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**THE GEF PROGRAMMATIC APPROACH:
CURRENT UNDERSTANDINGS**

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BACKGROUND

1. At its meeting in December 1999, the Council under Agenda item 11 on the Corporate Business Plan (GEF/C.14/11) supported in principle the proposed evolution of GEF support to recipient countries through a more programmatic approach. At that same meeting the Council requested the Secretariat to prepare, in consultation with the Implementing Agencies, a paper detailing the criteria and processes for its implementation. That paper, *GEF Programmatic Approach: Criteria and Processes for its Implementation*, was prepared and posted on the GEF web site for comment. At the May 2000 meeting, Council members made some preliminary comments, which were followed by a submission of written comments from several council members. Feedback was also received through the GEF-NGO network.
2. At the December 2000 meeting, the Secretariat was requested to share with Council an updated paper on programmatic approach, recognizing that it is still “work in progress”. This paper responds to that request.

FEEDBACK AND EARLY LESSONS

3. Comments received from the Council and the NGO network on the earlier paper touched on several strategic considerations of embarking on a GEF programmatic approach, as well as on the practical processes related to the preparation, implementation, financing and approval of such programs. Useful experience has also been gained through the initial and ongoing dialogue with client countries on potential application for GEF programmatic support, as well as from the broader Strategic Partnerships already underway.
4. There are some very clear and consistent messages coming through the feedback and early experience gained. For example, it is important that *the overall aim of embarking on a GEF programmatic approach should be very clear*, specifically, what the approach is, and what it is not. The feedback also suggests that the scope, and by proxy, the design and delivery of programs is likely to be fairly variable, and that any attempt to over-define the design and processes upfront may undermine the innovativeness and effectiveness of the program. What was important, however, was the need for the GEF programmatic approach to be *grounded in overarching strategic principles* which would need to be observed in all GEF programmatic support and which would ensure more effective, streamlined achievement of the set goals.
5. The very cogent feedback and early lessons have resulted in a process of progressive learning-by-doing, and have been instrumental in refining the GEF programmatic approach.

Rationale for the GEF Programmatic Approach

6. The GEF was created to fulfill a unique niche – that of providing financing for programs and projects to achieve global environmental benefits, and in support of sustainable development, in four specified focal areas and one cross-cutting area. In accordance with the Operational Strategy, each GEF activity either contributes to one of the Operational Programs or meets the operational criteria for Enabling Activities or Short Term Measures. Every project is to be a country-driven opportunity to meet the program priorities of the relevant convention.

7. Over the last 10 years, the GEF has developed considerable experience in furthering the objective of securing and enhancing global environmental objectives through its projects. There are some very potent reasons why the time is now ripe for the GEF to consider opportunities for planning and providing longer term financial support through a country-based program, which would go beyond the scope of an individual project to support an integrated set of projects, funded through a phased, multi-year commitment.

8. First, there is a need for the GEF to achieve a broader and deeper level of integration of global environmental issues into the environment and sustainable development agendas of a country. This can only be addressed if action is focused at more systemic levels of intervention. Current feedback, based on various reports and studies, suggests that concerted action to mainstream the global environment into national sustainable development agendas continues to be secondary to the primary mandate of the GEF's institutional partners. It is becoming increasingly clear that the GEF needs to take a leadership role in demonstrating and catalyzing action for the integration of global objectives into the larger sustainable development agenda of a country.

9. Second, there are many cases where a program would not just be an opportunity, but also a necessity. That is especially true when the GEF portfolio in, or pipeline for, a country is already significant. In such a case it would be prudent for both the country and the GEF to develop a co-ordinated program that ensures that the GEF support to the country is strategic and integrated, and addresses those concerns that are of the highest priority while seeking to further leverage co-funding from the country and other interested donors.

10. Third, a programmatic approach is also consistent with the strong operational commitment of the GEF to “manage for results” in order to maximize on the ground impacts. The approach would focus monitoring and evaluation on the measurement of program impacts or results, beyond the outputs at the level of individual projects.

11. Fourth, a programmatic approach would seek to be responsive to the growing calls to act synergistically across global environmental issues and to use resources most cost effectively.

12. It is timely for the GEF to pilot and provide leadership on how to maximize impact on the global environment through consolidating its actions in a number of countries, and seizing opportunities where they present themselves.

KEY ELEMENTS OF THE GEF PROGRAMMATIC APPROACH

Overall Aim of the GEF Programmatic Approach

13. The overall aim of the GEF programmatic approach is “to secure larger and sustained impact on the global environment through integrating and mainstreaming global environmental objectives into a country’s national strategies and plans through partnership with the country”. The GEF Programmatic Approach, undertaken in partnership with the country, and international partners, would provide phased and sustained support for the implementation of a multi-year (medium to long-term) program that better integrates global environmental objectives into national strategies and plans (e.g. biodiversity strategy, sustainable energy plan, or a strategic action program for international waters). Such a programmatic approach would provide for:

- (a) enhanced opportunities to generate synergies across the focal areas of the GEF within the framework of national sustainable development;
- (b) an enhanced scope for catalyzing action, replication and innovation;
- (c) improved opportunities for maximizing and scaling up of global environmental benefits; and
- (d) an open and transparent dialogue-driven process which will increase political will and ownership on the integral linkages between sustainable development and the global environment.

14. To ensure effective achievement of the overall aim set out above, the GEF Programmatic Approach must observe the following *overarching strategic principles*:

- (a) be country driven, and based on national priorities designed to support sustainable development, as identified within the context of national programs;
- (b) open and transparent process for multi-stakeholder representation - from dialogue to implementation, and in conformity with the GEF public involvement policy;
- (c) be consistent with and reflect guidance from the conventions that the GEF serves;
- (d) provide for monitoring and evaluation on a regular basis;

- (e) maintain sufficient flexibility to respond to experience gained from monitoring and evaluation activities and evolving guidance from the conventions;
- (f) be cost-effective and seek to maximize global environmental benefits; and
- (g) emphasize GEF's catalytic role and leverage additional financing from other sources.

15. These strategic principles are fully consistent with, and build upon the principles outlined in the GEF Operational Strategy. These principles are similar to those applied at the level of a project, but application at a program level would be at more tactical. These principles would be applied together with the criteria under which a program would be designed in a specific country.¹ Incentives should be built in for all partners, and especially the countries, to work towards higher levels of programmatic delivery and impact.

16. Beyond these principles, there would be *operational criteria to guide the dialogue, design and delivery of a particular program*.² These considerations would assist in the articulation of specific objectives – but would be responsive to the scope and context of the particular program in question. These criteria would be similar to those applied at the project level, but streamlined for application at the programmatic level.³

17. It is important to emphasize here that a medium to long-term programmatic approach to financing is not a new paradigm. GEF Strategic Partnerships with the Implementing Agencies (e.g. Renewable Energy Partnership with the World Bank with projects generated in-country with Uganda, China) have very similar programmatic goals and deepening levels of matched commitment (see the paper to GEF Council on “*Strategic Partnerships with the GEF Implementing Agencies*” (GEF/C.13/9)). The GEF Programmatic Approach represents an expansion of these partnership agreements; to one between the country (and region, if appropriate) and the GEF.

Scope of the GEF Programmatic Approach

18. The scope of the GEF programmatic approach will be defined by a country's priorities and the global environmental benefits to be achieved. In this context the programmatic approach may encompass a single operational program, a single focal area, or (when synergies across focal areas is essential to achieve the outcomes) multi-focal area objectives. Such an approach could also be applied at a sectoral level – but would seek to enhance the connectivity across sectors and the global environment in a systematic and systemic way. In addition, the scope could be thematic (e.g. renewable energy, or dryland ecosystems) or issue based (e.g. land degradation, capacity building).

¹ See paragraph 29.

² See paragraphs 31-37.

³ This would be done in several ways. First, the justification in terms of fit with an Operational Program and GEF funding will have been largely accomplished at the program level, and would need not to be repeated project-by-project. Second, the coordination with other GEF and non-GEF activities would be guaranteed for within the program. Third, there would be streamlined approval procedures.

19. Countries are at very different points along a continuum with respect to their development and environment agendas; especially in the integration of these two agendas. Accordingly, the starting point for the GEF programmatic partnership in a particular country, and the process which follows, will have to be tailored to each case. Early experience, and ongoing dialogue with some countries, has in fact confirmed the wide ranging scope of a GEF programmatic approach. The scope in these cases has ranged from covering an entire focal area (e.g. biodiversity), a thematic area (renewable energy), to an entire Floral Kingdom or an ecosystem hotspot.

20. While in most cases the GEF programmatic approach would be undertaken in partnership with a single country, there may be instances where the scope of the program would best be applied at a regional level (e.g., for adaptation). Such regional programmatic approaches must have the full commitment of all the concerned countries.

21. The GEF proposes to first pilot the programmatic approach to demonstrate and to catalyze a new way of doing business. It is anticipated that such an approach would be undertaken in about 5-7 countries over the next 2-3 years (with disbursements stretching over a 5-10 year period). Any commitment of funds to such an approach has to be commensurate to the impacts on the global environment, and would be guided by specific criteria including global environmental benefits, incrementality, leveraging and co-financing, absorptive capacity, indicators and benchmarks, and country ownership and commitment.

Benefits of a GEF Programmatic Approach

22. For a programmatic approach to be successful, it should provide some clear benefits for each partner, especially for the country. Some of the key benefits for each partner in undertaking a programmatic approach are summarized here.

For the country:

- (a) stable, phased, and predictable resource flow from the GEF;
- (b) a more strategic level interaction with the GEF;
- (c) increased opportunity to mobilize co-financing nationally and from a multiplicity of sources, including the private sector;
- (d) reduction in transaction costs as key GEF review criteria (e.g. program and policy conformity, incremental cost and public involvement policy) would be addressed in a more streamlined way;
- (e) improved opportunities for strengthening the enabling environment and general cross-cutting support, including capacity building needs;

- (f) improved opportunities for horizontal and vertical integration of environmental concerns into decision making;
- (g) improved scope for catalyzing action, replication and innovation; and
- (h) improved opportunity for donor co-ordination towards a more focused, priority set of interventions.

For the GEF:

- (a) leveraging increased country ownership and commitment to integrate and mainstream global environmental issues in the national planning and development processes;
- (b) a better opportunity to focus GEF resources on a country's highest priority activities;
- (c) provide opportunities to maximize global benefits and synergies across global environmental issues;
- (d) improved prospects to achieve on the ground programmatic results;
- (e) increased opportunity to leverage co-financing from a multiplicity of donors, including the private sector;
- (f) further strengthening of financial and institutional sustainability of GEF funded activities; and
- (g) an enhanced scale of GEF intervention leading to improved scope for catalyzing action, replication and innovation.

For Implementing and Executing Agencies:

- (a) strengthen incentives for engagement and fit with their own country operation strategies (e.g. World Bank's and RDB's Development Frameworks and Country Assistance Strategies, UNDP Country Programs, and bilateral programs of donors);
- (b) provide opportunities to maximize synergies between the global environment and their institutional mandates; and
- (c) lower transaction costs through streamlined procedures.

Challenges and Safeguards

23. Even as the GEF embarks on a programmatic approach it must be cognizant of the challenges of doing so, and ensure that the appropriate safeguards are installed to overcome these. The nature of the challenges could range from pragmatic, technical to political considerations.

24. A fair number of the pragmatic challenges stem from an uncertainty of what the programmatic approach is and is not. Clarifying from the outset what the approach is not is as important as describing what it is. For example, the GEF programmatic approach:

- (a) is not a conditionality, rather it will be pursued on a voluntary basis – and entirely on a demand driven basis at the request of, and in partnership with, the country;
- (b) will not override guidance that it receives from the conventions, but would work within the framework of that guidance to the GEF and the countries;
- (c) will not replace the project based approach, both in general, and within the context of the country in which the programmatic approach is applied. In fact, it is anticipated that a program will in most cases be translated into a set of projects (both full and medium sized projects (MSPs); and
- (d) will not preclude application for GEF funds through MSPs and regular project modalities outside the scope and context of the program.⁴

25. Technical (and process driven) considerations could mean that there would be cases where specific activities to be carried out under a program are likely to be less defined at the time of Council approval than is presently true for approval of project proposals in the work program. Political challenges could include changes in government commitment to a longer-term program due to a variety of factors (e.g. change of government, economic crisis, natural disasters, etc.). The continued availability of GEF resources to support such programs is another important consideration, as is the accessibility of such programmatic support to countries that are at very different points along the development curve.

26. It is important to have appropriate safeguards in place within a program and the projects within it to address these challenges and to ensure continuity and commitment to the programmatic agreements. These challenges would best be addressed on a case-by-case basis in an adaptive and flexible way. For example, working with appropriate partners, and maintaining an emphasis on performance indicators throughout the program should alleviate some of the concerns above. Risks and assumptions would be built into the program through the logical framework, and monitoring and evaluation processes applied to encourage learning and adaptive management. The latter will be sufficiently flexible to allow for mid-course corrections, as deemed necessary.

27. GEF has to maintain a vigilance to ensure that there is a balance between support provided through programs and that through projects. Exit strategies would be developed for ending programs

⁴ These must be outside the scope and context of the program being supported. It must, however, be clearly understood that the GEF has a catalytic role, and in that context, it cannot address all the issues within a country.

that are not working, for sustaining those that are working, and for gracefully winding down those that have achieved their objective.

Criteria to Guide a Country when Embarking on a GEF Programmatic Approach

28. A GEF Programmatic Approach represents a partnership between the country (and/or Region) and the GEF. This partnership, in collaboration with other partners (including the Implementing Agencies, Executing Agencies, and other donors) would represent a commitment by the country to implement its highest priorities towards global environmental objectives. The scope of the program would build upon a national sustainable development plan, a well advanced energy plan/policy, national biodiversity strategy, or strategic action plan for international waters. The GEF programmatic approach would in all cases be demand driven - by the country .

29. The circumstances in a country would determine if a GEF Programmatic Approach is indeed the appropriate way forward. Some criteria to guide a country in making this decision would include:

- (a) a high level of political and economic commitment to environment, and in particular, the proposed program;
- (b) a commitment and a willingness to work across sectoral ministries and agencies to integrate and mainstream global environmental issues into the national planning and development processes;
- (c) a clear commitment of domestic financial resources;
- (d) an open transparent process/system that proactively encourages multi stakeholder involvement throughout the dialogue and during implementation of the GEF Programmatic Approach; and
- (e) co-operation, collaboration, and joint programming with the Implementing Agencies, Executing Agencies, and other partners, (as appropriate) towards the common objectives.

30. In the case of a regional GEF Programmatic Approach, these criteria would have to be observed collectively by all the concerned countries.

The Programming Framework between a Country and the GEF

31. *Programmatic Approach as a process and partnership:* Once a country has decided to seek GEF support through a programmatic approach, it would lead to the development of a Programming Framework for the defined scope of the program. This would be done with the full engagement and participation of its key agencies, sector specialists, civil society, the GEF family, and other interested donors and development agencies. The programmatic approach is not a “one shot” approach, but rather

a process based on progressive deepening of commitments on all sides through dialogue with all relevant stakeholders.

32. Recognizing that countries are at different stages in the development scale, there may be cases where a country which has sufficient understanding and capacity for programmatic support may still need some additional technical support to bring the program together. A fundamental ingredient for the programmatic approach to be effective and successful is “partnership” where each partner would have clear benefits in undertaking this joint venture. The country will be the key partner, and the beneficiary of such a process, but would work with its multiple stakeholders (including national NGOs), the GEF and its Implementing Agencies, Executing Agencies, other multilateral and bilateral development agencies, the private sector, and international NGOs to formulate an effective program.

33. *Content of the Programming Framework:* The programming framework of a country, guided by the strategic principles and operational considerations in relation to the proposed scope of the program, would articulate the sequenced priorities, and identify the initial set of activities and projects to launch the program. A key element of the framework is that it will provide opportunities to address the enabling environment and cross-cutting elements in a more comprehensive way, than is currently possible through an individual project. Activities related to the enabling environment may include: creating an appropriate policy and legal framework (e.g. tenure security, resource access, conservation/natural resource management regulations, economic incentives that promote conservation), building or enhancing the capacity to undertake the identified priorities (e.g. appropriate organizational arrangements, staff, logistics, etc.), or installing a monitoring system to track the program delivery (e.g. GIS, laboratories etc.). More importantly, the framework should also articulate how it will work in a sequenced manner through the program, and projects within it, to deepen government commitment for increased horizontal and vertical integration of environmental and global environmental issues into the country’s agenda.

34. *Delivery of the Programming Framework:* Support through a programmatic approach would encompass a multi-year commitment of GEF and other financial support to an integrated set of project activities.. While the indicative resource envelope and approximate sequence would be understood at the outset, the resources would be committed in a phased way in response to key triggers and benchmarks. Projects would continue to be elaborated in a flexible and adaptable way within the agreed programmatic priorities to deliver on specific activities, outputs and outcomes as the program proceeds.

35. *Monitoring and Evaluation of the Programming Framework:* The delivery of the program would be assessed against programmatic indicators. Monitoring and evaluation will be essential to set specific benchmarks within defined time frames, build in assessments at each phase, and establish the next set of targets. This would provide GEF management with the appropriate information to approve subsequent projects or tranches within a program. It also helps to ensure that projects (or tranches) within a program remain flexible and employ corrective actions, as required. Monitoring and evaluation should be used purposefully to emphasize improved likelihood of project and program success, recognizing the need for results-based monitoring and evaluation.

Aspects of the Programming Framework Agreement

36. The Programming Framework agreement should include the following information:
- (a) information on the enabling environment, including critical policy environment, legal and institutional arrangements and in-country capacity;
 - (b) agreed goals, objectives, milestones and indicators of outcomes/impacts for each phase of program, with specific details for the phase seeking approval;
 - (c) a learning and adaptive management system, including monitoring and evaluation plans, with specific details for the phase seeking approval;
 - (d) financing plan for the entire program, including the envelope of request from the GEF, the main partners and their contributions (including the country). As a minimum the details of the first phase should be clearly spelt out and the co-financing arrangements secure;
 - (e) sequencing of GEF disbursements for phased support of the program based on identified milestones in achieving the program's objectives; and
 - (f) an exit strategy.
37. There are three key aspects that should be reflected in the programming framework agreement between the country and the GEF to commit resources towards sequenced priorities over an agreed time frame: Country ownership and commitment, GEF support, and learning and adaptive management. Each of these aspects would be guided by the following principles:
- (a) Country ownership and commitment
 - (i) *political and financial commitment*: government commitment to the programming framework needs to be clear in terms of funding (current funding levels, leveraging future levels) and through its policies (ensuring critical policy environment), co-ordination of relevant government actors, and conducting necessary stakeholder consultations; and
 - (ii) *prioritization and sequencing*: the emergent priorities and sequence for addressing the priorities would be clearly articulated in the framework. Activities to meet the objectives of the initial program priorities would be detailed, with the expectation that future activities will be developed over time to conform to priorities in the sequence identified in the framework. Progressive deepening of financial and political commitment to achieve horizontal and vertical integration of environmental concerns across the sectors, in the sequenced priorities should be apparent.

- (b) GEF Support
- (i) *consistency with GEF strategic principles*: the framework must be fully consistent with these principles and review criteria for approval;
 - (ii) *indicative figure*: the resource allocations both from the GEF and other sources need to be clear – the framework should, therefore, on the basis of the sequenced priorities anticipate the levels of resource allocation that may be necessary. GEF resources in support of the framework would be commensurate with the impacts on the global environment, and guided by the incremental cost principle, emphasizing leveraging and co-financing to achieve results; and
 - (iii) *approval*: the programming framework would seek to streamline the approval of projects and activities contained within it. The approval process, and subsequent level of delegated authority (where relevant) would be defined for each phase of the framework. In any case, the authority of the Council would be observed at all stages of the program. The approved envelope should not be seen as an entitlement.⁵
- (c) Learning and Adaptive Management: Strategic learning, innovation and adaptive management through careful monitoring and evaluation against benchmarks is key for all three levels, and it would be commensurate to the needs of the program:
- (i) *delivery*: the progress made towards programmatic results will be assessed through monitoring and evaluation against milestones, benchmarks and performance indicators; and
 - (ii) *flexibility*: certain level of flexibility will be maintained within the tranches of resource allocation to enable adaptive management to be effective. The approach will emphasize learning, innovation and adaptive management to apply corrective actions, and reconfigure the program, as necessary.

⁵ Approval of funds for each phase would depend on satisfactory performance of earlier phases as measured against the initially agreed programmatic indicators in the framework, and would be consistent with the previously agreed envelope of resources for the entire multi-year program.