



# Global Environment Facility

GEF/C.22/7  
October 17, 2003

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GEF Council  
November 19-21, 2003

Agenda Item 9

## ACTION PLAN TO RESPOND TO RECOMMENDATIONS FOR IMPROVING GEF'S PERFORMANCE

**Recommended Council Decision**

The Council reviewed the *Action Plan to Respond to Recommendations for Improving GEF's Performance*, document GEF/C.22/7, and approves it subject to the comments made at the Council meeting. The Council requests the Secretariat to keep the Action Plan under review and to annually present an up-dated Action Plan to the Council.

1. At its meeting in May 2003, the Council reviewed document GEF/C.21/4, *Action Plan to respond to the recommendations of the Second GEF Assembly, the Policy Recommendations of the Third Replenishment, the Second Overall Performance Study of the GEF and the World Summit on Sustainable Development*. The Council requested the Secretariat to revise the action plan on the basis of its comments and present it for Council review at its meeting in November 2003. Council Members were invited to submit written comments on the Action Plan to the Secretariat by June 30, 2003.

2. Attached herewith is a revised Action Plan for review by the Council. Based on comments received from the Council Members, the text is now presented in matrix form, and information is presented addressing: "Scope of Recommendations," "Proposed Actions," "Proposed Date of Completion," "Completed Actions" and "Date of Completion".

3. Proposed responses to the recommendations collated in document GEF/C.21/4 have now been grouped under the following seven main themes:

- (a) Improvement of country based performance
- (b) Strategic Planning
- (c) Measuring Performance
- (d) Mainstreaming and Cofinancing
- (e) Private Sector
- (f) Monitoring and Evaluation
- (g) Strengthening Institutional Arrangements

4. These headings were proposed in the comments received by Council Members and follow closely the headings of the policy recommendations of the third replenishment of the GEF Trust Fund endorsed by the Council. The long list of recommendations emanating from the Second GEF Assembly, the third replenishment of the GEF Trust Fund, WSSD and OPS2 have not been repeated in this text, but Council's attention is drawn to document GEF/C.21/4 which contains a comprehensive listing of those recommendations.

5. The Council is invited to review the proposed Action Plan and to comment on the actions proposed as well as to indicate any additional actions it considers should be undertaken by the GEF in response to the recommendations of the Second GEF Assembly, the Policy Recommendations of the Third Replenishment, the Second Overall Performance Study of the GEF and the World Summit on Sustainable Development.

## ACTION PLAN

Scope of Recommendation	Proposed Action	Proposed Date of Completion	Completed Action	Date of Completion
Improvement of country based performance	Support provided to GEF focal points and Council Members during GEF 2 will be evaluated.	October-December 2003	Initiative to enhance country dialogue presented to the Council for approval. Proposal to take into account independent evaluation of Country Dialogue Workshop Project.	Project proposal approved in November 2003
	Evaluation report of support provided to focal points will be distributed to the Council for review and comment	January 2004		
	Based on evaluation and other inputs, proposals to further strengthen focal point support and support Council Members will be presented to the Council for review and approval	May 2004		
	Initiative to enhance country consultations (see Action Completed) will be implemented: 45 country level consultations will be organized	January 2004-December 2007		
	Strategic approach to strengthen GEF focus on responding to capacity building needs for the global environment to be presented to the Council for review and approval. Provision will be made in the strategy for activities to assist countries in strengthening national policies, institutions and frameworks to address global environmental issues, building upon national self assessments of capacity building needs.	Initial approach to be presented to the Council for review in November 2003.  If needed, further elaboration of strategic approach will be developed for Council review in May 2004.	Council approved financing for preparation of National Self Assessments of Capacity Building Needs	May 2001
	Development of common interagency approach on indicators to be used for systematic monitoring of stakeholder participation and documentation of best practices.  GEF and the Implementing Agencies should make available information on best practices and methodological tools that are available to undertake a participatory process.	Monitoring and evaluation unit to collaborate with Implementing Agencies to develop such indicators: to be completed in June 2004  June 2004		
	A new communications strategy to better support countries, conventions, programming and field staff, partner and other agencies is under preparation. The strategy will be aimed at bringing coherence to the communications activities of all GEF partners and should assist in enhancing the ability of countries to adequately access GEF resources.	Strategy to be completed by end of 2004 and implemented thereafter.		

Strategic Planning	A framework for allocation of GEF resources to global environmental priorities and to countries based on performance will be developed.	Report of the technical working group of experts presented to the Council in November 2003  Technical working group may undertake further work in light of Council comments.  Proposal for performance based framework reviewed by the Council with a view to its approval in May 2004	The GEF Business Plan, approved annually by the Council, includes strategic priorities for the programming of GEF resources in GEF-3  Technical working group of experts established to advise on the development of a performance allocation framework	Business Plan proposing strategic priorities was approved by the Council in May 2003. The Business Plan will be reviewed and approved at the second ordinary Council meeting each year.  August 2003
	GEF Secretariat, in consultation with the Implementing Agencies, will review the operational programs with a view to rationalizing their number and objectives.	May 2005		
Measuring Performance	The Project Performance Report, an annual report prepared by the M&E unit and presented to the Council at the first meeting in each calendar year, will measure the performance of GEF activities.	Annual report presented at the first Council meeting in each calendar year	With the approval of the strategic priorities in the Business Plan, performance targets have been established within each focal area for each of the strategic priorities.	May 2003 and annual review at second meeting in each calendar year.
	Project review criteria will be revised to ensure that all projects will include clear and monitorable indicators, plans for monitoring and supervision and identification of risks and other factors designed to improve quality at entry to maximize impact.	May 2004		
	An Overall Performance Study of the GEF will be prepared prior to the fourth replenishment	The Council will be requested to approve an initiating memorandum and budget for the third Overall Performance Study at its meeting in November 2003.  The Overall Performance Study will be submitted to the Council at its meeting in May 2005.		
	A programming document containing projections of outcomes and impacts associated with various funding scenarios will be prepared for the negotiations on the fourth replenishment.	Mid-2005.		
Mainstreaming and Cofinancing	Each business plan presented to the Council will include a report on the overall progress in implementing the approved policy on co-financing.	Annually beginning November 2003	Policy on Cofinancing approved by the Council	May 2003

	<p>GEF database to clearly and consistently include co-financing information.</p> <p>Implementing Agencies will continue efforts to mainstream and deepen their global environment activities.</p> <p>Through the country consultations to be organized under the National Consultative Initiative, the GEF will promote and support Implementing Agencies efforts to mainstream GEF activities into national planning frameworks, such as national sustainable development strategies and poverty reduction strategies.</p>	<p>On-going activity</p> <p>On-going activity</p> <p>Workshops to be organized 2004 - 2007</p>		
	<p>Essential to the overall financial efficiency of the GEF in obtaining global environmental benefits is the principle that GEF finances only the incremental costs of an agreed activity. In consultation with the Implementing Agencies and Executing Agencies, the Secretariat will: (i) develop simpler guidance and communication for recipient country officials on the determination of incremental costs and global environmental benefits; (ii) draft a framework for reaching agreement with countries on incremental cost. Among other things, such a framework would ascertain the involvement of beneficiaries and appropriate cost sharing; and (iii) assist the Implementing and Executing Agencies to pilot this approach in a few countries.</p>	End of 2004		
Private Sector	<p>Review of GEF experience in working with the private sector submitted to the Council.</p> <p>Problem definition presented to Council for review and comment</p>	<p>November 2003</p> <p>November 2003</p>		
	Proposed strategy on how to engage better the private sector presented to the Council for its review and approval	May 2004		
Monitoring and evaluation	Director for independent monitoring and evaluation unit appointed by the Council	November 2003	Terms of Reference for an Independent Monitoring and Evaluation Unit approved by the Council	July 2003
	Budget and work program for monitoring and evaluation unit approved by the Council	Annual basis at first meeting each calendar year		
	Agenda for each Council meeting will include an item under which products of the monitoring and evaluation unit will be reviewed and action agreed upon.	Each Council meeting beginning November 2003		

	As experience develops with the independent monitoring and evaluation unit, proposals will be presented to the Council to clarify the relationship of the M&E unit to all levels of the GEF partnership. Examination of the experiences of other multilateral institutions will be undertaken to identify rules of procedure and best practices that can be adapted to the GEF context.	Proposals will be presented to the Council as the relationship evolves and issues are identified.		
Strengthening Institutional arrangements	<p>Project Cycle:</p> <ul style="list-style-type: none"> <li>Continuous effort to streamline and clarify project cycle with a view to making it more efficient.</li> <li>GEF communications strategy will address how to better communicate the project cycle to partners in developing countries.</li> <li>Working group to prepare proposals to Council to improve MSP procedures</li> <li>Proposed strategy to expand the Small Grants Program to be presented to the Council for review and approval</li> </ul>	<p>Proposals presented to Council in May 2004</p> <p>Communication strategy will be prepared by end of 2003 and implemented thereafter.</p> <p>May 2004</p> <p>May 2004</p>	Council agreed that with the endorsement by the Council of the policy recommendations of the third replenishment, ADB and IDB should be accorded direct access to GEF resources for the implementation of GEF projects.	October 2002
	The Secretariat will prepare for Council review on an annual basis a review of experience of executing agencies designated under expanded opportunities. On the basis of the reports, the Council will consider whether additional agencies should benefit from direct access through the GEF Secretariat to the Council for GEF project financing.	Reports will be submitted to the Council in November 2003 and May 2004, and thereafter on an annual basis		
	The Secretariat will undertake a staff planning and budgeting exercise in the light of the evolving tasks and new demands set out in this action plan for Council consideration. The exercise will seek to clarify the corporate demands and will propose how to fully integrate them throughout the GEF partnership.	May 2004		
			Revised matrix on the institutional roles and responsibilities of the GEF entities presented to the Council	May 2003
	UNEP and the Secretariat, in consultation with the other IAs and taking into account the views and recommendations of the STAP constituted during GEF-2 and OPS2, will present to the Council for its consideration proposals on the role of STAP.	May 2004		