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Agenda Item 10

**MANAGEMENT RESPONSE TO:
EVALUATION OF GEF SUPPORT TO SUSTAINABLE FOREST MANAGEMENT**

Recommended Council Decision

The Council, having considered documents GEF/E/C.62/02, *Evaluation of GEF support to Sustainable Forest Management*, and GEF/C.62/14/Rev.01, *the Management Response*, takes note of the related evaluation recommendations and endorses the management response to address them.

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INTRODUCTION

1. The Secretariat welcomes the IEO "Evaluation of GEF support to Sustainable Forest Management Volume 1: Main report – May 2022", which is the first comprehensive evaluation of GEF support to sustainable forest management (SFM). The GEF Secretariat values this informative study, which covers a huge portfolio of 640 projects with a value of \$3.654 billion of GEF finance across a wide range of geographies, implementing agencies, and focal areas implemented over the entire period from the GEF pilot to GEF-7. Through its analysis, findings, and conclusions, the study assesses the outcomes and performance of this diverse portfolio of projects and programs related to SFM and provides recommendations to further enhance GEF's impact in the context of the crucial role forests play for the global environment.
2. The Secretariat is encouraged by the IEO findings that confirm that *"GEF is well positioned as a natural and effective integrator of many goals concerning forests in the context of the multilateral environmental agreements (MEAs), the Sustainable Development Goals (SDGs), and governance and transparency initiatives such as the Capacity-building Initiative for Transparency (CBIT)."* The GEF Secretariat takes particular note of the IEO's acknowledgment that *"GEF's integrated approach has helped with the critical bridging of institutional silos that is needed for multi-objective SFM—supporting long-term capacity development, providing continuity of funding over periods that are far longer than those of traditional development assistance, and mainstreaming many SFM issues into policy debate and planning."*
3. The Secretariat is also encouraged by the IEO's findings of the positive contributions of GEF's SFM portfolio to creating multiple environmental benefits through protecting forests, restoring forest landscapes, maintaining environmental services, socio-economic benefits through the creation of jobs, and to empowerment and gender equity, as well as policies, institutions, and capacities. The Secretariat is pleased that the IEO assesses these contributions to lead to transformative change, i.e. deep, systemic, and lasting change in 21 percent of the projects with terminal evaluations (TEs) and with 81.2 percent of all projects rated as satisfactory in achieving their outcomes.
4. The Secretariat is pleased that the evaluation confirms that all project funding sizes exhibit good value for money—especially in jobs created by small grants, in area of forest protected and restored by medium grants, and in transformational change for larger grants. Therefore, the evaluation confirms the positive and encouraging findings of the "Value for Money Analysis of GEF Interventions in Support of Sustainable Forest Management - May 2019" (GEF/ME/C.56/Inf.02)¹.
5. The Secretariat is confident that the lessons learned and recommendations of the evaluation will contribute to GEF's continued and focused support of SFM in an integrated way through GEF's strategies in GEF-8 and beyond in line with the international ambition and calls for greater action for forests in the climate, biodiversity, and land degradation agendas. Forests will remain at the heart of GEF's integration agenda through a substantial and diverse portfolio of projects and programs, and

¹ <https://www.thegef.org/council-meeting-documents/value-money-analysis-gef-interventions-support-sustainable-forest>

extensive scope of SFM activities. This management response focuses specifically on the recommendations and strategies for addressing them in the future.

RECOMMENDATION (1)

“Enhance GEF’s SFM strategy to include all elements necessary for a comprehensive, clearly articulated and visible long-term vision and strategy for SFM.” The GEF’s SFM strategy has evolved and promoted the integration of focal areas in MFA as a starting point, and after GEF-5 & GEF-6 shifted from a scattered approach to funding projects to a consolidated approach in critical biomes. The GEF should now bring these elements together in a more comprehensive, clearly articulated, and long-term strategy for SFM going forward. This strategy should include:

- (a) *a clear articulation of the SFM vision, approach, alignment with the conventions’ objectives, priority areas, and geographical focus*
- (b) *SFM-specific theory of change*
- (c) *guidance on definitions of terms*
- (d) *clear criteria for inclusion in the GEF SFM portfolio; and*
- (e) *guidance on indicators and monitoring results both for the intermediate and longer term, including for environmental, socio-economic, and policy dimensions of SFM.*

6. The Secretariat takes note of this recommendation. The Secretariat would like to emphasize that a clear, articulated, and continually-evolving SFM vision and strategy has always been a part of its scope, fully aligned with the goals and objectives of the three Rio Conventions, and since 2000 also with the UNFF. GEF’s vision and strategy for SFM has indeed progressed through adaptation to specific contexts over the period covered by the evaluation, and further evolution is expected in GEF-8. All strategic developments have occurred in line with the respective GEF programming directions, and in the context of global policies for forests, donor and country priorities. As the IEO evaluation acknowledges, [...] *“GEF’s activities in relation to SFM have been well developed over nearly three decades. While remaining firmly linked to the MEAs and aimed at global environmental benefits, the SFM portfolio has responded to changing contexts and emphases in international agreements and national needs, “reinventing itself” and renewing its justification with each GEF replenishment. It has both led and responded to progressive and evidence-based changes in practice. The SFM portfolio has become more integrated, investing more in projects that address multiple focal areas and multiple countries, and is run increasingly by multi-agency partnerships, with the impact programs perhaps the apex response to date.”*

7. The Secretariat would like to highlight that SFM investments have been strategically used to deliver multiple environmental benefits and support countries to implement their engagement with the MEAs. As required for the design of all GEF projects and programs, the alignment with the conventions’ objectives is demonstrated and systematically justified by the project proponents. This approach is threefold: 1- through stand-alone projects following the country driven process of GEF modality; 2- through specific programs to guide GEF SFM work on priority areas including forests with highest potential benefits and seeking more impacts at global scale; and 3- through global

forest policy interventions in the context of the UNFF and the CPF, to influence multilateral approaches towards more environmental considerations of SFM approaches and enhance synergies with other global partners.

8. The GEF SFM investments have always been aligned with the UNGA definition and its key elements and with the UNFF global forest objectives. Using the SFM thematic elements enables clarification on which projects are considered SFM projects in the GEF portfolio. In particular the GEF had a clear objective and RBM framework for the SFM program in GEF-5 and GEF-6 as part of the Programming Directions, and in GEF-7 the SFM Impact program laid out a clear vision for SFM and explained how it built on GEF-5 and GEF-6 and why it shifted the focus to critical biomes.

9. The Secretariat would therefore like to highlight that over the three decades there have been clear visions, guidance and programmatic approaches on SFM. The evolution was clearly planned and intended to culminate in GEF-8: from the outset the SFM strategy recognized the integrated nature and multiple benefits of forests and promoted the integration of focal areas in MFA approaches as a starting point. Further in GEF-5 and GEF-6 it developed programmatic approaches through specific SFM programs to enhance coherence in the GEF portfolio of projects. In GEF-7, to address urgent needs the strategy evolved to a more consolidated approach focused on critical biomes and built to maximize impacts through systemic changes (in Amazon, Congo Basin, and Drylands). With this same vision of targeting forests with the highest potential to deliver environmental and socio-economic benefits, the GEF-8 strategy is further promoting SFM and ecosystems integrity in primary forests, including Amazon and Congo Basin and other critical forests biomes (in GEF-8). This has translated into one of the main goals of the SFM vision going forward to be focused on maintaining the ecological integrity and functioning of major tropical forest biomes, without which individual site based investments would be useless. This focus on “integrity and functioning” has pushed us to develop regional visions and investments (e.g. Impact Program regional coordination platforms) that ensure the delivery of this vision, as well as the needed political collaboration and coordination at the biome scale. The Secretariat will continue to enhance its strategy fulfilling its mandate vis-à-vis the MEAs and responding to the evolving global context.

10. The Secretariat emphasizes that SFM is a cross-cutting element in the GEF portfolio of projects and programs. While the GEF Programming Directions do include all the elements of GEF SFM strategy, the Secretariat takes note of the findings and conclusions of the IEO evaluation and agrees with the importance of the visibility of its SFM strategy. To enhance this visibility, the Secretariat proposes to elaborate a strategy document to be widely shared. This document will present all the various aspects of GEF’s cross-cutting SFM approach including *inter alia* the five points listed in recommendation 1. The Secretariat is confident that this would enable the GEF partnership to continue to enhance its SFM strategy and SFM interventions responding to Conventions guidance and countries priorities in GEF-8 and beyond.

RECOMMENDATION (2)

"Strengthen monitoring of socio-economic co-benefits and promote learning." The GEF should clarify and use relevant SFM indicators to capture multiple SFM dimensions, improving the measurement of socio-economic benefits where possible and consistent with project size and scope. Where feasible the use of geospatial analysis and social impact monitoring should be considered. Lessons on methodological and science innovations and broad coverage of diverse contexts of the results of SFM support could be better disseminated. Communication on GEF's SFM work is also needed to unblock awareness and barriers to practical SFM policy and practice.

11. The Secretariat welcomes this recommendation, noting that it is continuously striving to strengthen the monitoring of socio-economic benefits and to promote learning and knowledge exchange in the entire GEF project portfolio. The GEF partnership is already working on several elements included in the recommendation, notably on enhanced monitoring, the use of geospatial information, and on knowledge management. A comprehensive knowledge management approach, including lessons learned and information sharing is a requirement by GEF policy in all GEF projects and programs, which therefore also includes SFM work. Specifically regarding SFM, three out of the ten available Good Practice Briefs have featured SFM projects².

12. A further enhanced knowledge management is being implemented or planned through the GEF-7 and GEF-8 integrated programs related to SFM: all these programs include regional or global platforms aiming at enhancing knowledge management and wide communication on GEF's SFM investments and results. This will particularly be the case of the Critical Forest Biomes Integrated Program which includes as key intervention: "Promote regional cooperation: South-South learning, technical exchanges, intergovernmental cooperation, knowledge management, and communication strategies" (GEF-8 Programming Directions³, p. 45), including regional and global platforms.

13. The Secretariat notes however, that capturing the multiple SFM dimensions using relevant SFM indicators is challenging, and a reasonable balance needs to be achieved between capturing essential information at the GEF corporate level and needs for more granular information. In this context, the Secretariat notes that the previous use of a dedicated SFM tracking tool in GEF-5 and GEF-6 has been categorized by the IEO and agencies as being too burdensome for agencies and countries to apply (Review of Results-Based Management in the GEF, nov 2017⁴). In its conclusions, the IEO notes "the GEF is still tracking too much information". Notwithstanding these challenges, while the set of Core and Sub-Indicators applied since GEF-7 focuses only on a streamlined set of

² <https://www.thegef.org/newsroom/publications/good-practice-brief-data-driven-integrated-forest-management-turkey>
<https://www.thegef.org/newsroom/publications/good-practice-brief-enhancing-engagement-private-sector-and-local-communities>
<https://www.thegef.org/newsroom/publications/good-practice-brief-participatory-conservation-and-peacebuilding-dry-forest>

³ https://www.thegef.org/sites/default/files/documents/2022-04/GEF_R.08_29_Rev.01_GEF8_Programming_Directions.pdf

⁴ <https://www.gefio.org/sites/default/files/documents/reports/rbm-study-2017.pdf>

indicators, projects are developed using a comprehensive results framework made of indicators relevant to the achievement of the specific project's development objectives. In this sense, there is no constraint to capture all relevant SFM dimensions at the project and program level.

RECOMMENDATION (3)

" Support specific national and local priorities to manage trade-offs and maintain benefits." The GEF should support national and local organizations to strengthen capacity, improve SFM enabling conditions and maintain SFM-related benefits and manage trade-offs. This includes promoting and strengthening forest rights and land tenure, setting minimum threshold levels of SFM project funding for IPLCs, considering broadening the small grants, and providing more resources for adaptive management. GEF SFM support should also help engage with broader contextual factors such as the political economy issues affecting forests. In addition, the GEF should continue working with government partners and Agencies to influence upstream policies on forests and identify, track, and address drivers of deforestation beyond the forest sector.

14. The Secretariat welcomes the recommendation and agrees with the importance of supporting specific national and local priorities and managing trade-offs, which are both crucial elements of policy coherence at the national level. Strengthening the capacity of national and local organizations and improving SFM enabling conditions through integrated planning and policy developments already constitute important elements of many SFM GEF projects and programs. The strong integrated approach implemented by the GEF serves exactly the purpose of maintaining SFM-related environmental and socio-economic benefits while managing trade-offs.

15. Among GEF's investments supporting the IPLCs to implement SFM, it is worth mentioning in particular the dedicated program working with IPLCs in GEF-7 "Inclusive Conservation Initiative", aiming at enhancing IPLCs efforts to steward land, waters and natural resources to deliver global environmental benefits. This initiative is empowering IPLCs through access to larger volumes of resources required for larger-scale biodiversity conservation and natural resource management activities (notably in forests). It therefore allows increasing the level of SFM project funding for IPLCs. The consideration of IPLCs rights and funding will remain a key element in many future GEF projects and programs.

16. The Secretariat would like to underline that strengthening governance, including forest rights and land tenure features prominently throughout the GEF-8 Programming Directions, especially in the SFM related Integrated Programs on Amazon, Congo, and Critical Forest Biomes and on Ecosystem Restoration. The key interventions supported by the GEF-8 strategy include the improvement of land tenure rights and policies, especially the legal recognition of the customary rights and tenure security of IPLCs.

17. SFM is a dedicated area of work of the SGP⁵ and SGP 2.0 will provide enhanced opportunities, especially in collaboration with the IPs. Recognizing the imperative role of local action

⁵ <https://sgp.undp.org/areas-of-work-151/sustainable-forest-management-174.html>

and civil society for delivering Global Environmental Commitments, the enhanced SGP 2.0 in GEF-8 Programming Directions offers entry points and opportunities for broadening the small grants further to work on SFM at the community level and with local stakeholders, including CSOs. The GEF strategy explicitly seeks to increase the scale and scope of financing for civil society and elevate the SGP as the premier GEF grant mechanism and platform for civil society and local communities for the global environment.

18. The Secretariat especially welcomes the recommendation to continue working to influence upstream policies on forests and identify, track, and address drivers of deforestation beyond the forest sector. This is an essential element of its landscapes approaches and notably those focusing on food systems approaches such as in particular (but not only) the Food Systems, Land Use and Restoration Impact Program in GEF-7 (the biggest GEF Program ever) and the Food Systems Integrated Program in GEF-8. Those programs are particularly good examples of GEF forest-related investments beyond the forest sector: promoting sustainable food systems including restoration of agriculture lands, they seek to influence multiple and relevant stakeholders to move away from deforestation. Furthermore, on engaging with broader contextual factors affecting forests, the Secretariat would like to point to a very strong focus throughout the GEF-8 strategy and in particular in the Amazon, Congo and Other Critical Forest biomes IP: the policy coherence. In the future, it will be one key lever for the GEF to influence across multiple sectors policies and investments which have impacts on forests.

CONCLUSION

19. The findings and recommendations from this evaluation are useful in continuing GEF's efforts to support SFM to ensure the critical role that forests play for the global environment and reflecting the global ambition and calls for greater support to forests at the level of the MEAs. The Secretariat agrees with the IEO that the GEF is vital and relevant for promoting SFM globally and continues to be one of the major sources of financial support for SFM. GEF's SFM integrated approach is relevant to develop the needed multisectoral approaches to meet SFM multi-objectives and generate multiple environmental and socio-economic benefits.

20. As the evaluation has highlighted, GEF's activities in relation to SFM have been well developed over nearly three decades and the SFM strategy has continuously evolved responding to the political context, convention guidance, and countries priorities. The recommendations made in this evaluation will help to further enhance the strategy with a longer-term horizon and in line with GEF's vision and strategy for GEF-8 and beyond.

21. Together with STAP and GEF Agencies, the Secretariat will continue to strengthen its work on SFM and forest related issues, including enhanced visibility, knowledge management and exchange of best practices, and monitoring of SFM in GEF projects. In addition, the Secretariat will strengthen elements of policy coherence, good governance, including forest rights and land tenure, as well as ensuring adequate funding levels for IPLCs in the cross-cutting SFM strategy and its implementation.

22. The GEF Secretariat will track progress on the implementation of each of the recommendations, and report this progress to Council, through the IEO's standard Management Action Record.