

HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS
44TH GEF COUNCIL MEETING
JUNE 18 - 20, 2013

1. The following is a record prepared by the GEF Secretariat of comments, understandings, and clarifications of certain points made by Council Members during discussions of the agenda items and related decisions. The Joint Summary of the Chairs records the decisions agreed by the Council. These points are supplemental to the Joint Summary.

Agenda Item 4 Annual Monitoring Review FY 12: Part II

2. Several Council Members expressed appreciation for the results-oriented approach in the Annual Monitoring Review (AMR) FY12: Part II.

3. Council Members agreed that Multi-focal Area (MFA) projects are essential to promoting synergy and integration among GEF's focal areas while achieving significant impacts. These offer promising directions for the GEF to design future projects. A few Members requested the Secretariat for an analysis and breakdown of MFA projects by the different focal areas.

4. Council Members indicated strong interest in sections of the document reporting on gender mainstreaming, indigenous peoples' involvement, and Civil Society Organization (CSO) participation, and requested the Secretariat to continue to report on these elements in the AMR. Many Council Members expressed concern over the seemingly low participation rates of indigenous peoples and CSOs, and uneven gender mainstreaming across different focal areas in GEF-funded projects.

Agenda Item 5 First Report of OPS5 and Management Response

5. Many Council Members expressed hope that the final report of OPS5 would provide more information on multi-focal area projects and programs and their implications for the GEF. Questions raised focused on whether these projects and programs had an added value, or higher impact, or generated more global environmental benefits compared to focal area projects and whether they originated in a top-down or bottom-up fashion and capacity needs to undertake these projects. How to strengthen broader adoption and change at the system level in GEF projects and programs was a second issue raised by many Council Members. The precise implementation and effects of mainstreaming, replication, up-scaling and market change were mentioned as important elements for the GEF to consider in the GEF-6 replenishment.

6. Several Council Members asked for further work in OPS5 on co-financing as this could potentially lead to a better definition of co-financing requirements and new guidelines.

7. Several Council Members invited the Evaluation Office to present more concrete recommendations or options for the GEF-6 replenishment negotiations in the final report of OPS5.

8. The Director of the Evaluation Office confirmed that further evaluative work in OPS5 aims to answer the questions and issues raised and indicated that the final report of OPS5 will include concrete recommendations and options for consideration by the replenishment.

Agenda Item 6 Update on GEF-5 Programming

9. Several Council Members voiced their appreciation for countries that have released their historical deferred contributions, and for those that have undertaken steps to pay their contributions on time, thereby significantly reducing the projected shortfall for GEF-5.

10. One Council Member announced the deposition of its Instruments of Commitment for GEF-4 and GEF-5 and indicated that measures are being taken to actually pay contributions. Another Council Member also referred to steps that have been taken to ensure timely contributions into the future, and to make payment for the entirety of its GEF-5 pledge.

Agenda Item 7 Update on GEF 2020

11. The Council heard presentations from Professor Johan Rockström, Director, Stockholm Resilience Centre, and the GEF CEO, Naoko Ishii. Professor Rockström summarized the strong scientific evidence suggesting that the Earth is at a new juncture in which human activity is starting to overwhelm natural phenomena on a planetary scale, and that reaching catastrophic tipping points can no longer be excluded. He emphasized that in order to avoid fundamentally compromising earth's life-support systems, urgent and profound transformations would be needed across a number of domains, including food, energy, urbanization, population, and biodiversity management. He also stated that evidence shows that these transformations are possible and also have beneficial outcomes for poverty alleviation and human prosperity. Prof. Rockström noted that GEF has a significant role to play in supporting these transformations through its focus on innovation, sustainable technologies and policies, as well as on mainstreaming ecosystem protection. Furthermore, he considers that GEF is very well placed to become a protagonist in the stewardship of the global environment by virtue of its ability to work holistically across most of the key drivers of environmental degradation.

12. The GEF CEO, Naoko Ishii, presented the principles that will form the basis of the GEF 2020 strategy, including a focus on the drivers of global environmental degradation, based on the best available science. She emphasized the need for the GEF to proactively build productive relationships with partners, to be strategic about how it catalyzes impact at scale, and how it should continue to strengthen operations to build stronger feedback loops necessary for continuous learning. The CEO also noted that GEF 2020 has an opportunity to articulate how the generation of the global environmental benefits has become a critical foundation for sustainable development and for meeting the future SDGs. Finally, she noted the importance of GEF 2020 in continuing to promote the mandate of the GEF consistent with the GEF Instrument.

13. Several Council Members appreciated the focus on drivers of environmental degradation and the novel ideas that are required to deal with the emerging trends. They also noted that the strategy should adopt this focused approach, while preserving and reinforcing what is already working well at the GEF. The importance of country ownership and convention guidance was noted, as was the need to find an appropriate balance between bottom-up and top-down approaches.

14. In addition, several Council Members noted that the GEF is only one among a multitude of actors, making it imperative that the strategy articulates the ways in which GEF both distinguishes itself from and relates itself to these other players. The importance of the private sector in this regard was particularly emphasized. .

Agenda Item 8 Update on GEF-6 Replenishment

15. Several Council Members welcomed the Secretariat report on the GEF-6 Replenishment and the video statement by Helen Clark, Administrator of UNDP. The Government of India welcomed the replenishment parties to the second replenishment meeting scheduled to be held in India in September 2013.

Agenda Item 9 Report on the Pilot Accreditation of GEF Project Agencies

16. Several Council Members expressed their appreciation of the technical briefing on the Stage II review process, organized during lunch on June 19, 2013, by the GEF Secretariat and the Accreditation Panel. The briefing, they confirmed, in addition to providing useful information and an effective opportunity for interaction with the Panel, also revealed the seriousness, thoroughness and robustness of the Stage II review process that is being conducted by the Panel.

17. Many Council Members emphasized the importance of undertaking a thorough and comprehensive review of applications in line with GEF standards in order to maintain the credibility of the process and to minimize reputational and fiduciary risk for the GEF; but they also pointed out the importance of completing the review process expeditiously and within a reasonable timeframe.

18. One Council Member requested clarification on why, despite the fact that a second deadline for submission of Stage I applications was announced, applications received by that deadline were not reviewed. The Secretariat explained that 16 applications were received by the first deadline, of which 11 agencies were approved by the Council to move to Stage II and given the original Council approved target of “up to 10 agencies”, the 42nd Council decided in June 2012 to “postpone the consideration of a next round of accreditation until its November 2012 meeting” in order to avoid the possibility of exceeding the original target.

19. One Council Member inquired why UNESCO was not included among the UN agencies listed in the footnote of the Council paper under discussion and the Secretariat explained that only those agencies which have submitted their Stage I applications by the December 2011 deadline were listed in the footnote and that UNESCO had submitted their application by the June 2012 deadline.

20. Several Council Members emphasized the significance of making sure that all GEF agencies, both existing and newly accredited agencies, comply with the same set of standards and they welcomed the Secretariat's launch of the evaluation of the existing GEF agencies with regards to their compliance with the GEF's Environmental and Social Safeguards, including Gender Mainstreaming. It was noted that any existing agency that does not fully meet the GEF's minimum standards should be required to take necessary action to complete compliance.

21. The Council requested that the Secretariat provide an update of Agency progress on meeting the GEF Fiduciary Standards and Environmental and Social Safeguards policy in the upcoming Council.

Agenda Item 10 Statements by the Executive Secretaries of the Conventions

22. The Council showed strong appreciation for the exchange of views among Luc Gnacadja from UNCCD, Jim Willis from the BRS Conventions, and Braulio Ferreira de Souza Dias from the CBD on the theme of how three conventions can create synergies. The Council encouraged the Secretariat to conduct these interactive sessions in future Council meetings.

23. The Council stressed the need for more synergies across the conventions to be reflected in the work of the GEF, emphasizing the need to move away from working in silos. The Council also noted that the GEF looks at obligations set forth by the conventions and is held accountable to attaining the objectives set by the conventions. The Council added that decisions on synergies have been taken at the level of the conventions and this serve as guidance to the GEF.

Agenda Item 11 Report by the Chairperson of the Scientific and Technical Advisory Panel

24. Dr. Thomas Lovejoy updated the Council on the STAP's recent work and offered observations, insights, and recommendations for the GEF based on his five years of Chairmanship of the STAP. During his presentation, he first emphasized his agreement that the GEF was moving in the right direction in terms of more integrated projects and programs that synergistically address issues across focal areas and across the environmental and socio-economic domains. He pointed out that the signature programs being discussed under GEF-6 will enable the GEF to make further progress in this regard, he underscored the benefits likely to arise from investment in three areas in particular: sustainable agriculture/food systems, sustainable cities, and improved forest conservation and management at scale. He noted that STAP is committed to assisting the GEF to develop such comprehensive programs further, particularly in terms of design and delivery elements.

25. The STAP Chair also raised three questions for the GEF to ponder in the future. First, as the GEF fulfills its mandate of generating global environmental benefits, should it be content with seeking development co-benefits, or should it more actively and explicitly target development challenges, and seek to generate GEB's in the course of meeting those challenges? He pointed out that STAP's paper on cross-focal area integration devolves around this question and suggests increasing the centrality of the sustainable development agenda in GEF operations and programming and using the cross-cutting themes as a vehicle for this purpose. Second, he recommended that the Council think about what the appropriate balance should be between

seeking immediate, measurable and certain return on investment in the short term (e.g. global environmental benefits achieved/\$ invested) and actions that will yield long-term and uncertain, but potentially larger returns is? Thirdly, should the GEF be focusing on scaling-up known and established solutions, or invest in developing the next generation of technology options that will be needed in the times to come? With regard to these last two points, he emphasized his thoughts that greater GEF investment in ecosystem restoration efforts at scale could yield new innovations and approaches as well as large potential cross-cutting benefits over the long-term.

26. The Council underscored the critical need for better generation and tracking of data concerning global environmental benefits from GEF projects so that STAP and others could better assess trends and provide the GEF with better scientific and technical advice.

27. The Council thanked Dr. Lovejoy for his leadership as STAP Chair and welcomed Dr. Rosina Bierbaum as the new Chair of STAP. Achim Steiner, Executive Director of UNEP, did the same through a recorded message.

Agenda Item 12 Relations with the Conventions and Other International Institutions

28. The Council welcomed the Report on the Relations with Conventions.

29. Several Council Members found it useful that the report included a table detailing GEF response to UNFCCC guidance and suggested that a similar approach be taken in other focal areas in future reports.

Update on Mercury Convention Negotiations

30. The Chairman of the INC, Fernando Lugris, made a presentation explaining the status of the negotiating document as well as the expectations of the participants leading up to the upcoming Diplomatic Conference in Japan for the purpose of adopting the Minamata Convention and opening it for signature. He called on the Council to provide initial financing in support of ratification.

31. Council Members emphasized the importance of synergies between the conventions, specifically in light of the presentations given by the Executive Secretaries of the Conventions present at the Council meeting, adding that having the GEF as a financial mechanism for the Mercury Convention has consequences on the GEF-6 replenishment.

Agenda Item 13 Note on the Organization of the Fifth GEF Assembly

32. The Government of Mexico officially offered to host the Fifth GEF Assembly on May 28-30, 2014.

33. CSOs asked to organize a one-day CSO forum prior to the meeting, similar to the one organized for the 4th Assembly.

Agenda Item 14 Work Program

34. Council Members provided comments on specific projects in the work program and requested the Agencies to consider them in the further development of the projects. Some Council Members and the representative of the CSO network indicated that they will be providing written comments to the Secretariat for the Agencies' consideration.

35. A number of Council Members expressed concern regarding Africa's low share of 14 percent in the work program and suggested that it would be useful to present cumulative totals by region and by replenishment period to understand regional trends. The Secretariat responded by explaining that if taken in the overall context of GEF 5, including approvals for medium-sized projects and enabling activities, the cumulative grants approved for countries in the Africa region is 31 percent of GEF resources and comparable to the historic trend.

36. Several Council Members including the CSO representative, while acknowledging the GEF Agencies' recognition of public participation, gender mainstreaming and private sector involvement in several projects, also raised concern regarding the weakness of the same in many of the projects in the work program and urged the Secretariat to be more vigilant in giving importance to these elements when reviewing projects. The CSO representative emphasized the need for Agencies to ensure that CSOs are engaged in the different stages of the project cycle.

37. Several Council Members expressed they had found it difficult to review World Bank projects under the pilot GEF-World Bank harmonization pilot introduced a few months ago as part of the project cycle streamlining efforts. The documentation received deviated from the GEF PIF format and did not mention contributions to global environmental benefits and expected GHG emissions. Council Members expressed a desire to see all agencies use a common PIF format. The CEO indicated that since this pilot scheme has just been initiated, the Secretariat would take stock of the experience of the pilot and report back to the Council.

Agenda Item 15 GEF Business Plan and Corporate Budget for FY14

38. Several Council Members emphasized the need to keep administrative budgets at the GEF and other international organizations flat, and they thanked the GEF Secretariat and STAP for keeping their core budgets flat. Council Members raised specific questions, comments, and concerns about the Trustee and GEF Secretariat budgets.

39. The Trustee explained that FY13 expenditures were higher than budgeted due to audit expenses and management costs being higher than expected. Investment management costs were higher because the amount of assets under management was higher than anticipated. The Trustee updated the Council on its work on building a new information platform for its Financial Intermediary Funds, of which the GEF is one.

40. The Secretariat explained that the reason for the under run for staff salaries and benefits in 2013 was that staff vacancies had taken longer to fill than expected.

41. The CEO clarified that there had been clear improvements in the Secretariat in terms of gender and regional balance. Between 2009 and 2013, the percentage of posts filled by women

had risen from 44 percent to 50 percent. The percentage of staff from developing countries had risen from 37 percent to 49 percent during the same period.

42. With regard to the long-term strategy, the CEO answered that one of her most important tasks as CEO is to ensure that the GEF has a long-term vision that meets the challenges it faces in a changing strategic context. She clarified that the contract was bid following the World Bank's procurement procedures and that the consortium selected was the best out of the seven bids received. The Secretariat will present the results at the November 2013 Council meeting.

Agenda Item 16 Work Program and Budget of the GEF Evaluation Office

43. Questions were raised on whether the shift in funding of staff from the multi-annual budget to the annual budget was wise given the cyclical nature of the work at the Office. The Director confirmed the cyclical nature of the work and that the Office hires additional staff on a temporary basis when needed, but also confirmed that the proposed shift in funding related to staff that need to be present on a permanent basis. Another issue raised was the representativeness of staff in gender terms and in terms of regions. The Director mentioned that all regions were represented in the Office and that there was a general gender balance, but that the Office aimed to get this balance improved at the management level.

44. One Council Member noted a delay in actual disbursements for OPS5 from fiscal year 2013 to fiscal year 2014 and asked whether this indicated a delay in delivering the final report of OPS5. The Director explained that the commitments have been made and the delivery will be on time, but that the contracts include stipulations that disbursements are made when products are delivered to the Office and that this means a shift of actual expenditure to fiscal year 2014. The multi-annual budget has allowed the Office to make all necessary commitments and to pay according to contractual arrangements.

Agenda Item 18 Other Business

45. The Council confirmed its 45th session for November 5-7, 2013 in Washington, D.C. The Council also agreed to have its 46th session on the May 26-27, 2014 in Mexico, to be followed by the GEF's Fifth Assembly.