GEF/C.68/10/Rev.01
December 19, 2024

68th Council Meeting
December 16-20, 2024
Virtual Meeting

Agenda Item 12

STRENGTH OF THE PARTNERSHIP: COVERAGE BY AGENCIES

Recommended Council Decision

The Council, having considered document, GEF/C.68/10/Rev.01, "*Strength of the Partnership: Coverage by Agencies*," takes notes of the document and decides to:

a. Request the Secretariat to develop options to add a limited number of additional agencies to the partnership, on the basis of analysis of agency regional coverage, particularly for LDCs and SIDS, and to strengthen engagement with CSOs, NGOs and the private sector, for consideration by the Council at its 69th meeting; and,

b. Request the Secretariat to develop additional options noted in the document, such as set asides for agency groups with greater engagement needs, the development of incentive mechanisms, and a targeted outreach program in alignment with the Country Engagement Strategy, for consideration by Council at a future meeting.

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ABBREVIATIONS AND ACRONYMS

ADB	Asian Development Bank
AfDB	African Development Bank
BD	Biodiversity
BOAD	West African Development Bank
CAF	Development Bank of Latin America and the Caribbean
CBIT	Capacity building Initiative for Transparency Trust Fund
CC	Climate Change
CEO	Chief Executive Officer
CES	Country Engagement Strategy
CI	Conservation International
CSO	Civil Society Organization
CW	Chemicals and Waste
DBSA	Development Bank of Southern Africa
EA	Enabling Activity
EBRD	European Bank for Reconstruction and Development
FECO	Foreign Economic Cooperation Office, Ministry of Environmental Protection of China
FAO	Food and Agriculture Organization
FSP	Full Sized Project
Funbio	Brazilian Biodiversity Fund
FY	Fiscal Year
GBFF	Global Biodiversity Framework Fund
GEF	Global Environment Facility
IEO	GEF Independent Evaluation Office
IADB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFI	International Financial Institution
IUCN	International Union for Conservation of Nature
IW	International Waters
LAC	Latin America and the Caribbean
LD	Land Degradation
LDC	Least Developed Countries
LDCF	Least Developed Countries Fund
MDB	Multilateral Development Bank
MSP	Medium Sized Project
NGO	Non-Governmental Organization
NPIF	Nagoya Protocol Implementation Fund
PIF	Project Identification Form
PIR	Project Implementation Report
PPG	Project Preparation Grant
RMF	Results Measurement Framework
SCCF	Special Climate Change Fund
SIDS	Small Island Developing States
SPG	Small Grants Program
STAR	System for Transparent Allocation of Resources
TE	Terminal Evaluation
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
WB	World Bank
WWF-US	World Wildlife Fund United States

1. Background and Objective

1. During the Global Environment Facility's (GEF) eighth replenishment (GEF-8) discussions, the GEF Council directed the Secretariat to examine the thematic and geographic coverage of the 18 implementing agencies. The GEF-8 Revised Policy Recommendations[1] issued in June 2022 emphasized the need for a balanced distribution of GEF resources among agencies to prevent excessive concentration.

2. These deliberations were informed by the GEF Independent Evaluation Office (IEO)'s evaluation on the expansion of the GEF partnership[2], conducted in July 2018 prior to the GEF-7 period. Additionally, pre-GEF-7 historical discussions and various reports were considered, addressing topics such as facilitating country choices of agencies, strengthening the GEF partnership, accreditation, and replenishments.[3]

3. In response to the Council's directive, the Secretariat presented the document "*Assessing the Strength of the GEF Partnership: Coverage by Agencies*" in June 2023.[4] Following this, Council Decision 16/2023 requested the Secretariat to continue monitoring the strength of the GEF partnership across five dimensions: geographic coverage, thematic coverage, efficiency, effectiveness, and engagement. The Council also called for an updated analysis to be presented ahead of the GEF-9 replenishment negotiations.

4. Building upon the analysis presented in the 2023 document and in response to Council Decision 16/2023, this document provides an updated assessment of the strength of the GEF partnership across the five dimensions. This updated analysis seeks to address the diverging views among Council members—where some oppose the addition of new agencies, while others question the current restrictions due to concerns about the high concentration of projects managed by a few agencies.

5. This document explores and presents recommendations to balance these perspectives, aiming to enhance the effectiveness and inclusivity of the GEF partnership ahead of the GEF-9 replenishment negotiations.

[1] The specifics are detailed in the Concentrations section of the GEF-8 Revised Policy Recommendations (GEF/R.08/32), also presented as Annex II to the Summary of Negotiations of the Eighth Replenishment of the GEF Trust Fund (GEF/C.62/03).
[2] GEF Evaluation Report No. 131
[3] Specifically, GEF/C.50/07, GEF/C.54/08, GEF/C.55/Inf.07, GEF/C.57/Inf.04
[4] GEF/C.64/10

2. AGENCY CATEGORIZATION AND DATA SCOPE

6. This section defines the categorization of GEF implementing agencies used in the analysis and establishes the data scope, providing a framework for assessing the portfolio coverage.

Agency Categorizations

7. For this analysis, the 18 implementing agencies have been grouped into three categories.

- **United Nations (UN) Agencies:** Agencies and programs within the UN system—FAO, UNDP, UNEP, and UNIDO.
- **Multilateral Development Banks/International Financial Institutions (MDBs/IFIs):** Institutions formed by multiple countries that provide financial and technical support to promote development in developing nations—ADB, AfDB, BOAD, CAF, DBSA[5], EBRD, IADB, IFAD[6] and World Bank.
- **Other Agencies:** National government bodies, as well as civil society organizations (CSOs) and non-governmental organizations (NGOs)—CI, FECO, Funbio, IUCN, and WWF-US.

8. Additionally, the agencies' geographic scope is categorized into three distinct groups to provide insights into their reach.

- **International Agencies:** Organizations that operate across the globe, without targeting any region—CI, FAO, IFAD, IUCN, UNDP, UNEP, UNIDO, World Bank, and WWF-US.
- **Regional Agencies:** Agencies that focus on specific regions encompassing multiple countries—ADB, AfDB, BOAD, CAF, DBSA[7], EBRD, and IADB.
- **National Agencies:** Agencies that primarily operate within the boundaries of a single country—FECO and Funbio.

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[5] While DBSA is included in this category due to its MDB-like function and regional support across Africa, it differs in ownership, being solely owned by South Africa rather than multiple countries.

[6] IFAD, which qualifies as both a UN agency and an IFI, is classified under the MDB/IFI category for this analysis.

[7] Following Council Decision 16/2023, the national geographic restrictions previously applicable to DBSA have been removed, enabling it to implement GEF projects and programs across the sub-region.

Data Scope

9. The following analysis is based on data as of 30 September 2024, sourced primarily from the GEF Portal[8]. It includes projects funded by all GEF funds: not only the GEF Trust Fund but also the Global Biodiversity Framework Fund (GBFF), the Nagoya Protocol Implementation Fund (NPIF), the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), and the Capacity-building Initiative for Transparency Trust Fund (CBIT).[9]

10. This analysis primarily considers projects that have progressed beyond the pipeline stage, meaning those that have reached approval at the Project Identification Form (PIF) stage by the Council, received GEF CEO endorsement or approval, or are currently under implementation, completed, or in financial closure. The financing amounts referenced include not only GEF project financing but also agency fees, Project Preparation Grant (PPG) amounts, and PPG fees, all of which are allocated to the implementing agencies.

3. EVOLUTION OF COVERAGE BY AGENCIES

11. This section outlines the growth of implementing agencies, from the original three founding agencies through two rounds of expansion. It highlights trends in cumulative project approvals alongside allocated programming resources across different GEF replenishment periods, illustrating a gradual evolution in agency participation. Additionally, it examines the extent to which notional targets for agency-level resource allocations have been met.

Agencies Expansion and Cumulative Project Approvals

12. The GEF began with three founding agencies during its Pilot Phase (1991–1994)—UNDP, UNEP, and the World Bank. The first expansion (1999–2006) increased the number of agencies by seven to enhance country choices, expertise, and co-financing opportunities. The additions included four regional MDBs—ADB, AfDB, EBRD, and IDB—and three UN Agencies—FAO, IFAD, and UNIDO. The second expansion (2013–2015) focused on accrediting regional and national agencies, CSOs and NGOs while advancing the first round's goals. Eight agencies were added—CI, CAF, DBSA, FECO, FUNBIO, IUCN, BOAD, and WWF-US, bringing the total to 18 agencies, with two being national agencies.

[8] The GEF Portal is an online platform managed by the Secretariat, providing a centralized database on GEF-funded projects and programs.

[9] The previous document, "*Assessing the Strength of the GEF Partnership: Coverage by Agencies*" (GEF/C.64/10), published in June 2023, focused solely on the GEF Trust Fund. As a result, some data in this analysis may appear different due to the inclusion of additional funds.

Figure 1: Categorizations of GEF Implementing Agencies

Founding Agencies (n = 3)			First Expansion (n = 7)			Second Expansion (n = 8)		
UNDP	UN Agency	International	**ADB**	MDB/IFI	Regional	**BOAD**	MDB/IFI	Regional
UNEP	UN Agency	International	**AfDB**	MDB/IFI	Regional	**CAF**	MDB/IFI	Regional
World Bank	MDB/IFI	International	**EBRD**	MDB/IFI	Regional	**CI**	Other	International
			FAO	UN Agency	International	**DBSA**	MDB/IFI	Regional
			IADB	MDB/IFI	Regional	**FECO**	Other	National
			IFAD	MDB/IFI	International	**Funbio**	Other	National
			UNIDO	UN Agency	International	**IUCN**	Other	International
						WWF-US	Other	International

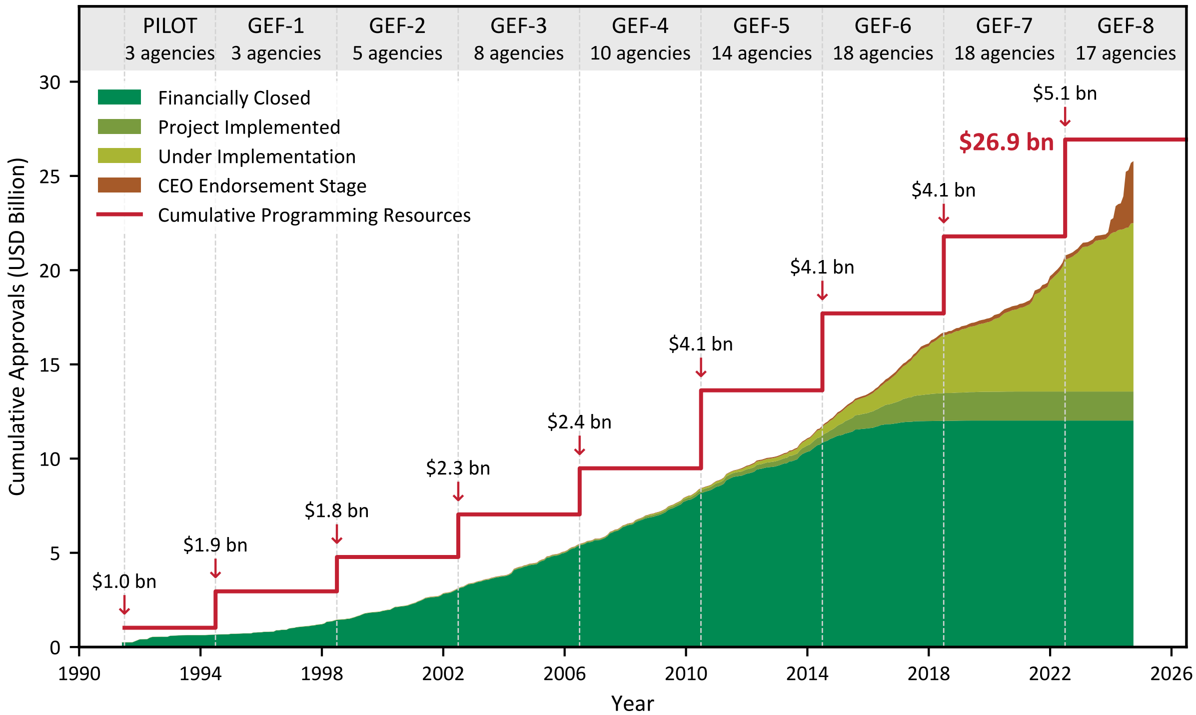
13. Figure 2 (page 10) illustrates the cumulative volume of project approvals and the number of active agencies relative to the allocated programming resources across GEF replenishment periods. Active agencies within each period mean those with projects approved or in the CEO Endorsement Phase.[10] Over time, the growth of cumulative project approvals has closely aligned with the cumulative allocated programming resources.

14. In more recent replenishment periods (between GEF-5 and GEF-8), the gap between project approvals and programming resources has remained constant or narrowed compared to earlier periods, even as replenishment amounts have increased. This trend is shown in the graph by the two lines—the top line of the total area graph and the cumulative programming resources line highlighted in red—which closely approach each other or show a narrower gap at the end of each period. Additionally, the lengths of the vertical red lines are greater than in earlier periods. This suggests a gradual improvement in the collective capacity of agencies to originate projects and of the Council and Secretariat to facilitate and manage increasing approvals from the portfolio-level perspective.

15. As of September 2024, GEF-8 has demonstrated substantial progress, with 97% of the total USD 5.1 billion in programming resources actively moving forward. Approximately USD 1.9 billion (38% of the total) has been endorsed or approved by the GEF CEO, initiating project implementation. Another USD 3.1 billion (59% of the total) has advanced to the CEO Endorsement or Approval Phase, having passed Council approval or received PIF clearance from the CEO.

[10] Projects at the CEO Endorsement Phase include those pending CEO endorsement, encompassing projects that have received Council approval and those with CEO-cleared PIFs.

Figure 2: Evolution of Cumulative Approvals and Number of Agencies Relative to Cumulative Programmed Funding Across GEF Replenishment Periods



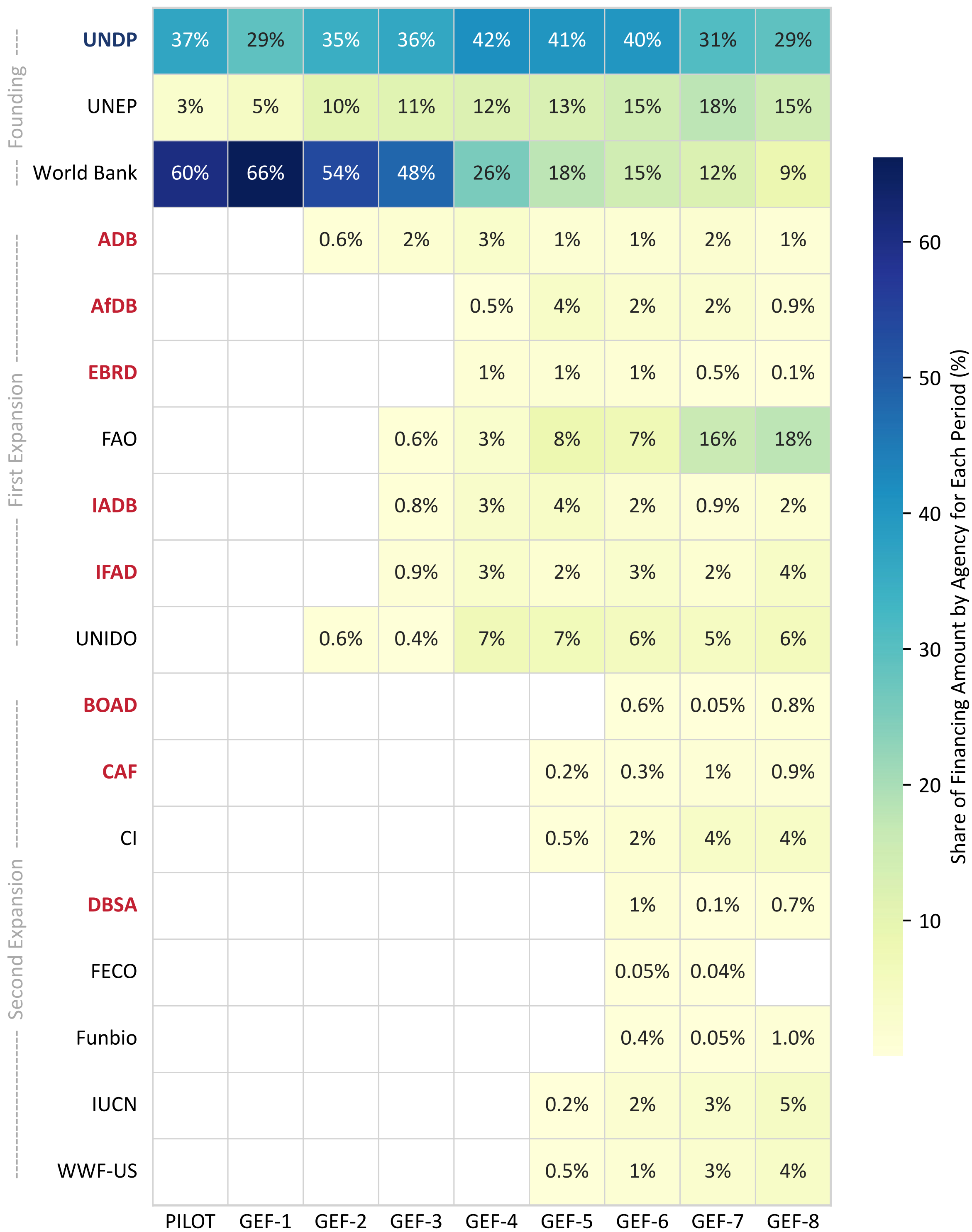
Notes: The allocated programming resources, represented by red lines, exclude corporate budgets and other portfolio-level funding windows and programs, such as the Innovations Window and Country Engagement Strategy. These resource amounts have been adjusted to reflect exchange rates per the Trustee's reports as of June 30, 2024, acknowledging that donor contributions are made in various currencies. The years shown on the x-axis are based on the calendar year (starting January 1), while GEF replenishment cycles align with the fiscal year (starting July 1). Consequently, some discrepancies appear between the horizontal year markers and the timing of the GEF cycles.

Notional Targets for Funding Allocation by Agencies

16. As per the GEF-8 Policy Recommendations[11], and as part of the effort to diversify agency participation, the Council reflected recommendations from contributing participants and requested the Secretariat to continue monitoring and reporting on two notional targets: first, that no single agency should exceed 30% of the approved amounts; and second, that the collective share of regional MDBs (ADB, AfDB, BOAD, CAF, DBSA, EBRD, and IADB) and IFAD should reach at least 10% of approved amounts.

[11] GEF/R.08/32

Figure 3: GEF Financing Share by Agency over GEF Replenishment Periods



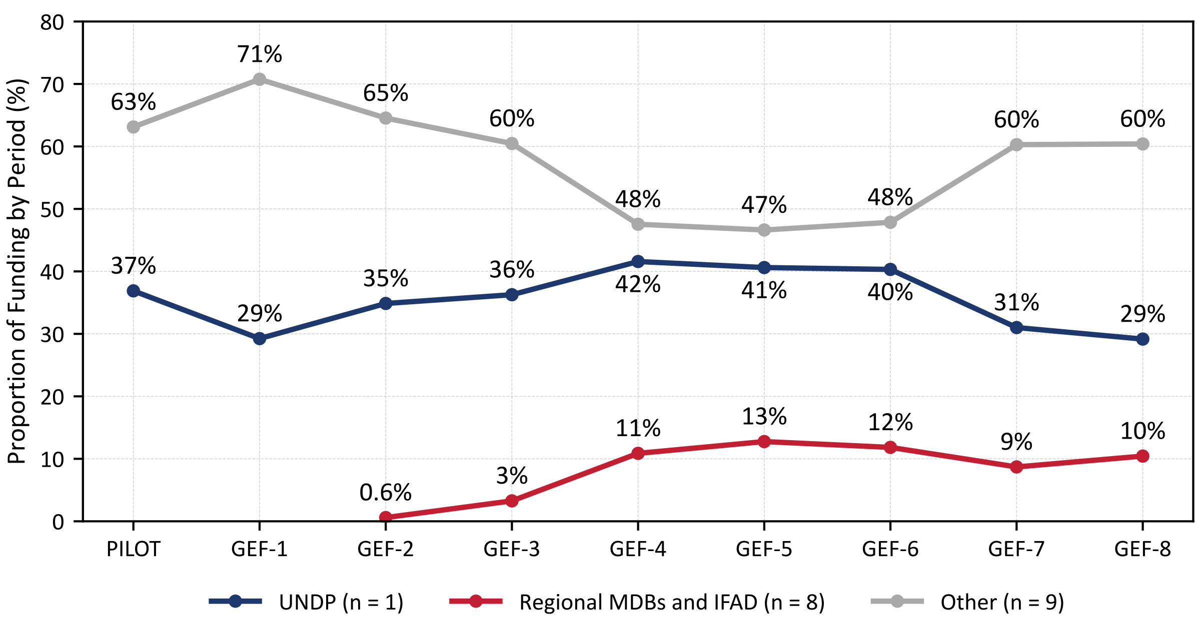
*Note: UNDP is highlighted in **blue**, while Regional MDBs and IFAD are highlighted in **red**.*

17. As shown in Figure 3 (page 11), UNDP's share has dropped below the 30% notional cap in GEF-8, while still holding the largest share at 29.2%[12]. This prominent share reflects UNDP's foundational role, extensive global network, and capacity to handle a large volume of projects. FAO, added from the first expansion phase, holds the second-largest share, at 17.7%. While remaining below the 30% cap, FAO's share has grown significantly in recent periods, demonstrating its expanding role within the GEF portfolio. This growth shows how an agency with global reach introduced in an expansion phase can successfully build its portfolio over time.

18. Looking at broader trends, Figure 3 highlights that founding agencies, led by UNDP and UNEP, still hold considerable influence, though their shares have gradually declined, particularly in GEF-8. The growing participation of agencies from the first and second expansion phases signals a gradual yet steady move toward a more diverse agency landscape within the GEF partnership.

19. For the second notional target, Figure 4 shows that regional MDBs and IFAD now collectively hold 10.2%[13] of the approved funding, exceeding the Council's 10% notional target. This increase could stem from several factors, such as targeted programming to meet regional needs and strengthened regional collaboration.

Figure 4: GEF Financing Distribution by Agency Type



Note: "Other (n = 9)" includes CI, FAO, FECO, Funbio, IUCN, UNEP, UNIDO, World Bank, and WWF-US.

[12] When focusing solely on the GEF Trust Fund, excluding other funds, UNDP's share is 30.2%.

[13] When focusing solely on the GEF Trust Fund, excluding other funds, the regional MDBs and IFAD's collective share is 9.5%

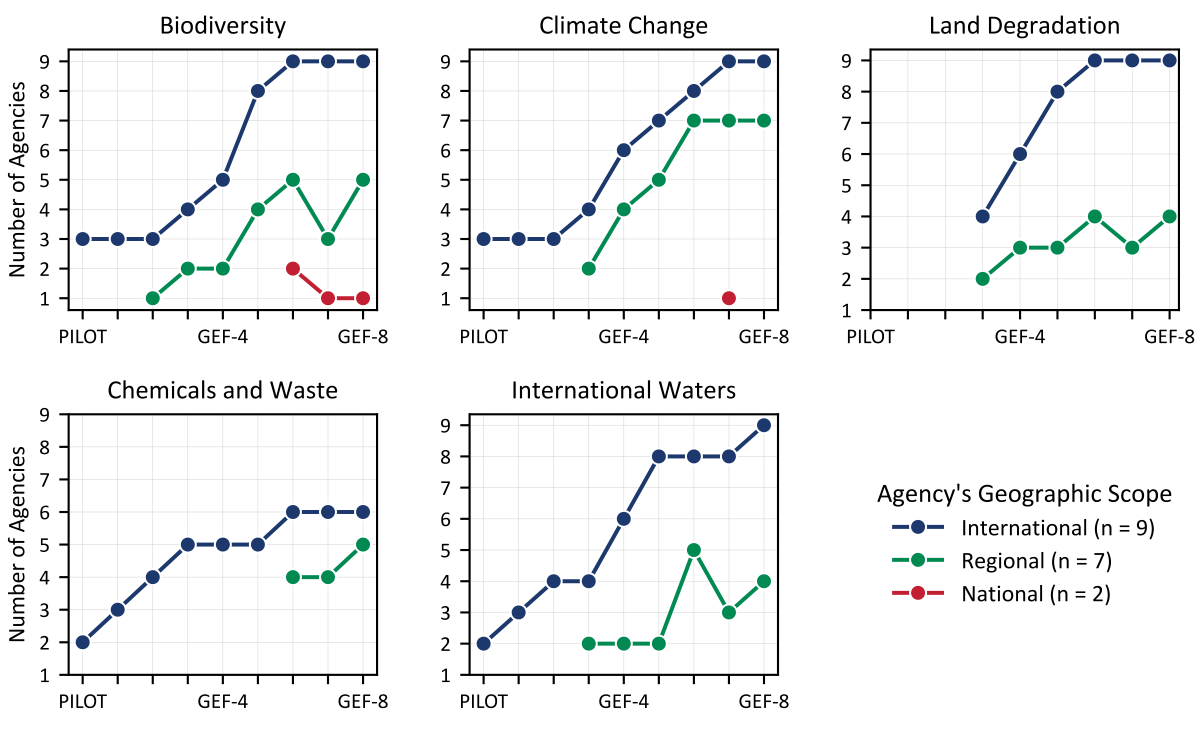
4. THEMATIC COVERAGE

20. This section examines agency coverage in the context of focal areas. It highlights the varying strengths of agencies across different focal areas, providing insights into the distribution of programming efforts over time.

Distribution of Agencies Across Focal Areas

21. Figure 5 highlights the distribution of agencies across focal areas by agency's geographic scope—international, regional, and national. The 9 international agencies demonstrate expanded coverage over time, particularly in Biodiversity, Climate Change, Land Degradation, and International Waters. This broad engagement indicates that international agencies contribute to these focal areas, leveraging their diversified expertise and resources. Meanwhile, Chemicals and Waste is supported by 6 international agencies for GEF-8, which is notable given that not all international agencies had projects in this area.[14]

Figure 5: Number of Agencies with GEF Projects by Focal Area and Geographic Scope over GEF Replenishment Periods



22. The full presence of all 7 regional agencies in Climate Change during GEF-8 suggests that demand across regions aligns with this focal area. Additionally, 4-5 regional agencies are active

[14] 3 international agencies—CAF, CI, and IFAD—had no projects under the Chemicals and Waste focal area for GEF-8.

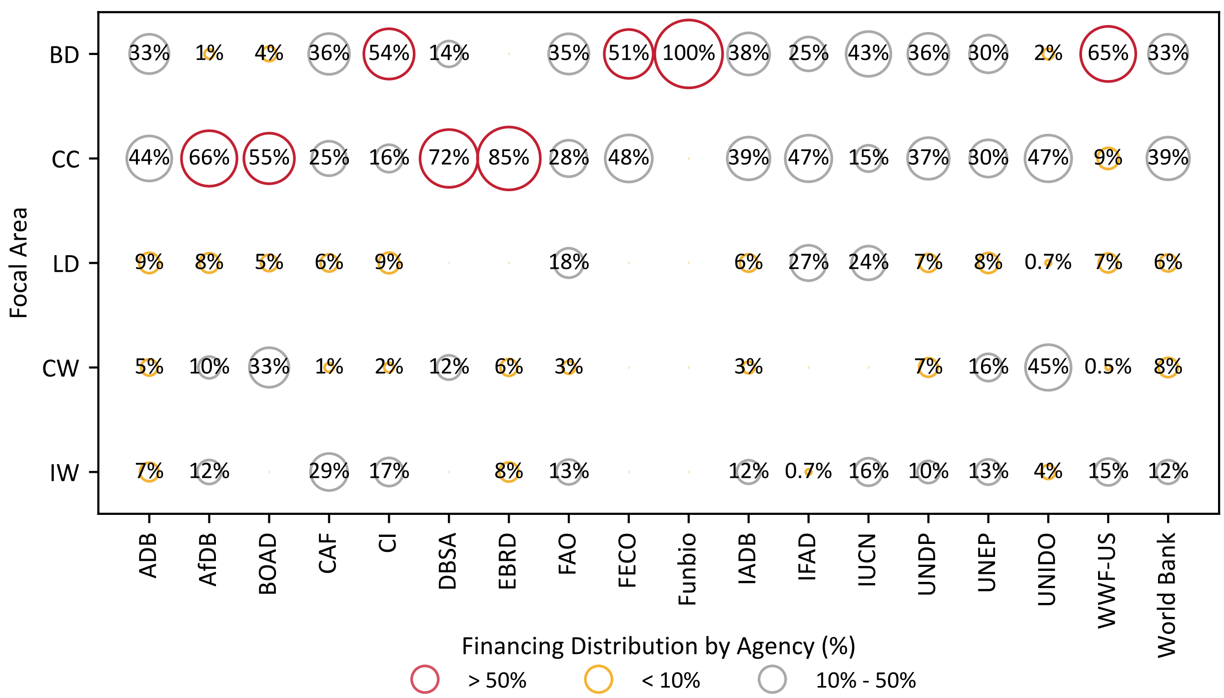
in other focal areas, indicating a moderate level of engagement or demand for regional agency involvement.

23. National agencies show minimal involvement, primarily focused on Biodiversity and Climate Change from GEF-6 to GEF-8. This pattern may reflect the specific, on-the-ground needs associated with these focal areas at the national level.

Agency Concentration and Opportunities for Diversification

24. Further analysis, as shown in Figure 6, indicates that 8 agencies focus a substantial portion of their GEF resources on specific thematic areas. These agencies direct over 50% of their GEF resources to a single focal area (either Biodiversity or Climate Change), as highlighted in red. CI, FECO, Funbio[15] and WWF-US channel a significant portion of their financing toward Biodiversity. In Climate Change, AfDB, BOAD, DBSA, and EBRD concentrate more than half of the GEF funding, reflecting a strong focus in this area.

Figure 6: Total GEF Financing Distribution by Agency and Focal Area



Note: BD = Biodiversity, CC = Climate Change, LD = Land Degradation, CW = Chemicals and Waste, IW = International Waters.

25. In contrast, many agencies demonstrate limited or no involvement, with less than 10% participation in certain focal areas, reflecting limited demand for their engagement in those areas. For example, EBRD has no involvement in Biodiversity, while Funbio has no participation

[15] Given that Funbio has only 5 GEF projects to date, the limited sample size should be acknowledged when interpreting these numbers.

in Climate Change. Additionally, DBSA, EBRD, FECO, and Funbio are not engaged in Land Degradation. The 2 national agencies—FECO and Funbio—do not contribute resources to Chemicals and Waste as well. Similarly, these 2 national agencies, along with the two African regional agencies BOAD and DBSA, have no presence in International Waters.

26. It is important to recognize that each agency operates with specific areas of expertise, strategic priorities, and obligations to meet the needs of countries and beneficiaries, which guide their resource distribution decisions. The current concentration of funding at the agency level reflects each agency's comparative advantage, allowing those with focused expertise to make substantial contributions to GEF programming as a whole. Although focal areas such as Land Degradation, Chemicals and Waste, and International Waters lack leading agencies dedicating 50% or more of their resources, they are often implemented as part of multi-focal area projects alongside Biodiversity and Climate Change. This approach highlights the growing trend toward cross-cutting investments and aligns with the emphasis on integrated programming.

5. Geographic Coverage

27. This section examines the geographic distribution of GEF projects by agency, with a particular focus on their presence in Least Developed Countries (LDCs) and Small Island Developing States (SIDS). It assesses the concentration and regional spread of agency activities.

Coverage Across Countries

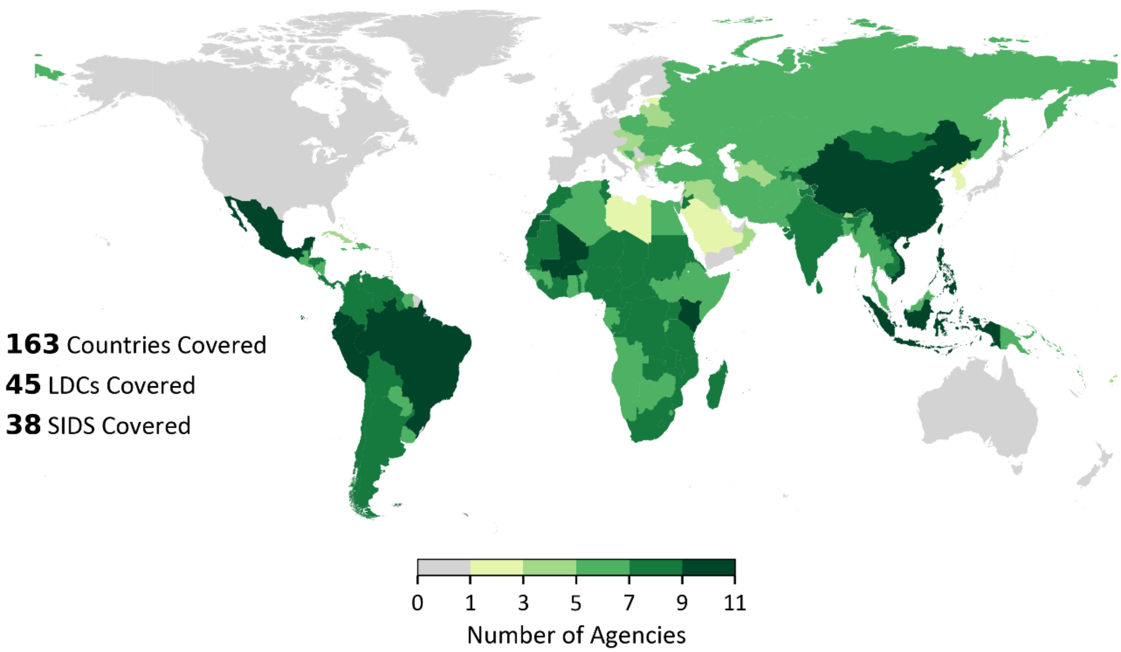
28. As shown in Figure 7 (page 16), GEF agencies have collectively operated in 163 developing countries, including several that have since graduated from developing status. The majority of these countries have received support from more than 3 agencies.

29. This total number of countries supported by GEF financing surpasses the 155 Non-Annex I countries[16] recognized under the UNFCCC as of September 2024 (generally considered developing countries), as well as the 144 GEF-8 STAR recipient countries[17].

30. Of the 45 LDCs and 39 SIDS recognized by the United Nations, all GEF-eligible LDCs and SIDS have been covered as of September 2024.

[16] Non-Annex I countries are generally considered "developing countries." However, the number of "developing countries" may vary and change over time depending on eligibility criteria and classifications used by different organizations.
[17] For a complete list of these countries, refer to Initial GEF-8 STAR Country Allocations (GEF/C.63/Inf.05).

Figure 7: Country Coverage and Number of Agencies per Country

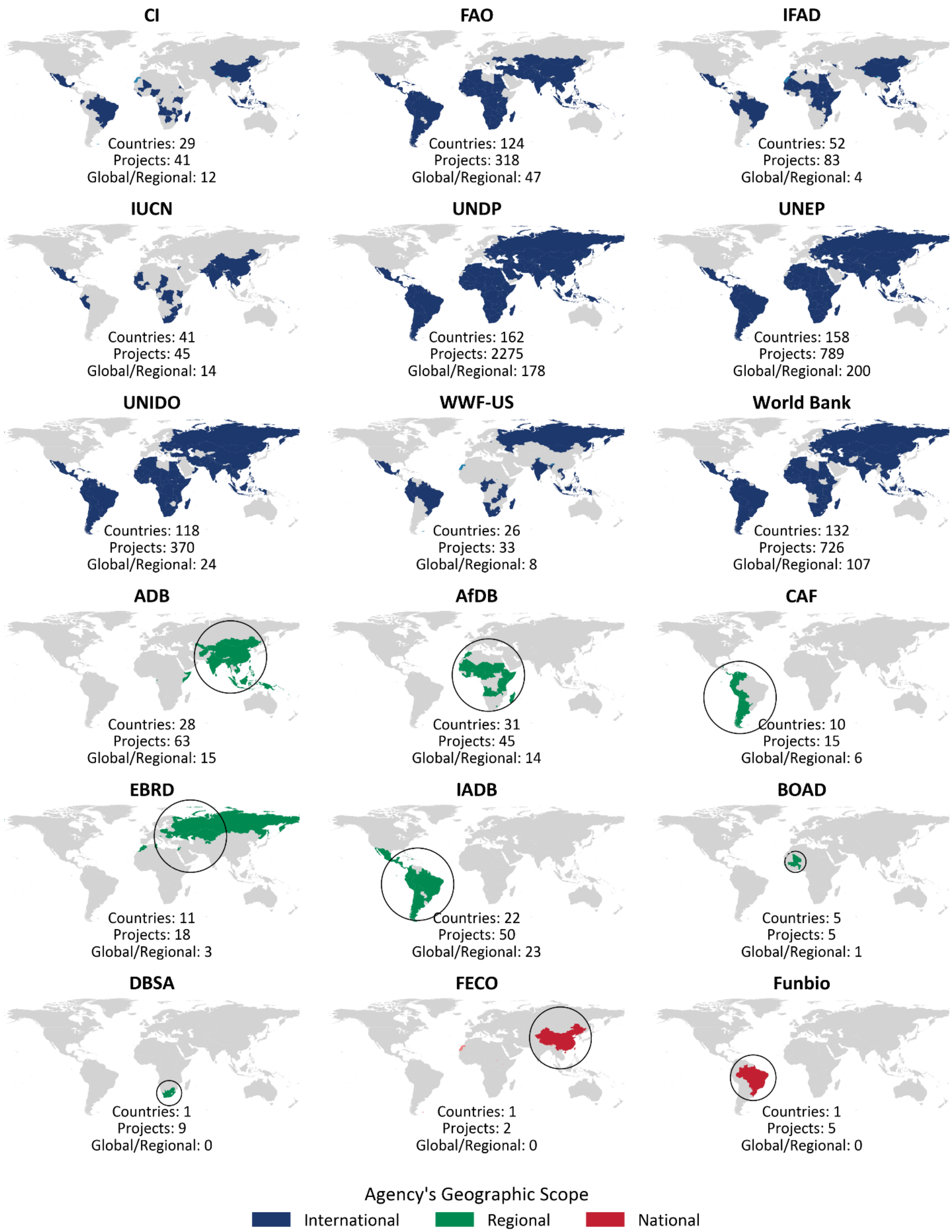


31. Figure 8 (page 17) highlights agency-level data, showing that, as expected, the 9 agencies with international geographic scope stand out with extensive geographical coverage. Their broad reach is attributed to their wide expertise and long-standing experience, and the presence of numerous country offices, allowing them to establish significant representation across regions over time.

32. International CSOs and NGOs added during the second expansion phase, such as IUCN, CI, and WWF-US, have demonstrated a wide geographic reach despite their smaller organizational sizes and shorter tenure with GEF. While their project counts are lower than those of the founding international agencies, their broad geographic distribution reflects a strategic effort to expand their presence across multiple regions.

33. Meanwhile, regional and national agencies concentrate their efforts within specific areas (indicated by the black circles in Figure 8), allowing them to address region-specific challenges. This focus ensures that local demand is met through tailored, context-sensitive interventions responsive to the cultural, socio-economic, and environmental nuances of the region. Their efforts complement the broader geographic scope of international agencies, contributing to a multi-scalar approach in GEF project implementation.

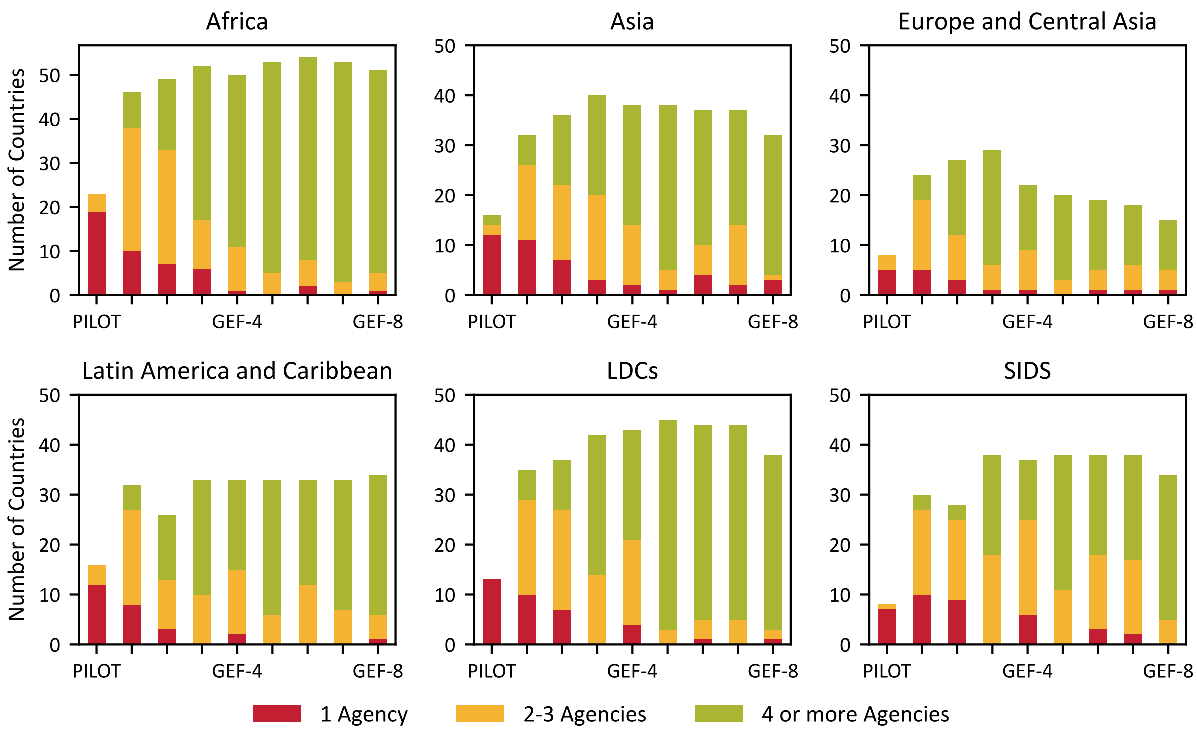
Figure 8: Country Coverage by Agency



34. Figure 9 highlights a broad trend of increasing agency diversification across regions. The number of countries partnering with only one agency (highlighted in red) has gradually declined across all four regions—Africa, Asia, Europe and Central Asia, and Latin America and Caribbean, reflecting a shift away from reliance on single agencies. This trend indicates a growing preference for multi-agency collaboration, fostering increased competition and reducing concentration within the GEF portfolio.

35. Regarding the number of countries covered over time, all regions, except Europe and Central Asia, continue to maintain high levels of country coverage.

Figure 9: Distribution of GEF-Supported Countries by Number of Engaged Agencies



Geographic Coverage of LDCs and SIDS

36. Figure 9 further illustrates a decline over time in the number of countries engaging with a single agency among both LDCs and SIDS, indicating a gradual shift toward multi-agency collaboration. Comparing GEF-5 through GEF-8 (post-second agency expansion) to previous periods (pre-second expansion), a notable pattern emerges: most LDCs have engaged with four or more agencies since GEF-5, whereas nearly half of SIDS countries continued to work with 1-3 agencies since GEF-5 through GEF-7.This trend has improved in GEF-8, though as projects are still in development, more time is needed to confirm if this shift will be sustained.

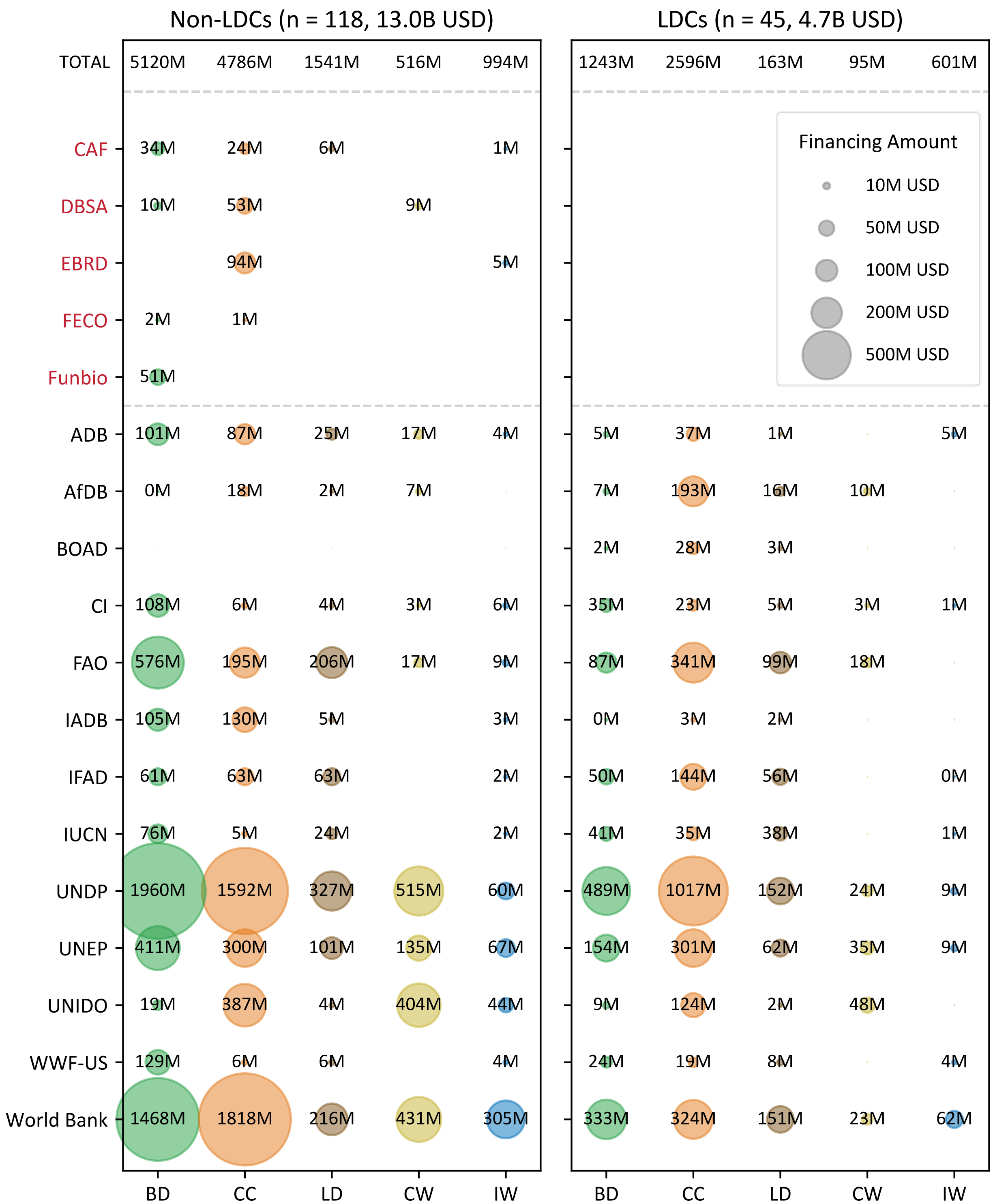
37. Figures 10-11 (pages 20-21) show that 13 agencies—excluding CAF, DBSA, EBRD, FECO, and Funbio—are actively implementing or have implemented projects across both LDCs and SIDS. CAF, although managing multi-country projects partially covering LDCs and SIDS, has yet to focus exclusively on these regions. DBSA operated as a national agency until Council Decision 16/2023. EBRD generally operates across Europe, with limited engagement in LDCs and SIDS, while FECO and Funbio are the national agencies.

38. As shown in Figure 10 (page 20), 45 LDCs approximately receive USD 4.7 billion in GEF support. The 13 agencies operating in LDCs demonstrate a wide-ranging engagement across various focal areas. Agencies such as CI, UNDP, UNEP, and the World Bank are involved in all five focal areas, while others target high-priority areas, including Climate Change, Biodiversity, and Land Degradation.

39. When assessing funding for SIDS, as shown in Figure 11 (page 21), 38 SIDS receive USD 1.8 billion in GEF support. However, at the focal-area level, agency engagement in SIDS shows a distinct pattern of concentration. SIDS actively collaborate with agencies such as UNDP and UNEP in all five focal areas, likely due to these agencies' established presence and extensive expertise. While CI also maintains a strong presence, its actual funding in SIDS remains comparatively lower than in non-SIDS regions.

40. Overall, other agencies working in SIDS exhibit more limited funding volumes and a narrower focus across focal areas compared to their engagement with LDCs, where both funding and focal area diversification are broader. Given the urgency of climate change and environmental challenges specific to SIDS, such as sea-level rise and biodiversity loss, ensuring that GEF projects adequately address the unique vulnerabilities of SIDS remains essential.

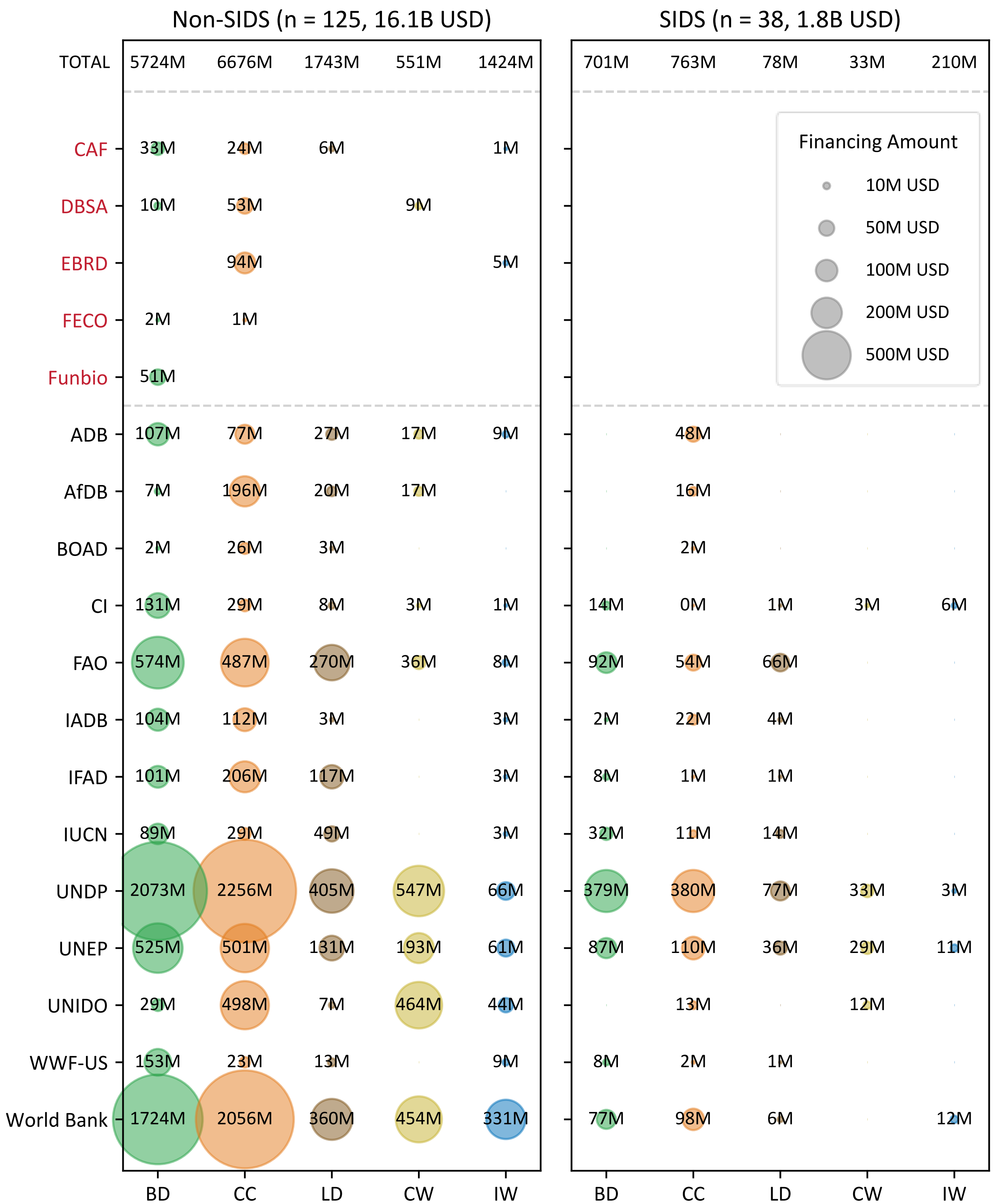
Figure 10: GEF Financing by Agency and Focal Area (Non-LDCs versus LDCs)



Agency	Non-LDC BD	Non-LDC CC	Non-LDC LD	Non-LDC CW	Non-LDC IW	LDC BD	LDC CC	LDC LD	LDC CW	LDC IW
TOTAL	5120M	4786M	1541M	516M	994M	1243M	2596M	163M	95M	601M
CAF	34M	24M	6M		1M					
DBSA	10M	53M		9M						
EBRD		94M			5M					
FECO	2M	1M								
Funbio	51M									
ADB	101M	87M	25M	17M	4M	5M	37M	1M		5M
AfDB	0M	18M	2M	7M		7M	193M	16M	10M	
BOAD						2M	28M	3M		
CI	108M	6M	4M	3M	6M	35M	23M	5M	3M	1M
FAO	576M	195M	206M	17M	9M	87M	341M	99M	18M	
IADB	105M	130M	5M		3M	0M	3M	2M		
IFAD	61M	63M	63M		2M	50M	144M	56M		0M
IUCN	76M	5M	24M		2M	41M	35M	38M		1M
UNDP	1960M	1592M	327M	515M	60M	489M	1017M	152M	24M	9M
UNEP	411M	300M	101M	135M	67M	154M	301M	62M	35M	9M
UNIDO	19M	387M	4M	404M	44M	9M	124M	2M	48M	
WWF-US	129M	6M	6M		4M	24M	19M	8M		4M
World Bank	1468M	1818M	216M	431M	305M	333M	324M	151M	23M	62M

Notes: BD = Biodiversity, CC = Climate Change, LD = Land Degradation, CW = Chemicals and Waste, IW = International Waters. This analysis excludes global and regional projects without specific country lists and projects only partially covering LDCs. The agencies CAF, DBSA, EBRD, FECO, and Funbio, highlighted in ***red,*** *have no projects exclusively in LDCs.*

Figure 11: GEF Financing by Agency and Focal Area (Non-SIDS versus SIDS)



Notes: BD = Biodiversity, CC = Climate Change, LD = Land Degradation, CW = Chemicals and Waste, IW = International Waters. This analysis excludes global and regional projects without specific country lists and projects only partially covering SIDS. The agencies CAF, DBSA, EBRD, FECO, and Funbio, highlighted in ***red,*** *have no projects exclusively in SIDS.*

6. Effectiveness and Efficiency

41. This section analyzes the operational effectiveness and efficiency of agencies against the GEF-8 Results Measurement Framework (RMF)[18]'s Tier 2 Operational Performance Indicators. It includes project processing time and differences in co-financing capacity by agency.

42. Each year, the Council receives an analysis of agency effectiveness and efficiency through the Annual Monitoring Report[19], which provides a systematic update on agency progress based on the Operational Performance Indicators.

Notable Operational Performance

43. As reflected in their average scores across the indicators shown in Figure 12 (pages 23-24), agencies in the first and second expansion groups have contributed significantly to the good performance in FY2024. For instance, CAF, DBSA, FECO, Funbio, and WWF-US, all from the second expansion, have achieved "green" status—meaning above the target of each indicator—in most indicators or have performed higher than the average of the entire GEF portfolio.

44. Regarding the indicator "Projects rated in the satisfactory range for both Implementation Progress and Outcomes," 80% of the projects achieved at least moderately satisfactory progress and are on track to meet planned outcomes.

45. The indicator "Disbursement ratio of ongoing portfolio (%)," shows that the average disbursement ratio for the ongoing portfolio stands at 19%, with the 2 national agencies, FECO (53%) and Funbio (55%), achieving above-average ratios. However, this was less true in SIDS, as shown in Figure 13 (page 25), where the disbursement ratio was 14%, indicating challenges in the early years of implementation.

46. In general, SIDS show lower performance on most indicators compared to other regions, often marked by orange or red flags. Analysis of mid-term review reports and the IEO Evaluation on Pacific SIDS[20] attributes this underperformance to unique regional challenges, including weak institutional capacity, financial constraints, intersectoral coordination issues, limited procurement supply chains, and insufficient infrastructure. These findings underscore the importance of gaining more nuanced insights into the specific context and providing targeted support to address the unique challenges within the SIDS region.

[18] GEF/C.62/Inf.12/Rev.01
[19] For FY 2024, GEF/C.68/03
[20] GEF/E/C.68/02

Figure 12: FY2024 Operational Performance by Agency

INDICATOR (%)	GEF Average	ADB	AfDB	BOAD	CAF	CI	DBSA	EBRD	FAO	FECO	Funbio	IADB	IFAD	IUCN	UNDP	UNEP	UNIDO	World Bank	WWF-US
ENHANCE THE SPEED OF OPERATIONS																			
Time from CEO endorsement / approval to first disbursement below 18 months	55		0			33	100		39		100	100	100	33	50	83	0	0	25
- MSPs only	67					50			60		100	100		50	38	89	0		
- FSPs only	48		0			25	100		29			100	100	0	54	76		0	25
Time from CEO endorsement to mid-term review submission below 4 years	55	0		0	100				25						56	57	0	92	0
MSP age below 4 years	70	50				100		0	79	100		100		75	79	66	64	50	83
FSP age below 6 years	73	0	80	100		80	67	0	69		0	29	67	100	88	77	36	75	78
Completed projects with a timely Terminal Evaluation	75	0				100			87			60	100	0	98	0	50	80	100
ENSURE STRONG PORTFOLIO MANAGEMENT																			
Disbursement ratio of ongoing portfolio	19	8	18		0	16	22	10	25	53	55	14	19	27	19	15	35	18	19
Projects rated in the satisfactory range for both Implementation Progress and Outcome	80	100	86		100	88	75	83	94	100	100	83	100	94	56	87	89	92	79
Projects rated in the satisfactory range for Implementation Progress	82	100	100		100	88	100	83	95	100	100	83	100	94	57	90	90	94	79
Projects rated in the satisfactory range for Development Outcome	86	100	86		100	88	75	100	97	100	100	91	100	100	70	89	91	94	86
Proactivity index	78	100	0	100				0	100			67		100	71	90	92	100	100
Project with disbursement in the past year	87	50	100		0	93	100	75	99	100	100	73	100	90	94	76	85	77	100

INDICATOR (%)	GEF Average	ADB	AfDB	BOAD	CAF	CI	DBSA	EBRD	FAO	FECO	Funbio	IADB	IFAD	IUCN	UNDP	UNEP	UNIDO	World Bank	WWF-US
Over 50% disbursed balance after 3 years of implementation for MSPs	92	0						0	100	100				100	89	100	85	100	100
Over 50% disbursed balance after 5 years of implementation for FSPs	83	67	0			100	100	67	86		100	69	100	100	76	83	94	93	100
Projects with financial closure after Terminal Evaluation submission	88	100	50			77		50	71			83	95	0	89	75	84	96	75
Projects financially closed on time in the last year	43	100	0			67			26			100	75		33	14	89	85	100
INCREASE CO-FINANCING ACROSS THE PORTFOLIO																			
Co-financing materialized higher than 35 percent at MTR	52	0		0		100			63						53	57	0	54	0
Co-financing materialized higher than 80% at Terminal Evaluation	64	100				86			67			60	100	100	65	33	55	80	100

Above 80% of the project portfolio   From 60% to 80% of the project portfolio   Below 60% of the project portfolio   Data not available

Figure 13: FY2024 Operational Performance by Region and Country Group

INDICATOR (%)	GEF Average	AFRICA	ASIA	EUROPE & CENTR.ASIA	LATIN AM. & CARIBBEAN	GLOBAL	REGIONAL	LDCs	SIDS
ENHANCE THE SPEED OF OPERATIONS									
Time from CEO endorsement / approval to first disbursement below 18 months (%)	55 🔴	58 🔴	44 🔴	43 🔴	54 🔴	79 🟡	50 🔴	44 🔴	57 🔴
- MSPs only (%)	67 🟡	77 🟡	22 🔴	75 🟡	73 🟡	100 🟢		44 🔴	60 🟡
- FSPs only (%)	48 🔴	48 🔴	56 🔴	30 🔴	40 🔴	67 🟡	50 🔴	44 🔴	55 🔴
Time from CEO endorsement to mid-term review submission below 4 years	55 🔴	56 🔴	64 🟡	67 🟡	40 🔴	75 🟡		50 🔴	77 🟡
MSP age below 4 years (%)	70 🟡	57 🔴	73 🟡	83 🟢	68 🟡	85 🟢	100 🟢	60 🟡	64 🟡
FSP age below 6 years (%)	73 🟡	79 🟡	68 🟡	63 🟡	74 🟡	75 🟡	67 🟡	81 🟢	84 🟢
Completed projects with a timely Terminal Evaluation (%)	75 🟡	72 🟡	78 🟡	79 🟡	79 🟡	58 🔴	50 🔴	79 🟡	88 🟢
ENSURE STRONG PORTFOLIO MANAGEMENT									
Disbursement ratio of ongoing portfolio (%)	19	17	18	19	17	29	18	16	14
Projects rated in the satisfactory range for both Implementation Progress and Outcome (%)	80 🟢	79 🟡	79 🟡	81 🟢	75 🟡	97 🟢	100 🟢	79 🟡	59 🔴
Projects rated in the satisfactory range for Implementation Progress (%)	82 🟢	81 🟢	80 🟢	83 🟢	77 🟡	97 🟢	100 🟢	81 🟢	61 🟡
Projects rated in the satisfactory range for Development Outcome (%)	86 🟢	85 🟢	85 🟢	89 🟢	80 🟢	100 🟢	100 🟢	83 🟢	66 🟡
Proactivity index (%)	78 🟡	77 🟡	81 🟢	81 🟢	75 🟡	100 🟢	71 🟡	80 🟢	57 🔴
Project with disbursement in the past year (%)	87 🟢	83 🟢	88 🟢	91 🟢	86 🟢	91 🟢	84 🟢	85 🟢	89 🟢
Over 50% disbursed balance after 3 years of implementation for MSPs (%)	92 🟢	89 🟢	86 🟢	100 🟢	100 🟢	100 🟢	100 🟢	94 🟢	92 🟢
Over 50% disbursed balance after 5 years of implementation for FSPs (%)	83 🟢	81 🟢	84 🟢	95 🟢	76 🟡	94 🟢	100 🟢	79 🟡	83 🟢
Projects with financial closure after Terminal Evaluation submission (%)	88 🟢	87 🟢	87 🟢	94 🟢	87 🟢	84 🟢	100 🟢	85 🟢	74 🟡
Projects financially closed on time in the last year (%)	43 🔴	37 🔴	46 🔴	62 🟡	44 🔴	40 🔴		34 🔴	33 🔴
INCREASE CO-FINANCING ACROSS THE PORTFOLIO									
Co-financing materialized higher than 35 percent at MTR (%)	52 🔴	52 🔴	54 🔴	0 🔴	48 🔴	100 🟢	17 🔴	68 🟡	38 🔴
Co-financing materialized higher than 80% at Terminal Evaluation (%)	64 🟡	59 🔴	63 🟡	71 🟡	75 🟡	50 🔴	70 🟡	63 🟡	65 🟡

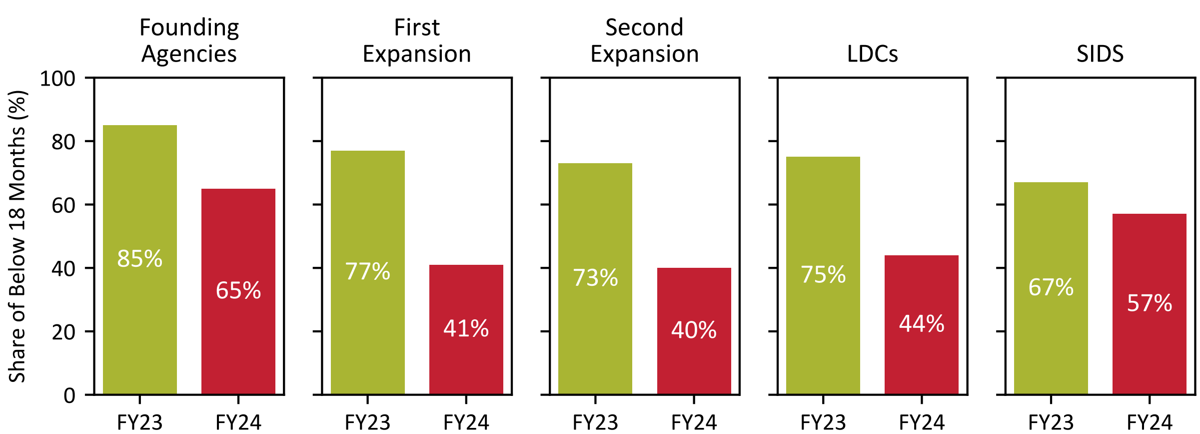
🟢 Above 80% of the project portfolio 🟡 From 60% to 80% of the project portfolio
🔴 Below 60% of the project portfolio ⚪ Data not available

Speed of Operations

47. In FY2024, the performance metrics indicate that project preparation timelines have lengthened compared to FY2023. Specifically, the percentage of projects reaching first disbursement within 18 months dropped from 82% to 55%, highlighting challenges related to processes such as grant negotiations, Board approvals, government agreements, conditions for effectiveness, as well as external factors like procurement delays, setting up executing entities, and institutional constraints.[21] Additionally, the Secretariat has adjusted its processing of agency fee tranches, linking them to substantial first disbursements to enhance project readiness.

48. As shown in Figure 14, founding agencies saw a decline from 85% in FY2023 to 65% in FY2024 on this performance metric, while first expansion and second expansion agencies experienced more significant drops—from 77% to 41% and 73% to 40%, respectively. This trend suggests that the newer expansion agencies are facing greater challenges in meeting the 18-month disbursement timeline from CEO endorsement or approval. This underscores the need for additional measures to further incentivize and facilitate quicker, more effective project start-up and implementation.

Figure 14: Projects with CEO Endorsement to First Disbursement below 18 Months by Agency Cohort and LDCs and SIDS



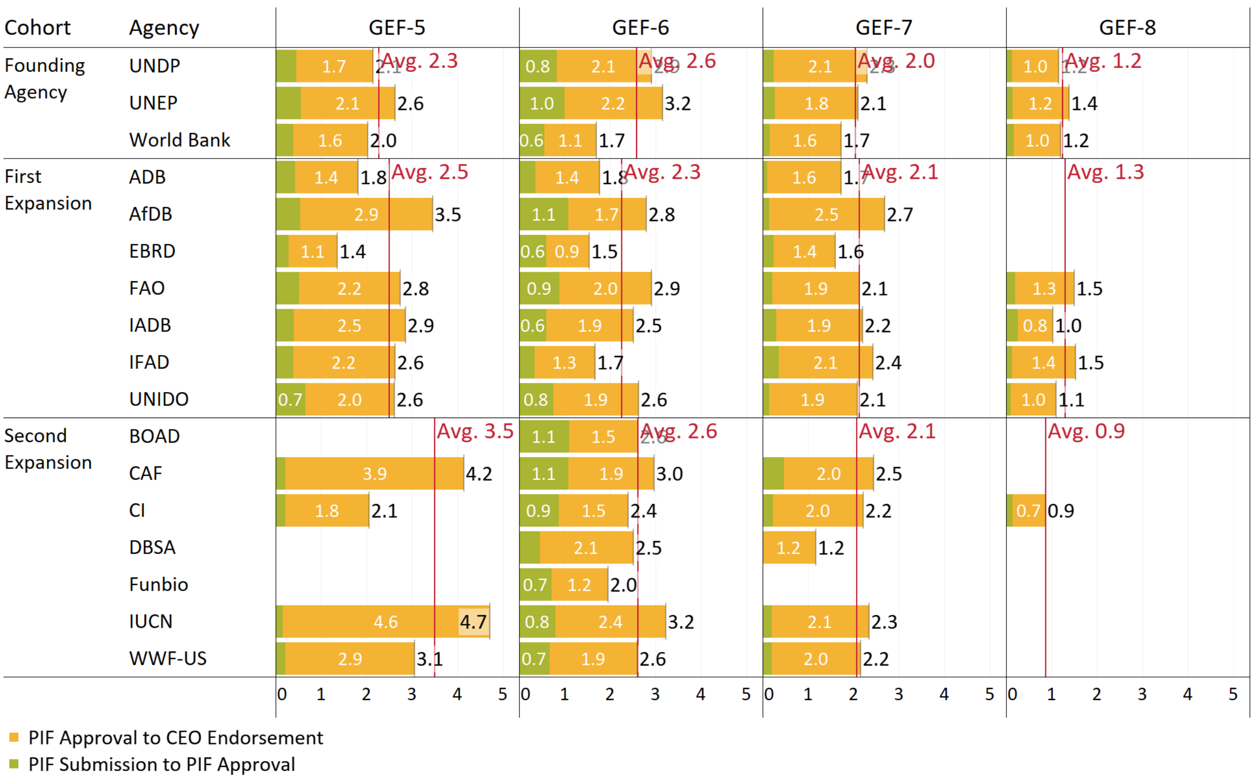
49. Similarly, LDCs saw a notable decrease in this performance metric, from 75% in FY2023 to 44% in FY2024. For SIDS, the rate also declined from 67% to 57%. These trends highlight the unique challenges and less favorable enabling environments faced by agencies operating in these regions, emphasizing the need for tailored support and capacity-building efforts, along with region-specific expertise to improve disbursement timelines. Such efforts can be strengthened

[21] To address these challenges, agencies are implementing fast-track processes, enhancing guidelines, and frontloading disbursements in blended projects. The Secretariat remains committed to addressing start-up delays through active monitoring and periodic bilateral meetings. Further details can be found in the FY2024 Annual Monitoring Report (GEF/C.68/03).

through alignment with initiatives like the Country Engagement Strategy (CES), Private Sector Engagement Strategy, and Small Grants Programme (SGP) to provide comprehensive, context-specific support.

50. On the other hand, Figure 15 demonstrates a clear trend of decreasing average durations for project origination stages (indicated by red lines), i.e., from PIF submission to CEO endorsement across GEF-5 to GEF-8 by agency, highlighting improved operational efficiency among agencies. This reduction reflects GEF's efforts in setting fixed timeframes for PIF approval and implementing a cancellation policy related to the timeframe for reaching CEO endorsement or approval.

Figure 15: Operational Speed (Years) of Agencies in Project Origination Across GEF-5 through GEF-8 (Full-Sized Projects Only)



51. Notably, agencies from the second expansion cohort have shown significant reductions in processing times as they gain more experience with GEF policies and systems. For example, IUCN reduced its average duration from 4.7 years in GEF-5 to 2.3 years in GEF-7, while WWF-US and CI have similarly shortened their timelines across the GEF periods, reflecting their growing capacity to develop projects.

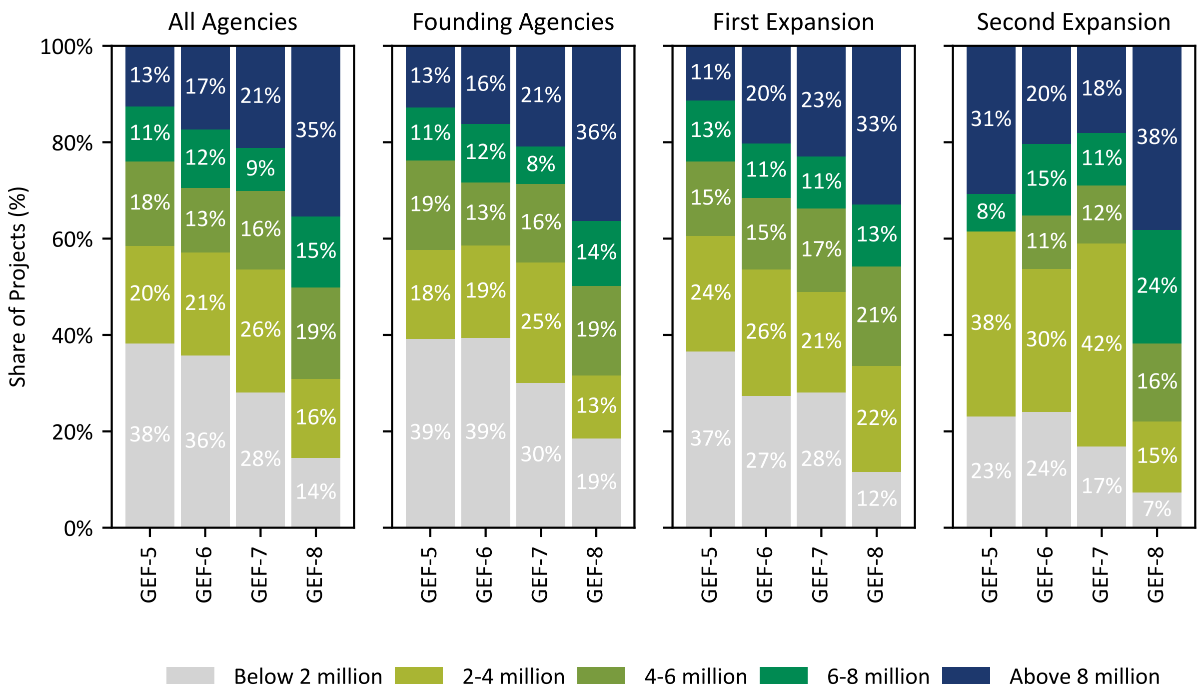
52. The enhanced efficiency of agencies in the second expansion cohort is a promising sign for the future of GEF programming. As these agencies continue to refine their processes, their

ability to meet GEF's evolving requirements in implementation phases as well as origination is expected to improve further. [22]

Average Size of Projects

53. Under the successive GEF replenishments, the distribution of project sizes has shifted toward larger projects, as shown in Figure 16. This has been driven not only by founding agencies but also significantly by first and second expansion agencies, and efforts to increase impact and efficiency, as larger projects may reduce relative transaction costs and better realize economies of scale.

Figure 16: Distribution of GEF Projects by Size and GEF Phase



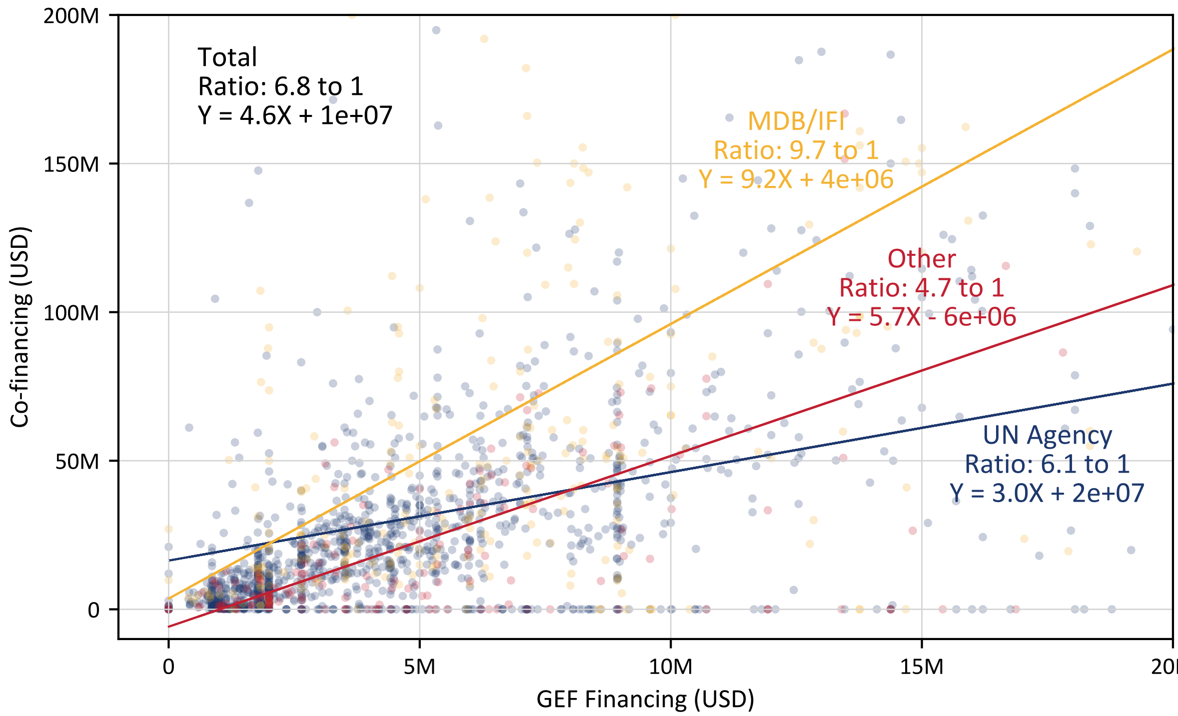
Co-financing

54. The current 18 agencies have continued delivering high levels of co-financing. Over the period from GEF-6 to GEF-8, projects had mobilized USD 6.8 in confirmed co-financing for each USD 1 of GEF financing. As seen in Figure 17 (page 29), MDBs/IFIs leverage more co-financing at 9.7 to 1, securing relatively high co-financing from Non-Grant Instruments, compared to UN Agencies at 6.1 to 1 and Other Agencies at 4.7 to 1.

[22] Projects that have not yet reached CEO Endorsement or Approval are excluded from this analysis. As a result, additional time will be required to determine whether this trend will continue into GEF-8 and beyond, though.

55. A linear regression model[23], which analyzes individual projects, shows that MDBs/IFIs secure larger co-financing amounts as GEF financing increases. The trendline for MDBs/IFIs (represented in yellow) is consistently higher than those for UN Agencies (in blue) and Other Agencies (in red).

Figure 17: GEF Financing over Co-financing, and Co-financing Ratio Across Agency Type (GEF-6 to GEF-8 Only)



Notes: The co-financing analysis presented in this analysis excludes enabling activities, as these do not require co-financing during project development. For calculating the cofinancing ratio, only the total amounts of GEF project financing and co-financing are included, with agency fees, PPG amounts, and PPG fees excluded.

56. When comparing UN Agencies to Other Agencies, the trendline for Other Agencies has a steeper slope, indicating that as GEF financing increases, Other Agencies experience a faster growth in co-financing, though they start from a lower base. In contrast, the trendline for UN Agencies has a more gradual slope, reflecting a slower increase in co-financing as GEF financing rises. Specifically, the co-financing coefficient for Other Agencies is 5.7, compared to 3.0 for UN Agencies. These differences highlight the varying capacities across agency types in leveraging co-financing.

[23] Although the linear regression model used in this analysis is statistically significant (p-value < 0.0001), it explains only a small portion of the variability in co-financing amounts, with an R-squared value of approximately 0.13. This low R-squared suggests that additional factors, not included in the model, likely have a significant influence on co-financing outcomes. A more in-depth study on co-financing would be necessary to fully understand these dynamics. Additionally, IEO, in its Evaluation of Co-financing in the GEF (GEF/E/C.67/02), noted that while the GEF's flexible approach to co-financing often results in high co-financing ratios, it also raises concerns about the credibility of the co-financing generated, as not all contributions are equally critical or necessary.

7. Engagement with CSOs, NGOs, and the Private Sector

57. This section examines agency engagement with CSOs, NGOs and the private sector, both as executing entities and co-financers. It highlights variations in engagement strategies and identifies opportunities to enhance inclusivity, collaboration, and CSOs, NGOs and private sector participation.

Engagement through Executing Entities

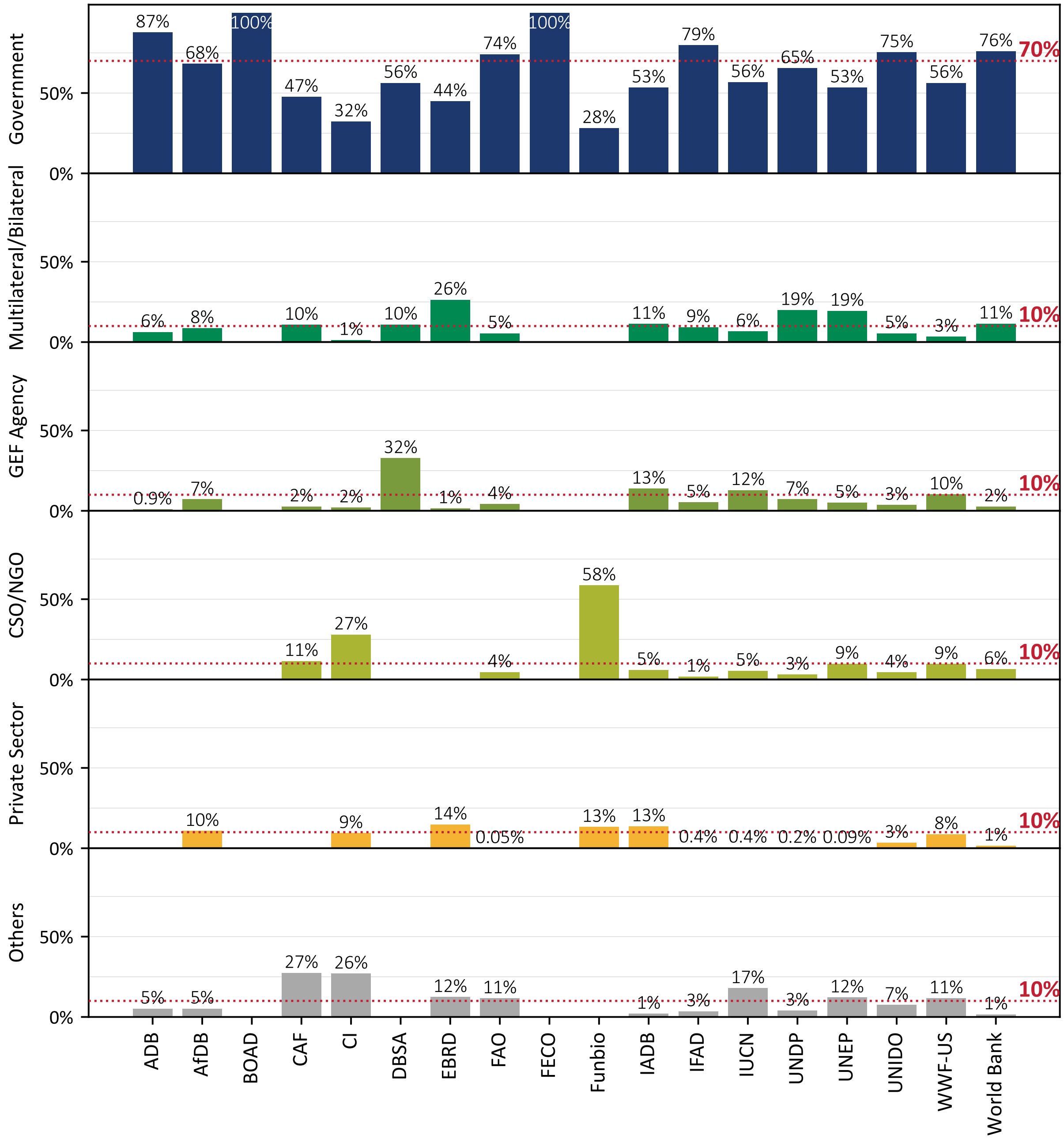
58. Figure 18 (page 31) illustrates the distribution of GEF financing across various executing entities, showing that most agencies primarily engage with national governments. However, there is notable variation in how agencies engage with CSOs, NGOs, and the private sector. Agencies such as CAF, CI, and Funbio demonstrate higher levels of engagement with CSOs and NGOs as executing entities. CAF, a smaller regional MDB, stands out with 11% of its total financing executed by CSOs and NGOs, a higher proportion than other MDBs. Similarly, CI (an international NGO) and Funbio (a national agency) respectively allocate 27% and 9% of their resources through CSO and NGO partnerships, while other large agencies show limited engagement with CSOs and NGOs as executing entities.

59. Large agencies such as ADB, FAO, IFAD, UNIDO, and World Bank[24] primarily work through government entities in project execution (over 70%), supporting country ownership and the strengthening of public institutions. While this approach builds robust partnerships with national governments, expanding engagement with CSOs and NGOs could further enhance project inclusivity and participation. Such balanced collaboration can leverage the stability and influence of public institutions while incorporating the grassroot insights and adaptability of CSOs and NGOs. By fostering stronger partnerships with CSOs and NGOs, these agencies could enhance inclusivity and participation, potentially leading to more locally adapted and comprehensive solutions.

60. Agencies like AfDB, EBRD, Funbio, and IADB demonstrate higher levels of private sector involvement, with EBRD executing 14% of its GEF financing through private entities. Agencies such as the four UN Agencies (FAO, UNDP, UNEP, and UNIDO) and IFAD (a UN Specialized IFI), demonstrate a relatively low level of engagement with the private sector, suggesting an opportunity to deepen these partnerships and diversifying financing sources, where feasible.

[24] BOAD and FECO are excluded from this analysis due to limited data, with only 5 and 2 approved projects, respectively. Although these agencies exhibit similar trends, the small sample sizes limit the representativeness of their data for broader conclusions.

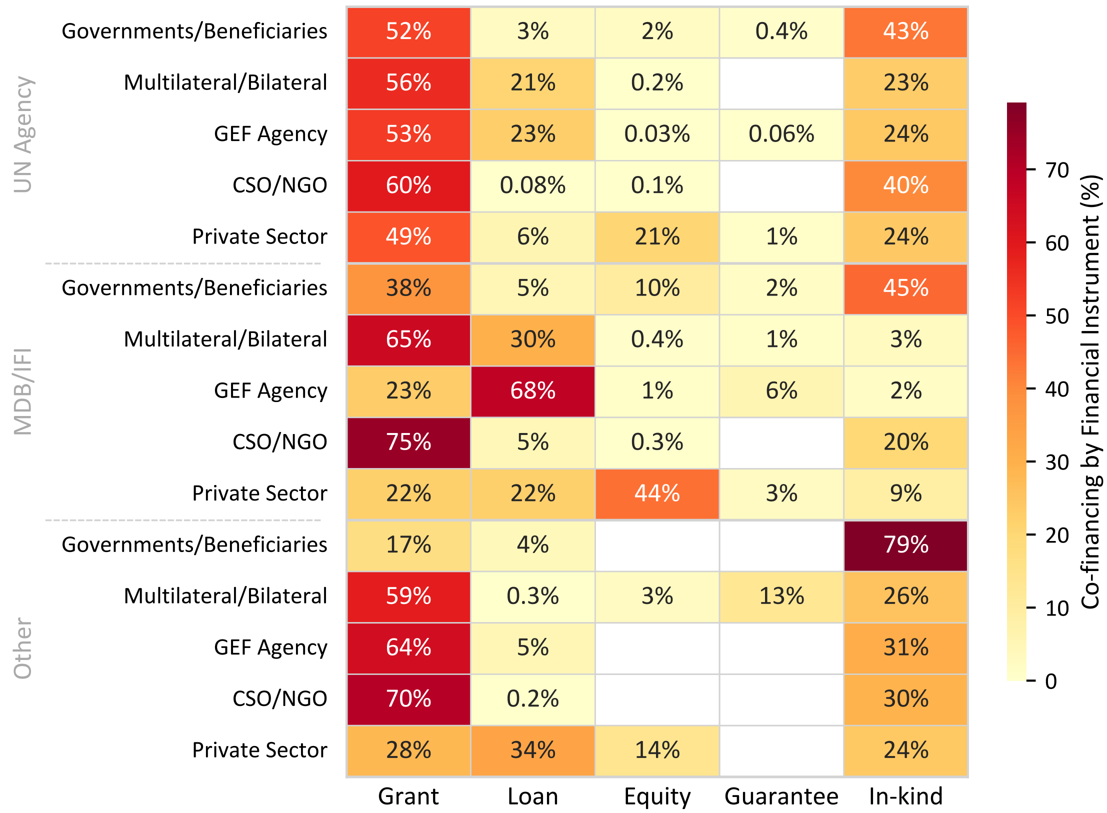
Figure 18: GEF Financing across GEF Agencies by Executing Entity Type



Co-financing Distribution Across Financial Instruments and Co-financer Types

61. Figure 19 (page 32) provides an analysis of co-financing distribution across financial instruments and co-financer types, showing that MDBs/IFIs have a greater capacity to attract and manage co-financing, through non-grant instruments such as loans, equity investments, and guarantees. In contrast, UN Agencies and Other Agencies focus more on grants and in-kind contributions.

Figure 19: Co-financing by Financial Instrument and Co-financier Type



Note: Financial instruments and co-financers categorized as "Other" by agencies have been excluded from this analysis.

62. When analyzing co-financer partner types, the private sector stands out as a key contributor to non-grant instruments, particularly loans and equity (in addition to multilateral/bilateral organizations and other GEF Agencies that co-finance). UN Agencies (27%), MDBs/IFIs (66%), and Other Agencies (48%) have each secured a significant share of co-financing in these instruments from the private sector. This underscores the private sector's critical role in expanding and diversifying funding sources, which can enhance the efficiency and diversification of GEF investments.

8. Summary of Findings

63. As detailed in section 3, "Evolution of Coverage by Agencies," the GEF has gradually expanded its agency coverage since its inception, evolving from reliance on three founding agencies to a diverse group of 18 agencies. This expansion, occurring in two phases, has led to better alignment between the pace of project development and available programming resources. Notably, from GEF-6 through GEF-8, these gaps have narrowed compared to earlier periods, even as replenishment amounts have increased, attributed to agencies' improved

project origination practices, enhanced review processes within the Secretariat, and ongoing efforts to streamline the project cycle and internal procedures.

64. In GEF-8, agency participation and portfolio shares have further diversified. No single agency accounts for more than 30% of approvals—the nominal cap—and regional MDBs and IFAD represent 10.2% of total funding, surpassing the nominal target of 10%. These trends highlight increasing multi-agency collaboration and the effective integration of new agencies over time.

65. Section 4, "Thematic Coverage," reveals that agency engagement in focal areas varies by type and specialization. International agencies maintain strong coverage across all five focal areas, leveraging their broad expertise and resources. Regional agencies contribute by focusing more on specific focal areas aligned with regional demands and expertise. National agencies are more locally oriented, concentrating on biodiversity and climate change to meet specific on-the-ground needs. Their involvement in other focal areas is minimal. This specialization among agencies complements the GEF's overall project development capacity, ensuring a comprehensive approach to environmental challenges.

66. Section 5, "Geographic Coverage," indicates that the existing agencies operate across 163 countries. International agencies exhibit extensive global reach, facilitating widespread project implementation. Meanwhile, regional and national agencies focus on more localized interventions. This geographic distribution contributes to a multi-scalar approach in the GEF's efforts.

67. However, agency engagement in SIDS tends to be limited in funding volumes and focused on select focal areas, with only a few international agencies maintaining a substantial presence. This trend highlights the need of context-sensitive approaches for SIDS, where more robust, targeted regional support is essential to bridge the gaps in project engagement.

68. Findings from section 6, "Effectiveness and Efficiency," support the need for targeted support schemes to enhance performance consistency, revealing performance gaps in LDCs and SIDS due to their unique regional characteristics and urgent environmental challenges. Addressing these gaps requires a multi-dimensional approach, including alignment with ongoing initiatives such as the CES, the Private Sector Engagement Strategy, and SGP.

69. Section 7, "Engagement with CSOs, NGOs and the Private Sector" highlights that agencies differ in their engagement with CSOs, NGOs, and the private sector. Some, like CAF, CI, and Funbio, have modest partnerships with CSOs and NGOs, while large agencies engage less with these groups but more actively with the private sector. To diversify their portfolios, agencies could increase collaboration with experienced CSOs and NGOs and share successful private

sector engagement practices, fostering broader collaboration and opening new opportunities, where feasible.

70. In light of the above, any changes to the current agency cohort should be strategically driven to address regional expertise needs or specific performance gaps. Agencies with a strong understanding of the LDCs or SIDS regional context, or experience working closely with CSOs, NGOs, and the private sector, could provide countries with additional options, introduce competitive elements, and enhance overall program effectiveness.

9. ENHANCING GEF AGENCY COVERAGE AND EFFECTIVENESS

71. Based on the analysis provided in this document, the current GEF cohort of implementing agencies largely meets the requirements of the existing GEF business model, demonstrating extensive geographic reach, thematic coverage, and project development capacity. However, specific gaps in regional expertise and funding distribution, particularly for LDCs and SIDS, present opportunities for improvement. Additionally, enhancing agency engagement with CSOs, NGOs and the private sector could strengthen project effectiveness.

72. The Secretariat could nevertheless explore targeted processes to bolster support for these regions, emphasizing context-sensitive approaches that address their unique challenges, specifically identifying a small number of agencies that would meet these objectives if invited to join the partnership. The criteria and process could be developed by the Secretariat, for consideration by the Council prior to the end of the GEF-8 phase. The accreditation approach would be guided by principles consistent with the GEF Instrument, incorporating previous accreditation practices. Increasing collaboration with CSOs, NGOs and the private sector across project stages would also deepen local impact and engagement.

73. To complement these efforts, mirroring the approach adopted in the GBFF, set-asides for specific agency groups with higher engagement needs could also be introduced, coupled with incentive mechanisms. Additionally, targeted outreach to countries through the CES is expected to continue, to inform and empower decision-makers in recipient countries with respect to agency selection. A set of options to introduce these features, including costs and tradeoffs, can be elaborated, for consideration by Council. As these could have implications for resource allocation, implementation thereof could be considered in a subsequent replenishment phase.