



Global Environment Facility

GEF/C.34/Inf.6
October 9, 2008

GEF Council
November 11-13, 2008

MID-TERM REVIEW OF PROGRESS IN IMPLEMENTING GEF-4 POLICY RECOMMENDATIONS

INTRODUCTION

1. As part of the negotiations for the fourth replenishment of the GEF Trust Fund, the participants laid out a set of policy recommendations to be implemented for GEF-4. The participants underscored the importance of deepening and extending GEF-3 reforms in order to meet the new challenges of GEF-4

2. In the *Policy Recommendations for the Fourth Replenishment of the GEF Trust Fund* (GEF/R.4/32), the Secretariat was asked to prepare by November 2008, a mid-term review of progress in implementing the GEF-4 policy recommendations. The participants requested that the review be presented in a format similar to the original action plan (see Annex I for original action plan). Progress on the original action plan is provided below in Table 1.

3. The GEF is now half-way through the fourth replenishment period and all of the key policy and institutional reforms have been put in place and reported on to Council. Significant achievements have been made including: the approval of GEF-4 strategies, streamlining of the GEF project cycle, shift to actual cost-based financing of project preparation grants, corporate budget reform, direct consultation with recipient countries, and the introduction of a results-based management framework.

4. Now that all of the key policy and institutional reforms are under implementation, the Secretariat will continue to track progress on the new initiatives as well as propose directions for the future through its Business Plan and Corporate Budget.

Table 1: Progress in Implementing GEF-4 Policy Recommendations

Date	Initial Plan of Action	Progress through FY08
Council meeting in December 2006	<ul style="list-style-type: none">• Council to review Secretariat proposals regarding the review and revision, as necessary, of the six focal area strategies, taking into account the cross cutting issues of sustainable forest and sound chemicals management.• Council to consider Office of Evaluation review of the experience of Executing Agencies.• Council to decide on action plan for strengthening involvement of Executing Agencies in GEF operations.	<ul style="list-style-type: none">• Council discussed preliminary focal area strategies at the December 2006 Council meeting. Council approved revised strategies at the June 2007 meeting.• Council reviewed the findings of the evaluation.• Council approved the reforms recommended by the CEO at the December 2006 meeting that level the playing field among the agencies and strengthen the engagement with Executing Agencies. Council approved guidelines regarding comparative advantages of agencies at the June 2007 meeting.

Date	Initial Plan of Action	Progress through FY08
	<ul style="list-style-type: none"> • Council to decide on proposed results management framework. • Council to decide on clear rules, procedures and objective criteria for project selection and management of the pipeline, including a policy for cancellation of projects. 	<ul style="list-style-type: none"> • Council approved Results-Based Management Framework at the June 2007 meeting. • Council approved rules and procedures for project cancellation/suspension /termination at the December 2006 Council meeting. To operationalize these rules and procedures, objective criteria were included in the new project cycle approved by the Council in June 2007. These criteria were reflected in the GEF Operations Manual presented at the April 2008 meeting.
Council meeting in May/June 2007	<ul style="list-style-type: none"> • Council to decide on proposals for a simplified approach to operational programs and strategic objectives. • Council to decide on proposals of the Secretariat and agencies for clearer operational guidelines for the application of the incremental cost principle. • Council to decide on proposed specific steps for project cycle streamlining. • Council to decide on Trustee's proposed policy on strengthened accountability for Implementing and Executing Agencies. 	<ul style="list-style-type: none"> • Council reviewed revised and focused strategies at the June 2007 Council meeting. • Council approved a simplified approach to incremental cost in June 2007. • Council approved a simplified project cycle at the June 2007 Council meeting. • Council approved Trustee's proposal for minimum fiduciary standards at the June 2007 Council meeting.
Council meeting in November/ December 2007	<ul style="list-style-type: none"> • Council to review agencies' reports on efforts to mainstream global environmental challenges into core development work. • Council to decide on proposed communications and outreach strategy. • A performance and outcome matrix in line with international methods and standards will be included in the Annual Performance Report, and realistic and international best practice targets for ratings will be set. The 	<ul style="list-style-type: none"> • Council reviewed agency reports at the November 2007 meeting. • Council approved a communications and outreach strategy in November 2007. • GEFEO has included a performance and outcome matrix in the Annual Performance Report.

Date	Initial Plan of Action	Progress through FY08
	goal is to achieve satisfactory ratings in all categories by 2010. Consistent with international best practices, the target for satisfactory outcome ratings should be 75%.	
Council meeting in May/June 2008	<ul style="list-style-type: none"> • Council to review report on implementation of <i>Strategic Approach to Enhance Capacity Building</i>. • Council to consider Annual Portfolio Performance Report, including report on results management framework. 	<ul style="list-style-type: none"> • Report on implementation of <i>Strategic Approach to Enhance Capacity Building</i> reviewed by Council at the April 2008 meeting. • Annual Monitoring Report submitted and approved by Council at April 2008.
Council meeting in November/ December 2008	<ul style="list-style-type: none"> • Council to consider independent mid-term review of the RAF and review progress in developing indicators. • Secretariat to prepare midterm review of progress in implementing GEF-4 policy recommendations. 	<ul style="list-style-type: none"> • Report on mid-term review of the RAF presented by EO at November 2008 Council meeting • Report submitted at November 2008 Council meeting.

Annex I. Action Plan for implementing proposed policy recommendations¹

<i>Date</i>	<i>Action</i>
Council meeting in December 2006	<ul style="list-style-type: none"> • Council to review Secretariat proposals regarding the review and revision, as necessary, of the six focal areas strategies, taking into account the cross cutting issues of sustainable forest and sound chemicals management (paragraph 11) • Council to consider Office of Evaluation review of project cycle and review of the experience of Executing Agencies (paragraph 16) • Council to decide on action plan for strengthening involvement of Executing Agencies in GEF operations (paragraph 16) • Council to decide on proposed results management framework (paragraph 18) • Council to decide on clear rules, procedures and objective criteria for project selection and management of the pipeline, including a policy for cancellation of projects (paragraph 23)
Council meeting in May/June 2007	<ul style="list-style-type: none"> • Council to decide on proposals for a simplified approach to operational programs and strategic objectives (paragraph 11) • Council to review Secretariat's report on implementation of private sector strategy (paragraph 12) • Council to decide on proposals of Secretariat and agencies for clearer operational guidelines for the application of the incremental cost principle (paragraph 13) • Council to decide on proposed specific steps for project cycle streamlining (paragraph 22) • Council to decide on Trustee's proposed policy on strengthened financial accountability for review (paragraph 24) • Annual budgets should include accounting for all corporate administrative expenses as well as project fees (paragraph 29)
Council meeting in November/December 2007	<ul style="list-style-type: none"> • Council to review agencies' reports on efforts to mainstream global environmental challenges into core development work (paragraph 9)

¹ *Policy Recommendations for the Fourth Replenishment of the GEF Trust Fund*, June 5, 2006 (GEF/R.4/32), p. 8.

	<ul style="list-style-type: none"> • Council to consider independent mid-term review of the RAF and progress in developing indicators for other focal areas (paragraph 14) • Council to consider Annual Portfolio Performance Report, including report on results management framework (paragraph 18) • Council to decide on proposed communications and outreach strategy (paragraph 25)
Council meeting in May/June 2008	<ul style="list-style-type: none"> • Council to review report on implementation of <i>Strategic Approach to Enhance Capacity Building</i> (paragraph 17) • Council to review Secretariat's report on implementation of private sector strategy (paragraph 12) • Annual budgets should include accounting for all corporate administrative expenses as well as project fees (paragraph 29)
Council meeting in November/December 2008	<ul style="list-style-type: none"> • Council to consider independent mid-term review of the RAF and review progress in developing indicators (paragraph 14) • Secretariat to prepare midterm review of GEF-4 policy recommendations (paragraph 35) • Council to consider Annual Portfolio Performance Report, including report on results management framework (paragraph 18)