



Global Environment Facility

GEF/C.25/12
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GEF Council
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Agenda Item 18

REVIEW OF ACTION PLAN TO RESPOND TO RECOMMENDATIONS FOR IMPROVING GEF'S PERFORMANCE

Recommended Council Decision

The Council reviewed and commented on GEF/C.25/12, *Review of Action Plan to Respond to Recommendations for Improving GEF's Performance*. The Council requests the Secretariat to keep the Action Plan under review and to present an updated Action Plan to the Council annually.

1. At its meeting in November 2003, the Council reviewed document GEF/C.22/7, *Action Plan to Respond to the Recommendations for Improving GEF's Performance*. The Council requested the Secretariat to monitor the progress made in achieving the steps proposed in the Action Plan and to present annually an updated Action Plan to the Council.
2. Attached herewith is an updated Action Plan for review and comment by the Council.

Scope of Recommendation	Proposed Action	Timeframe Proposed date of action and/or completion	Status/Actions Taken
Improvement of Country Based Performance	<p><u>Country commitment, participation and ownership:</u> Enhance country consultations on range of GEF assistance and on efforts to achieve sound environmental policies and frameworks.</p> <p>Enhance partnership with civil society.</p> <p>IAs/EA's to intensify consultations on indicators related to country level performance. (See indicators section.)</p> <p>Strengthen national focal points.</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>June 2005</p>	<p>National Dialogue Initiative to enhance country dialogue approved by Council in May 2003. Workshops aim to strengthen country ownership and involvement in GEF co-financed activities through a multiple stakeholder dialogue process. Design of the initiative took into account the independent evaluation of Country Dialogue Workshop project in addition to the recommendations of OPS2 and the 2nd GEF Assembly. National Dialogue Workshops have been held in 14 countries to date.</p> <p>Review of NGO Network under way to develop recommendations and options to enhance the NGO Network</p> <p>Monitoring and evaluation unit to collaborate with Implementing Agencies to develop indicators to be used for systematic monitoring of stakeholder participation and documentation of best practices.</p> <p>Proposal for enhancing support to focal points and Council Members presented to the Council in June 2005.</p>
	<p><u>Capacity building:</u> Implementation of strategic approach to strengthen GEF focus on responding to capacity building needs for the global environment.</p>	Ongoing	<p>The <i>Strategic Approach to Enhance Capacity Building</i> was approved by the Council at its meeting in November 2003.</p> <p>The strategic approach outlined four pathways for enhanced GEF capacity building support. The first pathway, which calls for support to countries to undertake a National Capacity Needs Self Assessments (NCSAs), became operational in GEF-3.</p> <p>Provision has been made in the strategy for activities to assist countries in strengthening national policies, institutions and</p>

			<p>frameworks to address global environmental issues, building upon national self assessments of capacity building needs</p> <p>Currently, 140 countries have received GEF funding to conduct self assessments (NCSAs) and some reports are now being completed. The majority of them are expected to conclude their work by end of 2005 and early 2006.</p> <p>GEF has also funded a technical support program to assist countries prepare their NCSAs. This is jointly implemented by UNDP and UNEP.</p> <p>GEFSEC is also working with IAs and the Office of M&E on the development of targets and indicators for measuring results and impacts of capacity building activities. This would be used to track capacity building elements to be embedded in GEF projects systematically in future.</p> <p>GEFSEC is collaborating with Implementing Agencies on the operational modalities and project criteria for the implementation of stand alone cross-cutting capacity building projects as a follow up to NCSAs, and for country capacity building programs for LDCs and SIDS.</p>
	<p><u>Participation:</u> Development of common interagency approach on indicators to be used for systematic monitoring of stakeholder participation and documentation of best practices.</p> <p>GEF and the Implementing Agencies should make available information on best practices and methodological tools that are available to undertake a participatory process.</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>The Local Benefits Study conducted by the Office of Monitoring and Evaluation is analyzing stakeholder involvement. The Office will work with the GEF Secretariat and Implementing Agencies to develop indicators based on the findings of the study.</p>

Strategic Planning and Resource Allocation	<p><u>Performance-based allocation system:</u> A framework for allocation of GEF resources to global environmental priorities and to countries based on performance will be developed and made operational, with a view toward maximizing the impact of resources on global environmental improvements and promoting sound environmental policies and practices worldwide.</p>	June 2005	The Council has been discussing a GEF Resource Allocation Framework since May 2003 at the various Council meetings. Consultations were also held in September 2004 and March 2005. The Council is expected to make a decision on the RAF at the June 2005 meeting.
	<p><u>Strategic Business Plan:</u> Present a new approach to business planning. New strategic business plan should be a performance-based, three year plan, that includes priorities for action to maximize results and impacts on the ground and to fulfill the mission of the GEF to achieve global environmental benefits in its focal areas. It should provide an indicative financial planning framework, based on focal areas and program priorities, that provide reasonable predictability for the involvement of the GEF in the medium term, linked to indicators of strategic relevance, programmatic consistency and expected outcomes.</p>	Ongoing	A strategic business plan for environmental priorities noted by Council (May 2003, Nov 2003). A Strategic business plan was submitted to Council in November 2004; the next one will be submitted in November 2005.
	<p><u>Focal areas:</u> Operationalize two new focal areas for POPs and land degradation, as agreed by the Assembly in its decision to amend the Instrument.</p>	Ongoing	Elements of operational programs for both focal areas approved by Council. Operational programs finalized by GEF Secretariat (2003 and 2004)
	<p><u>Enabling Activities/Capacity Building Coordination:</u> Secretariat to propose means to rationalize and coordinate activities in enabling activities and capacity building to achieve effectiveness and efficiency.</p>	Ongoing	Strategic Approach to Enhance Capacity Building approved by the Council in November 2003. Continuing work on targets and indicators for measuring results and impacts of capacity building activities; operational modalities and project criteria and harmonized technical support program that brings synergy between the various enabling activities.
Measuring Performance	<p><u>Global Environmental Impacts:</u> Meet projections of outcomes for GEF-3</p>	Fall 2004	The GEF Secretariat and the task forces compiled the data and presented the information to the Council in November 2004.

	<p>replenishment, as outlined in Schedule 1 to Attachment 1 of GEF-3 report.</p> <p>The Office of M&E to assess whether targets in schedule 1 of Attachment I of GEF-3 achieved.</p> <p>OPS-3 to assess results of GEF activities, pursuant to an agreed TOR.</p> <p>For GEF-4 replenishment, Secretariat to make projection of outcomes for GEF-4 period.</p>	<p>Fall 2004</p> <p>2004-2005</p> <p>Late 2005</p>	<p>The Office of Monitoring and Evaluation provided verification of the performance targets to the Council in November 2004, and the Council determined that the GEF had achieved six of the seven performance measures.</p> <p>The Council approved the TOR for OPS3 at the May 2004 meeting, and the OPS3 team was selected by the World Bank OED in August 2004. The OPS3 team began work in September 2004. The report will be completed in May 2005 and discussed at the June 2005 Council meeting.</p> <p>Indicators and targets for outcomes in the different focal areas are being prepared in the context of the programming document for GEF 4</p>
	<p><u>Project Performance Indicators:</u> Indicators should be designed with a view to assessing global environmental impacts achieved from the GEF resources.</p> <p><u>Quality at entry:</u> 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 and to maximize impact. There should be a transparent system for the monitoring of these indicators and outcomes and for informing the Council on an annual basis</p>	<p>Ongoing</p>	<p>The Annual Performance Review, submitted to Council in June 2005, reviews the quality of project M&E systems reported in terminal evaluations.</p>
	<p><u>Country level Indicators:</u> IAs and EAs will continue, in their dialogue with countries, to rigorously address performance indicators related to expected success of a project at the country level, including country ownership, replicability, sustainability, public involvement, monitoring and evaluation and co-financing. Such indicators should also address assessment of project results and global environmental impact.</p>	<p>Ongoing</p>	<p>The Office of Monitoring and Evaluation, through its thematic, program, and cross-cutting issues studies, as well as country assessments, will review these indicators.</p>
	<p><u>OPS:</u></p>	<p>June 2005</p>	<p>.</p>

	An Overall Performance Study of the GEF will be prepared prior to the fourth replenishment and will include results and impacts from GEF-3 period.		The OPS3 team presented the Interim Report of the Third Overall Performance Study at the consultative meeting held in Paris with Council members in March 2005. A draft of the OPS3 report was shared with Council members for comments on April 29, 2005. The final Report is submitted to the June 2005 Council meeting.
Mainstreaming and Cofinancing	<u>Co-financing:</u> Establish co-financing policy; co-financing levels should be key consideration for entry into work program. Report on realized co-financing to be provided to Council on regular basis.	Oct 2002	Policy on Cofinancing approved by the Council (May 2003) GEF database now includes co-financing information on consistent basis. Each GEF business plan to report on overall progress in implementing the policy
	<u>Mainstreaming:</u> Office of Monitoring and Evaluation and Secretariat, in collaboration with the IAs and EAs, to establish concrete indicators to measure progress in mainstreaming.	Ongoing	Office of Monitoring and Evaluation and Secretariat are collaborating on the development of indicators.
	IAs and EAs to report annually on mainstreaming status. Country consultations to be used to strengthen mainstreaming into planning and implementation of national planning frameworks, such as poverty reduction strategies and sustainable development processes.	2003 and annually thereafter On-going activity	Agencies prepared to report. Through a multi-stakeholder dialogue process organized under the National Dialogue 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. 14 dialogues have been conducted to date and approximately 20 will be organized during fiscal year 06.
	<u>Incremental Costs:</u> GEF Secretariat and Implementing Agencies should continue efforts to develop simpler guidance and communications for determination of incremental costs and global benefits.	Ongoing	The Secretariat and the Implementing agencies have collaborated on a pragmatic approach to incremental cost in project financing. While incremental cost is still an underlying principle for GEF financing, cost sharing approaches including use of sliding cost scales are being undertaken. For example, such an approach is clearly articulated in the paper on the Scope and Coherence of the Land Degradation Activities in the GEF.
Private Sector Engagement	<u>Private Sector Strategy:</u> Strategy on how to better engage the private sector	2004	Swiss-sponsored GEF-Private Sector Workshop held in Geneva, November 2003.

	to be presented to the Council for its review and approval in consultation with the private-sector.		<p>Problem identification paper Nov 2003. Principles for strategy presented to Council in May 2004.</p> <p>The final version of the Review of GEF's Engagement with the Private Sector, as well as the GEF management response, were presented to the Council in May 2004.</p> <p>A strategy for enhancing engagement with the private sector to be submitted to the November 2005 Council Meeting.</p>
Strengthening Institutional Arrangements	<p><u>Project Cycle:</u> Review project cycle with a view towards making it more simple and efficient and taking into account lessons learned and M&E findings.</p>	2004	<p>Working group prepared proposals for November 2004 Council to improve MSP procedures.</p> <p>Secretariat is reviewing the assessment of elapsed times undertaken by M&E; and will cooperate with M&E review of the project cycle to explore options for streamlining.</p>
	<p><u>Direct Access:</u> 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.</p>	<p>Reports to be submitted to the Council in November 2003 and 2004, and thereafter on an annual basis with in-depth examination during GEF-3.</p>	<p>Council agreed that ADB and IDB should be accorded direct (October 2002).</p> <p>Council approved direct access for IFAD, EBRD, AfDB, UNIDO and FAO (Nov 2003) acting within their agreed scope for GEF operations and requested Secretariat and EAs/Trustee to aim for necessary legal agreements by May 2004.</p> <p>Memoranda of Understanding and Financial Procedures Agreements finalized for the following Executing Agencies:</p> <ul style="list-style-type: none"> • IADB: MoU and FPA executed • ADB: MoU and FPA executed • UNIDO: MoU and FPA executed • FAO: MoU and FPA executed • AfDB: MoU and FPA executed <p>• Negotiations are still ongoing with IFAD and EBRD.</p>
	<p><u>GEFSEC/IA Structure:</u> Review and approve agreed plan to develop clear accountabilities and responsibilities.</p>	2003	<p>Paper on roles reviewed by Council in May 2002. Paper revised on basis of Council comments submitted to Council meeting in May 2003 for information.</p>

			<p>Secretariat has prepared staff planning and budgeting paper for Council consideration in 2004.</p> <p>Scorecard on institutional performance of the IAs and EAs (responsibility taken over by Office of Monitoring and Evaluation)</p> <p>Corporate communications strategy to be completed end 2005.</p>
	<p><u>STAP:</u> UNEP and the Secretariat to present proposals to the Council on the role of STAP, including ways to strengthen the involvement of regional and national level scientific expertise in project development and design.</p>	2004-2005	The STAP Chair is hosting a retreat in June 2005 to examine ways and means to strengthen the effectiveness of STAP. The Chair will report to the Council at the November 2005 meeting.
Monitoring and Evaluation	<p><u>Independence:</u> Make GEF monitoring and evaluation unit, for purposes of evaluation, independent.</p>	Completed May 2004	<p>TOR for newly independent monitoring and evaluation unit approved by Council (August 2003).</p> <p>New Director appointed in May 2004 and took office in September 2004.</p>
	<p><u>Process:</u> A process for Council oversight of monitoring and evaluation should be established, including annual M&E report to Council.</p>	May 2004	The Office of Monitoring and Evaluation presents a work program (includes plans to further develop interaction with the Council) and budget document to Council in June 2005. Previously, a draft Four Year Work Plan and Budget was approved by Council in November 2004. Oversight takes place through Council's revision and approval of the work plan and budget. The Office of Monitoring and Evaluation will report on the progress of the work plan.
	<p><u>Lessons/Feedback:</u> GEF Sec and IAs/EAs to establish a procedure to draw lessons, disseminate lessons learned and best practices emanating from the monitoring and evaluation activities; and a formal "feedback loop" should be established between evaluation findings and management activities.</p>	Ongoing	The Office of Monitoring and Evaluation is working with the GEF Secretariat on knowledge management, and is developing a policy and strategy for the Office.
	<p><u>Reporting:</u> Secretariat, IAs and EAs to report annually to the Council on their response to relevant recommendations of the Office of M&E.</p>	2004 and annually	The Secretariat and the agencies will provide management responses to the reports of the Office of M&E.

	<p><u>Strengthen Standards:</u> The Office of M&E should establish more rigorous minimum standards for GEF-specific aspects of projects relating to GEF policies and strategies expected of monitoring and evaluation units of the Implementing and Executing Agencies.</p>	Ongoing	In January 2005, the Office of Monitoring and Evaluation held a workshop launching a process of consultations with Implementing and Executing Agencies to develop a new GEF M&E policy. A joint evaluation of the GEF-related programming processes will be the first activity.
	<p><u>Project M&E:</u> All projects should include provisions for monitoring the outcomes of projects and progress toward achieving project objectives and impacts, and those existing projects which do not have such provisions and which have more than two years left in their implementation should be retrofitted to meet such monitoring standards.</p>	Ongoing	The Project Performance Report 2003, submitted to Council in May 2004, notes the shortcomings in project provisions for monitoring outcomes. The World Bank carried out an assessment of M&E systems of their GEF projects, and developed a retrofitting plan. UNDP and UNEP have been recommended to do the same. There is evidence that recently designed projects have better provisions for monitoring the outcomes of projects. A finding confirmed by the three focal area program studies presented to Council in November 2004.
	<p><u>Access to IA/EA information:</u> The Office of M&E provided access to all project documentation of the IAs and EAs relating to GEF-financed activities.</p>	Ongoing	There have been improvements in the access to project documentations, especially terminal evaluations. However, in some cases the provision of documentations could be more timely.