



Global Environment Facility

Summary of Document GEF/C.28/8

Corporate Budget, FY 07

Recommended Council Decision

The Council reviewed the proposal for a corporate budget presented in document GEF/C.28/8 and approves a FY07 Corporate Budget of \$28.263 million comprising:

- (a) \$25.199 million for six GEF units (Secretariat, UNDP, UNEP, World Bank, STAP and Trustee) for their planned corporate management activities and deliverables; and
- (b) special initiatives in the amount of \$3.064 million.

Executive Summary

In establishing the GEF, governments agreed to a governance structure-- consisting of the Assembly, the Council, the Conventions, the Scientific and Technical Advisory Panel, the Trustee, the Secretariat, and the three Implementing Agencies-- that requires considerable interaction among constituent groups to benefit fully from this partnership arrangement.

The advantages of a partnership organization are substantial. It enables the partnership to draw on the broader human and technical resources, operational expertise, knowledge and diversity of perspectives of all partners. The cost-effectiveness of a partnership lies in the fact that it leverages the contribution of existing institutions to the corporate agenda, while avoiding the need to duplicate their organizational capacity.

Six units of the GEF supported through this the corporate budget (the Secretariat, the three Implementing Agencies -- UNDP, UNEP and the World Bank -- the Trustee, and STAP) are collectively responsible, under the overall leadership and guidance of the GEF Chief Executive Officer and Chairman, for the achievement of the GEF's corporate objectives.

In 2002, the GEF Council agreed to the establishment of an independent Evaluation Office. The Director of the Evaluation Office reports directly to the Council. The Evaluation Office has its own corporate budget approved annually by the Council.

Strong integration of the constituents in the organization is critical to the performance of the partnership. To effectively manage the GEF, it has been necessary to establish good communications channels, coordinate activities between partners, share knowledge, align values

and incentives, build trust and overcome institutional differences. The GEF corporate budget finances the activities required to manage a partnership organization.

The corporate budget is independent and distinct from the other two types of funding the GEF provides: project allocations and project fees.

Council approval is sought for a proposed FY07 corporate budget of \$28.263 million comprising:

- (a) \$25.199 million for six GEF units (Secretariat, UNDP, UNEP, World Bank, STAP and Trustee) for their planned corporate management activities and deliverables; and
- (b) special initiatives in the amount of \$3.064 million for developing indicators of global environmental benefits for three additional focal areas, convening the Third GEF Assembly, upgrading the Results Management Framework, and development and implementation of a systems development project by the Trustee

The proposed budget covers core costs and is based on activities carried out and funded in the previous years.