

GLOBAL  
ENVIRONMENT  
FACILITY

FOLLOW-UP TO RECOMMENDATIONS  
SET FORTH IN THE INDEPENDENT EVALUATION  
OF THE GEF PILOT PHASE

GEF Council Meeting  
Washington, D.C.  
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## I. INTRODUCTION AND FINDINGS

1. At the time of their December 1993 meeting in Cartagena, Colombia, the GEF Participants discussed the Report of the Independent Evaluation of the Pilot Phase (the Report). This Report had been commissioned by the Participants as crucial input into the processes of GEF restructuring and replenishment which were started in December 1992 and completed in March 1994.
2. At the time of the discussion of the Evaluation Report in Cartagena the Participants had invited the evaluators, as well as representatives of the NGO community, to participate in the discussion of the Report's conclusions and recommendations. While naturally there was some degree of divergence on certain specific points raised in the Report, there was consensus that the independent evaluation had been a credible and valuable exercise.
3. In its first meeting in July in Washington the GEF Council requested the Secretariat to prepare a short overview of what follow up steps have been taken in response to the Report's recommendations. This note provides this overview.
4. Considerable progress has been made in addressing the concerns and recommendations of the Evaluation Report in the restructuring of the GEF in the areas of structure, organization and management. These are the areas that received the most critical attention of the evaluators, and constitutes over half the recommendations highlighted in this review. The Instrument that establishes the restructured GEF is responsive to a great many of the evaluator's recommendations. The restructuring of the GEF clarified the lines of accountability that facilitate effective program management and governance. The definition of the GEF mission and program objectives is underway and taking into consideration input from the relevant convention bodies as well as from broad-based consultations at the regional level. Implementation of follow-up in the area of communication and participation will be realized over the course of the next year as the new project cycle and other revamped practices are put into practice and detailed guidelines are issued.

## II. THE KEY EVALUATION RECOMMENDATIONS

5. Chapter Two of the Report highlights nine main recommendations. In addition, a number of other recommendations and suggestions are made throughout the Report. This summary of follow-up activities focuses primarily on these nine recommendations (referred to with their Evaluation Report number and page). However, five additional recommendations of importance (referred to as Supplemental Recommendations 1-5) have also been addressed. These fourteen recommendations are organized under three broad headings:

- (i) GEF Mission and Program Objectives;
- (ii) Management and Organization; and
- (iii) Communication and Participation.

6. The recommendations and associated follow-up actions are summarized including the extent to which they have been addressed or implemented.

7. (i) GEF Mission and Program Objectives

*Recommendation #1: "Clearly articulate the GEF mission (p.6)."*

**Follow-up:** In the context of the Instrument for the Establishment of the Restructured GEF (hereafter referred to as "the Instrument") the GEF Participants agreed on the GEF's mission as (art.2): "The GEF shall operate ... as a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: climate change, biological diversity, international waters, and ozone layer depletion." The Instrument explains (art.3) that land degradation, as it relates to the four focal areas, is also eligible for funding. This provides the basic statement of mission for the GEF. In addition, guidance by the Council on a number of policy issues to be addressed in papers prepared by the Secretariat will contribute to further elaboration and refinement of this statement.

*Recommendation #2: "Develop program objectives and strategies (p.6)."*

**Follow-up:** Program objectives and strategies are being developed by the Secretariat for Council review. For each focal area the Secretariat leads an interagency task force to assure effective integration of Implementing Agency input. In addition, regional consultations are being organized by the Secretariat to ensure broad participation in the formulation of these strategies. As for the areas of climate change and biodiversity, the Instrument specifies (art.26) that " ...the use of the GEF resources for purposes of such conventions shall be in conformity with the policies, program priorities and eligibility criteria decided by the Conference of the Parties of each of those conventions." The operational strategies for these areas will build upon such guidance and will be prepared in close consultation with the Convention Secretariats. In the interim, programmatic guidance for 1995 is being presented for Council consideration at the November 1994 meeting.

*Recommendation #9: "Ensure the strategies and program guidelines are in place before program initiatives are undertaken with GEF funds (p.13)."*

**Follow-up:** At its July 1994 meeting, the GEF Council reviewed the need for developing a strategy and program. It agreed that strategies and program guidance need to be put in place during 1995. It also agreed to the development of a second track in which a modest volume of funds would be allocated during 1995 (interim guidance) while long-term guidance is developed. Over 1995 the detailed work program will indeed allow both strategies and guidelines to be developed and implemented. A moratorium on funding allocation would have undesirable consequences; since it would not permit financial support to the enabling activities that countries need for the effective implementation of the Conventions, addressing

urgent actions for global environment improvement, and maintaining critical staff deployment and momentum.

8. (ii) Governance, Management, and Organization

*Recommendation #3: "Reform the leadership, management, and organizational relationships of the GEF (p.9)."*

**Follow-up:** The restructuring of the GEF constituted the Participants' broad response to the calls for institutional reform, including this key evaluation recommendation. It included: the establishment of the Council and Assembly; the creation of a full-time position of CEO/Chairperson; the creation of a functionally independent Secretariat (for more details see Follow-up to Supplementary Recommendation #3); the transformation (see also the Project Cycle Paper) of the Implementation Committee of the pilot phase into the GEF Operations Committee, to be chaired by the Secretariat. Other steps of organizational reform include: the creation of interagency task forces led by the Secretariat, and the matching up of the regional structure of UNDP and the World Bank (UNEP's regional bureaus may later partake in these regional channels). The definition of the links between, respectively, UNDP and the specialized UN agencies, and the World Bank and the Regional Development Banks should be completed by early 1995 (see also the Note on the Relationship between the RDB's and the World Bank (document GEF/C.2/Inf.2) submitted to the November Council meeting). Finally, the three Implementing Agencies plan to revisit in the coming months their tri-partite agreement for cooperation in the implementation of GEF objectives and program activities.

*Recommendation #4: "Clarify and establish clear lines of accountability for the GEF (p.10)."*

**Follow-up:** The Participants clarified in the Instrument the lines of accountability of the GEF. This includes the accountability of: the Assembly (Art. 14 a-d); the Council (Art. 15 and 20); the CEO/Chairperson of the Facility (Art.18, 20 a-l); the Secretariat (Art. 21 a-i); the Trustee (Art. 8, Annex B); and the Implementing Agencies (Art. 22).

*Recommendation #5: "Establish a permanent mechanism for identifying lessons and promoting their application in GEF programs (p.10)."*

**Follow-up:** The Secretariat's approved work program includes the preparation, for the April 1995 Council meeting, of an Issues paper on Monitoring and Evaluation Guidelines. In this connection, the Secretariat is planning to prepare monitoring and evaluation guidance in accordance with the Instrument (art. 21 c). Whereas the Agencies will focus on building monitoring and evaluation mechanisms into their project designs, the Secretariat will focus on the comprehensive project tracking system (per Evaluation Recommendation, p.7) that permits the compilation and distribution of project experiences. At the country level, lessons from the Pilot Phase will be applied as applicable in future GEF activities.

Over the last year, the World Bank has developed guidelines for monitoring and evaluation of biodiversity and climate change projects. Similar guidelines for international

waters projects are being prepared and should be available for the next generation of GEF projects. UNDP will strengthen its own monitoring and evaluation practices as more projects become operational.

*Recommendation #6: "Following the development of GEF strategies, establish common guidelines for the management of GEF operations by implementing organizations and undertake an independent review of their capacities (pp.11-12)."*

**Follow-up:** Operational policy guidelines for the Implementing Agencies will be prepared by the Secretariat. The Secretariat has prepared papers for Council consideration on the proposed project cycle and issues concerning administrative budget management. Once approved these will serve as the basis for developing related OPG's, including guidance on management of projects (see also follow-up to Recommendation #5) and their related administrative expenditures.

UNDP is enhancing its GEF project implementation capacity by special training programs and briefings of its field staff and by engaging specially qualified experts for project design and/or execution. UNEP will strengthen its capacities in GEF delivery, as a result of an extensive in-house planning exercise involving high-level external experts, by establishing a formal GEF support structure including a core unit headed by a full-time officer. It is also implementing organizational changes which will permit the GEF to more systematically draw upon the agency's existing focal area expertise. The World Bank's Global Environment Coordination Division has developed and tested a set of training modules which can be used to train bank or other executing agency (RDB) staff.

*Supplemental Recommendation #1: "Streamline project development procedures (p.11)."*

**Follow-up:** As requested by the Council, a paper outlining the proposed GEF project cycle has been prepared for consideration at the November meeting. Implementation will follow upon Council approval.

*Supplemental Recommendation #2: "Integrate the GEF objectives into the mainstream of implementing agency operations (p.11)."*

**Follow-up:** The UNDP has prepared a Strategic Plan for implementing its role in the GEF. It provides direction for UNDP in GEF and states that one objective of UNDP's operations will be to assure that "global environmental objectives are integrated into the policy and institutional frameworks of programme countries." The Action Plan within the Strategic Plan directs UNDP staff to integrate GEF global objectives, as appropriate, into country Strategy Notes and Country Programmes. Where possible, UNDP promotes an integrated approach to global and national priorities.

The World Bank has taken a number of steps to mainstream GEF objectives. Through its sector work and support for environmental action planning, the Bank will highlight global environment objectives as well as national environmental management objectives in sectoral and macroeconomic development plans, and incorporate global

environmental protection as a component of environmentally sustainable development. Country assistance strategies are also expected to reflect the integration of global and national environment management issues in the development process. The Bank's Operational Policy on Economic Evaluation of Investment Operations has been revised to take global externalities, that have been identified in sector work or in the environmental assessment process, into account in project design and selection.

UNEP considers the global environmental concerns of the GEF to have always been a crucial part of its agenda. It considers the GEF focal areas to have been "mainstreamed" from UNEP's inception.

*Supplemental Recommendation #3: "Set up a functionally independent Secretariat, with policy leadership, and administrative authority in overseeing the work of the GEF (pp. 9, 124)."*

Follow-up: This has been completed as part of the restructuring process and will be guided by the Instrument (Art. 12 a-i) and by future Council actions.

*Supplemental Recommendation #4: "Reform STAP to an effective, interdisciplinary, and independent advisory body of the Council and the Secretariat (pp. 9, 10)."*

Follow-up: The Instrument (art. 20 f, 24) calls for UNEP to establish STAP. At the July meeting the Council initiated discussion on a preliminary paper concerning STAP. A revised paper is being submitted for the November Council meeting. The paper was prepared by UNEP, in consultation with the Secretariat, the other Implementing Agencies, and selected former STAP members, and it reflects comments received from Council members.

9. (iii) Communication and Participation

*Recommendation #7: "Improve participation in the GEF program at the country and community levels (p.12)."*

Follow-up: The Secretariat will prepare GEF Operational Policy guidelines on assuring participation at the country and community levels. UNDP is committed to improving participation at the country and community levels. The UNDP Strategic Plan (see above) reaffirms, as one of the five guiding principles, that "programs and projects are to be nationally-owned, embedded in country plans and consistent with broader country policies and priorities" and that "they are to be developed in a participatory manner involving all stakeholders including local communities."

In so far as community participation is concerned, UNDP has issued a directive (9/29/93) to all staff and UN executing agencies specifying that, in communities that would be affected by projects under consideration for GEF support, program development missions must consult with community groups on such matters as project goals, design and possible methods of implementation; that such consultations must be recorded, and that the findings from the consultations must be included in mission reports. Project concept missions are

similarly required to consult with NGO's and peoples associations in affected communities.

The World Bank issued in May 1994 a "best practice note" on Incorporating Social Assessment and Participation in Bank Operations, including all GEF funded projects. Subsequently, a similar best practice note was issued with specific guidance for GEF biodiversity conservation projects. The latter sets out the principles to be applied and how to do so at each stage of the GEF project cycle. Similar notes are under preparation for GEF-funded climate change, international waters and ozone protection projects.

*Recommendation #8: "Establish mutually beneficial collaboration with non-governmental organizations (p.13)."*

**Follow-up:** The Secretariat and individual Implementing Agencies are taking steps to identify productive opportunities to involve NGO's at the project level, as well as at the national and global levels. This will include a redesign of the Pilot Phase NGO consultation process. A paper on NGO participation entitled "Participation by Non-Governmental Organizations in the Global Environment Facility", GEF/PA.93/2, was prepared by the Secretariat and discussed by the Council. A number of regional consultations are planned by the Secretariat on broad, strategic planning for the GEF as well as on specific operational strategies for the focal areas.

UNDP's Country Offices have organized numerous briefings involving NGO's on the GEF program and projects. More than 25 UNDP GEF-funded projects approved or planned in the pilot phase have involved NGOs in design and/or implementation, including both developing country (local) NGOs as well as international NGOs. The 9/29/93 directive by UNDP (see above) identified numerous steps that project planners and implementors must take to involve NGOs. The UNDP Strategic Plan reaffirms these guidelines. Involving NGOs is also being addressed in work on the project cycle, new UNDP/GEF Operational Guidelines and new field-level training activities.

The World Bank has enjoyed a mutually beneficial collaboration with NGO's during the pilot phase. This will continue through participation of NGO's in GEF policy development within the Bank (guidelines, best practice, special studies), consultation at project level for project development and implementation and workshops and other fora to review general and thematic issues.

*Supplemental Recommendation #5: "The GEF Secretariat should work closely with the Participant countries to develop a communications strategy that can create widespread awareness of the GEF's work (p. 191)."*

**Follow-up:** The Secretariat will guide the overall GEF communications policy, in close consultation with the Implementing Agencies. The Secretariat is preparing a communications strategy that has two objectives: (i) to increase awareness of the GEF and its goals in facilitating developing country contributions that benefit the global environment, and (ii) to

receive feedback from GEF stakeholders and potential partners in the recipient countries on how to fit GEF-funded activities within the national sustainable development framework. This should facilitate effective participation of a broad range of recipient country stakeholders, from local communities and NGOs to academia, private sector and governments at the local and national levels.