

GEF Annual Performance Report 2012



The 2012 annual performance report (APR) of the Global Environment Facility (GEF) was prepared by the GEF Independent Evaluation Office to provide GEF Council members, countries, GEF Agencies, and other stakeholders with information on the extent to which GEF activities are meeting their objectives.

APR 2012 reports on 78 projects, which together account for \$289.5 million in GEF funding. To capture trends, the performance of 413 completed projects reported on in previous APRs is also included in the analysis. APR 2012 presents a detailed assessment of project outcomes, implementation and execution, sustainability, trends in cofinancing and project extensions, quality of monitoring and evaluation (M&E), and quality of terminal evaluation reports. Additionally, it reports on the level of adoption of GEF Council decisions.

APR 2012 was prepared as an input into the Independent Evaluation Office's Fifth Overall Performance Study (OPS5). The purpose of an OPS is to inform the GEF's replenishment negotiations by presenting stakeholders with findings from a number of independent evaluations regarding the extent to which the GEF is meeting its objectives. OPS5 covers completed projects included in APRs 2009–12. The previous OPS, OPS4, covered completed projects included in APRs 2005–08.

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Findings and Conclusions

Eighty-seven percent of projects within the APR 2012 cohort have overall outcome ratings in the satisfactory range. While not necessarily indicative of a trend, the percentage of projects with outcome ratings in this range has risen between OPS cohorts. Project outcomes were evaluated as to the extent to which project objectives

were achieved; the relevance of project results to GEF strategies and country priorities; and their efficiency, including cost-effectiveness.

Overall, outcome ratings of GEF projects have risen over the past eight years: 86 percent of projects during OPS5 have ratings in the satisfactory range compared with 80 percent of projects from OPS4. At the same time, projects in African states and in small island developing states continue to underperform relative to the larger GEF portfolio.

A substantial improvement in the overall outcome ratings of United Nations Environment Programme (UNEP) and United Nations Development Programme (UNDP) projects was seen between OPS4 and OPS5. Ninety-five percent of UNEP projects and 88 percent of UNDP projects within OPS5 have outcome ratings in the satisfactory range, compared to 74 percent and 78 percent of projects, respectively, in OPS4.

Sixty-six percent of projects in the APR 2012 cohort have sustainability ratings of moderately likely or above—similar to the long-term average. Sustainability ratings assess the likelihood of continuation of project benefits after completion of project implementation. Financial risks continue to pose the biggest threat to sustainability.

More than 80 percent of rated projects were assessed to have been implemented and executed in a satisfactory manner. Overall, jointly implemented projects have lower quality of implementation ratings than those implemented by a single Agency. This finding suggests that implementation of jointly implemented projects is both more complex, and has not received the same degree of implementation support as these projects warrant.

There has been a significant increasing trend in the percentage of promised cofinancing realized. The amount of realized (actual) to promised cofinancing has increased 55 percent between OPS4 and OPS5, from 90 percent in

OPS4 to 145 percent in OPS5. At the same time, the increase in the median ratio of actual to promised cofinancing is far less dramatic—from 1.0 to 1.1—indicating that a few outlying projects are responsible for generating large amounts of additional cofinancing.

High quality of project management and a high level of support from government and nongovernmental stakeholders appear to be important determinants of high outcome achievements. Poor quality of project design and management, on the other hand, lead to low outcome achievements. This finding was based on an in-depth desk review of 281 terminal evaluations from 2009 to 2012.

Ratings on quality of M&E design and M&E implementation continue to be low. This trend continues despite changes in the M&E Policy designed to improve the quality of M&E systems. Sixty-six percent of rated projects have M&E design ratings in the satisfactory range; ratings have remained the same between OPS4 and OPS5. Sixty-eight percent of rated projects have M&E implementation ratings in the satisfactory range; these ratings declined slightly between OPS4 and OPS5. The quality of project M&E arrangements is evaluated in two ways: (1) through an assessment of the project's M&E design, including whether indicators used are SMART (specific, measurable, achievable, realistic, and timely), whether relevant baselines are established, and whether M&E activities are properly budgeted; and (2) assessment of the degree and quality of M&E during implementation.

There has been a slight decline in the percentage of projects with project extensions between OPS cohorts:

81 percent of projects in OPS4 to 78 percent of projects in OPS5. Project extensions indicate that project activities were not completed within the anticipated timeframe; this may lead to cost overruns, scaling down of activities, or greater time lag in achievement of outcomes. On the other hand, extensions can also allow the project's management to complete planned activities and outputs, resulting in greater achievement of project outcomes. Among the projects with extensions, the median length of project extensions is 18 months for full-size projects and 12 months for medium-size projects. The GEF Agencies differ substantially with regard to trends in project extensions.

Eighty-six percent of terminal evaluations submitted in FY 2012 are rated in the satisfactory range for overall quality of reporting—in line with the long-term average. Terminal evaluation reports provide one of the key ways in which the GEF Council, management, Agencies, Independent Evaluation Office, and other stakeholders assess the performance of GEF projects. The quality of medium-size projects has typically lagged behind that of full-size projects.

The GEF Independent Evaluation Office is an independent entity reporting directly to the GEF Council, mandated to evaluate the focal area programs and priorities of the GEF. The full version of *GEF Annual Performance Report 2012* (Evaluation Report No. 83) is available on the GEF Independent Evaluation Office website, www.gefeo.org. For more information, please contact the Office at gefevaluation@thegef.org.