



GEF COUNCIL DECISIONS 2004

GEF Council Decisions 2004

Decision by Mail – March 2004	1
Decision 1/2004 GEF 2003 Annual Report	1
Decision 2/2004 Intersessional Work Program	1
Decision by Mail – April 2004.....	2
Decision 3/2004 Action Plan to Respond to Recommendations for Improving GEF's Performance ...	2
23rd Council Meeting – May 2004.....	2
Decision 4/2004 Appointment of Monitoring and Evaluation Director	2
Decision 5/2004 Report of the Monitoring and Evaluation Unit	2
Decision 6/2004 Terms of reference for the third Overall Performance Study of the GEF	3
Decision 7/2004 Work Program	4
Decision 8/2004 Institutional Relations.....	5
Decision 9/2004 Performance Based Allocation Framework.....	8
Decision 10/2004 Corporate Budget FY05	9
Decision 11/2004 LDC Trust Fund Budget.....	9
Decision 12/2004 Other Business.....	10
Decision by Mail – September 2004.....	10
Decision 13/2004 Intersessional Work Program	10
Decision by Mail – October 2004	11
Decision 14/2004 Report to the tenth session of the CoP to the UNFCCC.....	11
24th Council Meeting – November 2004	11
Decision 15/2004 Monitoring and Evaluation.....	11
Decision 16/2004 Verification of Replenishment Targets	13
Decision 17/2004 Decision on the Fourth Replenishment of the GEF Trust Fund	13
Decision 18/2004 Work Program	14
Decision 19/2004 Institutional Relations.....	15
Decision 20/2004 Resource Allocation Framework.....	15
Decision 21/2004 Business Plan	16
Decision 22/2004 Amendments to the Instrument.....	16
Decision 23/2004 Climate Change Funds.....	17
Decision 24/2004 Recommendations of the Working Group on Medium-sized Projects	17

Decision by Mail – March 2004

Decision 1/2004 GEF 2003 Annual Report

1. The Council, having reviewed the draft text for the [GEF 2003 Annual Report](#), approves the report.

Decision 2/2004 Intersessional Work Program

1. The Council reviewed the proposed [work program](#) posted on February 20, 2004, and approves it subject to the comments of Council Members received by the Secretariat and with the exception of the project proposals, *Botswana: Renewable Energy-based Electrification Program* and *Regional (Indonesia, Philippines): Marine Aquarium Market Transformation Initiative (MAMTI)*. These two projects proposals will be deferred for consideration by the Council until its meeting in May, 2004.
2. The Council finds that, with the exception of the project proposals:
 - (a) Regional: Building the Inter-American Biodiversity Network (IABIN);
 - (b) Senegal: Integrated Marine and Coastal Resource Management;
 - (c) Pakistan: Commercialization of Wind Power Production;
 - (d) Tajikistan: Community Watershed Development; and
 - (e) Regional (Botswana, South Africa, Zimbabwe, Mozambique): Groundwater and Drought Management in SADC

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 each the project listed in the paragraph above, the Council requests the Secretariat to arrange for Council Members to receive the draft final project document with a view to allowing them to transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing the project document for final approval by

the Implementing Agency. The project may be reviewed at a subsequent Council meeting at the request of at least four Council Members.

Decision by Mail – April 2004

Decision 3/2004 Action Plan to Respond to Recommendations for Improving GEF's Performance

1. The Council approves the *Action Plan to Respond to Recommendations for Improving GEF's Performance*, dated March 31, 2004. The Council requests the Secretariat to monitor progress made in achieving the steps proposed in the Action Plan and to annually present an up-dated Action Plan to the Council.

23rd Council Meeting – May 2004

Decision 4/2004 Appointment of Monitoring and Evaluation Director

1. The Council unanimously approves the appointment of Mr. Robert David van den Berg as Director of the GEF Monitoring and Evaluation Unit. The Council expressed its strong support for the appointment of Mr. van den Berg, noting his excellent qualifications for the position and his clear professionalism. The Council looks forward to working with him and expressed its appreciation to the CEO for a good selection process.

Decision 5/2004 Report of the Monitoring and Evaluation Unit

1. The Council reviewed document GEF/C.23/3, [Report of the Monitoring and Evaluation Unit](#), and takes note of the conclusions and recommendations of the *Project Performance Report 2003 and the Review of GEF's Engagements with the Private Sector* (Final Report).
2. The Council requests the Monitoring and Evaluation Unit to work with the GEF Secretariat and the Implementing Agencies to prepare an action plan, including proposed actions, timetables and where appropriate, costs, for responding to the reports' recommendations, taking into account the comments made at the Council meeting, for review and approval by the Council at its meeting in November 2004. In particular, the Council underscores that the work should address as a priority time delays in project preparation and implementation and disbursement of funds, including gaps between the approved commitments and the Implementing Agency's project disbursements, procedures to standardize project ratings and guidelines to ensure consistency in their application, methodologies and options for measuring and

integrating sustainability and replication in GEF projects, and simplification of project objectives.

3. Council requests the Monitoring and Evaluation Unit to indicate in the Project Performance Report any project rating it does not believe is credible.
4. Consistent with the terms of reference for the independent monitoring and evaluation unit, the Monitoring and Evaluation Unit is requested to prepare for Council's approval a four-year rolling work plan, an annual work program and a budget.
5. The Monitoring and Evaluation Unit is requested to develop for Council review procedures to clarify how the unit relates to the Council.
6. The Monitoring and Evaluation Unit is also requested to collaborate with the GEF Secretariat and the Implementing Agencies to clarify procedures as to how the unit will work with other entities in the GEF family, including a process for management responses to its reports.
7. The Monitoring and Evaluation Unit is requested to keep a record of recommendations that are supported by the Council and to report regularly to the Council on the progress made in responding to those recommendations.
8. The Council welcomed the information that had been provided by the Implementing Agencies concerning their systems for addressing at risk projects and requests the Executing Agencies to submit information on such systems in their organizations.

Decision 6/2004 Terms of reference for the third Overall Performance Study of the GEF

1. The Council, having reviewed GEF/C.23/4, [*Terms of Reference of the third Overall Performance Study of the GEF*](#), and GEF/C.23/CRP.1, [*GEF OPS3: Terms of Reference Conflict of Interest Provisions*](#), approves the terms of reference, subject to comments made at the Council meeting. The Council also approves US\$2,035,605 to be included in the budget of the independent monitoring and evaluation unit to cover the costs of OPS3.

Decision 7/2004 Work Program

1. The Council reviewed the proposed [Work Program](#) submitted to Council in document GEF/C.23/5 and approves it¹ subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by June 4, 2004.
2. The Council also reviewed and approved the following two projects that were originally included in the Intersessional Work Program circulated to the Council on February 20, 2004:
 - (a) Botswana: Renewable Energy-based Electrification Program
 - (b) Regional (Indonesia, Philippines): Marine Aquarium Market Transformation Initiative (MAMTI)
3. The Council finds that, with the exception of:
 - (a) Cameroon: Forestry and Environment Sector Adjustment Credit (World Bank)
 - (b) Egypt: Solar Thermal Hybrid Project (World Bank)
 - (c) Global: LDC and SIDS Targeted Portfolio Approach for Capacity Building and Mainstreaming of Sustainable Land Management (UNDP)
 - (d) Global (Philippines) Program to Demonstrate the Viability and Removal of Barriers that Impede the Successful Implementation of Available Non-Combustion Technologies for Destroying Persistent Organic Pollutants (UNDP/UNIDO)

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.

4. With respect to the projects specified in paragraph 19 above, the Council requests the Secretariat to arrange for Council Members to receive the draft final project document for each project and to transmit to the CEO within four weeks any concerns they may

¹ One Council Member, in light of national legislation regarding its country's voting position for development projects financed by certain development institutions, opposed the following project proposal: *Regional: Integrating Watershed and Coastal Area Management in Small Island Developing States of the Caribbean (UNEP/UNDP)*.

have prior to the CEO endorsing the 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.

5. Furthermore, with respect to Cameroon: *Forestry and Environment Sector Adjustment Credit*, the Council agreed that it is approving the proposal as a one-time exception from approved GEF policy and practice due to a lapse in Secretariat review procedures. No further such proposals for GEF financing will be allowed to enter the work program until and unless there is a Council-approved policy on such support. (Such support is defined as that which involves disbursements other than those required for payments for project-related goods/works/services, and includes all budget support, structural adjustment, sector-wide approach assistance and similar projects.) The CEO is directed to inform all Implementing Agencies and Executing Agencies of this decision. In addition, the Council agreed that approval of this Cameroon proposal shall not in any way prejudice any policy on this matter and shall not be considered a precedent or pilot for any future assistance. Finally, the Council welcomed the World Bank's assurance that additional safeguards will be incorporated, including joint GEF Secretariat/World Bank decisions on tranche releases, at least annual auditing of the related program fund, and involvement of the GEF Monitoring and Evaluation unit in assessing performance of the Cameroon project. The Council requests the Secretariat to prepare a paper on activities to which practices and lessons learned from this project might be applicable.

Decision 8/2004 Institutional Relations

1. The Council reviewed document GEF/C.23/6, [*Institutional Relations*](#), and welcomes the information that is provided on the progress that has been made under the international environmental conventions. The Council notes, in particular, the recent decisions and guidance that was approved by the Conference of the Parties to the Convention on Biological Diversity (Kuala Lumpur, February 2004) and the Conference of the Parties to the UNFCCC (Milan, December 2003). The Council requests the GEF Secretariat and the Implementing and Executing Agencies to continue to seek opportunities to work with recipient countries to develop and implement projects consistent with the decisions of the conventions. In working with recipient countries, the Council encourages the GEF Secretariat and its Implementing and Executing Agencies to be mindful of, and work with, regional organizations and initiatives that these countries have established to help meet global environmental objectives. The GEF Secretariat is requested to maintain its consultations with the Implementing Agencies and Convention Secretariats on how best to ensure continued responsiveness to the

relevant decisions of the conventions and to keep the Council regularly informed of the progress that is being made.

2. The Council reviewed document GEF/C.23/6, [*Institutional Relations*](#), GEF/C.23/6/Add.1 and GEF/C.23/Inf.14 [*Information on the request of South Africa for assistance from GEF to phase-out Methyl Bromide, an Ozone Depleting Substance \(ODS\)*](#), and considered the request from the Meeting of the Parties to the Montreal Protocol that the GEF finance project proposals from South Africa on phasing-out the Annex E substance. The Council agrees to provide project preparation financing (PDF B) to South Africa to develop a project proposal for phasing-out methyl bromide without prejudice to a later discussion and decision on financing of the project. The Council notes that this provision of financing to South Africa for purposes of the Montreal Protocol is being done on an exceptional basis, recognizing the historical situation of South Africa and the importance to the global environment of phasing out methyl bromide. The Council firmly stressed that this decision should not be viewed as establishing a precedent. The CEO is requested to inform the parties to the Montreal Protocol, through the Executive Secretary of the Ozone Secretariat, of its decision and deliberations. In his communication, the CEO is requested to inform the Parties of its serious concern that the Parties to the Montreal Protocol took a decision with financial implications for the GEF without any prior consultation with the GEF Council.
3. The Council requests the Secretariat to prepare for its meeting in November 2004 a note on the allocations foreseen under the land degradation focal area as well as allocations to land degradation through the other GEF focal areas.
4. The Council also requests the GEF Secretariat, in collaboration with the Implementing Agencies, to prepare an analysis of the scope, implementation focus and coherence of the land degradation activities for submission to its meeting in November 2004.
5. The Council welcomes document GEF/C.23/Inf.8, [*GEF Assistance to Address Adaptation*](#), and requests that the new strategic priority on adaptation be implemented as early as possible. In financing adaptation activities under the GEF Trust Fund, the GEF Secretariat and the Implementing Agencies are requested to ensure that projects are consistent with the principles of the Trust Fund, including criteria concerning incremental costs and global environmental benefits.
6. The Council welcomes the guidance of the Conference of the Parties to the CBD inviting the GEF to extend support for demonstration projects on implementation of the national biosafety frameworks to other eligible countries.

7. The GEF Secretariat is requested to provide information to UNEP on GEF-financed capacity building activities and the GEF Strategic Approach to Capacity Building, and to participate in international discussions on the development of a strategic plan for capacity building for UNEP to ensure that UNEP's activities are complementary to those of the GEF.
8. The Council approves the staggering of the terms of appointment of members of the STAP, and approves the list of reconstituted STAP III Members for the period July 1, 2004, to June 30, 2006, presented in Annex D of document GEF/C.23/6 ([Institutional Relations](#)). The Council also welcomes the submission of document GEF/C.23/Inf.11, [Rules of Procedure of the STAP](#), and supports the efforts made to further institutionalize STAP's operations in accordance with the Instrument.
9. The Council confirms that the practices of the Trustee with regard to monitoring the GEF resources made available to the Implementing Agencies, as described in paragraphs 11 to 15 of document GEF/C.23/Inf. 3 ([Trustee Report](#)), are satisfactory to meet the Trustee's obligations under the Instrument to monitor the application of budgetary and project funds so as to ensure that the resources of the Trust Fund are being used in accordance with the Instrument and the decisions taken by the Council. The Council agrees that the Trustee should follow similar arrangements with respect to monitoring of GEF resources made available to the Executing Agencies. The Trustee is requested to continue to monitor the GEF resources and, in consultation with the GEF Secretariat, to inform the Council of any additional measures that may be needed to strengthen the financial procedures.
10. The Council also agrees that, given the importance of the agencies' financial reports to the Trustee's ability to discharge its responsibilities under the Instrument, the Trustee may suspend commitment and disbursement of GEF funds that have been allocated by the Council and/or the CEO, as appropriate, to any agency which is out of compliance with its reporting obligations to the Trustee under the Financial Procedures Agreement the agency entered into with the Trustee, when non-compliance has continued for a period of not less than thirty days after written notification from the Trustee. Such suspension may continue until such time as the noncompliance is resolved to the satisfaction of the Trustee.
11. The Council confirms that the African Development Fund, the concessional financing window of the AfDB Group, may have direct access to GEF resources. The Council requests the GEF Secretariat and Trustee to endeavor to complete the necessary arrangements with all Executing Agencies that are to have direct access as expeditiously as possible so that direct access can proceed in a timely manner, and requests the GEF

Secretariat to report to the next Council meeting on progress in finalizing the arrangements.

Decision 9/2004 Performance Based Allocation Framework

1. The Council reviewed the document GEF/C.23/7, [Performance-based Allocation Framework for GEF Resources](#), and agrees that the GEF Secretariat should convene a seminar in September 2004 with a view to advancing the Council's work. In preparation for the seminar, the GEF Secretariat, is requested to prepare a new, more elaborated document proposing additional options and simulations (without country identification), taking into account the deliberations of the Council at its meetings in November 2003 and May 2004 and written comments that may be submitted by Council Members by June 30, 2004.
2. With a view to advancing the Council's work, the GEF Secretariat, taking into full account the decision of the GEF Council at its meeting in November 2003 on the Performance Based Allocation Framework, is requested to propose options and simulations that:
 - (a) Are consistent with the GEF Instrument;
 - (b) Are sufficiently specified to be operational;
 - (c) Use GEF-appropriate indicators and weightings;
 - (d) Provide explicit consideration of: floors and ceilings; regional and global projects, including the Small Grants Program, cross-cutting capacity building for LDCs and SIDS, and enabling activities; and other provisions aimed at providing flexibility appropriate to the GEF's mandate;
 - (e) Take into account the transaction costs associated with operating the framework;
 - (f) Are consistent with the provisions and prerogatives of the conventions to which the GEF is the financial mechanism.
3. In developing indicators, consideration should be given to an indicator related to poverty and a country's ability to finance global environmental activities by itself.
4. The Council confirms that simplicity, transparency, pragmatism, cost-effectiveness, comprehensiveness, country-drivenness, and equal opportunity for all recipient countries should be underlying principles in designing the performance-based framework.

5. The GEF is requested to ensure the effective participation of two representatives of each constituency in the seminar, and is also requested to invite a representative of each of the Convention Secretariats and of the GEF NGO network to attend. The GEF may also invite a representative of other institutions with relevant experience in designing a PBA system, such as IFAD.

Decision 10/2004 Corporate Budget FY05

1. The Council reviewed document GEF/C.23/9, [GEF Corporate Budget FY05](#), and approves² the proposed FY05 corporate budget of \$25.775 million, subject to the comments made during the Council meeting. The budget comprises:
 - (a) An amount of \$22.768 million for the resource requirements of the six GEF units in the provision of corporate management services: GEF Secretariat, the Scientific and Technical Advisory Panel; the Trustee; and the coordination units of the three Implementing Agencies;
 - (b) \$2.321 million for the Monitoring and Evaluation Unit;
 - (c) Special Initiatives, one of \$0.030 million to begin preparations for the Third GEF Assembly and one of \$0.656 million to continue technical work on the performance-based allocation system.
2. The earlier Special Initiative, *Focal Point and Council Member Support Program*, will be extended for another year using the resources already approved by Council for this purpose.

Decision 11/2004 LDC Trust Fund Budget

1. The Council, having reviewed GEF/C.23/10, [Status report on the Least Developed Countries Trust Fund for Climate Change](#), welcomes the progress that has been made in financing the preparation of National Adaptation Programs of Action (NAPAs) by the LDC Parties to the UNFCCC. The Council approves an administrative budget of US\$328,400 for the GEF Secretariat and the Trustee to administer the LDCTF for FY05-06.

² The Council Member representing the US opposed the budget, especially in light of the lack of offsetting of large increases with corresponding cuts in the Implementing Agency budgets, which the US believes should be subject to further scrutiny, with a view towards shifting more funds to the Secretariat.

Decision 12/2004 Other Business

1. The Council requests the GEF Secretariat to prepare a draft amendment and a short document on issues associated with amending paragraph 17 of the Instrument for the next Council meeting.
2. Due to time constraints, the Council was unable to consider agenda item 11, [Review of Fee System](#), item 14, [Principles for engaging the private sector](#), item 15, [Proposals to strengthen national focal points and Council Members](#), and item 16, *Process for appointment of GEF CEO/Chairman*. Consistent with paragraph 28 of the *Rules of Procedure for the GEF Council*, consideration of these items will be automatically included on the provisional agenda for the next meeting.

Decision by Mail – September 2004

Decision 13/2004 Intersessional Work Program

1. The Council reviewed the proposed [work program](#) posted on August 5, 2004, and finds that, with the exception of
 - 1) Vietnam: Promoting Energy Conservation in Small and Medium Scale Enterprises;
 - 2) Brazil: Ecosystem Restoration of Riparian Forests in Sao Paulo;
 - 3) Nigeria: National Fadama Development Program II; and
 - 4) Mozambique: Transfrontier Conservation Areas and Tourism Development 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.
2. With respect to projects listed above, the Council requests the Secretariat to arrange for Council Members to receive the draft final project document and transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing the project document for final approval by the Implementing Agency. The project may be reviewed at a subsequent Council meeting at the request of at least four Council Members.

Decision by Mail – October 2004

Decision 14/2004 Report to the tenth session of the CoP to the UNFCCC

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

24th Council Meeting – November 2004

Decision 15/2004 Monitoring and Evaluation

Process for Monitoring and Evaluation Relations with Council and Other Entities

1. The Council, having reviewed document GEF/ME/C.24/1, [Elements for a New GEF Monitoring and Evaluation Policy](#), approves the elements as a basis for the development of a new monitoring and evaluation policy, subject to the comments made by the Council. The Council requests the GEF Office of Monitoring and Evaluation to prepare a new policy, in consultation with the appropriate partners involved in monitoring and evaluation on various levels in the GEF, for review and approval by the Council.
2. The Council agreed, in particular, with proposals concerning:
 - (a) Interaction between the Council and the Office of Monitoring and Evaluation.
 - (b) Procedures for the follow-up of monitoring and evaluation reports through management responses.
 - (c) Procedures for preparing a management action record for reporting on follow-up to decisions of Council concerning monitoring and evaluation reports and management responses.
 - (d) Start of a process of consultation with appropriate GEF partners to develop proposals for a new division of labor on monitoring and evaluation instruments.

The Council noted that the annual Project Performance Report is to become an annual GEF Performance Report.

Action Plan to Respond to Recommendations of the Project Performance Review

1. The Council, having reviewed document GEF/ME/C.24/2, [Action Plan to Respond to the Recommendation of the 2003 Project Performance Report](#), approves the plan, subject to comments made at the meeting. The Council requests the Secretariat and the Office of Monitoring and Evaluation, in collaboration with the Implementing and Executing Agencies, to implement the plan and report to the Council on an annual basis.

Management Response to the Review of GEF's Engagement with the Private Sector

1. The Council takes note of document GEF/ME/C.24/6, [Management Response to the Review of GEF's Engagement with the Private Sector](#), and requests the Secretariat to better articulate a private sector strategy, with the collaboration of the Implementing and Executing Agencies, and in consultation with private sector stakeholders. The strategy should be based on a strong analysis of the barriers to private sector participation in the GEF and means to overcome those barriers. The strategy should consider:
 - (a) Expectations of various partners in a project/program context to ensure that appropriate risk-sharing arrangements are established amongst the various partners.
 - (b) Roles of the Implementing and Executing Agencies with a view to defining the types of projects that are most appropriate to the capabilities and comparative advantages of each agency.
 - (c) Norms for identification and selection of private sector partners on a competitive and transparent basis, and criteria for rewarding performance.

The strategy should also include clear operational guidelines on the scope of collaboration with the private sector. In this regard, the Secretariat is also requested to work with the Trustee to develop clear guidelines on the use of guarantees and loans in GEF projects.

Program Studies

1. The Council, having reviewed the *Executive Summaries of the [Program Studies on Biodiversity, Climate Change and International Waters](#)* (document GEF/ME/C.24/3), requests the OPS3 team to take the program studies ([GEF/ME/C.24/Inf.1](#), [Inf. 2](#) and [Inf. 3](#)) into consideration when preparing OPS3. Furthermore, Council requests the GEF Office of Monitoring and Evaluation to prepare a more extensive presentation of these

studies for discussion at the June 2005 Council meeting, taking into consideration the discussions at this Council meeting and the management responses to the studies.

OPS 3 Inception Report

1. The Council having reviewed the [OPS 3 Final Inception Report](#) prepared by the OPS 3 Team (document GEF/ME/C.24/4), takes note of it and requests the team to take into account the suggestions and comments made during the meeting in preparing OPS3.

Four Year Work Plan

1. The Council reviewed document GEF/ME/C.24/5, [Draft Four Year Rolling Work Plan and Budget](#), and approves the principles and overall scope of the plan, subject to the comments made during the Council meeting. The Council requests the Office of Monitoring and Evaluation to present a more detailed four year rolling work plan and budget to the June 2005 Council meeting, recognizing the short time that was available to the newly appointed Director of the Office of Monitoring and Evaluation to prepare the document for this meeting.
2. To assist the Office of Monitoring and Evaluation in the implementation of its terms of reference, in particular the initiation of a consultative process and preparation for new activities, the Council approves a temporary and contingent supplement of US\$ 250,000 to the budget of the Office of Monitoring and Evaluation for FY05 only. The approval of additional resources is without prejudice to the Council decision on the detailed budget that the Office of Monitoring and Evaluation will present to the Council meeting in June 2005 for FY06 and beyond.

Decision 16/2004 Verification of Replenishment Targets

1. The Council, having reviewed document GEF/C.24/3, [Reporting on Performance Targets to be Achieved by Fall 2004](#), and taking into account the verification provided by the Office of Monitoring and Evaluation, determines that the GEF has not achieved the performance measures as noted in footnote to Attachment 1 of the Agreement to the third replenishment of the GEF Trust Fund.

Decision 17/2004 Decision on the Fourth Replenishment of the GEF Trust Fund

1. The Council requests the Trustee of the GEF Trust Fund, in cooperation with the CEO/Chairman of the Facility, to initiate discussions on the replenishment of the GEF Trust Fund with the convening of a planning meeting for the negotiations of the fourth replenishment of the GEF Trust Fund to be held on early March 2005.

Decision 18/2004 Work Program

1. The Council reviewed the proposed [work program](#) submitted to Council in document GEF/C.234/5, and approves it³ subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by December 3, 2004.
2. The Council finds that with the exception of:
 - (a) China: PCB Management and Disposal Demonstration Project (World Bank)
 - (b) Global: Building Capacity for Effective Participation in the Biosafety Clearing House (BCH), (UNEP)
 - (c) Global: Development of National Biosafety Frameworks project (UNEP)
 - (d) South Africa: Wind Energy Programme (UNDP)

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

With respect to the four projects listed 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.

3. With respect to the proposal for the Small Grants Program (SGP), the Council agrees to an increase in funding to USD47 million for the first year of GEF SGP OP3 (mid-February 2005 to mid-February 2006). The Council also agrees that:

³ One Council Member, in light of national legislation regarding its country's voting position for development projects financed by certain development institutions, opposed the following project proposal: *Global: Land Degradation Assessment in Drylands (LADA)*(UNEP)

- (a) The SGP monitoring and evaluation framework should begin to measure global environmental benefits as an urgent priority.
- (b) The increase in the ceiling from USD50,000 to USD150,000 for strategic projects in the SGP should be conducted on a pilot basis for one year and should be limited to five percent of the total allocation of grants for the year. If an evaluation finds that this increase has not adversely affected programs in SIDS and LDCs, this limit may be raised to ten percent in subsequent years.
- (c) Decisions on the amount of resources for the second and third year of funding for SGP OP3 will be taken by the Council at a later date.
- (d) UNDP will prepare an information paper on SGP graduation issues for Council consideration.

With respect to the project *Slovak Republic: Global Programme to Demonstrate the Viability and Removal of Barriers that Impede Adoption and Successful Implementation of Available, Non Combustion Technologies for Destroying Persistent Organic Pollutants*, (UNDP/UNIDO), the Council takes note that the CEO will request UNDP and UNIDO to submit a revised project document to him for endorsement and that he will circulate the revised document to the Council prior to his endorsement.

Decision 19/2004 Institutional Relations

1. The Council reviewed document GEF/C.24/7, [Institutional Relations](#), and welcomes the progress that has been made in the support of international environmental conventions and GEF collaboration with the UN Commission on Sustainable Development.
2. The Council requests the GEF Secretariat and the Implementing and Executing Agencies to continue to seek opportunities to work with recipient countries to develop and implement projects consistent with the guidance from the Conventions and GEF operational policies and procedures. The GEF Secretariat is requested to maintain its consultations with the Implementing Agencies, Executing Agencies and Convention Secretariats on how best to ensure continued responsiveness to the relevant decisions of the conventions and to keep the Council regularly informed of the progress that is being made.

Decision 20/2004 Resource Allocation Framework

1. The Council takes note of the document GEF/C.24/8, [GEF Resource Allocation Framework](#), and is appreciative of the progress that has been made through its consultations on this issue.

2. The Council also takes note of the three motions which have been tabled by Council Members in accordance with paragraph 37 of the Rules of Procedure for the GEF Council with a view to facilitating a final decision on this issue at the Council meeting in June 2005. The [three motions](#) are annexed to this summary.
3. The Council requests the Secretariat to continue its work on the development of data and indicators necessary for the implementation of a resource allocation framework.

Decision 21/2004 Business Plan

1. The Council, having reviewed the [GEF Business Plan FY05-06](#), document GEF/C.24/9/Rev.1, takes note of the information on the performance in FY03-04 and the strategy for managing the pipeline of projects for the remainder of GEF-3 and into GEF-4.

Decision 22/2004 Amendments to the Instrument

1. The Council, having reviewed document GEF/C.24/10, [Proposed Amendments to the Instrument](#), agrees to recommend to the third GEF Assembly the following amendments to the *Instrument of the Establishment of the Restructured Global Environment Facility*:

Paragraph 13 of the Instrument should be amended to read:

The Assembly shall consist of Representatives of all Participants. Each Participant may appoint one Representative and one Alternate to the Assembly in such manner as it may determine. Each Representative and each Alternate shall serve until replaced. The Assembly shall be convened after the conclusion of negotiations on each replenishment of the GEF Trust Fund, or at such other frequency as the Council may decide, at a location agreed by the Council. The Assembly shall elect its Chairperson from among the Representatives.

Paragraph 17 of the Instrument should be amended to read:

The Council shall meet semi-annually or as frequently as necessary to enable it to discharge its responsibilities. The Council shall meet at the seat of the Secretariat unless the Council decides otherwise. Two-thirds of the Members of the Council shall constitute a quorum.

The Secretariat is requested to submit these recommendations to the third GEF Assembly for approval.

Decision 23/2004 Climate Change Funds

1. The Council, having reviewed document GEF/C.24/12, [*Programming to Implement the Guidance for the Special Climate Change Fund adopted by the Conference of the Parties to the United Nations Framework Convention on Climate Change at its Ninth Session*](#), endorses the programming document as an operational basis for funding of activities under the SCCF. The Council welcomes the Summary of the meeting of potential donors for the SCCF (document GEF/C.24/CRP.2) and expresses its appreciation for the initial pledges that have been made to the SCCF. The Council requests the Secretariat to make the documents available for Parties participating in the tenth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change to be convened in Buenos Aires in December 2004. The Secretariat is also requested to make available to the tenth session of the UNFCCC COP the information documents before the Council concerning the Least Developed Countries Fund. The Council requests the Secretariat to keep it informed of progress made in implementing the programs of the SCCF and to bring to its attention adjustments that may be required as experience is gained in financing on-the-ground projects.

Decision 24/2004 Recommendations of the Working Group on Medium-sized Projects

1. The Council reviewed document GEF/C.24/13, [*Proposals for Enhancing GEF Medium-sized Projects*](#), and approves the following as means to expedite and streamline the processing of medium-sized projects.
2. The Council agrees to increase the ceiling of GEF financing for PDF-A's to develop medium sized projects to \$50,000. This increase should apply to PDF-As prepared by both Implementing and Executing Agencies acting within their agreed scope of activities.
3. The Council approves the establishment of a GEF Corporate Program on Smaller-Sized MSPs and a pilot country-level program in Argentina to experiment with the implementation of smaller-sized MSPs through a decentralized country mechanism on the following understandings:
 - (a) Both Implementing and Executing Agencies (within their agreed GEF scope of activities) will be eligible for managing projects under both pilot programs.
 - (b) Upon completion of the pilots, an evaluation of each will be provided to the Council.
 - (c) Consistent with the current MSP procedures, the Council will continue to receive, for comment, project documents of the MSPs to be financed under these programs.
 - (d) The size of the global program will be limited to \$10 million for a two year period.

- (e) The technical review committee for the global program will consist of the GEF Secretariat, members of the STAP roster, and interested Implementing and Executing Agencies acting in an advisory capacity. Other organizations and individuals that have no conflict of interest in terms of receiving GEF grants may also participate in the review committee.
- (f) The GEF Secretariat will reconsider the administrative cost of the global program and report back to the Council on the administrative expenses necessary to manage the program in its corporate budget to be reviewed in June 2005. It is expected that the project fees for projects under both programs will be less than those for regular MSPs, and this should be reflected in the fee policy paper that is to be considered by the Council. In proposing a reduced fee, appropriate account will be taken of the reduced services that will be expected from the Implementing and Executing Agencies in supporting the project proponents in project development and reviews.
- (g) No further country-based pilot programs will be presented to the Council before there is a Council approved policy on their use, including criteria for the selection of countries.
- (h) The technical review committee for the Argentina program will also include the GEF Secretariat, STAP roster experts, and representatives of other organizations or individual experts with no conflict of interest as GEF grants recipients. The technical review committee will be sufficiently broad based in its membership to ensure checks and balances and quality control.
- (i) It is understood that proposals for activities in Argentina will be addressed under the country pilot program and not the global program.