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**MANAGEMENT RESPONSE TO THE FIFTH OVERALL PERFORMANCE  
STUDY OF THE GEF. FIRST REPORT: CUMULATIVE EVIDENCE ON  
THE CHALLENGING PATHWAYS TO IMPACT**  
(Prepared by GEF Secretariat)

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## INTRODUCTION

1. This document (GEF/R.6/05) is the management response to GEF/R.6/04/Rev.01, *Fifth Overall Performance Study of the GEF. First Report: Cumulative Evidence on the Challenging Pathways to Impact*, submitted by the GEF Evaluation Office for discussion at the first meeting of the GEF-6 replenishment negotiations, scheduled to be held in Paris during April 3-4, 2013.
2. Given the short-turnaround time available for the management response, feedback was not received from all the GEF entities, and therefore this report largely reflects the views of the GEF Secretariat.<sup>1</sup>
3. In general, the Secretariat appreciates the findings, conclusions and the recommendation of OPS5. In particular, we appreciate the recognition of the growing importance of the multi-focal area projects and programs as a strong modality of the GEF, one that builds on its comparative advantage of being the financial mechanism of multiple environmental conventions. We also agree with the conclusions, and the overarching recommendation to strengthen efforts towards broader adoption and focus on more programmatic and integrated multi-focal area approaches. Indeed, the documents submitted by the Secretariat for the April 2013 replenishment meeting contain several elements that respond to this recommendation.

## RECOMMENDATION OF OPS5

4. The first OPS5 report contains one recommendation, “The replenishment meeting should request the Secretariat develop strategies for GEF-6 that would strengthen efforts toward broader adoption and would focus on more programmatic multifocal area approaches, within the guidance of the conventions.”
5. The documents prepared by the Secretariat for the meeting contain several elements to support programmatic integrated approaches in future programming. A shift towards more integrated multifocal programming began in GEF-5 with the cross-cutting program on sustainable forest management. Such an approach builds on the GEF comparative advantage of being the financial mechanism to four multilateral environment conventions. Examining similar additional opportunities, the *Integrated Approaches* section is included as part of the draft programming directions document (GEF/R.6/07) with a series of signature programs such as global commodities supply chains, partnering with cities, or rebuilding fisheries that could be developed for financing during GEF-6.
6. Among the ten questions raised in the draft strategic positioning document (GEF/R.6/06), is one about taking a more program-based approach that could provide the GEF with the opportunity to deliver a more holistic and integrated response to underlying drivers of environmental deterioration in specific areas where such an approach can deliver high impacts or create synergies that otherwise might not be realized. As noted in the replenishment documents, such integrated approaches would mean tackling some of the constraints posed by current GEF resource allocation and programming modalities.

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<sup>1</sup> This response includes some elements of the feedback received from the World Bank as Implementing Agency.

## CONCLUSIONS AND FINDINGS OF OPS5

### Environmental Trends

7. The OPS5 conclusion that “global environmental trends continue to spiral downwards” resonates with the evidence noted in the draft strategic positioning document that thresholds have been exceeded or are close to exceeding on various environmental fronts. It is in this context that we argue that the GEF cannot continue to function in a business-as-usual fashion, if it is to have a meaningful impact on the management of global environmental commons.

### Project/Program Performance

8. We appreciate the OPS5 conclusion that the GEF performs above the international benchmark norm with regard to project performance ratings,<sup>2</sup> particularly given that many GEF operations are innovative and often take risks that would not be normally borne by other sources of financing. We note the OPS5 finding that more than 70 percent of the projects demonstrate direct environmental impacts, mostly at the local level. It will be helpful if OPS5 could shed light on the remaining 30 percent of the projects that did not show local-level environmental impacts.

9. We welcome the distinction that OPS5 makes between “local impact” and “system impact,” as achieving system impact toward improving global environmental commons is the *raison d'être* of the GEF. We note that only 20 percent of the projects show system impact. Going forward, we look to improve system impact by adopting approaches, particularly through integrated programs, as proposed in the draft programming directions document, that will capitalize on synergies and facilitate scaling-up towards higher impact.

10. The Secretariat notes the OPS5 finding that mainstreaming was the most common form of broader adoption, documented in 76 percent of projects. We also note the finding that nearly 60 percent of projects examined achieved both environmental impact and broader adoption, and that more than 80 percent contributed to knowledge and information initiatives and to technologies and approaches expected to result in positive environmental impacts.

11. We acknowledge that improvements in environmental status at higher scales require a much broader adoption of approaches and technologies. To make further gains on this front, the Secretariat has raised the issue in the draft strategic positioning document as to how the GEF can establish a system-wide knowledge management and learning function. We hope to build on the success of *IW:Learn* in developing such a system-wide capacity.

### Response to Conventions

12. Given that the GEF is the financial mechanism to four environmental conventions, the OPS5 conclusion that “the overall level of GEF responsiveness to convention guidance is high at both the strategic and portfolio levels,” is very welcome. Convention guidance continues to be a

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<sup>2</sup> Compared to the international benchmark norm of 75 percent, more than 80 percent of GEF projects completed during GEF- 4 and GEF-5 achieved outcome ratings of moderately satisfactory or higher. Of the projects that completed implementation during GEF-5, 86% received outcome achievement ratings in the satisfactory range, and exceeds the target set for GEF-5 projects. It is to be noted though that these projects were designed and approved during the earlier phases of the GEF.

key element in the focal area programming strategies of the GEF, including for preparing reports and national communications as fundamental obligations of the conventions. In international waters focal area that does not receive guidance from a global environmental convention, GEF supports activities under the United Nations General Assembly Resolution on Articles on Law of Transboundary Aquifers (2008), which provides a framework for institutionalizing transboundary cooperation on groundwater resources, as well as activities under the Ramsar Convention.

13. The Secretariat continues to work closely with the convention secretariats in interpreting and operationalizing convention guidance through GEF program priorities and programming, recognizing that there are constraints imposed by availability of financial resources and actionability of the guidance.

14. OPS5 may want to reconsider its finding that the UNCCD guidance on regional and sub-regional actions was “interpreted as outside the GEF mandate.” Despite the lack of provision in the land degradation focal area set-aside for supporting regional and sub-regional action plans, support for such action plans would be provided if countries chose to use their focal area allocations for the plans. The GEF policy and Council decision on programming the land degradation focal area set-aside included “enabling activities related to reporting processes and alignment of National Action Programs with the 10-year strategy” that was already made available to countries before COP guidance on regional and sub-regional action plans.

15. In a similar vein, we suggest that OPS5 undertake further review of its interpretation regarding GEF support for biennial update reports (BURs) as a response to guidance from the UNFCCC. The Secretariat contacted all eligible countries about the BURs and provision of resources in early 2012, set up a mechanism for full-cost funding from the global and regional set-aside of the STAR, and GEF has supported all requests to date.

### **National Priorities**

16. The Secretariat notes the finding by OPS5 that the GEF is relevant to national needs, and that support provided through enabling activities is highly relevant for national needs, particularly LDCs and SIDS.

17. We agree that further work on OPS5 should critically assess the feedback received from CBD stakeholders that the activities under the Nagoya Protocol Implementation Fund (NPIF) are not consistent with the Nagoya Protocol, before arriving at any conclusion. The NPIF was established to complement the GEF Trust Fund in its support for the ratification and implementation of the Nagoya Protocol. The activities approved by the GEF Council for the NPIF are:<sup>3</sup> scoping studies, technology transfer, traditional knowledge, public awareness, and further the knowledge and scientific-basis for the implementation of the Nagoya Protocol. All these activities can be found in the guidance provided by the CBD.<sup>4</sup>

18. The Secretariat notes that the GEF compares well to international benchmarks promoted by the Paris Declaration, and that it supports countries in bringing their national priorities in line

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<sup>3</sup> See GEF/C.40/11/Rev.1, *Outstanding Issues related to the Nagoya Protocol Implementation Fund*.

<sup>4</sup> Refer to decisions associated with the 2nd meeting of the Intergovernmental Committee for the Nagoya Protocol on ABS (ICNP-2), July 2012 in India, and the 11th Meeting of the Parties to the CBD (COP-11) October, 2012, India.

with global obligations. The Secretariat also takes note of the constraints of the current project-based resource delivery system.

### **Multi-focal Area Operations**

19. We are encouraged by the OPS5 conclusion that multifocal area projects and programs are emerging as a strong new modality of the GEF. Indeed, as the GEF has matured over its twenty years, there has been an increasing share of multi-focal area projects and projects in the portfolio, with nearly half the projects in GEF-5 belonging in this category. The increasing trend of multi-focal projects reflects the growing appreciation and understanding that issues related to global environmental commons are best tackled in the context of sustainable development strategies and priorities of countries that are often not reflected or organized neatly along the focal area partitions of the GEF, but follow other sectoral imperatives that cut across the focal areas of the GEF. This finding, even though a challenge, provides an opportunity for the GEF and its partners in GEF-6 to align more closely with country priorities and strategies through different windows of intervention during GEF-6.

20. In further inquiry into this area, we suggest that OPS5 undertakes a deeper analysis of multi-focal area projects, in particular with regard to the contribution of SFM/REDD+ and its role in coalescing actions from different focal areas around forest landscapes. Also included could be multi-trust fund projects with LDCF/SCCF that involve adaptation elements.

21. The assessment of the growth of multi-focal area approaches would also benefit from an examination of the opportunities and/or constraints towards such an approach that may be posed by the current resources allocation approaches (by focal area and by country) practiced by the GEF.

### **Focal Area Strategies and Operational Programs**

22. We suggest that OPS5 undertake significant review of its analysis that led to the finding that “GEF strategies and programs have been very consistent over time and most GEF-5 objectives can be traced back to the original operational programs of 1996.” In our view, the current focal area strategies are significantly different in focus, comprehensiveness and sophistication compared to the prior GEF Operational Programs. For example, in the case of biodiversity, the GEF-3 strategy already started to break away from a more generic listing of potentially eligible activities by eco-system type that formed the core of GEF’s original biodiversity operational programs. This departure set forth a new type of strategy that began addressing the direct and indirect drivers of biodiversity loss in a more comprehensive manner. The draft GEF-6 strategy, building on lessons learned from GEF-4 and GEF-5, represents the ongoing evolution of ever more targeted and defined approaches that are both systemic and response-specific to the drivers of biodiversity loss. GEF support to protected areas, for example, is now focused on entire protected area systems through targeted support to financial sustainability and to the expansion of protected area estate towards ensuring adequate ecosystem and threatened species representation. Furthermore, GEF’s support to mainstreaming biodiversity conservation was not even identified in the operational programs as a priority, while in the draft GEF-6 biodiversity strategy our approach to mainstreaming has evolved to incorporate comprehensive approaches to reduce the biodiversity impact of global commodity production and the application of biodiversity and ecosystem services valuation to influence development finance and economic planning at the national level.

## **Broader Adoption**

23. We welcome the OPS5 conclusion that “impact and country-level evidence show that there is scope for improving progress towards impact by incorporating broader adoption strategies in project and program design.” While we will strive to analyze and focus better on further broadening adoption of those implementation strategies where the GEF has a high track record of achievement, the GEF network would benefit if OPS5 could further clarify what “broader adoption” means. OPS5 defines “broader adoption” as mainstreaming, scaling-up, and market-change, which are common strategies in the GEF portfolio, without clarifying what are the elements that the GEF should be doing more of. We believe that more programmatic approaches could ensure that we have sufficient number of success factors /conditions /mechanisms to be in place simultaneously.

## **CONCLUSION**

24. The Secretariat is in agreement with the major conclusions and the recommendation of the report, and views the development of the long-term strategy and the GEF-6 replenishment process as opportunities for developing concrete actions to respond to OPS5. Preliminary ideas for such actions are contained in the documents tabled for discussion at the April 2013 replenishment meeting, and the Secretariat looks for further guidance from the replenishment participants in this regard.

25. We look forward to further evolution of OPS5 towards its final report by December 2013. The Secretariat and the Agencies welcome opportunities to review early drafts of the report for exchanges with the Evaluation Office so that we may provide clarification and additional inputs, as necessary, to ensure a final report that presents a good analysis of the GEF, and is helpful to the replenishment participants and the GEF Council in charting the future of the Facility.