

GEF is not primarily a development institution; its mandate is to protect the natural resources that makes development possible. Consequently, the Council has not reached agreement on endorsement of internationally recognised principles for aid effectiveness. However, the aim is to integrate GEF operations as far as possible with countries' own plans and programmes.

The World Bank's management of GEF's financial resources is reviewed and audited by independent international audit companies. In GEF's case, the greatest risks of dubious practice, corruption, etc. are linked to the operations of GEF implementing/executing agencies. Although these agencies have their own ethical guidelines, the GEF Council has decided to impose more stringent requirements on the agencies. Among other things, all GEF agencies are required to have anonymised channels for confidential reporting on compliance with rules. GEF also has a special complaints commissioner.

Since the current CEO took office in 2006, GEF has undergone reforms that have yielded many good results, but that have also put strain on GEF's relations with several of the

GEF implementing/executing agencies. GEF's monitoring of administrative expenses and project content, costs and quality gives rise to tensions, but is necessary. The GEF CEO has had ambitions of expanding GEF's role at country level, but these have been blocked by the Council, partly out of a desire not to change the balance of power in the network.

Despite a marked reduction in project cycle time, the fact that the process of approving new projects takes a long time poses problems for recipient countries. It is not always evident where the delays occur, but the system is cumbersome and lacks transparency. The delays can often be traced back to the countries themselves or the implementing/executing agency concerned. Once a project has been approved, it is quickly processed within GEF (on average in 18 days). Both the Council and the Conventions emphasise the importance of streamlining operations and transparency in implementing/executing agencies as well.

Due to the structure of the network-partnership system, GEF often has low visibility at country level. This is now being changed and the implementing/executing agencies are required to highlight GEF's contributions in every project.

3. Norway's policy towards GEF

The Norwegian Ministry of Foreign Affairs (MFA) has the main responsibility for work relating to GEF and holds the seat in the Council when it is Norway's turn. The MFA works in close cooperation with the Norwegian Ministry of the Environment. This makes it easier for Norway to speak with one voice in different forums – Convention bodies, protocol negotiations and GEF.

Representation in the GEF Council is based on constituencies, and Norway's policy towards GEF will therefore be coordinated with that of the other countries in the constituency, primarily Denmark (with which Norway alternates for the Council seat) and Latvia and Lithuania). (Norway consults with Finland and Sweden in the other Nordic/Baltic constituency). Norway also participates in the European consultations prior to Council meetings.

Norway was a key actor in the negotiations on GEF and the restructuring that took place in 1994. The steady increase in global environmental problems makes GEF's mandate even more important. GEF's objectives are largely aligned with Norwegian priorities in the environmental area. In addition to GEF's own resources, the substantial co-financing attracted by these funds bear witness to the value attached by the international community to GEF's activities and impact.

In the replenishment negotiations, efforts are made at the Nordic level to agree on special thematic areas that are actively promoted. Among other things, Norway has participated in the sub-committee that did the spadework on the new rules relating to environmental and social safeguards and the above-mentioned new Policy for Gender Mainstreaming. Along with the other Nordic countries, we have advocated a broader approach to deforestation and efforts in the chemicals field.

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1. Facts and figures

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

Established in: 1991

Headquarters: Washington, DC

Number of country offices: None: GEF works through multilateral organisations. A pilot scheme will start up in July 2011 to open up for national institutions

Head of organisation: CEO Monique Barbut (France)

Dates of Council meetings in 2011: May and November

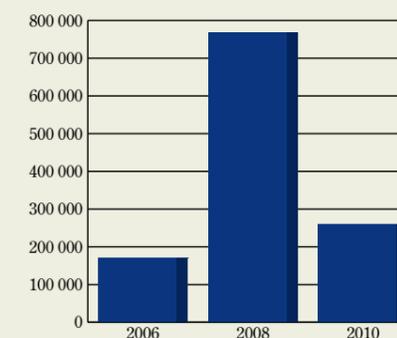
Norway's representation in Council: Norway will succeed Denmark in autumn 2011

Number of Norwegian staff: None

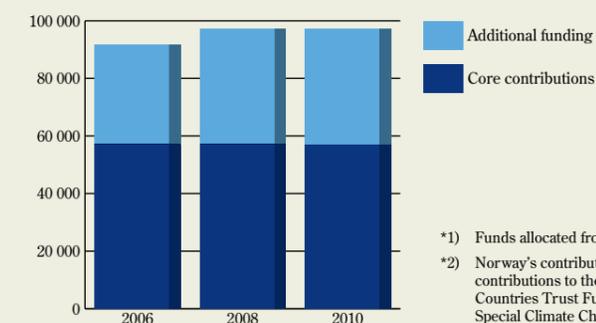
Responsible ministry: Norwegian Ministry of Foreign Affairs (MFA) (in cooperation with the Norwegian Ministry of the Environment)

Website: www.gefweb.org

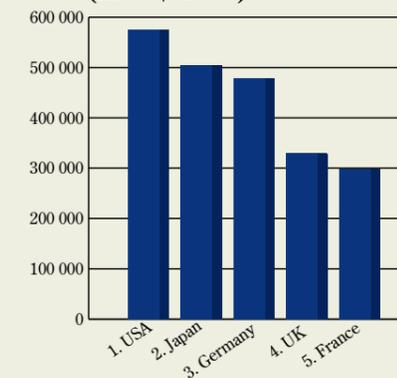
Total revenues (in US\$ 1000)



Norway's contributions^{*1)2)} (in NOK 1000)



The five largest donors, under GEF 5 in 2010 (in US\$ 1000)



Mandate and areas of activity

GEF was established in 1991 to serve as the financial mechanism for the new multilateral environmental conventions that were negotiated in the wake of the Rio Conference. GEF covers agreed incremental costs for measures that generate global environmental benefits in six focal areas: biological diversity, climate change, international waters, land degradation (desertification and deforestation), protection of the ozone layer and persistent organic pollutants. GEF is the only multilateral mechanism that solely addresses global environmental issues.

All contributions are now approved as official development assistance (ODA) by the OECD's Development Assistance Committee. Until now, GEF has only provided financing in the form of grants, but the GEF instrument also allow the provision of aid on concessional terms. The World Bank serves as the GEF Trustee. The GEF Secretariat is supported administratively by the World Bank.

The GEF Council comprises 32 members representing different constituencies: 16 from developing countries, 14 from developed countries and two from countries with economies in transition. All decisions are made by consensus. In the event of a vote, a "double majority" system requires a 60 per cent majority of countries, as well as approval by donor countries representing at least 60 per cent of contributions. Non-governmental organisations and other international agencies take part in Council meetings, but do not have voting rights. A total of 182 countries participate in GEF.

The GEF Council receives guidance regarding priorities from the Conference of the Parties to conventions and is accountable to them. GEF engages in a wide range of activities to promote the objectives of several conventions.

GEF is a network organisation and has no presence at country level. GEF has 10 implementing and executing agencies. The most important of these are the UN Development Programme (UNDP), the UN Environment Programme (UNEP), and the World Bank, in addition to the regional development banks, the UN Industrial Development Organization (UNIDO), the UN Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD) and other agencies. A new pilot system has been adopted with a view to accrediting institutions at national and regional level to enable them to receive GEF funding.

The GEF's independent evaluation office enjoys international recognition. GEF has an ombudsman to whom complaints may be submitted, and a Scientific and Technical Advisory Panel that reviews and comments on all project and programme proposals.

GEF is operator for two adaptation funds under the UN Framework Convention on Climate Change: the Least Developed Countries Fund and the Special Climate Change Fund. These are financed by voluntary contributions, but on a more ad hoc basis than the main trust fund. GEF also serves as secretariat for the innovative Adaptation Fund under the Kyoto Protocol. This fund is financed by a 2 per cent levy on projects under the Clean Development Mechanism. A new, temporary, voluntary fund for genetic resources is intended to encourage the early ratification of the new protocol under the Convention on Biological Diversity.

GEF has invested a total of over USD 9 billion, which in turn has mobilised more than USD 40 billion in co-financing. The agency's activities encompass over 2,700 projects and programmes in 165 countries.

Results achieved in 2010

The main event for GEF in 2010 was the conclusion of negotiations on capital replenishment for the period 1 July 2010 – 30 June 2014. The negotiations resulted in a record increase in capital of over 50 per cent, re-establishing the real value of the fund's assets from 1994. The capital base now totals approx. USD 4.35 billion. Norway increased its contribution by 65 per cent to NOK 376 million for the four-year period. Upon conclusion of the negotiations, funds are tentatively allocated between the focal areas. Each new replenishment process also produces recommendations on the formulation of new policies and/or policy adjustments. Since GEF operates on the basis of four-year cycles, adopting a somewhat longer-term perspective than a single calendar year provides a more accurate picture of trends and results. The latest of the major evaluations on which each replenishment is based, carried out in autumn 2009, documented GEF's relevance for the conventions and for regional and national priorities in developing countries. On the whole, GEF projects were considered to be effective in terms of achieving results, GEF-4 scoring an average of 80 per cent.

In the past few years, GEF has undergone a continuous reform process that has shortened administrative processing times and strengthened requirements as regards results.

Programme funding from GEF is, to a even greater extent, to be based on and integrated with national programme and planning processes. Countries will be assisted, on a voluntary basis, to review national portfolios with a view to rationalisation, increasing effectiveness and exploiting synergies. Steps are being taken to improve coordination between the GEF secretariat and the implementing/executing agencies. A detailed plan of action for the implementation of all recommendations from the replenishment process has been presented and initiated.

Examples of results

GEF's Solar Thermal Hybrid Project in Egypt increased the country's capacity to generate energy from renewable sources, while reducing local and regional pollution. Over time, capacity is to be increased to 33.4 GWh/year and CO₂ emissions are to be reduced by 500 000 tonnes.

With the help of GEF funding, Mexico City has developed a 50-kilometer-long rapid transit system for buses, which has reduced traffic emissions in the city by 60-80 000 tonnes of CO₂ per year.

In Cambodia, GEF has organised efforts to protect and conserve 40 species on IUCN's Red List of globally threatened species. A total of 80 per cent of an area totalling 530 000 hectares is now legally protected.

2. Assessments: Results, effectiveness and monitoring

Result-based management (RBM) has been a key principle of GEF's way of working and has been integrated into the strategies for each focal area. The Council is responsible for establishing the general framework, including defining objectives and setting target figures in the individual focal areas. The Secretariat then draws up plans/programmes for achieving these objectives and targets and measuring results, while the independent Evaluation Office submits proposals to the Council for evaluation of these results. The GEF agencies carry out their own follow-up and evaluation processes, while the Scientific and Technical Advisory Panel provides advice on indicators, objectives and evaluation approaches and methods. All implementing/executing agencies must routinely report under these indicators.

The overarching goal of the RBM system is to improve management effectiveness and accountability. A new GEF-5 results architecture has been developed, which identifies four strategic objectives (in the fields of natural resources, climate change, chemicals and national and regional capacity-building). The GEF-5 work programme comprises measures to further improve the system with annual follow-up plans and reports.

In addition to the major four-year evaluations, the Evaluation Office prepares annual performance reports. The report for 2010 concludes that 92 per cent of projects completed as of 1 July 2010 qualify for assessment as "satisfactory" or better.

The sustainability of results was considered to be good; 70 per cent of completed projects are making progress towards continued achievement of global environmental benefits. However, continued follow-up at the national level is essential if this trend is to be maintained. On the whole, there is still potential for further improvement. One of the most important conclusions reached in prior evaluations was that environmental projects that were not linked to local development interests generated results for a limited time, while projects that had greater local and national support lived on after termination of GEF funding. This experience laid the foundation for the current practice of linking projects and programmes more closely to countries' own planning and competence-building processes and ensuring greater collaboration.

GEF is governed by both the Conventions and its own Council, a situation in which there is an inherent conflict. The Conventions provide general guidance to GEF, and it is the task of the Council to translate this guidance into practical policy. In practice, it is evident that the Conventions do not sufficiently determine priorities between the different tasks.

The GEF's Evaluation Office (EO) was made independent of the Secretariat in 2006. The EO reports directly to the Council, which also approves the EO budget. The Secretariat may comment on EO reports. The EO prepares a variety of reports including annual performance reports, annual evaluation reports on project portfolios in selected countries and annual impact reports, as well as periodical thematic evaluations. The GEF agencies have their own results-based reporting procedures which do not always take full account of GEF's needs. Work is in progress on improving the framework for such reporting with a view to enabling better comparability. Both evaluations and reporting are followed up as needed after Council consideration.

From being a typically project-oriented agency, GEF has in the past few years attached growing importance to a programmatic approach. Increasing emphasis is also placed on ensuring that GEF's efforts are aligned with countries' own strategies and development plans. For many countries, this has resulted in greater support for the environmental aspects of their activities.

Since 1996, GEF has pursued a policy of involving civil society in its operations. Since a study carried out in 2004 found a lack of analyses and assessments of women as a target group and social aspects under several focal areas, GEF has become more conscious of the gender equality aspect. A 2009 review found that 40 per cent of GEF's projects contained gender mainstreaming policies. All the GEF implementing/executing agencies have special provisions and strategies in this area, which also apply to GEF projects. Many of them have been revised and strengthened in recent years through the adoption of action plans and gender-related strategies. In the light of this trend, GEF has renewed and expanded its own approach to gender policy, and a new Policy on Gender Mainstreaming was adopted by the Council in May 2011.