

Multilateral Aid Review: Assessment for Global Environment Facility (GEF)

Summary	
Organisation: Global Environment Facility (GEF)	Date: February 2011
Description of Organisation	
<p>Established in 1991, The Global Environment Facility (GEF) unites 182 member governments — in partnership with international institutions, nongovernmental organizations, and the private sector — to address global environmental issues. The GEF partnership includes 10 agencies: the UN Development Programme; the UN Environment Programme; the World Bank; the UN Food and Agriculture Organization; the UN Industrial Development Organization; the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the International Fund for Agricultural Development. The Scientific and Technical Advisory Panel provides technical and scientific advice on the GEF's policies and projects.</p> <p>As an independent organization, the GEF provides grants to programmes in eligible countries (i.e. they meet eligibility criteria established by the relevant COP; and are eligible to borrow from the World Bank (IBRD and/or IDA); and/or they are eligible recipients of UNDP technical assistance through country programming related to climate change, international waters, land degradation, the ozone layer, biodiversity, and persistent organic pollutants). These projects benefit the global environment, linking local, national, and global environmental challenges and promoting sustainable livelihoods. The GEF is a financial mechanism to the following conventions:</p> <ul style="list-style-type: none"> • Convention on Biological Diversity (CBD) • United Nations Framework Convention on Climate Change (UNFCCC) • Stockholm Convention on Persistent Organic Pollutants (POPs) • UN Convention to Combat Desertification (UNCCD) <p>GEF has three main functions in supporting developing countries: i) funding reporting commitments under the conventions, such as the climate change national communications; ii) funding pilots of emerging technologies and applications, e.g. energy efficiency and renewable energy; and iii) funding the technical assistance and capacity building underpinning these activities.</p> <p>Based in Washington, the GEFs CEO is Monique Barbut. The GEF is governed by:</p> <ul style="list-style-type: none"> • GEF Assembly, consisting of Representatives of each of its participants • GEF Council, consisting of 32 members representing constituency groupings • GEF Secretariat to service and report to the Council <p>The GEF today is amongst the largest funds supporting projects to improve the global environment through sustainable development. The GEF has allocated \$8.8 billion, supplemented by more than \$38.7 billion in co-financing, for more than 2,400 projects in more than 165 developing countries and countries with economies in transition. Through its Small Grants Programme (SGP), the GEF has also made more than 10,000 small grants directly to nongovernmental and community organizations.</p> <p>Budget: <i>GEF Corporate Budget for FY11</i> \$25.990 million comprising: (a) \$17.3 million core budget for the Secretariat; (b) \$3.7 million allocation for the GEF Evaluation Office;</p>	

- (c) \$2.2 million for the Scientific and Technical Advisor Panel (STAP); and
 (d) \$2.7 million for the Trustee¹

GEF funding is generally treated by funding country treasuries as development assistance, although GEF issues at the national level are not necessarily managed by the department responsible for official development assistance (ODA). The ODA percentage for GEF contributions is 96 percent for the purposes of OECD DAC reporting

Contribution to UK Development Objectives	Score (1-4)
<p>1a. Critical role in meeting International Objectives</p> <ul style="list-style-type: none"> + The GEF fulfils a critical niche which no other multilateral fills + 56% of GEF programmes directly and significantly contribute to development objectives, with this rising in the areas of climate change and biodiversity to 88% and 92% respectively + GEF is critical in the delivery of MDG7 and 100% of its funding supports the achievement of MDG7. + Partner countries see funding for sustainable development and environment measures as important. – GEF has a direct role in achieving MDG7, but its impact on MDG1 – 6 is more difficult to measure = GEF is not a 4 as its central mandate is on global environmental benefits rather than directly on development benefits. This means that although GEF programmes underpin development, they do not directly address the full range of development objectives 	<p>Satisfactory (3)</p>
<p>1b. Critical role in meeting UK Aid Objectives</p> <ul style="list-style-type: none"> + GEF delivers strong results on climate change and environment + GEF programmes help manage global environmental goods critical to livelihoods, growth and wealth creation. + GEF is the funding mechanism for the UN Convention to Combat Climate Change and the Convention on Biological Diversity. – Fragility and security are not thematic focal areas for the GEF. However, if requested (by a country) the GEF can work on these issues. = GEF is rated a 3 as it does not cover the full range of development benefits. 	<p>Satisfactory (3)</p>
<p>2. Attention to Cross-cutting Issues:</p> <p>2a. Fragile Contexts</p> <ul style="list-style-type: none"> – GEF does not specifically report on operating in fragile contexts – GEF does not have a social safeguards policy in place, but relies on those of its implementing agencies = GEF is rated unsatisfactory as it does not specifically address fragility and security <p>2b. Gender Equality</p>	<p>Unsatisfactory (1)</p>

¹ GEF Corporate Budget for FY2011. June 2010

<http://www.thegef.org/gef/sites/thegef.org/files/documents/C.37.5%20GEF%20Corporate%20Budget%20for%20FY2011.pdf>

<ul style="list-style-type: none"> - GEF approach of relying on application of social and gender policies of its implementing agencies has led to substantive differences in the manner and extent to which GEF programmes address social and gender issues - GEFs own guidance on gender issues is not specific enough = Improvements in gender equality guidance and coherence across implementing agencies safeguards is needed for a higher score <p>2c. Climate Change</p> <ul style="list-style-type: none"> + The mandate of the GEF is to allocate resources to climate change and other global environmental priorities including biodiversity and desertification. + GEF is the central funding mechanism for the UNFCCC and CBD, which support developing countries to integrate climate change and environment into poverty reduction strategies + All evaluations of GEF results are focused on measuring climate and environment impacts of the programmes. = The GEF consistently delivers results on climate change, environment and global public goods 	<p>Unsatisfactory (1)</p> <p>Strong (4)</p>
<p>3. Focus on Poor Countries</p> <ul style="list-style-type: none"> + GEFs new System for Transparent Allocation of Resources (STAR) supports the allocation of resources to those countries where support will have greatest impact + Developing countries and economies in transition are eligible (GEF has clear eligibility criteria) to apply for and receive funding from the GEF + Under GEF5, GEF is striving towards greater country level ownership and impact. Small Grants Programmes (SGPs) can be decided upon by in-country committees, usually consisting of local stakeholders. - The GEF does not focus its funding to countries where there are high levels of poverty. - Further reform is required in strengthening the programmatic approach of GEF to improve its level of country ownership and country led approaches = Improvements are required in country led approaches to achieve a higher score 	<p>Satisfactory (3)</p>
<p>4. Contribution to Results</p> <ul style="list-style-type: none"> + GEF can demonstrate successful delivery of projects at the country level against each of its stated objectives + 60% of GEF projects demonstrate impact on termination and 80% of projects meet their stated objectives - 56% of GEF funded projects significantly contribute to development/environment objectives (DO). - GEF project cycle – as a symptom of the modus operandi of GEF (projects have to go through the GEF and then the implementing agency project cycle) – is slow (16 months average), which hampers delivery and responsiveness to changing country needs = High-rating 2, almost a 3. Improvement in project cycle 	<p>Weak (2)</p>

<p>time/delivery and coordination between stakeholders is needed for higher score.</p>	
<p>Organisational Strengths</p>	<p>Score (1-4)</p>
<p>5. Strategic & Performance Management</p> <ul style="list-style-type: none"> + GEF has a clear mandate, strategy and implementing plans for delivery + GEF Assembly and Council have good regional representation and representation of its members + GEF4 reform measures have been taken into account by management and implemented + GEF has in place an effective 2 stage Results Base Management and Project Performance Matrix + GEF has an independent Office of Evaluation - Improvements in programmatic approach and project cycle management are needed to improve efficiency of the GEF = Improvements in programmatic approach and project cycle management are required for a higher score 	<p>Satisfactory (3)</p>
<p>6. Financial Resources Management</p> <ul style="list-style-type: none"> + All GEF allocations made according to its System for Transparent Allocation of Resources (STAR), + All GEF allocations are decided upon by the GEF Council in an open and transparent manner. The allocation of spend is published on the GEF website + Due to the 4 year replenishment of GEF, funding is predictable for thematic areas during each cycle + GEF manages poorly performing projects through its Project Management Information System - The use of GEF implementing agency fees lacks transparency = An improved system for determining and reporting on the use of agency fees is required for a higher score 	<p>Satisfactory (3)</p>
<p>7. Cost and Value Consciousness</p> <ul style="list-style-type: none"> + GEF sets indicators to ensure its implementing agencies achieve value for money + GEF achieves a higher than average cost efficiency rating in comparison to similarly size multilateral organisations + GEF administrative costs have fallen in relative terms to programme spend in each replenishment period - GEF implementing agencies vary in their cost and value consciousness = Continued pressure on implementing agencies to achieve cost effectiveness and value for money is required for a higher score 	<p>Satisfactory (3)</p>
<p>8. Partnership Behaviour</p> <ul style="list-style-type: none"> + The implementing agencies of the GEF consistently receive good scores on partnership behaviour under the MAR assessment + The GEF Secretariat is expanding partnership working to include civil society and recipient country national entities. It is 	<p>Weak (2)</p>

<ul style="list-style-type: none"> building their capacity to engage with the GEF - A small number of countries expressed concern that GEF is supply driven - Concern has been raised on the access to financing under the adaptation funds managed by the GEF = High rating 2, almost a 3. Improvements are required in partnership working including improving demand driven approaches and improved working with recipient country national entities to achieve a higher score 	
<p>9. Transparency and Accountability</p> <ul style="list-style-type: none"> + GEF has in place a System for Transparent Allocation of Resources + GEF publishes all project documentation and evaluations on its website + All GEF participatory countries are consulted through the GEF Assembly and constituency representatives in the GEF Council. + GEFs conflict resolution framework ensures countries have the right of redress - Some countries question transparency of decision making at project entry level by implementing agencies and / or GEF Secretariat = Continued progress towards transparency and high levels of recipient country confidence in GEF procedures is required to improve score 	<p>Satisfactory (3)</p>
<p>Likelihood of Positive Change</p>	<p>Score (1-4)</p>
<p>10. Likelihood of Positive Change</p> <ul style="list-style-type: none"> + Reform measures requested by the UK (and other donors) under GEF4 have been achieved + A set of further reform measures have been set under GEF5 and £15 million of the UKs funding is conditional on these being achieved = GEF project cycle is a significant area where further reform is required, but there are limits to the extent to which this can be achieved due to the modus operandi of the GEF (i.e. having to go through its own project cycle and then that of its implementing agencies) 	<p>Likely (3)</p>