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Agenda item 11

**MANAGEMENT RESPONSE TO: STUDY ON RESILIENCE, CLIMATE CHANGE
ADAPTATION AND CLIMATE RISKS IN THE GEF TRUST FUND**

Recommended Council Decision

The Council, having considered documents GEF/E/C.62/03, *Study on Climate Risk, Adaptation, and Resilience in the GEF Trust Fund*, and GEF/C.62/13/Rev.01, *the Management Response*, takes note of the related evaluation recommendations and endorses the management response to address them.

Table of Contents

Introduction	1
Recommendation (1)	1
"Develop guidance on climate risk mitigation measures."	1
Recommendation (2)	2
"Improve the monitoring of resilience in GEF projects, with attention to the context of each focal area."	2
Conclusion.....	4

INTRODUCTION

1. The Secretariat welcomes the IEO "*Study on Resilience, Climate Change Adaptation and Climate Risks in the GEF Trust Fund.*" The GEF Secretariat values this informative study, which, through its analysis, findings, and recommendations, aims to understand how the GEF has integrated resilience, climate change adaptation, and climate risks into its programming and to provide evidence on the relationship between addressing resilience, adaptation and climate risks, and project outcomes.
2. The GEF Secretariat is encouraged by the IEO findings that show how resilience, climate change adaptation, and climate risk are increasingly being integrated into GEF strategies and projects. The GEF Secretariat is also encouraged by the IEO's acknowledgment that the GEF guidance on climate risk screening has been viewed as helpful by Agencies and that the cross-Agency collaboration organized thus far by the GEF Secretariat and STAP has been useful.
3. The GEF Secretariat also takes particular note of the finding that evidence shows that the integration of climate adaptation and resilience into GEF projects correlates with positive project outcomes. It is encouraging that, as the study concludes, the statistical analysis demonstrates the positive link between the integration of resilience in project design and project outcomes.
4. The Secretariat is confident that the findings will contribute toward the continued integration of resilience, climate change adaptation, and climate risks in the GEF Trust Fund. This management response focuses specifically on the recommendations and strategies for addressing them in the future.

RECOMMENDATION (1)

"Develop guidance on climate risk mitigation measures."

5. The Secretariat takes note of this recommendation. The Secretariat is already taking steps to address climate risk, including concerning mitigation measures. As paragraph 1 of the study mentions, "*Climate risk screening (CRS) was mandated for all projects in GEF-7, with the Scientific and Technical Advisory Panel (STAP) releasing CRS guidelines and the GEF Secretariat launching a successful GEF Agency training and collaboration event.*"
6. The Secretariat would also like to point to the GEF Environmental and Social Safeguards Policy¹, mentioned in paragraph 28 of the study, which states that "*Short- and long-term risks posed by climate change and other natural hazards are considered systematically in the screening, assessment and planning processes described in paragraphs 4.a.–g. above, based on established methodologies, and significant risks and potential impacts are addressed throughout the design and implementation of projects and programs.*" The Secretariat will

¹ The GEF Policy on Environmental and Social Safeguards is available here:
https://www.thegef.org/sites/default/files/documents/gef_environmental_social_safeguards_policy.pdf

continue to apply this Policy to its projects and programs, as well as to mid-term reviews and terminal evaluations, and to report annually to Council on its progress.

7. Recognizing the importance of providing specific guidance and support to promote consistency in the application of the 2019 STAP guidance, the GEF Secretariat, together with STAP and the World Bank, organized a technical training for Agencies on climate risk screening on September 17, 2020.² Additional guidance on climate risk screening was developed by STAP and the GEF Secretariat for this training, which included specific content and examples relevant for each of the GEF focal areas.

8. As the 2019 STAP guidance on climate risk screening sets out, Agencies are to outline in project documents if "*resilience practices and measures to address projected climate change and its impacts have been considered*" and how they will be addressed.³ GEF Agencies, who are in charge of project design and close to the project stakeholders, are therefore best positioned to develop context-specific climate risk mitigation measures and adjust the project design to ensure that the variety of climate risks that a project can face are adequately factored in.

9. Going forward, the GEF Secretariat will continue facilitating inter-Agency dialogue during GEF-8 in order to enhance cross-pollination on best practices in climate risk-responsive project design of GEF operations.

RECOMMENDATION (2)

"Improve the monitoring of resilience in GEF projects, with attention to the context of each focal area."

10. The Secretariat takes note of this recommendation.

11. As clearly noted by the IEO study, the GEF Trust Fund is not focused on climate change adaptation or climate resilience. As these are not explicit objectives of the GEF Trust Fund's programming, the project results framework does not include adaptation or climate resilience specific indicators.

12. Furthermore, the IEO report also notes that, "*several limitations become evident in efforts to measure how integration of resilience, climate change adaptation and climate risk into project affected project outcomes.*" Such limitations include most notably: (i) "*the long time it takes for adaptation and resilience efforts to come to fruition,*" (ii) the "*difficulty of attributing shocks to climate change,*" and (iii) "*the large spatial variability of the impact of disturbances.*"

13. These considerations and limitations highlight the challenges of directly monitoring climate resilience or adaptation benefits of the GEF Trust Fund projects. Notwithstanding these

² The proceedings of the training are available here: <https://www.thegef.org/events/gef-and-world-bank-training-climate-risk-screening-and-climate-change-knowledge-portal>

³ The 2019 STAP Guidance on Climate Risk Screening is available here: <https://www.thegef.org/council-meeting-documents/stap-guidance-climate-risk-screening>

challenges, there are existing provisions within the project monitoring system that can potentially enable the capture and reporting on any aspects of climate resilience in GEF projects.

14. The existing project monitoring system, as sets out in the GEF Policy on Monitoring, includes the Project Implementation Report (PIR), Mid-Term Review (MTR), and Terminal Evaluation (TE).⁴ This provides Agencies the framework to report information related to the project implementation results and challenges, including with respect to the identified climate risks based on the climate risk screening process. In addition, the GEF Guidelines on Project and Program Cycle Policy establish that Agencies have to include an update on issues related to Environmental and Social Safeguards (ESS) in the MTR and TE.⁵

15. Furthermore, the GEF-8 replenishment negotiations were clear in requesting the GEF Secretariat to work towards streamlining the GEF project cycle into a more comprehensive and integrated framework and to implement efficiency measures, in line with the IEO OPS-7 recommendations.⁶ The OPS-7 recommendations on administrative processes noted that *“the preparation and approval of GEF projects can take many years, given the substantial requirements, processes, and procedures. To be more dynamic and transformative, the GEF will need to adjust these processes so funds can be accessed, and projects move toward implementation, more readily— particularly in the post-pandemic period”*.⁷ The GEF Secretariat’s Management Response to this recommendation indicated the clear commitment by the Secretariat to revisit, over the coming months, its suite of policies, procedures, operations, and guidelines to determine what adjustments need to be made to streamline the project cycle and increase efficiency.⁸

16. Therefore, rather than adding any new measures to monitor climate resilience benefits, the Secretariat will strengthen the use of the existing policy provisions in order to improve the monitoring of resilience in GEF projects, and within the context of the limitations articulated above. The Secretariat will work with GEF Agencies to identify ways to collect more granular information through the existing reporting systems on how climate risk mitigation measures are being incorporated in GEF project design and, when possible, indicating if any impact can be observed with respect to the influence that such mitigation measures may have had on the project outcomes.

⁴ The GEF Policy on Monitoring is available here: https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.56.03.Rev_.01_Policy_on_Monitoring.pdf

⁵ The GEF Guidelines on Project and Program Cycle Policy are available here: <https://www.thegef.org/council-meeting-documents/guidelines-project-and-program-cycle-policy-2020-update>

⁶ Please see GEF/R.08/32, Revised Policy Recommendations, available here: https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_32_Revised_Policy_Recommendations.pdf

⁷ The IEO OPS-7 Recommendations are available here: <https://www.thegef.org/council-meeting-documents/table-all-ops-7-recommendations>

⁸ The GEF management response to the IEO Final Report of OPS7 is available here: https://www.thegef.org/sites/default/files/documents/2021-12/EN_GEF.C.61.10_Management_Response.pdf

CONCLUSION

17. The findings and recommendations from this evaluation are useful in continuing to build on the ongoing efforts to ensure that considerations about climate risks and climate resilience are embedded in the GEF project cycle, from conceptualization to advanced design, to implementation. The study has also shed light on the fact that the integration of climate change adaptation and resilience in GEF projects is correlated with positive project outcomes.

18. Together with STAP and GEF Agencies, the Secretariat will continue to strengthen inter-Agency dialogue and exchange of best practices, view the view of identify, compile and validate emerging lessons for dissemination as a public good. In addition, the Secretariat will improve the monitoring of resilience in GEF projects through the strengthening of existing reporting requirements in this regard.

19. The GEF Secretariat will track progress on the implementation of each of the recommendations, and report this progress to Council, through the IEO's standard Management Action Record.