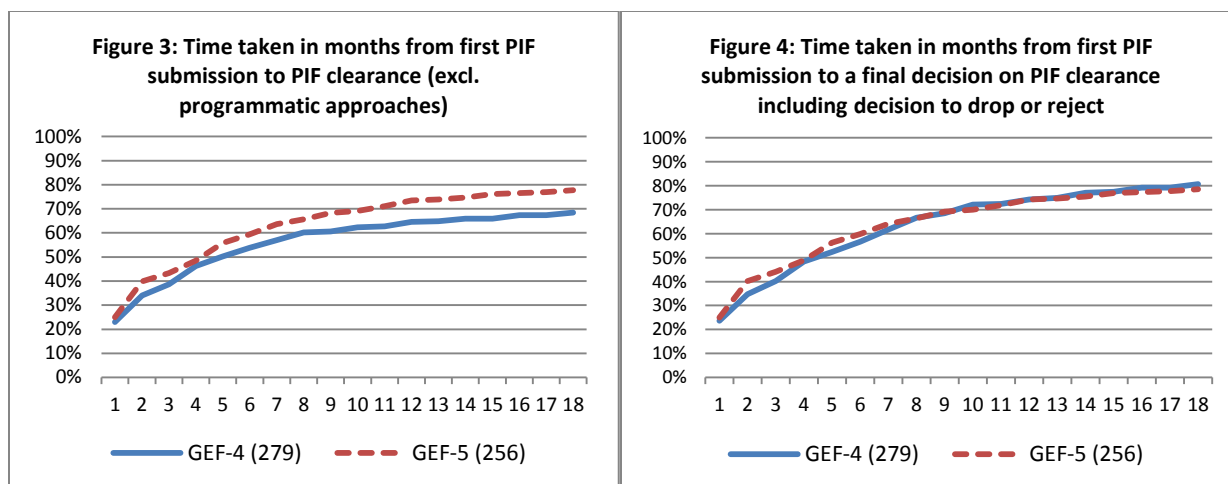
44. The project cycle stages from PIF submission to Council approval include PIF submission, GEF Secretariat's PIF review, PIF clearance, PIF screening by the Scientific and Technical Advisory Panel (STAP), inclusion of the PIF in GEF Council's work program, and PIF approval by the GEF Council. After the Council grants approval to the PIF, the Trustee reserves the amount requested in the PIF for the intended project. GEF Council has not established any standard for time taken from the point a PIF is submitted for the first time to its Council approval. Although, a 10 work day business standard is applicable for Secretariat's response to PIF submissions.

45. Figures 1 and 2 show the time taken from the point a PIF is submitted for the first time to its approval. While figure 1 depicts only approved PIFs, figure 2 also includes and depicts the PIFs that were dropped or were rejected by the GEF Secretariat. Compared 279 PIFs for GEF-4, 256 PIFs for GEF-5 that may be tracked for at least 18 months were taken into account. The figures show that approval for GEF-5 PIF submissions tended to be quicker than for the submissions for GEF-4 period. The two figures also indicate that the gains were primarily because fewer GEF-5 PIFs were rejected or dropped during these stages. Fewer PIFs being dropped or rejected during GEF-5 is consistent with stakeholders perceiving some improvement in the project cycle. Still only 45 percent of the PIFs received the Council's approval within six months of their first submission.

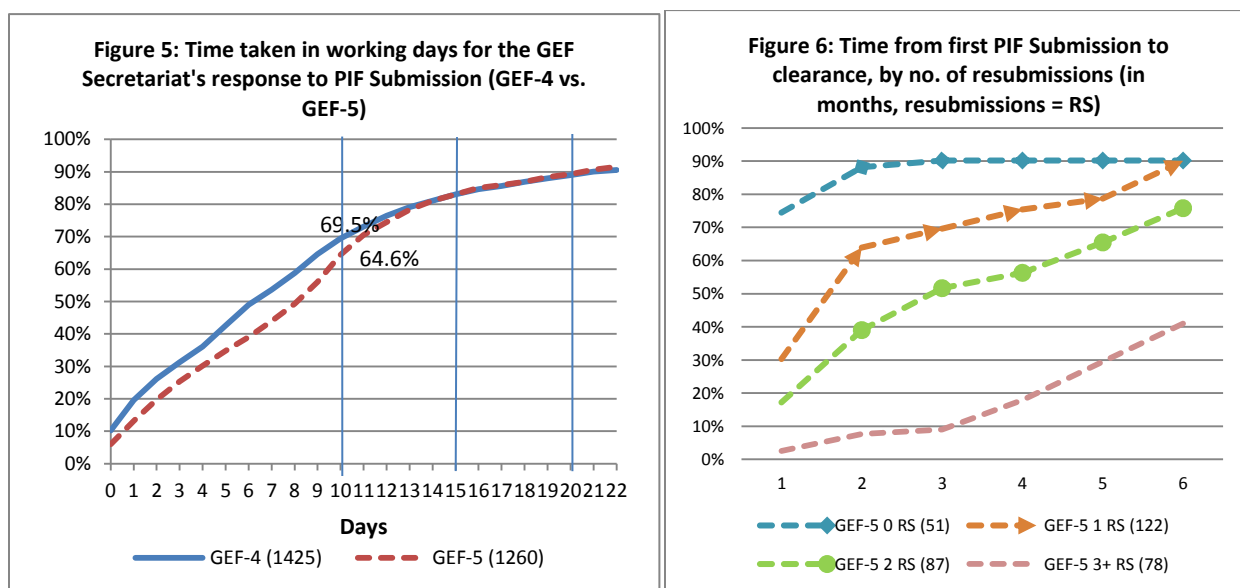


PIF submission to PIF clearance

46. Figure 3 and 4 graphically present the time taken from the point a PIF for a full size project is submitted for the first time to its clearance by the GEF Secretariat in terms of cumulative percentage of cleared PIFs. While figure 3 depicts only cleared PIFs, figure 4 also includes and depicts the PIFs that were dropped by the project proponents and Agencies or were rejected by the GEF Secretariat. While 40 percent of the PIFs submitted during GEF-5 received clearance within two months, the median (50th percentile) PIF took five months. The PIFs that do not receive clearance within five months tend to take increasingly longer time for clearance. Comparison of GEF-5 and GEF-4 PIF submissions shows that those submitted during GEF-5 received the Secretariat's clearance faster than during GEF-4. These gains were primarily because fewer PIFs submitted during GEF-5 were rejected or dropped during this stage.



47. Although there is no business standard or target time before which PIFs should be cleared, there is a 10 day business standard for the Secretariat to respond to a PIF submission. Figure 5 presents a comparison of time taken by GEF Secretariat in responding to PIF submissions in terms of percentage of submissions that was responded to in given number of work days. Compared to about 70 percent target compliance in GEF-4, the Secretariat responded to 65 percent of submissions during GEF-5 within the 10 work day standard. While performance during GFE-5 was lower than GEF-4 at the 10 day threshold, the performance during the two periods converges at the thresholds of 15 and 20 days.



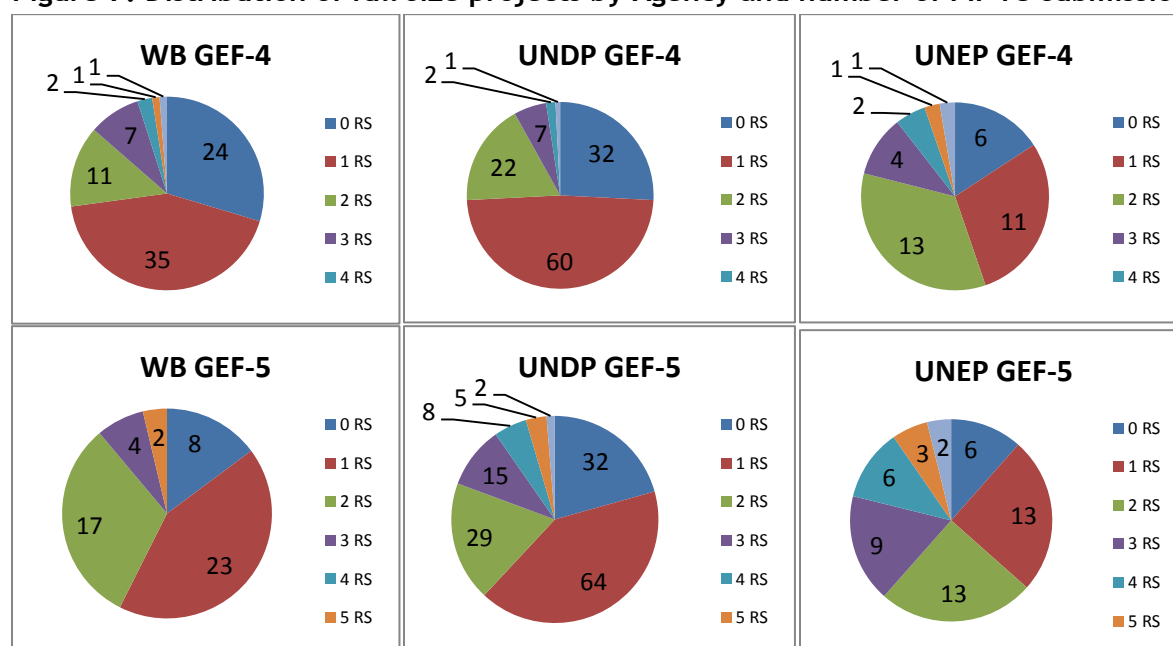
48. While the Secretariat's performance is satisfactory in terms of responding to the PIF submissions, time taken in responding does not seem to add much time to the project cycle. Instead, the number of times a PIF is resubmitted seems to be a major driver of time taken. Figure 6 presents that number of PIFs that received clearance by number of resubmissions. Where no resubmissions were required, 75 percent of the PIFs received clearance within a month. The time taken for PIFs that required one or more resubmissions increased substantially. For example, only 41 percent of the PIFs that required three or more resubmissions were cleared within 6 months of first submission.

49. The online survey indicated that excessive emphasis on co-financing is leading to delays in the project cycle. Information gathered through interviews of stakeholders in recipient countries also confirmed the findings of the online survey. The main frustration for a majority of project proponents was that, even though no formal guidance has been provided by the GEF Secretariat on co-financing expectations, during the PIF appraisal process submissions do not get clearance unless a high level of co-financing is provided. The reviews also do not give adequate weightage to mitigating factors that may call for reduced levels of co-financing.

50. Analysis of the feedback provided during the PIF review also shows there may be some basis for the project proponents' criticism of GEF approach. During GEF-4 and GEF-5 co-financing related comments appear to be a major reason for resubmissions. In all 398 full size projects for which PIFs had been submitted during GEF-5 (all submissions up to June 30, 2013), and PIF submissions for 141 randomly selected projects from GEF-4, and Council work program inclusion related submissions of 133 randomly selected projects from GEF-3, were reviewed for the survey of GEF Secretariat's comments PIF submissions. The analysis shows that compared to 34 percent of GEF-3 projects and 58 percent of GEF-4 projects, 78 percent of GEF-5 projects received comments related to co-financing. For GEF-5, 66 percent of the co-financing related comments during PIF review called for more co-financing. This is substantially higher than GEF-4 and GEF-3 periods when 42 percent and 43 percent of the co-financing related comments called for more co-financing, respectively. Thus, the GEF-5 projects were not only more likely to receive comments on co-financing, a higher percentage of these comments called for more co-financing. It is, however, difficult to estimate the additional time that the project proponents have to spend in addressing co-financing related feedback.

51. Figure 7 provides a comparison of the main GEF Agencies in terms of number of PIF submissions required. It divides the projects in terms of number of PIF resubmissions with starting from zero resubmissions (0 RS) to six or more resubmissions (6 RS). It shows that for a majority of submissions for the World Bank and UNDP only one resubmission, or none, was required. However, for all three Agencies in general more resubmissions were required during GEF-5 than during GEF-4. There is increased level of back and forth and resubmissions at the PIF submission stage due to increase in requests by the program managers in the GEF Secretariat for changes in the design of proposed projects. . The World Bank Independent Evaluation Group's report on the Global Program Review of "The World Bank Group's Partnership with the Global Environment Facility" (forthcoming 2013) also confirms that that there is increased level of back and forth and resubmissions at the PIF submission stage due to increase in requests by the program managers in the GEF Secretariat for changes in the design of proposed projects.

Figure 7: Distribution of full size projects by Agency and number of PIF re-submissions



52. When the GEF project cycle for FSPs was redesigned in 2007, the project concept approval stage was eliminated from the cycle and submission of a detailed document for work program inclusion was replaced by submission of light PIF. While PIFs were expected to be short documents, over the years they have become lengthier as PIFs are increasingly expected to provide more information. The program managers in the Secretariat feel hesitant in clearing PIF that do not provide sufficient information on project design and detailed estimates on the financing for the projects. Similarly, the STAP screening to assess technical merits of the project may be difficult to undertake if sufficient preliminary information on the technical design features of the project is not provided in the PIF. This front loading of information, in contrast to the project cycle evaluation (2007) recommendation that at Council approval only project eligibility should be established, has added to the time taken during this stage of the project cycle.

PIF clearance to Council approval

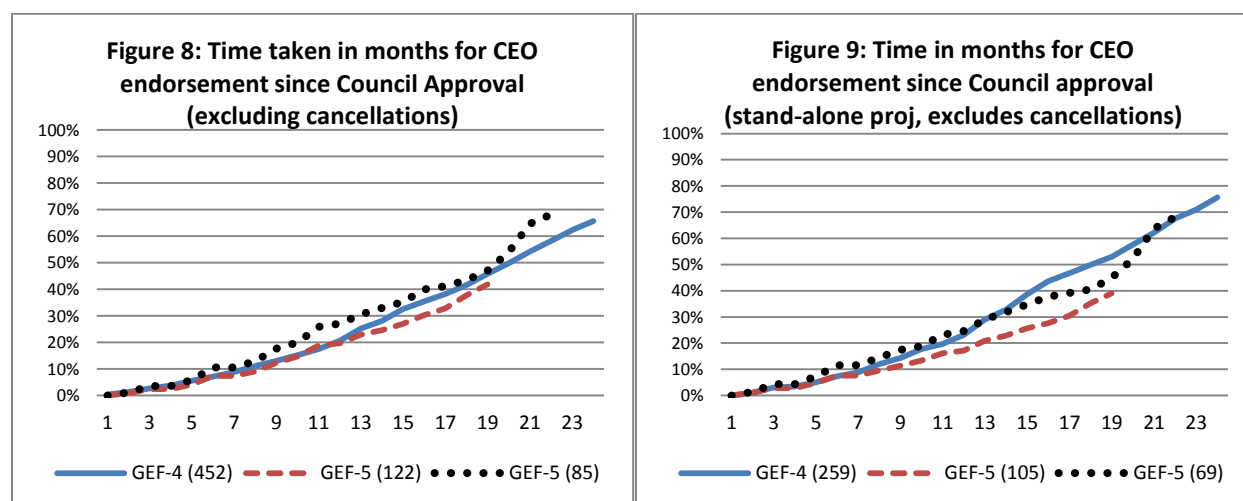
53. After a PIF has been cleared, it is also screened by the STAP and may be included in the work program presented by the CEO to the GEF Council. Generally, all the PIFs that have been cleared are included in the following work program. However, in some instances a cleared PIF may be left out. The decision on the number of PIFs, and amount requested through PIFs, in a work program is generally informed by the cash flows related to materialization of replenishment commitments to the trustee. Analysis of 750 PIF that were cleared since GEF-4 shows that about 5 percent of these were not included in the following work program. Clear patterns do not emerge in terms of characteristics of projects that are less likely to make it to the work program in case it is curtailed. Even for project categories where contingent probabilities of not making it to the work program are nominally higher, the percentage of projects that do not make it is very low.

54. The PIFs that weren't included in the immediate following work program are included in the next work program. In almost all the instances, Council approves the PIFs included in the work program presented to it. Given that almost all of the cleared PIFs are approved, this step does not seem to add to delays, although it does lead to frustration for the project proponents whose project is not able to make it to the work program despite clearance the first time around. Delays on account of non-inclusion of

cleared PIFs in the work program due to cash flow related concerns probably have more to do with donor countries not meeting their replenishment commitments in a timely manner. Therefore, it is difficult for the Secretariat, Agencies and project proponents to address delays on this count.

Council Approval to CEO Endorsement

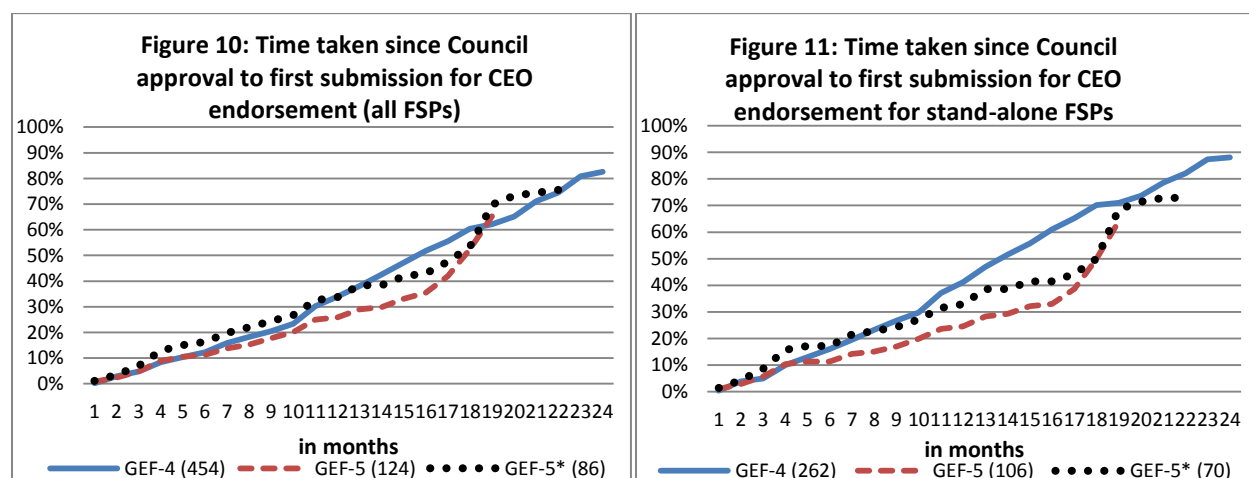
55. After a PIF has been approved by the Council, the given Agency and project proponents may prepare the project for its endorsement by the CEO. During the project preparation for CEO endorsement, along with meeting the other requirements, the project proponents and Agencies are expected to take into account the feedback provided through STAP screening reports and comments of the Council during PIF approval. The GEF Council established a business standard of 22 months from Council approval to CEO endorsement for GEF-4 approvals and further reduced it to 18 months for the GEF-5 approvals. Figure 8 and 9 show the percentage of approved projects that received CEO endorsement on Y axis and time taken in months in X axis. There are three different lines in the graph. The first line depicts the GEF-4 PIF approved projects. There are two different lines to depict the observations for the GEF-5 period. The first of these lines has a larger set of observations but allows tracking of GEF-5 projects for a shorter period. The second of these has fewer observations but allows tracking of CEO endorsements for a slightly longer period (these observations are already included in the first set for GEF-5). Figure 8 includes both stand-alone projects and projects that were approved under programmatic approaches, whereas Figure 9 excludes projects that were approved under programmatic approaches.



56. The figures show that the 18 month standard is being met only for 38 to 44 percent of the GEF-5 approvals. When programmatic approach projects are excluded from the analysis this number drops to 36 to 41 percent. Compared to GEF-4 period, the performance for GEF-5 approvals is more or less the same. However, when the performance is compared to the standards applicable for respective GEF-cycles, the GEF-4 projects fare much better as the applicable standard of 22 months was met for 68 percent of stand-alone projects compared to 18 month standard being met for 36 to 41 percent of GEF-5 projects; and, 58 percent for all full size projects of GEF-4 compared to 38 to 44 percent for GEF-5. This also shows that just by reducing the targeted time, without addressing the underlying barriers, reduction in time taken in CEO endorsement may be difficult to achieve. Information gathered from online survey (see annex) and interviews indicates that over the years the new project cycle requirements require more efforts from the project proponents and Agencies. During this stage M&E related requirements, along with co-financing, come up as an important reason for delay.

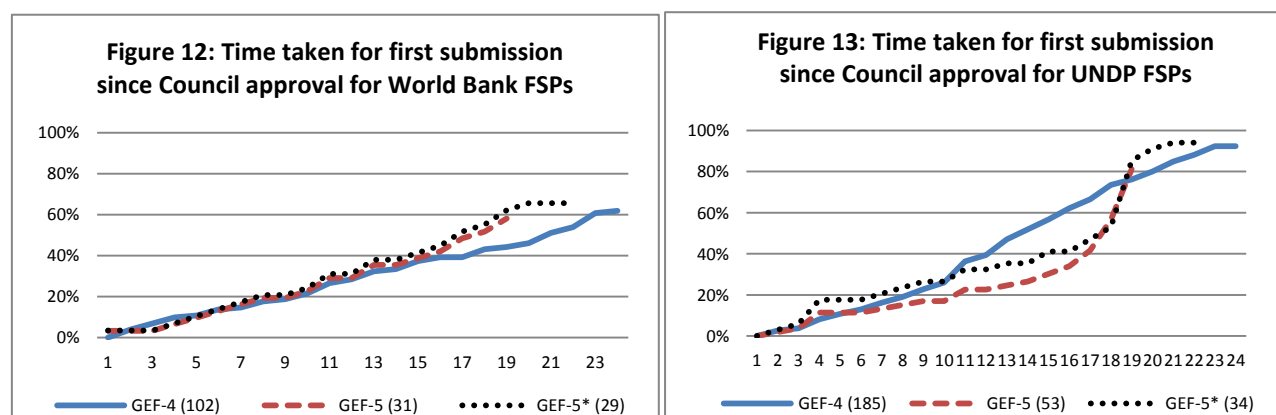
Council Approval to first submission for CEO endorsement

57. Figures 10 and 11 present the time taken in first submission for CEO endorsement from the point of Council approval. Based on the data available so far, only 50 percent of all FSP submissions and 50 percent of stand-alone FSP submissions for GEF-5 period were submitted within 18 months. For most time thresholds the performance during GEF-4 appears to be superior to the GEF-5 period. The figures also show that for GEF-5 there is a spike in the submissions from 16 months to 19 months.



*This cohort is a subset of the other cohort for GEF-5.

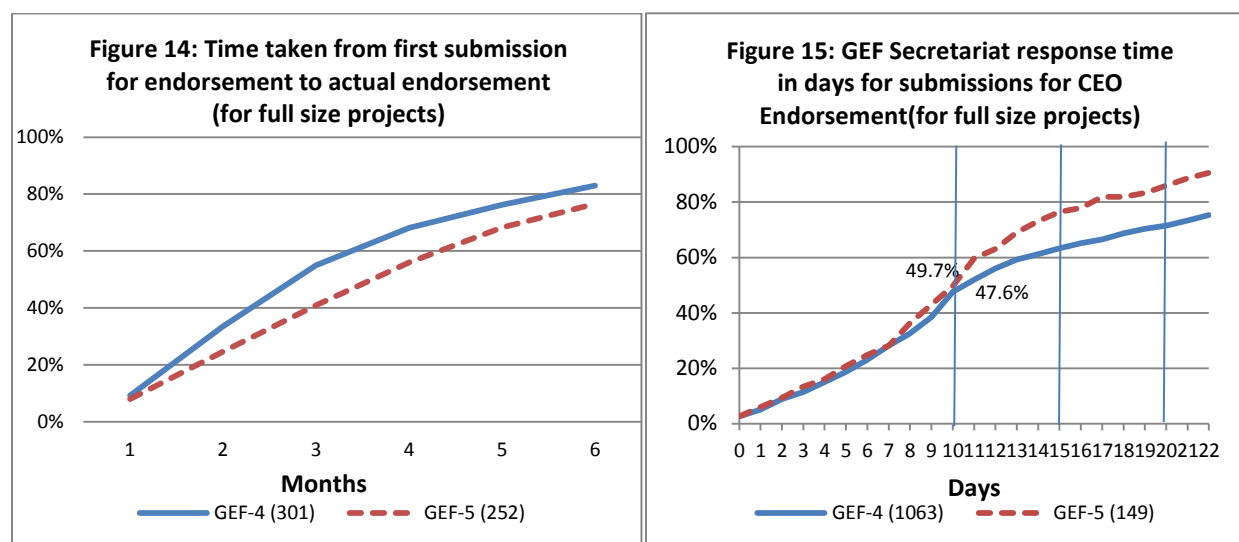
58. Of the GEF Agencies, sufficient observations are available for only two Agencies – World Bank and UNDP. Figures 12 and 13 present a comparison of the time taken for the first submission for CEO endorsement. While comparisons have been presented, these need to be taken into account only after considering that the GEF portfolio of these Agencies may differ in terms of types of projects prepared and also country context. Of the two Agencies, a greater percentage of UNDP submissions were submitted within the 18 months. However, compared to the GEF-4 period when 74 percent of the first submissions for CEO endorsement for UNDP projects were within 18 months for GEF-5 period a lower percentage (53 percent) had been submitted within the given time threshold. For World Bank the percentage of projects for which first submission for CEO endorsement was within 18 months increased from 43 percent for GEF-4 projects to 52 percent for GEF-5 projects. The figures also show that much of the spike from 16 months to 19 months is due to submissions from UNDP suggesting that the 18 month target may be influencing submissions for UNDP.



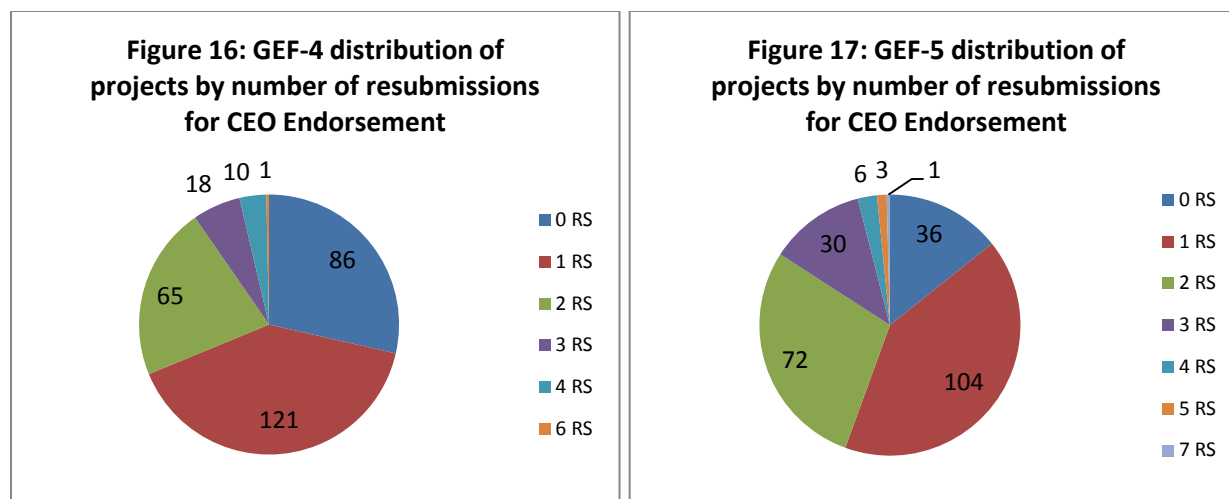
*This cohort is a subset of the other cohort for GEF-5.

Submission of CEO endorsement requests to actual endorsement

59. Figure 14 presents time taken from first submission for CEO endorsement to actual endorsement. It shows that for GEF-4 the median submission (50th percentile) received endorsement in 3 months and for GEF-5 it received it in 4 months. Within six months of the first submission for CEO endorsement 77 percent of the GEF-5 projects and 83 percent of the GEF-4 projects had been endorsed.



60. Although it took more time for the GEF-5 submissions for CEO endorsement to receive endorsement, it was not because Secretariat was slow to respond. In fact, the Secretariat's response rate showed improvement during the GEF-5 period (figure 15). The Secretariat met the 10 work day standard for 50 percent of the submissions for GEF-5 projects compared 48 percent for the GEF-4. Although the improvement in performance is only marginal at the 10 work day threshold, it increases substantially at the 15 and 20 day thresholds. The main drivers for longer time taken for GEF-5 projects for CEO endorsement seem to be increase in number of resubmissions. The endorsed GEF-5 projects have required more resubmissions than projects for the GEF-4 period (figures 16 and 17). While the endorsement rates for stand-alone projects from the GEF-5 period are more or less similar to GEF-4 period at any given time threshold, submissions for "child" projects under programmatic approaches from the GEF-5 period took more time for endorsement than child projects from the GEF-4 period. This is again driven by increase in number of resubmissions required for child projects from GEF-5 period. Among Agencies, submissions for CEO endorsement from the World Bank for GEF-5 received endorsement faster than submissions from UNDP and UNEP. World Bank projects required fewer re-submissions, where as those from UNEP required relatively greater number of resubmissions.



61. During the reviews for CEO endorsement, the Secretariat has frequently raised M&E and co-financing related concerns. Of the projects submitted for CEO endorsement, 23 percent of submissions of GEF-3, 39 percent of submission for GEF-4 and 50 percent of submissions for GEF-5 received comments on M&E related concerns. Of the GEF-5 proposals that received M&E related comments, in 65 percent instances M&E related submissions were considered to be incomplete. This incidence is higher than incidence within M&E related comments on submissions for CEO endorsement made for GEF-3 (53 percent) and GEF-4 (50 percent). Similarly, of the GEF-5 submissions that received comments on M&E related issues in 43 percent of instances addition or revision of indicators had been requested. This is again higher than the figure for GEF-3 and GEF-4 submissions, wherein of the submissions that received comments related to M&E in 36 percent cases changes in indicators had been requested. Addressing these M&E related concerns requires more work from the relevant Agencies and project proponents.

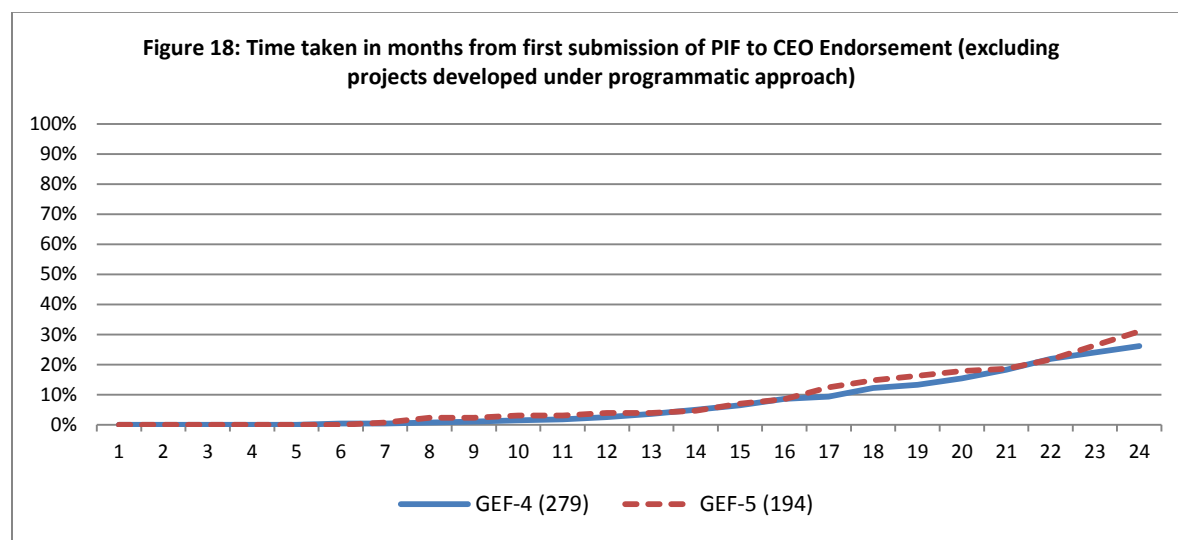
62. The co-financing related concerns noted in the review of the documents submitted for CEO endorsement include lack of confirmation from the co-financers and the need to address the risk that co-financing may not materialize. In about a quarter of CEO endorsement submissions that received co-financing related comments, the Secretariat requested increase in the level of promised co-financing. Compared to GEF-4, during GEF-5 there was a marginal decrease in the incidence of co-financing related comments in the review reports for the CEO endorsement related submissions. However, compared to GEF-3 co-financing related comments are being raised at an increased frequency.

63. The World Bank Independent Evaluation Group's review of "The World Bank Group's Partnership with the Global Environment Facility" (forthcoming 2013) reports the feedback from the task team leaders **at** the World Bank. According to the review, at the time of PIF preparation, little information may be available on several of the PIF template requirements. The review reports that in some instances the task team leaders *"admitted to simply guessing information not available at that early stage. Then this led to discrepancies with the information provided at the CEO endorsement stage upon which the Secretariat would request explanations, resulting in a back and forth process."* This underscores the need to focus the identification stage on eligibility issues. In other words: if the identification stage contains less detailed information, the CEO endorsement stage will not be puzzled with mismatches in information.

First PIF submission to CEO endorsement

64. Although GEF does not have a specific standard for the time it should take from the point of first submission of PIF to CEO endorsement, the period between these two mile stones denotes the duration with direct involvement of the Secretariat in project cycle. Figure 18 presents a comparison of the PIF

submissions during GEF-4 and GEF-5 that could be tracked 24 months by September 30th 2013. It shows that 31 percent of the PIF submissions for stand-alone projects during GEF-5 and 26 percent during GEF-4 had been CEO endorsed within two years of the first submission. Thus, overall there has been some improvement in the performance of the GEF partnership at the two year threshold in terms of achievement of CEO endorsement milestone. However, there are several other time thresholds where performance for the GEF-4 period is superior. To draw more firm conclusions the GEF-5 submissions need to be observed for a long period of time, which is not possible at this stage due to sufficient time not having elapsed.



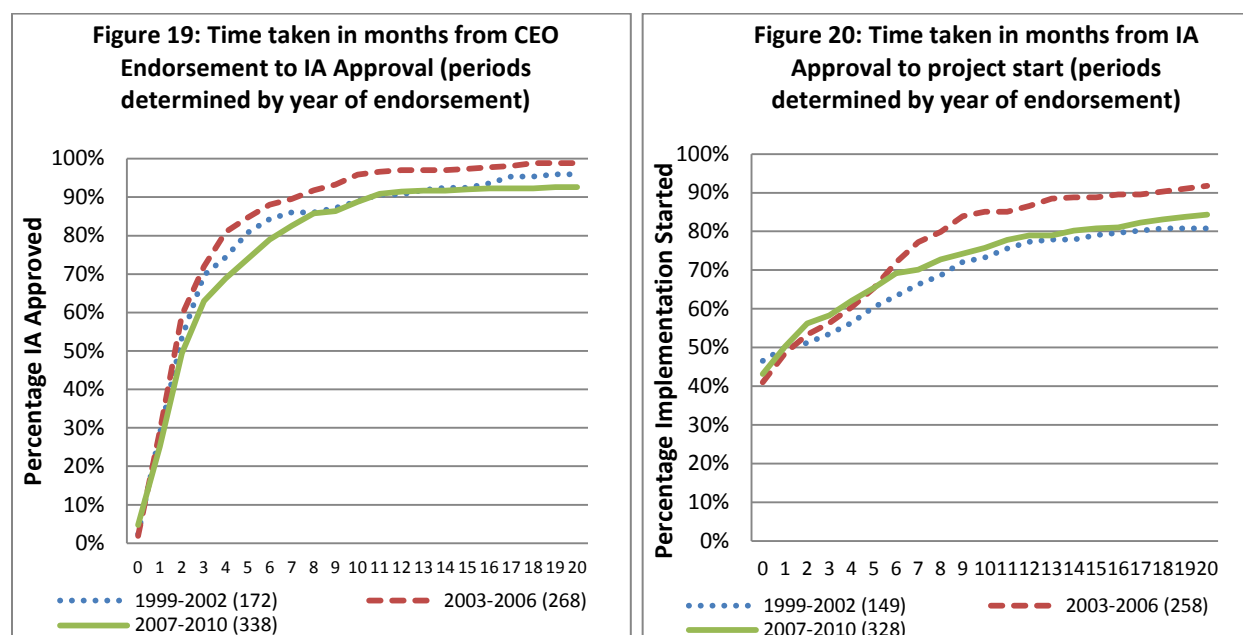
CEO endorsement to project start

65. From the point a full size project is endorsed by the CEO, from the GEF Secretariat's perspective all decks have been cleared for the implementation to start. However, the Agencies have their own approval processes, and after requisite approvals have been obtained within the Agency, it may still take more time for the activities to start on ground. Within the GEF partnership the period between CEO Endorsement and start of implementation has been an area of concern because this stage of the project cycle had not been covered in the earlier analyses on project cycles. Two factors make analysis of these stages complicated. Firstly, the practices across Agencies for approval and also the event that signifies project start differ. Secondly, there is considerable time lag before information on project start becomes available through PIRs. The results of this analysis are, therefore, not as useful for inter-Agency comparison but may still provide useful interpretations for trends at the intra-Agency and GEF portfolio level. Given that there has been little change in the GEF policies on the project cycle for the stages from CEO Endorsement to start of implementation, and the fact that data becomes available after considerable time lag, the analysis on these stages presented in this note does not take into account the Endorsement made during from 2011 onwards. Thus, none of the GEF-5 endorsements are reflected in any of the analysis. This analysis is presented to inform the discussion on this topic based on the light of what happened in past and what types of patterns one may expect for the GEF-5 endorsements.

CEO Endorsement to Implementing Agency Approval

66. For this analysis data from the PMIS (Endorsement Dates) and from the GEF Trustee (IA approval dates) was used. For nearly two thirds of the projects that are CEO Endorsed, the Agency is able to get

approval from their own board (or approving authority) within three months. The proposals that received CEO endorsement during the 2003-2006 period were likely to receive Agency approval quicker than other periods (Figure 19). Among Agencies performance of UNDP has remained identical for the three periods that were considered (i.e. Endorsements from 1999-2002; from 2003 to 2006; from 2007 to 2010). However, there has been some drop in the performance of the CEO Endorsed project where World Bank and UNEP are Agencies. For the World Bank, the bulk of endorsed projects tended to receive Agency approval within two months. However, for projects that didn't succeed in getting approvals within two months, considerable delay was experienced in getting approval. This was especially the case for Endorsements during the 2007 to 2010 period.



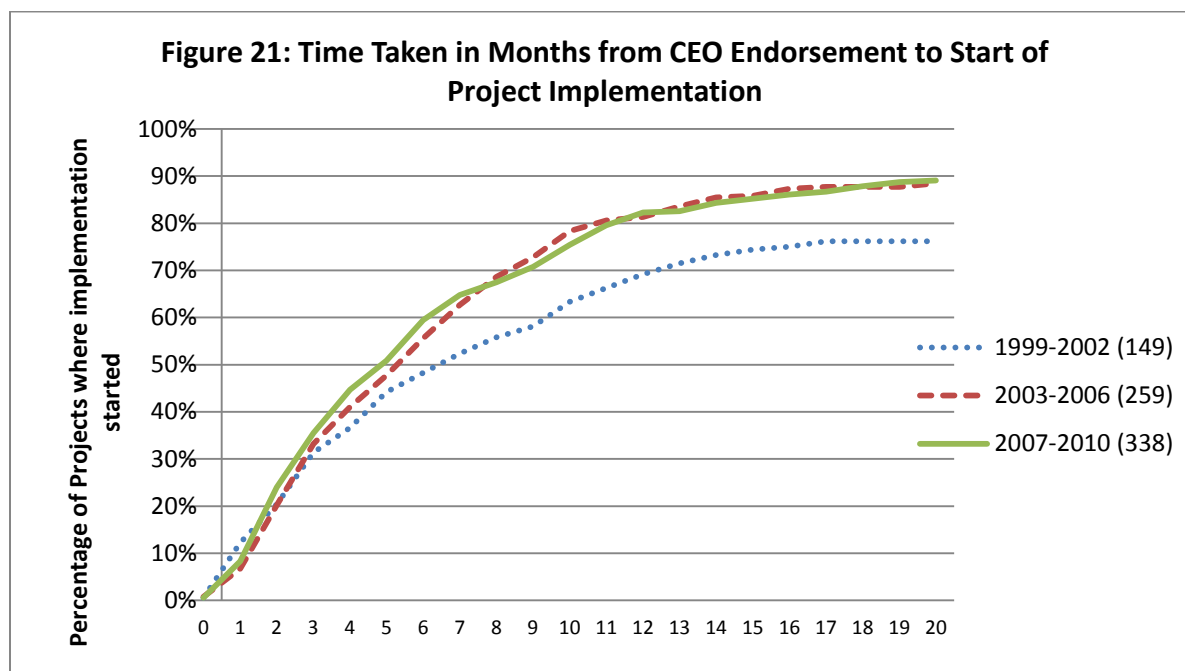
Agency Approval to Project Start

67. For almost half of the full size projects, implementation starts within a month of the approval by an Agency (Figure 20). This is especially driven by the figures for UNDP, where the Agency Approval date coincides with the date of start of implementation in nearly 90 percent of the cases. Overall it seems that for most of the Agency approved projects implementation starts within nine months – the majority of the projects for which implementation has not started at this point continue to face delays in start of implementation (Figure 20).

Time taken from CEO endorsement to project start

68. Figure 21 tracks time taken from CEO Endorsement to start of project implementation. Thus, it captures both periods – the period from CEO Endorsement to Agency approval, and from Agency approval to project start. Although both figure 19 and figure 20 do not show that there was any improvement in the portfolio level performance for the corresponding stages, the picture differs when performance for progress between two more distant mile stones is taken into account. Figure 21 clearly shows that major gains were made by the GEF partnership from 1999-2002 to 2003-2006. However, after that performance on this front has stabilized and the portfolio figures for the projects that were endorsed during the 2003-2006 and 2007-2010 period are identical. This trend is shared by portfolios for the World Bank and UNDP. For UNEP the figures show a lower performance for the 2007-2010 period – however, given its small share in the portfolio, the number do not affect the overall trend. When Agency

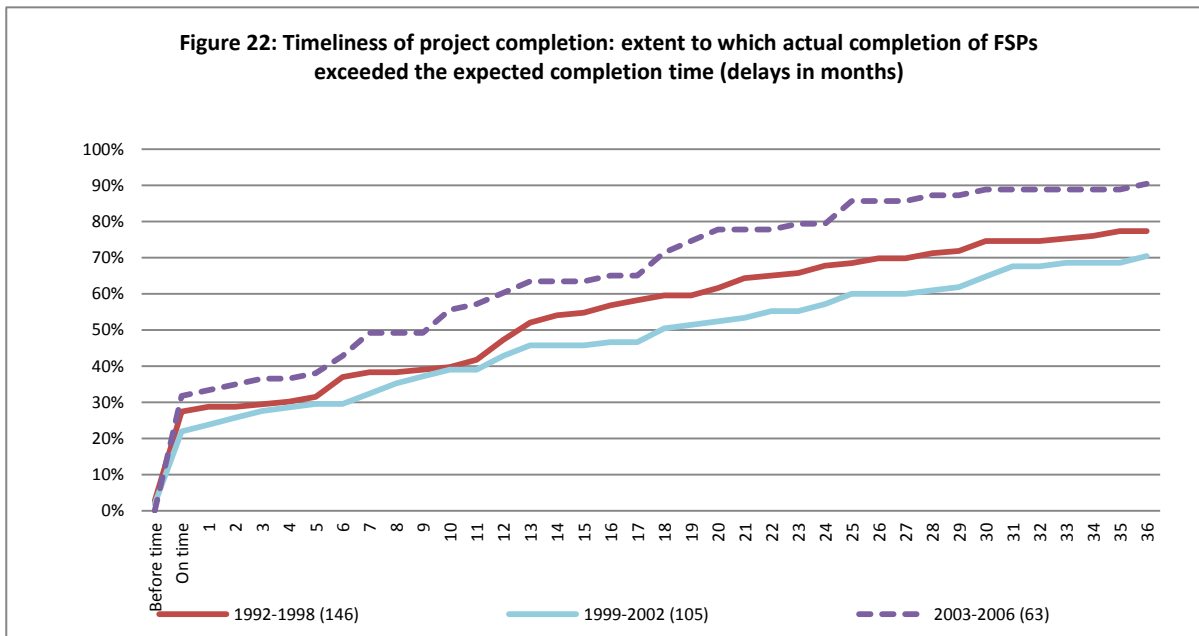
performance during the 2007-2010 period is compared, CEO Endorsed projects of UNDP had a greater likelihood that the implementation started within a year of CEO Endorsement.



69. Time taken from first submission of PIF to CEO endorsement seems to affect the time taken from CEO endorsement to implementation start. The projects that took the shortest time from PIF submission to CEO endorsement were the quickest to start implementation. In contrast the project that took more time to get CEO endorsement also took longer time for implementation to start. This could potentially be due to loss of momentum when projects linger in the pipeline and changing conditions on ground. Information gathered through interviews of the stakeholders in the recipient countries and GEF Agencies provides considerable support for this hypothesis.

Project completion

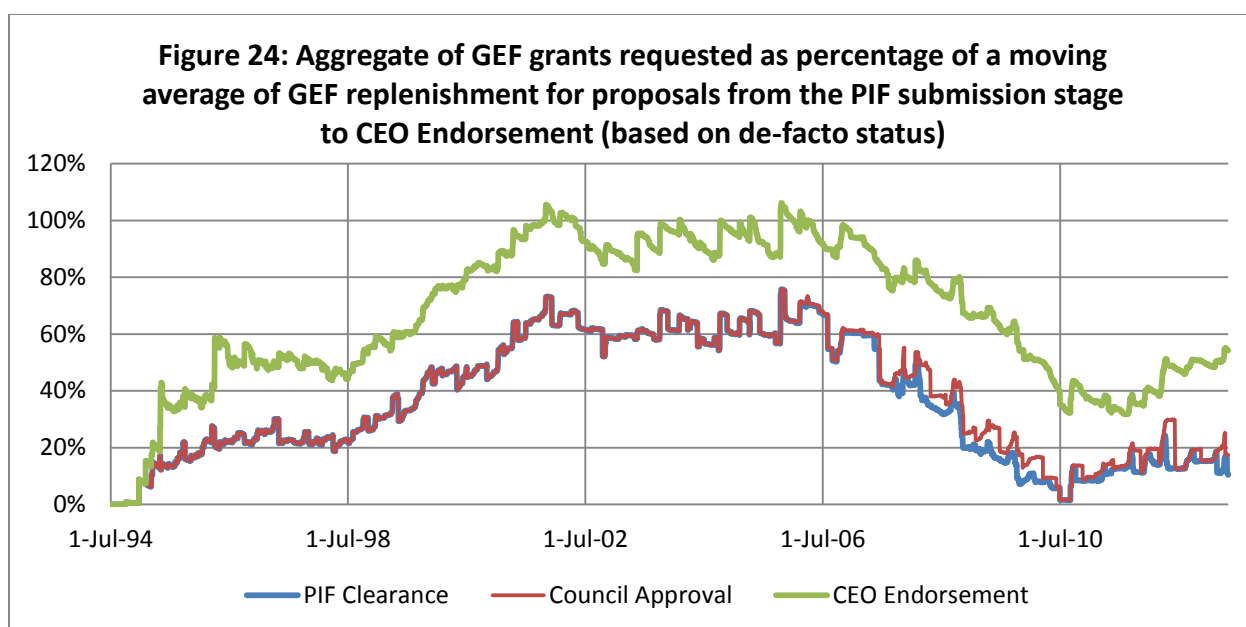
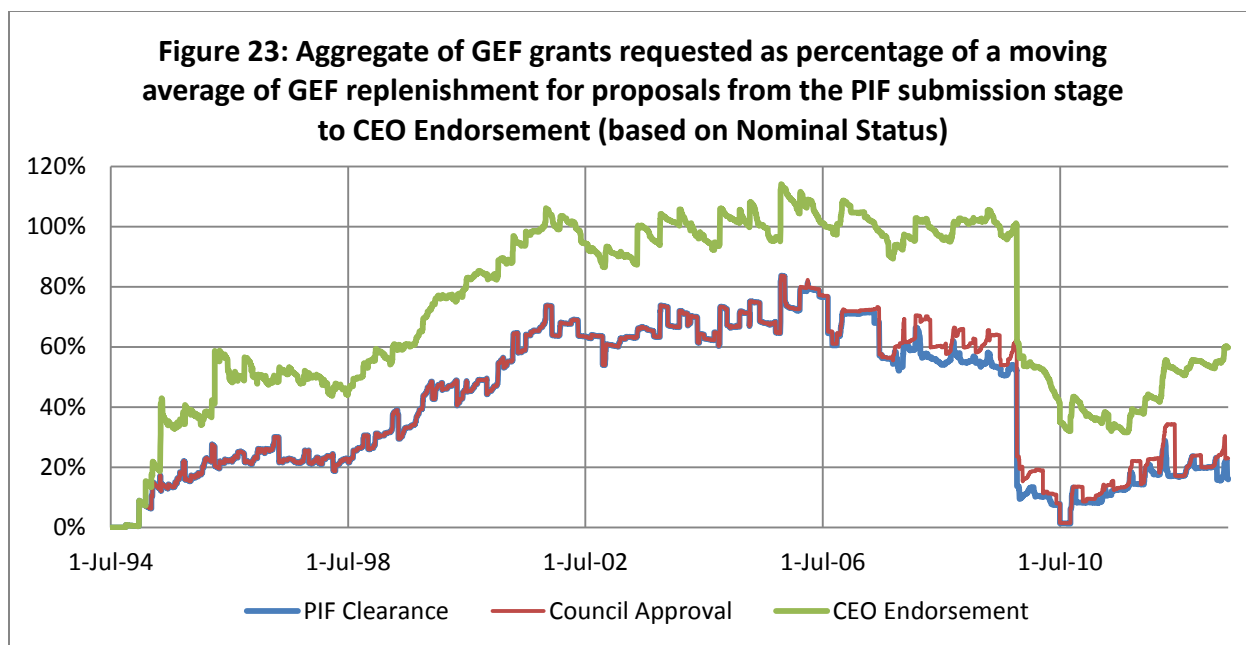
70. Once the project starts it is important that the project activities are completed in a timely manner. Extensions may increase the administrative costs of project implementation and may also lead to reduced effectiveness of the project. In some instances this may lead to restructuring of a project or even cancellation. In some instances, the Agency may consider it necessary to extend the project implementation beyond its completion date expected at start to allow it to complete project deliverables and, thereby, increase the likelihood that a project may achieve its intended impacts. While reasons for extension of the completion date may differ from project to project, at the aggregate level the length and incidence of extensions indicates how efficiently a project's completion deadlines were met. Figure 22 depicts incidence and length of extension of completion dates comparing projects started in three different periods. It shows that projects of the most recent cohort, whose implementation started in 2003-2006 period, are more likely to be completed in a timely manner. Analysis of the time taken from first submission of PIF/project concept to project start does not indicate a clear trend in terms of timeliness of project completion. Of the GEF Agencies adequate observations are available for only the World Bank and UNDP. The data shows that, among the two, World Bank projects are more likely to be completed in a timely manner.



Trends in aggregate of GEF funding requested in active proposals

71. One of the important indicators of the overall health of programming is that the project proposals that are under development are sufficient – but not excessive – to ensure utilization of the GEF replenishment amount. On one hand, if there is under programming, there is a risk that the GEF replenishment resources would not be utilized. On the other, if there is over programming, the pipeline would get choked and otherwise eligible proposals will experience delays in being approved because of in-availability of funding to support them.

72. Figure 23 and 24 present cumulative amounts requested in the proposals for full size projects that are at different stages of the project cycle: PIFs have been submitted but not yet cleared or dropped; PIFs have been cleared but not yet approved or dropped; PIFs have been approved but project has not yet been endorsed or cancelled. The analysis is restricted to full size projects as data for other project types is patchy and does not lend itself to this analysis as project cycle milestones are also different. Since full size projects account for almost 90 percent of GEF funding, focus on this group gives a good sense of the level of programming. Figure 23 is based on the nominal status of the proposals, whereas figure 24 is based on the de-facto status. The de-facto status was used as a basis for analysis in figure 24 as many of the proposals in the pipeline become “orphans” – Agencies, project proponents and/or GEF Secretariat are no longer interested in moving forward with them. Such project proposals are primarily deadwood in the system – to have a realistic sense of the size of the programming, they need to be excluded from analysis.



73. Figure 23 shows that the overall aggregate size of the requests for GEF funding (based on nominal status of the project proposals) as a percentage of the moving average of GEF replenishment increased dramatically during the GEF-2 period. Much of this increase was due to excessive submission of project concepts/PIFs during the GEF-1 and GEF-2 period. One of the OPS-4 findings on PMIS was the lack of a rejection policy for proposals. As a response to the criticism, in October 2009 the Secretariat rejected several PIF submissions that had been inactive for a long time⁶. This is reflected in the steep drop in requested amount depicted in Figure 23, which is based on the nominal status of the projects.

⁶ The measure was adopted as a result of the note on PMIS that had been prepared as an input to OPS-4 and had been shared with the Secretariat.

74. Figure 24 shows the overall aggregate size of the requests for GEF funding based on the de-facto status of proposals. The figure further reinforces the point that much of the project cycle related problems that were being experienced during GEF-2 and GEF-3 were a result of over programming during the GEF-1 and GEF-2 period. At that point GEF has a first-come first-serve policy to proposals (as long as they met the expected quality standards). This, combined with the fact that GEF Agencies (World Bank, UNDP and UNEP) had a corporate budget, led to a situation where the incentives for the Agencies were to over program. By GEF-3 the problems emanating from over programming were becoming apparent and the GEF Secretariat responded by being more stringent and Agencies responded by submitting less proposals as the earlier submissions were not moving through. As figure 24 shows, during the GEF-3 period, an “unhappy” equilibrium was achieved – where there was lesser programming but which was primarily driven by frustration of things not moving forward. The GEF-4 became operational eight months later than its nominal start date, which led to an 8 month freeze in programming. Furthermore, adoption of RAF reduced the programming at the country level as programming by countries for the Climate Change and Biodiversity focal areas had to be done within the pre-allocated country (country group) envelopes. Similarly, adoption of RAF/STAR has also led to greater involvement of the OFP in development of projects in focal areas that are not covered by STAR. These factors together seem to have lowered the aggregate size of requests for GEF grant through PIFs that have been submitted but have not yet been cleared.

ANNEX – ONLINE SURVEY RESULTS

1. This annex provides the online survey results. Where appropriate these results are reflected in the discussion presented in the paper. However, when drawing conclusions, the information from the online survey has been triangulated with the information received from interviews and with information from analysis of the project cycle related datasets.
2. There seems to be a general consensus among the OFPs that compared to the earlier project cycle, the present project cycle is more efficient and less prone to delays. Overall, more than half of the respondents felt that the project cycle has become more efficient. Of the 40 respondents (51 percent) that agreed with the statement, a strong level of agreement was indicated by only 7 (9 percent). This is indicative of a weaker level of agreement. Only 20 percent disagreed from the statement that there had been an improvement whereas 29 percent reported that they were unable to assess. What is remarkable here is that only 3 percent were in strong disagreement with the statement. Among the respondents the civil society organizations were more likely than other categories of respondents to disagree with the statement that there had been an improvement.

Statement: Compared to the earlier project cycle, the present project cycle is more efficient and less prone to delays.								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	2 (13%)	9 (60%)	11 (73%)	1 (7%)	0 (0%)	1 (7%)	3 (20%)	15 (100%)
GEF Agency Staff	4 (14%)	9 (31%)	13 (45%)	5 (17%)	0 (0%)	5 (17%)	11 (38%)	29 (100%)
National executing agency Staff	1 (6%)	9 (53%)	10 (59%)	3 (18%)	0 (0%)	3 (18%)	4 (24%)	17 (100%)
Civil Society Organizations	0 (0%)	6 (33%)	6 (33%)	5 (28%)	2 (11%)	7 (39%)	5 (28%)	18 (100%)
All responses	7 (9%)	33 (42%)	40 (51%)	14 (18%)	2 (3%)	16 (20%)	23 (29%)	79 (100%)

3. There is consensus among the GEF partners operating at the country level that the new project cycle places greater burden on the project proponents. Within the partnership, CSO are more likely to strongly agree with the statement that the new project cycle requires more effort.

Statement: The new project cycle requires more effort from the project proponents in preparing project proposals								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	2 (13%)	7 (47%)	9 (60%)	5 (33%)	0 (0%)	5 (33%)	1 (7%)	15 (100%)
GEF Agency Staff	2 (7%)	13 (45%)	15 (52%)	6 (21%)	0 (0%)	6 (21%)	8 (28%)	29 (100%)
National executing agency Staff	2 (12%)	10 (59%)	12 (71%)	1 (6%)	0 (0%)	1 (6%)	4 (24%)	17 (100%)
Civil Society Organizations	7 (39%)	6 (33%)	13 (72%)	2 (11%)	0 (0%)	2 (11%)	3 (17%)	18 (100%)
All responses	13 (16%)	36 (46%)	49 (62%)	14 (18%)	0 (0%)	14 (18%)	16 (20%)	79 (100%)

4. Co-financing requirements are regarded by all actors as a factor of delays in project preparation. It is the matter that generates the strongest opinions against. The OFPs and the Agency staff, that often have to play a major role in identifying sources of and mobilizing co-financing, are more likely to strongly agree with the statement that co-financing requirements of GEF are leading to delays in project preparation. Only 19 percent of the respondents disagreed with the statement.

Statement: Co-financing requirements of GEF are leading to delays in project preparation								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	8 (53%)	4 (27%)	12 (80%)	2 (13%)	0 (0%)	2 (13%)	1 (7%)	15 (100%)
GEF Agency Staff	12 (41%)	7 (24%)	19 (66%)	5 (17%)	1 (3%)	6 (21%)	4 (14%)	29 (100%)
National executing agency Staff	4 (24%)	6 (35%)	10 (59%)	4 (24%)	0 (0%)	4 (24%)	3 (18%)	17 (100%)
Civil Society Organizations	6 (33%)	6 (33%)	12 (67%)	2 (11%)	1 (6%)	3 (17%)	3 (17%)	18 (100%)
All responses	30 (38%)	23 (29%)	53 (67%)	13 (16%)	2 (3%)	15 (19%)	11 (14%)	79 (100%)

5. GEF Agencies and national executing agencies generally agree that Agencies are now more responsive to the project preparation needs on the countries. Although a majority of respondents from the Civil Society Organizations (56 percent) also agreed with the statement, a sizable proportion (39 percent) also disagreed.

Statement: GEF Agencies are now more responsive to the project preparation related country needs								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	—	—	—	—	—	—	—	—
GEF Agency Staff	1 (3%)	15 (52%)	16 (55%)	2 (7%)	1 (3%)	3 (10%)	10 (34%)	29 (100%)
National executing agency Staff	2 (12%)	11 (65%)	13 (76%)	1 (6%)	0 (0%)	1 (6%)	3 (18%)	17 (100%)
Civil Society Organizations	1 (6%)	9 (50%)	10 (56%)	6% (33%)	1 (6%)	7 (39%)	1 (6%)	18 (100%)
All responses	4 (6%)	35 (55%)	39 (61%)	9 (14%)	2 (3%)	11 (17%)	14 (22%)	64 (100%)

6. Almost all OFPs appear to be satisfied with the responsiveness of GEFSEC and the timeliness of its feedback. National executing agencies and CSOs, which are often not in direct contact with the GEF Secretariat, do not demonstrate such strong level of agreement.

Statement: GEF Secretariat has been very responsive in providing timely responses to project submission								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	1 (7%)	10 (67%)	11 (73%)	1 (7%)	0 (0%)	1 (7%)	3 (20%)	15 (100%)
GEF Agency Staff	—	—	—	—	—	—	—	—
National executing agency Staff	3 (18%)	5 (29%)	8 (47%)	2 (12%)	1 (6%)	3 (18%)	6 (35%)	17 (100%)
Civil Society Organizations	2 (11%)	5 (28%)	7 (39%)	4 (22%)	0 (0%)	4 (22%)	7 (39%)	18 (100%)
All responses	6 (12%)	20 (40%)	26 (52%)	7 (14%)	1 (2%)	8 (16%)	16 (32%)	50 (100%)

7. Compared to implementing Agency staff, a greater percentage of OFPs, national executing agencies and civil society organizations tended to agree with the statement that after a project proposal is submitted to GEF it is difficult to ascertain its status. The majority of Agency staff tended to disagree with this statement. It is likely that the majority of Agency staff does not face barriers in accessing information on project proposal status owing to their familiarity with the GEF Secretariat processes, access to the Secretariat program managers and PMIS.

Statement: After project proposal is submitted to GEF, the status of the proposal is difficult to ascertain								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	1 (7%)	6 (40%)	7 (47%)	4 (27%)	0 (0%)	4 (27%)	4 (27%)	15 (100%)
GEF Agency Staff	2 (7%)	6 (21%)	8 (28%)	13 (45%)	2 (7%)	15 (52%)	6 (21%)	29 (100%)
National executing agency Staff	2 (12%)	6 (35%)	8 (47%)	3 (18%)	0 (0%)	3 (18%)	6 (35%)	17 (100%)
Civil Society Organizations	4 (22%)	5 (28%)	9 (50%)	6 (33%)	1 (6%)	7 (39%)	2 (11%)	18 (100%)
All responses	9 (11%)	23 (29%)	32 (41%)	26 (33%)	3 (4%)	29 (37%)	18 (23%)	79 (100%)

8. OFP are more likely to agree with the statement that project start up delay is very common. One third of the OFPs were in strong agreement with the statement. Other respondents too tended to agree with the statement, although the level of agreement was lower than it was for the OFPs.

Statement: In our country after CEO Endorsement / Approval, project start up delays are very common								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	5 (33%)	6 (40%)	11 (73%)	2 (13%)	1 (7%)	3 (20%)	1 (7%)	15 (100%)
GEF Agency Staff	1 (3%)	13 (45%)	14 (48%)	8 (28%)	1 (3%)	9 (31%)	6 (21%)	29 (100%)
National executing agency Staff	2 (12%)	8 (47%)	10 (59%)	3 (18%)	0 (0%)	3 (18%)	4 (24%)	17 (100%)
Civil Society Organizations	3 (17%)	6 (33%)	9 (50%)	5 (28%)	3 (17%)	8 (44%)	1 (6%)	18 (100%)
All responses	11 (14%)	33 (42%)	44 (56%)	18 (23%)	5 (6%)	23 (29%)	12 (15%)	79 (100%)

9. Although a slightly higher percentage of the GEF partners that may be involved in project preparation were likely to agree with the statement that GEF's project preparation requirements are onerous and do not necessarily lead to improvement in quality of project proposals, a comparable proportion was in disagreement. This suggests that there may be tradeoffs involved in addressing these two project appraisal related concerns simultaneously.

Statement: GEF's project preparation requirements are onerous and do not necessarily lead to improvement in quality of project proposals								
Respondent Category	Agree			Disagree			Unable to assess	Total
	Strongly Agree	Agree	Sub Total	Disagree	Strongly Disagree	Sub total		
OFP / OFP Staff	—	—	—	—	—	—	—	—
GEF Agency Staff	1 (3%)	11 (38%)	12 (41%)	10 (34%)	1 (3%)	11 (38%)	6 (21%)	29 (100%)
Executing Agency Staff	2 (12%)	5 (29%)	7 (41%)	7 (41%)	0 (0%)	7 (41%)	3 (18%)	17 (100%)
Civil Society Organizations	5 (28%)	4 (22%)	9 (50%)	6 (33%)	2 (11%)	8 (44%)	1 (6%)	18 (100%)
All responses	8 (13%)	20 (31%)	28 (44%)	23 (36%)	3 (5%)	26 (41%)	10 (16%)	64 (100%)

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