

MANAGEMENT RESPONSE

UNDP-GEF Terminal Evaluation Management Response and Tracking Template

Project Title: Institutionalizing Payments for Ecosystem Services

Project PIMS #: 3179

Terminal Evaluation Completion Date: 9 July 2012

Key issues and Recommendations	Management Response*	Tracking**	Timeframe	Responsible unit(s)	Status***	Comments
	Response	Key Actions				
1. Design, implementation, M&E of the Project (include benefits of the project)						
Introduce more rigorous analysis and risk and mitigation action.	Design recommendations noted and will be incorporated into projects designing PES schemes.	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	This recommendation is well noted and is important for PES schemes
Define scope and objective of PES	Design recommendations noted and will be incorporated into projects designing PES schemes.	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	This recommendation is well noted and is important for PES schemes
Apply more rigorous pre-selection of sites during the	Design recommendations	Share guidance with the team	Has been done within	Project manager	Completed	This recommendation is

Project design phase	noted and will be incorporated into projects designing PES schemes.		undpduring the course of this project			well noted and is important for PES schemes
Introduce "smart" performance indicators during the Project design phase, including environmental, social and financial	General recommendation	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	General recommendation already applied to projects
Assess options for co-implementation between two or more GEF implementing agencies based on project needs and IA profile	General recommendation	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	This is sometimes explored but difficult to achieve in practice
Assess technical and managerial capacity of the executing agency vis-à-vis Project needs	General recommendation	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	Standard practice
Introduce systematization into capacity building, partner selection, production of lessons learned and M&E	General recommendation	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	Standard practice
Increase project accountability by selecting a dedicated (full time) project manager	Agreed and discussed with the executing agency	Informed NGO	Has been done within undp during the course of this project	Project manager	Completed	This would have been a good action by the NGO
Introduce implementation agreements with government where implementation sites	Design recommendations noted and will be	Share guidance with the team	Has been done within undp during the	Project manager	Completed	Useful for future country PES projects

have been chosen	incorporated into projects designing PES schemes.		course of this project			
Introduce deliverables (lessons) related to start-up and implementation cost.	Design recommendations noted and will be incorporated into projects designing PES schemes.	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	Useful for future country PES projects
<p>2. Future directions underlining main objectives</p> <p>Besides mainstreaming the above listed recommendations for project design, it is critical that the GEF takes a more realistic approach when supporting PES. In fact, several key issues have already been raised by the 2010 revised version of the GEF STAP document "Paying for Environmental Services and the Global Environmental Facility (GEF). Particularly relevant to this project are:</p>						
(a) " <u>Set up and pilot direct payments</u> : GEF should fund direct payments: a) in special cases when short-run payments are likely to shift land use, b) when tests of payment effectiveness can persuade pre-identified long-term ES buyers, or c) when long-term payments through trust funds are the most promising way to secure valuable biodiversity".	STAP document circulated to UNDP/GEF team	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	STAP document did not exist at time of project design. It is now used for project's designing PES schemes
(b) " <u>Co-finance multiple-service strategies</u> : GEF should continue to support government-financed multiservice PES, but try to leverage what emerges as	STAP document circulated to UNDP/GEF team	Share guidance with the team	Has been done within undp during the course of this project	Project manager	Completed	STAP document did not exist at time of project design. It is now used for

<p>'best PES practice'. Co-financing start-up costs in user-financed PES (piggy-backing) can deliver global environmental benefits (GEBs) synergies, but combining this with explicit payments for GEBs to complement other flows of environmental service payments (layering) will yield better outcomes...."</p>						<p>project's designing PES schemes</p>
<p>(c) "Financing PES start-up costs: GEF will sometimes have a rationale for subsidizing high PES start-up costs, but will need to carefully scrutinize the feasibility of PES proposals (in particular who will make recurrent payments), and assess if the start-up costs are truly the only binding constraint on project implementation".</p>	<p>STAP document circulated to UNDP/GEF team</p>	<p>Share guidance with the team</p>	<p>Has been done within undp during the course of this project</p>	<p>Project manager</p>	<p>Completed</p>	<p>STAP document did not exist at time of project design. It is now used for project's designing PES schemes</p>
<p>3. Best and worst practices</p>						
<p>The Project produced an impressive amount of PES and BO related material. It is important however, that in the next future, the Project re-examines the lessons in order to produce lessons regarding the "what to do", the technical and science aspects of PES, and the "how to do it", which</p>	<p>Recommendation will be relayed to the executing NGO</p>	<p>Recommendation shared with forest trends</p>	<p>August 2012</p>	<p>Project manager</p>	<p>completed</p>	

<p>is related to the practical implementation aspects. This is critical for GEF, UNDP and other GEF implementing agencies, and for future FT activities.</p>						
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* Unit(s) assigned to be responsible for the preparation of a management response will fill the columns under the management response section.

** Unit(s) assigned to be responsible for the preparation of a management response will be updating the implementation status. Assigned with an oversight function monitors and verifies the implementation status.


*** Status of Implementation: Completed, Partially Completed, Pending

EVALUATION REPORT CLEARANCE FORM

Evaluation Report Reviewed and Cleared by:

UNDP GEF RTA

Name: Andrew Bovarnick

Signature:  Date: 5/10/12