



GEF COUNCIL DECISIONS 2002

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Decision by Mail – February 2002

Decision 1/2002 Report of the GEF to the Sixth Session of the CoP to the CBD

1. The Council, having reviewed the draft [Report of the GEF to the sixth meeting of the Conference of the Parties to the Convention on Biological Diversity](#), approves the report for submission to the sixth meeting of the Conference of the Parties to the Convention.

19th Council Meeting – May 2002

Decision 2/2002 STAP

1. The Council, having reviewed the [Proposal of the Executive Director of UNEP on the Composition of STAP III](#) (document GEF/C.19/3), approves the composition of STAP proposed by the Executive Director of UNEP on the basis of the recommendations put forward by the Search Committee. The Council fully supports the recommendation that Dr. Julia Carabia Lillo serve as Chair of STAP and Dr. Habiba Gitay serve as Vice Chair. The Council also approves, subject to the comments made at the meeting, the recommendations of the Search Committee regarding the process to be followed so as to achieve the goal of staggering the terms of STAP members.
2. In approving the proposed composition of the third STAP, it was agreed that the experts nominated under biodiversity and biosafety would function as one group and that the group will jointly address issues concerning biodiversity and biosafety.

Decision 3/2002 Relations with Conventions

1. The Council, having reviewed Document GEF/C.19/5, [Relations with Conventions](#), takes note of the developments of relevance to the GEF within the various international agreements and welcomes the continuing collaboration between the GEF and the Conventions. More specifically, the Council:
 - (a) Requests the Secretariat to submit to the eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change [The First Decade of the GEF, Second Overall Performance Study](#), as an input to the second review of the financial mechanism which is to be discussed at that meeting.
 - (b) Agrees to amend the eligibility criteria for GEF's initial assistance for enabling activities in the context of the *Stockholm Convention on Persistent Organic Pollutants* to include developing countries and countries with economies in transition that are party or signatory to the Convention.

2. The Council, having also reviewed document GEF/C.19/5/Add.1, ([Relations with Conventions](#)) which provides the Council with information on the decisions relevant to the GEF of the sixth meeting of the Conference of the Parties to the Convention on Biological Diversity, requests the Secretariat, in consultation with the Implementing Agencies, to take these decisions into account in the development of projects and programs in the biodiversity focal area and in its continuing collaboration with the Secretariat of the Convention.

Decision 4/2002 Administrative Arrangements for new Climate Change Funds

1. The Council, having reviewed Document GEF/C.19/6, [Arrangements for the Establishment of the New Climate Change Funds](#), approves, subject to the comments made at the Council meeting, the arrangements proposed for the establishment of the new climate change funds. In this regard, the Council:
 - (a) Invites the World Bank to act as Trustee for the three new funds.
 - (b) Requests the Secretariat to mobilize resources for the funds based on an assessment of financing needs that takes into account the guidance approved by the Conference of the Parties to the UNFCCC.
 - (c) Requests the Secretariat to inform the eighth session of the Conference of the Parties to the UNFCCC on the arrangements for the establishment of these funds.

Decision 5/2002 Work Program

1. The Council reviewed the proposed [Work Program](#) submitted to Council in document GEF/C.19/7 and approves it¹ subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by May 31, 2002.
2. The Council finds that each project presented to it as part of the Work Program (i) is or would be consistent with the Instrument and GEF policies and procedures and (ii) may be endorsed by the CEO for final approval by the Implementing 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

¹ One Council Member, in light of national legislation regarding its country's voting position for development projects financed by certain development institutions, did not support the project proposal, *Cuba: Strengthening the National System of Protected Areas*.

that the project continues to be consistent with the Instrument and GEF policies and procedures.

3. With respect to the endorsement of the China: Fuel Cell Buses project, the Council has no objection to its endorsement. It was agreed that an analysis of the implementation of projects involving financing of fuel cell buses would be presented to the Council annually.

Decision 6/2002 Overall Structure, Processes and Procedures of the GEF

1. The Council reviewed document GEF/C.19/8, [*Clarifying the Roles and Responsibilities of the GEF Entities*](#), and welcomes the collaboration among the GEF Secretariat and Implementing Agencies to strengthen their partnership with a view to improving the efficiency and effectiveness of the GEF and its responsiveness to its recipients and donors. The Council recognizes that as the number of conventions, focal areas and executing agencies increases, and as resources are constrained relative to the demand for GEF funding, coordination is more critical than ever within the GEF system. In this regard, the Council stressed the need for country ownership of GEF activities and the important role of the national focal points in ensuring such ownership.
2. The Council took note of the agreement among the GEF Secretariat and the Implementing Agencies concerning lead responsibilities for institutional roles and functions within the GEF. The Council requests the GEF Secretariat to amend the note to take into account future decisions on matters that would influence the matrix (such as the role of the executing agencies and the monitoring and evaluation unit) and to present the revised note to the Council for endorsement at its meeting in May 2003.
3. The Council, having reviewed document GEF/C.19/8/Add.1 concerning administrative arrangements to enhance the functional independence and effectiveness of the GEF Secretariat, fully supports the administrative arrangements and understandings presented in the paper.

Decision 7/2002 Preliminary Proposal for an Action Plan to Respond to the Recommendations of the Second Overall Performance Study of the GEF

1. The Council, having reviewed the document [*Preliminary Action Plan*](#) (GEF/C.19/9), takes note of the draft action plan to follow-up on the recommendations of the Second Overall Performance Study of the GEF, the Policy Recommendations to be agreed as part of the Replenishment Process and endorsed by the Council, and other related Council decisions. The Council requests the Secretariat to revise the draft action plan, taking into account comments made by the Council Members, as well as Council

deliberations and decisions on matters that would affect the plan. The Council requests the Secretariat to present a revised action plan for its consideration and approval at its meeting in May 2003. Once the action plan is approved, the Secretariat is requested to report to each Council meeting on the implementation of the action plan.

Decision 8/2002 GEF Business Plan FY03-05

1. The Council, having reviewed [GEF Business Plan FY03-FY05](#), GEF/C.19/10, welcomes the effort to develop a strategic plan. The Council recognizes that the business plan, like the preliminary action plan considered under agenda item 10, is linked to a number of issues currently under consideration by the Council as well as the replenishment process. The Council takes note of the business plan, including the proposed strategic priorities and the agency performance criteria, and requests that it be revised taking into account comments made by the Council Members together with Council deliberations and decisions at this meeting and the October 2002 meeting on matters that would affect the plan. The Council requests that the revised plan be submitted for its review and approval at the Council meeting in May 2003.

Decision 9/2002 GEF FY03 Corporate Budget

1. The Council reviewed document GEF/C.19/11, [GEF FY03 Corporate Budget](#), and GEF/C.19/15, Capacity and Organizational Efficiency Study of the GEF Secretariat, and approves the proposed FY03 corporate budget of \$24.300 million, subject to the comments made during the Council meeting, comprising:
 - (a) An amount of \$21.042 million for the resource requirements of the six GEF units (the three Implementing Agencies, GEF Secretariat; Trustee and the Scientific and Technical Advisory Panel) in the provision of corporate management services.
 - (b) An amount of \$2.358 million to support the proposed special initiatives of (i) the Second GEF Assembly and (ii) and Strategic Collaboration and Framework for Capacity Building for the Global Environment.
 - (c) An amount of \$0.9 million to cover the additional resources associated with the establishment of three new posts within the GEF Secretariat.

Decision 10/2002 Review of a Fee Based System

1. The Council, having reviewed document GEF/C.19/12, [Consultant's Report on an Independent Review of the Fee-Based System](#), and taking note of the outcome, findings and recommendations of the review, requests the GEF Secretariat, in consultation with

the Implementing and Executing Agencies, to prepare a revised paper and proposals for improving the fee structure, taking into account the concerns raised by the Members about the rising trend in administrative fees and other comments made during the Council meeting together with the findings and recommendations of the Consultant's Report and the Second Overall Performance Study, and to submit the report to the Council for its consideration at its meeting in October 2002.

2. The Council expresses its serious concern over the continuing rise of project management fees and agrees that this trend must be reversed. The Council expects that the fees for the next work program will be at a lower fee to grant ratio than those in the current work program. The Council also expects that the proposals for revising the fee system that it will consider at its next meeting will lead to agreement on a system that will result in a lower level of fee to grant ratio.
3. The Council agrees to the proposed fees in the current work program but requests that all agencies use their best efforts to try to reduce the fees for these projects.

Decision 11/2002 Second GEF Assembly

1. The Council, having reviewed document GEF/C.19/13, [*Second GEF Assembly*](#),
 - (a) Welcomes the arrangements that are being made for the Assembly, and reiterates its appreciation to the Government of China for hosting the Assembly in Beijing in October 2002.
 - (b) Requests the CEO to notify GEF participating governments about the Assembly. Such notification should be sent to the political focal point of each GEF Participant with a request that the notification be transmitted to the Head of Government so that he/she may designate a minister or other high-level representative to attend the Assembly.
 - (c) Recommends to the Assembly that paragraph 5 of the Rules of Procedure be amended as proposed in the document.
 - (d) Approves the procedures for accreditation of NGOs to the GEF Assembly.
 - (e) Approves the provisional agenda and proposed list of documents for the Assembly.
2. The Council requests the GEF Secretariat to notify all GEF Participants of these proposed amendments as early as possible so as to allow sufficient time for their consideration prior to the Assembly.

3. The Council, having reviewed document GEF/C.19/14, [Proposed Amendments to the GEF Instrument](#), agrees with the proposed amendments annexed to this joint summary and recommends to the Assembly that it approves them at its second meeting to be convened in Beijing, China, from October 16-18, 2002. Upon approval of the amendments, the Assembly should also invite the Implementing Agencies and the Trustee to adopt them as amendments to the Instrument in accordance with their respective rules and procedural requirements.

Decision 12/2002 Monitoring and Evaluation

1. The Council takes note of the [2001 Project Performance Review](#) and requests that a work program for the monitoring and evaluation activities of the GEF be presented annually to the Council for its review.

Decision 13/2002 Other Business

1. The Council confirms the following [constituency grouping](#): Cambodia, DPR of Korea, Lao (PDR), Malaysia, Mongolia, Myanmar, Thailand and Vietnam.

Decision by Mail – August 2002

Decision 14/2002 Report of the GEF to the Eighth Session of the CoP to the UNFCCC

1. The Council, having reviewed the draft [Report of the GEF to the eighth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change](#), approves the report for submission to the eight session of the Conference of the Parties to the Convention.

20th Council Meeting – October 2002

Decision 15/2002 Work Program

1. The Council reviewed the proposed [Work Program](#) submitted to Council in document GEF/C.20/3 and approves it² subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by November 1, 2002.

² One Council Member, in light of national legislation regarding its country's voting position for development projects financed by certain development institutions, did not support the project proposal, *Regional: Development of a Wetland Site and Flyway Network for Conservation of the Siberian Crane and Other Migratory Waterbirds in Asia*.

2. The Council finds that, with the exception of

(a) Regional: Integrated Management of Dryland Biodiversity through Land Rehabilitation in the Arid and Semi-Arid Regions of Mozambique, Zambia, Zimbabwe

(b) Kazakhstan: Drylands Management Project

each project presented to it as part of the Work Program (i) is or would be consistent with the Instrument and GEF policies and procedures and (ii) may be endorsed by the CEO for final approval by the Implementing 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.

3. With respect to the two projects listed in paragraph 11 above, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and 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 Agency. Such projects may be reviewed at a subsequent Council meeting at the request of at least four Council Members.

Decision 16/2002 Third Replenishment of the GEF Trust Fund

1. The Council, having reviewed the [Summary of Negotiations on the Third Replenishment of the GEF Trust Fund](#) (Document GEF/C.20/4) welcomes the successful conclusion of the replenishment, takes note of the Summary and endorses the Replenishment Document and the policy recommendations.
2. The Council requests the Secretariat to include the policy recommendations in the Action Plan to respond to the Recommendations of the Second Overall Performance Study of the GEF under preparation for Council consideration and approval at its meeting in May 2003 pursuant to the Council's decision taken in May 2002.
3. The Council also requests the CEO/Chairman of the Facility to transmit this Summary to the World Bank with a request that the World Bank Executive Directors be invited to adopt Annex B to this Summary, *Resolution No.____, The Global Environment Facility Trust Fund: Third Replenishment of Resources*, thereby authorizing the World Bank, as Trustee of the GEF Trust Fund, to manage the resources made available under GEF-3.

Decision 17/2002 Review of the Fee-Based System

1. The Council reviewed and commented on document GEF/C.20/5, [*Interim Report on a Revision of the Fee Structure*](#). The Council requests the GEF Secretariat, in consultation with the Implementing and Executing Agencies, to prepare a proposal for a revised fee structure for Council review and approval at its meeting in May 2003. In preparing the proposal, the Secretariat and the Implementing and Executing Agencies are requested to take into account the comments made by the Council at its meetings in May and October 2002, as well as any written comments submitted to the Secretariat by November 15, 2002.

Decision 18/2002 Cofinancing

1. The Council reviewed and commented on document GEF/C.20/6, [*Cofinancing*](#). The Council requests the Secretariat, in consultation with the Implementing and Executing Agencies, to prepare a revised paper, taking into account the comments made at the meeting as well as any written comments submitted to the Secretariat by November 15, 2002, for review and approval by the Council at its meeting in May 2003.
2. The Council also requested the GEF Secretariat, in consultation with the Implementing and Executing Agencies, to establish a database on cofinancing that will allow a better analysis of GEF experience and monitoring of cofinancing throughout project development and implementation.

Decision 19/2002 Monitoring and Evaluation Terms of Reference for an Independent Monitoring and Evaluation Unit

1. The Council reviewed and commented on document GEF/C.20/7, [*Terms of Reference for an Independent Monitoring and Evaluation Unit*](#). The Council invites the monitoring and evaluation unit of the GEF to prepare revised terms of reference, taking into account the comments raised by the Council during the meeting and any written comments that may be submitted by the Council Members to the unit by November 15, 2002. The revised terms of reference should be submitted to the Council for review and approval at its meeting in May 2003.

Decision 20/2002 Elements of a GEF Operational Program for Prevention and Control of Desertification and Deforestation through Sustainable Land Management

1. The Council reviewed document GEF/C.20/8, [*Elements of a GEF Operational Program for the Prevention and Control of Desertification and Deforestation through Sustainable*](#)

[Land Management](#), and approves the elements, subject to comments made during the Council meeting and that may be submitted in writing to the Secretariat by November 15, 2002, as the basis for the preparation of an operational program. The Council requests the Secretariat to develop, in consultation with the Implementation Agencies, relevant Executing Agencies, and the Secretariats of the UN Convention to Combat Desertification and its Global Mechanism, a draft operational program on the basis of the revised elements. The draft operational program should be circulated to Council Members for comment before it is discussed and finalized at the May 2003 Council meeting.

2. The GEF Council welcomes the conclusions of the World Summit on Sustainable Development held in Johannesburg, South Africa, and in particular the WSSD Plan of Implementation, and recalling paragraph 39(f) of the Plan of Implementation³, recommends to the Assembly that it confirms that the GEF shall be available as a financial mechanism of the *UN Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa*, pursuant to paragraph 21 of the Convention, if the Conference of the Parties should so decide. In this regard, the Council further recommends that the Assembly requests it to consider any such decision of the Conference of the Parties with a view to making the necessary arrangements.

Decision 21/2002 Other Business

1. The Council noted the information provided in document GEF/C.20/Inf. 5 on the [contribution of the GEF to the World Summit on Sustainable Development](#) (WSSD) as well as the results of the Summit, and requests the Secretariat, in consultation with the Implementing and Executing Agencies, to reflect upon the implications for the GEF of the Plan of Implementation adopted by the WSSD. The Secretariat is further requested, in preparing the action plan to respond to the recommendations of OPS 2 and the policy recommendations of the third replenishment to be considered by the Council at its meeting in May 2003, to incorporate in the action plan proposals for responding to the outcomes of the WSSD.

³ Paragraph 39 of the WSSD Plan of Implementation reads: "Call[s] on the Second Assembly of the Global Environment Facility (GEF) to take action on the recommendations of the GEF Council concerning the designation of land degradation (desertification and deforestation) as a focal area of the GEF as a means of GEF support for the successful implementation of the Convention to Combat Desertification; and consequently, consider making GEF a financial mechanism of the Convention, taking into account the prerogatives and decisions of the Conference of the Parties to the Convention, while recognizing the complementary roles of GEF and the Global Mechanism of the Convention in providing and mobilizing resources for the elaboration and implementation of action programmes."

Decision by Mail – November 2002

Decision 22/2002 Selection of the new CEO/Chairperson of the GEF

1. The Council approves an amount of US\$135,000 to be added to the [*GEF FY03 Corporate Budget*](#) of the World Bank's Coordination Unit to cover the expenses to be incurred on behalf of the GEF CEO Search Committee in order to implement the agreed arrangements for selection of the new CEO/Chairperson of the GEF.

Annex

Annex to Decision 11/2002

Proposed Amendments to the Instrument

(1) Amend paragraph 2 by adding two new subparagraphs (e) and (f), which would read:

“(e) Land degradation, primarily desertification and deforestation; and

(f) Persistent organic pollutants.”

(2) Revise the first sentence of paragraph 3 to read:

“The agreed incremental costs of activities to achieve global environmental benefits concerning chemicals management as they relate to the above focal areas shall be eligible for funding.”

(3) Insert a new sentence before the penultimate sentence of paragraph 6, which would read:

“The GEF shall also be available to serve as an entity entrusted with the operation of the financial mechanism of the Stockholm Convention on Persistent Organic Pollutants.”

(4) Amend the penultimate sentence of paragraph 6 to read:

“In such respects, the GEF shall function under the guidance of, and be accountable to, the Conferences of the Parties which shall decide on policies, program priorities and eligibility criteria for the purposes of the conventions.”

(5) Amend paragraph 21(f) to read:

“Coordinate with the Secretariats of other relevant international bodies, in particular the Secretariats of the conventions referred to in paragraph 6 and the Secretariats of the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund and the United Nations Convention to Combat Desertification in Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa .”