



GEF/C.69/08
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Agenda Item 10

**MANAGEMENT RESPONSE TO:
EVALUATION OF THE SOCIOECONOMIC CO-BENEFITS OF GEF-
FUNDED INTERVENTIONS**

Recommended Council Decision

The Council, having considered document GEF/E/C.69/03, *Evaluation of the Socioeconomic Co-benefits of GEF-Funded Interventions*, and GEF/C.69/08, the Management Response, takes note of the related evaluation recommendations and endorses the management response to address them.

INTRODUCTION

1. The GEF Secretariat welcomes the report from the Independent Evaluation Office (IEO) on the *Evaluation of the Socioeconomic Co-benefits of GEF-Funded Interventions* (GEF/E/C.69/03).
2. The GEF Secretariat values the IEO's supportive assessment of socioeconomic co-benefits as a critical impact area for managing sustainable environmental results, and welcomes its findings that help articulate potential pathways to generate such co-benefits—for example, through purposefully designed theories of change, strengthened country portfolio coordination and improved tracking across the project lifecycle.
3. This evaluation is highly relevant to the GEF's long-term vision for a Healthy Planet, Healthy People, and aligns with the steps identified by the GEF Secretariat to improve its results architecture to strengthen its capacity to capture and track socioeconomic co-benefits¹. Specifically, the preparation of the Results Measurement Framework for GEF-9 will aim to more accurately reflect a whole-of-society approach, a key cross-cutting effort underpinning GEF-9.
4. The focus towards a Healthy Planet, Healthy People helps yield ancillary socioeconomic co-benefits, under the overarching objective of generating Global Environmental Benefits. The GEF Secretariat is therefore encouraged that IEO's evaluation found not only *“ample evidence that GEF-funded projects are associated with socioeconomic co-benefits, where environmental and developmental outcomes are achieved together,”* but also observed a *“growing attention to socioeconomic co-benefits in project cohorts since GEF-5.”*
5. The GEF Secretariat appreciates the evaluation's analysis that a large share of projects already targets the achievement of socioeconomic co-benefits in GEF projects and programs. It identifies that well over 40 percent of projects in Chad, Mexico, and Nepal aim to strengthen capacity, build social capital, identify new revenue streams, and promote better access to markets. These findings broadly align with a similar assessment led by the GEF Secretariat, which indicates the extensive use of custom indicators in project results frameworks already tracking socioeconomic co-benefits.²

RECOMMENDATIONS AND MANAGEMENT RESPONSES

6. **Recommendation 1. Clearly define the pathways to generating socioeconomic co-benefits in project design, while identifying potential risks and mitigation measures.** As appropriate, the GEF Secretariat should set standards and require project proposals to explicitly articulate the expected co-benefits in the project's theory of change, also anticipating potential negative impacts and the compensatory strategies, and define measures to ensure equitable distribution—such as gender equality and inclusion of marginalized or low-income groups—as

¹ Tracking and Measuring the Socioeconomic Co-Benefits of GEF Investments, GEF/C.66/12.

² See Table 2 in GEF, Tracking and Measuring the Socioeconomic Co-Benefits of GEF Investments, GEF/C.66/12.

part of the quality assurance process. This is particularly important when the co-benefits serve as key incentives for natural resource conservation.

7. The GEF Secretariat agrees with this recommendation.

8. The GEF Secretariat notes that emphasis is already placed on socioeconomic co-benefits at the project design stage. Agencies are encouraged to highlight efforts to enhance human capacities and promote women's empowerment in the integrated narrative of the project description and theory of change at the CEO endorsement or approval stage. In parallel, the GEF Evaluation Policy mandates the tracking of socioeconomic co-benefits through the development of Monitoring and Evaluation Plans.³

9. In line with efforts to promote sound project design, the GEF transitioned from the GEF-7 project template—which included a dedicated sub-section on socioeconomic co-benefits—to a more integrated approach in GEF-8. This updated format emphasizes the development of a clear theory of change and a *“joined-up description of the project as a whole.”*⁴ Within this framework, Agencies are explicitly invited to address human capacities and women's empowerment.⁵ Additionally, a certification mechanism requires Agencies to confirm that socioeconomic benefits have been considered in the project design, are clearly described in the project description, and will be monitored and reported on during project implementation, specifically at Mid-Term Review and Terminal Evaluation.

10. The GEF Secretariat sees that the most effective opportunity to strengthen the capture of socioeconomic co-benefits is in the enhancement of the project review process. The Project Review Sheet serves as the foundation for Program Managers' review of each project. In advance of the GEF-9 programming cycle, the Secretariat will refine this tool to place greater emphasis, where necessary, on socioeconomic benefits. This strengthened review process will, in turn, enhance the quality of engagement with Agencies on this topic.

11. The GEF Secretariat will continue to implement the Policy on Environmental and Social Safeguards (ESS), which aims to *“anticipate, avoid, prevent, minimize, mitigate, manage, offset, or compensate any adverse impacts that GEF-financed projects and programs may have on people or the environment throughout the project or program cycle, thereby enhancing the environmental and social outcomes of such projects and programs.”*⁶ This approach ensures the proactive identification of potential negative impacts, as well as the development of mitigation measures through the Environmental and Social Management Plan at the project level. The ESS

³ See Minimum Requirement 1, GEF IEO, *The GEF Evaluation Policy*, GEF/ME/C.56/02/Rev.01.

⁴ GEF Scientific and Technical Advisory Panel (STAP), *Enabling Elements for Good Project Design: A synthesis of STAP guidance for GEF project investment*. See at: <https://stapgef.org/resources/advisory-documents/enabling-elements-good-project-design-synthesis-stap-guidance-gef>

⁵ <https://www.thegef.org/projects-operations/templates>

⁶ GEF, *Policy on Environmental and Social Safeguards*, SD/PL/03.

Policy's specific Minimum Standards address critical areas such as biodiversity conservation, involuntary resettlement, Indigenous Peoples, and community health, safety, and security.

12. **Recommendation 2. Promote the sustainability of co-benefits by strengthening country portfolio coordination, with a central role for the operational focal point and key national stakeholders.** In line with the 2022 GEF Country Engagement Strategy, the GEF Secretariat should empower and require the country operational focal points to convene regular exchanges—such as an annual workshop— with GEF agencies, executing agencies, and other partners. These fora would serve to identify implementation challenges, share good practices, and highlight innovative approaches that enhance both global environmental benefits and socioeconomic co-benefits. Such coordination would also support the consolidation and scaling of results through better sequencing and synergy between GEF-funded and other development initiatives. The GEF Secretariat should explore further opportunities for deeper country engagement, to capture and manage knowledge from portfolio implementation.

13. The GEF Secretariat agrees with this recommendation.

14. A central pillar of the Country Engagement Strategy (CES) under GEF-8 (and to be continued in the proposed GEF-9 Country Engagement Strategy⁷) is to further country ownership by empowering Operational Focal Points (OFPs) to take a more active role in programming.⁸ In 2025, the GEF launched an initiative to train OFPs in project and portfolio oversight, which will be followed by further OFP capacity building and resourcing efforts in GEF-9. The streamlining measures endorsed at the 68th Council propose that OFPs convene annual portfolio meetings with Agencies, and that Agencies consult with OFPs during the preparation of Project Implementation Reports, Mid-Term Reviews, and Terminal Evaluations.⁹ Taken together, these initiatives create an opportunity to enhance the visibility of socioeconomic co-benefits generated through GEF financing in country portfolio planning and build country ownership of both environmental and socioeconomic gains for their sustainability.

15. Looking ahead, the GEF will continue to support effective and comprehensive portfolio planning through upstream technical dialogues, national dialogues, country platforms and other CES engagements. CES efforts will broaden focus to a whole of government approach, centering the environment in national development, and a whole of society approach, addressing the needs and the important role of all stakeholders. Options presented for discussion at the first meeting of the ninth replenishment¹⁰ include a series of measures aimed at OFP and country empowerment for maximum impact in the use of GEF resources, advancing GEF's policy coherence and whole of government integration, and building capacity for key GEF stakeholders.

⁷ GEF, *Draft GEF-9 Strategic Positioning and Programming Directions*, GEF/R.9/05

⁸ GEF, *Summary of Negotiations of the Eighth Replenishment of the GEF Trust Fund*, GEF/C.62/03.

⁹ GEF, *Streamlining the GEF Project Cycle: Report from the Working Group on the Streamlining Process*, GEF/C.68/05/Rev.01.

¹⁰ GEF, *Draft GEF-9 Strategic Positioning and Programming Directions*, GEF/R.9/05

16. **Recommendation 3. Track co-benefits during project implementation and at completion.** The GEF Secretariat should provide guidance to the agencies and partners on indicators and methods to assess the nature, scale and reach of co-benefits, and track and report on the follow-up done by projects and agencies.

17. The GEF Secretariat agrees with this recommendation.

18. The GEF Secretariat concurs with the need to strengthen the tracking of socioeconomic co-benefits during project implementation and upon completion. In preparation for the development of the GEF-9 Results Measurement Framework, the GEF Secretariat is in the process of identifying key areas for exploration in this regard,¹¹ including the potential use of alternative measurement approaches (for example, geospatial analyses linked to population data, where relevant). The GEF Secretariat is also in the process of exploring two complementary tracks: (i) options to disaggregate existing indicators, and (ii) a limited set of standard and broadly applicable indicators.

19. The GEF-9 Results Measurement Framework will be discussed at the second replenishment meeting in October 2025, and will be shaped accordingly by those deliberations. When finalized, the GEF Secretariat will provide guidance to Agencies on any indicators that are developed to capture socioeconomic co-benefits, as part of guidance on the GEF-9 Results Measurement Framework.

CONCLUSION

20. The findings and recommendations of the IEO's evaluation reinforce the relevance of ongoing efforts by the GEF Secretariat to promote whole-of-society engagement in pursuit of global environmental outcomes, while generating important socioeconomic co-benefits in the process. The GEF Secretariat views this assessment as both timely and valuable, aligning closely with the early stages of work on the GEF-9 Programming Directions and the GEF-9 Results Measurement Framework. The insights and evidence provided will help inform and guide the Secretariat's strategic direction moving forward. The implementation of these recommendations will also be informed by overall OPS-8 evaluation findings and shaped by the forthcoming GEF-9 replenishment discussions.

21. The GEF Secretariat will track progress on the implementation of these recommendations through the standard procedure of the IEO's Management Action Record.

¹¹ See Table 2 in GEF, Tracking and Measuring the Socioeconomic Co-Benefits of GEF Investments, GEF/C.66/12.