



## **GEF COUNCIL DECISIONS 1996**

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## 7<sup>th</sup> Council Meeting – April 1996

### Decision 1/1996      Work Program

1. The Council reviewed the [work program](#) proposed in document GEF/C.7/3 and approves it subject to the comments made during the meeting and technical comments to be submitted within three weeks of the closure of the meeting.
2. STAP is requested to review two projects (the Lake Victoria Environmental Management project and the India Solar Thermal-Electric) under its selective review mechanism.
3. The Council took note of the decision of the Implementation Committee of the Montreal Protocol in which it was recommended that:
  - (a) The GEF Council and other aid agencies should consider favorably additional steps to expedite financial assistance for projects proposed for approval within their work programs.
  - (b) Future projects should be considered in the light of further clarifications and information to be provided by the Russian Federation to the Implementation Committee.

The Council agrees that the CEO should only endorse the Russia Phase out of Ozone Depleting Substances II project after he has received confirmation from the Ozone Secretariat that it has received satisfactory responses to the queries posed by the Implementation Committee of the Montreal Protocol to the Russian Federation. The technology choices made within the ozone projects are to be reconsidered consistent with the relevant provisions of the GEF Operational Strategy.

4. There was broad consensus that activities of the kind described in the proposed project to enable country-driven project development was a high priority for the success of the GEF. However, it was agreed that it should not be part of the work program and financing would be made available through the PDF.
5. The Council considered the proposal to streamline approval procedures for enabling activities:
  - (a) Enabling activities are to be conducted in accordance with the guidance of the Conferences of the Parties to the Conventions for which the GEF serves as the financial mechanism as stipulated in the GEF Operational Strategy;

- (b) The financing amounts for the preparation of enabling activities have been developed on the basis of an average estimate used for planning purposes. However, the actual level of support will vary from country to country and with the content of the enabling activities.
  - (c) An initial allocation of \$30 million is approved in order to expedite a broad effort of enabling activities in support of the two conventions. The CEO should report regularly to the Council on resource disbursements and enabling activities requests and approvals.
  - (d) The proposed expedited approval process is approved recognizing the urgency for implementing these activities and in light of their preparatory nature to enable countries to move forward in implementing the conventions.
  - (e) The Secretariat is requested to monitor the preparation of enabling activities and to report regularly to the Council on the approval and implementation of enabling activity projects so as to enable the Council to monitor progress in this area and to consider any evolving guidance from the Conventions concerning this category of activities.
6. The Secretariat is also requested to coordinate, in consultation with the Implementing Agencies and the convention secretariats, an outreach process to inform recipient countries of the availability of resources for enabling activities and to assess the requests for financial assistance within the next two to three months. The Secretariat is requested to coordinate and promote an expeditious response to such requests by the Implementing Agencies.

#### **Decision 2/1996      Analysis of the PDF**

1. The Council reviewed document GEF/C.7/10, [\*Analysis of the Project Preparation and Development Facility \(PDF\)\*](#), and takes note of the information and conclusions presented in the analysis. The Council emphasized that the Secretariat and the Implementing Agencies should seek co-financing for PDF grants, consistent with the principles of incremental costs and mainstreaming of GEF activities. The Council also urged the Implementing Agencies to facilitate access to PDF grants by a wide range of potential executing agencies, including NGOs and academic institutions. The focus for application of PDF resources should be on project development.
2. The Council approves an additional allocation of \$5 million for the PDF. The CEO is authorized, taking into account the availability of co-financing and on an exceptional basis, to authorize Block A grants that exceed the authorized ceiling of \$25,000, up to a

maximum of \$50,000, when it is determined by the CEO that additional PDF Block A financing is justified. The CEO will report regularly to the Council on approval of Block A grants that exceed the ceiling.

3. The Secretariat is requested to prepare operational guidance on the use of PDF funds on the basis of the analysis prepared for the Council meeting and the comments made by the Council during its meeting.
4. The Secretariat is requested to prepare, in consultation with the Implementing Agencies, a comprehensive evaluation and assessment of the PDF, for consideration by the Council at its meeting in May 1997.
5. The Secretariat is also requested to provide information to the Council at its next meeting on the national operational focal points.

#### **Decision 3/1996      Proposal for Approval of GEF Work Programs**

1. The Council reviewed document GEF/C.7/7, [Proposal for Approval of GEF Work Program](#), and approves the proposal presented therein on a one year pilot basis subject to the following revisions and understandings:
  - (a) One proposed work program may be transmitted for approval by mail in the period between Council meetings.
  - (b) Proposed work programs transmitted by mail should be approved in accordance with paragraphs 34 to 36 of the Council's rules of procedure for decisions without meeting. Council Members should have four weeks in which to consider the proposed work programs.
  - (c) A Council Member may choose to withdraw its objections to a project. It is recognized that objections are to be made on policy grounds. If all objections to a project are withdrawn, the project may go forward.

#### **Decision 4/1996      Monitoring and Evaluation**

1. The Council reviewed document GEF/C.7/5, [Monitoring and Evaluation: Work Program and Budget](#). There was general consensus about the important role monitoring and evaluation should play in the GEF. The Council, while fully recognizing the minimum amount of time available for the newly-appointed Senior Monitoring and Evaluation Officer to prepare the paper, requests that the paper be revised to present a more detailed work program. This paper should take a GEF-wide approach to monitoring and evaluation, as recommended in the independent evaluation of the GEF pilot phase and

endorsed in the restructuring of the GEF. It should define goals, priorities, guidelines and procedures of the Monitoring and Evaluation Program, and the specific components and outputs. The Monitoring and Evaluation Program should build upon the monitoring and evaluation policies of the Implementing Agencies. The Council requests that the revised paper be circulated to Members for review and comment no later than July.

2. It was agreed that an interim budget was needed to cover the initial months of work pending approval of the more detailed work program and budget. The Council approved an interim budget of \$398,000 for FY97, to be added to the Secretariat's budget.

#### **Decision 5/1996      Public Involvement in GEF Projects**

1. The Council reviewed document GEF/C.7/6, [Public Involvement in GEF Projects](#), and approved the principles as a basis for public involvement in the design, implementation, and evaluation of GEF-financed projects, subject to the following: (a) that there should be emphasis on local participation and local stakeholders; (b) that specific conditions in-country should be taken into consideration; and (c) that public involvement should be consistent with provisions in the Instrument. The Secretariat is requested to prepare operational guidelines as expeditiously as possible.

#### **Decision 6/1996      GEF Strategy for Engaging the Private Sector**

1. The Council reviewed document GEF/C.7/12, [GEF Strategy for Engaging the Private Sector](#), and agreed that the paper should be revised to reflect a more strategic approach. Issues related to the involvement of the private sector together with financing modalities should be addressed in the revised paper. The revised paper should be resubmitted for consideration by the Council.

#### **Decision 7/1996      GEF Administrative Budget**

1. The Council reviewed document GEF/C.7/8, [Revised GEF FY97 Corporate Budget](#), and accepts the proposed budget for FY97. Based on the budget and the Council's comments, the individual submissions of the six GEF entities are to be revised and appended to a revised budget document for the record.
2. The Council agreed that a mid-year review of the budget should be prepared for its consideration at the October Council meeting.
3. There was general support in the Council for sustainable growth of the GEF operational outputs and the delivery of high-quality projects consistent with the Operational Strategy. In accepting the administrative budget, the Council expressed its expectation

that on the basis of the budget the Implementing Agencies would be able to produce project outputs totaling an estimated US \$415 million during FY97. The Secretariat and the Implementing Agencies were requested to seek continuous improvement in the efficient use of administrative resources, especially with regard to increased productivity as experience is gained in preparing and managing GEF projects.

4. The Council recognized the need for flexibility with regard to the administrative budget and authorized the CEO to approve increases to the operations segment of the administrative budget of the Implementing Agencies so as to ensure that no eligible high-quality project would be postponed due to inadequate administrative resources. The Council agreed that the CEO may exercise this flexibility, if necessary and appropriate, at a level of 5% of the approved administrative budget of the Implementing Agencies.
5. The Council approves the recommended approach for cost accounting and the preparation of future GEF budgets, including the proposal for undertaking additional work on performance measures and outputs, proposed in document GEF/C.7/9, [\*Recommendations Concerning the Preparation of the GEF Administrative Budget\*](#).

#### **Decision 8/1996      Relations with Conventions**

1. The Council, having reviewed document GEF/C.7/11, [\*Relations with Conventions\*](#):
  - (a) Takes note of the decisions of the second meeting of the Conference of the Parties to the Convention on Biological Diversity relevant to the GEF in its capacity as the institutional structure operating, on an interim basis, the financial mechanism of the Convention.
  - (b) Approves the proposed draft annex to the Memorandum of Understanding between the Conference of the Parties to the UN Framework Convention on Climate Change and the Council of the GEF on Determination of Funding Necessary and Available for Implementation of the Convention, with the revision that the last sentence of paragraph 3 will be amended to read: "The COP may, in its action on the GEF reports, consider the adequacy of the resources available for the implementation of the Convention.
  - (c) Approves an approach for reporting to the Conferences of the Parties to the Convention on Biological Diversity and the Framework Convention on Climate Change. This approach is to submit to the COP the most recent GEF Annual Report and the Quarterly Operational Report, together with a factual up-date and a note prepared for the COP addressing a synthesis view of GEF activities in the focal area

addressed by the Convention and showing how the COP guidance and decisions have been implemented. The note could also, when appropriate, specify issues on which the GEF would like to seek COP guidance. The note would be circulated in draft form to the Council for comment prior to its transmittal to the COP.

#### **Decision 9/1996      Other Business**

1. The Council requested the Secretariat to prepare, in consultation with the Implementing Agencies, a proposal on ways to streamline and make effective and efficient the processing and financing of medium-sized projects. In preparing the proposal, the Secretariat is requested to take into account three basic principles.
  - (a) One of the three Implementing Agencies must be accountable to the Council for any project financed by the GEF.
  - (b) In recommending streamlined and efficient procedures, the proposal should make use of and build upon the existing structures and should ensure that such procedures would apply to all potential executing agencies provided for in paragraph 28 of the Instrument.
  - (c) The proposal should address the processing and approval of medium-sized projects. Recognizing that there are various options, it is requested that the proposal address the strengths and weaknesses of each option.

### **Decision by Mail – July 1996**

#### **Decision 10/1996      Intersessional Work Program**

The Council approval of the July 1996 intersessional [work program](#) could not be found.

### **8<sup>th</sup> Council Meeting – October 1996**

#### **Decision 11/1996      Work Program**

1. The Council reviewed the proposed [work program](#) presented in document GEF/C.8/3, and approves it. The Council requests the Implementing Agencies to develop the approved projects further, taking into account the comments raised by the Council and any subsequent written comments submitted by Members. Members are requested to submit their comments to the Secretariat by October 31, 1996.



2. Recognizing the general principle that additional financing for the continuation or further development of projects that have already received GEF-financing will not be approved unless the Council has received an evaluation of the project and the activities already financed by the GEF, the Council agrees that the international waters projects for the Black Sea and the Danube River Basin, and the multi-focal area project for Small and Medium Scale Enterprises should not be submitted for CEO endorsement until an evaluation of previous GEF-financed activities has been completed. The evaluation is to be submitted together with the proposed final project document, and the CEO should include the evaluation when he circulates the proposed project document to the Council.
3. The Council requests the Secretariat to prepare an issue note for its consideration on trust funds, including information on the lessons that are emerging from the funds that have been financed by the GEF.

#### **Decision 12/1996      Monitoring and Evaluation**

1. The Council reviewed document GEF/C.8/4 ([Framework and Work Program for GEF's Monitoring, Evaluation and Dissemination Activities](#)) and approves the work program and budget presented therein for the GEF monitoring, evaluation and dissemination program, subject to the comments raised by the Council and any written comments submitted by Members. Members are requested to submit their comments to the Secretariat by October 31, 1996. The Secretariat is requested to circulate for Council's information at its next meeting the revised text of document GEF/C.8/4.
2. The Council requests the Secretariat to use the comments made during the meeting together with the written comments received to revise the current paper and to prepare, in consultation with the Secretariat, the Implementing Agencies and STAP, a paper describing supplemental activities that may complement the approved work program. This paper should clarify the specific role of STAP in the monitoring and evaluation activities.

#### **Decision 13/1996      GEF Corporate Business Plan FY98 – FY00**

1. The Council reviewed document GEF/C.8/6, [GEF Corporate Business Plan FY98 - FY00](#). The Council requests the Secretariat and the Implementing Agencies to take into account its comments on the business plan when preparing the proposed FY98 budget for approval by the Council at its meeting in May 1997. The Council further requests the Secretariat to continue to work with the Implementing Agencies to develop and apply the improved costs accounting approach for preparing the FY98 budget.

## **Decision 14/1996      Proposal for Medium-sized Projects**

1. The Council reviewed document GEF/C.8/5, [\*Proposal for Medium-sized Projects\*](#), and approves a proposal based on that presented in the document for the preparation, approval and implementation of medium-sized projects on the following understandings:
  - (a) STAP should review the project proposals on a selective basis.
  - (b) Monitoring and evaluation criteria and indicators should be included in the project proposals.
  - (c) Flexibility should be provided in the time allocated to the national operational focal points to endorse in writing any project ideas in step 1 of the procedures
  - (d) The implementation of these procedures, and their effectiveness, will be reviewed by the Council in 1998, and thereafter, the Secretariat will prepare an annual analytical report on medium-sized projects for review by the Council.
  - (e) Administration of the procedures should be cost effective.
  - (f) The need for co-financing of medium-sized projects.
2. The Council agrees that medium-sized projects will be approved as follows:

The Council delegates to the CEO/Chairman of the GEF responsibility for approving project proposals that do not request more than \$750,000 of GEF-financing. Medium sized proposals requesting more than \$750,000 in financing will be included in the first proposed work program subsequent to the recommendation of the Secretariat to be considered for approval by the Council. In approving project proposals, the CEO will specifically confirm that the proposal is consistent with the operational strategy and other GEF requirements. The CEO will not disburse any funds beyond normal PDF funding for a 15-day period during which time the Council Members will have an opportunity to review the project.
3. The Secretariat is requested to convene a task force, as described in paragraph 31 of the document, to facilitate the early application of these procedures. The task force will also consider plans of the Implementing Agencies to expedite their procedures, including those concerning procurement and disbursements, with a view to promoting rapid and efficient execution of projects. The Secretariat is also requested to prepare an analytical assessment of the procedures and their effectiveness in promoting the approval and

implementation of medium-sized projects for review by the Council at its first regular meeting in 1998.

#### **Decision 15/1996      Relations with Conventions**

1. The Council, having reviewed document GEF/C.8/9, [Relations with Conventions](#), takes note with appreciation of the collaborative efforts that have been made by the secretariats of the conventions and the GEF to build an effective working relationship. The Council takes note of the decisions of the second session of the Conference of the Parties to the UN Framework Convention on Climate Change and the early initiatives of the Secretariat and Implementing Agencies to respond to those decisions. The Council also notes the steps that have been agreed upon to ensure the rapid preparation, approval and implementation of enabling activities and medium-sized projects, and urges the Secretariat and the Implementing Agencies to seek every opportunity to expedite the work of the GEF in recipient countries, and in particular, in carrying out enabling activities. The Council confirms that enabling activities in the climate change area are to be implemented in line with the new guidance of the Conference of the Parties concerning national communications of non-Annex I Parties. The Council, recognizing that each Convention is to undertake a review of the effectiveness of its financial mechanism in 1997, requests the Secretariat to collaborate, as appropriate, with each Convention in its review and to keep the Council apprised of the review process. Council Members and GEF Participants are encouraged to participate fully in the review process to be undertaken by the Conventions.

#### **Decision 16/1996      Report of the GEF to the COP of the CBD**

1. The Council reviewed the draft [Report of the GEF to the third meeting of the Conference of the Parties to the Convention on Biological Diversity](#). Finding that the report responds to the reporting guidance of the Conference of the Parties, the Council approves the report subject to comments made at the meeting. The Council requests the Secretariat to prepare the report for submission to the third meeting of the Conference of the Parties in November 1996, taking into account the comments made by Council Members.

#### **Decision 17/1996      GEF Voluntary Fund**

1. The Council reviewed the experience with the [GEF Voluntary Fund](#) over the past twelve months described in Document GEF/C.8/11. Recognizing the valuable contribution to the work of the Council provided by the NGO Consultations, the Council agrees that the GEF administrative budget be used to finance the costs of two NGO consultations in

connection with the regular Council meetings. The remaining funds, as well as additional contributions to, the Voluntary Fund should be used to finance the costs of GEF-related regional consultations to be convened in recipient countries. Voluntary contributions to the fund are encouraged, including from NGOs, in order to demonstrate continued partnership and to enhance the cost effectiveness of GEF administrative budgets.

**Decision 18/1996      Note on GEF Assembly**

1. The Council welcomes with appreciation and accepts the offer of the Government and people of India to host the [first GEF Assembly](#). The Council agrees that the Assembly will be convened in the spring of 1998, preferably in conjunction with the regular meeting of the Council. The Council requests the Secretariat to prepare a note on the scope and format of the Assembly, taking into account the Council's discussions. The note is to be circulated for comment to the Council and all GEF Participants by the end of November. On the basis of the comments received, the Secretariat will prepare a proposal for review by the Council at its next meeting.

**Decision 19/1996      Draft Annual Report FY96**

1. The Council reviewed the draft [Annual Report](#) covering the activities of the GEF during FY96, document GEF/C.8/7, and approves it, subject to any factual corrections that may be submitted by Council Members by October 31, 1996. The Council requests the Secretariat to finalize and distribute the document.

**Decision 20/1996      Principles for GEF Financing of Targeted Research**

1. The Council reviewed document GEF/C.8/12 ([Principles for GEF Financing of Targeted Research](#)) and commented upon the proposed principles. Council Members are requested to submit written comments on the document to the Secretariat within three weeks. STAP is requested to prepare, in consultation with the Secretariat and the Implementing Agencies, a revised document on the basis of the written comments received as well as those made during the meeting. The Council will consider a revised document together with the intersessional work program