



Global Environment Facility

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Agenda Item 7

MANAGEMENT RESPONSE TO GEF COUNTRY PORTFOLIO EVALUATION: THE PHILIPPINES (1992-2007)

Recommended Council Decision

Please see the recommended decision in document GEF/ME/C.31/5, *GEF Country Portfolio Evaluation: Philippines (1992-2007)*.

INTRODUCTION

1. This is the management response to document, GEF/ME/C.31/5, *GEF Country Portfolio Evaluation: Philippines (1992-2007)*, prepared by the GEF Evaluation Office. The management response has been prepared by the GEF Secretariat in consultation with the GEF Implementing and Executing Agencies.

2. The objective of the evaluation is to provide the GEF Council with an assessment of how the GEF is implemented in the Philippines. It reports on results from projects and assesses how these projects are linked to national environmental and sustainable development strategies as well as the GEF mandate of generating global environmental benefits within its focal areas. In line with these objectives, the evaluation explores three key questions for the GEF and the Philippines:

- (a) Is the GEF support relevant to the Philippines national development agenda, environmental priorities, and the GEF mandate?
- (b) Is the GEF support efficient as indicated by the time, effort, and money it takes to develop and implement GEF projects; synergies and partnerships between GEF projects and between GEF and government agencies as well as other GEF stakeholders? and
- (c) What are the results of the GEF support?

3. We generally agree with the overall recommendations provided by the GEF evaluation office and are pleased with many of the conclusions of the report.

Evaluation Conclusions

4. We welcome work carried out to evaluate the portfolio of 30 GEF national projects, the GEF Small Grants Programme, and a few selected regional projects in which the Philippines participate with an estimated GEF investment of \$145 million. We are encouraged by the conclusions reached on the relevance and results of the GEF support to the Philippines but are troubled that these are jeopardized by declining environmental trends and lack of compliance. We also take note of the conclusions about portfolio inefficiencies in the Philippines.

Conclusion 1: The GEF support has been relevant to the Philippines national development plans and its environmental priorities

5. We are pleased with the finding that GEF support is in line with the development and national priorities set up in the Medium Term Philippine Development Plan. It is particularly encouraging that there is a high level of country ownership and commitment to GEF support.

6. The report finds that some project documentation actually fails to establish specific links to the Medium Term Philippines Development Plan and how the activity supports it. According to the report this appears to be a result of a weak M&E system of the GEF project portfolio. The

Secretariat has taken steps to develop a stronger monitoring system and expects improvement in this area through the implementation of a new results-based management framework (GEF/C.31/11).

Conclusion 2: GEF support to the Philippines has been relevant to the objectives and mandate of the GEF

7. We are pleased that GEF support is in line with the biodiversity, climate change, POPs, and international waters focal areas.

Conclusion 3: GEF support to the Philippines has produced global environmental benefits but declining environmental trends and lack of compliance endanger these achievements.

8. We are encouraged that the results of the evaluation show many positive achievements have been produced through GEF support. Specifically, elements of two completed projects, the geothermal and biodiversity conservation projects, have achieved better results than expected (and assessed) at completion. It is particularly note-worthy that the Philippines is now considered one of the most important global powers in geothermal energy with some best practices on environmental management and that a few of the protected areas supported by the biodiversity project are considered best practices in biodiversity conservation within the country.

9. We are troubled by the finding that while impressive results were achieved, these were overshadowed by many obstacles and declining national environmental indicators. We appreciate the Evaluation Office's effort to highlight these negative environmental trends and believe that future GEF interventions should take the indicators outlined into account.

Conclusion 4: There are several inefficiencies related to the GEF's portfolio in the Philippines

10. The findings related to the time-consuming project preparation and approval process and lack of transparency and poor quality data on the project cycle are consistent with previous Evaluation Office findings. The Secretariat considers this a serious issue and believes that the new streamlined project cycle (GEF/C.31/7) will help improve these inefficiencies.

11. We are concerned that there is confusion about the implementation of the RAF and that the available information is not considered clear. Over the past year, the Secretariat has established direct communications with countries to discuss their programming under the RAF. As this process continues through GEF-4, we hope that countries will receive better guidance regarding RAF implementation.

Evaluation Recommendations

Recommendation 1: The GEF should develop country strategies for large recipients of GEF support like the Philippines

12. We agree with the Evaluation Office's conclusion that the RAF has led to improvement in this area since the resources allocated need to be prioritized and shared among different national institutions and GEF Agencies, compared to the past when allocations were made on a demand basis and there was a perception that every eligible project would be funded eventually by the GEF. As RAF implementation progresses, we hope to work with recipients with large allocations to develop GEF programming strategies.

Recommendation 2: Compliance with the environmental policies and regulations requires urgent attention

Recommendation 3: The Philippines could consider including in future GEF support the globally unique small island regions, land degradation and improvement of climate change resilience

Recommendation 4: Improve the efficiency of the GEF mechanisms in the Philippines

13. We note that recommendations #2, #3, and #4 are to the Government of the Philippines, and we look forward to helping the Government implement these recommendations.