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## **POLICY RECOMMENDATIONS FOR THE FIFTH REPLENISHMENT OF THE GEF TRUST FUND**

**Table of Contents**

Introduction ..... 1  
 Integrated Approach to Generating Global Environmental Benefits ..... 2

Policy Recommendations.....3

Enhancing Country Ownership..... 3  
 Reforming Corporate Programs ..... 3  
 Country Support Program ..... 3  
 Voluntary National Portfolio Identification Process..... 3  
 Funding of National Communications to Conventions ..... 4  
 Developing and Implementing a More Flexible System for the Allocation of GEF Resources ..... 4  
 Broadening the GEF Partnership..... 5

Improving the Effectiveness and Efficiency of the GEF Partnership..... 6  
 Enhancing Accountability to the Conventions ..... 6  
 Streamlining the Project Cycle and Refining the Programmatic Approach..... 7  
 Project Cycle ..... 7  
 Programmatic Approach ..... 7  
 Enhancing Engagement with the Private Sector ..... 8  
 Implementing the Results-based Management Framework ..... 8  
 GEF-wide Knowledge Management Initiative ..... 9  
 Clarifying the Roles and Responsibilities of GEF Entities ..... 9  
 Mobilization of Resources ..... 10  
 Flexibility in Contributing Resources to the GEF Trust Fund ..... 10  
 Cooperation with Civil Society Organizations..... 10

Annexes  
 Annex 1: Clarifying Roles and Responsibilities of the GEF Entities ..... 13

Tables  
 Table 1: Action Plan for Implementing GEF-5 Policy Recommendations ..... 11  
 Table 2: Roles and Responsibilities of GEF Entities..... 16

## INTRODUCTION

1. Participants emphasize the key role played by the GEF partnership as a multi-lateral, multi-convention financing mechanism for providing assistance to developing countries to generate global environmental benefits. The GEF, in its more than fifteen years of operations after its restructuring, has established a track-record of helping recipient countries deliver results in the different focal areas under its mandate.
2. The GEF serves as the financial mechanism for the Convention on Biological Diversity (CBD), the United Nations Framework Convention on Climate Change (UNFCCC), and the Stockholm Convention on Persistent Organic Pollutants. In this capacity, the GEF functions under the guidance of the Conventions. The GEF also provides financing for the purposes of the United Nations Convention to Combat Desertification (UNCCD). In addition, it provides support for the Montreal Protocol on Substances that Deplete the Ozone Layer, for those activities that concern chemicals management as they relate to the GEF focal areas; moreover, the GEF supports activities related to international waters.
3. In addition to the GEF Trust Fund, the GEF manages two funds mandated to it under the UNFCCC: (i) the Special Climate Change Fund (SCCF); and (ii) the Least-Developed Country Fund (LDCF). Since 2008, the GEF has been providing secretariat services to the Adaptation Fund Board, and has helped the Board develop the strategies, policies and institutional architecture of the Adaptation Fund under the Kyoto Protocol.
4. The GEF is built around a core partnership between developed and developing countries, which is directed toward stewardship of the global environment. This partnership is articulated through the decision-making structure of the GEF Assembly and the GEF Council, and the policy formulation and implementation network of the GEF Secretariat, the GEF Trustee, the Scientific and Technical Advisory Panel (STAP), and the GEF Agencies.<sup>1</sup> The GEF Evaluation Office plays a key role in keeping the focus of the partnership on delivering results. Participants reaffirm the importance of close collaboration and communication among the various entities that comprise the GEF partnership.
5. Participants agree that the GEF should continue to strengthen the strong and transparent delivery mechanism with governments, civil society organizations, the private sector, and other stakeholders that has already helped achieve results-on-the-ground.
6. During GEF-4, the GEF has been implementing a number of key reforms directed towards improving the effectiveness and efficiency of the partnership:
  - (a) the design and implementation of the Resource Allocation Framework to direct funds to countries under a more objective set of criteria, and to put countries in the lead when it comes to setting programming priorities;

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<sup>1</sup> Implementing Agencies, and Executing Agencies under the Policy of Expanded Opportunities.

- (b) the development of programmatic approaches so that issues of national, regional and global importance can be better tackled in coordination with GEF Agencies and other co-financiers;
- (c) the continued streamlining and shortening of the project cycle on the basis of an independent joint evaluation, and the development of rules and procedures for the management of project cycle processes to increase efficiency and transparency;
- (d) the design of a results-based management strategy to show how GEF delivers on its objectives;
- (e) the development of a new simplified methodology of applying incremental cost on the basis of the report of the GEF Evaluation Office;
- (f) the creation of a strengthened communications and outreach strategy;
- (g) the establishment of a level playing field among all GEF Agencies to equalize program and project-level opportunities among those with similar comparative advantages;
- (h) the launch of the Earth Fund to enhance engagement with the private sector; and
- (i) the establishment of minimum fiduciary standards and the review of compliance by the GEF Agencies.

7. Re-affirming the critical role of the GEF in providing resources for global environmental protection, and recognizing the important strides that it has made in its evolution, Participants agree that the replenishment of the GEF at a significant level over GEF-4 is critical. Participants emphasize the importance of building upon the reforms of GEF-4 to provide the GEF with a resilient structure within the framework of the GEF Instrument.

### **Integrated Approach to Generating Global Environmental Benefits**

8. One of the major strengths of the GEF as a financial mechanism is its ability to support activities in recipient countries that can meet their commitments to more than one global convention within the context of their sustainable development needs. The climate change problem is well articulated, and has finally caught the attention of decision-makers at all levels. In its wake there is a series of other complex interacting drivers impacting natural systems – in particular biodiversity, forests, land, and water. Widespread changes are starting to systematically affect the provision of ecosystem goods and services, from climate stability globally and regionally all the way to local services on which rural and coastal communities depend for their survival and livelihood on a daily basis.

9. Participants emphasize that even while strategies are articulated focal area by focal area, project development, design and implementation approaches should seek synergies and connections across the different focal areas, embodying an ecosystem approach, and reflecting the actual needs of recipient countries as they work to contribute to both global goals and national priorities. Participants highlight that addressing gender and social issues in GEF projects are critical as they are important drivers and incentives for achieving global environmental benefits and for the overall success of projects.

## POLICY RECOMMENDATIONS

10. Participants have developed the policy recommendations for GEF-5 on two main pillars: (i) enhancing country ownership; and (ii) improving effectiveness and efficiency of the GEF partnership. The elements comprising the two pillars are mutually dependent and are aimed towards further developing the GEF partnership to meet emerging challenges.

11. Participants recommend that when these policy recommendations are developed and presented as detailed proposals for Council review in GEF-5, each proposal be accompanied by an analysis of the costs and benefits of implementing the proposal.

### ENHANCING COUNTRY OWNERSHIP

12. Participants note that a key finding from the Fourth Overall Performance Study (OPS4) is that when projects are developed in a strategic context in a country, there are higher success rates in terms of impact. Building on this finding, participants agree on the following set of policy recommendations to strengthen country ownership, covering: (i) reform of corporate programs; (ii) direct funding of national communications; (iii) developing a flexible resource allocation system; and (iv) broadening the GEF partnership.

#### **Reforming Corporate Programs**

13. Participants support the reforms proposed in the design and implementation of Corporate Programs, as outlined in the *GEF-5 Programming Document*. These reforms will be centered on: (i) support to recipient countries to undertake portfolio identification exercises for GEF Programming; and (ii) delivery of a reformed *Country Support Program* that includes the *National Dialogue Initiative*. Both these activities will be facilitated by the GEF Secretariat directly with the recipient countries,<sup>2</sup> with the support of the Implementing Agencies.

#### *Country Support Program*

14. Participants support the proposal, as outlined in the *Revised GEF-5 Programming Document* (GEF/R.5/22) of a Country Support Program, managed by the GEF Secretariat, and composed of the following elements: (i) multi-stakeholder dialogues along the lines of the current National Dialogue Initiative; (ii) constituency-level workshops to keep GEF national focal points, convention focal points, and other key stakeholders, including civil society, abreast of GEF strategies, policies and procedures, and to encourage coordination; (iii) Council Member support; (iv) direct support to operational focal points; (v) knowledge management tool; and (vi) familiarization seminars.

#### *Voluntary National Portfolio Identification Process*

15. Participants support the proposal of providing GEF resources to recipient countries to undertake a national GEF portfolio identification process, on a voluntary basis, to provide a framework for programming GEF resources. It is suggested that such identification exercises be

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<sup>2</sup> The voluntary national portfolio identification exercise will be country-executed, while the Country Support Program will be executed by the GEF Secretariat.

coordinated by the GEF operational focal point in the country through a broad stakeholder consultation process. Countries may consider establishing national steering committees to guide this task. Countries that choose to identify portfolios through a participatory and consultative process will help raise the awareness of global environmental issues among stakeholders and decision-makers, and help place these issues more prominently on the national sustainable development agenda. The portfolio identification exercise will not be mandatory, and will not be a requirement for obtaining GEF grants. At the request of a country, the portfolio identification exercises will be facilitated by the Secretariat, and coordinated with the GEF Agencies, to ensure that planning for GEF programming is undertaken on a level playing field, while maintaining the primary role for countries that will directly manage the resources provided for this exercise.

16. Detailed proposals shall be prepared by the GEF Secretariat, in collaboration with the World Bank as the entity that provides administrative support for the Secretariat, and in consultation with the other two Implementing Agencies, for Council review in June 2010 for: (i) a reformed Country Support Program; and: (ii) funding the voluntary national portfolio identification exercise.

### **Funding of National Communications to Conventions**

17. Participants note that the funding of national communications/reports to the conventions is a fundamental obligation of the GEF as the financial mechanism of various conventions, and is an activity that can benefit from a streamlined, cost-effective and expedited provision of resources.

18. Detailed proposals shall be prepared by the GEF Secretariat, in collaboration with the World Bank as the entity that provides administrative support for the Secretariat, and in consultation with the other two Implementing Agencies, for Council review in June 2010 for funding the preparation of national communications/reports to the conventions.

19. Participants note that recipient countries will also have the option to continue to receive resources and technical support for national communications through GEF Agencies as is current practice.

### **Developing and Implementing a More Flexible System for the Allocation of GEF Resources**

20. The GEF Resource Allocation Framework (RAF) implemented in GEF-4 for biodiversity and climate change projects has helped to strengthen country ownership, at least where countries have an individual allocation. However, the independent mid-term review carried out by the Evaluation Office also found many limitations with the current system.

21. Participations welcome the decision of the GEF Council at its November 2009 meeting to adopt a more flexible System for Transparent Allocation of Resources (STAR) to be applied to the land degradation focal area in addition to the biodiversity and climate change focal areas, and to be implemented by the effectiveness of GEF-5. In the document to be presented at the June 2010 Council meeting on the operationalization of the STAR, participants request the Secretariat to provide a proposal on actions and timeframes for the implementation of the agreed, more flexible STAR, including a timetable for the agreed review to determine the next steps beyond GEF-5, in line with the Council decisions of November 2009.

## **Broadening the GEF Partnership**

22. Participants note that the GEF Instrument (paragraph 22) designates UNDP, UNEP, and the World Bank as Implementing Agencies of the GEF, and holds them accountable to the Council for their GEF-financed activities. Paragraph 28 of the Instrument notes that, “the Secretariat and the Implementing Agencies under the guidance of the Council shall cooperate with other international organizations to promote achievement of the purposes of the GEF. The Implementing Agencies may make arrangements for GEF project preparation and execution by multilateral development banks, specialized agencies and programs of the United Nations, other international organizations, bilateral development agencies, national institutions, non-governmental organizations, private sector entities and academic institutions, taking into account their comparative advantages in efficient and cost-effective project execution. Such arrangements shall be made in accordance with national priorities.” Paragraph 28 further notes that, “the Council may request the Secretariat to make similar arrangements in accordance with national priorities.”

23. Accordingly, the Council and the World Bank acting as Trustee have interpreted the Instrument to allow for a variety of executing agencies to work with the GEF, either through the Implementing Agencies or directly through the Secretariat and Trustee. However, experience has demonstrated that additional overhead and management costs are incurred when both Implementing and Executing Agencies are involved in the same project.<sup>3</sup> To counter this, the evolution of engagement of the GEF Agencies in the partnership has gone through three phases: (i) from the inception of the GEF to 1999, when only the three Implementing Agencies had direct access to GEF resources and other agencies had to access GEF resources through the Implementing Agencies; (ii) from 1999 to 2006, when seven Executing Agencies<sup>4</sup> were added through a phased approach, and progressively gained direct access to GEF resources; and (iii) the post-2006 period, when a level playing field was established for all ten GEF Agencies based on a clarification by the Council of the comparative advantages of the GEF Agencies in supporting the design and implementation of projects and programs, as well as through the abolishment of the corporate budget for the Implementing Agencies.

24. Participants note the key roles played by the Implementing Agencies in the GEF partnership and emphasize that in addition to assisting countries with project preparation and implementation, Implementing Agencies should enhance their engagement in the policymaking and strategy formulation processes in the GEF. Further, it is suggested that UNDP undertake coordination with respect to the UN Agencies, an approach that should help further advance the one UN principle. UNEP should continue its close collaboration with the partnership to bring cutting edge scientific and technical knowledge to the work of the GEF.

25. Participants recommend that the seven Executing Agencies maintain their current status in the GEF partnership having direct access to GEF resources for projects.

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<sup>3</sup> Total overhead costs including project management costs could be as high as 30 percent for a project with two agencies in the line of delivery.

<sup>4</sup> African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Food and Agriculture Organisation (FAO), International Fund for Agricultural Development (IFAD), Inter-American Development Bank (IADB), United Nations Industrial Development Organisation (UNIDO).

26. Participants acknowledge there might be benefits from having more entities cooperate with the GEF partnership, including direct collaboration with the Secretariat and Trustee. This could provide countries with more choice, but also could reduce the overhead costs of resource delivery, if structured properly. Participants agree that such entities could collaborate with the GEF only if: (i) the proposal is endorsed by the country's GEF operational focal point; and (ii) if the entity meets the GEF minimum fiduciary standards, and the cost of such an assessment is borne by the entity; and (iii) the entity demonstrates a clear comparative advantage. Such entities will receive a fee only for project cycle management and not for participation in corporate activities.<sup>5</sup>

27. Participants request the Secretariat, in collaboration with the GEF Trustee, to prepare a proposal for Council review in June 2010 to allow additional agencies referred to in paragraph 28 of the Instrument to cooperate with the Secretariat and Trustee directly subject to Council approval, and in accordance with national priorities, to assist recipient countries in preparing and implementing GEF-financed projects. The proposal should include analysis of the pros and cons for each type of agency and detail the modalities for the engagement of such agencies.

## IMPROVING THE EFFECTIVENESS AND EFFICIENCY OF THE GEF PARTNERSHIP

28. A second pillar of the GEF-5 reform process is to further improve the effectiveness and efficiency of the GEF partnership through: (i) enhancing accountability to the conventions; (ii) streamlining the project cycle and refining the programmatic approach; (iii) enhancing engagement with the private sector; (iv) implementing the results-based management framework; (v) clarifying roles and responsibilities of GEF entities, including sharing responsibilities for the mobilization of resources; and (vi) enhancing engagement with civil society organizations.

### **Enhancing Accountability to the Conventions**

29. Participants emphasize the *raison d' être* of the GEF as a/the operating entity of the financial mechanism of three international environmental conventions; the GEF formally functions under the guidance of, and is accountable to, the Conferences of the Parties of these conventions.<sup>6</sup> Participants support the proposal whereby convention secretariats would be invited to participate in Council discussions related to focal area strategies and programming, and request the Secretariat, in consultation with the convention secretariats, to table a detailed proposal for Council review in November 2010.

30. In addition, the GEF is encouraged to work with the convention secretariats to explore additional steps to strengthen the relationships with conventions, possibly including:

- (a) Periodic and increased consultations between the GEF and the convention secretariats, including more engagement during the replenishment process;

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<sup>5</sup> The current project cycle management fee of 10 percent for Implementing Agencies and Executing Agencies includes a notional 1 percent for participation in corporate activities.

<sup>6</sup> The GEF Council has taken a decision to recommend to the Fourth Assembly of the GEF that the GEF be available to serve as a financial mechanism of the UNCCD.



- (b) Strategic engagements between the GEF and the conventions in developing and implementing convention guidance;
- (c) Systematic involvement of the various convention focal points at the country-level in country dialogue and voluntary national GEF portfolio identification exercise;
- (d) Involvement of the convention secretariats in GEF national dialogues and other sub-regional meetings.
- (e) Participation by the GEF, to the extent possible, in the various awareness raising, scientific and technical workshops organized by the conventions;
- (f) Refinement of the GEF reporting process to the conventions; and
- (g) Sharing of the outcomes of the national GEF portfolio identification exercises with the conventions.

## **Streamlining the Project Cycle and Refining the Programmatic Approach**

### *Project Cycle*

31. Participants acknowledge the efforts made over the last several years by the Secretariat and the Agencies to streamline the GEF project cycle. Nevertheless, there is need to continue exploring options to further streamline policies, procedures and criteria associated with the project cycle for stand-alone projects.

32. Participants support the need to further enhance the efficiency of the GEF project cycle and recommend that the Council consider further modifications to the two-step Council project approval process for full-sized stand-alone projects (FSPs). The Secretariat, in collaboration with the GEF Agencies, the Trustee, and other stakeholders, shall prepare a detailed proposal for project cycle reform for Council review in June 2010 that covers both the GEF cycle and the Agencies' own streamlining efforts.

### *Programmatic Approach*

33. Participants acknowledge the advantage of using programmatic approaches over the project-by-project approach, specifically in: (i) shifting national economic sectors that are negatively affecting the global environment to a more sustainable path; (ii) enhancing opportunities to generate synergies across the focal areas of the GEF within the framework of national and/or regional sustainable development; (iii) increasing the scope for catalyzing action, replication, and innovation; (iv) improving opportunities for maximizing and scaling up global environmental benefits; (v) disbursing effectively and efficiently large-scale GEF resources to countries and regions without losing accountability and other MRV standards; and (vi) creating opportunities for interested donors and other partners, including the private sector, to invest additional and focused funding, at a program-level.

34. Participants note several deficiencies in the current approach on financing programs, inter-alia: (i) an obligation for each project (under a Council-approved program) to go through the entire project cycle; (ii) a lack of delegated authority for all or some steps in the project cycle

for projects under an approved program; and (iii) no funding envelope being set-aside by the Council when approving a program.

35. Participants support the general approach where, following the Council approval of the Program Framework Document, and the project identification forms (PIFs) of all associated projects are approved either by the Council (for full-sized projects) or the CEO (for medium-sized projects), projects implemented by Agencies with Executive Boards skip the CEO endorsement stage and are approved by the Agencies following the Agency's own processes, while projects implemented by Agencies without Executive Boards are reviewed and endorsed by the CEO prior to approval by the Agencies following Agency's own processes.

36. The Secretariat, in collaboration with the GEF Agencies, the Trustee, and other stakeholders, shall prepare a detailed proposal for refining programmatic approaches for Council review in June 2010.

### **Enhancing Engagement with the Private Sector**

37. Participants appreciated the initial efforts of the Earth Fund, established by the Council in May 2008, to demonstrate ways to more systematically engage with the private sector to foster innovation and open new markets, and demonstrate the potential for strategic partnerships than generally achievable through working with the private sector on individual projects through the normal GEF project cycle.

38. Participants recommend that an evaluation be undertaken of the structure and operation of the Earth Fund, following which the Council should consider the proposal to further capitalize the Earth Fund with an infusion of additional resources during GEF-5, as outlined in the programming document. It is important to leverage resources from the private sector through the Earth Fund, and structure the Fund to be a financially sustainable mechanism by maximizing the reflow of resources to the Fund. In addition, Participants emphasized the need for the GEF's private sector strategy to be broader than the recapitalization of the Earth Fund. The Secretariat, in collaboration with the GEF Agencies, shall prepare a document, detailing the next phase of the GEF's engagement with the private sector for Council discussion in November 2010.

### **Implementing the Results-based Management Framework**

39. Participants acknowledge that Results Based Management (RBM) has been on the GEF agenda for several years, that it is codified in policy and embedded in strategy at the focal area level, and that it helps to drive reporting. While these steps have generated well-documented successes, a number of challenges still remain in order to consistently report outcome level results, such as: (i) paying more attention to employing information for management; (ii) tracking the contribution of GEF funding to results more consistently; and (iii) focusing more on immediate outcomes, outputs and other measures of performance that are good proxies or progress for achieving higher-level results.

40. Participants commend the fact that RBM has been given a central place in GEF-5 strategy development, and that all focal area (and corporate program) strategies have been developed with results-frameworks that are integrated within the overall corporate results framework.

41. Participants support the implementation of RBM, and the role of the Secretariat in portfolio monitoring, as outlined in the GEF-5 Programming Document and they request the Secretariat, in collaboration with the GEF Agencies and the GEF Evaluation Office, to present a work-plan for the implementation of activities associated with RBM for Council review in November 2010. The work plan should ensure the quality of objectives, baselines, and results indicators, where each step of the results chain can be easily defined and tracked. Participants recommend that a progress report on the implementation of RBM be submitted for Council review at its meeting in November 2011.

#### *GEF-wide Knowledge Management Initiative*

42. Participants support robust lessons learned and knowledge management in the GEF, and support a GEF-wide knowledge management initiative to be linked to the results-based management framework. The Secretariat, in collaboration with the GEF Agencies, Evaluation Office, and STAP, shall prepare a knowledge management proposal for Council review in November 2010.

#### **Clarifying the Roles and Responsibilities of GEF Entities**

43. Participants recognize that in order to implement many of the recommendations outlined in this document, it is essential to clarify roles and responsibilities of the different entities in the GEF partnership.

44. Participants reaffirm their commitment to the GEF as a partnership facility, and acknowledge the need to review the roles and responsibilities of the GEF entities, given developments that have taken place in the GEF over the last several years. Clarification of these roles and responsibilities is aimed at facilitating and building synergies in the context of the operations of the GEF, a multi-lateral organizational arrangement that embodies partnerships at different levels and dimensions, that involve countries, conventions, an Assembly, a Council, the Secretariat, the Trustee, Implementing and Executing Agencies, Scientific and Technical Advisory Panel (STAP), and civil society organizations. GEF operations must conform to national priorities and country strategies, and its activities should be consistent with the guidance from the global environmental conventions for which it serves as the financial mechanism.

45. Paragraph 21 of the Instrument provides guidance regarding the role of the Secretariat. With regard to the roles of the Implementing Agencies, Executing Agencies and other bodies, guidance is provided by paragraphs 22, 23 and 28 of the GEF Instrument. The Instrument outlines the role of the STAP in paragraph 24. Annex B of the Instrument provides guidance regarding the role of the Trustee.

46. Participants recognize that the Council's last discussion of this subject during 2002-2003 resulted in the document, GEF/C.21/Inf.5, *Clarifying the Roles and Responsibilities of the GEF Entities*, submitted to the May 2003 Council meeting. The GEF partnership has evolved in the last nine years, and it would be useful to revisit the roles and responsibilities of the various partners.

47. Participants note and support the clarification of roles of the different entities, presented in Annex 1, prepared by the Secretariat in consultation with the other GEF entities and request the Secretariat to present this document for approval by the council in June 2010.

#### *Mobilization of Resources*

48. Participants agree that in practice the Secretariat and the GEF Trustee share joint responsibility for mobilizing resources for the GEF Trust Fund and other funds under the GEF, and request the Council to recommend to the 4<sup>th</sup> GEF Assembly the following amendments to the GEF Instrument:

- (a) paragraph 21, to recognize the role of the Secretariat, “jointly with the Trustee, to mobilize resources for the GEF Trust Fund.”
- (b) paragraph 4(a) in Annex B be modified as, “ the mobilization of resources for the Fund, jointly with the Secretariat, and the preparation of such studies and arrangements as may be required for this purpose.”

#### **Flexibility in Contributing Resources to the GEF Trust Fund**

49. Since the restructuring of the GEF, the Trust Fund has been replenished every four years in a well-defined replenishment process. This approach has allowed Participants and other stakeholders to identify and introduce periodic reforms to improve the GEF's effectiveness. Participants agree that this replenishment process does not preclude new or existing Contributing Participants from providing new or additional contributions to the GEF during the four-year replenishment period under the agreed terms of the replenishment. Participants agree that, in the event the GEF work program is expanded to include additional exceptional activities resulting from guidance from one of the multilateral environmental agreements, one or more Participants may provide additional financing to the GEF Trust Fund, with the approval of the Council, in an amount equal to the expected costs of such additional activities.

#### **Cooperation with Civil Society Organizations**

50. Participants acknowledge the positive and influential roles played by civil society organizations (CSOs), both through the GEF-NGO Network and through the participation in the design and implementation of GEF projects. In order to further enhance the cooperation between the GEF partnership and CSOs, the Secretariat shall, in cooperation with the appropriate GEF entities and the GEF-NGO Network, undertake a review of the policies and programs for engaging CSOs in the work of the GEF, and prepare a proposal for enhancing such engagement for Council review in November 2010.

**Table 1: Action Plan for Implementing GEF-5 Policy Recommendations**

Date	Action
Council meeting in June 2010	<ul style="list-style-type: none"> <li>• Council to consider proposals, prepared by the Secretariat, in consultation with the GEF Agencies, countries, and other stakeholder, for (i) reforming the country support program; (ii) funding voluntary national portfolio identification exercises; and (iii) funding national communications/reports to the conventions.</li> <li>• Council to consider a proposal prepared by the Secretariat, and the Trustee for the involvement of additional agencies referred to in paragraph 28 of the Instrument in the preparation and implementation of GEF-financed projects.</li> <li>• Council to consider a proposal, prepared by the Secretariat, in consultation with the GEF Agencies and other stakeholders, to streamline the project cycle that covers both the GEF cycle and the Agencies' own streamlining efforts.</li> <li>• Council to consider a proposal, prepared by the Secretariat, in consultation with the GEF Agencies and other stakeholders, to refine programmatic approaches.</li> <li>• Council to consider a document, prepared by the Secretariat, in collaboration with the Trustee, Evaluation Office, GEF Agencies, and STAP, delineating the roles and responsibilities of GEF entities.</li> <li>• Council to consider the document on the operationalization of the STAR, including the timetable for the agreed review, in line with Council decisions of November 2009.</li> </ul>
Council meeting in November 2010	<ul style="list-style-type: none"> <li>• Council to consider proposal prepared by the Secretariat, in consultation with the convention secretariats, to enhance the participation of the conventions in Council decision-making processes associated with relevant focal area strategies and work programming.</li> <li>• Council to consider a proposed strategy prepared by the Secretariat, in consultation with the GEF Agencies, the private sector, and other stakeholders, to further enhance engagement with the private sector.</li> <li>• Council to review a work plan, prepared by the Secretariat, in consultation with the Evaluation</li> </ul>

Date	Action
	<p>Office, the GEF Agencies, Evaluation Office, and STAP, to (i) implement the GEF results-based management framework; and (ii) to establish a GEF-wide knowledge management initiative.</p> <ul style="list-style-type: none"> <li>• Council to review a proposal, prepared by the Secretariat, in cooperation with the appropriate GEF entities and the GEF-NGO network, to enhance the engagement of CSOs in the work of the GEF.</li> </ul>
Council meeting in November 2011	<ul style="list-style-type: none"> <li>• Council to review a progress report, prepared by the Secretariat, in the implementation of the GEF Results-based Management Framework.</li> </ul>

## **Annex 1: Clarifying Roles and Responsibilities of the GEF Entities**

- 3.1. The Instrument for the Establishment of the Restructured Global Environment Facility outlines the broad roles and responsibilities of the GEF entities: the Assembly, the Council, the Secretariat, the Trustee, STAP and the Implementing Agencies.
- 3.2. **The Assembly** reviews and evaluates the general policies and operation of the Facility. The Assembly also considers, for approval, amendments to the Instrument on the basis of recommendations by the Council.
- 3.3. **The Council** is responsible for developing, adopting, and evaluating the operational policies and programs for GEF-financed activities, implementing the guidance of the Conferences of the Parties of the conventions for which the GEF serves as an operating entity of the financial mechanism. The Council provides oversight for the financial management of GEF resources, and the implementation of GEF policies and operations.
- 3.4. **The Secretariat** services and reports to the Assembly and the Council, and is responsible for implementing their decisions. The Secretariat is responsible for facilitating and coordinating GEF-financed activities, coordinating and collaborating among the GEF Agencies and with the Secretariats of other relevant international bodies. It chairs the inter-agency group meetings, and in coordination with the GEF Agencies, the Secretariat ensures the implementation of the operational policies of the GEF.
- 3.5. **The Trustee** is responsible for managing the resources in the GEF Trust Fund, including transfer of resources to the GEF Agencies. The Trustee is responsible for the mobilization of resources for the GEF Trust Fund and for other funds managed by the GEF.
- 3.6. **The Scientific and Technical Advisory Panel (STAP)** provides scientific and technical advice to the GEF. STAP's terms of reference was revised in June 2007 to enhance its advisory functions. These include: support to the Secretariat in making operational convention guidance; preparation of GEF strategies; review of project concepts and project documents and review of program framework documents. STAP also does targeted research, liaises with scientific bodies of conventions, gathers lessons learned, and undertakes the generation and dissemination of knowledge products.
- 3.7. **The Implementing Agencies.** The GEF Instrument identifies UNDP, UNEP, and the World Bank as the Implementing Agencies of the GEF. The Implementing Agencies are responsible for the preparation, cost-effectiveness and for the implementation their GEF-financed activities. They are also responsible for the implementation of the operational policies, strategies and decisions of the Council within their respective areas of competence and in accordance with an interagency agreement. UNDP plays a primary role in ensuring the development and management of capacity building programs and technical assistance projects. UNEP plays a primary role in catalyzing the development of scientific and technical analysis and in advancing environmental management in GEF-financed activities. UNEP provides the STAP's Secretariat and operates as the liaison between the Facility and the STAP. The World Bank plays a primary role in ensuring the development and management of investment projects. It promotes investment opportunities and mobilizes private sector resources.

3.8. **The Executing Agencies.** The *Policy of Expanded Opportunities* adopted by the Council in 2006 granted to seven additional agencies the opportunity to develop and implement GEF-financed activities within their respective areas of competence..

3.9. **The Evaluation Office** undertakes independent evaluations of the GEF strategies and operations, according to the GEF Monitoring and Evaluation Policy, adopted by the Council in February 2006. The Office also provides oversight over monitoring and evaluation undertaken by the Secretariat and the GEF Agencies.

3.10. **The CEO and Chairperson,** appointed by the Council, heads the Secretariat, co-chairs Council and Replenishment meetings and periodically convenes meetings with the heads of the Implementing Agencies and transmits their conclusions and recommendations to the Council.

3.11. To help provide clarity in GEF operations, the roles and responsibilities of the GEF entities as outlined in the *Instrument* were reviewed in the past for the purpose of articulating them a little more specifically. At its meeting in May 2002, the Council reviewed a document, prepared by the Secretariat, clarifying the roles and responsibilities of the different GEF entities,<sup>7</sup> and taking note of the agreement among the GEF Secretariat, the Trustee and the Implementing Agencies concerning lead responsibilities for institutional roles and functions within the GEF, amended and endorsed the document at its meeting in May 2003.<sup>8</sup>

3.12. This Council-endorsed document served as a reference in preparing the current matrix. It reflects recent developments in the GEF partnership, as well as the international context within which the partnership functions.

3.13. The attached matrix outlining the roles and responsibilities of the GEF entities reflects the following nine broad categories:

- (a) General Responsibilities;
- (b) Relations with Conventions;
- (c) Resource Mobilization;
- (d) Country Coordination and Programming;
- (e) GEF Policy and Program Development;
- (f) Programmatic Approaches;
- (g) Monitoring;
- (h) Evaluation;
- (i) Communications and Information Dissemination.

3.14. The matrix identifies the GEF entity with the lead responsibility for a function in the partnership. The identified lead entity will work with other entities in the partnership, as appropriate, to ensure that the referenced function is executed appropriately.

3.15. It is important to note that lead responsibilities identified vis-à-vis various functions listed in the 2003 document have not changed. However, since 2003, the Council has directed the GEF to undertake new functions and lead responsibilities have been identified against these new

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<sup>7</sup> Document GEF/C.19/8, *Clarifying the Roles and Responsibilities of the GEF Entities*.

<sup>8</sup> Document GEF/C.21/Inf.5, *Clarifying the Roles and Responsibilities of the GEF Entities*.



functions. In addition, there are potentially new functions (included in the matrix with square brackets and with footnotes) that may emerge as a result of the replenishment process for which lead responsibilities are suggested.

**Table 2: Roles and Responsibilities of GEF Entities**

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
<b>General Responsibilities</b>			
<p>Review the general policies of the GEF</p> <p>Review and evaluate the operation of the GEF on the basis of reports submitted by the Council</p> <p>Keep under review the membership of the GEF.</p> <p>Consider, for approval by consensus, amendments to the GEF Instrument on the basis of recommendations by Council.</p>	Assembly	Council	Assembly and council
<p>Serve as Trustee for the GEF Trust Fund</p> <p>Prepare periodic financial reports on GEF Trust Fund to the Council.</p> <p>On request by the CEO, provide financial reporting necessary to support GEF programming.</p>	World Bank		World Bank
Approve amendments to the GEF Instrument	Assembly, UNDP, UNEP, World Bank		Not a new function, but not included in April 2003
Ensure implementation of Council and Assembly decisions	Secretariat  Evaluation Office (for matters related to M&E policies)	GEF Agencies and other GEF entities, as appropriate	Secretariat
Provide administrative support for the Secretariat	World Bank		World Bank
Provide scientific and technical advice	STAP	GEF Agencies	STAP
Provide Secretariat support for STAP	UNEP		UNEP
Organize mediation, and conflict and dispute resolution for issues brought to the attention of the GEF Secretariat	Secretariat	GEF Agencies	New function

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
Organize consultations with Civil Society Organization (CSOs)  Organize inter-agency consultations  Organize GEF Council meetings  Organize GEF Assemblies  Prepare summaries of GEF Council meetings and reports of GEF Assemblies	Secretariat, Evaluation Office for matters related to M&E policies.		Not a new function, but not included in April 2003
Prepare documents for Council meeting and Assembly	Secretariat, Trustee, GEF Evaluation Office, STAP, GEF Agencies, as appropriate.		Not a new function, but not included in April 2003
Implement GEF operations at country- level	GEF Agencies <sup>9</sup>	Recipient countries	Implementing Agencies
<b>Relations with Conventions ON GEF Related Activities</b>			
Prepare GEF reports to the conventions	Secretariat	GEF Agencies, Evaluation Office, STAP	Not a new function, but not included in April 2003
Approve GEF reports to conventions and MOUs with conventions	Council		Council
Ensure that GEF-financed activities related to conventions conform to the guidance of the conventions	Council	Secretariat, GEF Agencies, recipient countries	Council
Coordinate with convention secretariats	Secretariat		Secretariat
Represent GEF at meetings of convention bodies (COPs and subsidiary)	Secretariat	STAP (liaise with scientific bodies of conventions) Evaluation Office (on evaluations)	Secretariat
Promote dialogue with stakeholders (including CSOs) participating in Conventions	Secretariat	GEF Agencies, Evaluation Office (on evaluations)	Secretariat
Operationalize convention guidance	Secretariat	GEF Agencies, STAP	Secretariat

<sup>9</sup> Implementing Agencies and Executing Agencies.

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
<b>RESOURCE MOBILIZATION</b>			
Mobilize financial resources for GEF Trust Fund	World Bank as Trustee [and Secretariat] <sup>10</sup>		World Bank as Trustee
Mobilize project and program co-financing	GEF Agencies/Countries		Implementing Agencies/Executing Agencies
<b>COUNTRY COORDINATION &amp; PROGRAMMING</b>			
Identify national priorities, utilizing a multi-stakeholder process that includes civil society organizations  Ensure consistency with national priorities for conventions through coordination with national focal points for conventions  Ensure that projects proposed for GEF financing conform to national priorities and country strategies	Operational Focal Point in consultation with the GEF National Steering Committee	Secretariat	Participating country
Undertake <i>National GEF Portfolio Exercise</i>	Operational Focal Point in consultation with the GEF National Steering Committee/ GEF Secretariat	GEF Agencies	New function
Coordinate strategic dialogue with countries on overarching GEF issues	Secretariat	GEF Agencies, Political Focal Point, Operational Focal Point, Evaluation Office (on M&E issues)	New function
Dialogue with countries on GEF program and project-related issues and on sector policies	GEF Agencies	Secretariat, Political Focal Point, Operational Focal Point	Implementing Agencies
Act as Country contact for Council matters and constituency coordination	Political Focal Point		Political Focal Point
Act as Country contact for national policy	Operational Focal Point		Operational Focal

<sup>10</sup> Need amendment of GEF instrument

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
and project coordination and endorse programs and projects to be submitted for GEF approval			point
[Prepare and implement GEF support programs for national focal points and constituencies, including their representation and coordination]  [Prepare and implement the program of national, subregional and regional dialogue workshops, <sup>11</sup> including chairing of an interagency Steering Committee for these workshops]	Secretariat	GEF Agencies, Evaluation Office (on M&E issues)	Secretariat  Secretariat (strategic partnership with UNDP)
Approve support programs for national focal points and constituencies, including their representation and coordination  Approve program of national, sub-regional and regional dialogue workshops	Council		Council
<b>GEF STRATEGY &amp; POLICY DEVELOPMENT</b>			
Prepare GEF strategies (including focal area strategies), policies, GEF Corporate Business Plan, with the exception of M&E issues (see below).  Develop GEF program and project cycle and review criteria for programs and projects	Secretariat	GEF Agencies, STAP	Secretariat
Prepare GEF Corporate Budget	Secretariat	Evaluation Office for GEFE budget	Not a new function, but not included in April 2003
Prepare GEF Monitoring and Evaluation Policy	Evaluation office	Secretariat, STAP, GEF Agencies	New function
Approve GEF strategies (including focal area strategies), policies, GEF Corporate Business Plan, GEF Corporate Budget  Approve GEF program and project cycle and review criteria for programs and projects	Council		Council

<sup>11</sup> National, subregional, and regional workshops will promote, among other things:

- national coordination,
- dialogue on national strategies and priorities,
- exchange of information on GEF strategic priorities and business plan as well as GEF policies and procedures,
- dissemination of lessons learned.

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
Promote multi-stakeholder consultations and access to information	Secretariat	GEF Agencies, GEF NGO Network Evaluation Office (on evaluations)	NGO network
<b>GEF PROJECT CYCLE MANAGEMENT</b>			
With the Support of the GEF Agencies prepare project concept (Project Identification Form) in line with the <i>National GEF Portfolio Identification</i> .	National Project Executing Agencies, Other national entities, as appropriate	GEF Agencies	Implementing Agencies/Executing Agencies
Help the project executing agency develop detailed project design and prepare final project document	GEF Agencies		Implementing Agencies/Executing Agencies
Review project concepts and project documents for consistency with GEF review criteria	Secretariat	STAP	Secretariat
Approve project concepts and project documents at appropriate stages in the project cycle	Council and CEO, as appropriate, at different stages of the project cycle		
Supervise the implementation of projects.	GEF Agencies	Countries	Implementing Agencies/Executing Agencies
[project development for voluntary national portfolio identification exercise, and national communications/reports to conventions] <sup>12</sup>	Recipient countries	Secretariat, STAP, Evaluation Office	Proposed new function
<b>Programmatic Approaches</b>			
Identify opportunities for programmatic approaches	Recipient Countries, GEF Agencies	Secretariat STAP	Implementing Agencies
Help participating country/countries prepare the Program Framework Document	GEF Agencies		Implementing Agencies
Review Program Framework Document for consistency with GEF program review criteria	Secretariat	STAP	Secretariat
Approve Program Framework Document	Council		
Help program executing agency develop individual project proposals within the	GEF Agencies		Implementing Agencies

<sup>12</sup> For Council decision.

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
approved program framework			
[Review and approve individual project proposals within the framework of the agreed program] <sup>13</sup>	GEF Secretariat or GEF Agencies (depending upon the degree of delegation agreed by the Council)	GEF Agencies, STAP	New function
Monitor implementation progress of program as agreed under the program framework	Secretariat	GEF Agencies	New function
<b>MONITORING</b>			
Undertake project monitoring, mid-term reviews, including for projects under programmatic approaches	GEF Agencies		Implementing/Executing Agencies
Review of GEF M&E requirements in project proposals  GEF portfolio monitoring and reporting. Undertake activities associated with implementation of GEF Results-based Management Framework	Secretariat	GEF Agencies	Not a new function, but not included in April 2003
Prepare Annual Monitoring Report for Council review (based on reviews of project and program implementation reports prepared by GEF implementing and executing agencies, and other monitoring activities)	Secretariat	GEF Agencies	Monitoring and evaluation unit
Gather lessons learned, undertake generation and dissemination of knowledge products	Secretariat & GEF Agencies, STAP as appropriate.		Not a new function, but not included in April 2003
<b>Evaluation</b>  (based on GEF M&E Policy approved by Council, Feb 2006) <sup>14</sup>			
Accountability and Oversight of GEF performance: develop and approve policy-making on M&E, oversight of M&E functions, enabling environments for M&E in GEF through adequate resources and due independence.	Council		New function
Approval of GEFEO evaluation work program and budget	Council	Evaluation Office	Council
Independent evaluations, including the Overall Performance Evaluation of the GEF every replenishment period	Evaluation Office	GEF Agencies' evaluation offices	Monitoring and evaluation unit

<sup>13</sup> For Council decision.

<sup>14</sup> The GEF Council has requested the Evaluation Office to undertake a consultative process with all GEF partners to prepare a revision of the GEF Monitoring and Evaluation Policy to be presented to the Council in November 2010.

ROLE	SUGGESTED LEAD FOR GEF-5		AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003
	LEAD RESPONSIBILITY	SUPPORTING PARTNER (S)	
Oversight of M&E	Evaluation Office	Secretariat, GEF Agencies, participating countries	New function
Setting minimum requirements for M&E	Evaluation Office	Secretariat (for monitoring)	New function
Corporate Agency evaluations Project and program evaluations	GEF Agencies		Implementing/Executing Agencies
Advice on scientific and technical matters  Support on scientific and technical matters	STAP	Secretariat and Evaluation Office	New function
<b>COMMUNICATIONS AND INFORMATION DISSEMINATION</b>			
Approve strategy for communication and information dissemination	Council		Council
Promote GEF awareness and visibility  Undertake outreach for countries, convention meetings, CSOs, private sector	Secretariat	GEF Agencies	Secretariat
Manage GEF-wide relationships with CSOs, private sector, bilateral development cooperation agencies and others	Secretariat	GEF Agencies	Secretariat
Disseminate project level information	GEF Agencies	Secretariat	Implementing Agencies/Executing Agencies
Disseminate GEF policy and project information to multi-stakeholders including CSOs	Secretariat	GEF Agencies, GEF NGO Network	NGO network
<b>REPLENISHMENT</b>			
Request the Trustee and Secretariat to initiate replenishment negotiations	Council		Not a new function, but not included in April 2003
Chair replenishment meetings	Trustee & Secretariat		Not a new function, but not included in April 2003
Preparation of documents for replenishment meeting	Trustee, Secretariat and other GEF entities as appropriate		Not a new function, but not included in April 2003
Preparation of Overall Performance Study	Evaluation Office		New function
Preparation of Summary of Replenishment Negotiations	Trustee & Secretariat		Not a new function, but not included in April 2003



<b>ROLE</b>	<b>SUGGESTED LEAD FOR GEF-5</b>		<b>AS NOTED IN GEF/C.21/INF.5, DATED APRIL 16, 2003</b>
	<b>LEAD RESPONSIBILITY</b>	<b>SUPPORTING PARTNER (S)</b>	
Endorsement of the Summary of Negotiations, including policy recommendations and resource allocations	Council		Not a new function, but not included in April 2003
Approval of the Replenishment Resolution for the GEF Trust Fund	World Bank (Executive Directors)		Not a new function, but not included in April 2003