

1. Facts and figures

Type of organisation: Programme funded through voluntary contributions (negotiated contributions)

Established in: 1991

Headquarters: Washington DC, USA

Number of country offices: None – GEF works through multilateral organisations. A pilot scheme was started up in July 2011 to allow national institutions direct access to GEF funding. This has not yet been completed.

Head of organisation: CEO and Chairperson Naoko Ishii (Japan)

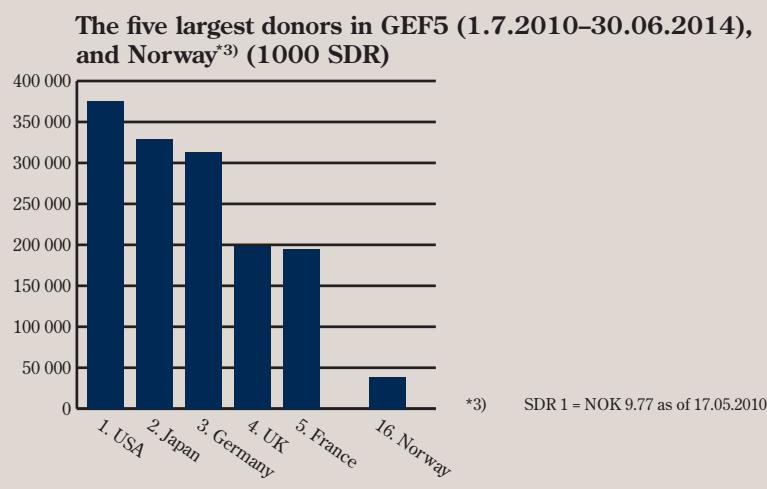
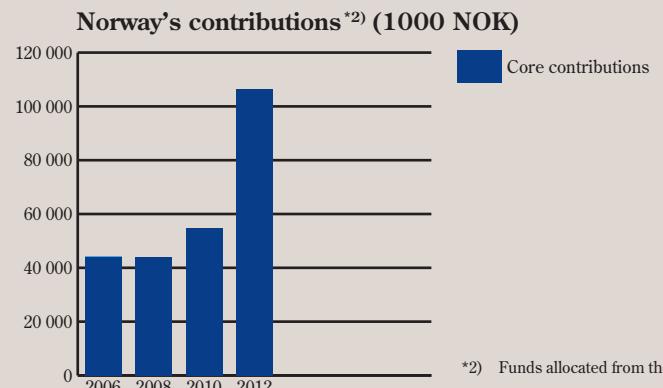
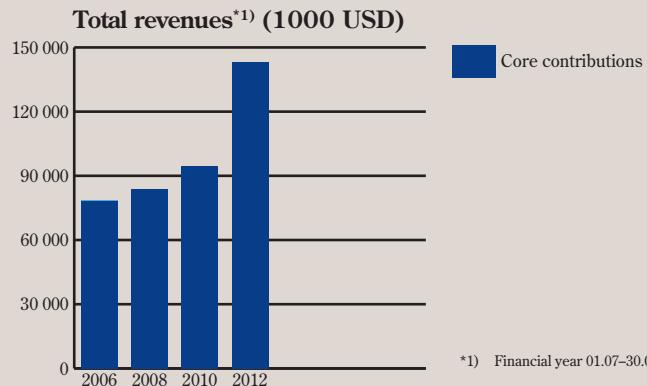
Dates of Council meetings in 2013: June and November

Norway's representation in Council: Yes. Norway rotates with Denmark every other year; the next change will take place in autumn 2013

Number of Norwegian employees: None

Competent ministry: Norwegian Ministry of Foreign Affairs (in partnership with the Norwegian Ministry of the Environment)

Website: www.gefweb.org



Mandate and areas of activity

The Global Environment Facility (GEF) was established in 1991 to serve as the financial mechanism for the multilateral environmental conventions. GEF covers agreed incremental costs for projects in developing countries that generate global environmental benefits in six focal areas: Biodiversity, Climate Change, International Waters, Land Degradation (desertification and deforestation), Ozone Layer Depletion and persistent organic pollutants (the last two are in practice combined into a “chemicals” focus area). GEF is the only institution with a mandate that covers all global environmental issues, enabling it to address them in conjunction with one another and put available resources to more effective use than can be done with separate funds. GEF support can be seen as a “package”, whereby developing countries commit themselves to global environmental targets in return for guarantees of financial support from developed countries. GEF also manages and administers two adaptation funds under the UN Framework Convention on Climate Change and a newly established temporary fund for genetic resources (Access and Benefit Sharing (ABS) or Nagoya Protocol Implementation Fund (NPIF)). The GEF Secretariat administers the Adaptation Fund under the Kyoto Protocol.

All contributions to GEF are now approved as official development assistance (ODA). Until now, GEF has provided financing almost exclusively in the form of grants, but the GEF Instrument also allows provision of other types of aid. More emphasis on new forms of financing is expected in the coming period (GEF 6). The World Bank serves as GEF Trustee. The GEF Secretariat, staffed by around 70 persons, is supported administratively by the World Bank.

A total of 182 countries participate in GEF. The organisation’s mandate is set out in the GEF Instrument. The Council comprises 32 members representing different constituencies: 16 from developing countries, 14 from developed countries and two from economies in transition. Non-governmental organisations (NGOs) and other international organisations participate in Council meetings, but do not have voting rights. All documents are publicly available on the GEF website. The GEF Assembly consists of representatives of all the member countries and convenes every four years upon completion of capital replenishment negotiations for the next period.

To date, GEF has spent more than USD 11.5 billion on over 3,200 projects and programmes, generating five times as much (approx. USD 57 billion) in co-financing.

GEF is a network organisation and has no presence at country level. GEF has ten implementing and executing agencies, the most important of which are UNDP, UNEP and the World Bank. Other institutions that can work for GEF are the regional development banks, UNIDO, FAO and IFAD. Over 600 NGOs are accredited to the GEF network. As part of the process of strengthening national ownership, pilot activities have been initiated to enable qualified institutions at national and regional level, and certain international NGOs, to receive GEF funding directly.

Results achieved in 2012

GEF has been the most important source of funding for projects in developing countries under the environmental conventions. In recent years, more integrated programmes

for sustainable area management have gained prominence, a trend that African countries in particular have viewed positively due to the good development effect of such programmes. GEF support has been necessary to put in place legislation, environmental status mapping, capacity-building, etc. A solid base of experience has been built up for implementing the various projects and for determining the best way to achieve good results. Key goals and objectives for GEF 5 have been: 1) promote national ownership, 2) improve institutional effectiveness, 3) improve outcomes, and 4) strengthen GEF’s relationship to the conventions and to key partners. For the year up until 30 June 2012 (midway in GEF 5), 250 projects with a total value of USD 1.25 billion were approved, bringing the total number of projects under implementation to 747. In terms of progress, 82 per cent of the projects (with a value of around USD 3 billion) were assessed as being moderately satisfactory or better, compared to the international target of 75 per cent. With regard to the likelihood of achieving the targets set, the portfolio scored 86 per cent. The Fifth Overall Performance Study (OPS 5) from March 2013 reports that over 70 per cent of completed projects show positive results (Conclusion 4). The level of co-financing under GEF 5 has been greater than expected. The quality of 87 per cent of outcome ratings submitted during Financial Year 12 was assessed as moderately satisfactory or better. The private sector now accounts for 35 per cent of co-financing.

Pending entry into force of the new Minamata Convention on Mercury, GEF has allocated funding for a pre-ratification programme.

From GEF’s Annual Monitoring Review, FY 12, Part II, issued in May 2013:

- increasingly catalytic role for GEF in influencing policies, leveraging financing, and scaling up and mainstreaming best practices in virtually all focal areas
- results exceed objectives in the Climate Change focal area
- good support for implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs)
- gender mainstreaming in 35 per cent of projects, particularly significant in natural-resource management projects in rural areas. It is pointed out that gender issues are not equally relevant to all projects
- indigenous peoples: Potential for improvement in reporting on such matters; the GEF Secretariat is following up in this respect

From GEF’s Annual Performance Report 2012 (which assesses 78 projects completed in the period from October 2011 to September 2012 with total GEF funding of USD 290 million):

- 87 per cent of projects have overall outcome ratings in the satisfactory range, an increase from 80 per cent in GEF 4. The ratings are lowest for projects in the least-developed countries and small island developing states
- 66 per cent of the projects have Likelihood of Sustainability ratings of moderately likely or above
- More than 80 per cent of rated projects were implemented in a satisfactory manner. Projects implemented by a single agency did better than projects jointly implemented by several agencies
- Significant (approx. 40 per cent) increase in the percentage of promised co-financing realised

GEF's independent Evaluation Office produces annual reports on various country portfolios as part of a new type of multi-year cycle of country evaluations. The most recent of these includes a synthesis of the main conclusions from two recently completed Country Portfolio Studies (CPS) of GEF beneficiary countries of the OECS (1992–2011) (Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines).

Summary of conclusions and main message:

Conclusion 1: There has been inadequate communication and coordination between the various levels of the GEF partnership (the global conventions, the GEF Secretariat, the executing agencies, GEF focal points, and regional, national and local stakeholders).

Conclusion 2: Implementation arrangements for regional approaches have not been fully designed or supported to ensure efficiency, communication and execution.

Conclusion 3: GEF support in the region has mobilised a growing proportion of co-financing over time.

Conclusion 4: The evolution of the Small Grants Programme (SGP) from a subregional programme to a more nationally based approach offers opportunities, but must be properly managed.

Conclusion 5: Project-level monitoring and evaluation have supported adaptive management in the portfolio, but tracking social impacts is hampered by a lack of environmental monitoring data.

Main message: The design and implementation of future regional projects in small island developing states should be based on a participatory, stakeholder-driven process and include tangible, locally adapted activities in participating countries as well as adequate resources for coordination. This is a consequence of GEF's not building up its own implementation system, but supporting existing multilateral agencies that have no special focus on the environment.

2. Assessments: Results, effectiveness and monitoring

The organisation's results-related work

A results framework was introduced under GEF 4 in 2006 and has steadily been further developed. The Council is responsible for establishing the general framework, including defining objectives in the individual focal areas. Indicators have been defined for all areas and strategies. Results are followed up annually through reports to the management and the Council.

The GEF Secretariat prepares a two-part Annual Monitoring Review: Part I (autumn) provides a macro perspective of the portfolio under implementation at the end of the previous year. Part II (spring) contains a deeper analysis of results, experiences and lessons learned.

An Annual Performance Report prepared by the Evaluation Office provides a detailed overview of GEF's activities and processes, and of the quality of the monitoring and evaluation systems used by implementing institutions.

A Project Portfolio Performance Index (PPI) assesses achievement of results. The PPI is based on a system of points whereby points are attributed at country level based on progress reports and outcome reports (from the executing agencies).

Planning and budgeting systems

GEF has two-year Business Plans and one-year budgets (1 July to 30 June). The former describe the status of ongoing and planned activities. The plans are adjusted by the Council as necessary. The budget follows the progress made under the programming decision from the latest replenishment. Earmarking of funds is not permitted. Funding for the various focal areas is allocated in the programming document for each period. There is a resource allocation system for three of the focal areas.

Oversight and anti-corruption

Internally, GEF complies with the World Bank's (Trustee's) rules and guidelines concerning corruption. The latter's Financial Procedures Agreement (FPA) contains guidelines for following up on suspected financial misconduct in relation to funds channelled through implementing/executing agencies. An independent audit function has been established.

Institution-building and national ownership

Strategic objective no. 4 (GEF 5) is to build up national and regional capacity and create enabling conditions for global environmental protection and sustainable development. The following relevant measures have been carried out under GEF 5:

Reform of Country Support Programme, assistance for countries with voluntary National Portfolio Formulation Exercises (NPFEs), supported by direct access funding, expansion of the GEF Partnership (pilot for new executing agencies/institutions), help to obtain direct access to GEF resources to finance fulfilment of reporting obligations under the conventions and more flexible resource allocation under the System for Transparent Allocation of Resources (STAR).

In March 2013, an evaluation of country ownership and drivenness was carried out for the fifth Overall Performance Study (OPS 5). GEF's activities are closely aligned with national priorities in most countries. GEF has contributed to the development of national operational strategies on environment. Coordination of GEF's efforts in countries is improving, even though challenges remain to be resolved. GEF has not yet developed any formal definition of the term "country drivenness" and/or ownership. These concepts do not appear to be particularly closely associated with co-financing. On the other hand, no project is started unless the host country requests it.

Willingness to learn and change

GEF's independent Evaluation Office enjoys considerable international recognition. An independent investigation in 2009 concluded that the Office's independence is adequately secured and that its reports have high credibility. GEF also has a Scientific and Technical Advisory Panel (STAP), and an ombudsman to whom complaints may be submitted.

In 2011, following the adoption of a Results Based Management (RBM) framework and Knowledge Management (KM) framework for GEF 5, the Secretariat launched a knowledge-management initiative aimed at ensuring that GEF knowledge, information and data are identified, captured

and shared, and that lessons learned are disseminated and incorporated into the next generation of activities. This was done with a view to increasing effectiveness and maximising impact. A special group comprising representatives of the Secretariat, the Evaluation Office and the STAP is responsible for coordinating and managing the initiative.

As a follow-up of the work programme for 2011–2013, the Secretariat has 1) carried out a knowledge needs assessment among the main stakeholder groups, 2) expanded and improved its website with more information on topics such as country profiles, and 3) developed knowledge products tailored to different target groups.

3. Norway's policy towards GEF

GEF is not a development institution; its mandate concerns global environmental issues. Nevertheless, GEF is aware of the necessity of anchoring its activities at the local level, so that the results achieved are sustainable over time, even after projects and programmes have been formally completed by GEF.

The following correspond closely to Norway's policy objectives:

- As the world's largest environmental fund, GEF promotes sustainable development, and helps to improve the environment at the global and local levels and enable developing countries to fulfil their obligations under the environmental conventions. Great emphasis is placed on national ownership.
- GEF's global environmental mandate is important in an age of rapidly growing threats to global common goods and ecosystems. GEF's goals have generally been in line with Norway's own white paper "Towards Greener Development: A Coherent Environmental and Development Policy" (Meld. St. 14 (2010–2011)). GEF's growing use of cross-cutting projects that address several global priority environmental issues at the same time promotes cost-effectiveness and synergies that cannot be achieved by other funds.

- GEF's work is highly relevant for UN Millennium Development Goal 7 (MDG 7) on sustainable development and MDG 1 on poverty reduction: as a rule, environmentally sustainable development is a prerequisite for reducing poverty in the longer term.
- GEF's activities serve to prevent conflict in several areas, particularly in connection with transboundary efforts to resolve international water issues, but also in connection with climate, deforestation and desertification issues.
- GEF's resources are small in relation to needs, but the organisation plays an important pioneering role in fostering new approaches, new technologies, etc. In addition to its own resources, the substantial co-financing that these funds attract testifies to the international community's appreciation of GEF's work and results.
- Norway has strongly supported the reforms aimed at giving national institutions direct access to GEF resources, without, however, relaxing the requirements of oversight systems in areas such as financial resources, environmental and social standards, gender and the interests of indigenous peoples.

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