

Global Program Review

The World Bank Group's Partnership with the Global Environment Facility

Approach Paper (revised)

August 14, 2012
Country, Corporate and Global Evaluations

Acronyms and Abbreviations

AF	Adaptation Fund
CBD	Convention on Biological Diversity
CEO	Chief Executive Officer
CEPF	Critical Ecosystem Partnership Fund
CFP	Concessional Finance and Global Partnership Vice Presidency (World Bank)
CGIAR	Consultative Group on International Agricultural Research
CODE	Committee on Development Effectiveness (World Bank Group)
FIF	Financial Intermediary Funds (World Bank)
FCPF	Forest Carbon Partnership Facility
EITI	Extractive Industries Transparency Initiative
EvNote	Evaluation Note (IEG)
GAVI	Global Alliance for Vaccines and Immunization
GEF	Global Environment Facility
GFDRR	Global Facility for Disaster Reduction and Recovery
GISP	Global Invasive Species Program
GRPP	Global and Regional Partnership Program
GPR	Global Program Review
GWP	Global Water Partnership
IA	Implementing Agency (GEF)
IAASTD	International Assessment of Agricultural Knowledge, Science, and Technology for Development
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
ICR	Implementation Completion and Results Report (World Bank)
IEG	Independent Evaluation Group
IfDS	Institute for Development Strategy
ILC	International Land Coalition
LDCF	Least Developed Countries Fund for Climate Change
MBC	Mesoamerican Biological Corridor
M&E	Monitoring and evaluation
NPID	Nagoya Protocol Implementation Fund
OECD/DAC	Organisation for Economic Co-operation and development / Development Assistance Committee
OPS	Overall Performance Study (GEF)
PES	Project Evaluation Summary (IEG)
PCR	Project Completion Report (IFC)
PPAR	Project Performance Assessment Report (IEG)
RAF	Resource Allocation Framework (GEF)
SCCF	Special Climate Change Fund
STAP	Scientific and Technical Advisory Panel (GEF)
STAR	System for a Transparent Allocation of Resources (GEF)
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
XPSR	Expanded Project Supervision Report (IFC)

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1. Background and Context

1. As indicated in its approved work program for fiscal year 2013, the Independent Evaluation Group (IEG) is proposing to initiate a Global Program Review (GPR) of the partnership of the World Bank Group (WBG) with the Global Environment Facility.¹ IEG does not normally issue an Approach Paper for GPRs since most of these are standard products that follow a prescribed review framework. While coming under IEG's GPR product line, however, this product differs somewhat from the standard GPRs undertaken to date. As was the case for the GPR of the Bank's engagement with the Global Fund to Fight AIDS, Tuberculosis, and Malaria, IEG is issuing an Approach Paper for this Review because it differs from standard GPRs, and because of its potential relevance for WBG operations.² (See Annex A for general information about GPRs and the list of GPRs IEG has completed since 2006.)

The Global Environment Facility

2. The Global Environment Facility (GEF) was initially established by the World Bank, the United Nations Development Program (UNDP), and the United Nations Environment Program (UNEP) in 1991 as a pilot program "to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development."³

3. The GEF was restructured in 1994 as an independent financial mechanism to provide grants and concessional funding to developing and transition countries to meet the incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: (a) biological diversity; (b) climate change; (c) international waters; (d) land degradation, primarily desertification and deforestation; (e) ozone layer depletion; and (f) persistent organic pollutants.

4. The first two focal areas — biodiversity and climate change — accounted for 68 percent of the 2,400 projects that the GEF supported in over 150 countries since the GEF was founded through June 2009, and 64 percent of the \$8.6 billion of project funding. The GEF has also made more than 13,000 small grants available through its Small Grants Program directly to nongovernmental and community organizations, totaling more than \$600 million.

5. The GEF also serves as the financial mechanism for the following conventions:

- Montreal Protocol on Substances That Deplete the Ozone Layer, 1989⁴
- Convention on Biological Diversity (CBD), 1993
- United Nations Framework Convention on Climate Change (UNFCCC), 1994

1. "IEG Work Program and Budget (FY13) and Indicative Plan (FY14-15)," May 25, 2012, Board document no. R2012-0103/1.

2. An earlier draft of this Approach Paper was peer-reviewed by Alan Miller, Principal Project Officer in IFC, and Athena Ronquillo-Ballesteros in the World Resources Institute.

3. GEF, *Instrument for the Establishment of the Restructured Global Environment Facility*, March 2008, p. 11.

4. Although the GEF is not formally linked to the Montreal Protocol, it supports the implementation of the Protocol in countries with economies in transition.

- United Nations Convention to Combat Desertification, 1996
- Stockholm Convention on Persistent Organic Pollutants, 2004.

6. The GEF also operates three additional programs — the Least Developed Countries Fund for Climate Change (LDCF), the Special Climate Change Fund (SCCF), and the Nagoya Protocol Implementation Fund (NPIF) — and provides secretariat and evaluation services for a fourth — the Adaptation Fund.⁵ The LDCF (established in 2001) addresses the needs of the 48 least developed countries whose economic and geophysical characteristics make them especially vulnerable to the impact of global warming and climate change. The SCCF (also established in 2001) finances activities relating to climate change in the areas of adaptation and transfer of technologies. The NPIF (established in 2011) supports the early entry into force and effective implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.

Governance, Management and Financing

7. Although the restructured GEF is commonly viewed as a multilateral organization, it is not an independent legal entity. The founding member countries specifically decided to utilize an existing structure rather than create a new international organization.

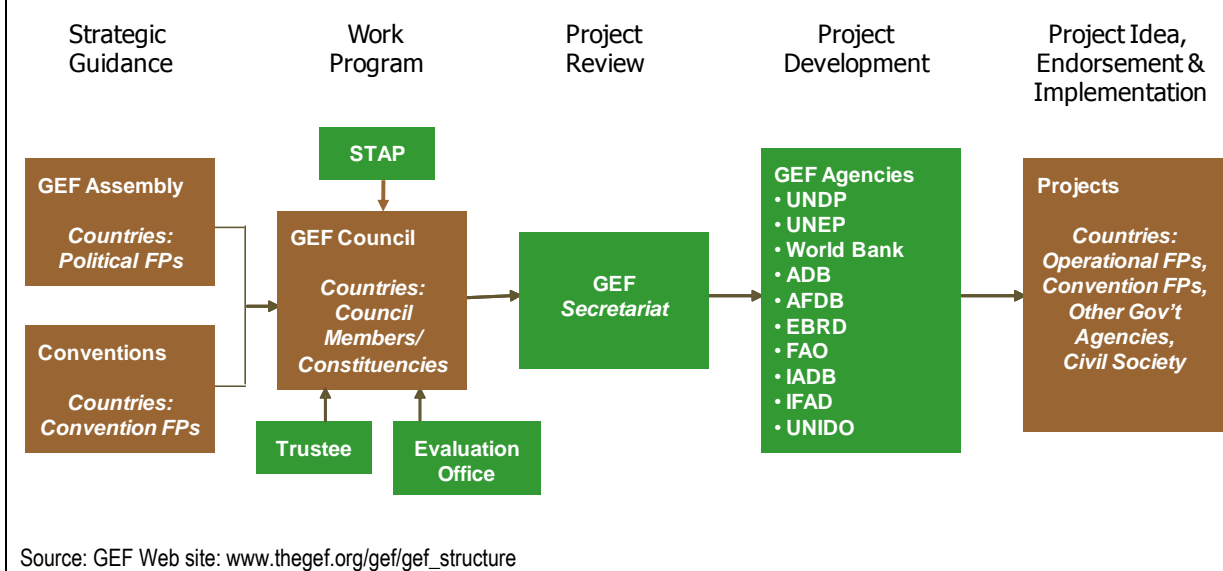
8. The GEF is governed by an assembly and a council (Figure 1). The *GEF Assembly*, which meets every three to four years, is attended by high-level government delegations of all 182 GEF member countries. The *GEF Council*, which meets semi-annually, is the main governing body, with primary responsibility for developing, adopting, and evaluating GEF programs. (See Annex B for more details.)

9. The *GEF Secretariat* is based inside the World Bank in Washington, DC, but is functionally independent of the World Bank. That is, the Chief Executive Officer and Chairperson of the Council, who heads the Secretariat, reports only to the GEF Council and Assembly.⁶ The Secretariat coordinates the formulation of projects included in the work programs, oversees their implementation, and ensures that GEF operational strategies and policies are followed. A *Scientific and Technical Advisory Panel* provides strategic scientific and technical advice to the GEF Council on its strategies and programs.

10. The *GEF Agencies* are responsible for developing project proposals and for supervising the implementation of approved projects. The three initial Implementing Agencies — the World Bank, UNDP and UNEP — have assisted eligible governments and NGOs in developing, implementing, and managing GEF-financed projects. Subsequently, starting in 1999, an additional seven Executing Agencies have been added to the roster of GEF agencies,

5. The Adaptation Fund was established in 2008 under the United Nations Framework Convention on Climate Change (UNFCCC) to finance climate change adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol. Its primary financing comes from a 2 percent share of proceeds of the Certified Emission Reductions issued by the Clean Development Mechanism under the Kyoto Protocol.

6. By contrast, the program managers of other GRPPs whose secretariats are located in the World Bank Group report both to their own governing body and to a WBG line manager, who reports ultimately to the WBG President and the WBG's Executive Board.

Figure 1. The GEF Structure and Project Cycle

with similar responsibilities: the Asian Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Food and Agriculture Organization, the Inter-American Development Bank, the International Fund for Agricultural Development, and the United National Industrial Development Organization. The ten organizations are now collectively called the GEF Agencies. Each agency focuses its involvement in GEF-financed projects in line with its respective comparative advantage.

11. The Agencies are directly accountable to the GEF Council for their GEF-financed activities, although there is no direct line mechanism. The GEF Secretariat provides an administration fee to the Agencies, equal to 10 percent of GEF financing to cover the costs of overseeing and managing projects from project identification to ex post evaluation.⁷ This 10 percent fee includes a notional one percentage point to cover the costs of the Agencies' corporate activities in support of the GEF. These include policy support to the GEF Council and Secretariat, portfolio management, reporting, outreach and knowledge sharing, and support to the GEF Evaluation Office.

12. Two types of **GEF Focal Points** play important coordination roles regarding GEF matters at the country level as well as liaising with the GEF Secretariat and GEF Agencies, and representing their constituencies on the GEF Council. All GEF member countries have Political Focal Points, while recipient member countries eligible for GEF project assistance also have Operational Focal Points.

13. The GEF follows a quadrennial replenishment model of financing. Every four years, donor nations make pledges to fund the next four years of GEF operations and activities. Donors pledged \$9.3 billion and contributed \$8.8 billion during the pilot phase and the first

7. The fee for projects under programmatic approaches is 8 percent if a single agency is involved, and 9 percent for multi-agency programs. The GEF is currently reviewing the agency fee structure.

four replenishments ending June 30, 2010. The fifth replenishment of the GEF concluded in May 2010 during which donors made new pledges of \$3.5 billion.

14. The GEF is the only GRPP in which the WBG is involved that has so far established an independent evaluation office, *the GEF Evaluation Office*, whose Director is appointed by and reports directly to the program's governing body, in this case the GEF Council.⁸ Each GEF Agency is responsible for undertaking the terminal evaluations of the GEF-financed projects that it supervises. The GEF Evaluation Office, in turn, has the central role of ensuring the independent evaluation function within the GEF, setting minimum requirements for project-level M&E, ensuring oversight of M&E systems on the program and project levels, and sharing evaluative evidence within the GEF. The Evaluation Office also conducts Annual Performance Reviews and independent evaluations that involve a set of projects from more than one GEF Agency, and prepared the most recent (the fourth) Overall Performance Study in 2009.

The Involvement of the World Bank Group in the GEF

15. The World Bank, in addition to being one of the three founding partners of the GEF, plays three major roles in the GEF: (a) the Trustee of the GEF and related trust funds; (b) one of the three Implementing Agencies of the GEF; and (c) a range of administrative support services as the host of the GEF Secretariat, including human resources, communications, and legal services. The World Bank also participates in GEF governance through two official observer positions on the GEF Council (as Trustee and Implementing Agency) and in GEF management as the co-chair (along with the GEF CEO) of the quadrennial replenishment process. The International Finance Corporation (IFC) also implements private sector GEF projects as an executing agency under the World Bank.⁹

16. The World Bank as Trustee reports to the GEF Council and facilitates the transfer of resources to the GEF Agencies. The Trustee's duties include resource mobilization; managing receipts from donors; investing the liquid assets of the GEF Trust Fund; entering into financial procedures agreement with other GEF Agencies to facilitate the transfer of funds; preparing financial reports to the Council; and providing for audit functions. The World Bank as Trustee does not have programmatic or fiduciary responsibility to the GEF for the use of funds transferred to other Agencies.

17. As an Implementing Agency, the World Bank's comparative advantages are generally seen as a multisectoral financial institution operating on a global scale. The WBG (including the IFC) has strong experience in investment lending focused on policy reform, institution building, and infrastructure development across all six focal areas of the GEF. The WBG

8. The Consultative Group on International Agricultural Research will be the second. It is currently in the process of setting up an Independent Evaluation Arrangement reporting to the CGIAR Fund Council.

9. The "World Bank" refers to the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The "World Bank Group" includes the IFC, the Multilateral Investment Guarantee Association (MIGA), and the International Center for the Settlement of Investment Disputes (ICSID). Strictly speaking, only the IBRD is the Trustee and the Implementing Agency of the GEF, while IBRD, IDA, and IFC all supervise some GEF-financed projects under the umbrella of the IBRD as Implementing Agency.

generally applies its own operational policies, including safeguard policies, to the preparation and implementation of GEF grants, except when certain operational policies expressly exclude or restrict their application.¹⁰

18. The WBG has been the largest lender for the environment to developing and transition countries. It has prepared and supervised many projects that have been supported by both IBRD/IDA and GEF finance together. The WBG also plays major roles in a number of other environmental partnership programs, including host of the secretariat and implementing agency of the two Climate Investment Funds (the Clean Technology Fund and the Strategic Climate Fund) and a series of carbon finance programs.

19. During the pilot phase and the first three replenishments — 1991 to 2007 — the GEF allocated its resources to countries via the GEF Agencies. Then GEF introduced a new Resource Allocation Framework (RAF) for GEF-4 in 2006 — expanded and renamed the System for a Transparent Allocation of Resources (STAR) in 2010 — which empowers countries to directly manage and allocate GEF resources. A mid-term review found that the RAF, coupled with other operational changes (such as a change in the rules governing the financing of project preparation), has affected Agency participation.¹¹ At the time of this review, the World Bank share of GEF commitments had dropped from more than half of GEF resources to 32 percent of the GEF RAF resource utilization in the two focal areas of biodiversity and climate change, while the United Nations Development Program (UNDP) share increased from 28 percent to 43 percent.

20. More recently, the World Bank share of GEF commitments seems to have rebounded. In the last two work programs presented to the GEF Council for approval (May and November 2011), the World Bank share was largest among all ten Agencies.

2. Purpose, Objectives, Scope and Audience

21. IEG annually reviews a number of global and regional partnership programs (GRPPs) in which the World Bank Group (WBG) is a partner, in accordance with a mandate from the World Bank's Executive Board in September 2004. The three main purposes of standard GPRs are (a) to help improve the relevance and the effectiveness of the programs being reviewed, (b) to identify and disseminate lessons of broader application to other programs, and (c) to contribute to the development of standards, guidelines, and good practices for

10. See Operational Policy 10.20 and Bank Procedure 10.20 – Global Environment Facility Operations. The World Bank's policy on the signing of legal documents and effectiveness only applies to full-size GEF projects for which the amount of GEF funds exceeds \$1 million. These do not apply (a) to medium-size projects for smaller amounts, (b) to expedited enabling activities and national capacity self-assessment projects, and (c) to Project Preparation Grant activities.

11. GEF Evaluation Office, 2009, *Mid-Term Review of the Resource Allocation Framework*, GEF Evaluation Report No. 47. These shifts reflected the spreading of small RAF allocations over many countries, which made it more difficult for the WBG to blend GEF finance with WBG lending, since other environmental funds were now easier to utilize than GEF RAF support. The UNDP has greater ability to provide technical assistance and capacity building supported by local offices and has been more ready to engage in relatively small projects under the RAF (now STAR).

evaluating GRPPs. IEG does not, as a matter of policy, recommend the continuation or discontinuation of any programs being reviewed.

22. Compared to standard GPRs, this GPR is going to focus on the *partnership* between the World Bank Group and the GEF (instead of the entire GEF). **Its two purposes are (a) to help improve the relevance and effectiveness of the WBG’s partnership with the GEF, and (b) to draw lessons for the WBG’s partnership with the GEF and other large GRPPs.** The narrower scope of this GPR is motivated by the size and the complexity of the WBG’s partnership with the GEF, and on learning lessons from this experience for the Bank’s partnership more specifically with large GRPPs like the GEF — those that are financing large-scale investments at the global, regional and country levels.

23. A standard GPR also has three components: (a) assessing the performance of the WBG as a partner in the program, (b) providing a second opinion on the effectiveness of the program, based on a recently completed evaluation of the program, typically commissioned by the governing body of the program, and (c) assessing the independence and quality of this evaluation.

24. Instead, this GPR has only one component corresponding to the first component above, namely, **assessing the effectiveness of the WBG’s partnership with the GEF at both the corporate and country levels.** This narrower focus is once again motivated by the size and the complexity of the WBG’s partnership with the GEF. The term “partnership” is used here to emphasize that the WBG performance cannot be understood in isolation, but has to be embedded in a thorough understanding of performance from both the WBG and GEF perspectives. This includes the relevance of the WBG to the GEF and vice versa, the outcomes of WBG-implemented GEF-financed projects (including IFC and regional projects), the efficiency of WBG-GEF coordination, and the linkages between GEF-supported activities and the WBG’s country and regional operations. The desirability of effective operational linkages between GRPPs and the WBG’s country operations has been one of the most consistent themes in the WBG’s strategic documents since 2000. Therefore, it will be informative to see how this is working in practice in the case of the GEF, since the GEF was designed to have such linkages from the outset. The GPR will also examine the experience of the partnership with the GEF’s allocation of resources among countries and focal areas, as well as the experience with the GEF’s approaches to incremental cost analysis, cofinancing, and leveraging.

25. This GPR will also assess how the World Bank has fulfilled its corporate roles as an Implementing Agency, assess factors that facilitate or hamper the fulfillment of these roles, and review how potential conflicts of interest between its role as Implementing Agency and the other roles the World Bank performs for the GEF have been managed. This GPR will **not** assess the overall effectiveness of the GEF corporate structures such as the Council and the Secretariat, nor will it assess the World Bank’s performance as Trustee and provider of administrative services.

26. This GPR will take account of the findings of the most recently completed evaluation of the GEF, namely, the *Fourth Overall Performance Study of the GEF* that was completed

by the GEF Evaluation Office in 2009 for the fifth replenishment of the GEF in 2010.¹² But it will also draw upon other evaluative material on the GEF produced by the GEF Evaluation Office and others (Annex C). The GPR will seek to add value beyond what is contained in previous evaluations, while drawing upon IEG’s experience in reviewing the WBG’s partnership with a growing number of GRPPs. For instance, the GEF Evaluation Office tends to take an “all agency” perspective of the GEF’s relationships with its 10 GEF agencies, rather than a World Bank-specific perspective. This GPR will also update previous findings based on more current data and stakeholder perceptions, and report on key developments since the evaluations were completed, including the progress in implementing the recommendations of the evaluations.

27. Even with the narrower purposes and focus on the effectiveness of the WBG-GEF partnership, this GPR considerably exceeds standard GPRs in terms of required capacity and resources in order to produce meaningful findings. In this sense, the GPR represents an evaluation of the effectiveness of the WBG-GEF partnership: the evaluation questions will be researched independently by the evaluation team based on all information available. It therefore represents a first opinion rather than a review or second opinion based on previous evaluations.

28. The principal target audiences for this GPR are the WBG’s Board and Management, and any formal recommendations in the GPR will be directed exclusively to the WBG’s Board and Management. The GPR aims to provide strategic inputs into the WBG’s partnership with the GEF as well as the WBG’s partnership with other large GRPPs and financial intermediary trust funds (FIFs) more generally. In addition to this principal target audience, the GPR will be of interest to the GEF Council, the GEF Secretariat, and the GEF Evaluation Office, as well as to other organizations and individuals involved with managing and evaluating large GRPPs and FIFs.

3. Evaluation Questions

29. This GPR will evaluate the effectiveness of the WBG’s partnership with the GEF, focusing on the World Bank’s role as an Implementing Agency, and the IFC’s role as an executing agency of private sector GEF projects under the World Bank. The term “effectiveness” is understood in the general sense, including questions on relevance and efficiency as well as efficacy.

30. This GPR will cover all GEF-funded WBG-implemented projects in all sectors. It covers the entire period since 1991 during which the WBG has been a partner of the GEF, but focusing more on the most recent phase from GEF-4 (2007) to the present time.

31. The content of the GPR is summarized by the following eight general evaluation questions:

12. Two IEG staff members were peer reviewers on biodiversity and climate change for the Fourth Overall Performance Study.

- (1) **How relevant are the World Bank and the IFC to the GEF?** That is, to what extent do the World Bank Group's objectives match those of the GEF? This question is restricted to the WBG and the GEF. The relevance of the WBG to the GEF will **not** be compared to that of other GEF Agencies.
- (2) **How relevant is the GEF to the WBG and its clients?** That is, how relevant and useful is the GEF to the World Bank Group in reaching the WBG's corporate, sectoral, and country environmental objectives? How relevant have been GEF strategies, including the establishment of the Earth Fund, to IFC's work with the commercial private sector? What impacts has the WBG's involvement in the GEF had on the WBG's own work with public and private sector clients in the environment area?
- (3) **How efficient has been the inter-organizational coordination between the World Bank, IFC and the GEF in terms of time, capacity and resource usage along the entire cycle of GEF-financed projects and other modalities?** What have been the underlying causes for inefficiencies, if any, and how could coordination be improved? This question covers division of labor, interface management, communication and incentive structures along the project and program cycles of the World Bank, IFC and GEF, alignment with institutional policies and the match of organizational and governance structures.
- (4) **How are GEF projects intended to be linked to the WBG's country and operational programming and how effective have these linkages been?**
- (5) **How effective have been GEF's country, regional, and private sector projects implemented by the WBG and how could effectiveness be improved?**¹³ To what extent have regional projects played up to the comparative advantage of GEF finance in supporting regional environmental initiatives? This question covers the evolution of the World Bank's share of GEF-financed projects over time and the WBG's performance in project preparation and supervision. It looks at project outcomes, and searches for underlying causes and potential improvements based on the WBG's and the GEF's experience. This will **not** involve in-country verification of project performance but will draw on existing project reviews and evaluations (ICRs, ICR Reviews, PPARs, PCRs, XPSRs, PESs, etc.), and interviews with WBG and GEF staff, and possibly also with GEF Focal Points and other in-country stakeholders.
- (6) **What has been the experience of the WBG partnership with the GEF with regard to the GEF's resource allocation modalities,** including the GEF's Resource Allocation Framework (RAF) and subsequently the System for Transparent Allocation of Resources (STAR)? What effects has the introduction of these systems had on the WBG partnership with the GEF? Has there been a crowding-out effect on private sector GEF projects implemented by IFC?

13. This may cover projects implemented under programmatic approaches.

- (7) **What has been the experience of the WBG partnership with the GEF with regard to cofinancing, blending, leveraging, incremental cost, and mainstreaming?** How are these terms understood in the GEF and the WBG? To what degree has the experience with these concepts fulfilled original and current expectations? What lessons can be drawn?
- (8) **What has been the World Bank's performance in relation to the corporate activities of Implementing Agencies as defined by the GEF?** (See Annex B, para. 13.) This includes a review of corporate roles and responsibilities of GEF Agencies, an assessment of the degree to which these have been fulfilled by the World Bank, including factors that facilitated or hampered this fulfillment, and an analysis of how potential conflicts of interest have been managed between the World Bank's role as an Implementing Agency and other roles (e.g., Trustee and provider of administrative support services). This question will **not** assess the performance of the World Bank as Trustee or as provider of administrative support services.

4. Evaluation Design

32. Most evaluation activities can be described as either data gathering or analysis.

Primary data and information will be gathered as follows:

- Document review of the GEF, World Bank and IFC strategies and operations in the environment sector, including the evolving strategies of all three organizations over time, and the role of the environment sector in the WBG's country assistance strategies.
- Portfolio review of WBG-implemented GEF projects and relevant WBG environment sector operations.
- Document review of GEF Evaluation Office reports and IEG evaluations of WBG environment activities. (See Annex C for evaluative materials on the GEF in relation to the proposed evaluation questions.)
- Surveys and structured interviews with GEF and WBG staff, including previous and current CEOs, members of the Scientific and Technical Advisory Panel, staff in other GEF Agencies involved in GEF operations, and GEF Focal Points and other in-country stakeholders.
- Potential follow-up interviews, group discussions or focus groups for obtaining in-depth feedback on issues arising from interviews and surveys.

33. This primary information will be analyzed using the following methodologies:

- Synthesis of a coherent, time-ordered sequence of legitimate policy information for the GEF and the WBG from existing documentation (e.g., goals and objectives, project cycle guidance).
- Assessment of gaps/overlaps and matches/mismatches in the GEF's and the WBG's goals and objectives and processes for project cycles and programmatic approaches.
- Spreadsheet analysis of project portfolio attributes (and their evolution) and of survey results.

- Qualitative analysis (category building, trend identification) of non-standardized interview and open-ended survey information.
- Synthesis, appraisal and triangulation of GPR findings, hypothesis building and testing.
- Feedback analysis: factual or logical errors, inclusion of new data.

34. IEG and the GEF Evaluation Office have developed a collegial relationship since the Office was established in 2006, through mutual participation in international evaluation networks, the conduct of joint evaluations, and the regular sharing of evaluation materials. This relationship will continue for the benefit of both this GPR and the Evaluation Office's ongoing evaluations, including the Fifth Overall Performance Study of the GEF. It goes without saying, however, that each organization will continue to make its own independent evaluative judgments based on the evidence obtained.

Work Packages for Reviewing Evaluation Questions

35. The evaluation activities are organized into 11 work packages (WPs). Three work packages are not directly related to answering evaluation questions, namely WP1 (Produce Approach Paper), WP2 (Provide ongoing review support) and WP11 (Produce Final Report). All other work packages consist of data gathering and analysis activities that are directly linked to answering evaluation questions as indicated in the table below.

Work Packages	Evaluation Questions							
	1	2	3	4	5	6	7	8
WP1. Produce Approach Paper	N/A							
WP2. Provide ongoing review support	N/A							
WP3. Identify WBG and GEF objectives and strategies	X	X						
WP4. Compare GEF to alternatives		X						
WP5. Assess project cycle issues			X					
WP6. Assess linkages				X				
WP7. Analysis of project portfolio evolution					X			
WP8. Experience with GEF's resource allocation modalities						X		
WP9. Experience with cofinancing, blending, leveraging, incremental cost, and mainstreaming.							X	
WP10. Assessment of corporate roles								X
WP11. Produce Final Report	N/A							

Description of Individual Work Packages

36. The evaluation questions 1 and 2 on mutual relevance of the WBG and the GEF for each other are addressed by the following two work packages (WP4 only for evaluation question 2):

WP3. Identify WBG and GEF objectives and strategies

Data gathering	Identify and collect relevant documentation on objectives, strategies of the GEF and the World Bank Group (IBRD/IDA and IFC) from: - interviews with about 10 senior WBG and GEF staff - document search
Analysis	From these documents, identify and synthesize legitimate objectives and strategies of the GEF and the WBG and their evolution over time Analyze their internal coherence Analyze gaps and overlaps, matches and mismatches in the objectives and strategies of GEF and World Bank Group

WP4. Compare GEF to alternative funding sources

Data gathering	Identify and collect relevant documentation on alternative environmental funding sources for the WBG: - interviews with about 10 WBG staff - document search and - online search
Analysis	Identify and describe unique advantages and disadvantages of the GEF vis-à-vis other alternatives for environmental funding

37. Evaluation question 3 on inter-organizational coordination is addressed by a project cycle assessment:

WP5. Assess inter-organizational coordination along the project and program cycle

Data gathering	Identify and collect relevant documentation on organizational structures and management processes (guidelines, policies) for GEF projects and other modalities, including their evolution over time, of the GEF and the WBG (IBRD and IFC) from: - interviews with about 5 WBG staff and - document search
Data gathering	Gather feedback from GEF and WBG staff on project cycle management and other modalities of WBG & GEF projects, and of improvement measures taken, through: - interviews with about 15 WBG and GEF staff and - online surveys
Data gathering	Identify and collect relevant documentation on institutional policies and other documents that may further explain observed project cycle inefficiencies through: - (if required,) interviews with about 5 WBG and GEF staff and - document search
Analysis	Derive key project cycle management issues from interview and survey information and assess underlying issues along several distinct categories: - issues caused by how project and program management policies and processes are matched and integrated between the GEF and the WBG - issues caused by inefficiencies, if any, in project and program management policies themselves (e.g., impractical division of labor) - issues caused by how existing policies are (not) implemented

38. Evaluation question 4 on linkages of GEF projects with WBG country and operational programming is addressed as follows:

WP6. Assess operational linkages

Data gathering	Identify and collect relevant documentation on: - objectives for and intentions with various types of linkages between GRPPs and the WBG's country operations - earlier assessments of such linkages
Data gathering	Conduct selected interviews with - authors of earlier GRPP reviews (about 5 interviews) - WBG staff involved in developing the above-mentioned policy documents on linkages on purpose and type of such linkages (about 10 interviews)
Analysis	Develop a conceptual, results-chain based framework to clarify the use and meaning of the term "linkages" as the basis for further analysis - Identify principal types of linkages with respect to their purposes and their causal mechanisms - Identify principal types of GRPPs for which some or all of those linkages are relevant
Data gathering	Gather feedback from GEF and WBG staff on the existence and effectiveness of WBG-GEF linkages, through: - interviews with about 15 WBG and GEF staff and - online surveys
Analysis	Assess relevance and effectiveness of WBG-GEF linkages: - Identify types of relevant GEF-WBG linkages - Assess the existence and the effectiveness of these linkages - Develop recommendations on how to increase the performance of relevant GEF-WBG linkages

39. Evaluation question 5 on the effectiveness of WBG-implemented GEF projects (including regional projects) is addressed as follows:

WP7. Analysis of project portfolio evolution

Data gathering	Establish access to the WBG's project database of all GEF projects and/or request and obtain a full project dataset as an Excel file (information on project finances, timing, partners, country etc)
Analysis	Analyze project portfolio evolution across GEF Agencies over time along various dimensions and identify peculiarities
Data gathering	Identify and collect WBG-internal project performance reports — Implementation Completion Reports (ICRs), ICR Reviews, Project Performance Assessment Reports (PPARs), Project Completion Reports (PCRs), Expanded Project Supervision Reports (XPSRs), Evaluation Notes (EvNotes), Project Evaluation Summaries (PESs), and other relevant project documentation — as well as meta-level summaries and syntheses of those individual reports for GEF projects implemented by the WBG
Data gathering	Gather feedback from GEF and WBG staff (and, optionally, from other GEF Agencies) on underlying reasons for portfolio and project performance evolutions, through: - about 20 interviews with WBG and GEF staff and - online surveys
Analysis	Synthesize underlying reasons for: - relative and absolute project portfolio evolution - trends in project performance of WBG-implemented projects (e.g., effectiveness, sustainability/risk)

40. Evaluation questions 6 and 7 are each addressed as follows:

WP8 and WP9. Synthesis of WBG-GEF partnership experience with regard to the GEF’s resource allocation modalities, cofinancing, blending, leveraging, incremental cost and mainstreaming.

Data gathering	Conduct selected interviews (about 5) with senior WBG and GEF staff on the GEF's and the WBG's experience with these topics
Data gathering	Pragmatically identify and collect corroborating data and information from the GEF and the WBG
Analysis	Synthesize lessons learnt for these topics

41. Evaluation question 8 on corporate performance as an Implementing Agency is addressed as follows:

WP10. Assessment of World Bank performance in relation to corporate activities of Implementing Agencies

Data gathering	Identify and collect GEF policy information describing the corporate roles and responsibilities of the GEF Agencies
Analysis	Assess institutional incentives and disincentives in the WBG's roles as: - Implementing Agency - Trustee and - Provider of administrative support services
Data gathering	Gather feedback from GEF and World Bank staff on - corporate performance - facilitating and hampering factors and - potential improvements of the World Bank corporate performance as Implementing Agency of the GEF and on how potential conflicts of interest between the World Bank's role as Implementing Agency and its other roles (Trustee and provider of administrative support services) have been managed through: - interviews with about 15 World Bank and GEF staff - online surveys
Analysis	Synthesize feedback on corporate performance and improvement options as Implementing Agency, as well as on potential conflicts of interest

5. Quality Assurance Process

42. The work will be based at World Bank Group headquarters in Washington and at the Institute for Development Strategy (IfDS) in Munich.

43. Ali Khadr (IEG manager for Country, Corporate and Global evaluations) and Chris Gerrard (IEG Global Programs Coordinator) will supervise the work of the GPR team led by Markus Palenberg of IfDS. Chris Gerrard will directly supervise the work carried out in Washington, DC, and Markus Palenberg will directly supervise that in Munich. They will mutually provide quality assurance by reviewing each other's work.

44. Two other IEG staff members — Ken Chomitz (Senior Adviser) and Lauren Kelly (Evaluation Officer) — will provide guidance and advice as part of the larger task team.

They will provide advice based on their extensive knowledge of the GEF and the WBG's partnership with the GEF, help to design surveys, and review drafts of the report, among other things.

45. The review of the draft report will follow standard IEG guidelines for sector evaluations, including two or three peer reviewers prior to the IEG one-stop review of the draft report. Once cleared internally, copies of the draft GPR will be sent for review and comments to the WBG units responsible for the WBG's partnership with the GEF — the Environment Department, Multilateral Trustee and Innovative Financing Department, and the International Finance Corporation — and to other WBG units that have responsibility for the WBG's involvement with global partnership programs.

46. Then the draft will be sent to the GEF Secretariat and GEF Evaluation Office for their review and comments. All comments received will be taken into account in finalizing the document, and the formal management comments from the WBG Management and the GEF Secretariat will be attached to the final report.

47. The final GPR will be distributed to the WBG's Committee on Development Effectiveness (CODE) and discussed at a CODE meeting.

6. Expected Outputs and Dissemination

48. The principal output of this GPR will be a comprehensive report with an introduction, an overview of the GEF and the WBG's roles, several substantive sections corresponding to the evaluation questions of the GPR, and a conclusion.

49. After being cleared by CODE, the final report will be published and posted on the IEG Web site for broader distribution.

7. Resources

Timeline

50. The following table provides an indicative timeline.

Item	Date
IEG one-stop review for the Approach Paper	November 7, 2011
Comments on the Approach Paper from World Bank Group Management and the GEF Secretariat and Evaluation Office	January - February 2012
Submission of Approach Paper to CODE	March 2012
CODE Subcommittee meeting on Approach Paper	June 27, 2012

Item	Date
Non-objection endorsement of revised Approach Paper (this version) by CODE Subcommittee	August 2012
Data gathering and analysis as detailed above	September – January 2013
First draft	February 2013
IEG one-stop review for the draft report	March 2013
Internal WBG review by ENV, CFP, IFC, and others	March 2013
External review by the Global Environment Facility	March 2013
Report finalized and distributed to CODE	April 2013
CODE meeting on final report	May-June 2013

Budget

51. The budget for this GPR is \$315,000. This comprises \$215,000 for consultants, \$35,000 for travel and subsistence expenses, and \$65,000 for IEG staff (including task team leadership and supervision.)

Team and Skill Mix

52. The capacity required for this GPR exceeds that of standard GPRs due to the high profile of the GEF, the need to collect information on the engagement of the WBG's environmental staff with GEF-financed projects, and the importance of the strategic issues going forward.

53. The GPR will be prepared by a team led by Markus Palenberg under the task team leadership of Chris Gerrard, IEG Global Programs Coordinator. Markus Palenberg is the Managing Director of the Institute for Development Strategy (IfDS) in Munich (www.devstrat.org). Markus Palenberg has conducted several global program evaluations over the past few years (including three CGIAR Challenge Programs, the Global Reporting Initiative, the Understanding Children's Work program, and the Statistical Information and Monitoring Programme on Child Labour), and researched evaluation methodology (including the recent report *Tools and Methods for Assessing the Efficiency of Development Interventions*).

54. Other members of the team will be Diane Bombart and Andrea Deisenrieder at the Institute for Development Strategy in Munich, Anna Aghumian in IEGCC, and a staff member or consultant in IEGPE, who will be responsible for the data gathering and analysis in relation the particular experience of the IFC in implementing private sector GEF projects as an executing agency under the World Bank.

Annex A: IEG's Global Program Reviews

IEG annually reviews a number of global and regional partnership programs (GRPPs) in which the World Bank Group (WBG) is a partner, in accordance with a mandate from the World Bank's Executive Board in September 2004.¹⁴ The three main purposes are (a) to help improve the relevance and the effectiveness of the programs being reviewed, (b) to identify and disseminate lessons of broader application to other programs, and (c) to contribute to the development of standards, guidelines, and good practices for evaluating GRPPs. IEG does not, as a matter of policy, recommend the continuation or discontinuation of any programs being reviewed.

A GPR is a *review* and not a full-fledged *evaluation*. The preparation of a GPR is usually contingent on a recently completed evaluation of the program, typically commissioned by the governing body of the program. Each GPR normally (a) assesses the independence and quality of that evaluation; (b) provides a second opinion on the effectiveness of the program, based on the evaluation; (c) assesses the performance of the World Bank Group as a partner in the program; and (d) draws lessons for the WBG's engagement in GRPPs more generally. The GPR does not formally rate the various attributes of the program.

IEG has so far prepared 19 GPRs covering 21 programs (Table A-1). Six of these have been global or regional environmental or environmentally related programs: the Critical Ecosystem Partnership Fund (CEPF), the International Land Coalition (ILC), the Global Invasive Species Program (GISP), the International Assessment of Agricultural Knowledge, Science, and Technology for Development (IAASTD), the Global Water Partnership (GWP), and the Mesoamerican Biological Corridor (MBC). IEG is currently undertaking reviews of the Global Facility for Disaster Reduction and Recovery (GFDRR) and the Forest Carbon Partnership Facility (FCPF).

IEG also prepares a biennial report to the WBG's Board which synthesizes its findings from the most recently completed GPRs and assesses the WBG's performance in managing and overseeing its portfolio of GRPPs. The most recent such report was published in 2011: *The World Bank's Involvement in Global and Regional Partnership Programs: An Independent Assessment*.

GPRs seek to add value to the program and to the WBG beyond what is contained in the evaluation on which the GPR is based, while also drawing upon IEG's experience in reviewing a growing number of programs. GPRs report on key program developments since the evaluation was completed, including the progress in implementing the recommendations of the evaluation.

Finally, GPRs contribute to the leading role which IEG is playing, under the auspices of the OECD/DAC Network on Development Evaluation, in developing international standards and good practices for the evaluation of global programs. GPRs are public goods which are providing lessons not only for the WBG but also for the wider community of global programs.

14. *Addressing the Challenges of Globalization: An Independent Evaluation of the World Bank's Approach to Global Programs*, Phase 2 Report, 2004, recommendation 5 on page xxx, endorsed by CODE

Table A-1. List of IEG's Global Program Reviews to Date

Acronym	Program Name	Preparer	Date Completed
1. ProVention	ProVention Consortium	Silke Heuser	June 28, 2006
2. DG	Development Gateway Foundation	Kris Hallberg	June 26, 2007
3. MMV	Medicines for Malaria Venture	A. Edward Elmendorf	June 26, 2007
4. CA	Cities Alliance	Roy Gilbert	June 28, 2007
5. CEPF	Critical Ecosystem Partnership Fund	Lauren Kelly	Nov 7, 2007
6. ADEA	Association for the Development of Education in Africa	Dean Nielsen	Mar 3, 2008
7. PRHCBP	Population and Reproductive Health Capacity Building Program	Denise Vaillancourt and Elaine Ooi	Mar 5, 2008
8. ILC	International Land Coalition	Ridley Nelson	June 25, 2008
9. CGAP	Consultative Group to Assist the Poor	Khalid Siraj	Oct 26, 2008
10. GDN	Global Development Network	Catherine Gwin	May 28, 2009
11. GFHR	Global Forum for Health Research	A. Edward Elmendorf	June 23, 2009
12. GISP	Global Invasive Species Program	Lauren Kelly	September 3, 2009
13. Stop TB	Stop TB Partnership	Bernhard Liese	November 19, 2009
14. IAASTD	International Assessment of Agricultural Knowledge, Science, and Technology for Development	Ridley Nelson	June 28, 2010
15. GWP	Global Water Partnership	Keith Pitman	July 2, 2010
16. MDTF-EITI	Multi-Donor Trust Fund for the Extractive Industries Transparency Initiative	Andres Liebenthal and Anna Aghumian	February 18, 2011
17. MBC	Mesoamerican Biological Corridor	Lauren Kelly and Diana Salvemini	May 24, 2011
18. MAPS, PARIS21, and TFSCB	Marrakech Action Plan for Statistics, Partnership in Statistics for Development in the 21st Century, and Trust Fund for Statistical Capacity Building	Brian Ngo	June 30, 2011
19. Global Fund	Global Fund to Fight AIDS, Tuberculosis and Malaria	Chris Gerrard and others	February 8, 2012
20. GFDRR	Global Facility for Disaster Reduction and Recovery	Roy Gilbert and Anna Aghumian	Ongoing
21. FCPF	Forest Carbon Partnership Facility	Lauren Kelly	Ongoing

Annex B: The Global Environment Facility and the World Bank's Roles

Objectives and Activities

1. The Global Environment Facility (GEF) was initially established by the World Bank, the United Nations Development Program (UNDP), and the United Nations Environment Program (UNEP) in 1991 as a pilot program “to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development.”¹⁵
2. The GEF was restructured in 1994 as an independent financial mechanism to provide grants and concessional funding to developing and transition countries to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: (a) biological diversity; (b) climate change; (c) international waters; (d) land degradation, primarily desertification and deforestation; (e) ozone layer depletion; and (f) persistent organic pollutants.
3. The first two focal areas — biodiversity and climate change — accounted for 68 percent of the 2,400 projects that the GEF supported in over 150 countries since the GEF was founded through June 2009, and 64 percent of the \$8.6 billion of project funding (Table B-1). The GEF has also made more than 13,000 small grants available through its Small Grants Program directly to nongovernmental and community organizations, totaling more than \$600 million.

Table B-1. Number of Projects and GEF Funding by Focal Area, 1991–2009

Focal area	Projects		Funding	
	Number	Share	US\$ millions	Share
Biodiversity	946	40%	2,792	32%
Climate Change	659	28%	2,743	32%
International waters	172	7%	1,065	12%
Persistent organic pollutants	200	8%	358	4%
Land degradation	76	3%	339	4%
Ozone layer depletion	26	1%	180	2%
Multifocal	310	13%	1,114	13%
All focal areas	2,389	100%	8,591	100%

Source: GEF Evaluation Office, Fourth Overall Performance Study of the GEF, 2010, p. 8.

4. The GEF also serves as the financial mechanism for the following conventions:
 - Convention on Biological Diversity (CBD), 1993
 - United Nations Framework Convention on Climate Change (UNFCCC), 1994
 - United Nations Convention to Combat Desertification, 1996

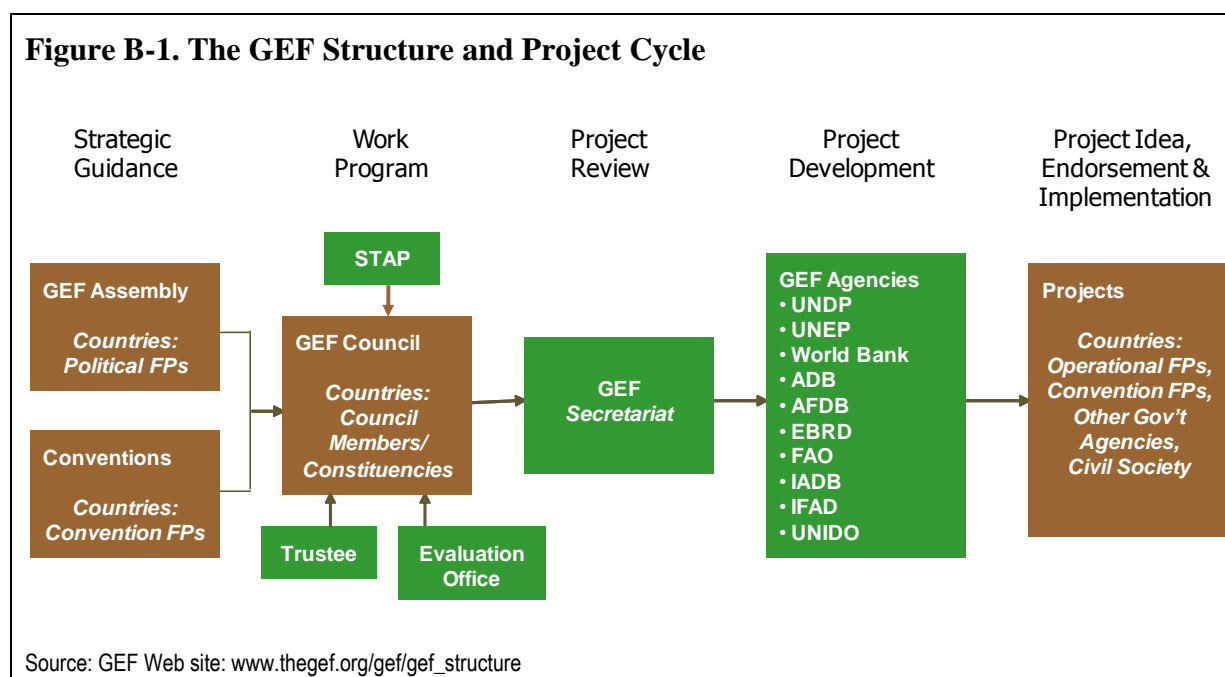
15. GEF, *Instrument for the Establishment of the Restructured Global Environment Facility*, March 2008, p. 11.

- Stockholm Convention on Persistent Organic Pollutants, 2004
- Montreal Protocol on Substances That Deplete the Ozone Layer, 1989.¹⁶

Governance and Management

5. Although the restructured GEF is commonly viewed as a multilateral organization, it is not an independent legal entity. The founding member countries specifically decided to utilize an existing structure rather than create a new international organization.

6. The GEF is governed by an Assembly and a Council (Figure B-1). The **GEF Assembly**, which meets every three to four years, is attended by high-level government delegations of all 182 GEF member countries. It is responsible for reviewing the GEF's general policies, operations, and membership, and for considering and approving proposed amendments to the GEF Instrument — the document that established the GEF and sets the rules by which the GEF operates.



7. The **GEF Council** is the main governing body of the GEF. It functions as an independent board of directors, with primary responsibility for developing, adopting, and evaluating GEF programs. Council members represent 32 constituencies (16 from developing countries, 14 from developed countries, and 2 from transition countries), and meet semi-annually for three days and also conduct business virtually. Decisions are generally by consensus.

8. The **GEF Secretariat** is based inside the World Bank in Washington, DC, but is functionally independent of the World Bank. That is, the Chief Executive Officer and Chairperson of the Council who heads the Secretariat — currently Monique Barbut —

16. Although the GEF is not formally linked to the Montreal Protocol, it supports the implementation of the Protocol in countries with economies in transition.

reports only to the GEF Council and Assembly.¹⁷ The Secretariat coordinates the formulation of projects included in the work programs, oversees their implementation, and ensures that GEF operational strategies and policies are followed.

9. The *Scientific and Technical Advisory Panel* provides strategic scientific and technical advice to the GEF on its strategies and programs. This consists of six members who are internationally recognized experts in GEF's key areas of work and are supported by a network of experts. The Panel is also supported by a Secretariat, based in the UNEP regional office in Washington, DC. The Panel reports to each regular meeting of the GEF Council on the status of its activities, and, if requested, to the GEF Assembly.

10. The *GEF Agencies* are responsible for developing project proposals and for supervising the implementation of approved projects. That is, when establishing the restructured GEF, the founding member countries chose to tap the comparative advantages of three founding organizations to implement its projects, rather than construct a new organization to do so. As the three initial Implementing Agencies, the World Bank, UNDP, and UNEP would assist eligible governments and NGOs in developing, implementing, and managing GEF-financed projects. Starting in 1999, an additional seven Executing Agencies have been added to the roster of GEF Agencies, with similar responsibilities: the Asian Development Bank, the African Development Bank, the European Bank for Reconstruction and Development, the Food and Agriculture Organization, the Inter-American Development Bank, the International Fund for Agricultural Development, and the United National Industrial Development Organization. The ten organizations are now collectively called the GEF Agencies.¹⁸

11. GEF Agencies focus their involvement in GEF projects within their respective comparative advantages. Initially, the comparative advantage of UNEP was viewed as "catalyzing the development of scientific and technical analysis and advancing environmental management in GEF-financed activities,"¹⁹ that of UNDP developing and managing capacity building programs and technical assistance projects; and that of the World Bank developing and managing investment projects. In the case of integrated projects that include components where the expertise and experience of one GEF agency is lacking or weak, the agency is expected to partner with another agency and establish clear complementary roles so that all aspects of the project will be well managed.

12. The Agencies are directly accountable to the GEF Council for their GEF-financed activities, although there is no direct line mechanism. The GEF Secretariat provides an administration fee to the Agencies, equal to 10 percent of GEF financing to cover the costs of

17. By contrast, the program managers of other GRPPs whose secretariats are located in the World Bank Group report both to their own governing body and to a WBG line manager, who reports ultimately to the WBG President and the WBG's Executive Board.

18. While the participation of the three Implementing Agencies in the GEF is governed by the GEF Instrument, the participation of the seven Executing Agencies is governed by MOUs between the GEF and each agency.

19. GEF, *Instrument for the Establishment of the Restructured Global Environment Facility*, March 2008, Annex D, paragraph 11.

overseeing and managing projects from project identification to ex post evaluation.²⁰ This 10 percent fee includes a notional one percentage point to cover the costs of the Agencies' corporate activities in support of the GEF.

13. As defined by the GEF, the corporate activities covered by the 1 percent corporate fee include the following range of activities:²¹

- **Policy support** – the development, revision and operationalization of GEF policies, strategies, business plans and guidelines; and participation in the meetings of the GEF governing bodies.
- **Portfolio management** – pipeline and program management, financial management and data management; participation in financial consultations organized by the Trustee; preparation of the Annual Monitoring Report, the Annual Portfolio Review for the Evaluation Office; and the overall management of the portfolio regardless of the number of projects undertaken.
- **Reporting** – all the reporting requirements related to project cycle management
- **Outreach and knowledge sharing** – participation in sub-regional consultations, country dialogues and STAP meetings.
- **Support to the GEF Evaluation Office** – evaluations, reviews and studies initiated by the Evaluation Office.

14. Two types of *GEF Focal Points* play important coordination roles regarding GEF matters at the country level as well as liaising with the GEF Secretariat and GEF Agencies, and representing their constituencies on the GEF Council. All GEF member countries have Political Focal Points, while recipient member countries eligible for GEF project assistance also have Operational Focal Points. *Political Focal Points* are concerned primarily with issues related to GEF governance, including policies and decisions, and with relations between member countries and the GEF Council and Assembly. *Operational Focal Points* are concerned with the operational aspects of GEF activities, such as endorsing project proposals to affirm that they are consistent with national plans and priorities and facilitating GEF coordination, integration, and consultation at the country level.

15. The GEF is the only GRPP in which the WBG is involved that has so far established an independent evaluation office, the **GEF Evaluation Office**, whose Director is appointed by and reports directly to the program's governing body, in this case the GEF Council.²² Each GEF Agency is responsible for undertaking the terminal evaluations of the GEF-financed projects that it supervises. The GEF Evaluation Office, in turn, has the central role of ensuring the independent evaluation function within the GEF, setting minimum requirements for project-level M&E, ensuring oversight of M&E systems on the program and project levels, and sharing

20. The fee for projects under programmatic approaches is 8 percent if a single agency is involved, and 9 percent for multi-agency programs. The GEF is currently reviewing the agency fee structure.

21. GEF, Rules and Guidelines for Agency Fees and Project Management Costs, October 20, 2010, GEF/C.39/9, p. 2.

22. The Consultative Group on International Agricultural Research will be the second. It is currently in the process of setting up an Independent Evaluation Arrangement reporting to the CGIAR Fund Council.

evaluative evidence within the GEF. The Evaluation Office also conducts Annual Performance Reviews and independent evaluations that involve a set of projects from more than one GEF Agency, and prepared the most recent (the fourth) Overall Performance Study in 2009.

World Bank Group's Roles in the GEF

16. In addition to being one of the three founding partners of the GEF, the World Bank plays three major roles in the GEF: (a) the Trustee of the GEF and related trust funds; (b) one of the three Implementing Agencies of the GEF; and (c) a range of administrative support services as the host of the GEF Secretariat, including human resources, communications, and legal services.²³

17. The World Bank also participates in GEF governance through two official observer positions on the GEF Council (as Trustee and Implementing Agency), and in GEF management as the co-chair (along with the CEO) of the quadrennial replenishment process. The International Finance Corporation (IFC) also implements private sector GEF projects as an executing agency under the World Bank.²⁴

18. The World Bank as Trustee reports to the GEF Council and facilitates the transfer of resources to the GEF Agencies. As laid out in Annex B of the GEF Instrument, the duties of the Trustee include the following: resource mobilization; managing receipts from donors; investing the liquid assets of the GEF Trust Fund; entering into financial procedures agreement with other GEF Agencies to facilitate the transfer of funds; preparing financial reports to the Council; and providing for audit functions. The Trustee does not have programmatic or fiduciary responsibility to the GEF for the use of funds transferred to other Agencies.

19. As an Implementing Agency, the World Bank's comparative advantages are generally seen as a multisectoral financial institution operating on a global scale. The WBG (including the IFC) has strong experience in investment lending focused on policy reform, institution building, and infrastructure development across all six focal areas of the GEF. The WBG generally applies its own operational policies, including safeguard policies, to the preparation and implementation of GEF grants, except when certain operational policies expressly exclude or restrict their application.²⁵

23. The "World Bank" refers to the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The "World Bank Group" includes the IFC, the Multilateral Investment Guarantee Association (MIGA), and the International Center for the Settlement of Investment Disputes (ICSID). Strictly speaking, only the IBRD is the Trustee and the Implementing Agency of the GEF, while IBRD, IDA, and IFC all supervise some GEF-financed projects under the umbrella of the IBRD as Implementing Agency.

24. The World Bank's GEF Coordination Team (ENVGCC) has a work program agreement with IFC like it has with the Bank's six Regional Vice Presidencies.

25. See Operational Policy 10.20 and Bank Procedure 10.20 – Global Environment Facility Operations. The Bank's policy on the signing of legal documents and effectiveness only applies to full-size GEF projects for which the amount of GEF funds exceeds \$1 million. These do not apply (a) to medium-size projects for smaller

20. The WBG has been the largest lender for the environment to developing and transition countries. It has prepared and supervised many projects that have been supported by both IBRD/IDA and GEF finance together. The WBG also plays major roles in a number of other environmental partnership programs, including host of the secretariat and implementing agency of the two Climate Investment Funds (the Clean Technology Fund and the Strategic Climate Fund) and of a series of carbon finance programs.

GEF Financing

21. The GEF follows a quadrennial replenishment model of financing. Every four years, donor nations make pledges to fund the next four years of GEF operations and activities. Donors pledged \$9.3 billion and contributed \$8.8 billion during the pilot phase and the first four replenishments ending June 30, 2010 (Table B-2). Discussions on the fifth replenishment of the GEF concluded in May 2010 during which donors made new pledges of \$3.5 billion. Including the carryover of resources from previous replenishments and projected investment income, the overall replenishment value is \$4.3 billion. The fifth replenishment became effective in March 2011 when donors whose contributions aggregated not less than 60 percent of the total contributions to GEF-5 had formalized their contributions by depositing Instruments of Commitment with the World Bank as Trustee.

Table B-2. GEF Replenishments

Funding	Pilot Phase 1990–94	GEF-1 1994–98	GEF-2 1998–02	GEF-3 2002–07^a	GEF-4 2007–10	Total 1990–10
GEF funding pledged by donors	843	2,015	1,983	2,211	2,289	9,341
GEF funding received from donors	843	2,012	1,687	2,095	2,169	8,806
Proportion of funds pledged		100%	85%	95%	95%	94%
GEF replenishments as share of Official Development Assistance	0.28%	0.67%	0.60%	0.50%	0.38%	

Source: GEF Evaluation Office, Fourth Overall Performance Study of the GEF, 2010, p. 35.

a. Generally speaking, replenishment periods have been from July 1 of the beginning year to June 30 of the ending year. However, the third replenishment period ended February 6, 2007, and the fourth began on February 7, 2007.

22. The GEF also operates three additional programs — the Least Developed Countries Fund for Climate Change (LDCF), the Special Climate Change Fund (SCCF), and the Nagoya Protocol Implementation Fund (NPIF) — and provides secretariat and evaluation services for a fourth — the Adaptation Fund. The LDCF (established in 2001) addresses the needs of the 48 least developed countries whose economic and geophysical characteristics make them especially vulnerable to the impact of global warming and climate change. The SCCF (also established in 2001) finances activities relating to climate change that are complementary to those funded by the resources allocated to the climate change focal area of the GEF trust fund and to those provided by bilateral and multilateral funding in the areas of (a) adaptation and (b)

amounts, (b) to expedited enabling activities and national capacity self-assessment projects, and (c) Project Preparation Grant activities.

transfer of technologies. The NPIF (established in 2011) supports the early entry into force and effective implementation of the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.

23. The Adaptation Fund was established in 2008 under the United Nations Framework Convention on Climate Change (UNFCCC) to finance climate change adaptation projects and programs in developing countries that are Parties to the Kyoto Protocol. However, its primary financing comes not from traditional official development assistance, but from a 2 percent share of proceeds of the Certified Emission Reductions issued by the Clean Development Mechanism under the Kyoto Protocol.

24. The GEF is one of the four largest GRPPs in which the WBG is involved, along with the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Consultative Group on International Agricultural Research (CGIAR), and the Global Alliance for Vaccines and Immunization (GAVI). Disbursements to GEF projects averaged \$464 million during 2002–10. The World Bank as Implementing Agency supervised about 36 percent of these disbursements (Table B-3).

Table B-3. Donor Contributions to and Project Disbursements from GEF Trust Funds, Fiscal Years 2002–10 (US\$ Millions)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total
Donor Contributions										
GEF	386.3	513.7	1,003.1	734.0	720.2	831.1	787.5	696.0	580.9	6,252.7
LDCF	-	8.6	7.8	4.1	12.4	25.1	37.8	29.0	34.0	158.8
SCCF	-	-	-	8.2	23.7	22.1	21.5	25.0	10.5	110.8
Adaptation Fund	-	-	-	-	-	-	-	18.4	152.1	170.4
Total	386.3	522.4	1,010.9	746.3	756.2	878.3	846.7	768.3	777.3	6,692.7
Project Disbursements										
GEF	208.4	390.3	372.6	391.6	508.9	519.5	674.1	541.8	571.3	4,178.5
LDCF	-	-	3.6	0.7	5.3	1.1	0.2	3.8	12.7	27.4
SCCF	-	-	-	-	-	1.7	1.7	4.3	14.7	22.3
Adaptation Fund	-	-	-	-	-	-	-	-	0.8	0.8
Total	208.4	390.3	376.2	392.3	514.2	522.3	676.0	549.9	599.4	4,229.0
Project Disbursements through World Bank as Implementing Agency										
GEF	143.4	111.7	134.6	147.3	172.2	189.2	229.8	221.4	173.1	1,522.6
LDCF	-	-	-	-	0.2	0.1	0.0	0.0	0.1	0.4
SCCF	-	-	-	-	-	-	0.5	0.1	2.7	3.3
Total	143.4	111.7	134.6	147.3	172.4	189.3	230.3	221.4	175.9	1,526.3
Percent of Total	69%	29%	36%	38%	34%	36%	34%	40%	29%	36%

Source: World Bank trust fund database.

Note: Both the LDCF and SCCF were established under the GEF in November 2001. The LDCF trust fund was set up in 2002 and began disbursing in 2004. The SCCF trust fund was set up in 2004 and began disbursing in 2007. The Adaptation Fund was established under the United Nations Framework Convention for Climate Change in November 2008 and began disbursing in 2010.

25. The GEF has also become a significant financier of other environmental GRPPs. Through its project funding, it has provided financial support for three global programs (the Critical Ecosystem Partnership Fund; the Coral Reef Management Program; and the International Assessment of Agricultural Knowledge, Science and Technology for Development) and for six regional programs (the Africa Stockpiles Program, the Nile Basin Initiative, TerrAfrica, the Black Sea-Danube Partnership, the Inter-American Biodiversity Information Network, and the Mesoamerican Biological Corridor), and indicated its willingness to commit up to \$50 million for the Global Tiger Initiative provided that sufficient cofinancing is secured.²⁶ Regional projects and programs are often subregional in scope, with a contiguous geographic dimension to them such as a body of water (like the Aral Sea or Lake Victoria), or a river system (like the Nile or the Mekong). The programs exist to a large extent for the purpose of resolving collective action dilemmas among participating countries regarding the use of the common resource.²⁷

26. The GEF Instrument stipulated that the GEF will provide “new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits.” While the incremental cost principle has remained central to GEF financing, a 2006 evaluation study by the GEF Evaluation Office found much confusion about incremental cost concepts and procedures in practice. Most incremental cost assessment and reporting, as then applied, did not add value to project design, documentation or implementation.²⁸ At the request of the GEF Council, the Secretariat subsequently prepared in 2007 a revised approach for determining incremental costs, based on incremental reasoning, that links incremental cost analysis to results-based management and the GEF project cycle.²⁹

Resource Allocation

27. During the pilot phase and the first three replenishments — GEF-1 to GEF-3 — the GEF allocated its resources to countries via the GEF Agencies. The GEF introduced a new Resource Allocation Framework (RAF) for GEF-4 in 2006 — expanded and renamed the System for a Transparent Allocation of Resources (STAR) in 2010 — which empowered countries to directly manage and allocate GEF resources. This aimed to allocate resources to countries “in a transparent and consistent manner based on global environmental priorities and country capacity, policies and practices relevant to successful implementation of GEF projects.” A mid-term review of the RAF conducted by the GEF Evaluation Office found that the new system was proving more successful in channeling GEF resources to countries with

26. Statement by Robert Zoellick, President of the World Bank, at the International Tiger Forum, St. Petersburg, Russia, November 21–24, 2010.

27. IEG, *The Development Potential of Regional Programs: An Evaluation of World Bank Support of Multicountry Operations*, 2007.

28. GEF Evaluation Office, 2006, *Evaluation of Incremental Cost Assessment*, GEF Council Document GEF/ME/C.30/2.

29. GEF, 2007, *Operational Guidelines for the Application of the Incremental Cost Principle*, GEF Council Document GEF/C.31/12.

high global environmental benefits as measured by the GEF Environmental Index, but less so to countries with strong performance as measured by the GEF Performance Index.³⁰

28. The mid-term review also found that the RAF, coupled with other operational changes (such as a change in the rules governing the financing of project preparation), affected Agency participation. At the time of the review, the World Bank share of GEF commitments had dropped from more than half of GEF resources to 32 percent of the GEF RAF resource utilization in the two focal areas of biodiversity and climate change, while the United Nations Development Program (UNDP) share increased from 28 percent to 43 percent. The role of the seven Executing Agencies also increased to 17 percent of RAF utilization, compared with 2 percent of all historical resources. These shifts reflected the spreading of small RAF allocations over many countries, which made it more difficult for the WBG to blend GEF finance with WBG lending, since other environmental funds were now easier to utilize than GEF RAF support. The UNDP has greater ability to provide technical assistance and capacity building supported by local offices and has been more ready to engage in relatively small projects under the RAF (now STAR).

29. More recently, the World Bank share of GEF commitments seems to have rebounded. In the last two work programs presented to the GEF Council for approval (May and November 2011), the World Bank share was largest among all ten Agencies.

Direct Access

30. The GEF Council has recently approved two new implementation modalities to provide countries with more direct access to GEF resources without one of the ten GEF Agencies playing an intermediary role. These are seen as being consistent with the 2005 Paris Declaration principle of country ownership, as well as helping to build country capacity.³¹

31. First, the GEF Council has authorized the GEF Secretariat to provide direct grants to countries of up to \$500,000 for enabling activities and to provide support for "National Portfolio Formulation Exercises", which are helping countries to formulate their plans for GEF-5. The CEO of the GEF is now allowed to sign agreements with countries on behalf of the World Bank after exercising all proper preparations and ensuring safeguards. The GEF Evaluation Office is planning a mid-term review of this new modality at the end of 2012 or the first half of 2013.

32. Second, the GEF Council decided in November 2010 to initiate a pilot program of accrediting additional agencies — to be called GEF Project Agencies — beyond the initial 10

30. GEF Evaluation Office, 2009, *Mid-Term Review of the Resource Allocation Framework*, GEF Evaluation Report No. 47.

31. This having been said, the GEF has not formally subscribed to the 2005 Paris Declaration, unlike some other large GRPPs like the Global Fund and GAVI. The GEF Council decided in 2009 that it would show "continued support" for the Paris Declaration principles.

GEF Agencies. It approved the broad principles governing this pilot program in May 2011,³² including an accreditation process for organizations seeking to become GEF Project Agencies. Some of these are envisaged to be national institutions. The GEF Evaluation Office will also conduct a mid-term review of this pilot program two years after the first five agencies have been accredited. Based on the findings of this evaluation, the Council will then decide “whether to continue accrediting GEF Project Agencies and whether or how the accreditation policies and procedures should be amended.”

GEF Evaluation Arrangements

33. The GEF Council gave early attention to monitoring and evaluation (M&E), and the GEF has commissioned an Overall Performance Study at the end of each replenishment period. The first three studies, which were completed in 1999, 2002, and 2005, were contracted to external teams of evaluators. The fourth study, completed in 2009, was conducted internally by the GEF’s own independent evaluation office, which was established in 2003. Indeed, the GEF is the only GRPP in which the WBG is involved that has so far established an independent evaluation office whose Director is appointed by and reports directly to the program’s governing body, in this case the GEF Council.

34. Each GEF Agency is responsible for undertaking the terminal evaluations of the GEF-financed projects that it supervises. The GEF *Evaluation* Office, in turn, has the central role of ensuring the independent evaluation function within the GEF, setting minimum requirements for project-level M&E, ensuring oversight of the quality of M&E systems on the program and project levels, and sharing evaluative evidence within the GEF.

35. The Evaluation Office also conducts Annual Performance Reviews and independent evaluations that involve a set of projects from more than one GEF Agency. These evaluations are typically on a strategic level, on focal areas, or on institutional or cross-cutting themes. The GEF Evaluation Office also supports knowledge sharing and follow-up of evaluation recommendations. It works with the GEF Secretariat and the GEF Agencies to establish systems to disseminate lessons learned and best practices emanating from M&E activities, and provides independent evaluative evidence for the GEF knowledge base.

36. The GEF Council approved a formal Monitoring and Evaluation Policy in 2006, and a revised policy in 2010. The 2006 policy affirmed the independence of the Evaluation Office and its direct link to the Council, established the responsibility of the GEF Secretariat and GEF Agencies for monitoring at the portfolio and project levels, and contained minimum requirements for M&E for GEF-funded activities. The main revisions in 2010 included “reference to the new GEF results-based management and other major policies introduced with GEF-5, a better definition of roles and responsibilities for the different levels and typologies of monitoring, [and] a stronger emphasis on country ownership and the role of the GEF focal points in monitoring and evaluation.”³³

32. GEF, “Broadening the GEF Partnership Under Paragraph 28 of the GEF Instrument,” GEF/C.40/09, April 26, 2011

33. GEF Evaluation Office, *The GEF Monitoring and Evaluation Policy 2010*, p. vi.

Annex C: Evaluative Materials on the GEF

All documents are by the GEF Evaluation Office, unless otherwise indicated

Evaluation Questions	Relevant Evaluations and Other Documents
Relevance of the WBG to the GEF, and vice versa.	IEG, ARDE 2009 World Bank Environment Strategy, 2001 and 2011 IEG 2008, Environmental Sustainability: An Evaluation of World Bank Group Support. GEF OPS2 (section on mainstreaming, p.60, and Annex 7) GEF OPS1 (section on mainstreaming)
Inter-organizational Coordination along the Project and Program cycle	Joint Evaluation of the GEF Activity Cycle and Modalities, May 2007 OPS4, "Issues affecting results" IEG 2011, The Matrix System at Work: An Evaluation of the World Bank's Organizational Effectiveness (draft) OPS1 (on Incentives of the WB staff to manage GEF projects, p. 43) Draft GEF Policy, Institutional and Governance reforms, 2009 GEF/R.5/15
Operational Linkages between GEF projects and the WBG's Country Programs.	OPS 2 (annex 7)
Effectiveness of GEF-financed Projects Implemented by the WBG.	CFP, August 2009, Financial Flows for Environment: World Bank, UNDP, UNEP, by U. Steckhan. CFP, October 2009, The Architecture of Aid for the Environment A ten-year statistical perspective, CFP Working Paper series No.3 (overall picture). ICR Reviews, PPARs; EvNotes, PESs For overall picture, also GEF Annual Performance Reviews (e.g. 2008, 2009, 2010) OPS4 " Issues affecting results" IEG, ARDE 2009 (Partly applies) External evaluations of GRPPs, and GPRs: CEPF evaluation and GPR LDCF CRTR (Target Research and Capacity Building for Coral Reef Management) Forest Carbon Partnership Facility
Experience of the WBG in Implementing Regional Environmental Projects and Programs	OPS4 (pp. 62–67) for summary on value added of regional and global projects. GEF Impact Evaluation of the GEF in the South China Sea and adjacent areas (Approach paper, Dec 2010, on-going) "Multicountry Project Arrangements" Monitoring and Evaluation Working Paper 3, September 2000 IEG, Mekong PPAR Regional program evaluations: African Stockpiles Program TerrAfrica Nile Basin Initiative METAP Mesoamerican Biological Corridor, GPR

Evaluation Questions	Relevant Evaluations and Other Documents
World Bank Performance in Relation to the Corporate Activities of Implementing Agencies	<p>GEF Administrative Expenses – Fees and Project Management Costs: External Review, GEF/C.41/07, October 2011</p> <p>UNEP's Special Engagement in a Strengthened GEF Partnership, June 2009, GEF/R.5/Inf.10</p> <p>OPS2, section on mainstreaming and Annex 7</p>
Resource Allocation	Mid-Term Review of the Resource Allocation Framework, May 2009
Incremental Cost Analysis, Cofinancing and Leveraging	<p>Evaluation of Incremental Cost Assessment, 2006</p> <p>Some key recommendations:</p> <p>Incremental cost assessment and reporting should be dropped as requirement for GEF projects. Rather it should be integrated into project objectives and design (improve incremental reasoning).</p> <p>Better definition of global environmental benefits.</p> <p>Factors Affecting Attainment of Project Results, APR 2008</p> <p>Projects implemented by the World Bank had a greater amount of cofinancing promised and a greater amount of cofinancing materialized per dollar of GEF approved grant. APR 2008</p> <p>On co-financing, OPS2, pp. 62–69.</p>

Annex D. Chairperson's Summary: Committee on Development Effectiveness, Subcommittee Report

On June 27, 2012, the Subcommittee (SC) of the Committee on Development Effectiveness (CODE) considered an Independent Evaluation Group (IEG) Approach Paper entitled *Global Program Review: The Partnership between the Global Environmental Facility and the World Bank Group as an Implementing Agency* (CODE2012-0012/2).

Summary

IEG noted that this GPR is narrower in scope than a standard GPR, although the first component has been expanded considerably to focus on the partnership from the perspective of the GEF and the WBG as an Implementing Agency (IA) for the GEF. The second component would review selected topics for which relevant experience exists within GEF and the WBG that are of interest to the WBG's partnerships with other Global and Regional Partnership Programs (GRPPs). The third component would draw lessons for other large GRPPs from the experience with the GEF's evaluation arrangements. The first component is an evaluation. The second and third components are reviews. IEG clarified that even though the first component rises to the level of an evaluation, which is not standard GPR practice, this does not change GPR guidelines nor set a precedent for future reviews.

Management welcomed the proposed component one of the GPR and stated that the overall focus of the evaluation should be on the experience of the World Bank as an IA for the GEF. It voiced concerns that component two was evaluating the partnership beyond the Bank's role as an implementing agency and could therefore be seen as going beyond IEG's mandate. It also highlighted that moving into an evaluation of the GEF's relevance in the international aid architecture for the environment coincides with initiatives on climate change issues where the WBG is also involved and might not be appropriate, given on-going discussions. On component three it questioned if it was a learning priority for the Bank to look at the effectiveness of the GEF's evaluation unit.

Members welcomed the first component of the approach paper and its focus on the role of the WBG as an IA for the GEF. They noted its relevance and potential lessons learned for GRPPs. On the second and third components, some members and speakers noted that the foreseen work goes beyond providing a second opinion on existing evaluations, and were also concerned about timing and resources. Therefore it was suggested that IEG take relevant elements from components two and three that are focused on the WBG-GEF partnership and incorporate them into component one.