



## **GEF COUNCIL DECISIONS 1995**

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### 3<sup>rd</sup> Council Meeting – February 1995

#### Decision 1/1995      Work Program

1. In reviewing the [work program](#) proposed for approval, documents GEF/C.3/3 and GEF/C.3/Add.1 and [Add.2](#), the Council stressed that its role should be to review GEF programming and associated policy issues and not to enter micromanagement of projects. The need for transparency in project preparation and a clear understanding of the procedures and processes for project development.
2. The Council requested the Secretariat to prepare an analytical report to accompany future work programs. The analysis should elaborate upon the policy issues raised by the program and projects and should draw to the Council's attention any matter which requires Council guidance. The Council stressed the need for consistency in the format and information presented in project proposals contained in the work program.
3. The Council requested the Secretariat to prepare, for consideration at its October meeting, a document proposing GEF policies for information disclosure and public participation.
4. With regard to eligibility, the Council agreed that when a project in the focal area of climate change or biological diversity concerns a country which has deposited its instruments of ratification to the convention concerned but for which the convention has not yet entered into force that a country may be deemed to have satisfied the eligibility criterion that it be a party to the convention on the understanding that no actual disbursement would occur until such time as the convention was effective for the country.
5. The Council approved the proposed work program on climate change and biodiversity and directed the component projects to be developed further taking into account the comments raised by the Council and any subsequent comments to be submitting in writing by the Members by March 15, 1995:

#### **Climate Change Projects**

Argentina:      Country Study on Climate Change.

Botswana:      Enabling Botswana to fulfill its commitments to the UN Framework Convention on Climate Change.

- China: Energy Conservation and Pollution control in Town and Village Enterprises (TVEI).
- Jordan: The Hashemite Kingdom of Jordan – Building Capacity to respond to the challenges and opportunities created by national response to the Framework Convention on Climate Change.
- Maldives: National GHG inventory and adaptation assessment to Climate Change.
- Uruguay: Institutional Strengthening and Enabling Activities to comply with the UN Framework Convention on Climate Change.
- Global: Country Case Studies on Climate Change impacts and adaptation assessment – Phase I.
- Global: Economics of GHG Limitations – Phase I: Establishment of a Methodological Framework for Climate Change Mitigation Assessment.

### **Biodiversity Projects**

- Djibouti: Development of a National Biodiversity Strategy.
- Bolivia/Peru: Conservation of Biodiversity in the Lake Titicaca Basin.
- China: Nature Reserves Management.

6. The Council specifically noted the following:
  - (a) Concerning the Maldives project, the Secretariat will consult with the Secretariat of the Framework Convention on Climate Change on the elements of the proposed projects that may not be consistent with the guidance provided by the convention.
  - (b) With regard to the China climate change projects, the Council agreed that phase 2 of the project should not be implemented until an evaluation, which *inter alia* takes into account the comments raised during the Council meeting, is undertaken after phase I.
  - (c) The Secretariat will explore with UNEP the participation of one of the other Implementing Agencies in the implementation of the project on Country Case Studies on Climate Change Impacts and Adaptation Assessment at the country level.
7. At its first meeting after the deadline for written comments, the GEFOP will review all comments received and address the specific technical comments. The Secretariat is requested to ensure that the guidance of the Council is reflected in the projects and to

inform the Council of the discussions and decisions of the GEFOP on the approved projects.

**Decision 2/1995      Administrative Budget**

1. During its review of the [proposed budget for Fiscal Year 1995](#), there was general agreement that for future fiscal years, the Secretariat should manage the preparation of a single, negotiated corporate budget. This budget should be based upon a two-year business plan/work program that will be presented with the budget for the Council's approval. The Council specified that pursuant to Paragraph 21(i) of the Instrument, the Secretariat is mandated to negotiate and present to the Council a corporate budget for its approval.
2. The FY96 budget should be prepared from a zero-base taking into account the needs and responsibilities of the restructured GEF. This budget should be prepared on the basis of cost consciousness, transparency, increased productivity, avoidance of the duplication of efforts, and coordination of common services.
3. In reviewing the proposed budget for FY95, the Council stressed its concerns about the proposed budgetary increases and emphasized the need to ensure cost consciousness and cost cutting efforts. The Secretariat will work closely with Implementing Agencies to identify cost cutting efforts consistent with the comments made by the Council. In particular, the recruitment of new permanent staffing during the remainder of FY95 is to be kept to the minimum required to carry out the agreed functions of the Secretariat and the Implementing Agencies. The FY95 budget was approved at a total of \$26 million, which represents a 15% increase over the FY94 budget as presented in Table 3 of GEF/C.3/4. Furthermore, the CEO is authorized to approve additional expenditures in exceptional circumstances where such expenditures are necessary in order not to disrupt the agreed work program provided that the total GEF FY95 budget with such additional expenditures does not exceed a ceiling of 20% above the budget expenditures for FY94. Any such exceptional expenditures will be reported to the Council at its next meeting. The Council emphasized that staffing and other budgetary commitments to be made during the remaining period of FY95 should not preempt the 1996 budget planning process and subsequent decisions.

**Decision 3/1995      Project Development and Preparation Facility**

1. The Council reviewed document GEF/C.3/6 ([Project Development and Preparation Facility](#)) and approved the policies on eligibility for, and use of, PDF resources presented therein, subject to the comments and revisions agreed to during Council meeting. The

Secretariat was requested to revise the paper on the basis of the Council's discussions and to make it available as a reference document. The Council confirmed that when GEF funds are allocated for project preparation and development, the recipient Government is to endorse/approve the project concept and the project proposal prior to inclusion in the work program. A number of Members expressed concerns about the proposed ceilings for the three Blocks and the inclusion of non-project and non-program activities. With regard to Block A, the Council agreed to lower the ceiling to \$25,000, subject to review in July 1995 if necessary. The lower ceiling, however, does not apply to the non-project and non-program activities that were described in the Secretariat paper. The ceiling for the activities remains at \$50,000. With regard to the non-project and non-program activities described under Block A, the Secretariat was requested to identify expeditiously alternative vehicles for the funding of such activities. In addition, the Secretariat and the Implementing Agencies were requested to keep preparatory expenses and incremental costs analysis under close scrutiny through the GEFOP and to evaluate the process of allocating project preparatory funds after a year of operation. The need to involve local and national experts of the recipient country to the greatest extent possible in the preparation of projects was stressed.

**Decision 4/1995      Criteria for selection of NGOs to attend/observe Council meetings**

1. The Council reviewed document GEF/C.3/5 ([Criteria for selection of NGOs to attend/observe Council meetings](#)) and approved the criteria for selection of NGO representatives to attend or observe GEF Council meetings and the procedures for accrediting NGOs to the GEF, subject to the following comment made by the Council. With regard to the process of identifying those NGO representatives who will observe or attend Council meetings, the Council agreed that the NGOs should be able to select their own representatives, taking into account the criteria, while the Council clearly retains authority to review whether such criteria are being followed. The Council also noted that the NGOs should not be required to select their representatives until after they have received the proposed agenda for the Council meeting, which according to the rules of procedures, is to be distributed eight weeks in advance of the Council meeting. With reference to paragraph 5 of the document, the Council agreed that the aspect of relevancy to the work of the GEF should be stressed and asked that representatives of the business community should be included. With reference to paragraph 9, the Council agreed that continuity in representation should be emphasized. The Council also emphasized the need for balance in representation between non-recipients and recipient country NGOs. Concerning accreditation, the Secretariat was requested to apply the procedures in a flexible manner so as not to hinder the participation of smaller, grass roots organizations. With regard to the

accreditation form to be submitted by an NGO, a provision designating specific employees who are authorized on behalf of that NGO to disseminate documents at Council meetings in accordance with the Council's rules of procedure may be included.

2. With regard to the convening of NGO consultations prior to the regular Council meetings, a few Council Members remarked that they did not think that it was necessary to convene such consultations, since, unlike the pilot phase, the NGOs were now invited to attend/observe the Council meetings. The majority of Council Members, however, did find the NGO consultations to be valuable, and they wished to ensure that the results of the consultations could be taken into account in the Council's deliberations. These same Council Members were also of the view that since the consultations contributed to the effective operation of the GEF, the Secretariat's administrative budget should be drawn upon to cover their costs, including the travel and subsistence of twelve NGO representatives from recipient countries. However, some Members opposed the use of the administrative budget and preferred that the Secretariat explore whether there are alternative sources for financing such consultations, including the establishment of a voluntary fund with contributions from Governments, NGOs and the business community.
3. Pending further informal discussions by the Members, the Council understands that the Secretariat should not convene nor finance any regional consultations.

#### **Decision 5/1995      Scope and Preliminary Operational Strategy for International Waters**

1. The Council reviewed the [\*Scope and Preliminary Operational Strategy for International Waters\*](#), document GEF/C.3/7, and endorsed the technical aspects of the paper. Members were invited to submit written comments on the paper to the Secretariat. The Council expressed concern with regard to the political and legal framework in which some of the technical discussions and definitions were placed and agreed that references to legally and politically controversial concepts should be avoided. The Council also expressed caution with GEF acting as a broker in conflict resolution or as coordinator of international actions in this focal area given the limited resources and capabilities. The Council recommended that GEF should play principally a catalytic role. The Secretariat was requested to revise the paper taking into account the comments made during the Council meeting together with written comments that may be submitted by the Members. The revised paper is to be incorporated in the proposed GEF operational strategy to be reviewed by the Council at its July meeting.
2. Pending the discussion of the GEF operational strategy, the Council approved the program priorities for 1995 and the project eligibility criteria, subject to the



amendments proposed, such as including coastal and marine issues among the priorities and including national planning documents among the selection criteria. Considerations of global benefits and incremental costs as well as revisions of language that is legally and politically sensitive will also be included in the guidance to be given to the Implementing Agencies by the Secretariat.

**Decision 6/1995      Scope and Preliminary Operational Strategy for Land Degradation**

1. The Council reviewed the [Scope and Preliminary Operational Strategy for Land Degradation](#), document GEF/C.3/8, and endorsed the paper, subject to the comments made during the Council meeting together with the written comments to be submitted by Members after the meeting. A statement was made at the beginning of the Council's consideration of this agenda item by Mr. Hama A. Diallo, Executive Secretary, Interim Secretariat of the United Nations Convention to Combat Desertification, on behalf of the convention. Members were invited to submit written comments on the paper to the Secretariat. The revised paper is to be incorporated in the proposed GEF operational strategy to be reviewed by the Council at its July meeting. Pending the discussion of the GEF operational strategy, the Council approved the program priorities for 1995 and the project eligibility criteria, subject to the amendments proposed. Guidance will be given to the Implementing Agencies by the Secretariat to facilitate the development of appropriate projects.

**Decision 7/1995      Accountability of Implementing Agencies for Activities of Executing Agencies**

1. The Council reviewed the submissions of Implementing Agencies presented in document GEF/C.3/9 ([Accountability of Implementing Agencies for Activities of Executing Agencies](#)) concerning the accountability of Implementing Agencies for the activities of executing agencies working with them. The Council welcomed the confirmation made by UNDP and UNEP that each agency assumes full accountability for all GEF projects executed under its sponsorship. By the same token, the Council confirmed that the World Bank as an Implementing Agency shall be accountable to the Council for its GEF-financed activities in accordance with paragraph 22 of the Instrument/ The Council requested UNDP to prepare a note for consideration at the next meeting of the Council on administrative costs, overhead, and management costs of GEF-financed projects charged by the UN specialized agencies with which it cooperates and the services provided for such financial resources.
2. In considering the submission made by the World Bank, the Council reiterated its desire to facilitate the role of Regional Development Banks as executing agencies of the GEF.

Nonetheless, the World Bank was requested to review with the Regional Development Banks the requirements of the Instrument that each Implementing Agency be fully accountable to the Council for their GEF-financed activities, and to explore whether World Bank and the Regional Development Banks can provide the Council with confirmation that their cooperative arrangements can ensure such accountability.

**Decision 8/1995      Report to first Conference of the Parties to the Framework Convention on Climate Change**

1. The Council took note of the Report presented in document GEF/C.3/10 ([Report by the GEF to the First Conference of the Parties to the Framework Convention on Climate Change](#)) and approved its submission to the first meeting of the Conference of the Parties to the Framework Convention on Climate Change.

**Decision 9/1995      Other Business**

1. The Council took note of document GEF/C.3/Inf.2, [Provision of Assistance for Enabling Activities and National Communications concerning the Framework Convention on Climate Change](#).
2. The Council also took note of document GEF/C.3/Inf.6, [Decision of the First Meeting of the Parties to the Convention on Biological Diversity on Financial Resources and Mechanism](#), and authorized the Secretariat to carry out appropriate consultations with the Secretariat of the Convention on Biological Diversity on the content of a memorandum of understanding to govern the relations of the Convention and the GEF.

## **4<sup>th</sup> Council Meeting – May 1995**

**Decision 10/1995      Monitoring and Evaluation**

1. The Council reviewed document GEF/C.4/6 ([General Requirements for a Coordinated GEF-Wide Monitoring and Evaluation System](#)) and agreed that it provided a useful basis for beginning discussions on a monitoring and evaluation system for the GEF.
2. The Council recognizes its responsibilities for monitoring and evaluation as defined in paragraphs 20(a), (b) and (c) of the Instrument and the need for an efficient monitoring and evaluation system. The GEF system should include operational monitoring and evaluation, scientific and technical monitoring and evaluation, and the evaluation of strategic and cross-program issues.

3. With regard to operational monitoring and evaluation, the system should be based on the existing monitoring and evaluation systems of the Implementing Agencies, while recognizing the need to harmonize the activities of the agencies for purposes of the GEF.
4. With regard to scientific and technical evaluation, it was recognized that STAP has an important role to play.
5. A Senior Monitoring and Evaluation Coordinator should be nominated by the CEO, after consultation with Council Members, and appointed by the Council. For the purpose of evaluation studies and other tasks requested by the Council, the Senior Monitoring and Evaluation Coordinator will consult with the Secretariat and the Implementing Agencies and will report directly to the Council. He/she would report through the CEO to the Council on monitoring activities related to GEF operations.
6. Concerning the next steps, the Council requests that Secretariat, in consultation with the Implementing Agencies, to prepare for consideration by the Council at its October meeting: (1) a systemic framework of monitoring and evaluation; (2) a proposed work program (including for the evaluation of strategic and cross-program issues) and budget; and (3) a proposal for further work on methodology. This work should consider the incorporation of a project framework approach to facilitate the monitoring and evaluation system. The systemic framework should clarify the roles of the Council, the Secretariat, the Implementing Agencies, STAP and other actors. It should also specify the functions, reporting arrangements and accountability of the Senior Monitoring and Evaluation Coordinator.

**Decision 11/1995      GEF Business Plan FY96-97 and Budget FY96**

1. The Council reviewed document GEF/C.4/4 ([GEF Business Plan FY96-97 and Budget FY96](#)) and approved the GEF business plan FY 96-97 and the FY96 budget, and the proposed future planning/budget cycle described in paragraph 6 of that document. In approving the budget, the Council agreed to the following understandings:
  - (a) The FY97 budget and the FY97-99 business plan would be prepared from a zero-base and on the basis of an analysis of the needs and objectives of the GEF. The Council requests that in presenting the budget an effort be made to more clearly show the linkages between budgetary categories and outputs.
  - (b) As agreed at its third Council meeting, the Council confirmed that it has mandated the Secretariat to negotiate, within the budget committee established by the Secretariat, a corporate budget and to present it to the Council for approval. The Council requests the CEO to ensure that divergent views within the budget

committee are made known to the Council. In preparing the budget, the CEO and the budget committee are requested to carefully consider the detailed comments made by the Council.

- (c) The Council will undertake a mid-year review of the FY96 budget and consider whether adjustments are needed based on information on actual expenditures and taking into account the recommendations of the Budget Committee.
- (d) The Secretariat should include in the budget and business plan a detailed staffing plan and justification for the Secretariat budget. With regard to the FY96 budget, the Secretariat was requested to provide justification for its staffing plan at the July Council meeting. The Secretariat was also requested to take into account the Council's concerns regarding its own administrative costs consistent with its responsibility to facilitate effective GEF projects and functions assigned to it by the Council.
- (e) The Secretariat should provide regular reports (semi-annual) to the Council on its expenditures.
- (f) The Implementing Agencies should provide explanatory notes and summary tables describing functions and outputs as they relate to their proposed budgets.
- (g) Considering the fact that STAP is in early stages of its formation and is in the process of preparing its own business plan, the Council requests a report on staffing of the STAP secretariat be presented together with the STAP business plan. The Council also requests UNEP to ensure technical and professional representation in the context of land degradation consistent with the Instrument as it finalizes arrangements for STAP and its secretariat.
- (h) In referring to the scope of GEF and the role of the Secretariat and the Implementing Agencies, the budget documents should conform to relevant formulations in the Instrument.

#### **Decision 12/1995      Work Program**

1. The Council reviewed and approved the [work program](#) proposed in document GEF/C.4/3. In presenting the work program, the Secretariat informed the Council that the project proposal, "Sustainability of Amazonian Development: Criteria, Policies, Capacity Building", has been withdrawn, at the request of the Secretariat of the Amazon Cooperation Treaty, from consideration at this Council meeting. The Council requests the Implementing Agencies to develop the projects in the approved work program

further, taking into account comments raised by the Council and any subsequent technical written comments to be submitted within three weeks of the Council meeting.

2. In reviewing the work program, the Council noted that certain projects raised policy issues that the Council will need to consider further in the context of future work programs. In particular, the Council noted the following:
  - (a) CC:TRAIN: this project should be further developed in conjunction with the ongoing work of the Secretariat, the Implementing Agencies, and the Convention's secretariat on a programmatic approach to enabling activities.
  - (b) Caribbean: the Implementing Agency is requested to review further the project's proposed categories of activities with the secretariat of the Climate Change Convention in light of the guidance of the Parties on adaptation.
  - (c) Slash and Burn: that at this time the GEF does not have a policy on research, the project also raises the question of sustainability of funding, and the question of how best to utilize evaluations when approving phased projects.
3. In addition to these three projects, the proposal, "Sudan: Enabling Activity (Capacity Building to Enable Response and Communications to the UN Framework Convention on Climate Change)", raises issues regarding external technical reviews and how they should be reflected in proposals in the work program.
4. The Council requests the Secretariat, in preparing the ozone depletion operational strategy for consideration by the Council at its July 1995 session, to take into account a number of policy elements and concerns expressed by some Members, in particular those related to the guidelines for country eligibility by which Implementing Agencies have been operating in this focal area and which should reflect the provisions of the Instrument properly. In the interim, no more ozone projects will be considered for funding by the Council until the relevant operational strategy is approved.

#### **Decision 13/1995      Incremental Costs and Financing Modalities**

1. The GEF Council reviewed document GEF/C.2/6/Rev.2 ([Incremental and Costs and Financial Policy Issues](#)) and approved the approach on estimating agreed incremental costs set out in Section I of the document, subject to the comments agreed to during the Council meeting, The Council requests the Secretariat to develop operational guidelines to implement this approach in consultation with the Implementing Agencies. Taking into account guidance from the Conferences of the Parties of the Convention on Biological Diversity and the Framework Convention on Climate Change, the Secretariat

and the Implementing Agencies are requested to incorporate the policy and related guidelines into their project preparation, and in particular, in negotiations with recipient countries on the agreed incremental costs of GEF finances activities.

2. The Council also reviewed the proposed financing modalities presented in Section II of the document. The Secretariat is requested to develop further the proposals for additional financing policies, taking into account the comments made during the Council meets, and to prepare a policy paper for consideration by the Council at its meeting in April 1996. In preparing the paper, the Secretariat is requested to reflect the operational strategy to be adopted by the Council in October 1995.

#### **Decision 14/1995      GEF Project Cycle**

1. The Council reviewed and approved the GEF project cycle described in document GEF/C.4/7 ([GEF Project Cycle](#)), subject to the revisions agreed and comments made at the Council meeting. The Council agreed that the project cycle should be updated by the Secretariat, as necessary to reflect any additional policies approved by the Council as a result of its future work.
2. The Council requests the Secretariat to explore the formulation of a project framework approach as a means for further streamlining the project cycle, without sacrificing project appraisal and participation. The Council also requests the Secretariat to inform recipient Government of the GEF project cycle and to invite them to identify national operational focal points. The Council requests the Secretariat, in consultation with the Implementing Agencies, to use the project cycle paper as a basis to prepare and widely distribute a GEF information kit that would inform interested parties how to present project concepts and develop project proposals for GEF financing.

#### **Decision 15/1995      Arrangement with the Convention on Biological Diversity and the UN Framework Convention on Climate Change**

1. The Council reviewed the [information on progress that had been made within the context of the Convention on Biological Diversity and the Framework Convention on Climate Change](#) towards developing arrangements with the financial mechanisms. The Council took note of the requests of each convention that its secretariat consult with the GEF on the content of such arrangements. The Council requests the GEF Secretariat to carry out appropriate consultations on its behalf with each of the convention secretariats with a view to simultaneously transmitting to the Parties to the Convention and the GEF Council a jointly-prepared draft text for the consideration. The Council also requests the Secretariat to submit to the Council at its July meeting a report on its

consultations with the Secretariat of the Convention on Biological Diversity and the Secretariat of the Framework Convention on Climate Change including the most current elements of the draft arrangements.

**Decision 16/1995      Draft response to inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the Convention**

1. The Council invites the CEO to continue his consultations with Council Members on this matter ([inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the Convention](#)) in order to obtain further views and to present a draft response based on those consultations to the July Council meeting.

**Decision 17/1995      Effectiveness of GEF Trust Fund**

1. The Council reviewed document GEF/C.4/10 ([Effectiveness of the GEF Trust Fund](#)) and congratulated donors for their efforts in making the GEF Trust Fund effective. The Council took note of the implications of such effectiveness. In accordance with paragraph 6 of Annex E of the Instrument, the Council confirmed the grouping of constituencies as communicated to the Secretariat. Recognizing that the number of Participant countries in the GEF has increased significantly since regional consultations were first carried out to identify the constituency groupings before May 15, 1994, that countries are continuing to become Participants in the GEF, and that some Participants are not yet included, or are included on a preliminary basis, in a constituency grouping, the Council decided that a country could choose to change its constituency grouping or a region could choose to revise the groupings allocated to its region. Any change in constituency groupings shall be subject to agreement by the Participants in the constituency or constituencies concerned and to subsequent confirmation by the Council.

**Decision 18/1995      NGO Consultations**

1. The Council requests the Secretariat to take steps to create a voluntary fund for the purpose of financing two global NGO consultations and, if desirable, other consultations in relation to Council meetings.

2. The Council requests the Secretariat to disburse the amount of \$50,000 from the administrative budget into this voluntary fund which will cover the costs of one global NGO consultation per year.
3. The Council requests the Secretariat to seek additional funds for the purpose of financing a second annual NGO Consultation. The Council requests the Secretariat to actively seek voluntary contributions to the voluntary fund from interested non-governmental sources.
4. The Secretariat will manage the voluntary fund under guidelines to be approved by the Council at its meeting in July 1995. The Council requests the Secretariat to prepare a proposal on these guidelines for Council approval.
5. The voluntary fund will be reviewed at the second regular Council meeting in 1996.

## **5<sup>th</sup> Council Meeting – July 1995**

### **Decision 19/1995      GEF Operational Strategy**

1. The Council reviewed document GEF/C.5/3, a preliminary [draft operational strategy](#). The Council notes that the document is a “work in progress”, and confirms its expectation that the operational strategy would be approved at its October meeting. In this regard, the Council requests the Secretariat to continue its efforts, in consultation with the Implementing Agencies, STAP, and the convention secretariats to prepare a revised draft text of the operational strategy for review by the Council at its meeting in October 1995. In preparing the revised document, the Secretariat is requested to take into account the comments by the Council, including written comments submitted by the Council Members. Council Members are invited to submit written comments on the draft operational strategy to the Secretariat as early as possible.

### **Decision 20/1995      GEF Secretariat Staffing Plan for FY96**

1. The Council reviewed document GEF/C.5.4, [GEF Secretariat Staffing Plan for FY96](#). The Council takes note of the justification for the Secretariat staffing as amended by the CEO and finds it consistent with the FY96 budget approved by the Council at its meeting in May 1995.
2. In recognizing the need to establish a budget committee, the Council requests the CEO to propose terms of reference for such a committee to be reviewed at the sixth session.



## Decision 21/1995      STAP

1. The Council reviewed the documents concerning STAP that had been prepared by UNEP and STAP (GEF/C.5/5, [\*Terms of Reference of the Scientific and Technical Advisory Panel \(STAP\) – Mandate, Composition and Role\*](#); GEF/C.5/6, [\*STAP Business Plan, Staffing Plan and Budget FY96\*](#) and GEF/C.5/7, [\*STAP Recommendations for Selective Review of Projects\*](#)), and confirmed the importance it assigns to the work of STAP. The Council invites UNEP and STAP to revise these documents, taking into account the comments made by the Council and written comments submitted by Council Members.
2. In particular, with regard to documents, the Council notes:
  - (a) The paper should more clearly and concisely reflect STAP's mandate as defined in the Instrument and subsequent Council guidance. STAP's role is advisory and not operational. STAP should integrate its advisory role with the activities of the Secretariat and Implementing Agencies;
  - (b) Project reviews by experts from the STAP roster are integrated in the project cycle. Selective project reviews by STAP should not delay the project approval process. Such reviews should aim to provide objective scientific and technical advice relevant to the project;
  - (c) The Council reiterates the importance of the roster of experts and emphasizes the need to undertake a review and revision, as soon as possible, of the roster to improve the quality of the outputs. STAP is responsible for ensuring the quality of the roster of experts and the experts' work;
  - (d) In document 5, paragraph 26, the language should be adjusted to ensure that the appropriate relationship among the subsidiary bodies referred to in the said paragraph are fully respected. In carrying out its mandate, STAP should interact in a collaborative and cooperative manner with the scientific and technical bodies of the conventions. STAP's work should be complementary, and not duplicative, to the work of the convention bodies.
  - (e) In document 5, the last sentence of paragraph 29 should be deleted;
  - (f) In document 5, the phrase "upon the recommendation of UNEP" should be deleted in paragraph 30; and
  - (g) The selective review criteria proposed in document 7 should be revised to conform to the STAP terms of reference as amended by the Council.

2. The revised documents should be submitted to the Council for information at its October meeting.
3. In accordance with paragraph 20(f) of the Instrument, the Council approved the mandate, composition and role of STAP, subject to the decision of the Council at its May 1995 meeting that “UNEP ensure technical and professional representation in the context of land degradation consistent with the Instrument”.
4. The Council reviewed the STAP business plan and budget proposal for FY96 presented in document GEF/C.5/6 ([STAP Business Plan, Staffing Plan and Budget FY96](#)). The Council requests UNEP to prepare a revised business plan and budget taking into account the Council’s discussions on the proposed business plan and budget as well as its discussions on the STAP terms of reference.
5. The Council approves the STAP FY96 budget annexed to this decision on the understanding that the staffing of the Secretariat will include one full-time professional post to service STAP and one consultant/fixed term professional for a period of one year to help in preparing the STAP roster and in evaluating the roster’s operation. The Council will review the new proposed budget, and any proposed revision to ensure consistency with the revised business plan, during its mid-term review of the GEF budget in October 1995.
6. UNEP is requested to submit to the Council at its October meeting an audit of the STAP FY95 budget. The budget should be carried out in accordance with UN audit procedures.

**Decision 22/1995      World Bank Accountability for Executing Agency Activities**

1. The Council reviewed the paper prepared by the World Bank concerning its accountability for the activities of executing agencies working through it. The Council welcomes the World Bank’s assurance that it is accountable to the GEF Council for GEF projects executed under its sponsorship and takes note of the steps outlined in the paper that will allow the World Bank to fulfil its accountability.
2. The Council approves the administrative budget request represented in document GEF/C.5/13/Rev.1 ([World Bank Accountability for Executing Agency Activities](#)) to cover the administrative expenses which may be incurred by the International Finance Corporation (IFC) in preparing and executing GEF-financed activities. The Council recommends that from FY97 onwards these administrative expenses should be included in the World Bank submission to the GEF budget.

3. The Council welcomed the information in the paper concerning the Bank's collaboration with regional development banks and IFAD. It agreed to allocate to the World Bank the resources to cover the RDB's and IFAD's administrative costs related to GEF projects. The RDBs and IFAD are requested to incorporate GEF-related concerns into their regular programs of assistance.
4. The Council agreed that cooperative projects with regional development banks should be considered and developed on a case-by-case basis, and that any administrative costs incurred by the regional development banks in preparing and managing co-financed projects should be included in the project costs.
5. The Council also agreed that collaboration with IFAD should proceed on a project by project basis, moving towards a programmatic approach, and that project and program preparation should be financed through the PDF.

**Decision 23/1995      Arrangements with the Convention on Biological Diversity and the Framework Convention on Climate Change**

1. The Council reviewed document GEF/C.5/8, [\*Arrangements with the Conventions\*](#), including the *Draft Memorandum of Understanding between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility regarding the Institutional Structure Operating the Financial Mechanism of the Convention* and the *Draft Memorandum of Understanding between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Council of the Global Environment Facility*. The Council noted with appreciation the significant progress that had been made by the secretariats of the conventions and the Secretariat of the GEF in preparing the draft memorandums.
2. With regard to the bracketed text in the draft memorandum of understanding for purposes of the Convention on Biological Diversity, the Council suggests that consideration be given to including in the draft memorandum the text on paragraph 4.3(c) that was suggested by the GEF Secretariat and the text on paragraph 4.5 that was suggested by the Convention secretariat.
3. The Council requests the Secretariat to continue its consultations with the Secretariat of the Convention on Biological Diversity with a view to preparing a consensus draft of the memorandum of understanding for consideration by the second meeting of the Conference of the Parties to the Convention.
4. The Council also requests the Secretariat to review with the two convention secretariats the drafting of the memorandums with a view to promoting consistency in the drafting

of similar provisions, taking into account the written comments submitted by Council Members.

**Decision 24/1995      Draft Response to inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the Convention**

1. The Council reviewed and endorses the CEO's letter in [response to the inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the convention](#). The CEO is requested to transmit the letter to the Executive Secretary of the Convention.

**Decision 25/1995      Draft Report of GEF to Second Meeting of the Conference of the Parties to the Convention on Biological Diversity (November 1995)**

1. The Council reviewed the proposed draft [report of the GEF to the second meeting of the Conference of the Parties to the Convention on Biological Diversity](#). The Council requests the Secretariat to prepare the report for submission to the second meeting of the Conference of the Parties in November 1995, taking into account the comments made by Council Members.

**Decision 26/1995      Guidelines for Management of the GEF Voluntary Fund**

1. Further to the decision of the Council concerning NGOs taken at its meeting in May 1995, the Council approves the establishment of the GEF Voluntary Fund in accordance with the administrative arrangements described in document GEF/C.5/11 ([Guidelines for Management of the GEF Voluntary Fund](#)) and invites the World Bank, as Trustee of the GEF Trust Fund, to administer the Voluntary Fund.
2. The Council agrees that the purpose of the fund is to provide financing for NGO consultations in Washington at the time of regular Council meetings. Remaining budgetary resources can be used for regional and/or sub-regional consultations on the implementation of the GEF operational strategy.
3. The Secretariat is requested to report on the activities of, and status of commitments to, the voluntary fund in the GEF Annual Report.

#### **Decision 27/1995      Small Grants Programme**

1. The Council reviewed and approves the proposal prepared by UNDP for Interim Funding of the [Small Grants Programme](#) set forth in document GEF/C.5/14. The Council was informed that this funding is primarily to enable the maintenance of the existing in-country infrastructure as well as in-country evaluation of each country program. The Council requests UNDP to submit a progress report on these activities to the Council meeting in October.
2. The Council was concerned that the interim funding request did not foresee new project activities, and it urged UNDP to make every effort to prepare for early funding of projects in the next phase of the program.

#### **Decision 28/1995      Proposed meeting dates for the Council in 1996**

1. The Council takes note of the following meeting dates for the two regular [Council meetings in 1996](#):
  - (a) April 2-4, 1996; and
  - (b) October 8-10, 1996.

### **6<sup>th</sup> Council Meeting – October 1995**

#### **Decision 29/1995      GEF Operational Strategy**

1. The Council reviewed the document GEF/C.6/3, [Revised Draft Operational Strategy](#) and approves the GEF Operational Strategy to be revised in accordance with the changes listed in the attachment.

#### **Decision 30/1995      Work Program**

1. The Council reviewed the proposed [work program](#) presented in document GEF/C.6/4, and approves it.
2. The Council noted that a number of important policy issues were raised, including those concerned with enabling activities, sustainability of GEF financing, monitoring and evaluation, and information to be provided in project proposals. The Council requests the Secretariat to ensure that the analytical covering note attached to future work program addresses in greater detail, inter alia, the policy and programmatic issues raised by the work program, its relation to the operational strategy, and its cost

effectiveness. The cover note should serve to guide Council discussions on the work program. The Secretariat is requested to identify generic issues to be addressed in such cover notes.

3. With regard to enabling activities, it was stressed that in preparing project proposals in this category the guidance of the Conference of the Parties to the relevant conventions should be followed. It was also stressed that operational criteria, including an analysis of what specific actions should be addressed under enabling activities, should be prepared before the next meeting of the Council.
4. With regard to sustainability of project benefits, the Council requests that project proposal documents should articulate the assumptions on which the success of the project is predicated and an assessment of the risks.
5. The Council also requests that project proposals more clearly reflect incremental costs analysis, global environmental benefits, government endorsement, and sustainability.
6. While the Council agrees that the GEF should not fund activities that duplicate on-going or recently completed activities financed by other donors, it does recognize the important role of the GEF in complementing such activities.
7. The Council requests the Implementing Agencies to develop further the project proposals in the approved work program, taking into account the comments raised by the Council and any subsequent written comments by the Members. Members are requested to submit their comments to the Secretariat by November 17, 1995.
8. Some specific Council comments are:

**Climate Change:**

**Lao PDR:** concerns were raised about the institutional capacity to implement the project.

**Zaire:** concerns were raised about the sustainability as well as the institutional capacity to carry out the project and highlighted some of the risks involved.

**Indonesia:** Solar Home System Project: it was noted that this project could benefit from increased public participation.

**Biodiversity**

**Comoros:** the Council requested that the financing of project activities in Mayotte be clarified.

**Vietnam:** it was noted that further project preparation is needed and a number of issues in the proposal would require additional work to clarify them before the project proposal was submitted for CEO endorsement.

**Action for a Sustainable Amazonia:** in the course of its formulation, the project should be improved in its scope and objectives. It was suggested that an assessment of the performance of the proposed institutions be undertaken. Co-financing should be sought, and GEF funds should be limited to those activities consistent with the GEF mandate. The proposal should be coordinated with on-going activities in the region and should better position the countries to implement the biodiversity convention. This project proposal should not be viewed as a precedent for future GEF projects.

**Biodiversity Enterprise Fund for Latin America:** the Council noted its expectation that IFC would co-finance the project. The project should aim at financing small and medium-sized local enterprises in the recipient countries. The project proposal was approved subject to endorsement by the Government of Brazil.

**Jordan:** It was agreed that implementation of the project should take place in close consultation with other littoral countries in the region and that approval of the proposal should not prejudice other parties in the region from seeking GEF financing for parallel international waters activities.

9. The Council gave separate consideration to the project proposal concerning the Small Grants Programme. It stressed the importance of this program to the GEF, and in particular the program was strongly commended for its outreach to local communities and grassroots NGOs, its contribution to raising the awareness of, and support in, local communities for global environmental concerns and the objectives of the GEF, and its facilitation of interaction between local NGOs and governments. The Council agrees that the Small Grants Programme should be extended for two years at a funding level of \$24 million.
10. The Council calls upon UNDP, in preparing the final draft project proposal for the Small Grants Programme, to address its concerns that:
  - (a) the activities of the Small Grants Programme be linked to the GEF operational strategy;
  - (b) that the funded activities be related to the four focal areas;
  - (c) that the Small Grants Programme be integrated with national GEF-funded activities, as appropriate;

- (d) that strong consideration be given to the sustainability of activities in recipient countries, other funds mobilized, and its ability to leverage other funding;
- (e) that the transaction costs be reduced over time; and
- (f) that in considering the eventual expansion of the program, examination is given to the effectiveness of regional or sub-regional modalities.

11. The Council agrees that the Small Grants Programme should be reviewed after one year. The Council requests UNDP to include in the final draft project document goals and criteria that will facilitate such a review.

#### **Decision 31/1995      Facilitating Council Oversight of the GEF Budget**

1. The Council reviewed document GEF/C.6/6, [Facilitating Council Oversight of GEF Budget, including proposed terms of reference for a Budget Committee](#), and considered the options presented therein. The Council agrees to the following:
  - (a) A study will be prepared by an external consultant, in consultation with the accounting and budget experts of the Implementing Agencies and the Secretariat, examining the present procedures for preparing the GEF budget and proposing options to increase the transparency, comparability and integration of those procedures in the presentation of the budget. The terms of reference for the consultant are attached to this decision.
  - (b) The CEO will carry out consultations with Members on the study and its recommendations early on before the next meeting in order to seek the Members' views on the study and to solicit their guidance for preparing the GEF budget for FY97. The consultations will be carried out on the basis of mixed representation of Members and will include representatives from the Implementing Agencies. The Secretariat will prepare reports on the consultations which will be circulated to all Members.
  - (c) The CEO will prepare a draft proposal for the FY97 budget. The draft proposal should be circulated to Members for written comment.
  - (d) Taking into account the written comments of Members, the CEO will prepare a revised proposal for the FY97 budget for circulation to Members at least four weeks before the next Council meeting.
  - (e) An informal consultation will be held to review and discuss the proposed FY97 budget the day before the next Council meeting. All constituencies will be invited



to send one representative to the consultation. The Secretariat, the Implementing Agencies, and the Trustee will be invited to attend the consultation.

- (f) The Council will approve the FY97 budget at its next Council meeting in April/May 1996 and will also discuss the future direction to be followed in preparing the GEF budget.

**Decision 32/1995      Business Plan and other budgetary matters**

1. The Council reviewed the [GEF Corporate Business Plan FY97-99](#), document GEF/C.6/5, which was prepared by the Secretariat on the basis of the business plans submitted by each Implementing Agency, STAP, the Trustee and the Secretariat. The Council requests the Secretariat and the Implementing Agencies to take into account its comments on the business plan when preparing the proposed FY97 budget for approval by the Council at its meeting in April/May 1996 and when planning further ahead.
2. The Council reviewed the [STAP business plan and budget](#) for FY96 presented in document GEF/C.6/8, takes note of the business plan and approves the STAP budget for FY96 as proposed in the document.

**Decision 33/1995      Annual Report**

1. The Council reviewed and approved document GEF/C/6/7, [Draft Annual Report](#), and requests the Secretariat to finalize and distribute the document widely.

## Annex

### Attachment to Decision 21/1994

### Revised STAP Budget FY 96

STAP PANEL EXPENSES	
	Proposed FY96
Honoraria	342,000
Meeting, Working groups	350,000
<b>Total Panel Expenditure</b>	<b>692,000</b>

STAP BUDGET REVISION	
Admin. Head of STAP	132,000
1 Professional Consultant/Fixed-term staff (for Roster of Experts)	120,000
Functions not covered under this proposal - administrative work related to STAP (meeting organization, document distribution, travel arrangements, DSA, tickets)	
Travel: 1 person – 2 council meetings	11,000
3 STAP meetings for STAP head	15,000
2 STAP meetings for consultant	10,000
Operating costs	10,000
Communication costs	20,000
Miscellaneous	2,000
Audit costs	20,000 (preliminary estimate)
<b>Total</b>	<b>340,000</b>

TOTAL EXPENDITURE ON STAP	
	Proposed FY96
<b>Total Expenditure</b>	<b>\$1,032,000</b>