



Global Environment Facility

Summary of Document GEF/C.33/11

GEF Business Plan FY09-10 and FY09 Corporate Budget

Recommended Council Decision

The Council, after having reviewed the *GEF Business Plan for FY09-10 and the FY09 Corporate Budget* (GEF/C.33/11), takes note of the business plan and approves a FY09 Corporate Budget of \$22.069 million comprising:

- (a) \$13.646 million for the Secretariat;
- (b) \$2.047 million for the STAP;
- (c) \$2.469 million for the Trustee; and
- (d) \$3.907 million for the Evaluation Office.

EXECUTIVE SUMMARY

1. The GEF is almost halfway through its fourth replenishment period (GEF-4). The policy recommendations of the replenishment provide guidance for the priorities and activities for the 4-year period of GEF-4 (FY07-10). To better focus and integrate GEF's response to the policy recommendations, the CEO presented to the Council at the December 2006 meeting a five-point sustainability compact consisting of five key elements (strategy, innovation, equity, accessibility, and focus) aimed at raising the impact of GEF investments to a new level of results, and making the GEF a leading force for sustainable development and addressing global environmental issues.

2. The Business Plan describes the status of policy development and implementation already underway, or planned, in order to: (i) implement the policy recommendations of the fourth replenishment; and (ii) further develop the GEF as an institution grounded in the five-point sustainability compact. It builds upon the significant achievements of FY07 and FY08, when a majority of the policy and institutional reforms were put in place, viz., the focusing of GEF strategies, streamlining of the GEF project cycle, shift to actual cost-based financing of project preparation grants, corporate budget reform, direct consultation with recipient countries, etc.

3. The positive changes underway have brought the GEF closer to both recipient and donor countries, and increased the confidence levels regarding the GEF amongst our partners and stakeholders. As one sign of this positive atmosphere, the GEF was invited to provide secretariat services to the Board of the Adaptation Fund of the Kyoto Protocol at the most recent meeting held in Bali in December 2007 of the Conference of Parties of the UNFCCC serving as the meeting of the Parties to the Kyoto Protocol.

4. During the next two years covered under this business plan, in response to the challenges facing the planet, it is expected that the Trustee will be requested by the GEF Council to initiate the discussions for the Fifth Replenishment of Resources for the GEF Trust Fund and to collaborate with the Secretariat in that process. The international community has shown an increased dedication to tackling the multi-faceted dimensions of global climate change, asserting the seriousness of global environmental problems. The GEF and its partners stand ready to serve the global community, with its 15 years of experience supporting developing countries undertake innovative approaches to greenhouse gas mitigation, to deal with adaptation to climate change, to conserve biodiversity, to reduce pollution from key chemicals, and to improve land management.

5. The total budget request for all the four GEF entities for FY09 is \$22.069 million. This represents a decrease of \$ 0.492 million compared to the approved FY08 budget of \$22.561 million. The approved FY08 budget included special initiatives totaling \$1.444 million, including \$0.5 million approved in November 2007 for the Evaluation Office to undertake the mid-term review of the Resource Allocation Framework. The Secretariat, the STAP, and the Evaluation Office have requested only nominal 3 percent increases in their core FY09 budgets to partly account for inflation. The Trustee is requesting a nominal 18 percent increase in its core FY09 budget, in part due to the expected costs associated with management of the replenishment process and the projected higher balance in the investment portfolio of the GEF Trust Fund. It should be noted, however, that the Trustee's request for the overall FY09 corporate budget represents a net increase of only \$69,000, or 2.89 percent over the FY08 approved budget. None of the GEF entities has requested funding for special initiatives as part of this budget request.