

DRAFT
JOINT SUMMARY OF THE CHAIRS
GEF COUNCIL MEETING
NOVEMBER 8-10, 2005

OPENING OF THE MEETING

1. The meeting was opened by Leonard Good, Chief Executive Officer/Chairperson of the Facility.

ELECTION OF A CHAIRPERSON

2. The Council elected Theophile C. Worou, Council Member representing Benin, Cote d'Ivoire, Ghana, Guinea, Nigeria, Sierra Leone, and Togo, as its elected Co-Chair.

ADOPTION OF THE AGENDA

3. The Council approved the provisional agenda set forth in document GEF/C/27/Rev.1.

STAP

4. Ms. Yolanda Kakabadse, the Chair of STAP, reported on the work of STAP and, in particular, drew the attention of Council to the proposals presented in document GEF/C.27/Inf.4, *Improving the Effectiveness of STAP*. She noted that these proposals had been prepared at a retreat of STAP members, the GEF Secretariat, and the Implementing Agencies in Ecuador in June 2005, and endorsed by the Executive Director of UNEP, the Director, Energy and Environment Practice Group, UNDP, and the CEO/Chairman of the GEF. She expressed confidence that the Executive Director of UNEP and the GEF CEO would expedite the administrative arrangements noted in the document.
5. The Council confirmed the high priority it assigns to the implementation of a plan to ensure the independence and transparency of the STAP roster and the experts' reviews of projects. The Chair of STAP agreed to report to the Council meeting in June 2006 on the first results in improving the STAP roster.

STATEMENTS BY THE EXECUTIVE SECRETARIES OF THE CONVENTIONS

6. The Council heard statements from Janos Pasztor, Coordinator, Sustainable Development Programme, UNFCCC; Yibin Xiang, Programme Officer, CBD; John Whitelaw, Deputy Director, UNEP Chemicals, Stockholm Convention; and Grégoire de Kalbermatten, Deputy Executive Secretary, UNCCD, on the activities of the conventions of interest to the GEF.

7. The Council expressed its deepest sympathies to the family and colleagues of Ms. Joke Waller Hunter, Executive Secretary of the UNFCCC, who recently passed away. Ms. Waller Hunter was recognized for her long and distinguished career in the environment, and her tireless efforts and leadership in forging international consensus on the management of the global environment.

DECISIONS OF THE COUNCIL

8. The Council approved the following decisions with respect to the items on its agenda.

Decision on Agenda Item 6 Relations with Conventions and Other Institutions

9. The Council reviewed document GEF/C.25/4, *Relations with Conventions and other*

10. *Institutions*, and welcomed the progress made in support of international environmental conventions and other international processes relevant to GEF's mandate.

11. The Council also took note of the decisions of the first meeting of the Parties to the Stockholm Convention, and invited the GEF Secretariat to work with the Implementing and Executing Agencies to finalize the operational program on POPs, taking into account the guidance approved at the first meeting of the COP.

12. The Council also approved the Memorandum of Understanding between the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants and the Council of the Global Environment Facility.

13. The Council requests the GEF Secretariat to report at its next meeting on the conclusions and recommendations of SAICM so that the Council may consider how they relate to the mandate of the GEF.

14. The Council notes the celebration of the forthcoming International Year on Deserts and Desertification and asked the GEF Secretariat to work with the Secretariat of the UNCCD in promoting the goals of the Convention and the IYDD.

15. The Council reviewed document GEF/C.27/9, *Status Report on the Climate Change Funds*. The Council approves the allocation of additional budgetary resources from the LDC Fund to pay for the costs of a consultative workshop focusing on NAPA implementation.

Decision on Agenda Item 7(a) The GEF Monitoring and Evaluation Policy

16. The Council, having reviewed document GEF/ME/C.27/1, *The GEF Monitoring and Evaluation Policy*, decides:

- a. to request the Office of Monitoring and Evaluation to finalize the policy subject to the incorporation of comments and relevant Council decisions on

interaction between the Office and Council and on the MAR, and circulate a final version of the policy for Council approval on a no objection basis before the end of 2005;

- b. to request the Office of Monitoring and Evaluation to develop proposals fully reflecting the independence of the Office in the main documents of the GEF such as the Instrument;
- c. to request the Secretariat, the Implementing and Executing Agencies to implement the strengthened minimum requirements for Monitoring and Evaluation that have been adopted through this policy;
- d. to approve the change of name of the Office of Monitoring and Evaluation to the GEF Evaluation Office;
- e. to request the Office to prepare administrative procedures to implement the policy, that are fully in line with the Terms of Reference of the Office and with the decisions of the Council on the policy;
- f. that this policy and the administrative procedures then replace the Terms of Reference for an independent M&E Unit in GEF/C.21/12/Rev.1;
- g. to request the Office to continue and formalize its consultative process with M&E partners in the GEF;
- h. to request the Office to develop a proposal for an M&E training program to be presented to the GEF June 2006 Council, in order to introduce the new policy and minimum requirements for M&E to the appropriate staff.

Decision on Agenda Item 7(b) Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council

17. The Council, having reviewed documents GEF/ME/C.27/2, Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council and GEF/ME/C.27/Inf. 2, Interaction between Evaluation Offices and Governing Bodies: a comparative study, approves Option 1 presented in Table 1 of GEF/ME/C.27/2 and requests the GEF Evaluation Office to operationalize this option, taking into account the discussions and comments at this Council meeting and to propose appropriate or necessary amendments to main GEF documents, such as the GEF Instrument and the Rules of Procedures of the GEF Council.

Decision on Agenda Item 7(c) Procedures and Format of the Management Action Record

18. The Council, having reviewed document GEF/ME/C.27/3, *Procedures and Format of the Management Action Record*, approves the procedures for preparing the GEF Management Action Record (MAR) as well as its format for reporting on follow-up

to Council decisions concerning independent evaluation reports and their management responses. The Council requests the GEF Secretariat and the Office of Monitoring and Evaluation to prepare the GEF MAR in consultation with the appropriate GEF entities. The GEF MAR will be presented to Council by the Office of Monitoring and Evaluation for review and follow-up on an annual basis commencing June 2006.

Decision on Agenda Item 7(d) The Role of Local Benefits in Global Environmental Programs

19. The Council takes note of document GEF/ME/C.27/4, *The Role of Local Benefits in Global Environmental Programs. Part One: Nature and Conclusions of the Study* and agrees:

- (a) where local benefits are an essential means to achieve and sustain global benefits, these should be more systematically addressed in all stages of the project cycle in GEF activities;
- (b) GEF activities should include processes for dealing with trade-offs between global and local benefits in situations where win-win results do not materialize;
- (c) in order to strengthen generation of linkages between local and global benefits, the GEF should ensure adequate involvement of expertise on social and institutional issues at all levels of the portfolio;
- (d) OME should take the study into account in its ongoing evaluation of the calculation of incremental cost.

20. Council requests the GEF Secretariat, with the collaboration of the Implementing/Executing Agencies, to develop an appropriate set of actions to implement this decision. The Council also requests the GEF Secretariat and the Office of Monitoring and Evaluation to record follow up actions taken to implement the management response to the study and to report on these actions through the proposed GEF Management Action Record, to be submitted by the Office of Monitoring and Evaluation at the June session of the Council.

Decision on Agenda Item 8 Update on RAF

21. The Council, having reviewed GEF/C.25/5, *Implementing the GEF Resource Allocation Framework*, appreciates the work that has been initiated by the GEF Secretariat and the Implementing Agencies to operationalize the September RAF decision and requests the Secretariat to report on progress in June 2006, to continue to consult with countries to assist them with the transition to the RAF, and to involve the Executing Agencies, especially the regional development banks, in the planning process.

22. Recognizing the current excess demand for GEF resources and the need to optimize use of available resources, the Secretariat and Implementing and Executing

Agencies are requested to manage the programming of resources during the remainder of GEF-3 so as to facilitate the transition to the RAF in GEF-4.

23. The Council agrees with the proposed approach for making public indicative country and group allocations.

Decision on Agenda Item 9

Work Program

24. The Council approved a work program¹ comprised of projects listed in the annex to this summary, subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by November 25, 2005.

25. The Council finds that with the exception of:

- (a) Brazil: *GEF Sustainable Cerrado Initiative*. (World Bank)
- (b) Brazil: *National Biodiversity Mainstreaming and Institutional Consolidation Project*. (World Bank)
- (c) China: *Demonstration of Fuel Cell Bus Commercialization in China, phase 2*. (UNDP)
- (d) Croatia: *Conservation and Sustainable Use of Biodiversity in The Dalmatian Coast through Greening Coastal Development* (UNDP)
- (e) Kenya: *Agricultural Productivity and Sustainable Land Management*. (World Bank)
- (f) Mauritania: *Adrar Solar Initiative and Decentralized Electrification in the Northern Coastline of Mauritania through Hybrid (Wind/Diesel) Systems*. (UNDP)
- (g) Regional (Belarus, Bulgaria, Kazakhstan, Romania, Russian Federation, Serbia and Montenegro, Ukraine,

¹ The US Council Member opposed *Cuba, Supporting Implementation of the Cuban National Programme to Combat Desertification and Drought (NPCDD)*, (UNDP), because it benefits Cuba; *Regional, (Yemen, Lebanon, Palestinian Authority, Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Sudan, Syria), Mainstreaming conservation of migratory birds into Key Productive Sectors along the Rift Valley/Red Sea Flyway*, (UNDP), because it benefits Syria and Sudan; *Mauritania Adrar Solar Initiative and Decentralized Electrification in the Northern Coastline of Mauritania through Hybrid (Wind/Diesel) Systems* (UNDP), in light of the recent coup in Mauritania, which puts in serious question the success and sustainability of the project; *Global, Country Support for Focal Points*, because Component 1 is not capacity building and therefore is an inappropriate use of project funds; and China, *Demonstration of Fuel Cell Bus Commercialization in China, Phase 2* (UNDP), on the grounds it is not cost-effective, sustainable or replicable.

Macedonia): *Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation* (UNEP)

- (h) Regional (Yemen, Lebanon, Palestinian Authority, Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Sudan, and Syria):
Mainstreaming Conservation of Migratory Soaring Birds into Key Productive Sectors along the Rift Valley/Red Sea Flyway. (UNDP)

each proposal presented to it as part of the work program is or would be consistent with the Instrument and GEF policies and procedures and may be endorsed by the CEO for final approval by the Implementing or Executing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents fully incorporating the Council's comments on the work program accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

26. With respect to the proposals listed in the paragraph above, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and to transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing or Executing Agency. Such projects may be reviewed at a further Council meeting at the request of at least four Council Members. Before circulating the projects to the Council, the CEO is requested to check that Council comments have been adequately responded to in the draft final project.

27. With respect to the following two proposals:

- (a) Regional (Africa): Strategic partnership for a sustainable Fisheries Investment Fund in the large Marine Ecosystems of Sub-Saharan Africa (Tranche 1 of 3 tranches) (World Bank); and
- (b) Regional (Asia/Pacific): World Bank/GEF Partnership Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia (Tranche 1 of 3 tranches) (World Bank)

the Council approves them with the revised arrangements for results monitoring. The Council finds that both projects presented to it as part of the work program are or would be consistent with the Instrument and GEF policies and procedures. Council requests the Secretariat to arrange for Council Members to receive draft final sub-project documents and to transmit to the CEO within four weeks any concerns they may have prior to CEO endorsement of the sub-projects.

28. The Council requests the Secretariat to prepare, in collaboration with the Implementing and Executing Agencies, a policy paper exploring the history and evolution of the roles and comparative advantages of the Implementing and Executing

Agencies with regard to implementation of GEF projects for review by the Council at its meeting in June 2006.

29. The Council agrees that project proposals that were technically cleared but not included in the work program before the Council due to resource constraints should be given priority status for the next work program.

30. The Council requests the CEO to include the project proposal, *Africa Rift Geothermal Development Facility (ArGeo)*, (UNEP), in the next intersessional work program, subject to its technical clearance and availability of resources.²

31. The Council supports inclusion of additional financing of \$35,000,000 for the SGP in the next intersessional work program, subject to availability of resources.

Decision on Agenda Item 10

Process for selecting CEO/Chairman of the Facility

32. The Council, having reviewed document GEF/C.27/7, welcomes and approves the proposal of the Implementing Agencies for a well-defined and time-bound process for carrying out robust and transparent consultations with all Council Members during the agreed process for selecting the CEO/Chairman of the Facility. In light of the consultations that are to occur throughout the process, the Council agrees that the Implementing Agencies should recommend one candidate to the Council for appointment as the CEO/Chairman of the Facility.³

33. The Council invites the Implementing Agencies to initiate the agreed process for selection of a CEO/Chairman of the Facility who will be expected to begin a three year term on July 14, 2006. In this regard, the Council approves the terms of reference for the CEO, the process for advertising the CEO position, and the terms of reference for an independent consulting firm to assist in screening applications. The Council also approves US\$180,000 to fund the selection process. This amount is to be added to the World Bank component of the GEF Corporate Budget for FY06.

Decision on Agenda Item 11

Third GEF Assembly

34. The Council expresses its sincere appreciation for the generous offer of the Government of South Africa to host the Third GEF Assembly and agrees that the Assembly and associated meetings will be held in Cape Town, South Africa, from August 27-September 1, 2006.

35. The Council notes the offer of South Africa to contribute cash, services and in-kind contributions to the Assembly valued at US\$666,000. To cover additional expenses

² The US Council Member reserves its right to vote on any project involving UNEP as an implementing agency which calls for capital funds.

³ In light of the inherent conflict of interest in the CEO selection process, the US Council Member does not support the decision that Implementing Agencies nominate only one candidate for CEO, and believes that three candidates should be nominated.

that may be incurred by South Africa in hosting the Assembly, the Council requests the Secretariat to:

- (a) reduce the costs by convening the Assembly for two days and lowering catering costs; and
- (b) solicit contributions from additional donors.

36. The Council agrees that if, beyond the steps in (a) and (b) above, any shortfall remains, the Secretariat may draw upon the GEF Trust Fund.

37. The Secretariat is requested to prepare a budget for the Assembly to be included in the FY07 corporate budget as a special initiative.

Decision on Agenda Item 12(a) Strengthening Council Members

38. The Council, having reviewed GEF/C.27/8, *Administrative Costs of Council Member Support Program*, approves⁴ the Council Member Support Program and agrees that US\$64,000 should be included as an addendum to the GEF Secretariat corporate budget for FY06 to cover the costs of the program during this fiscal year.

Decision on Agenda Item 12(b) Management Information System

39. The Council, having reviewed GEF/C.27/10, *Management Information System*, recognizes the need to establish a reliable management information system to enable the GEF and its partners to improve effectiveness across all areas of GEF business. The Council endorses the proposal outlined in the document for developing a management information system and approves US\$700,000 as a supplementary special initiative to be included in the FY06 Corporate Budget.

40. The Council requests the Secretariat to report on progress in establishing the management information system at the Council meeting in December 2006.

Decision on Agenda Item 12(c) International Year of Deserts and Desertification

41. The Council, recognizes that the International Year of Deserts and Desertification in 2006, agreed to by the UN General Assembly, offers a unique opportunity for the GEF to contribute to raising global awareness of the threats of land degradation and avenues for addressing the challenges of land degradation and sustainable development. The Council approves⁵ US\$275,000 as a special initiative to be added to the GEF Secretariat's corporate budget for FY06-FY07 to support the following activities:

⁴ The US Council Member opposed approval of the doubling of support to Council Members on the grounds that it is not offset by a commensurate reduction of other items in the corporate budget.

⁵ The US Council Member opposed approval of this budget item on the grounds that it is not a justifiable use of the special initiative designation for the corporate budget.

- (a) a review of resource mobilization and status of funding for desertification to be prepared jointly by the GEF Secretariat, the Implementing and Executing Agencies, and the Global Mechanism;
- (b) a forum at the GEF Assembly in 2006 on sustainable land management;
- (c) a special session on indicators for sustainable land management at the UNESCO international scientific conference on the future of arid lands;
- (d) a contribution to the UNU Algiers final policy conference for the IYYD to facilitate participation of key stakeholders from affected countries; and
- (e) presentation of GEF projects by developing country executing agencies at appropriate meetings and conferences organized as part of IYYD.

Decision on Agenda Item 13

Elements of a Biosafety Strategy

42. The Council reviewed the elements for a GEF biosafety strategy (document GEF/C.27/12) and welcomes the elements as a basis for developing a strategy to guide the provision of GEF assistance to support the Cartagena Protocol on Biosafety, taking into account the comments made at the Council meeting. The GEF Secretariat is invited to prepare, in consultation with the Implementing and Executing Agencies, a draft biosafety strategy for Council review and comment in early 2006. On the basis of the comments received, the Secretariat will prepare a proposed strategy for Council review and approval by mail prior to the Council meeting in June 2006.

Decision on Agenda Item 14

Private Sector Strategy

43. The Council, having reviewed document GEF/C.27/13, *GEF Strategy to Enhance Engagement with the Private Sector*, underscores the importance of strengthening the engagement of the private sector in the work of the GEF. Council Members are invited to submit written comments on the proposed strategy to the Secretariat by December 2, 2005. The Council requests the Secretariat to develop the strategy further, on the basis of the Council discussions and written comments, and to submit the strategy for review and approval at the June 2006 Council meeting.

Decision on Agenda Item 15

GEF Activities Related to Forests

44. The Council, having reviewed document GEF/C.27/14, *GEF Activities Related to Forests*, welcomes the paper as a description of the historic and current activities undertaken by the GEF to support sustainable forest management and notes that the paper provides a good basis for future work on this issue. The GEF Secretariat and Implementing and Executing Agencies are requested to undertake further analysis with a view to jointly developing a range of options, from the status quo to a new operational program, of the costs and benefits for further expanding GEF support to sustainable forest management. This work should take into account any RAF implications and should

contribute to the on-going work to clarify the focal area strategies and operational programs.

Decision on Agenda Item 16

Review of Action Plan

45. The Council took note of GEF/C.25/12, *Review of Action Plan to Respond to Recommendations for Improving GEF's Performance*. The Council requests the Secretariat to keep the Action Plan under review and to present an updated Action Plan to the Council in December 2006.

Decision on Agenda Item 17

Cost Effectiveness of GEF Projects

46. The Council, having reviewed GEF/C.25/11, *Cost Effectiveness Analysis in GEF Projects*, urges the Secretariat and the Implementing and Executing Agencies to strengthen cost-effectiveness analysis in GEF project preparation as outlined in the document and to document their cost effectiveness analysis more clearly in the project proposals submitted for work program inclusion.

Decision on Agenda Item 18

Other Business

Highlights of Council Discussions

47. The following comments, understandings and clarifications were made during the Council's discussions of its agenda items and related decisions.

Agenda Item 4 STAP

48. Recognizing the important scientific and technical work that STAP is undertaken, STAP was requested to disseminate the findings of its workshops when they are held.

Agenda Item 6 Relations with Conventions and Other Institutions

49. Some Council Members noted the importance of continuous support for enabling activities and requested that the implementation of RAF not affect the ability of countries to undertake enabling activities.

50. One Council Member noted the need for additional resources to implement national biodiversity strategies and called for GEF project proposals to demonstrate how a biodiversity project responds to the national strategy and objectives of the Convention on Biological Diversity.

51. A Council Member expressed support for the work being undertaken to prepare a work program under the Convention on Biodiversity for island biodiversity, and he called for adequate resources to be made available in the biodiversity focal area for projects in support of the work program.

52. Council Members expressed appreciation for support for conducting technology needs assessment for CBD.

53. Some Council Members expressed the view that voluntary funds would not be sufficient for the implementation of SAICM and highlighted the need for new and additional resources.

54. One Council Member drew to the Council's attention the outcome of the 2005 World Summit regarding international governance and the need for more coherence, better coordination and monitoring among organizations operating in the international system.

55. One Council Member underscored that the climate change funds are to be kept separate from the core activities of the GEF, and another underlined that the Resource Allocation Framework would not apply to the funds.

56. A Council Member cautioned against duplication of reporting requirements among the Conventions and requested the GEF to make best use of experience gained in other processes when financing reporting and assessment processes such as the preparation of NAPAs.

57. It was noted that the COP/MOP of the Kyoto Protocol was responsible for determining guidance for the Adaptation Fund that the GEF should be responsive to implementing the agreed guidance.

Agenda Item 7 Monitoring and Evaluation

58. Council Members expressed concern about the overrun in expenditure of ICF Consultancy in executing the Third Overall Performance Study and requested the Evaluation Office to provide further information on the relationship of this overrun to the TOR of the study, the final products, the overall budget of OPS3 and the contractual terms that were agreed upon.

Agenda Item 7(a) The GEF Monitoring and Evaluation Policy

59. Council Members expressed appreciation for the quality, structure and content of the proposed policy and stressed its importance in strengthening monitoring and evaluation in the GEF.

60. Council Members requested further information on the financial implications of the policy. While the costs related to the Evaluation Office have been incorporated into the four-year work plan, improved M&E may lead to an increased M&E budget for specific projects. Council Members welcomed more information on the proposed training program, and some Members requested that the GEF Secretariat, NGOs and government representatives be considered for capacity building on M&E in the GEF.

61. Council Members noted clarification provided as to disclosure policies; the coverage of MSP evaluations in the Joint Evaluation of the GEF Cycle and Modalities; the coverage of ex-ante evaluations by the partners in the GEF; knowledge management activities of the Office; and the links between the policy and GEF-4 recommendations. Some Council Members also encouraged the Evaluation Office to continue to broaden its consultative process with evaluation bodies and offices. It took note of the fact that the Evaluation Office will interact with regional GEF meetings.

62. Council Members suggested that further clarification be made in the policy of some of the terminology (most notably: “GEF Management”) and the division of labor between the Evaluation Office, the GEF Secretariat and the Implementing and Executing Agencies, as well as on the approval and revision of the policy (to be agreed upon by Council). The Council also noted that the policy and its application should be subject of evaluation at the end of the GEF-4 programming period.

Agenda Item 7(b) Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council

63. Most Council Members pointed out that Option 1 is currently the most appropriate given that all Council Members consider discussions on monitoring and evaluation most useful in providing feedback into Council's policy and strategy development and therefore all of them would like to participate. In addition, most

Council Members indicated that Option 1 probably costs the least, both financially and in terms of human resources. Council meetings should include appropriate time to discuss monitoring and evaluation issues and GEF Evaluation Office reports. Some Council Members indicated that Option 3 should be revisited at a later time, maybe a year after implementing Option 1. Furthermore, some Council Members requested the GEF Evaluation Office to conduct further assessment of the experiences of other institutions on the establishment of evaluation units within institutions charters and with evaluation committees, in particularly regarding the legal and administrative needs to set them up, the cost of their operations, memberships and terms of reference. This assessment should be presented to Council in June as an information document.

64. The US Council Member signaled support for a committee on evaluation and further proposed the establishment of an audit committee.

Agenda Item 7(c) Procedures and Format of the Management Action Record

65. Council Members expressed general agreement with the procedures and the format. One Council Member stressed that once an item in the MAR has been reported as fully adopted or no longer relevant it should be archived.

Agenda Item 7(d) The Role of Local Benefits in Global Environmental Programs

66. Council Members expressed appreciation for the quality, structure and analysis of the evaluation study.

67. Several Council Members noted and agreed local benefits in many instances were fundamental to the sustainability of global environmental benefits. It was noted that striking a balance between local and global benefits was important in GEF projects. Other Council Members stated that local benefits must not 'compromise' global environmental benefits.

68. The representative of the NGOs argued for a nuanced and context-driven interpretation of some of the best practices highlighted such as blended projects, decentralization and co-management in the biodiversity program.

69. The importance of a further investigation of practices of incremental costs calculation in the forthcoming evaluation of the GEF Evaluation Office was highlighted.

Agenda Item 8 Update on RAF

70. The Council requested the Secretariat to make available information on a country-by-country, project-by-project breakdown of allocations to countries in GEF-2 and GEF-3 so as to allow a comparison with allocations to be made in GEF-4 under the RAF.

71. A number of Council Members requested GEF management not to bring to Council for decision issues and matters that fall under management's authority or for which the Council has already given management guidance to act.

72. A number of Council Members stressed that the RAF provides for indicative allocations, and that the GEF funds would only be committed once high-quality projects are approved in accordance with the project cycle.

73. Many Council Members pointed to the importance of the mid-term review which will provide important information on the impacts of the RAF on GEF operations and stakeholders.

74. The Secretariat and GEF agencies were requested to be proactive in communicating openly and transparently about the RAF to enhance countries' understanding of the RAF and to address any concerns.

75. The Council stressed that open and regular consultations and communications with countries are an essential component of good pipeline management.

Agenda Item 9 Work Program

76. One Council Member expressed concern about the absence of ozone depleting and POPs projects in the work program.

77. One Council Member expressed concern about too narrow an interpretation of the comparative advantages of the agencies based on Annex D of the Instrument.

78. Council recognized the validity of phasing projects and noted that there is a precedent for phased projects in the GEF.

79. One Council Member made the point that in the RAF, countries will be able to draw upon their indicative country allocations to finance their small grants programs.

80. Several Council Members requested that the project summaries included in the cover note to the work program include a description of global environmental benefits and their associated costs.

81. With regard to the proposal for *China, Demonstration of Fuel Cell Bus Commercialization*, UNDP was requested to address Council Members' concerns about sustainability, replication, and project procedures in the final project proposal before it is resubmitted for Council circulation and CEO endorsement.

82. The Secretariat and Implementing Agencies were requested to ensure that activities within component 1 of the GEF Country Support Program for Focal Points are directed towards building capacity of recipient country focal points.

Agenda Item 10 Process for Selecting CEO/Chairman of the Facility

83. The Council welcomed the time-bound consultative process proposed by the Implementing Agencies, but noted that there should be flexibility in the timing of steps within the overall goal of reaching a final decision at the next Council meeting.

84. The Council agreed that the choice of CEO should be on the basis of competency and merit.

85. Several Council Members proposed that consideration be given to alternating the CEO appointment between recipient and non-recipient countries as is done for the selection of Co-Chair for the Council.

Agenda Item 11 Third GEF Assembly

86. Many Council Members indicated strong support for holding the Third GEF Assembly in Africa. Members also welcomed the opportunity to see the impact of GEF projects in the field.

87. Council Members indicated a need for the meeting to be business-like, focused and cost-effective.

88. The Government of Finland indicated its willingness to contribute funds to assist the host country in meeting the costs of the Assembly if other donor governments were to contribute. The Government of Denmark expressed its willingness to contribute funds.

89. The representative from South Africa thanked the Council for their support and the confidence shown in its ability to host the Assembly.

Agenda Item 12(a) Strengthening Council Members

90. Many Council Members expressed support for the availability of funding to assist Council Members in communicating with their constituents and to host constituency meetings to help prepare for Council Meetings.

Agenda Item 12(b) Management Information System

91. Several Council Members expressed interest in ensuring access by Council Members and focal points to the information system.

Agenda 12(c) International Year of Deserts and Desertification

92. The Council noted the unique appropriateness of GEF support for the International Year of Deserts and Desertification recognizing GEF's mandate to contribute to sustainable land management, and that such support should not be viewed as a precedent for other international years.

93. In organizing activities for the IYDD, an effort should be made by the Secretariat and agencies to ensure all the activities provide added value for the GEF.

94. One Council Member proposed that the forum to be convened at the Assembly on sustainable land management include a sharing of traditional knowledge on practices regarding living in deserts.

95. Several Council Members suggested that financing be provided to assist youth and women to participate in activities related to IYDD.

Agenda 13

Elements of a Biosafety Strategy

96. The Council underscored the importance of GEF financing to support capacity building to implement National Biosafety Frameworks.

97. The Council welcomed the evaluation of GEF biosafety activities which will be extremely useful in shaping future activities.

98. A number of Council Members expressed their support for the expert and committed assistance provided by UNEP in assisting countries to develop their National Biosafety Frameworks.

99. Council Members noted the importance of the guidance emerging from the Cartagena Protocol, and noted in particular that the review of the capacity building action plan that the COP/MOP will undertake next March should be incorporated into the GEF's work on biosafety.

100. Council Members underscored the need for projects to be tailored to individual countries' needs, and requested that specific criteria be created to define when support should be provided through single-country projects or regional approaches.

101. Many Council Members asked for clarification of the availability of resources to implement regional biosafety projects under the RAF, and requested more information on how regional projects would be operationalized.

102. A number of Council Members noted the potential for competition for resources between biosafety and biodiversity, and requested that biosafety be better integrated into the GEF biodiversity portfolio.

103. The Secretariat was requested to seek advice from STAP on ways to better integrate biosafety into the GEF biodiversity portfolio.

104. Council Members placed emphasis on the need for communications, outreach and stakeholder consultations regarding biosafety projects.

105. Some Council Members cautioned against using existing regional centers for capacity building if their mandates were not fully consistent with the Cartagena Protocol.

Agenda 14

Private Sector Strategy

106. Several Council Members emphasized the need for consultation with private sector entities, including industry associations, in recipient countries in further development of the strategy.

107. Council Members suggested that the GEF seek inputs from the private sector arms of regional development banks and bilateral agencies.

108. Several Council Members suggested inviting private sector representatives as observers to GEF Council meetings.

109. Several Council Members requested the inclusion of the POPs focal area in the further elaboration of the strategy.

110. Several Council Members looked forward to further development of the proposal for a pilot fund as an innovative solution to engaging the private sector. Council emphasized the need to develop the specifics of the fund, including the implications of the RAF.

111. Council Members stressed the importance of locating the private sector knowledge management module within the overall framework of the GEF knowledge management system.

112. The importance of microenterprises and small and medium sized enterprises was raised, and it was suggested that lessons learned through the Small Grants Program be considered in the strategy.

Agenda Item 15 *GEF Activities Related to Forests*

113. Some Council Members called for a more effective and coordinated approach to addressing GEF forest-related issues and suggested activities such as reduced impact logging, combating illegal logging and capacity building for Sustainable Forest Management.

114. One Council Member acknowledged GEF's contribution to forest-related matters, but clarified that this contribution is still relatively small in comparison to the magnitude of the problem.

115. Several Council Members highlighted the need to support more opportunities in the Congo Basin since it is home to the second largest tropical forest in the world and also noted that the West Africa region is home to one of the largest carbon sinks worldwide.

116. Several Council Members called upon the GEF to increase support to forest systems outside protected areas and involve local communities in its management. In this context, Council Members emphasized the potential for local benefits from GEF-supported interventions.

117. NGOs asked that the activities in forests be clearly linked to poverty reduction.

118. Council Members requested more qualitative assessment of impacts and outcomes of forestry projects.

ANNEX

PROJECTS IN THE APPROVED WORK PROGRAM⁶

Biodiversity

1. **Regional (Guatemala, Honduras, Brazil, El Salvador, Peru):** Biodiversity Conservation in Coffee: Transforming Productive Practices in the Coffee Sector by Increasing Market Demand for Certified Sustainable Coffee (UNDP) (GEF Grant : \$12.00 m)
2. **Regional (Yemen, Lebanon, Palestinian Authority, Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Sudan, Syria):** Mainstreaming Conservation of Migratory Soaring Birds into Key Productive Sectors along the Rift Valley/Red Sea Flyway (Tranches 1 and 2) (UNDP) (GEF Grant : \$9.74 m)
3. **Brazil :** GEF Sustainable Cerrado Initiative (World Bank) (GEF Grant : \$13.00 m)
4. **Brazil:** National Biodiversity Mainstreaming and Institutional Consolidation Project (World Bank) (GEF Grant : \$22.00 m)
5. **Colombia:** Colombian National Protected Areas Conservation Trust Fund (World Bank) (GEF Grant : \$15.00 m)
6. **Croatia:** Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development (resubmitted from the July IWP) (UNDP) (GEF Grant : \$6.99 m)
7. **Mexico:** Environmental Services Project (World Bank) (GEF Grant : \$15.00 m)

Climate Change

8. **Regional (Belarus, Bulgaria, Kazakhstan, Romania, Russian Federation, Serbia and Montenegro, Ukraine, Macedonia):** Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation (UNEP) (GEF Grant : \$3.00 m)
9. **Regional (Cameroon, Mali, Central African Republic, Benin, Togo, Gabon, Rwanda, Congo, Congo DR, Burundi):** First Regional Micro/Mini-Hydropower Capacity Development and Investment in Rural Electricity Access in Sub-Saharan Africa (UNDP) (GEF Grant : \$18.58 m)
10. **Belarus:** Removing Barriers to Energy Efficiency Improvements in the State Sector in Belarus (UNDP) (GEF Grant : \$1.40 m)
11. **China:** Demonstration of Fuel Cell Bus Commercialization in China, Phase 2 (UNDP) (GEF Grant : \$5.77 m)
12. **Colombia:** Integrated National Adaptation Pilot: High Mountain Ecosystems, Colombia's Caribbean Insular Areas and Human Health (INAP) (World Bank) (GEF Grant : \$5.30 m)
13. **Kiribati:** Kiribati Adaptation Program - Pilot Implementation Phase (KAP-II) (World Bank) (GEF Grant : \$1.80 m)
14. **Mauritania:** Adrar Solar Initiative and Decentralized Electrification in the

⁶ The GEF grant is the funding request for the project and does not include PDFs previously approved.

Northern Coastline of Mauritania through Hybrid (Wind/Diesel) Systems (UNDP)
(GEF Grant : \$2.70 m)

15. **Peru:** Second National Communication of Peru to the UNFCCC (UNDP)
(GEF Grant : \$1.80 m)

International Waters

16. **Regional (Africa):** Strategic Partnership for a Sustainable Fisheries Investment Fund in the Large Marine Ecosystems of Sub-Saharan Africa (Tranche 1 of 3 tranches) (World Bank) (GEF Grant : \$13.00 m)

17. **Regional (Asia/Pacific):** World Bank/GEF Partnership Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia (Tranche 1 of 3 tranches) (World Bank) (GEF Grant : \$25.00 m)

Land Degradation

18. **Regional (Gambia, Guinea, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, Sierra Leone):** Fouta Djallon Highlands Integrated Natural Resources Management Project (FDH-INRM) (Tranches 1 and 2) (UNEP)
(GEF Grant : \$11.00 m)

19. **Cameroon:** Sustainable Agro-Pastoral and Land Management Promotion Under the National Community Development Program Support Program (PNDP) (World Bank) (GEF Grant : \$6.00 m)

20. **Cuba:** Supporting Implementation of the Cuban National Programme to Combat Desertification and Drought (NPCDD) (UNDP) (GEF Grant : \$9.65 m)

21. **Kenya:** Agricultural Productivity and Sustainable Land Management (World Bank) (GEF Grant : \$10.00 m)

22. **Namibia:** Country Pilot Partnership (CPP) for Integrated Sustainable Land Management (UNDP) (GEF Grant : \$10.00 m)

Multi-focal Areas

23. **Global:** Country Support Program for Focal Points
(UNDP/UNEP) (GEF Grant : \$11.86 m)

24. **Global:** GEF- Development Marketplace Partnership (World Bank)
(GEF Grant : \$5.00 m)

25. **Global:** Small Grants Programme (Third Operational Phase), Tranche 2 (UNDP)
(GEF Grant : \$25.00 m)