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Agenda Item 09

## **MANAGEMENT RESPONSE TO THE SEMI-ANNUAL EVALUATION REPORT OF THE INDEPENDENT EVALUATION OFFICE**

## INTRODUCTION

1. **This management response focuses on the conclusions and recommendations of the Draft Final Report of the Sixth Comprehensive Evaluation of the GEF (OPS6).** The Secretariat welcomes the November 2017 *Semi-Annual Evaluation Report by the Independent Evaluation Office (IEO)*<sup>1</sup>, which presents the conclusions and recommendations of the *Draft Final Report of the Sixth Comprehensive Evaluation of the GEF (OPS6)*<sup>2</sup>. This management response addresses those conclusions and recommendations, as well as some of the additional findings, conclusions and recommendations of the nine individual evaluations, reports, reviews and studies that are presented in the report. As such, the management response reiterates and complements the Secretariat's initial response to the September 2017 draft OPS6 report that was presented for the second replenishment meeting<sup>3</sup>, as well as its responses to the October 2016<sup>4</sup> and May 2017<sup>5</sup> semi-annual evaluation reports.

2. **The management response is organized around the key themes of OPS6.** At the second replenishment meeting in October 2017, the Secretariat provided an initial response to the conclusions and recommendations of the draft final report of OPS6<sup>6</sup>. While the OPS6 conclusions and recommendations remain largely unchanged in the latest draft, the Secretariat has now had access to all of the individual studies and evaluations on which OPS6 is based. In light of this additional material, the Secretariat takes this opportunity to provide a more comprehensive response. The management response is organized as follows: (i) strategic positioning and transformational change, (ii) sustainability of outcomes, (iii) private sector engagement, (iv) complexity and additionality in programmatic approaches, (v) gender, (vi) environmental and social safeguards and engagement with indigenous peoples, (vii) transparency, (viii) governance, and (ix) monitoring, reporting and knowledge management.

3. **A response to selected findings, conclusions and recommendations of the nine individual evaluations is provided in Annex I.** During the reporting period from June to October 2017 the IEO has completed nine individual evaluations that inform the higher-level conclusions and recommendations of OPS6. The nine evaluations are (i) Climate Change Focal Area Study, (ii) Biodiversity Focal Area Study, (iii) Evaluation of the Integrated Approach Pilots, (iv) Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio, (v)

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<sup>1</sup> GEF/ME/C.53/01 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>2</sup> GEF/ME/C.53/Inf.01 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.01\\_OPS6\\_Nov\\_2017\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.01_OPS6_Nov_2017_0.pdf))

<sup>3</sup> GEF/R.7/08 ([http://www.thegef.org/sites/default/files/council-meeting-documents/Management%20Response%20to%20OPS6\\_GEF\\_R.7\\_08.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/Management%20Response%20to%20OPS6_GEF_R.7_08.pdf))

<sup>4</sup> GEF/ME/C.51/02, *Management Response to the Semi-Annual Evaluation Report of the Independent Evaluation Office: October 2016* ([http://www.thegef.org/sites/default/files/council-meeting-documents/GEF\\_ME\\_C.51\\_02\\_MR\\_to\\_SAER.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/GEF_ME_C.51_02_MR_to_SAER.pdf))

<sup>5</sup> GEF/ME/C.52/02, *Management Response to the Semi-Annual Evaluation Report of the Independent Evaluation Office: May 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52.02\\_MR\\_to\\_SAER.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52.02_MR_to_SAER.pdf))

<sup>6</sup> GEF/R.7/08 ([http://www.thegef.org/sites/default/files/council-meeting-documents/Management%20Response%20to%20OPS6\\_GEF\\_R.7\\_08.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/Management%20Response%20to%20OPS6_GEF_R.7_08.pdf))

Project Performance and Progress to Impact, (vi) Review of GEF's Engagement with Indigenous Peoples, (vii) Review of Knowledge Management in the GEF, (viii) Review of the Comparative Advantage, Financing and Governance of the GEF Partnership, and (xi) Review of the System for the Transparent Allocation of Resources.

#### **MANAGEMENT RESPONSE TO THE CONCLUSIONS AND RECOMMENDATIONS OF THE DRAFT FINAL REPORT OF THE SIXTH COMPREHENSIVE EVALUATION OF THE GEF (OPS6)**

4. **The Secretariat agrees broadly with the overall thrust of OPS6.** In particular, the Secretariat agrees that the GEF – notwithstanding its proven track record of performance – cannot ignore the continued, rapid deterioration of the global environment, and the evolving external context in which it operates.

##### **I. Strategic Positioning and Transformational Change**

5. **The Secretariat welcomes the conclusions and recommendations of OPS6 regarding strategic positioning and transformational change.** OPS6 emphasizes that the GEF should aim to further concentrate its efforts in line with its unique comparative advantage in the environmental finance landscape, particularly as an institution that can promote interlinkages and synergies across multiple environmental issues and the associated, multi-lateral agreements<sup>7</sup>. In a similar vein, the Secretariat agrees that “[t]he GEF should continue pursuing an integrative principle in its programming based on scientific and technical merits”<sup>8</sup>.

6. **The Secretariat believes that the proposed strategy for GEF-7<sup>9</sup> is highly responsive to IEO's conclusions and recommendations on strategic positioning and integration.** Through the proposed Impact Programs, in particular, it introduces a greater emphasis on addressing the drivers of environmental degradation, it aims to harness synergies across focal areas, and it proposes increasing investments in areas where fewer, other sources of grant and concessional financing exist. With respect to climate change, the Secretariat agrees<sup>10</sup> that the GEF continues to offer a strong comparative advantage in several areas – such as innovation and early adoption of low-carbon technologies and policies – but that there is a need for a sharper focus on these areas. The Secretariat also welcomes the observation of the *Climate Change Focal Area Study*<sup>11</sup> that the GEF's contributions towards climate change mitigation extend beyond the climate change focal area: “[a]ctivities funded by other focal areas and initiatives, along with

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<sup>7</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 22 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAEF\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAEF_Nov_2017.pdf))

<sup>8</sup> Ibid., Paragraph 24

<sup>9</sup> GEF/R.7/06, *Programming Directions and Policy Agenda* (<http://www.thegef.org/sites/default/files/council-meeting-documents/GEF-7%20Programming%20Directions%20and%20Policy%20Agenda%2C%20Second%20Replenishment%20Mee...pdf>)

<sup>10</sup> REFERENCE HERE

<sup>11</sup> GEF/ME/C.53/Inf.02 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.02\\_Climate\\_Change\\_F\\_A\\_Study\\_Nov2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.02_Climate_Change_F_A_Study_Nov2017.pdf))

[multi-focal area] projects, are poised to deliver significant [greenhouse gas emission reductions] that may be greater than those achieved by activities financed by the climate change focal area alone”.

7. **The Secretariat agrees that the GEF can and should do more to promote transformational change**<sup>12</sup>. To this end, and as noted in its response to the May 2017 *Semi-Annual Evaluation Report*<sup>13</sup>, the Secretariat sees great value in IEO’s in-depth review of projects that have achieved transformational change<sup>14</sup>, which highlights the importance of designing projects to make fundamental changes affecting an entire system, as well as long-term engagement at the system scale. Indeed, the proposed, GEF-7 Impact Programs<sup>15</sup> are predicated on the understanding that the GEF is not fully realizing its potential to achieve deep, systemic, and sustainable change with large-scale, positive impacts on the global environment.

## II. Sustainability of Outcomes

8. **The Secretariat notes that OPS6 underscores the GEF’s strong track record of performance, while cautioning that the sustainability of outcomes is the greatest challenge for GEF projects**<sup>16</sup>. Seventy-nine per cent of cohort of projects reviewed had satisfactory outcomes. Meanwhile OPS6 finds that only 63% of the project cohort analyzed was rated as having outcomes that were likely to be sustained, primarily as a result of weak financial sustainability. Sustainability is considered in further detail in the report *Project Performance and Progress Impact*<sup>17</sup>, which finds that country context, quality of implementation and quality of execution influence project sustainability ratings.

9. **The Secretariat will initiate a review to explore further the factors that affect sustainability, and propose potential ways to address these.** OPS6 does not offer recommendations to address risks to the sustainability of outcomes, nor does it suggest a reasonable benchmark for performance. Searching for the solution, the Secretariat notes from

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<sup>12</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 23 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>13</sup> GEF/ME/C.52/02, *Management Response to the Semi-Annual Evaluation Report of the Independent Evaluation Office: May 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52.02\\_MR\\_to\\_SAER.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52.02_MR_to_SAER.pdf))

<sup>14</sup> GEF/ME/C.52/Inf.06, *Review of GEF Support for Transformational Change* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52\\_Inf.06\\_Transf\\_Change\\_May\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52_Inf.06_Transf_Change_May_2017.pdf))

<sup>15</sup> GEF/R.7/06, *Programming Directions and Policy Agenda* (<http://www.thegef.org/sites/default/files/council-meeting-documents/GEF-7%20Programming%20Directions%20and%20Policy%20Agenda%2C%20Second%20Replenishment%20Mee..pdf>)

<sup>16</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 6 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>17</sup> GEF/ME/C.53/Inf.06 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.06\\_Proj\\_Performance\\_and\\_Progress\\_to\\_Impact\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.06_Proj_Performance_and_Progress_to_Impact_Nov_2017.pdf))

the May 2017 *Evaluation of Programmatic Approaches in the GEF*<sup>18</sup> that programmatic approaches have performed significantly better than stand-alone projects in terms of sustainability. Moreover, OPS6 concludes that the IAPs have been designed for long-term sustainability<sup>19</sup>.

### III. Private Sector Engagement

10. **The Secretariat agrees with the recommendation that the GEF needs to adapt its strategy to improve its engagement with the private sector**<sup>20</sup>. The Secretariat also welcomes the recommendation that the private sector should be viewed more broadly than just a source of financing<sup>21</sup>. Indeed, the proposed, GEF-7 programming directions and policy agenda<sup>22</sup> sets out a two-pronged strategy for private sector engagement. One pillar is to recognize the role of the private sector in contributing towards safeguarding the global environment, e.g. by changing business practices. The proposed strategy builds on successful initiatives from GEF-6 and earlier phases, such as the Commodity IAP, the Energy Efficiency Accelerators, the GEF Water Funds, and the Globallast Project, which all illustrate the opportunities to harness coalitions of interested public and private sector stakeholders.

11. **The Secretariat agrees that non-grant Instruments have proven effective and that their use should be expanded in GEF-7.** This is the other pillar of the GEF7 private sector strategy. The Secretariat also agrees that scaling up the use of non-grant instruments may require strengthening its internal capabilities, and that it would be useful to review and clarify the criteria for NGI project selection. At the same time, the Secretariat also believes that the GEF can continue to make effective use of non-grant instruments without introducing major changes to its business model.

12. **The Secretariat believes that options for new and innovative ways to mobilize resources merit more careful analysis before any decision are taken**<sup>23</sup>. OPS6 links the GEF's experience of non-grant instruments to possible, innovative ways to mobilize GEF resources. The Secretariat believes that the pros and cons of such options should be assessed against the

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<sup>18</sup> GEF/ME/C.52/Inf.01/Rev.01 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52\\_Inf.01.A\\_Programmatic\\_Approches\\_Rev\\_01\\_May\\_2017\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52_Inf.01.A_Programmatic_Approches_Rev_01_May_2017_0.pdf))

<sup>19</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 9 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>20</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 26 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>21</sup> Ibid.

<sup>22</sup> GEF/R.7/06, *Programming Directions and Policy Agenda* (<http://www.thegef.org/sites/default/files/council-meeting-documents/GEF-7%20Programming%20Directions%20and%20Policy%20Agenda%2C%20Second%20Replenishment%20Mee...pdf>)

<sup>23</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 13 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

broader business model and comparative advantage of the GEF. In absence of such an assessment, the Secretariat proposes that non-grant instruments continue to complement rather than substitute grants as the principal instrument for GEF funding.

#### IV. Complexity and Additionality in Programmatic Approaches

13. **The Secretariat welcomes the conclusion that programmatic approaches, multi-focal area (MFA) projects and the Integrated Approach Pilot programs (IAP) have generally been relevant and appropriately designed<sup>24</sup>.** Specifically, OPS6 concludes that programmatic approaches and MFA projects have emphasized integration, and are relevant in addressing the drivers of environmental degradation. With respect to the IAPs, they are found to be relevant to the environmental issues they address and the countries/cities in which they are located, and have been designed for long-term sustainability. Accordingly, OPS6 recommends that “[t]he GEF should continue pursuing an integrative principle in its programming based on scientific and technical merits”<sup>25</sup>.

14. **The Secretariat agrees that programmatic approaches often are more complex than stand-alone projects, and that complexity must be appropriately managed<sup>26</sup>.** The May 2017 *Evaluation of Programmatic Approaches in the GEF*<sup>27</sup> cautions that the multidimensional nature of programs has generated a greater need for coordination and management, and recommends that these issues be carefully addressed in the design and implementation of future programs. Similarly, the *Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio*<sup>28</sup> concludes that multi-focal area projects and programs incur costs in the form of efficiency losses, mainly during project design, review, and monitoring due to the increase in number of stakeholders and sectors required to provide inputs. The Secretariat believes that the scale and complexity of the environmental issues that the GEF was established to address often necessitate a comprehensive response, and commits itself to manage such complexity, based on lessons learned from past experiences. The Secretariat welcomes the conclusion that the design of the IAPs reflects lessons learned from past programmatic approaches, including greater attention to coordination, coherence across child projects, knowledge exchange, and a

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<sup>24</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, paragraphs 8–9 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>25</sup> Ibid., Paragraph 24

<sup>26</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, paragraphs 8–9 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>27</sup> GEF/ME/C.52/Inf.01/Rev.01 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52\\_Inf.01.A\\_Programmatic\\_Approches\\_Rev\\_01\\_May\\_2017\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52_Inf.01.A_Programmatic_Approches_Rev_01_May_2017_0.pdf))

<sup>28</sup> GEF/ME/C.53/Inf.05 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.05\\_Multiple\\_Benefits\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.05_Multiple_Benefits_Nov_2017.pdf))

relevant selection of countries and cities. The Secretariat believes that design elements such as these will contribute towards managing the inherent complexity of certain GEF programs.<sup>29</sup>

**15. Specifically, with respect to monitoring and reporting in the context of multi-dimensional projects and programs, the Secretariat agrees that there is room for improvement.** The Secretariat's proposed, GEF-7 policy agenda<sup>30</sup> sets out an ambitious program of work that aims to further strengthen the GEF's systems, approaches and practices for monitoring and reporting on results. Key measures include an upgraded results framework based on a limited number of core indicators; clearer, more consistent, and more robust definitions and methodologies; simplified reporting requirements at the project level; as well as an upgraded IT infrastructure to facilitate streamlined reporting, aggregation, analysis and quality control of results information.

**16. The Secretariat agrees that clearer targets and stronger results capture at the program level would help better demonstrate the "additionality" of programmatic approaches.** At the same time, the Secretariat believes that the ex-ante assessment of any GEF investment should look beyond the "additionality" of one operational modality over another. Ultimately, any GEF-financed activity – whether it is a stand-alone project or program, targeting a single focal area or multiple focal areas – should be appropriately tailored to the issue it seeks to address; and it should aim to provide increasing returns for the global environment; learning from and improving on past projects and programs.

**17. The Secretariat does not agree with OPS6 that there have been some inefficiencies caused by delays in designing and launching the IAPs"**<sup>31</sup>. OPS6 notes that it took 26 months for all IAP child projects to reach CEO Endorsement, and that it took IAP child projects 21 months on average to reach CEO endorsement<sup>32</sup>. It further notes that this is "in part because the GEF project cycle policy has not been explicit regarding the application of standards to child projects". However, as pointed out in the Secretariat's initial management response in

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<sup>29</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, paragraphs 8–9 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>30</sup> GEF/R.7/06, *Programming Directions and Policy Agenda* (<http://www.thegef.org/sites/default/files/council-meeting-documents/GEF-7%20Programming%20Directions%20and%20Policy%20Agenda%2C%20Second%20Replenishment%20Mee...pdf>)

<sup>31</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 9 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>32</sup> GEF/ME/C.53/Inf.04, *Evaluation of the Integrated Approach Pilots* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.04\\_Review\\_of\\_IAP\\_Programs\\_Nov2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.04_Review_of_IAP_Programs_Nov2017.pdf))

September<sup>33</sup>, the Cancellation Policy<sup>34</sup> – in accordance with the Council’s decision in October 2014<sup>35</sup> – makes an explicit distinction between stand-alone projects, which are subject to fixed time standards, and child projects under programmatic approaches, which are exempt from those time standards because of their unique coordination requirements. The fact is that all child projects under the IAPs were submitted for CEO Endorsement by the 18-month commitment deadlines set out at Council Approval, and that all IAP child projects were circulated for Council review and comments for a four-week period prior to CEO Endorsement.

## V. Gender

18. **The Secretariat agrees with the conclusion that the 2011 *Gender Mainstreaming Policy* has advanced the GEF’s efforts to mainstream gender in GEF operations in a more systematic manner, but that more is needed**<sup>36</sup>. The May 2017 *Evaluation of Gender Mainstreaming in the GEF*<sup>37</sup> has made important contributions towards the development of the proposed *Policy on Gender Equality*<sup>38</sup> – recently shared for review and approval by the Council. The evaluation highlighted, *inter alia*, the need for greater clarity in terms project-level documentation requirements at entry, during implementation, and at completion, which the proposed policy aims to address. The findings, conclusions and recommendations of OPS6 will also inform the development of subsequent guidelines, as well as a strategy and time-bound action plan on gender that will frame implementation during the GEF-7 period. The latter will provide further details on monitoring and reporting on results, as well as roles and responsibilities as recommended in OPS6<sup>39</sup>.

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<sup>33</sup> GEF/R.7/08, *Management Response to the Draft Final Report of the Sixth Comprehensive Evaluation of the GEF (OPS6)* ([http://www.thegef.org/sites/default/files/council-meeting-documents/Management%20Response%20to%20OPS6\\_GEF\\_R.7\\_08.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/Management%20Response%20to%20OPS6_GEF_R.7_08.pdf))

<sup>34</sup> OP/PL/01, *Project Cancellation* ([http://www.thegef.org/sites/default/files/documents/Cancellation\\_Policy\\_June\\_2015\\_0.pdf](http://www.thegef.org/sites/default/files/documents/Cancellation_Policy_June_2015_0.pdf))

<sup>35</sup> *Joint Summary of the Chairs, 47th GEF Council Meeting, October 28–30, 2014* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.47\\_Joint\\_Summary\\_of\\_the\\_Chairs\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.47_Joint_Summary_of_the_Chairs_1.pdf))

<sup>36</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 10 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>37</sup> GEF/ME/C.52/Inf.09 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52\\_Inf.09\\_Gender\\_May\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52_Inf.09_Gender_May_2017.pdf))

<sup>38</sup> GEF/C.53/04 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.04\\_Gender\\_Policy.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.04_Gender_Policy.pdf))

<sup>39</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 27 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

## VI. Environmental and Social Safeguards and Engagement with Indigenous Peoples

19. **The Secretariat agrees with the recommendation to review and revise the GEF's safeguards policies<sup>40</sup>.** The IEO recommendation is further underpinned by the findings, conclusions and recommendations of the *Review of GEF's Engagement with Indigenous Peoples*<sup>41</sup>. In response to these recommendations, the Secretariat has presented for Council review and decision a plan to review and update the GEF's 2011 *Agency Minimum Standards on Environmental and Social Safeguards*<sup>42</sup> for decision by the Council at its first meeting of the GEF-7 cycle<sup>43</sup>. In this context, the Secretariat will also explore ways to better monitor the application of its safeguards policy at the project and portfolio levels.

20. **The Secretariat recognizes the need for the GEF to be at the forefront of international best practice in terms of its policy framework and approaches for engagement with indigenous peoples.** The GEF's current minimum standards on environmental and social safeguards<sup>44</sup> include a standard on indigenous peoples. The Secretariat recognizes, however, that its minimum standard on indigenous peoples is not fully reflective of best practice, particularly in that it sets a minimum requirement of free, prior, and informed *consultation* rather than *consent*. Accordingly, as it proceeds with the safeguards review, the Secretariat will draw on the detailed findings, conclusions and recommendations of the *Review of GEF's Engagement with Indigenous Peoples*<sup>45</sup>.

21. **The Secretariat is committed to consult broadly as these policy proposals are being developed.** In addition to the valuable insights emerging from OPS6, the Secretariat is committed to facilitating a self-standing, multi-stakeholder consultation process to inform a future GEF policy on environmental and social safeguards, including indigenous peoples. That process will draw lessons from the consultations carried out in support of the proposed policies on gender equality<sup>46</sup> and stakeholder engagement<sup>47</sup>.

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<sup>40</sup> Ibid., Paragraph 28

<sup>41</sup> GEF/ME/C.53/Inf.07, *Review of GEF's Engagement with Indigenous Peoples* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.07\\_GEF\\_Eng\\_Indigenous\\_People\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.07_GEF_Eng_Indigenous_People_Nov_2017.pdf))

<sup>42</sup> SD/PL/03, ([http://www.thegef.org/sites/default/files/documents/Policy\\_Environmental\\_and\\_Social\\_Safeguards\\_2015.pdf](http://www.thegef.org/sites/default/files/documents/Policy_Environmental_and_Social_Safeguards_2015.pdf))

<sup>43</sup> GEF/C.53/07, *Plan to Review GEF's Environmental and Social Safeguards* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.07\\_Safeguards\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.07_Safeguards_1.pdf))

<sup>44</sup> SD/PL/03, *Agency Minimum Environmental and Social Safeguard Standards Policy* ([http://www.thegef.org/sites/default/files/documents/Policy\\_Environmental\\_and\\_Social\\_Safeguards\\_2015.pdf](http://www.thegef.org/sites/default/files/documents/Policy_Environmental_and_Social_Safeguards_2015.pdf))

<sup>45</sup> GEF/ME/C.53/Inf.07, *Review of GEF's Engagement with Indigenous Peoples* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.07\\_GEF\\_Eng\\_Indigenous\\_People\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.07_GEF_Eng_Indigenous_People_Nov_2017.pdf))

<sup>46</sup> GEF/C.53/04, *Policy on Gender Equality* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.04\\_Gender\\_Policy.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.04_Gender_Policy.pdf))

<sup>47</sup> GEF/C.53/05/Rev.01, *Policy on Stakeholder Engagement* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.05.Rev\\_01\\_Stakeholder\\_Policy\\_1.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.05.Rev_01_Stakeholder_Policy_1.pdf))

## VII. Transparency of Decision-Making in Programming and IAPs

22. **The Secretariat agrees that strong operational governance is critical, and that the GEF needs effective in communication across the Partnership, and clear rules of engagement<sup>48</sup>.** An expanded network of Agencies, coupled with a growing emphasis on integrated, programmatic approaches with multi-stakeholder engagement, call for commensurate improvements in communication across the Partnership, and clearer rules of engagement. In GEF-6 the exchange-rate-induced shortfall added an additional urgency to clear communication. In general, the Secretariat believes that the selection of projects for Work Program inclusion, and the selection of countries and cities to participate in the GEF-6 Integrated Approach Pilot programs (IAP), have been driven by transparent, criteria-based processes, as explained in below three paragraphs. At the same time, the Secretariat is committed continuous improvement in transparency and communication, drawing on lessons learned. This is explicitly recognized in the proposed, GEF-7 programming directions and policy agenda<sup>49</sup>, which include preliminary suggestions as to how communication and rules of engagement could be further strengthened.

23. **As for the selection of projects for Work Program inclusion, the Secretariat believes the Work Program Cover Notes provide significant transparency around the rationale behind the composition of each Work Program.** The Cover Note also provides updated analysis on the distribution of funding approvals by region, focal area and Agency, and the utilization of funds relative to the agreed programming targets for the replenishment period. Prior to the submission of a Work Program for Council review, the Cover Note is circulated with Agencies for their review and input. Specifically, the composition of each Work Program takes into account the following:

- (a) Agreed programming directions and policy recommendations for the replenishment period, which in turn respond to guidance by the conferences of the Parties to the conventions that the GEF serves;
- (b) Resources available for new funding decisions, based on information provided by the Trustee;
- (c) Timing of project/ program submission and clearance by the Secretariat, with a preference for projects and programs that have waited the longest;

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<sup>48</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, paragraphs 18 and 29 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>49</sup> GEF/R.7/06, *Programming Directions and Policy Agenda* ([http://www.thegef.org/sites/default/files/council-meeting-documewHILE\\_Pnts/GEF-7%20Programming%20Directions%20and%20Policy%20Agenda%2C%20Second%20Replenishment%20Mee..pdf](http://www.thegef.org/sites/default/files/council-meeting-documewHILE_Pnts/GEF-7%20Programming%20Directions%20and%20Policy%20Agenda%2C%20Second%20Replenishment%20Mee..pdf))

- (d) Balance across focal areas and regions, with high priority to projects in LDCs and SIDS in view of the Council’s decision about the GEF-6 shortfall;
- (e) Agency priorities, including the possible need to prioritize proposals that aim to seize time-bound co-financing opportunities; and
- (f) External political and thematic opportunities and needs, such as COPs and other important partnership meetings.

24. As the demand for GEF financing routinely exceeds the resources available for new funding approvals, some eligible projects are necessarily excluded from a given Work Program. In such cases the Secretariat works with the relevant countries and Agencies to ensure that their projects will be considered as priorities in subsequent Work Programs.

25. **The Secretariat believes that OPS6 could have provided a more nuanced picture of the process to design and launch the IAPs.** OPS6 notes that the IAPs “were affected by insufficient clarity in terms of rules of engagement between agencies, transparency of selection processes, clarity on the role of the Secretariat, and insufficient communications between some participating GEF Agencies and countries”<sup>50</sup>. Notwithstanding the need to improve on these processes in the future, the Secretariat notes that each IAP followed a process for engagement with countries and Agencies that aimed to be inclusive and based on clear criteria for prioritization. The process for each IAP can be summarized as follows:

- (a) For the Food Security IAP, 22 eligible countries were invited to a consultation workshop in October 2014. The workshop established criteria for the prioritization of countries for participation in the program, and set a deadline for interested countries to submit expressions of interest to join the program, which was communicated to all eligible countries. The Secretariat received 16 expressions of interest, of which 12 were prioritized based on the agreed criteria. To ensure transparency and impartiality, the Secretariat communicated directly with the operational focal points of the eligible countries throughout the process. (See Annex II for template used for countries’ expressions of interest.)
- (b) For the Sustainable Cities IAP, the Secretariat organized consultative meetings during 2014<sup>51</sup>, with a final one in August<sup>52</sup> where the proposed program

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<sup>50</sup> *Evaluation of the Integrated Approach Pilots* GEF/ME/C.53/Inf.04

([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.04\\_Review\\_of\\_IAP\\_Programs\\_Nov2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.04_Review_of_IAP_Programs_Nov2017.pdf))

<sup>51</sup>This included bilateral consultations with recipient countries already engaged in advancing the sustainable cities agenda: China (July 2014), Senegal (July 2014), Mexico (July 2014), all three of which subsequently expressed interest in programming their STAR resources under the IAP program.

<sup>52</sup>August 27–28, 2014, with participants including Agencies, partner institutions with active urban engagement (such as ICLEI, C40 and World Resources Institute), STAP, and representatives of recipient countries with sustainable cities initiatives.

approach and options for its development were discussed. Based on the consultative meetings, criteria<sup>53</sup> were developed by the Secretariat to prioritize projects for entry into the program. A call for expressions of interest was circulated to OFPs and posted on the GEF website in January 2015. Expressions of interest submitted by the end of February 2015 were assessed based on the agreed criteria, and eleven proposal were prioritized for further development.

- (c) The Commodities IAP was developed on the understanding that while there are many agricultural commodities grown across the world, a small group had to be targeted by the GEF given their impact on the global environment, namely beef, oil palm and soy bean, which together account for nearly 70% of tropical deforestation. As a result, Latin America, Central and West Africa, and South-East Asia represented the natural focus of attention for the IAP. Following multi-consultations with Agencies and STAP in July 2014, it was agreed that Indonesia and Brazil be considered as priority countries for the IAP. Additionally, Paraguay, Bolivia, Colombia, Sierra Leone, Ghana, and Liberia were identified as candidates for addressing potential leakage. As the two largest and growing buyers of palm oil and soy, China and India were proposed as potential targets for demand-side countries. Following bilateral consultations with the various countries, Agencies and the Secretariat reached consensus that engagement with countries should be focused primarily on three producer countries where previous GEF financing has addressed commodity-driven deforestation (Brazil, Indonesia, and Paraguay), and Liberia as the leakage country where strong government support for sustainable production was already well established.

**26. The above examples illustrate the ways in which the GEF has sought to ensure transparency across the Partnership, including in complex and dynamic processes.** Drawing on these experiences, and with a view to GEF-7, the Secretariat will work to continuously improve transparency and communication with countries, Agencies and other stakeholders to ensure the effective and efficient operation of the GEF.

## **VIII. Governance**

**27. The Secretariat welcomes the OPS6 conclusion that stakeholders across the GEF Partnership benefit from a high level of mutual trust and goodwill, a general sense of common purpose, and transparent governance<sup>54</sup>.** Seventy-three per cent respondents to IEO's

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<sup>53</sup> The criteria applied to the Sustainable Cities IAP included (i) a commitment to a network-based approach, and to engage in the global coordination and knowledge sharing platform, (ii) impact and replication potential within country and globally, (iii) readiness, with experience in planning and analysis, and with "shovel-ready" proposals, (iv) geographical distribution and status of urbanization, and (v) local and national level commitment to integrated urban management and policy.

<sup>54</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, paragraphs 16–17 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

survey agreed that the GEF is effectively governed overall, and representatives of all stakeholder groups indicate that the governance structure has served the GEF reasonably well.

28. **The Secretariat does not agree with the assertion that there is “no clarity on the participation of observers and Agencies at Council Meetings”<sup>55</sup>.** The GEF Instrument and the Rules of Procedure for the GEF Council describe set out the rules for observer participation at Council meetings. With respect to the Civil Society Organization Network, the Network continues to participate in Council meetings, and consultations between the Network, Council members and the Secretariat occur regularly in connection with Council meetings. Meanwhile the Council has embarked on a collaborative process to strengthen its engagement with civil society<sup>56</sup>. As for Agencies, their formal role and participation have not changed over the years, and the Secretariat is not aware of any instance where an Agency would have been denied a request to speak at a Council meeting. At the same time, the Secretariat recognizes that the nature of Agencies’ engagement has evolved as the Partnership has continued to grow. Recent processes nevertheless suggest a positive trend of collaboration, including joint work on upcoming policies and guidelines, as well as on key reform areas for GEF-7, such as core indicators and operational efficiency.

29. **The Secretariat notes the OPS6’s point about risk of perceived conflict of interest associated with civil society organizations serving as Agencies as well as members of the CSO Network<sup>57</sup>.** It is critical to avoid conflicts of interest. In this regard, the Secretariat notes that each of these Agencies<sup>58</sup> has established arrangements to separate its executing and implementing functions consistent with the GEF’s minimum fiduciary standards<sup>59</sup>. The upcoming review of the GEF’s minimum fiduciary standards will be an opportunity to review this issue and make adjustments, if warranted.

30. **The Secretariat also notes the OPS6 conclusions regarding Council committees and the conclusions regarding the GEF Chair.** OPS6 states that the Council “has not delegated decision making to committees, a practice that has the potential to increase efficiencies in decision making”. The Secretariat notes that it is for the Council to decide on its own working arrangements and invites the Council to review the IEO’s conclusion in that regard. OPS6 also states that “[a] major difference between the governance of the GEF and that of six comparator organizations is the absence of an independent chair”. In this regard, the Secretariat notes that the governance structure of the GEF explicitly modeled on the prevailing arrangements in

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<sup>55</sup> Ibid., Paragraph 16

<sup>56</sup> GEF/C.53/10, *Updated Vision to Enhance Civil Society Engagement with the GEF* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.C.53.10\\_CS0\\_Vision\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.53.10_CS0_Vision_0.pdf))

<sup>57</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, Paragraph 29 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>58</sup> Conservation International (CI), International Union for Conservation of Nature (IUCN), World Wildlife Fund (WWF-US)

<sup>59</sup> GA/PL/02

([http://www.thegef.org/sites/default/files/documents/GA.PL\\_02\\_Minimum\\_Fiduciary\\_Standards\\_0.pdf](http://www.thegef.org/sites/default/files/documents/GA.PL_02_Minimum_Fiduciary_Standards_0.pdf))

MDBs. Given that the six comparator organizations in OPS6 do not include a single MDB, the Secretariat does not find this comparison convincing. Moreover, having reviewed the underlying OPS6 review<sup>60</sup>, the Secretariat further notes that the review does not seem to include any evaluative evidence to suggest that further delegation of decision-making, or an independent chair would be likely to enhance the efficiency of the Council's decision-making, or the broader efficiency and effectiveness of the GEF.

## **IX. Monitoring, Reporting and Knowledge Management**

31. **The Secretariat agrees that further improvements in the GEF's IT systems, monitoring and knowledge management is warranted<sup>61</sup>.** As noted in Paragraph 15 above, these are key areas of on-going reform, and the Secretariat expects that GEF-7 will benefit from enhanced systems and capabilities for capturing, monitoring, analyzing, and reporting data and information on financing, performance and results. Moreover, further to the Secretariat's response to the May 2017 *Semi-Annual Evaluation Report*<sup>62</sup>, which contained the conclusions and recommendations of the *Review of Results-Based Management*<sup>63</sup>, the Secretariat welcomes the *Review of Knowledge Management in the GEF*<sup>64</sup> and fully supports its conclusions and recommendations.

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<sup>60</sup> GEF/ME/C.53/Inf.09, *Review of the Comparative Advantage, Financing and Governance of the GEF Partnership* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.09\\_Comparative\\_Advantage\\_Financing\\_and\\_Governance\\_of\\_GEF\\_Partnership\\_Nov\\_2017\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.09_Comparative_Advantage_Financing_and_Governance_of_GEF_Partnership_Nov_2017_0.pdf))

<sup>61</sup> GEF/ME/C.53/01, *Semi-Annual Evaluation Report of the Independent Evaluation Office: November 2017*, paragraphs 19–21; 31 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAER_Nov_2017.pdf))

<sup>62</sup> GEF/ME/C.52/02, *Management Response to the Semi-Annual Evaluation Report of the Independent Evaluation Office: May 2017* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52.02\\_MR\\_to\\_SAER.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52.02_MR_to_SAER.pdf))

<sup>63</sup> GEF/ME/C.52/Inf.07 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.52\\_Inf.07\\_RBM\\_May\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.52_Inf.07_RBM_May_2017.pdf))

<sup>64</sup> GEF/ME/C.53/Inf.08 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.08\\_Review\\_of\\_KM\\_in\\_GEF\\_Nov2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.08_Review_of_KM_in_GEF_Nov2017.pdf))

## ANNEX 1: RESPONSES TO SELECTED FINDINGS IN INDIVIDUAL EVALUATIONS

1. In addition to the conclusions and recommendations of OPS6, the November 2017 *Semi-Annual Evaluation Report by the Independent Evaluation Office* (IEO)<sup>65</sup> features nine self-standing evaluations, reports, reviews and studies. This section addresses a sub-set of those individual evaluations, where a more detailed response was deemed necessary.

### Biodiversity Focal Area Study

2. The Secretariat welcomes the *Biodiversity Focal Area Study*<sup>66</sup>, which comprises an evaluation of GEF funded projects on access and benefit sharing (ABS) and the Nagoya Protocol, and a study of GEF support to address illegal wildlife trade through the GEF Global Wildlife Program (GWP). The Secretariat's response is focused on the latter.

3. IEO's evaluation concludes that GWP leaves gaps in terms of the geographic and species coverage of the GEF's efforts to address illegal wildlife trade, and that the focus of the program is mainly on single-country projects. The evaluation also concludes that while the program is based on an appropriately comprehensive theory of change to address illegal wildlife trade – including the source of wildlife traded illegally, the shipment and transportation of wildlife and wildlife products, and the market demand for those products – most GWP funding is focused on activities to fight illegal wildlife trade at the source. Both conclusions are, at least in part, attributable to country demand and the fact that the program is almost entirely financed from countries' allocations under the System for the Transparent Allocation of Resources (STAR). Indeed, the regional and thematic scope of the program is ultimately a function of participating countries' decisions. In addition, it should be noted that the current scope of GWP does not exclude other countries in other regions from submitting funding proposals to address illegal wildlife trade where it poses an imminent danger to known threatened species.

4. The evaluation concludes that “[p]olitical will and corruption are not explicitly and directly addressed in projects [under GWP]”. It finds that eleven of the 20 country-specific projects describe corruption as an issue, but only six projects mention anti-corruption measures as part of their objectives. The conclusion does not mention, however, that corruption has been addressed in part through anti-corruption guidelines and training to GWP countries provided in partnership with the United Nations Office on Drugs and Crime (UNODC) and Interpol. Moreover, requiring all GWP projects to report on arrests, prosecutions, and convictions – as recommended by the evaluation – would be impractical given the differences in focus and scope across GWP projects.

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<sup>65</sup> GEF/ME/C.53/01 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53.01\\_SAEER\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53.01_SAEER_Nov_2017.pdf))

<sup>66</sup> GEF/ME/C.53/Inf.03 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.03\\_Biodiversity\\_Focal\\_Area\\_Study\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.03_Biodiversity_Focal_Area_Study_Nov_2017.pdf))

## Evaluation of the Integrated Approach Pilots

5. The Secretariat appreciates IEO's formative evaluation of the three IAPs on sustainable cities, food security and commodity supply chains<sup>67</sup>. The evaluation provides timely feedback to inform the early stages of the implementation of the IAPs, as well as the design of the proposed, GEF-7 Impact Programs.

6. Further to paragraphs 16–17 and 25 above, which respond to the OPS6 conclusions and recommendations related to the need to demonstrate program “additionality”, manage complexity, and establish clear rules of engagement, the IAP evaluation recommends that a mid-term review of the IAP knowledge platforms be carried out to assess their added value. The Secretariat welcomes this recommendation, as such mid-term reviews would provide additional, timely input towards the design of similar programs in GEF-7.

## Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio

7. The Secretariat welcomes the *Evaluation of the Multiple Benefits of GEF Support through Its Multifocal Area Portfolio*<sup>68</sup>, which offers highly relevant insights into the synergies and trade-offs across the GEF's focal areas. The evaluation offers an important source of evidence to inform the design of integrated projects and programs in GEF-7, as well as the development of a fit-for-purpose results-architecture for GEF-7.

8. The Secretariat is in broad agreement with the conclusions and recommendations of the evaluation. With respect to the recommendation to “develop shared guidance on the conditions for designing, reviewing and implementing MFA projects”, the Secretariat has begun working on such guidance in close collaboration with Agencies and the Scientific and Technical Advisory Panel (STAP). This work draws in part on STAP's work on the science of integration in natural resource management<sup>69</sup>. The Secretariat expects to be able to share the results of this work at the onset of GEF-7.

## Review of GEF's Engagement with Indigenous Peoples

9. The *Review of GEF's Engagement with Indigenous Peoples*<sup>70</sup> offers a comprehensive analysis of the GEF's engagement with indigenous peoples along with associated good practices and lessons learned. The review also analyzes the GEF's policies and guidelines related to

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<sup>67</sup> GEF/ME/C.53/Inf.04, *Evaluation of the Integrated Approach Pilots*

([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.04\\_Review\\_of\\_IAP\\_Programs\\_Nov2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.04_Review_of_IAP_Programs_Nov2017.pdf))

<sup>68</sup> GEF/ME/C.53/Inf.05 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.05\\_Multiple\\_Benefits\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.05_Multiple_Benefits_Nov_2017.pdf))

<sup>69</sup> See GEF/STAP/C.52/Inf.02, *A Review of the Science of Integrated Approaches to Natural Resource Management* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.STAP\\_C.52.Inf\\_02\\_Science\\_of\\_IAs\\_to\\_NRM.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.STAP_C.52.Inf_02_Science_of_IAs_to_NRM.pdf))

<sup>70</sup> GEF/ME/C.53/Inf.07 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.07\\_GEF\\_Eng\\_Indigenous\\_People\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.07_GEF_Eng_Indigenous_People_Nov_2017.pdf))

indigenous peoples, and compares these to evolving standards across the GEF Partnership. The Secretariat appreciates this timely review and supports its conclusions and recommendations.

10. In addition to paragraphs 19–21 above, which address OPS6 recommendations related to the GEF’s policies on environmental and social safeguards and indigenous peoples, the Secretariat welcomes the recommendation to “[e]stablish and strengthen dedicated funding opportunities for indigenous peoples’ projects/organizations”. As part of the proposed, GEF-7 programming directions, the Secretariat has proposed that the GEF continue to provide funding for projects and programs in support of indigenous’ peoples stewardship of globally significant natural assets, particularly through the Small Grants Programme and in the context of the biodiversity focal area strategy.

### **Review of the Comparative Advantage, Financing and Governance of the GEF Partnership**

11. The Secretariat takes note of the *Review of the Comparative Advantage, Financing, and Governance of the GEF Partnership*<sup>71</sup>. The review provides additional information in support of some of the key conclusions and recommendations of OPS6, which are addressed in paragraphs 3–34 above. In addition, the review contains a number of self-standing conclusions, some of which warrant a separate response.

12. The Secretariat welcomes the conclusion that “[t]he unique mandate of the GEF allows it to pursue integration across focal areas [and] [t]here is evidence in the scientific literature, and support in the partnership for integration in programs of the GEF, as manifested through the [IAPs]”. The review also concludes, however, that “this support is underpinned by concerns for the process through which integrative Impact Programs are being developed”. The Secretariat will endeavor to understand and address any such concerns, consistent with its broader commitment to transparency (see paragraphs 23–28 above).

13. With respect to co-financing, the review concludes that “the GEF’s new co-financing policy has had some beneficial as well as unintended side effects”. The latter include “some accounting issues for in-kind financing and potential double-counting due to differing project versus Agency financing perspectives”. The review does not offer an exhaustive analysis of these accounting issues, however, nor does it propose a way forward. Indeed, the report *Project Performance and Progress Impact*<sup>72</sup>, concludes on a more positive note that “[c]o-financing commitments for GEF-6 projects exceed the target set by the GEF’s Co-financing Policy” and that “[p]romised co-financing successfully materializes during implementation for majority of projects”. The Secretariat believes that the current definitions and accounting

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<sup>71</sup> GEF/ME/C.53/Inf.09, *Review of the Comparative Advantage, Financing and Governance of the GEF Partnership* ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.09\\_Comparative\\_Advantage\\_Financing\\_and\\_Governance\\_of\\_GEF\\_Partnership\\_Nov\\_2017\\_0.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.09_Comparative_Advantage_Financing_and_Governance_of_GEF_Partnership_Nov_2017_0.pdf))

<sup>72</sup> GEF/ME/C.53/Inf.06 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.06\\_Proj\\_Performance\\_and\\_Progress\\_to\\_Impact\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.06_Proj_Performance_and_Progress_to_Impact_Nov_2017.pdf))

practices related to co-financing across the Partnership may merit further attention through a separate review.

14. The review recognizes the GEF's responsiveness to guidance received from the conferences of the Parties to the conventions it serves, citing the example of the Capacity-Building Initiative for Transparency (CBIT) Trust Fund. It also concludes, however, that the GEF "still faces challenges in effectively incorporating convention guidance in the Programming Directions and actual project programming in each new GEF replenishment". The Secretariat would like to understand better what challenges were identified. The focal area studies carried out as part of OPS6, as well as the evaluation of the IAPs, appear to suggest very consistently that GEF strategies, programs and projects are highly responsive to COP guidance.

### **Review of the System for Transparent Allocation of Resources**

15. The Secretariat welcomes the *Review of the System for Transparent Allocation of Resources*<sup>73</sup>, which explores STAR design and implementation, as well as the utilization of STAR allocations.

16. With respect to design, the review concludes that "[STAR] assigns a low weight to GDP relative to indices used in other MDBs". The Secretariat finds the comparison with multi-lateral development banks (MDB) somewhat misplaced. Unlike the MDBs, the GEF has a mandate to protect the global environment. Indeed, the GEF is currently the only multi-lateral financing institution that is focused exclusively on the global environment, and has a performance based allocation framework.

17. As for implementation, with respect to the shortfall in available GEF-6 resources, the review concludes that "the [Secretariat's] update to the Council [in October 2016] did not include detailed information on the impact of the shortfall by groups of countries, such as the non-LDC and non-SIDS countries, in part due to the continued foreign exchange fluctuations". While the conclusion is factually correct, it is not entirely clear to the Secretariat whether the review is suggesting that more information ought to have been provided. The Secretariat has worked to ensure that each country has had access to as much information as possible regarding the impact of the shortfall on its STAR country allocation, while explicitly cautioning countries that any estimate of that impact is subject to change, as exchange rates continue to fluctuate.

18. The review concludes that "[in general], calculations of STAR allocations were carried out correctly", but that "there is room for improvement in minimizing calculation errors". The review then goes on to recommend that the Secretariat "develop clear protocols and quality checks on calculations". While the Secretariat agrees that there is the need to continuously improve on STAR, it also notes as in the full review, while some errors were observed in some

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<sup>73</sup> GEF/ME/C.53/Inf.10 ([http://www.thegef.org/sites/default/files/council-meeting-documents/EN\\_GEF.ME\\_C.53\\_Inf.10\\_Eval\\_of%20GEF\\_System\\_for\\_transparent%20alloc\\_of\\_Resources\\_Nov\\_2017.pdf](http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.53_Inf.10_Eval_of%20GEF_System_for_transparent%20alloc_of_Resources_Nov_2017.pdf))

of the calculations of GEF-6 STAR allocations, “[t]he overall effect of the errors was not substantial”.

**ANNEX II: TEMPLATE FOR COUNTRIES' EXPRESSIONS OF INTEREST IN THE GEF-6 INTEGRATED APPROACH PILOT PROGRAM ON FOSTERING SUSTAINABILITY AND RESILIENCE FOR FOOD SECURITY IN SUB-SAHARAN AFRICA**

|                                                                                                                        |                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Country</b>                                                                                                         |                                                                                                                                                                                                                                                      |
| <b>Target geography<sup>74</sup></b>                                                                                   | <input type="checkbox"/> Sahel<br><input type="checkbox"/> Eastern Africa Highlands<br><input type="checkbox"/> Horn of Africa<br><input type="checkbox"/> Southern Africa                                                                           |
| <b>Smallholder farming system(s) prioritized<sup>75</sup></b>                                                          | <input type="checkbox"/> Agro-pastoral millet sorghum<br><input type="checkbox"/> Cereal-root crop mixed<br><input type="checkbox"/> Highland perennial<br><input type="checkbox"/> Highland temperate mixed<br><input type="checkbox"/> Maize mixed |
| <b>Brief description of context, baseline scenario and potential co-financing<sup>76</sup></b>                         | <i>Up to 500 words</i>                                                                                                                                                                                                                               |
| <b>Brief description of priorities for GEF support<sup>77</sup></b>                                                    | <i>Up to 500 words</i>                                                                                                                                                                                                                               |
| <b>Indicative spatial coverage (ha)<sup>78</sup></b>                                                                   |                                                                                                                                                                                                                                                      |
| <b>Indicative number of beneficiaries (% of whom are female)<sup>79</sup></b>                                          |                                                                                                                                                                                                                                                      |
| <b>Alignment of proposed priorities with relevant national policies, strategies, plans and frameworks<sup>80</sup></b> | <i>Up to 500 words</i>                                                                                                                                                                                                                               |
| <b>Proposed GEF Agency(ies)<sup>81</sup></b>                                                                           |                                                                                                                                                                                                                                                      |

<sup>74</sup> Please refer to *Background Paper* on target geographies for the IAP Program. Please note that some countries cover multiple target geographies, in which case the most appropriate should be identified here.

<sup>75</sup> The *Background Paper* provides further information about the farming systems targeted. Please check all systems that apply.

<sup>76</sup> The description should consider briefly: (i) the current or 'baseline' situation and problem(s) with respect to food security and need for sustainability and resilience in the target geography and the prioritized smallholder farming system(s); (ii) on-going or planned investments that aim to address the baseline problem(s), highlighting potential for transformational impact at scale; and (iii) potential sources and amounts of co-financing towards a potential GEF contribution.

<sup>77</sup> The description should consider the three priorities for GEF support – *institutional frameworks, scaling-up, and monitoring and assessment*, specifically with a view to enhancing sustainability and resilience for food security; taking into account the on-going and planned investments identified and their expected outcomes.

<sup>78</sup> This refers to the estimated, total number of hectares that would be directly impacted by the proposed GEF support.

<sup>79</sup> This refers to the estimated, total number of people that would benefit directly from the proposed GEF project.

<sup>80</sup> This refers specifically to the priorities identified for GEF support. The description should consider briefly how those priorities align with the country's relevant policies, strategies, plans and frameworks pertaining to, *inter alia*, agriculture and food security; as well as relevant multi-lateral environmental agreements (e.g. UNCCD, UNFCCC, CBD, etc.).

<sup>81</sup> The choice of GEF Agency(ies) should be informed by a thorough consideration of which Agency(ies) is/are best equipped to support the implementation of the priorities identified for GEF financing.

|                                                                                                                     |                                                                                                                     |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Proposed executing partner(s)</b> <sup>82</sup>                                                                  |                                                                                                                     |
| <b>Other stakeholders to be engaged as appropriate</b>                                                              | Government:<br><br>Civil Society/Non-Government Organizations:<br><br>Research institutions:<br><br>Private sector: |
| <b>Indicative amount of GEF STAR resources to be requested</b> <sup>83</sup>                                        | LD:<br><br>BD:<br><br>CC:                                                                                           |
| <b>GEF Operational Focal Point or Designated Official</b> (Name, contact details, signature and date) <sup>84</sup> |                                                                                                                     |

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<sup>82</sup> This refers to the institution(s) that would be directly responsible for implementing the priorities identified for GEF support, e.g. national government agency(ies).

<sup>83</sup> Resources from the country's STAR allocation would be matched 1:1 from the IAP incentive up to a maximum incentive amount of \$4 million. STAR resources towards the IAP can be drawn from any of three focal areas, or proportionally across all three in accordance with the overall focus of the proposed project. All STAR resources programmed under the IAP will be combined with the matching incentive as single GEF grant per country, and should include amounts for Project Preparation Grant (PPG) and GEF Agency Fee.

<sup>84</sup> This Expression of Interest will be considered as a provisional "endorsement" of the IAP Program by the Operational Focal Point, and should therefore ease the process for issuing the official Letter of Endorsement as required for Council approval of the Program Framework Document.