**Annual Review - Summary Sheet**

This Summary Sheet captures the headlines on programme performance, agreed actions and learning over the course of the review period. It should be attached to all subsequent reviews to build a complete picture of actions and learning throughout the life of the programme.

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| **Title: Global Environment Facility (GEF) sixth replenishment** | | |
| **Programme Value:** £210 million | | **Review Date:** October 2016 |
| **Programme Code:** 204056 | **Start Date:** July 2014 | **End Date:** June 2018 |

**Summary of Programme Performance**

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| Year | **2015** | **2016** |  |  |  |  |  |  |  |
| Programme Score | **A+** | **A+** |  |  |  |  |  |  |  |
| Risk Rating | **Low** | **Minor** |  |  |  |  |  |  |  |

**Summary of progress and lessons learnt since last review**

* The GEF has continued to make strong progress against the majority of focal areas for its sixth replenishment. Expected results from activities programmed are already exceeding targets for the entire replenishment against its Climate Change and Persistent Organic Pollutants indicators. Expected results against a further five indicators for the programmed portfolio exceed their milestones. Projects to reduce mercury were lagging slightly as of our June deadline for monitoring progress against milestones, although this workstream has been brought back on track by the approval of a major project submitted to the October Council meetings, while there has been no progress at all in submitting projects to reduce ozone depleting substances.
* The GEF serves a number of Multilateral Environmental Agreements (such as the Conventions on Biological Diversity and the UN Framework Convention on Climate Change, as well as the Montreal Protocol), and its work has historically been divided into focal areas corresponding to these various organisations. However, the UK has promoted the use of the GEF’s experience to provide a more integrated approach, reflecting the inter-connected nature of the global environmental challenges that it seeks to overcome. Progress is being made. The latest data from the GEF shows that half of the portfolio for its sixth replenishment is made up of multi-focal area projects, just surpassing our milestone of 47%, while implementation continues for the Integrated Approach Pilots seeking to foster sustainability and resilience around the cross-cutting themes of food security in sub-Saharan Africa, sustainable cities and taking deforestation out of commodity supply chains.
* The GEF has also exceeded the milestone regarding the expected private sector share of co-financing, with nearly a third (32.37%) of GEF6 co-financing currently anticipated to come from private sector sources.
* The GEF is making good progress in its Non-Grant Instruments pilot, having approved a total of eight projects, using $92.2 million in GEF Funding and attracting $1,605 million in co-financing as of April 2016.
* The GEF’s portfolio continues to exhibit signs of strong progress towards development objectives, with 91.5% of projects assessed by their implementing agencies to have a rating of moderately satisfactory, satisfactory or highly satisfactory with respect to the likelihood of attaining their intended objectives by the end of project implementation. Of those, the agencies assessed 55.2% of their projects to be Satisfactory, 29.2% to be Moderately Satisfactory, and 7.1% to be Highly Satisfactory.
* The GEF approved its Gender Equality Action Plan in 2014, outlining a number of actions to be implemented during its sixth replenishment. The GEF6 Results Framework includes two Core Indicators to track progress – the percentage of projects that have conducted gender analysis during project preparation, and the percentage of projects that have incorporated a gender-responsive project results framework. The gender analysis rate for the 29 projects approved by the GEF CEO is now at 86% (against a 2008 baseline of 18%), while 79% of results frameworks now show some form of gender sensitivity. This illustrates significant progress in the processes concerning project development – however, as will be discussed later there is still further to be achieved to truly mainstream gender into GEF programming.

**Summary of recommendations for the next year**

* GEF 7th replenishment negotiations are scheduled to take place over the coming year to conclude in April 2018. DFID should engage closely with the GEF Secretariat, other members of the GEF Council, the secretariats of the Conventions and Civil Society Organisations to ensure progress is made on UK priorities. This should include consideration of more ambitious replenishment targets, and the potential to improve GEF risk management further by introducing a single over-arching risk management framework – to improve mutual understanding across the partnership of the operational and strategic risks faced by the GEF, and of risk tolerance levels and escalation points. We will also continue to encourage the GEF to follow up on its membership of the International Aid Transparency Initiative by publishing data through IATI.
* To ensure that DFID’s own management of GEF risks remains robust, DFID should undertake a proportionate update of its due diligence, which according to central guidance should be completed next year.
* DFID’s programme management team should work alongside the Climate and Environment Department’s Gender specialist in order to ensure that the Gender Equality Action Plan is producing real change across the GEF portfolio. While the exhibited progress in process terms is encouraging, the UK is keen to ensure that gender equality is truly being mainstreamed into projects themselves.
* DFID’s lead environmental adviser should continue to engage with the GEF Secretariat leads for the ozone-depleting substances workstream, in order to understand the impacts of the ongoing delays in progress, and whether the UK can play a role in helping to further these activities.
* Given the current shortfall in the GEF6 budget, it will be important to ensure the GEF can achieve a fair outcome in meeting its sixth replenishment objectives with a smaller resource pool than expected. Guiding principles approved by the October Council meeting lay the foundations by proposing the maintenance of the balance among the original allocations in the GEF-6 replenishment decision, of assistance to Least Developed Countries (LDCs) and Small Island Developing States (SIDS) in accessing resources, and of support to the core obligations to the conventions for which the GEF is a or the financial mechanism.
* DFID’s GEF programme management team should seek to identify areas across the GEF portfolio which might be of interest to DFID country offices, to ensure that colleagues across DFID’s network are given more opportunity to engage with the development and implementation of GEF programming.

**A. Introduction and Context** (1 page)

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| DevTracker Link to Business Case and Log Frame: | [**http://devtracker.dfid.gov.uk/projects/GB-1-204056/documents/**](http://devtracker.dfid.gov.uk/projects/GB-1-204056/documents/) |

* The GEF was set up in 1991, and supports developing countries in implementing programmes for global environmental benefits. It provides finance for technical support and training, and leverages co-financing to meet the additional costs of innovative pilot investments that yield local and global benefits.
* The GEF holds a major role within the international climate finance architecture, as financial mechanism for a number of international environmental conventions including the UN Framework Convention on Climate Change, the Convention for Biological Diversity and the UN Convention to Combat Desertification. The fifth Overall Performance Study of the GEF found that GEF’s levels of responsiveness to convention guidance was high at both strategic and portfolio levels.
* As one of the climate funds which has preceded the Green Climate Fund, the GEF has had the opportunity to share lessons with the GCF as the newer fund has developed its procedures and policies. It assisted with the accreditation of GCF implementing agencies by providing detailed information and updates on GEF safeguard policies and agency compliance, and the GEF and GCF Secretariats also collaborated closely on the development of their gender policy and action plans (which in turn were founded on collaboration between the GEF and the CIFs). The GEF Secretariat in its latest reporting to the UNFCCC has stated that it ‘stands ready to continue to engage with the GCF to further articulate the complementarity, responding to COP guidance, and to help countries meet their mitigation and adaptation needs as embodied in their NDCs in a coordinated way.’ This report also mentions that several discussions between the GEF and GCF Secretariats have taken place on possible entry points for co-financing projects and programs, acknowledging that GEF and GCF financing is based on the principle of country ownership and recipient country demand. Through its positions on the GEF Council and the GCF Board, the UK will expect to see further evidence of consideration of complementarity within each organisation, and of how developing countries can best benefit from the comparative advantages of each.
* The current (sixth) replenishment of the GEF started in July 2014, and will last until June 2018. This replenishment brings together resources from a variety of donors, for programmes which include work on the GEF’s main focal areas – International Waters, Land Degradation, Biodiversity, Chemicals and Waste and Climate Change Mitigation. Other channels for this funding include the Sustainable Forest Management programme, and the Small Grants Programme (which provides lower-level funding to communities and CSOs for self-determined programming). GEF6 is also implementing three new Integrated Approach Pilots, which will aim to leverage the linkages existing between GEF programmes, countries and sectors in order to expedite progress on certain key goals – the removal of deforestation from commodity supply chains, strengthening food security in sub-Saharan Africa, and incorporating sustainability and efficiency into urban planning and management.
* The GEF is in a strong position to contribute to the Global Goals, and measure this contribution, as indicated by the alignment of its focal area results frameworks with different Goal targets. For example, the GEF Trust Fund, Least Developed Countries Fund and Special Climate Change Fund monitoring frameworks all measure progress on the integration of climate change measures into national policies and planning, a target of Global Goal 13. Global Goal 3 aims to reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination, which is a goal of the Chemicals and Waste focal area – its framework measures improvements in systems to manage harmful chemicals and waste, along with the reduction of mercury emissions. The International Waters focal area assesses the introduction of sustainable practices into over-exploited fisheries, and means of protecting coastal ecosystems from loss and degradation, which aligns with two of the targets of Goal 14. Our logframe is based on the GEF’s Corporate Targets, and so shares this alignment with the Global Goals.
* The UK has been strongly promoting improvements in certain aspects of the GEF’s operations over recent years, to which the GEF has largely proven responsive. These include the efficiency of the programme cycle, which has for some time constituted an area for improvement within the GEF’s work – the GEF has now taken decisive action by implementing a new cancellation policy removing projects from the pipeline if they exceed an 18 month period between project approval and the project finally being endorsed by the GEF CEO. The median time reported last year was 20 months (which took into account the Full-Sized Projects from GEF-5). The data available for this year illustrates the median length of time for Full-Sized Projects submitted in fiscal year 2016, which has risen to 26 months. This is due to a large number of overdue GEF-5 projects being submitted to meet the cancellation deadline (90% of the projects submitted during this year), and we look forward to seeing the results of the policy now this has been implemented. The UK has also prioritised a stronger focus on gender considerations within GEF programming, and the GEF has developed and started to implementing its Gender Equality Action Plan. However, there is still more to be achieved in order to ensure that the plan is truly mainstreamed into GEF projects, on which there is further detail later in this report.
* The October 2016 Council meeting formally approved the start of discussions for the next (seventh) replenishment of the GEF, scheduled to run from 2018-2022. The UK will engage closely with partners in these discussions to take forward progress made during GEF6. We will particularly look for progress to be made on the level of integration in addressing multiple environmental challenges, processes and terms that prioritise allocation of resources to countries least able to pay themselves, and increasing the level of social development (including challenging gender norms) that the GEF delivers.

**B: PERFORMANCE AND CONCLUSIONS** (1-2 pages)

**Annual outcome assessment**

* Given the nature and scale of work supported by GEF, it is appropriate to fully judge outcome results at the end of the four year cycle of the current GEF replenishment. However, the analysis below will aim to outline the current picture using the most up-to-date data available. There has been a reduction in area of the world’s terrestrial and inland water protected but an increase in marine area protected. Progress has been made in decreasing the carbon intensity of economic output. Rates of deforestation and reforestation vary between countries. A huge number of political and economic factors influence the state of the global environment. Our overall assessment is that, based on progress on outputs, the GEF is having a positive impact, at the least slowing the rate of deterioration for those elements where other factors are challenging the achievement of the outcomes set.
* The first outcome covers the percentage change of terrestrial and marine areas protected to total territorial area in developing regions. The 2011-2020 Strategic Plan for Biodiversity was adopted in 2010 at the 10th Conference of the Parties to the CBD3, and included Aichi Biodiversity Target 11:

*By 2020, at least 17 per cent of terrestrial and inland water areas and 10 per cent of coastal and marine areas, especially areas of particular importance for biodiversity and ecosystem services, are conserved through effectively and equitably managed, ecologically representative and well-connected systems of protected areas and other effective area-based conservation measures, and integrated into the wider landscape and seascape.*

The Protected Planet report series tracks progress against this target, using data from the World Database on Protected Areas (a joint IUCN and UNEP effort). The 2014 report cited in the previous Annual Review for the GEF indicated that 15.4% of the world’s terrestrial and inland water areas were protected, and 3.4% of the global ocean area - including only 0.25% of marine areas beyond national jurisdiction. However, the latest Protected Planet update noted that terrestrial and inland water protected areas now only covered 14.7% of the world’s extent of these ecosystems (excluding Antarctica). Of these areas around 1% had been designated since 2014 so efforts are still being made to protect ecosystems, but the number had fallen overall due to changes including inter alia fluctuating sizes of protected areas, degazetting, or previously protected areas no longer qualifying for this status. The proportion of global ocean covered has grown from 3.4% to 4.1%. The total proportion of marine areas beyond national jurisdiction which have been given protected status remained constant at 0.25% - but in June 2015, the United Nations General Assembly agreed to a negotiation process to develop an “international legally binding instrument under the United Nations Convention on the Law of the Sea on the conservation and sustainable use of marine biological diversity of areas beyond national jurisdiction” – negotiations are expected to cover Marine Protected Areas. There is still a marked difference between the percentages for protected area coverage in developed countries compared to developing regions.

* The second outcome covers CO2 emissions per $1 of GDP in developing countries. This indicator was previously in use for the Millenium Development Goals, which have now ceased reporting as they have been surperseded by the Sustainable Development Goals or ‘Global Goals’. However, the European Commisson’s Emissions Database for Global Atmospheric Research provides data that has been recorded up to 2014 – which shows that there was a continuing downward trajectory of the volume of CO2 emissions against each 1000$ of a country’s GDP between 2012-2014, and that there was a decline for each five-year milestone prior to that since 1990. It should be noted that this data only includes covers emissions from fossil fuel use and industrial processes (cement production, carbonate use of limestone and dolomite, non-energy use of fuels and other combustion), and excludes short-cycle biomass burning (such as agricultural waste burning) and large-scale biomass burning (such as forest fires). The data set also does not correspond exactly with the range of countries which receive funding from the GEF.
* The third outcome indicator measures forest cover as a percentage of global land area within GEF countries. The FAO data upon which this indicator was originally dependent became unavailable after 2010. The PCR for the previous GEF replenishment used five GEF countries’ Global Forest Watch data as representative of forestry patterns, which was also the methodology used for last year’s Annual Review. However, as this data has not since been updated, this review will draw from the Food and Agriculture Organisation’s latest Global Forestry Assessment data, which reaches until the year 2015. This tracks the changes in ‘forest and other wooded land’, unlike the focus in the data from Global Forest Watch used last year on tree cover and specifically the loss thereof. (When a final calculation of the change across the sixth GEF replenishment is required, a single source of data will be needed in order to track change across the appropriate period of time.) As can be seen below, the rate of change in Brazil seems to be slowing across the 1990-2015 window, as well as in Nepal, while DRC has seen a large constant rate of net deforestation, Ghana has in fact seen growth of forests and wooded land, and Indonesia has seen an average rate of change for the past five years exceeding the average rate for the previous decade.

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|  | Annual change rate (%) | | |
|  | 1990-2000 | 2000-2010 | 2010-2015 |
| Brazil | -0.5 | -0.4 | -0.2 |
| DRC | -0.2 | -0.2 | -0.2 |
| Ghana | 0.3 | 0.3 | 0.3 |
| Indonesia | -1.7 | -0.5 | -0.7 |
| Nepal | -2.1 | -0.7 | 0 |

**Overall output score and description**

Overall output score is A+, with the following individual output scores:

Output 1 - *GEF interventions approved to deliver GEF6 corporate-level results framework across 6 focal areas: climate change; biodiversity; land degradation; international waters; chemicals and waste; and corporate programmes* [A+]

Output 2 - *GEF policy priorities identified during GEF6 replenishment process, and as set out in GEF6 Business Case, implemented* [A+]

Output 3 - *Effectiveness, efficiency and economy of the GEF improved through operational reforms as set out in the GEF6 Business Case* [A]

**Key lessons**

The GEF has a highly productive Independent Evaluation Office which has continued to analyse and report on a number of key areas of GEF operations over the past year.

* The Annual Performance Report for the fiscal year 2015 (July 2014-June 2015) had one recommendation from its review of projects over the course of the reporting period – that GEF7 should reassess its approach to its tracking tools for its seventh replenishment, to determine how a more streamlined set of indicators could make monitoring more efficient, especially with regards to complex biodiversity indicators. This recommendation was endorsed by the Council at the May 2016 meetings. The UK also raised a concern that the average Monitoring and Evaluation ratings for the cohort of projects under review in fiscal year 2015 were lower than would be anticipated (of 157 projects, 52% received a satisfactory rating for M&E implementation). The data below illustrates that the overall quality of M&E has increased steadily throughout the replenishment periods – we will need to continue tracking progress against these metrics to ensure that the GEF can fulfil its role as a learning organisation.



* The International Waters focal area recognises the central importance of mutual water management for health, livelihoods and the avoidance of conflict. The IEO undertook its third focal area evaluation taking into account 296 International Water projects in order to report findings at the October 2016 Council meetings, and concluded that the focal area is ‘contributing to the enhancement of regional security and has made significant contributions to support sustainable use and the protection of transboundary waters, their living resources, and dependent ecosystems’. However, a number of areas for concern noted included the restrictions within GEF’s programme cycle which do not allow for the lengthy process of fostering cooperation between countries that share a water body, in order for project documents to be negotiated between different interests. The IEO therefore suggested that an alternative step-by-step approach should be taken to such activities.
* An evaluation of the value for money of land degradation projects catalysed by the GEF found that the value of carbon sequestration alone by GEF land degradation projects exceeded the average cost of each project (an estimated contribution of $7.5 million against an average cost of $4.2 million). However, the achievement of the wider range of impacts (such as countering forest fragmentation) was more variable across the range of projects. Suggested lessons from this exercise are the ongoing collection of precise geographic data on land degradation projects, to leverage satellite data and other spatial information, and a learning-based approach to initial project screening (to identify the geographic contexts in which similar projects have historically been implemented, and to put appropriate mitigation actions in place).
* Lessons learned which had been identified from the two years of operation of the Non-Grant Instruments pilot include:
* GEF investments in equity, guarantees, and debt instruments have been effective in catalysing private sector investment
* Climate change mitigation projects are the most common (receiving 49% of the funding), but significant innovation is also seen in biodiversity, land and forests
* Of the various implementing agencies through which the GEF works, the multilateral development banks show more experience in presenting proposals which have a strong financial rationale, and the new GEF agencies show more ambition in exploring natural resource focal areas than other focal areas.

We will continue to promote the broader dissemination of lessons across the GEF and more broadly, via its Knowledge Management workstream. The Independent Evaluation Office has undertaken a number of outreach activities over the past year, including sharing its experience in the use of new technologies and big data in evaluation on several international platforms, and presenting the Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems to the Convention on Biological Diversity in Montreal in May 2016 and at the IUCN Congress in Hawaii in September 2016.

The GEF Gender Partnership has also now been established, and has the active participation of gender focal points from each GEF Agency, Secretariats of relevant Multilateral Environmental Agreements, and representatives of the GEF Network of Civil Society Organisations (CSOs), the GEF Indigenous Peoples Advisory Group (IPAG) and other key partners. The members have agreed that the main objective of the Partnership is not only to implement the Gender Equality Action Plan, but also to offer a platform for coordination and knowledge sharing, to accelerate efforts by the GEF Secretariat and partner organisations to mainstream gender equality, and empower women within the broader context of sustainable development. We therefore expect this group to become another key forum for sharing and learning lessons.

**Key actions**

Key actions for the GEF programme management team include continuing to ensure learning from the GEF’s activities is circulated and disseminated across the UK Government and our partner organisations as appropriate. DFID already works alongside Department for the Environment, Food and Rural Affairs in order to promote alignment on key environmental areas of focus across HMG, and will continue to build on this relationship, as well as working with the Department for Business, Energy and Industrial Strategy with regards to its contribution to the Capacity Building Initiative for Transparency.

**Has the logframe been updated since the last review?**

The previous milestone regarding the length of time between project approval and endorsement has been updated, in line with the GEF’s new cancellation policy which means that all projects have to be endorsed within 18 months of approval or will be removed from the pipeline.

**C: DETAILED OUTPUT SCORING** (1 page per output)

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| **Output One** | *GEF interventions approved to deliver GEF6 corporate-level results framework across 6 focal areas: climate change; biodiversity; land degradation; international waters; chemicals and waste; and corporate programmes* | | | | | | |
| Output number per LF | | 1 | | | **Output Score** | | ***A+*** |
| Risk: | | *Minor* | | | Impact weighting (%): | | 70% |
| Risk revised since last AR? | | N | | | Impact weighting % revised since last AR? | | N |
| **Indicator(s)** | | | **Milestones** | **Progress** | | **UK share of results (8.8%)** | | |
| **1.1 Climate Change:** Tons of CO2-equivalent emissions to be mitigated through approved projects [from GEF6 Programming Directions, 24 February 2014] | | | Projects approved = to 375 million tons mitigated (June 2016) (50% of target) | 1227 million tons expected from projects approved (June 2016) (164% to target) | | 107.85 million tons | | |
| **1.2 Biodiversity:** Hectares of landscapes and seascapes to have improved management in place through approved projects [from GEF6 Programming Directions, 24 February 2014] | | | Projects approved = to 150 million hectares with improved management (June 2016) (50% of target) | 256 million hectares expected from projects approved (June 2016) (85% to target) | | 22.5 million hectares | | |
| **1.3 Land Degradation:** Hectares of agriculture, rangelands and forest landscapes to be sustainably managed through approved projects [from GEF6 Programming Directions, 24 February 2014] | | | Projects approved = to 60 million hectares (June 2016) (50% of target) | 64 million hectares expected from projects approved (June 2016) (53% to target) | | 5.63 million hectares | | |
| **1.4 International Waters:** Number of freshwater basins to have Water-Food-Energy-Ecosystems security and conjunctive management of surface and groundwater through approved projects [from GEF6 Programming Directions, 24 February 2014] | | | Projects approved = to 5 water basins (June 2016) (50% of target) | 7 water basins covered by projects approved (June 2016) (70% to target) | | 0.62 water basins | | |
| **1.5 Chemicals & Waste:** Tons of Persistent Organic Pollutants (POPs - PCBs, obsolete pesticides) to be disposed of through approved projects [from GEF6 Programming Directions, 24 February 2014] | | | Projects approved = to 40,000 tons of POPs (June 2016) (50% of target) | 117,480 tons covered by projects approved (June 2016) (147% to target) | | 10326.5 tons | | |

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| **Indicator(s)** | **Milestones** | **Progress** | **UK share of results (8.8%)** |
| **1.6 Chemicals & Waste:** Tons of mercury to be reduced through approved projects [from GEF6 Programming Directions, 24 February 2014] | Projects approved = to 500 tons of mercury (June 2016) (50% of target) | 374 tons covered by projects approved (June 2016) (37% to target) | 32.9 tons |
| **1.7 Chemicals & Waste:** Tons of Ozone Depleting Potential (HCFC) to be phased out through approved projects[from GEF6 Programming Directions, 24 February 2014] | Projects approved = to 150 tons of ODP (June 2016) (50% of target) | 0 tons covered by projects approved (June 2015) (0% to target) | 0 tons |
| **1.8 Corporate Programmes:** Number of countries to be supported in the creation of development and sectoral planning frameworks, that integrate measurable targets drawn from the MEAs, through approved projects [from GEF6 Programming Directions, 24 February 2014] | Projects approved = to 5 countries (June 2016) (50% of target) | 8 countries covered by projects approved (June 2016) (80% to target) | 0.70 countries |
| **1.9 Corporate Programmes:** Number of countries to be have functional environmental information systems, to support decision making, provided through approved projects [from GEF6 Programming Directions, 24 February 2014] | Projects approved = to 5 countries (June 2016) (50% of target) | 10 countries covered by projects approved (June 2016) (100% to target) | 0.88 countries |

**Key Points**

The nature of the GEF programme cycle means that when assessing the achievements of particular DFID contributions, the expected rather than the actual results are used as a measure of progress against objectives. In the second year of its sixth replenishment, the GEF has continued to report largely impressive progress in programming activities against the various workstreams monitored by Output 1.

Expected results now exceed the full replenishment targets for the indicators tracking progress on climate change and persistent organic pollutants, and have already reached the full replenishment target for the number of countries with functional environmental information systems. The milestones for the indicators relating to land degradation, international waters, biodiversity, and the number of countries to be supported in the creation of development and sectoral planning frameworks have all been exceeded. There are only two indicators for which the targets have not been met – the tons of mercury to be reduced, for which programming so far is meant to provide 37% of the total target against a milestone of 50%, and the tons of ozone-depleting substances, where there remains no progress at all.

The mercury workstream has however seen significant additional progress in the past weeks, as the Work Program approved at the October GEF Council meetings included projects expected to reduce 173 tons of mercury (representing 17.3% of the GEF6 target, which would bring total expectations to 54.7% of the total). While the GEF has still not met this milestone for June 2016, this project provides potential mitigation of the risks posed by more uneven progress against this indicator.

However, the same cannot be said for the ozone-depleting substances workstream, which has failed to programme any relevant projects. There are expectations that medium sized projects may begin to come forward by the Spring Council meetings, but these may not even equate to half of the expected targets for the replenishment. It looks increasingly unlikely that this target will be met, and the UK lead environmental adviser will continue to work with the GEF Secretariat to understand what the ramifications will be for the Montreal Protocol. We will also be tracking any implications for the GEF of the recent decision at the 28th Meeting of the Parties to the Montreal Protocol to address HFCs as part of global efforts to tackle climate change.

**Summary of responses to issues raised in previous annual reviews (where relevant)**

Last year’s review highlighted the lack of progress not only within the ozone depleting substances workstream, but also in programming activities against the persistent organic pollutants disposal/phase-out targets. This has now been resolved, with the expected results from GEF6 persistent organic pollutant projects already exceeding the target for the entire replenishment. DFID’s lead adviser has confirmed that the GEF Secretariat have sufficiently resolved the uncertainties regarding measurement of POPs, which was highlighted as a major contributing factor to last year’s lack of progress.

It was also noted last year that it would be useful to verify with the GEF Secretariat what types of landscape are encompassed by their expected results for sustainable land management. The GEF Secretariat have reported that at this stage in the replenishment it will not yet be able to offer a definitive breakdown using its tracking tools, but they have shared the list of projects which are contributing towards the land degradation results for GEF6. These show clear breakdowns will be complicated by a cross-landscape approach in many of the projects, encompassing sustainable agriculture, forest management, and the role of various landscapes in ecosystems and biodiversity. We look forward to seeing the results of the tracking tools, or potentially future work by the Independent Evaluation Office, to obtain a clearer idea of how the GEF’s land degradation avoidance impact is distributed.

**Recommendations**

As suggested in last year’s Annual Review, the GEF’s rate of progress against its GEF6 focal area targets indicates the potential for more ambitious targets to be set for next replenishment. As the negotiations for the GEF’s seventh replenishment will be starting in early 2017, the UK GEF Council member and lead adviser should ensure that this is one of the issues under consideration as targets are devised for the GEF’s next four-year cycle.

There is a need for DFID’s lead adviser to continue working with the GEF Secretariat to understand the ramifications of the lack of progress on the ozone depleting substances workstream, and to take any actions to help address this possible.

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| **Output Two** | *GEF policy priorities identified during GEF6 replenishment process, and as set out in GEF6 Business Case, implemented* | | | |
| Output number per LF | | 2 | **Output Score** | ***A+*** |
| Risk: | | *Minor* | Impact weighting (%): | 15% |
| Risk revised since last AR? | | *N* | Impact weighting % revised since last AR? | N |

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| **Indicator(s)** | **Milestones** | **Progress** |
| 2.1 % share of private sector co-financing in GEF6 projects [Policy Priority I in GEF6 Business Case; indicator drawn from GEF6 Programming Directions, 24 February 2014] | 23% | 32.37% |
| 2.2 % of GEF funds allocated to multi-focal area (MFA) focal area [Policy Priority II in GEF6 Business Case; indicator created by David Grocott 30.04.14] | 47% | 50% of funding allocated so far during GEF6 |
| 2.3 % of GEF funds allocated to special programmes [Policy Priority III in GEF6 Business Case; indicator created by David Grocott 30.04.14] | 9.6% | 9% |
| 2.4 % of GEF6 projects that incorporate gender equality and women empowerment issues in project document / project monitoring and evaluation reports [Policy Priority IV in GEF6 Business Case; indicator from GEF6 Programming Directions, 24 February 2014] | 59% / 53% | Percentage of projects that have conducted a gender analysis: 86%  Percentage of projects that have incorporated elements of a gender responsive results framework: 79%  Percentage of monitoring and evaluation reports that incorporate gender: 54% |

**Key Points**

The results of this output show that the GEF is succeeding beyond our replenishment milestones in leveraging private sector co-financing (the private sector share of co-financing has been 32.37% across GEF6 programming). The ratio of co-financing expected overall for GEF6 has thus far exceeded that for GEF5 (this is currently 7.5 to 1, against GEF5’s 6.9 to 1). In particular, three projects being led by the Multilateral Development Banks have achieved notably high rates of expected private sector co-financing – the World Bank Geothermal Energy Upstream Development (457:1), the World Bank Grid-Connected Rooftop Solar PV Program (34:1), and AfDB’s Investing in Renewable Energy Project Preparation under the Sustainable Energy Fund for Africa (96:1). The GEF is also attracting private sector co-financing via its Non-Grant Instruments pilot.

Gender mainstreaming is a further policy priority for the GEF6 replenishment, and projects endorsed by the GEF CEO thus far have shown encouraging progress in their documentation, with 86% of projects showing gender analysis has taken place and 79% of projects including some form of gender-responsive indicators. The proportion of projects including gender in their monitoring and evaluation activities also meets our milestone of 53%, as 54% of projects reviewed have been shown to feature gender (this analysis was limited to a group of projects which happened to submit their mid term reviews and terminal evaluations during the fical year 15). While this is certainly indicative that GEF operations for the development and approval of projects are changing, we are keen to see further evidence of projects themselves truly mainstreaming gender.

Half of the GEF6 portfolio is now made up of multi-focal area projects, which is also a positive result exceeding our milestone, illustrative of the GEF’s commitment to its Key 2020 Strategic Priority of delivering integrated solutions. The drivers of environmental degradation often lead to a variety of inter-connected challenges, and while the GEF’s work has in the past been carried out in line with the individual conventions and multilateral environmental agreements that it supports, its solutions in the future should aim to bring its broad range of experience to bear on these multi-faceted issues.

**Summary of responses to issues raised in previous annual reviews (where relevant)**

Last year’s review of the GEF highlighted gaps in data resulting from the fact that the sixth replenishment had only just started, and the need to follow up on indicators such as the proportion of monitoring and evaluation documents which featured gender issues. This indicator is now reporting, and DFID has remained engaged with the GEF Secretariat in promoting the importance of ensuring that use of this indicator and the other elements of the Gender Equality Action Plan are implemented successfully.

**Recommendations**

Knowledge management is not monitored by any single particular indicator within Output 2 currently, although this was recognised as a priority for GEF6. It is recommended that the GEF programme team work together with DFID’s Evaluation experts to understand how this might best be monitored within DFID’s logframe in the future.

The GEF programme management team should discuss the potential value of transferring the third indicator from Output 2 to the Outcome level. Outputs should be able to provide useful indications of progress from year-to-year, while this indicator is not expected to change across the replenishment as it refers to the amount of resource that has been budgeted at the replenishment’s start for specific activities.

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| --- | --- | --- | --- | --- | --- | --- |
| **Output Three** | *Effectiveness, efficiency and economy of the GEF improved through operational reforms as set out in the GEF6 Business Case* | | | | | |
| Output number per LF | | 3 | | **Output Score** | | ***A*** |
| Risk: | | *Minor* | | Impact weighting (%): | | 15% |
| Risk revised since last AR? | | N | | Impact weighting % revised since last AR? | | N |
| **Indicator(s)** | | | **Milestones** | | **Progress** | | |
| % of GEF funds committed to projects in less developed countries (LDCs) [Operational Reform I in GEF6 Business Case; indicator created by David Grocott 30.04.14] | | | 18% | | 17.95% | | |
| Median length of time elapsed between PIF approval by the Council and CEO endorsement  [Operational Reform II in GEF6 Business Case; indicator created by Emma Dougan 23.10.15.] | | | 18 months | | 26 months for full-sized projects submitted in fiscal year 16 for (July15-June16) | | |
| % of GEF6 projects that involve civil society organisations or indigenous people as key partners [Operational Reform III in GEF6 Business Case; indicator from GEF6 Programming Directions, 24 February 2014] | | | 66% | | For full-sized GEF6 CEO endorsed projects (there are 29):  CSO: 62%  Indigenous peoples: 28%  Involving either as partners: 76%  (**please see below**) | | |
| % of projects from all replenishments in which some or most broader adoption initiatives have been successfully adopted or implemented [Operational Reform IV in GEF6 Business Case; indicator from 'VfM measures' table in GEF6 Business Case] | | | 66% | | n/a | | |
| % of GEF portfolio under implementation that receive moderately satisfactory or higher rating on progress towards development objectives in a given financial year [VfM measure in 'VfM measures' table in GEF6 Business Case; indicator from GEF6 Programming Directions, 24 February 2014] | | | 87% | | 91.5% | | |
| GEF agency fees [VfM measure in 'VfM measures' table in GEF6 Business Case; indicator from 'VfM measures' table in GEF6 Business Case] | | | 9.5% for grants up to $10 million and 9% for grants above $10 million [June 2015] | | Y | | |

**Key Points**

Progress against the indicators for this output has largely been successful. The proportion of funding allocated to LDCs has reached 17.95% against a milestone target of 18%, thus largely meeting our expectations for support provided to those most economically vulnerable countries. Reports from the agencies on their assessment of projects’ likelihood of achieving their development objectives show that 91.5% are considered moderately satisfactory, satisfactory or highly satisfactory (against a milestone for progress against objectives of 87%). Of those, the agencies assessed 55.2% of their projects to be Satisfactory, 29.2% to be Moderately Satisfactory, and 7.1% to be Highly Satisfactory.

The indicator for GEF projects’ engagement with CSOs or indigenous peoples is based on an indicator used by the GEF Secretariat. The data available relates to those full-sized projects which have been endorsed by the GEF CEO (in other words, have undergone both stages of GEF approvals). The GEF’s Annual Portfolio Monitoring Review highlights that the level of detail given on the role of CSOs in these projects continues to vary. The breakdown below indicates the different roles that CSOs are taking in the CEO-endorsed projects, which do not necessarily indicate to what degree the CSOs are ‘key partners’. The 62% cited in the table above takes into account all of these categories aside from ‘Consulted’. The 28% of the portfolio which involves Indigenous Peoples as key partners includes three projects where indigenous peoples are key beneficiaries, as well as five projects in which they are ‘active and key implementing partners’.



The reporting period has seen a significant change in expectations when it comes to the efficiency of project development, as the GEF has now implemented its cancellation policy, so that any project which takes longer than 18 months to move from concept approval to CEO endorsement will be removed from the pipeline. However, the median length of time for full-sized projects has increased for the reporting period (July 15 – June 16) to 26 months, after a number of overdue projects from GEF’s fifth replenishments submitted in time for the cancellation deadline. It is expected that this will drop down to the anticipated level next year, once this initial anomaly has passed.

The GEF’s caps on project agency fees continue to ensure greater value for money within the portfolio. The portfolio cost information shared with DFID shows that all projects with grants valued at $10 million or under have agency fees at 9.5% or less, while all projects with grants of over $10 million have agency fees valued at a maximum of 9%.

Reporting on the success rate of broader adoption initiatives will only be possible at the end of the GEF6 replenishment, as this data is aggregated on a four-yearly basis for the programmes which have terminated during that timeframe.

**Summary of responses to issues raised in previous annual reviews (where relevant)**

Last year’s review recommended that the DFID Senior Responsible Officer continue to scrutinise the programme cycle length given the recent implementation of the cancellation policy, as well as to ensure that we obtain the necessary information on successful broader adoption initiatives when this is available at the close of GEF6. The project cycle length continues to be tracked by a relevant logframe indicator, so that any concerns once the cancellation policy has been fully embedded can be raised with the GEF Secretariat by DFID’s SRO. Information on successful broader adoption initiatives will still be required at the end of the replenishment.

**Recommendations**

The GEF programme management team should work alongside the Climate and Environment Department’s Social Development Adviser and the GEF Secretariat to gain a greater understanding of where the parameters defining CSOs and indigenous peoples as ‘key partners’ should fall.

It is recommended that as the indicator regarding broader adoption initiatives in Output 3 can only realistically be monitored at the end of each replenishment, that this is moved to outcome level rather than output level.

**D: VALUE FOR MONEY & FINANCIAL PERFORMANCE** (1 page)

**Key cost drivers and performance**

Cost drivers

The UK has promoted scrutiny and downward pressure on the fees charged by the GEF’s implementing agencies, and in 2012 the GEF Council approved a new fee policy for GEF agencies, which established a reduced fee for all agencies of 9.5% for project grants up to USD 10 million, and 9% for project grants above USD 10 million. The latest GEF Trust Fund Financial Report indicated that since inception, an average of only 7% of the total spend approved has been on Agency fees. The administrative costs for the GEF continue to offer good value for money, and constituted only 4% of approved funding since inception.

Performance

The value for money offered by GEF as a whole was assessed to be ‘good’ by the Multilateral Aid Review (MAR) in 2011. The MAR update at the end of 2013 then recognised progress on all three reform priority areas (Strategic and Performance Management, Financial Resource Management, and Partnership Behaviour).

The GEF has historically secured strong planned co-financing rates for its programming, with an average of 6.9 to 1 during GEF5 and 5.6 to 1 as part of GEF4. In FY15 and FY16 (the programming period for GEF6 so far), total programmed co-financing amounted to USD13,307 million, which is equivalent to a ratio of 7.5 to 1, surpassing the previous two replenishment averages.

The GEF’s project cycle efficiency has been an area with potential for improvement for some time. The GEF introduced a new cancellation policy in October 2014, which is now in force and means that all projects which have not progressed from GEF approval to CEO endorsement in 18 months or less will be removed from the pipeline. This has initially had a negative effect on the average project cycle length, as noted above against Output 3, but in the longer term should ensure that project development continues to drive forward without undue delays.

**VfM performance compared to the original VfM proposition in the business case**

**On economy**, the low administrative costs and the implementation of the agency fee caps have already been cited. The financial report from the Trustee on GEF6 spending thus far shows an administrative budget which remains 3% of the total spend, and the average for GEF spending on administration since inception has decreased to 4% from the 5% noted last year.

**On efficiency**, GEF maintains its careful allocation according to need via the System for Transparent Allocation of Resources (STAR), and has honed this further by introducing a minimum aggregate floor for the LDCs during GEF6, as well as deciding that those countries with total STAR allocations of less than USD7 million will have full flexibility to program the allocation across the three focal areas covered (Land Degradation, Biodiversity and Climate Change Mitigation). As discussed above, co-financing rates are anticipated to be even higher for GEF6 than for the previous replenishment.

**On effectiveness**, the latest assessments of the GEF portfolio indicate the number of projects which have received a rating of moderately satisfactory or higher for the likelihood that they will achieve their development objectives has risen to 91.5%, from the 86% reported in the 2014 Business Case. The anticipated achievement against individual corporate results targets has been outlined in section C above.

**Assessment of whether the programme continues to represent value for money**

We consider that given the continued impressive progress against the targets set for the GEF’s sixth replenishment, and maintained downward pressure on cost drivers (for example implementation of the GEF’s agency fee limits) that the GEF continues to represent value for money.

**Quality of financial management**

The World Bank as Trustee reports on GEF expenditure and resource availability at the biannual GEF Council meetings. The most recent Financial Report was presented to the GEF Council in October 2016, and highlighted the shortfall being faced by the GEF’s sixth replenishment due to unexpected exchange rate fluctuations (please see Section E below). The GEF most recently filed an Independent Auditors’ Report and Statement of Receipts, Disbursements and Fund Balance in October 2016, in which the auditors did not provide any qualifications to their opinion.

|  |  |
| --- | --- |
| Date of last narrative financial report | September 30 2016 |
| Date of last audited annual statement | October 2016 |

**E: RISK** (½ page)

**Overall risk rating: Minor**

**Overview of programme risk**

Controls in place to minimise risks at the GEF include the Minimum Fiduciary Standards for GEF Implementing and Executing Agencies. These were updated in June 2014 and include requirements for Partner Agencies to conduct internal auditing in line with internationally recognised standards, and to have in place a hotline to report incidents and a whistleblower protection policy. As the GEF relies on Partner Agency policies and processes for risk management at a portfolio to project level, it is of vital importance that these are aligned with GEF expectations. Financial risks are managed by the World Bank as Trustee, which is considered to be a low-risk partner for DFID, and which provides financial reporting for the UK Council member’s review at each biannual Council meeting.

Alongside these various measures of risk control, it has been identified during the period since the last Annual Review that the GEF would also benefit from an over-arching internal risk framework, which would allow mutual understanding of the status of various operational or strategic risks across the GEF’s network, as well as of the risk tolerance levels within the GEF. It will therefore be one of the UK’s priorities to promote the implementation of such a framework as part of the GEF’s seventh replenishment.

The risk register for the GEF has been updated since the Business Case risk assessment and aligned with the new DFID risk management framework. The top tier of the register has a ‘Severe’ risk that the Ozone Depleting Substances workstream will not meet its GEF6 targets. As discussed earlier in the document, the UK will need to work with the GEF Secretariat leads in order to establish what steps can be taken to address this and to ensure that progress can be made against these objectives. A ‘Major’ risk has been added regarding the shortfall reported against the overall GEF6 budget as a result of significant appreciation of the US dollar against major currencies. The latest reporting on this issue was provided by the GEF Trustee for the October GEF Council meeting. The value of the shortfall as of September 30 2016 was USD 560 million – which had reduced from the expectations of a USD 616 million shortfall in March 2016. It was agreed that given this uncertainty, the GEF should aim to maintain the balance among the original allocations in the GEF6 replenishment decision, assisting Least Developed Countries (LDCs) and Small Island Developing States (SIDS) in accessing resources, and supporting core obligations to the conventions for which the GEF is a or the financial mechanism. A key recommendation from this review is to ensure that the UK carefully monitors this situation, and that the GEF’s approach is sustainable and continues as far as possible to avoid negative impacts on the objectives of the sixth replenishment.

The risk surrounding GEF’s knowledge management is also classified as ‘Major’, and has been combined with that concerning the potential for scaling of GEF’s approaches. Given the wide variety of programming occurring across the GEF’s portfolio under different Conventions and across different locations, there is a correspondingly large potential impact if the lessons generated are not fully used by others across the GEF’s network, and if stakeholders and audiences are not identified and engaged appropriately. However, the likelihood of this risk has reduced as a result of the work being taken forward as part of the GEF6 workstream on Knowledge Management. In its May 2016 report, the team noted progress in the form of the extraction and synthesis of lessons from a pilot group of terminal evaluations of multi-focal area programming, which process was then to be explored for scale-up potential. The GEF Secretariat has also been piloting an innovative question and answer platform called Kaleo during 2016, which so far has been limited to information regarding GEF operations, but if successful is expected to offer wider possibilities in information exchange and access across the GEF Partnership.

The risk concerning the mainstreaming of gender within GEF programming is also currently classified as ‘Major’. Despite progress made in implementing process aspects of the Gender Equality Action Plan (as illustrated by the earlier reporting of progress against our Output 2 indicators) the UK has identified that there is still more to be achieved in ensuring that the Plan is implemented successfully across the portfolio. DFID’s Gender specialist will continue to engage with the Gender Lead within the GEF Secretariat in order to understand where the bottlenecks in implementation are occurring and how these can best be counteracted or minimised.

An additional Moderate risk has been identified that the GEF may not currently be aligned with high UK expectations for partner transparency, as while the GEF has joined the International Aid Transparency Initiative, it has not yet published data through IATI. Transparency International has also published a September 2016 update of its review of the LDCF/SCCF (which use the GEF’s governance structures and so are a good proxy for its wider operations), which notes that the GEF Secretariat’s transparency rating is high, but that there are still additional actions which can be taken to improve the GEF’s transparency and accountability. The UK will continue to promote the raising of the GEF’s transparency standards to even higher levels.

**Outstanding actions from risk assessment**

Risk recommendations for DFID’s programme management team include a proportionate due diligence review to be carried out in 2017. DFID guidance places the period of validity of due diligence assessments at three years, which means that the previous GEF review will expire at the start of 2017.

Alongside the various measures of risk control outlined above, it has been identified during the period since the last Annual Review that the GEF would also benefit from an over-arching internal risk framework, which would allow mutual understanding of the status of various operational or strategic risks across the GEF’s network, as well as of the risk tolerance levels within the GEF. It will therefore be one of the UK’s priorities to promote the implementation of such a framework as part of the GEF’s seventh replenishment.

**F: COMMERCIAL CONSIDERATIONS** (½ page)

**Delivery against planned timeframe**

As outlined in the discussion of output results above, there has been good progress made against most of the focal area objectives for the sixth replenishment, as well as on a number of priorities for the replenishment period (mainstreaming of gender within project documentation, private sector co-financing, and a greater proportion of projects contributing to a number of focal areas concurrently). The ozone depleting substances workstream has proven more of a concern in its lack of progress, which will require further exploration in partnership with the GEF Secretariat.

**Performance of partnership**

The relationship between DFID and the GEF Secretariat continues to be productive, and the Secretariat’s responsiveness and access to detailed management information systems continue to prove valuable to the DFID programme management team. DFID plays an active role in our partnership with the GEF via our UK Council member and specialists including our lead environmental adviser and the Climate and Environment Department’s Gender Lead. We remain strong and vocal proponents for progress on GEF initiatives such as gender mainstreaming and improved knowledge management, offering support where useful.

**Asset monitoring and control**

N/a for this programme.

**G: MONITORING & EVALUATION** (½ page)

**Evidence and evaluation**

The GEF’s Independent Evaluation Office continually reviews the GEF portfolio to find evidence of how focal area frameworks and operational assumptions translate to impacts from GEF programming. The evaluations mentioned under ‘Key Lessons’ above outline some of their findings from the past year. However, the data regarding the quality of the project-level monitoring and evaluation systems in this year’s Annual Performance Report are an important reminder that this collection of evidence must be undertaken successfully at all levels throughout the GEF network in order for findings to be fully rooted in project experience.

A key process for monitoring progress during GEF6 is its Sixth Comprehensive Evaluation, which will provide a wide-ranging overview of GEF progress against its objectives, and of its quality of operations. In May 2016 the Council approved the Independent Evaluation Office’s approach paper for this undertaking, which should provide valuable lessons on a variety of topics including the GEF’s governance and business model, gender mainstreaming across the network, the role of the private sector and the success of focal area strategies.

**Monitoring progress throughout the review period**

The various reporting mechanisms used for this Review highlight the multi-faceted approach used by the GEF to provide indications of progress against individual projects’ development objectives, overall corporate replenishment targets, and GEF reform priorities. We have supplemented this biannual reporting with more in-depth conversations with the Secretariat concerning (inter alia) focal area programming and gender mainstreaming. We will continue to make the most of our partnership with the GEF in order to clarify and understand where appropriate.

ANNEX A

**Value for money of the GEF as represented in the GEF6 Business Case**

On economy, GEF: achieves a higher than average cost efficiency rating in comparison to similarly sized multilaterals; has demonstrated falling administrative costs in relative terms to programme spend in each replenishment period; and has reduced agency fees for all of its Implementing Agencies during GEF5. A comparison of GEF’s efficiency ratio – its share of internal expenses to total expenditures – with those of similar organisations shows that GEF’s operational efficiency compares well.

On efficiency, GEF has systems to ensure strong control over the quality and quantity of outputs, including: a System for Transparent Allocation of Resources (STAR), to direct resources to countries where they should have the maximum impact; support for countries to undertake National Portfolio Formulation Exercises (NPFEs), which help identify country priorities; a set of quality at entry protocols; a Project Management Information System (PMIS), to track information on project inputs, reporting and outputs; and an Independent Evaluation Office. GEF is also successful at leveraging co-financing for projects: the MAR noted that GEF’s total spend of $8.8 billion had been supplemented by more than $38.7 billion in co-financing.

On effectiveness: The Overall Performance (OPS) for GEF5 indicates that GEF is performing a valuable role and achieving results. On effectiveness, results show that 82% of GEF projects completed in GEF4 and GEF5 achieved outcome ratings of moderately satisfactory or higher, which is 7% higher than GEF’s target of 75%; and 86% of projects under implementation are likely to achieve development / global environment objectives. An independent assessment of GEF’s cumulative impact in addressing climate change over time shows that as of 2013, GEF has allocated a total of $3.3 billion to 615 projects

expected to mitigate 10.8 billion tons of CO2e emissions.

**Smart Guide**

The Annual Review is part of a continuous process of review and improvement throughout the programme cycle. At each formal review, the performance and ongoing relevance of the programme are assessed with decisions taken by the spending team as to whether the programme should continue, be reset or stopped.

The Annual Review includes specific, time-bound recommendations for action, consistent with the key findings. These actions – which in the case of poor performance will include improvement measures – are elaborated in further detail in delivery plans. Teams should refer to the Smart Rules quality standards for annual reviews.

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| The Annual Review assesses and rates outputs using the following rating scale. The Aid Management Platform (AMP) and the separate programme scoring calculation sheet will calculate the overall output score taking account of the weightings and individual outputs scores   |  |  | | --- | --- | | **Description** | **Scale** | | Outputs substantially exceeded expectation | A++ | | Outputs moderately exceeded expectation | A+ | | Outputs met expectation | A | | Outputs moderately did not meet expectation | B | | Outputs substantially did not meet expectation | C | |

Teams should refer to the considerations below as a guide to completing the annual review template.

|  |
| --- |
| **Summary Sheet** |
| Complete the summary sheet with highlights of progress, lessons learnt and action on previous recommendations |
| **A: Introduction and Context** |
| Briefly outline the programme, expected results and contribution to the overall Operational Plan and DFID’s international development objectives (including corporate results targets). Where the context supporting the intervention has changed from that outlined in the original programme documents explain what this will mean for UK support |
| **B: Performance and conclusions** |
| **Annual Outcome Assessment**  Brief assessment of whether we expect to achieve the outcome by the end of the programme |
| **Overall Output Score and Description**  Progress against the milestones and results achieved that were expected as at the time of this review. |
| **Key lessons**  Any key lessons you and your partners have learned from this programme  Have assumptions changed since design? Would you do differently if re-designing this programme?  How will you and your partners share the lessons learned more widely in your team, across DFID and externally |
| **Key actions**  Any further information on actions (not covered in Summary Sheet) including timelines for completion and team member responsible |
| **Has the logframe been updated since the last review?** What/if any are the key changes and what does this mean for the programme? |
| **C: Detailed Output Scoring** |
| **Output**  Set out the Output, Output Score |
| **Output Score**  Enter a rating using the rating scale A++ to C. |
| **Impact Weighting (%)**  Enter the %age number which cannot be less than 10%.  The figure here should match the Impact Weight currently shown on the logframe (and which will need to be entered on AMP as part of loading the Annual Review for approval).  Revised since last Annual Review (Y/N). |
| **Risk Rating**  Risk Rating: Minor/Moderate/Major/Severe  Enter: Minor, Moderate, Major or Severe  The Risk Rating here should match the Risk currently shown on the logframe (and which will need to be entered on AMP as part of loading the Annual Review for approval).  Where the Risk for this Output has been revised since the last review (or since inception, if this is the first review) or if the review identifies that it needs revision explain why, referring to section E Risk |
| **Key points** |
| **Summary of response to programme issues raised in previous annual reviews (where relevant)** |
| **Recommendations** |
| **Repeat above for each Output.** |
| **D: Value for Money and Financial Performance** |
| **Key cost drivers and performance**  Consider the specific costs and cost drivers identified in the Business Case  Have there been changes from those identified in previous reviews or at programme approval. If so, why? |
| **VfM performance compared to the original VfM proposition in the business case**? Performance against vfm measures and any trigger points that were identified to track through the programme |
| **Assessment of whether the programme continues to represent value for money?**  Overall view on whether the programme is good value for money. If not, why, and what actions need to be taken? |
| **Quality of financial management**  Consider our best estimate of future costs against the current approved budget and forecasting profile  Have narrative and financial reporting requirements been adhered to. Include details of last report  Have auditing requirements been met. Include details of last report |
| **E: Risk** |
| **Overall Risk Rating:** Minor/Moderate/Major/Severe  Enter Minor, Moderate, Major or Severe, taken from the overall Output risk score entered in AMP |
| **Overview of Programme Risk**  What are the changes to the overall risk environment/ context and why?  Detail the key risks that affect the successful delivery of the expected results and mitigating actions.  Are there any different or new mitigating actions that will be required to address these risks and whether the existing mitigating actions are directly addressing the identifiable risks?  Any additional checks and controls are required to ensure that UK funds are not lost, for example to fraud or corruption. |
| **Outstanding actions from risk assessment**  Describe outstanding actions from Due Diligence/ Fiduciary Risk Assessment/ Programme risk matrix etc.  Describe follow up actions from departmental anti-corruption strategies to which Business Case assumptions and risk tolerances stand |
| **F: Commercial Considerations** |
| **Delivery against planned timeframe**. Y/N  Compare actual progress against the approved timescales in the Business Case. If timescales are off track provide an explanation including what this means for the cost of the programme and any remedial action. |
| **Performance of partnership**  How well are formal partnerships/ contracts working  Are we learning and applying lessons from partner experience  How could DFID be a more effective partner |
| **Asset monitoring and control**  Level of confidence in the management of programme assets, including information any monitoring or spot checks |
| **G: Conditionality** |
| **Update on Partnership Principles and specific conditions.**  For programmes for where it has been decided (when the programme was approved or at the last Annual Review) to use the PPs for management and monitoring, provide details on:   * Were there any concerns about the four Partnership Principles over the past year, including on human rights? * If yes, what were they? * Did you notify the government of our concerns? * If Yes, what was the government response? Did it take remedial actions? If yes, explain how. * If No, was disbursement suspended during the review period? Date suspended (dd/mm/yyyy) * What were the consequences?   For all programmes, you should make a judgement on what role, if any, the Partnership Principles should play in the management and monitoring of the programme going forward. This applies even if when the BC was approved for this programme the PPs were not intended to play a role. Your decision may depend on the extent to which the delivery mechanism used by the programme works with the partner government and uses their systems. |
| **H: Monitoring and Evaluation** |
| **Evidence and evaluation**  Changes in evidence and implications for the programme  Where an evaluation is planned what progress has been made  How is the Theory of Change and the assumptions used in the programme design working out in practice in this programme? Are modifications to the programme design required?  Is there any new evidence available which challenges the programme design or rationale? How does the evidence from the implementation of this programme contribute to the wider evidence base? How is evidence disaggregated by sex and age, and by other variables?  Where an evaluation is planned set out what progress has been made.  **Monitoring process throughout the review period.**  Direct feedback you have had from stakeholders, including beneficiaries  Monitoring activities throughout review period (field visits, reviews, engagement etc)  The Annual Review process |