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Virtual Meeting

Agenda Item 10

**MANAGEMENT RESPONSE TO:
EVALUATION OF COMPONENTS OF THE GEF'S RESULTS-BASED
MANAGEMENT SYSTEM**

Recommended Council Decision

The Council, having considered document GEF/E/C.68/03, *Evaluation of Components of the GEF's Results-Based Management System*, and GEF/C.68/08, *the Management Response*, takes note of the related evaluation recommendations and endorses the management response to address them.

INTRODUCTION

1. The GEF Secretariat welcomes the report from the Independent Evaluation Office (IEO) on the *Evaluation of Components of the GEF's Results-Based Management System* (GEF/E/C.68/03).
2. The GEF Secretariat appreciates the IEO's positive assessment of aspects that are vital to managing for sustainable environmental results and its findings to improve outcome measurement, enhance portfolio management, and bolster the GEF Portal's usability.
3. As an environment facility, the most critical commitment of the GEF Secretariat is driving toward environmental results. The GEF Secretariat designed the GEF-8 RMF with the overarching objective that "it facilitates learning, promotes performance improvement and enhances accountability on the GEF effectiveness with relevant stakeholders" (GEF/C.62/Inf.12/Rev.01), thereby fostering an institutional culture of achieving and demonstrating results across the GEF partnership. The GEF Secretariat is therefore encouraged that IEO's evaluation found not only that "improvements to core indicators and guidelines have enhanced consistency in understanding, reporting, and measurement", but also that "indicators in the GEF-8 Results Measurement Framework (RMF) are generally effective for tracking the operational performance of the GEF Partnership, particularly regarding the speed of operations". The evaluation highlights areas where the GEF Secretariat can further strengthen the RMF's focus on results.
4. The GEF Secretariat appreciates the evaluation's focus on essential components for managing environmental results—such as core indicators, portfolio efficiency, the GEF Portal, self-evaluations, and project results and process indicators—particularly in fragile, conflict-affected, and violent (FCS) contexts. The GEF Secretariat would like to highlight that its current results management approach already incorporates additional key elements of relevance, including the systematic use of theories of change in projects and programs since GEF-7, the introduction of guidelines for developing project M&E plans, the integration of risk into the design of results targets, and the tracking of geographic locations for project activities. The GEF Secretariat initiated some of these measures to strengthen results management, informed by prior IEO evaluations and STAP guidance. These efforts align with the GEF-8 Programming Directions' transformative agenda and ongoing streamlining measures, presenting opportunities to enhance both environmental impact and operational efficiency.
5. The GEF Secretariat appreciates IEO's emphasis on our progress in building and managing a coherent set of indicators within the five environmental results areas that form Tier 1 of the GEF-8 RMF. We welcome the observation that while progress has been made in expanding from one sex-disaggregated indicator on beneficiaries to five, specifically tracking direct beneficiaries, further work is needed to effectively measure socio-economic co-benefits, as highlighted in the GEF Secretariat's recent analysis (GEF/C.66/12).
6. The GEF Secretariat concurs that identifying the geographic locations of project activities enhances accountability and facilitates on-the-ground results tracking. Notably, the GEF

Secretariat has transformed its reporting approach, shifting from focusing on expected results at the concept stage to reporting on actual results during implementation and completion in the Monitoring Report.

7. The GEF Secretariat is in alignment with the assessment that enhanced tracking of operational speed has improved the systematic submission of documents, even as continuous efforts are needed to meet key project milestones on time. We are encouraged by the evaluation's finding that "actions taken by the GEF Secretariat have significantly improved the submission of MTRs for full-size projects (FSPs), although timely completion remains a challenge."

8. In addition to systematic tracking and accountability through the Monitoring Report, it should be noted that the GEF Secretariat has spearheaded bilateral engagements since the beginning of GEF-8 with each Agency on project progress and challenges. This project-by-project engagement complements regular portfolio oversight, providing a proactive approach to portfolio management. Such an approach promotes adaptive management, project turnaround, and insight into operational bottlenecks, which in turn informs new programming. This is further supported by project- and program-level results indicators that enable tracking of projected outcomes.

9. Beyond tracking operational effectiveness, the GEF Secretariat pays close attention to assessing quality. We rely to this end on the detailed narrative analysis of project progress and challenges provided in implementation reports by Agencies, as well as on the specific implementation quality and outcome ratings. The GEF Secretariat concurs with IEO that "ensuring candor in self-evaluation reporting is challenging but essential for maintaining the quality of terminal evaluations." Evaluations conducted by the IEO and MDBs have found that internal Agency incentives and behaviors influence the performance of such systems. Such finding points to the challenges for a facility like the GEF Secretariat to promote greater candor in rating projects. To promote more candid self-evaluations, the GEF Secretariat may enhance the way it captures project progress and challenges by prompting Agencies to be more specific about the extent of progress and nature of challenges, through their submission of PIR, MTR and TE Portal Implementation Modules. This heightened focus will help identify and address problems.

10. The GEF Portal is central to the GEF Secretariat's approach to managing for environmental results, as it underpins the ability of different parties in the GEF Partnership to review projects, keeping the audit trail of the exchanges among the participants in the review process, allowing for structured data collection, analysis, and reporting tools needed to track, evaluate, and enhance performance against objectives. The GEF Secretariat is encouraged by the IEO's finding that "significant progress has been made in automating key business processes, including project reviews, approvals, cancellations, and CEO endorsements."

Recommendation A. The GEF should review its metrics for portfolio effectiveness and efficiency to ensure they remain relevant and aligned with ongoing reforms. For instance, the GEF should reassess the current method for measuring efficiency indicators, such as first disbursements

within 18 months or the submission of mid-term reviews within four years, to ensure that the appropriate project cohorts are used to reliably capture trends.

11. The GEF Secretariat partially agrees with this recommendation.

12. As part of the design of the GEF-9 RMF, the GEF Secretariat will review the set of RMF Tier 2 metrics to better capture portfolio progress. These Tier 2 metrics will continue to support portfolio management from project approval through implementation, all while aiming for environmental outcomes. Designing the GEF-9 RMF presents a timely opportunity to refine these metrics, reinforcing accountability, transparency, continuous improvement, and evidence-based decision-making.

13. The GEF-9 RMF is expected to build on efforts initiated during GEF-7 and GEF-8 in measuring portfolio performance, as well as reflect new priorities from the streamlining agenda and any evolution in the GEF operating model. This includes tracking the implementation of key aspects of streamlining measures, as approved, and related expected outcomes to be decided at the 68th Council Meeting (GEF/C.68/05). Identifying new indicators involves ensuring continuous alignment with strategic objectives, responsiveness to emerging priorities, and clarity in measuring tangible progress toward operational efficiency.

14. Systematically tracking the achievement of key milestones during a fiscal year has already yielded positive results. By assessing timeliness in reaching implementation start, and in submitting MTRs and Terminal Evaluation, the GEF Secretariat has strengthened its attention toward key implementation milestones, grounded in evidence. Notably, dialogue with Agencies indicates that addressing the backlog of completed projects awaiting financial closure contributed to identifying and returning \$126.7 millions of unused financing to the Trustee in fiscal 2023.

15. The associated guidance to the recommendation suggests shifting the approach to monitoring timeliness. Rather than evaluating performance based on the entire population of projects that achieved a specific milestone during the year under review (e.g., MTR submission in fiscal 2024), it suggests tracking timeliness by grouping projects into cohorts based on their year of CEO endorsement (e.g., the percentage of MTRs submitted to date for projects endorsed in separately 2019, 2020, 2021, 2022). The GEF Secretariat finds the method used in the GEF-8 RMF streamlined and effective for annual reporting, allowing to establish data trends. This systematic reporting may be complemented as needed by analyses looking at project cohorts, as recently done to inform the development of streamlining measures (see GEF/C.67/05/Rev.01) and in the context of bilateral exchanges.

Recommendation B. The GEF should enhance its results measurement framework to be able to track and report on systemic and transformative changes. This is crucial, as several key outcomes targeted by GEF programs are not sufficiently captured by the current framework.

16. The GEF Secretariat agrees with this recommendation.

17. The GEF Secretariat will strengthen measurement of its contributions to system change. This effort is essential to more accurately capture the outcomes financed by the GEF. Integrated approaches have been part of the GEF portfolio since GEF-6 and have since expanded in volume, depth, and breadth. Managing a portfolio of this scale and ambition toward high-level outcomes requires clear metrics to ensure projects and programs are on track in supporting system change.

18. The GEF's ultimate goal is to deliver sustainable environmental outcomes that drive system change. Measuring contributions to system change is challenging, both conceptually and practically. System change typically unfolds over longer timeframes than individual programs, and it cannot be attributed to a single intervention or organization. Outcomes are the result of actions by a diverse array of agents—governments, companies, households, agencies—and are influenced by external factors like conflict, health crises, climate events, and global economic conditions.

19. To identify an approach for measuring system change, the GEF Secretariat will explore as part of the design of the GEF-9 RMF the lines of evidence available and new ones that could be developed, mindful of the need to maintain a streamlined approach to reporting. For example, each program already provides detailed information on progress toward outcome indicators and related outcome ratings through its child projects, reflecting their contributions to system change. Qualitative approaches also exist, including practices in other climate funds rating progress toward system change under a set scale. Additionally, GEF financing already supports external initiatives, such as the Systems Change Lab hosted by the World Resources Institute, which monitors and analyzes transformative environmental change.

Recommendation C. The GEF should prioritize developing user-friendly functionalities and features for the Portal. While aligning the Portal with GEF-8 programming and Council decisions is essential, addressing user needs in a timely manner is equally important. Balancing these priorities will enhance the user experience and ensure the Portal effectively serves its intended audience.

20. The Secretariat agrees with this recommendation.

21. The GEF Secretariat appreciates the recognition of the importance of improving the user experience. Significant time and effort have gone into building the Portal's data architecture, processes, and reporting functions. Currently, the Portal supports the review and approval of proposals for GEF-funded projects and provides comprehensive information and documentation on all projects in the GEF portfolio, along with reporting, search features, and a full external geospatial platform. However, the Secretariat acknowledges that essential work to ensure the Portal meets new operational requirements has taken priority over enhancing user-friendliness.

22. Enhancing the user-friendliness of the GEF Portal is crucial for driving both efficiency and engagement across the GEF Secretariat, Agencies and OFPs in their respective role through the project review, approval and oversight processes. Currently, the GEF Portal provides robust tools for reviewing submissions and facilitating interactions with entities. While there are many

features to support user ability to navigate the different system functions, there are needs and opportunities to streamline the system and further facilitate ease of use, aligning to the broader simplification agenda overall. The Secretariat also encourages all users to communicate suggestions and any issues along these lines as they arise and will continue to reach out to build understanding of the role and ability of the Portal in supporting user needs and providing information about the work of the project portfolio and partnership.

23. The streamlining actions presented at the 68th Council Meeting aim to address this complexity to promote further efficiency gains from the Portal's features (GEF/C.68/05). This includes developing a costed proposal to enhance Portal functionality, usability, and accessibility for OFPs, Agencies, and the Secretariat, to be included in the fiscal 2026 GEF Business Plan and Corporate Budget. This modernization is timely, allowing adjustments before new GEF-9 requirements emerge. Key features under consideration and contingent on IT services provided by the World Bank include intuitive navigation, a clean interface, guided workflows, streamlined data entry, automated reminders and notifications, submission previews, collaborative editing, and accessible support, among others that may be identified in the short run. These improvements would make submissions smoother and more intuitive, reducing time spent on training and support while enhancing user satisfaction and productivity. Additionally, the Secretariat may continue expanding Portal data access for OFPs and Agencies, building on recent progress (see progress detailed in GEF/C.68/05).

Recommendation D. The GEF should explicitly address FCV contexts by developing targeted guidance for M&E practices in such contexts and ensuring that relevant indicators are incorporated into project design.

24. The GEF Secretariat agrees with this recommendation.

25. The development of guidance for M&E practices in fragile and conflict-affected situations (FCS) matters as the volume of GEF-financed activities in FCS is significant and given the specific challenges in managing for environmental results in fragile and conflict environment, including institutional capacity, operating environment and mobility restrictions, evolving and high risk, and challenges in incorporating FCS considerations in the design of project results frameworks.

26. Building on findings from a gap analysis on GEF-funded activities in FCS (GEF/C.66/09), earlier evaluative evidence from IEO (GEF/E/C.59/01) and informed by technical and scientific advice from STAP (GEF/STAP/C.66/Inf.03), the GEF has taken the important step of developing and releasing a dedicated *Guidance Note on Fragile and Conflict-Affected Situations*. This guidance, developed with inputs provided by STAP, Agencies and Climate Funds, is now available through the GEF's website. This guidance note's dissemination includes plans to sensitize GEF Secretariat and Agency staff to the suggested actions described.

27. The guidance note provides practical guidance for addressing FCS-specific challenges and improving the results focus and M&E in FCS situations. It complements the general GEF guidelines on Project and Program Results Framework and M&E Plans (GEF/C.59/Inf.03) and on the

implementation of the GEF-8 RMF (GEF/C.62/Inf.12/Rev.01). The guidance emphasizes embedding FCS considerations into project results frameworks to address unique challenges and impacts. It highlights participatory, inclusive processes, ethical data practices, realistic indicator design, and the use of process indicators to capture institutional progress and stakeholder empowerment, allowing for adaptive management toward sustainable environmental benefits.

Conclusion

28. The findings, lessons, and recommendations in IEO's evaluation reaffirm ongoing efforts being undertaken by the GEF Secretariat. The GEF Secretariat views this evaluation on results-based management as timely, arriving just before expected work on design of the GEF-9 RMF. The GEF Secretariat will use the gathered evidence, analyses and recommendations to shape future directions.

29. The enhanced Results Measurement Framework and plans outlined in response to IEO's recommendations are designed to help the GEF Secretariat deliver on its Programming Directions and assess Agency performance. Upcoming measures and monitoring mechanisms will further strengthen results management, boosting the GEF partnership's effectiveness in achieving improved environmental outcomes. Implementing these recommendations will be guided by evaluation findings, the GEF-8 RMF, and GEF-9 replenishment discussions.

30. The GEF Secretariat will track progress on the implementation of these recommendations through the standard procedure of the IEO's Management Action Record.