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Agenda Item 8

ACTIONS TO IMPLEMENT THE RECOMMENDATIONS OF THE STUDY OF GEF'S OVERALL PERFORMANCE AND THE POLICY RECOMMENDATIONS FOR THE SECOND REPLENISHMENT PERIOD

Recommended Council Decision

The Council, having reviewed document GEF/C.12/7, *Actions to Implement the Recommendations of the Study of GEF's Overall Performance and the Policy Recommendations for the Second Replenishment Period*, takes note of the actions that the Secretariat and Implementing Agencies have undertaken since the last Council meeting to follow-up on the evaluation report and the policy recommendations endorsed by the Council. The Council approves the proposed actions, subject to the comments made at the meeting and consistent with its decisions on other relevant agenda items before the meeting, and requests the Secretariat and the Implementing Agencies to take the necessary steps to carry them out.

1. The *Study of GEF's Overall Performance*, completed in February 1998, made 19 recommendations. Seven of these were labelled "priority recommendations" by the study team. At its March 1998 meeting, the Council requested the Secretariat, in consultation with the Implementing Agencies, to prepare for Council review and approval at its meeting in October 1998, an action plan and timetable for responding to the recommendations of the *Study* and other evaluation reports as appropriate, taking into account comments made by the Council Members at this meeting and any written comments submitted to the Secretariat by June 1, 1998. In addition, the Council endorsed six policy recommendations for the second replenishment period, most of which relate to the recommendations of the *Study of GEF's Overall Performance*.
2. This document gives an overview of how all of these recommendations have been or are being followed up. It first discusses actions to carry out the seven priority recommendations. Actions proposed to respond to the other 12 recommendations are then described. The document concludes by discussing the response to two policy recommendations for the second replenishment period that are not otherwise reflected in follow-up to the *Study of GEF's Overall Performance*. Actions to address many of the recommendations are discussed in separate Council working documents or information papers. In these instances, reference is made here to those other papers. In other cases, the proposed follow-up is described more fully in this document.

PRIORITY RECOMMENDATION 1: THE FOCAL POINT SYSTEM

In order to enable Operational Focal Points to be more effective advocates for GEF issues in their country, the GEF Secretariat and Implementing Agencies should broaden the existing Project Development Workshop format by involving the Operational Focal Points as much as possible in planning and execution and by focusing more on the coordination and information dissemination functions of the Operational Focal Points.

The GEF should provide resources for translation of basic GEF documents into the local languages of those countries requiring such translated documents.

PRIORITY RECOMMENDATION 2: COMMUNICATIONS AND OUTREACH

The GEF Council should authorize and adequately fund the development of a GEF outreach and communications strategy that targets GEF's multiple constituencies, including the Focal Points and relevant government agencies, NGOs and civil society, the media and the private sector. The strategy should rely on simple, user-friendly materials about the GEF and its operations, and should include provision of basic GEF documents in local languages. This strategy should be coordinated with the broadening of the Project Development Workshops.

3. **Action:** These recommendations were reflected in item number 2 of the New Delhi Statement of the First GEF Assembly and policy recommendation number 1 for the second replenishment period endorsed by the Council in March 1998. In response, a special GEF task force was formed to develop a plan to strengthen country level coordination and a strategy for greater outreach and communication. The report of this task force, including recommended actions for Council consideration, is in *Working Document GEF/C.12/8*. In addition, the Work Program proposed for Council consideration (*Working Document GEF/C.12/3*) includes a global project entitled “GEF Country Workshops”, which was prepared as a response to these recommendations.

PRIORITY RECOMMENDATION 3: MAINSTREAMING BY THE IMPLEMENTING AGENCIES

The World Bank should adopt public, measurable goals for the integration of global environmental objectives into its regular operations, including goals related to: 1) staff incentives, 2) funding level and/or number of GEF associated projects, 3) funding level and/or number of projects for the global environment in its regular lending portfolio, and 4) integration into its sector work and the Country Assistance Strategy (CAS) process. It should report regularly to GEF and to the public on its progress in achieving these objectives.

The World Bank should begin a transition from its role in financing conventional power loans to a new role in financing sustainable energy technologies.

The World Bank should allocate increased financial resources to the Global Overlays Program in order to ensure adequate staffing for a substantially higher level of integration of global environment into sector work and the CAS process.

The IFC should maintain a database of its projects with global environmental benefits, so that its mainstreaming of global environment can be assessed in the future.

UNDP should establish a system of tracking projects and components that are relevant to the GEF focal areas and set public, measurable targets related to: 1) funding levels and/or number of core-funded projects for biodiversity conservation, alternative energy and international waters, 2) funding level and/or number of GEF-associated projects, and 3) the Country Cooperation Frameworks (CCFs). It should report regularly to GEF and to the public on its progress in achieving those targets. It should also consider making linkages between potential GEF projects and potential core budget project an explicit objective of the process of preparing the Country Cooperation Frameworks.

UNEP should devise a system of staff incentives, involving at least a revision of staff evaluation criteria, to give adequate consideration to GEF work.

The GEF Secretariat and UNEP should devote more staff time and resources to upstream consultation not only in Washington but in Nairobi to ensure that all relevant UNEP program staff have adequate guidance in formulating GEF proposals.

4. **Action:** This recommendation was reflected in item number 9 of the New Delhi Statement of the First GEF Assembly and policy recommendation number 2 for the second replenishment period endorsed by the Council in March 1998. Each Implementing Agency has prepared a report in response to the New Delhi Statement and the relevant parts of these recommendations. Their reports are in *Working Documents GEF/C.12/4-6*.

PRIORITY RECOMMENDATION 4: IMPLEMENTING AGENCY MONOPOLY

The GEF Council should undertake a study of the advantages and disadvantages of various approaches to permitting additional organizations to propose GEF projects directly to the Secretariat and assume direct responsibility for GEF projects.

5. **Action:** This recommendation was reflected in policy recommendation number 5 for the second replenishment period endorsed by the Council in March 1998, and in item number 11 of the New Delhi Statement of the First GEF Assembly, which states “GEF...should expand opportunities for execution of activities by those entities referred to in paragraph 28 of the Instrument, in particular the Regional Development Banks and non-governmental organizations.” *Working Document GEF/C.12/10* examines this issue in further detail and includes recommended actions for Council consideration to implement this recommendation.

PRIORITY RECOMMENDATION 5: INCREMENTAL COSTS

A working group representing the GEF Secretariat and the Implementing Agencies should, in consultation with the convention secretariats, develop simpler, more straightforward guidance and communication for recipient country officials on the calculation of incremental costs and a strategy for increasing their involvement in the process of estimating those costs.

6. **Action:** This recommendation was reflected in item number 6 of the New Delhi Statement of the First GEF Assembly and policy recommendation number 6 for the second replenishment period endorsed by the Council in March 1998. The Secretariat was requested to organize a working group on incremental costs by the Council at its November 1997 meeting. To help guide the work of this group, in July 1998, the Secretariat commissioned an external agency to conduct an issues assessment involving a range of key parties to identify critical issues and concerns related to the development and implementation of simpler processes for determining incremental costs. A progress report on implementation of this recommendation is in *Information Paper GEF/C.12/Inf.4*.

PRIORITY RECOMMENDATION 6: PRIVATE SECTOR

The GEF Secretariat and Implementing Agencies should engage business and banking associations and mobilize financing from individual private financial sector companies, such as banks, insurance companies and pension funds. To interest the financial sector in GEF projects, the GEF should use the “incremental risk” of a potential private sector GEF project as a way of determining the size of the GEF grant.

GEF should identify and apply techniques for reducing the risk of the private investors of participating in GEF projects, such as using GEF funds to provide loan guarantees.

7. **Action:** This recommendation was reflected in item number 12 of the New Delhi Statement of the First GEF Assembly and policy recommendation number 3 for the second replenishment period endorsed by the Council in March 1998.

8. Measures to protect the global environment could sometimes impose an additional “incremental” risk which may be of a technological, commercial or institutional nature. In these cases, there may be a need to apply appropriate financing modalities to reduce these risks, and ensure win-win situations. In *GEF/C.2/6/Rev2*, several disbursement methods were outlined, including contingent financing. However, the application of these has not been very forthcoming to date.

9. As a first step toward implementing this recommendation, a joint GEF Secretariat-World Bank study exploring the possibilities for use of non-grant modalities in GEF climate change projects was commissioned by the Secretariat. Contingent financing modalities, such as partial risk guarantees, contingent grants and loans were recommended for further consideration within the framework of approved incremental cost policies. Methodologies to identify and address incremental risks were suggested based on a review of selected World Bank non-grant mechanisms to mitigate conventional project risks. The study pointed out that a number of GEF-funded IFC projects are already demonstrating initial utilization of non-grant mechanisms. It reviewed 11 GEF projects to identify typical risk categories and to assess options to address them. One of the projects--Thailand Building Chiller Replacement--included in the current Work Program (*Working Document GEF/C.12/3*) already reflects an operational response to the study recommendation.

10. A document will be prepared for the Council meeting in May 1999 which will outline further actions to implement this recommendation

PRIORITY RECOMMENDATION 7: GEF COUNCIL REVIEW

The GEF Council should seriously consider delegating the second review of project proposals to the GEF Secretariat.

11. **Action:** In response to item number 4 of the New Delhi Statement of the First GEF Assembly, *Working Document GEF/C.12/9* has been prepared on actions related to streamlining the GEF project cycle. This document includes specific proposals for consideration by the Council that would address this recommendation.

OTHER RECOMMENDATIONS FROM THE STUDY OF GEF'S OVERALL PERFORMANCE:

Recommendation 8

- (a) *The GEF Council should address the need for a clear definition of “new and additional” financing for the GEF, including the indicators that should be used in measuring additionality.*
- (b) *Donor countries should consider separating budget lines for global environmental measures in developing countries and for contributions to GEF from budget lines for development cooperation.*

12. **Action:** The Framework Convention on Climate Change and the Convention on Biological Diversity, as well as the GEF Instrument, state that funds for the global environment should be “new and additional” to official development assistance and borne by the developed countries. However, the term “new and additional” has never been clearly defined. It is unclear whether it refers to individual donor countries or donor countries as a group, and it is also unclear what the baseline is in terms of which official development assistance (ODA) flows, as well as year of comparison.

13. A number of individual donor countries have, in agreements with the decisions at the international conferences, separated the budget lines for ODA and global environmental efforts, while other countries report to OECD's Development Assistance Committee (DAC) their global environmental efforts as an integral part of their ODA.

14. The GEF Council is invited to discuss the issue and make recommendations for possible follow up, at the individual donor country level and/or at the international level, including the UN General Assembly, ECOSOC and/or the OECD/DAC.

Recommendation 9

- (a) GEF should regularly review and compare its own portfolio and project pipeline with those of other institutions to ensure that it is either providing significant additional resources or demonstrating a comparative advantage over other institutions involved in funding the same activities. In this regard, particular attention should be paid to GEF support for solar photovoltaics, energy-efficient lighting, and biodiversity trust funds.***
- (b) GEF should work with the OECD and other appropriate international institutions to ensure that reliable, comparable data on financing measures to protect the global environment, including data on different types of projects, is compiled and made available to the public.***

15. **Action:** With respect to recommendation 9 (a), the GEF Secretariat will organize periodic reviews of other donor funding in its focal areas to determine the extent to which GEF funding complements these other programs and to identify opportunities for more coordinated efforts and collaboration. Initially, these will focus on the three specific areas mentioned in recommendation 9 (a). The evaluation of experience with conservation trust funds (*Information Paper GEF/C.12/Inf.6*) provides a review on this topic. Portfolio reviews in the areas of solar photovoltaics and energy-efficient lighting will be carried out in 1999.

16. Based on the usefulness of these reviews, consideration will be given to future reviews for additional operational programs. These could include joint portfolio reviews, possibly held in conjunction with GEF Council meetings, with multilateral and bilateral agencies that are important actors in the GEF's focal areas. They could also be focussed on regions where a number of interrelated GEF and other projects are being carried out, e.g., the Meso-American Biological Corridor or the Black Sea basin. *Information Paper GEF/C.12/Inf.9* contains information on the GEF project pipeline that can serve as a basis for these joint reviews. In addition, a comparison of the GEF portfolio with those of other institutions will explicitly be part of future overall performance studies.

17. With respect to recommendation 9 (b), the Council is invited to discuss whether, and with what degree of priority, the Secretariat should approach OECD/DAC with the aim of helping correlate more closely the DAC's statistical categories with GEF focal areas.

Recommendation 10

- (a) ***The GEF should adopt a rigorous definition of “leveraging” that includes only funding that is additional to existing funding patterns and that is expected to create global environmental benefits. It should apply this definition in the Quarterly Operational Report and other relevant GEF documents. Implementing Agencies should apply this more rigorous definition in their own databases and reports on cofinancing of GEF projects.***
- (b) ***When there is sufficient experience with implementation of GEF projects, the GEF’s Senior Monitoring and Evaluation Coordinator should commission a study of the replicability of projects in the GEF portfolio.***

18. **Action:** One of the cross-cutting issues on which the 1998 Project Implementation Review will focus is the leveraging by GEF of additional resources and actions for activities likely to achieve global environmental benefits. The results of the PIR will enable GEF to develop more specific definitions and guidelines on what should be counted as resources or actions “leveraged” by GEF activities. These guidelines will be prepared before the next Council meeting in May 1999.

19. With respect to recommendation 10 (b), an evaluation of replicability of GEF projects is included in the Secretariat’s indicative monitoring and evaluation work program for FY00-02.

Recommendation 11

The GEF Council should adopt a policy, paralleling that for stakeholder participation, aimed at promoting the greater use of local and regional consultants in projects; encouraging an appropriate mix of local and foreign experts in GEF projects; and securing greater recipient government participation in the screening, short-listing and selection of project consultants.

20. **Action:** Actions to implement this recommendation are included in the plan to strengthen country level coordination and a strategy for greater outreach and communication described in *Working Document GEF/C.12/8*.

Recommendation 12

The GEF Secretariat should work with Implementing Agencies to develop quantitative and qualitative indicators of successful stakeholder involvement at different stages of the GEF project cycle, and to document best practices of stakeholder participation by focal area.

21. **Action:** Some examples of stakeholder participation in biodiversity project activities were included in the first issue of *GEF Lessons Notes*, published in April, 1998. Stakeholder participation was also the topic of a section in the *1997 Project Implementation Review*. In addition, descriptions of public involvement and disclosure procedures within the Implementing Agencies are contained in a draft report *Examples of Public Involvement in GEF-Financed Project* (October 1996). This report also provides three case studies from each Implementing Agency on mechanisms for assisting countries with integrating public involvement into project design and implementation.

22. Stakeholder participation will continue to be emphasized as a cross-cutting concern in projects, the PIRs, and program evaluations to be led by the Secretariat. For example, during 1999, the Secretariat and the Implementing Agencies will develop indicators for stakeholder participation as part of the performance indicators that will be included in the GEF's *Monitoring and Evaluation Guidelines and Standards*. These indicators will build on those already in use in the Implementing Agencies and other organizations, especially those indicators applied to community-based activities.

23. Within the next year and a half, the Secretariat and Implementing Agencies will collaborate to document and gather additional information on examples of best practices in stakeholder participation in GEF-financed projects (e.g., Small Grants Programme and medium-sized projects), and possibly, covering cases from non-GEF community-based projects. These examples will be disseminated broadly to recipient countries, executing agencies, Implementing Agency project managers and designers, the GEF/NGO network, and others.

Recommendation 13

(a) ***The GEF project submission format's description of project risks should call for identification of any specific policies or sectoral economic activities that could negatively affect project success, as well as the steps that need to be taken to reduce the risks to project success from those policies and activities.***

(b) ***The GEF should adopt a policy requiring that Implementing Agencies obtain clear, formal commitments from recipient country governments regarding policies and sectoral activities identified as increasing the risk of project failure before proceeding with project implementation.***

24. **Action:** The Secretariat reviews project proposals on a number of GEF criteria, including

sustainability, and will specifically review these aspects. The Secretariat will request the Implementing Agencies to facilitate this review process by making explicit reference in the project briefs to “specific policies or sectoral economic activities that could negatively affect project success, as well as the steps that need to be taken to reduce the risks to project success from those policies and activities.” This, together with the use of the Logical Framework in all new projects proposed for GEF funding, should assure that project concept and appraisal documents adequately provide for these factors, as well as the steps (including recipient government commitments) that need to be taken to reduce such project risks. No additional steps are considered necessary at this time to carry out this recommendation.

Recommendation 14

- (a) The GEF Secretariat and Implementing Agencies should require that project proposals contain a more thorough assessment of options for achieving financial sustainability.***
- (b) The GEF Secretariat and Implementing Agencies should encourage the broader use of biodiversity trust funds to help ensure the funding of biodiversity projects in perpetuity. The Implementing Agencies should continue to seek a high rate of leveraging of other sources of trust fund capital.***
- (c) The Implementing Agencies should provide for longer project implementation periods--for example, five to seven years instead of three to five years--in cases in which project sponsors can show that extra time will be necessary to implement the project and demonstrate its viability for future funders.***

25. **Action:** With respect to recommendation 14 (a), financial sustainability is a key feature examined during review of proposals submitted for GEF funding. The Project Review Sheet recently developed by the Secretariat highlights this area, among others.

26. The Secretariat, based on its project review experience in all focal areas, is analyzing examples of best practice for ensuring financial sustainability. The Secretariat will include them in a sourcebook that would provide guidance for GEF project design, and discuss them with the Implementing Agencies. This is envisioned as a first step in a longer term “structured learning” process on this and other operational issues.

27. Regarding recommendation 14 (b), an evaluation of experience with conservation trust funds was conducted in 1998, as a basis for determining future policies and program approaches in this area. The report of the evaluation is in *Information Paper GEF/C.12/Inf.6*, and a draft policy paper which draws on this evaluation is in *Information Paper GEF/C.12/Inf. 5*.

28. Project proposals currently being received generally have longer implementation periods than the 3-5 years typical of projects undertaken in the Pilot Phase or GEF 1. In addition, the

World Bank is now actively looking for opportunities to use its new “Adjustable Project Loan” instrument--which provides funding on a long-term (10-15 years) basis--in its GEF portfolio.

Recommendation 15

- (a) ***The GEF should play a more proactive role in its relations with the conventions and should, in consultation with Implementing Agencies, prepare more detailed requests for guidance on those issues on which guidance would be most helpful.***
- (b) ***The GEF Secretariat, the Implementing Agencies, and the convention secretariats should undertake a comprehensive review of enabling activities before the end of 1998 to determine how successful the projects have been, analyze the reasons for those that have failed, and consider policy and programmatic responses to the problem.***

29. **Action:** GEF has during the last year considerably stepped up collaboration and interactive measures on GEF’s operational policies and operations, both between and during the Conferences of the Parties of both conventions, as well as their regional and subsidiary body meetings. GEF staff have also increased their organization of specific workshops and seminars at these events.

30. In its report to the CBD Convention, GEF has requested guidance on issues such as country eligibility and the clearing house mechanism. In response to a request from COP 3 of the CBD, the GEF Secretariat collaborated closely with the Convention Secretariat in preparing a paper on benefit sharing. The paper was considered and endorsed by COP 4 and guidance was given to GEF on the basis of that paper. In future COPs, it is expected that GEF will have the opportunity to work with the Executive Secretary of the Convention in advising Parties on the implications on previous guidance of draft decisions they are considering.

31. GEF has consulted the UNFCCC Secretariat closely in preparing the National Communications Support Project which has been approved by Council and is to be implemented jointly by UNDP and UNEP.

32. In FY99, the GEF monitoring and evaluation team will conduct comprehensive studies of GEF enabling activities in both biodiversity and climate change. They will be carried out by teams made up of outside consultants and staff from the Secretariat and Implementing Agencies. The study of biodiversity enabling activities is scheduled to begin in November 1998, while the one on climate change enabling activities will be carried out in 1999.

Recommendation 16

The Council should provide a new, more sharply focused mandate for the STAP in light of the change in the GEF’s needs and the experience of STAP during GEF I.

33. **Action:** GEF experience in incorporating the work of STAP was presented to the Council

in May 1997 in *Working Document GEF/C.10/5*. This experience was also reflected in the principles for the search committee for the reconstitution of the STAP at the Council meeting in March 1998 (*Information Paper GEF/C.11/Inf.4*).

34. STAP's scientific and technical advice has been particularly helpful and readily incorporated into the work of the GEF when it has focussed on fast moving scientific and technical areas and has had an operational dimension. During the next few years, all GEF entities see the need for STAP's work to be more tightly integrated with the overall GEF work program for operations, policy development, and monitoring and evaluation. This would be facilitated in GEF's three-year Corporate Business Plan and STAP's Work Program. STAP's work will be primarily demand driven and respond to operational needs of the GEF Secretariat and the Implementing Agencies. The main focus of its work will be to provide strategic advice to the GEF on science and technology issues at critical times when such advice can have maximum influence on GEF's work. The role of STAP's Chair as the *ex officio* chair of the GEF Targeted Research Committee, and the role of STAP in helping to propose research priorities for Committee consideration, also constitute important links between STAP's work and GEF's operational programs.

35. An amendment of STAP's mandate, as recommended by the *Overall Performance Study* team, is not regarded as necessary in order to achieve these shared aims.

Recommendation 17

In order to encourage continued adherence by the World Bank to its streamlined project cycle, the GEF Secretariat should allow the Implementing Agencies to submit a range of estimates when a project is first submitted, on the understanding that a firm estimate will be submitted for final approval.

36. **Action:** The Secretariat believes that current guidelines and practice for project concept documents submitted by the World Bank for consideration for work program entry are adequate to identify reasonable cost estimates and the degree of uncertainty that may exist on various cost items.

Recommendation 18

The GEF Council should authorize the GEF Secretariat and Implementing Agencies, in consultation with the Secretariat of the CBD, to undertake a formal exercise to identify the ecosystems and ecosystem types within each Operational Program in biodiversity that should be the highest priorities for GEF in terms of a set of agreed criteria, including those specified in the Operational Strategy.

37. **Action:** Responsibility for determining program priorities in the biodiversity focal area rests with the Conference of the Parties of the biodiversity convention. GEF will continue to work closely with the convention to identify ways to maximize the impact of its programs on the conservation, sustainable use, and equitable sharing of the benefits of biodiversity. This will include ways to cover adequately in the GEF biodiversity portfolio the various ecosystems and ecosystem types. A formal exercise to identify priority ecosystems, as recommended by the *Overall Performance Study* team, is not consistent with GEF's country-driven approach.

Recommendation 19

The GEF Secretariat should compile information on successful projects in sustainable use from NGOs and other bilateral and multilateral agencies worldwide, and disseminate them to Implementing Agencies and recipient country Focal Points.

38. **Action:** The Secretariat, in collaboration with the Implementing Agencies, will carry out this recommendation.

OTHER RECOMMENDATIONS FROM THE POLICY RECOMMENDATIONS FOR THE SECOND REPLENISHMENT PERIOD:

In policy recommendation number 2, the Secretariat was called upon "...to further develop the GEF resource allocation strategy to maximize global impacts and effectiveness of operations, and to make the development of broad 'performance indicators' a high priority."

Policy recommendation number 4 called for "...the further strengthening of the Secretariat monitoring and evaluation function by providing additional capacity for independent evaluation and for the urgent development of performance indicators...."

39. **Action:** The Corporate Business Plan for FY00 - 02 (*Working Document GEF/C.12/11*) contains a number of proposals to improve the effectiveness of GEF operations.

40. Further development of strategies and guidelines for monitoring and evaluation of GEF programs is a high priority task for the Secretariat during this financial year. An integral part of this is the development of indicators that can be used to assess performance at the project,

program and overall GEF level. This will firstly consist of complementing existing project level indicators in the GEF Secretariat and the Implementing Agencies. A new initiative has been undertaken to develop program level indicators, in cooperation with the Implementing Agencies and STAP. It is planned that program indicators also will be building blocks for the development of a set of indicators for GEF's overall accomplishments.

41. The staff of the Secretariat's monitoring and evaluation function has been increased by one position this financial year; recruitment is currently underway. The budget for the Secretariat's monitoring and evaluation activities in FY99 was increased beyond the amount originally planned. In addition, resources were provided to the Implementing Agencies for FY99 to allow them to participate actively in corporate monitoring and evaluation activities led by the Secretariat's monitoring and evaluation team.

SUMMARY MATRIX
ACTIONS TO IMPLEMENT THE RECOMMENDATIONS OF THE STUDY OF
GEF'S OVERALL PERFORMANCE

RECOMMENDATION (priority recommendations listed first)*	ACTION
1. Enable Operational Focal Points to be more effective advocates of GEF issues.	See <i>GEF/C.12/8</i>.
2. Authorize and adequately fund GEF outreach and communications strategy.	See <i>GEF/C.12/8</i>.
3. Mainstreaming by the Implementing Agencies.	Each IA has prepared a response; see <i>GEF/C.12/4-6</i>.
4. Study approaches to permit additional organizations to propose and carry out GEF projects directly. (Implementing Agency Monopoly)	<i>GEF/C.12/10</i> includes recommended actions.
5. Develop simpler, more straightforward guidance on incremental costs.	Working group requested by Council in November 1997. External issues assessment undertaken. Progress report in <i>GEF/C.12/Inf.4</i>.
6. Expand participation of private sector.	Joint Secretariat/World Bank study commissioned. Document will be prepared for May 1999 Council meeting to outline actions to implement recommendation.
7. Council should consider delegating second review of project proposals to the GEF Secretariat.	<i>GEF/C.12/9</i>, on actions related to streamlining project cycle, contains specific proposals for Council consideration.
8. Council should address need for clear definition of "new and additional" financing for GEF.	Council invited to discuss and make recommendations for possible follow-up.
9. GEF should regularly review its portfolio with other institutions. GEF should work with OECD to assure comparable data.	Secretariat will organize periodic reviews, starting with three areas identified in recommendation. Consideration will be given to joint portfolio reviews with key multilateral and bilateral agencies, and data collection with OECD.

10. Adopt and apply a rigorous definition of “leveraging”, and evaluate the replicability of GEF projects.	1998 Project Implementation Review will focus on leveraging. New guidelines, based on PIR, will be prepared for May 1999 Council meeting. Replicability of GEF projects to be evaluated within corporate planning period.
11. Council should adopt a policy promoting greater use of local and regional consultants.	See <i>GEF/C.12/8</i>.
12. Develop indicators of successful stakeholder involvement and document best practices.	Some examples documented in <i>GEF Lessons Notes No. 1</i> and 1997 PIR. Future PIRs, evaluations and projects will continue to emphasize stakeholder participation. Secretariat and IAs will collaborate to document and disseminate best practices.
13. More specifically identify policies and sectoral activities that could negatively affect project success, and steps to reduce these risks.	Request Implementing Agencies to make explicit reference in project brief to such policies, activities and steps.
14. More thoroughly assess financial sustainability. Encourage broader use of biodiversity trust funds. Provide for longer project implementation periods.	Financial sustainability is key feature examined in review of proposals. Secretariat is analyzing best practice to include in a sourcebook. <i>GEF/C.12.Inf.6</i> and <i>GEF/C.12.Inf.5</i> provide basis for determining future policies regarding trust funds.
15. GEF should play more proactive role in its relations with conventions. Conduct a comprehensive review of enabling activities.	Collaboration and interaction with conventions has increased considerably during the last year. Studies of biodiversity and climate change enabling activities will be conducted in FY 1999.
16. Provide new, more focused mandate for STAP.	Amendment of STAP’s mandate not regarded as necessary.
17. Allow IAs to submit a range of estimates of incremental costs when projects are first submitted.	Current guidelines and practice are adequate.
18. Undertake a formal identification of ecosystems and ecosystem types that should be highest priorities for GEF.	Responsibility for determining biodiversity program priorities rests with COP of CBD. A formal exercise is not consistent with GEF’s country-driven approach.
19. Compile and disseminate information on successful sustainable use projects.	Secretariat, with IAs, will carry out recommendation.

Others: Make development of performance indicators and high priority. Strengthen GEF's M&E capacity.	Development of program indicators, led by Secretariat's M&E team in cooperation with IAs and STAP is underway. GEF M&E capacity increased.
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* The order of the recommendations is not the same as in *the Study of GEF's Overall Performance*.

