

MOPAN 2017-18 ASSESSMENTS

Organisational Performance Brief

Global Environment Facility (GEF)

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GEF's performance at a glance

The breadth and depth of the GEF partnership, and its engagement in the policy and programming discussions that inform each four-year replenishment of the GEF Trust Fund, are among its key strengths.

GEF is fully aware of the scope and scale of the environmental challenges faced by the world, as well as its unique position and potential to make a difference. The GEF 2020 Strategy emphasises focus on the drivers of environmental degradation. The Programming Directions document and results framework of the GEF-7 replenishment are consistent with the Strategy and display a comprehensive understanding of the challenges faced in each focal and impact area: biodiversity, climate change, land degradation, international waters, and chemicals and waste. The quadrennial replenishment cycle, informed by a comprehensive evaluation, ensures that GEF uses its assets and comparative advantage to maximum effect. The resultant programming and policy decisions inevitably represent a compromise between the views of different stakeholders and the diverse interests they represent, but a compromise resulting from detailed and informed debate. In this regard, GEF's Independent Evaluation Office (IEO) plays an important role in delivering comprehensive, independent evaluations through the Overall Performance Study (OPS) series.

GEF delivers on its mission to address global environmental challenges and contribute to the delivery of multilateral environment agreements. The recent comprehensive evaluations concluded that GEF is achieving its mandate and objectives and continues to play a unique role as a financial mechanism for multilateral environmental agreements. These evaluations also concluded that GEF has a strong track record in delivering relevant results. The most recent evaluation, the Sixth Overall Performance Study, reported that 81% of the completed projects for which terminal evaluations were available had satisfactory outcomes. Strategies and focal area interventions were strongly aligned with national priorities, mostly responsive to guidance from the multilateral environmental agreements and relevant to the implementing Agencies. GEF programming is on track to produce the expected results as specified in the GEF-5 and GEF-6 replenishments. Progress has also been made on gender mainstreaming.

GEF KEY FACTS

MISSION AND MANDATE: The Global Environment Facility is an international mechanism operated by a partnership of governments, international institutions, civil society and the private sector to achieve global environmental benefits. It serves as the financial mechanism for five global conventions. The mission of GEF is to help developing countries to address global environmental challenges, achieve global environmental benefits and meet their convention commitments.

GOVERNANCE: The governing structure of GEF is composed of the Assembly, Council, Secretariat, GEF implementing Agencies, Scientific and Technical Advisory Panel (STAP), and Independent Evaluation Office (IEO). The Council is the principal governing body of GEF, and its 32 members are appointed by the constituencies of GEF member countries. The Council functions under the guidance of the GEF Assembly, which is composed of all 183 member countries. The conferences of the parties of the global conventions also provide strategic guidance to the Council.

STRUCTURE: The Secretariat is the principal administrative body of GEF and is located in Washington, DC. It is headed by the CEO and currently has a staff of around 65. The Secretariat co-ordinates the overall implementation of GEF activities, and provides services and reports to the Assembly and the Council. GEF projects and programmes are designed and implemented by 1 or more of the 18 GEF implementing Agencies working with governments and other stakeholders. The Scientific and Technical Advisory Panel advises GEF in accordance with its mandate to provide objective, strategic scientific and technical advice on policies, operational strategies, projects and programmes.

FINANCE: The GEF Trust Fund is the primary source for grants made by GEF. It is replenished every four years through contributions from donor countries. The agreed replenishment for GEF-7 (2018-22) is USD 4.1 billion. This amount compares with USD 4.4 billion and USD 4.3 billion for GEF-6 (2014-18) and GEF-5 (2010-14), respectively. GEF also administers two smaller trust funds. As of June 2018, GEF has provided a total of USD 17.9 billion since 1992 through these three trust funds.

Sustainability and efficiency, however, remain problematic. Only 63% of the completed projects covered by OPS6 were rated as having outcomes that were likely to be sustained. That said, 93% of the projects covered by OPS5, and 87% of those covered by OPS6, showed some evidence of broader adoption or positive environmental impact. Progress in improving project cycle efficiency has also been slow. Comparing GEF-6 and GEF-5, times improved for moving projects from approval to CEO endorsement, with a positive impact of the 2014 Cancellation Policy cited as a driving factor. However, the intervals between project submission and approval grew longer, primarily due to the GEF-6 funding shortfall.

The operations of the partnership are supported by strong management processes and financial controls. The GEF Secretariat benefits from the strengths of the underlying infrastructure provided by the World Bank. The Secretariat and IEO staff are contractually World Bank staff and subject to the same high standards of human resources management. Safeguarding policies and procedures are rigorous, and all staff are required to take further compulsory training. External audits and internal procedures all comply with international standards. World Bank policies and procedures effectively prevent any financial irregularities, and there are clear policies and processes for handling and reporting any concerns that arise. The GEF Minimum Fiduciary Standards clearly specify what is required of implementing Agencies in terms of financial procedures and controls. Finally, resource allocation decisions and systems within GEF, such as the System for Transparent Allocation of Resources, are effective in ensuring relevance to both the multilateral environmental agreements (MEAs) and countries.

On the other hand, there is scope to improve the systems and frameworks for monitoring and reporting on corporate, programme and project results and performance. Results-based management has been prioritised and is improving. A simplified results framework has been introduced for GEF-7. There is scope to bring this results framework more in line with multilateral best practice. This could include MEA-linked environmental trends as an upper results tier and additional performance targets to measure GEF's operational effectiveness and efficiency (e.g. time to first disbursement and submission of terminal evaluations), building on the Corporate Scorecard. Moreover, much

of the results data for GEF are inevitably lagged due to the long project cycle. The project results in OPS6 are largely based on projects approved in GEF-4 (2006-10) or earlier. However, even allowing for the long project cycle, terminal evaluations are only available for fewer than half of the projects funded under GEF-1 to GEF-4. This highlights the need for a picture of GEF results and performance that is more complete and more current than what is now available.

Synthesising, accessing, using and disseminating knowledge and lessons learned from GEF's extensive range and history of projects and programmes also can be improved. GEF makes clear in its organisational documentation that it considers the knowledge it generates to be a primary asset and essential to it making a lasting impact. The need for learning at both the project and corporate levels nevertheless remains largely unmet, and GEF implementing Agencies still tend to rely on their own knowledge management systems rather than knowledge generated in the partnership. In addition, information is lacking on the extent to which implementing Agencies take up knowledge products to inform action or advocacy. GEF produces useful knowledge, but it is difficult to access due to its fragmentation, and inconsistent storage practices limit its uptake and use. The GEF Secretariat has limited resources assigned to knowledge management, with only one full-time post currently assigned to this area. Participants in the recent GEF-7 replenishment negotiations, however, made note of GEF efforts in GEF-6 to improve knowledge management systems and practices and to increase focus on learning and knowledge exchange. In 2015, a new workstream was established to co-ordinate knowledge management across the GEF partnership. New knowledge management activities included self-assessments, a knowledge management road map, country-level Knowledge Days, an online tool, a project-level knowledge exchange handbook and the addition of mandatory questions on knowledge management in project documents. The new information management portal launched in July 2018 should help to improve knowledge management.

Finally, the appropriate balance of responsibilities, and more generally the relationship between the Secretariat and the implementing Agencies, remain questions to address. Over time, the size of the Secretariat has grown, as have the volume of central

polices and guidance and the number of implementing Agencies. Transaction costs have increased. Whether these trends should continue, and how efficiency can be increased over such a large network, are questions that GEF needs to address. Stakeholders, for instance, have expressed concerns around the clarity and communication of programming decisions, project review criteria, project selection, the initial preparation of the integrated approach pilots in GEF-6, and the early stages of development of the GEF-7 impact programmes. In addition, while GEF is relevant to some extent to all the implementing Agencies, it is becoming less so to the multilateral development banks. OPS6 found that implementing Agencies value GEF for the support it provides. However, evaluation and interview evidence suggests that the fragmentation of GEF resources, and the sometimes slow and unpredictable project cycle, have made GEF less attractive as a source of grant finance for the multilateral development banks.

Looking more globally, the mismatch between the resources available to GEF and the scale of the global environmental challenges demands a strategic response. Demand for the finance that GEF provides is increasing faster than supply. Although substantial – at around USD 1 billion per year – GEF resources have to be spread thinly across more than 140 countries, 5 focal areas and 5 multilateral environmental agreements. In addition to becoming more effective and efficient within the confines of its mandate, playing a catalytic and convening role in pursuit of transformational change remains critical for GEF. From this perspective, GEF's strong record on project co-financing should be noted even if the availability of contributions from GEF is constrained by the total size of the replenishment, which is declining in cash terms and is heavily dependent on the same core set of donors.

Engagement with the private sector, as the key actor alongside governments and to a lesser extent as a source of finance, is a recognised priority for influencing transformational change. Affecting private sector sourcing and production practices through research, dialogue and regulatory reforms is fundamental to achieving significant environmental progress. However, operational restrictions (e.g. project cycle processes and timelines) have resulted in a misalignment with private sector expectations and approaches; only 43% of respondents to an IEO survey

on financing and governance agreed that GEF's ability to engage with the private sector was its comparative advantage. As recognised by the Secretariat, the success of GEF requires a much broader and more effective engagement beyond financing. A private sector advisory group is being established, and a private sector strategy is to be developed by 2019.

The shift of GEF's programming towards addressing the drivers of environmental degradation in addition to responding to environmental pressures is another important angle of response. The drivers are largely social, economic and political in origin, and substantially derive from actions, both large-scale and small-scale, of the private sector. This is well recognised in three impact programmes identified for GEF-7: food systems, land use and restoration; sustainable cities; and sustainable forest management. These programmes aim to concentrate resources on the areas in which GEF can have the greatest impact and help countries to achieve greater levels of transformational change with the resources available through integrated and holistic approaches. While there has been, and remains, some concern among the GEF partnership about the shift away from simpler and more identifiable single-focal area projects, integrated programming is assessed to be more relevant to the type and complexity of global environmental challenges. Such programming does not come without risks. In particular, integrated projects may be less efficient in the absence of appropriate management capable of dealing with complexity and a capacity to develop and adapt a suitable implementation strategy. Also, a focus on non-technical drivers creates new and different demands that are not yet adequately reflected in the disciplinary structure and composition of the Secretariat and Scientific and Technical Advisory Panel, which may require more social science expertise.

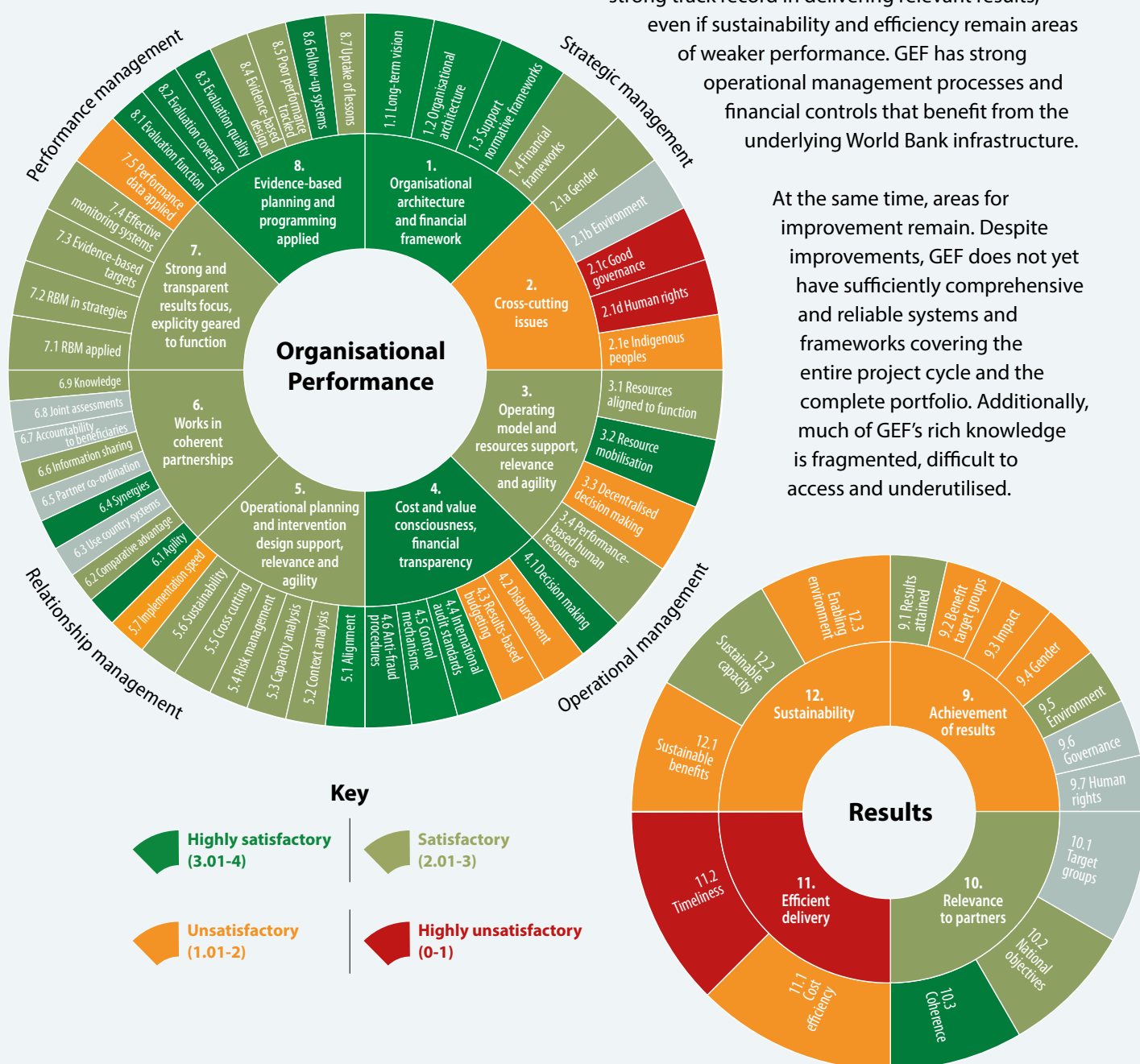
Key findings

GEF recently agreed its seventh replenishment period, or GEF-7, covering 2018-22. While the USD 4 billion pledged is slightly lower than that for GEF-6, this latest replenishment confirms the unique and important role GEF plays in supporting more than 140 developing countries to meet their obligations to five multilateral environmental agreements.

PERFORMANCE RATING SUMMARY

This MOPAN assessment concludes that overall, GEF is a relevant, capably managed and effective facility. Its strategies, plans and programmes are rigorously discussed and reviewed every four years based on comprehensive evaluations. These evaluations have concluded that GEF is achieving its mandate and objectives and continues to play a unique role as a financial mechanism for multilateral environmental agreements. They also concluded that GEF has a strong track record in delivering relevant results, even if sustainability and efficiency remain areas of weaker performance. GEF has strong operational management processes and financial controls that benefit from the underlying World Bank infrastructure.

At the same time, areas for improvement remain. Despite improvements, GEF does not yet have sufficiently comprehensive and reliable systems and frameworks covering the entire project cycle and the complete portfolio. Additionally, much of GEF's rich knowledge is fragmented, difficult to access and underutilised.



Finally, the evolution of the relationship and balance of responsibility between the Secretariat and implementing Agencies is a question to address.

Globally, the resources available to GEF do not correspond to the scale of the global environmental challenges. As responses, GEF is attempting the maximise the impact of its resources to influence

transformational change by engaging better with the private sector, and shifting its programming towards addressing the drivers of environmental degradation in addition to responding to environmental pressures. This ambitious and complex agenda does not come without risks and will require appropriate management and skills to succeed.

About this assessment

The Multilateral Organisation Performance Assessment Network (MOPAN) is a network of 18 countries¹ who share a common interest in assessing the effectiveness of the major multilateral organisations they fund, including UN agencies, international financial institutions and global funds. The Network generates, collects, analyses and presents relevant and credible information on the organisational and development effectiveness of the organisations it assesses. This knowledge base is intended to contribute to organisational learning within and among the organisations, their direct clients and partners, and other stakeholders. Network members use the reports for their own accountability needs and as a source of input for strategic decision-making.

The Global Environment Facility (GEF) is one of the 14 organisations assessed by MOPAN in 2017-18. This was the first MOPAN assessment of GEF. France championed the assessment of GEF on behalf of the Network.

This brief accompanies the full assessment, published in May 2019, which can be found on MOPAN's website at

www.mopanonline.org. GEF's management response will be made available on that website as well.

The assessment of performance covers GEF's Secretariat. It addresses organisational systems, practices and behaviours, as well as results achieved during the period 2016 to mid-2018. It relies on two lines of evidence: a document review, and interviews with staff and small groups. The online partner survey is not incorporated into the evidence base, as the number of responses was insufficient.

MOPAN's evidence lines for GEF

- Review of 91 documents
- 42 staff interviews

The MOPAN 3.0 methodology entails a framework of 12 key performance indicators and associated micro-indicators. It comprises standards that characterise an effective multilateral organisation. More detail is provided in MOPAN's methodology manual.²

Organisations assessed by MOPAN in 2017-18:

● ADB	● GEF	● IFAD	● OHCHR	● UNESCO	● UNHCR	● WFP
● FAO	● GPE	● IOM	● UN Women	● UNFPA	● UNRWA	● WHO

1: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Korea, Luxembourg, the Netherlands, Norway, Sweden, Switzerland, the United Kingdom and the United States – and two observers, New Zealand and the United Arab Emirates.

2: Available at www.mopanonline.org