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Agenda Item 07

GEF BUSINESS PLAN AND CORPORATE BUDGET FOR FY16

Recommended Council Decision

The Council, having reviewed document GEF/C.48/05, *GEF Business Plan and FY16 Corporate Budget*, took note of the business plan, and approved a FY16 corporate budget from the GEF Trust Fund of \$25.408 million, comprised of:

- (a) \$19.831 million for the GEF Secretariat,
- (b) \$2.540 million for STAP, and
- (c) \$3.037 million for the Trustee,

In addition, under agenda item 08 of its 48th meeting, the Council, having reviewed document GEF/ME/C.48/01, *Four Year Work Program and Budget of the GEF Independent Evaluation Office*, approved a FY16 budget of \$4.709 million for the IEO.

The Council also approved a total FY16 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of \$39,000, comprised of the following allocations from the NPIF to cover the Secretariat's and Trustee's expenses for NPIF administration and implementation:

- (a) \$20,000 for the GEF Secretariat; and
- (b) \$19,000 for the Trustee

The Council requests the Secretariat, in consultation with STAP and the Trustee, to present a combined FY17 corporate budget and business plan for discussion at its 2016 spring meeting.

EXECUTIVE SUMMARY

1. This document presents the update of the GEF Business Plan for GEF-6 and FY16 budget request to cover expenses of three of the central GEF entities for their activities under the GEF Trust Fund: the Secretariat; the Scientific and Technical Advisory Panel (STAP); and the Trustee.¹ It also includes budget requests for the Secretariat and Trustee for their activities under the Nagoya Protocol Implementation Fund (NPIF).²
2. The document begins with the update of the GEF Business Plan, and describes key priorities and tasks that the entities of the GEF network will undertake during FY16 within the framework of the Business Plan adopted by Council in May 2014 (GEF/C.46/08/Rev.01). A core emphasis of the Secretariat will be to act effectively and efficiently with its partners and stakeholders to fully deliver GEF-6, in line with the strategic directions, priorities, and policies adopted and approved by Council, and the mandate and unique assets of the GEF.
3. Following this discussion, the document sets out the combined FY16 corporate budget request. The total FY16 budget request from the GEF Trust Fund for the three GEF entities amounts to \$25.408 million. As set out in Table 2 in the text, this is comprised of:
 - (a) Secretariat: \$19.831 million
 - (b) STAP: \$2.540 million; and
 - (c) Trustee: \$3.037 million.
4. In addition, a total administrative budget of \$39,000 is requested to cover the expenses of the Secretariat and the Trustee for the administration and implementation of the Nagoya Protocol Implementation Fund during FY15:³ (i) \$20,000 for the Secretariat; and (ii) \$19,000 for the Trustee.
5. Finally, the document reports on the use of GEF resources and key accomplishments in FY15 of the GEF Secretariat, STAP and the Trustee. This includes multiple actions supported by the Secretariat to program resources and to implement the recommendations from the GEF-6 replenishment negotiations. Details are set out in Annexes 1-4.

¹ Beginning this fiscal year, the budget request of the Independent Evaluation Office (IEO) is being presented separately from those of the other three GEF entities. Please refer to GEF/ME/C.48/01, *Work Program and Budget of the GEF Independent Evaluation Office*, for details.

² The FY15 budget for the LDCF and SCCF Trust Funds are being presented separately to the LDCF/SCCF Council.

³ Resources are requested from the Nagoya Protocol Implementation Fund.

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INTRODUCTION

1. This document presents an update of the GEF Business Plan for GEF-6 submitted to Council last year,⁴ and the budget request for FY16 to cover expenses of the GEF Secretariat, STAP, and the Trustee.⁵ This budget request will draw from the GEF Trust Fund and the Nagoya Protocol Implementation Fund (NPIF), as appropriate. It does not include the administrative costs associated with the Least Developed Countries Fund (LDCF) and the Special Climate Change Fund (SCCF), which are being presented separately to the LDCF/SCCF Council.
2. As background, the document includes in Annexes 1-4 a summary of developments and accomplishments of the Secretariat, STAP and the Trustee during FY15.

BUSINESS PLAN

3. The discussion below updates the GEF Business Plan adopted by Council at its 46th meeting in May 2014, which reflected the priorities agreed upon for GEF-6 and actions to implement those priorities.⁶ As we are now in the second year since Replenishment, this report provides an update on progress and key areas of focus for the Business Plan for FY16.
4. The Business Plan also reflects key elements of the *Long-Term Strategy for the GEF* (GEF 2020),⁷ including integrated approaches, support for innovative and scalable interventions focused on the drivers of environmental degradation, enhancing country ownership, mobilizing stakeholders for solutions, and putting a focus on results and efficiency. A core continuing emphasis of the Secretariat is to work with partners and stakeholders to fully deliver GEF-6.

Policies and Priority Initiatives

Results-based Management (RBM) and Knowledge Management (KM)

5. The Secretariat will continue to consult and collaborate with the Agencies, the IEO, STAP, and other stakeholders to advance its work on RBM and KM, in line with priorities and decisions set by Council.
6. Under the RBM Action Plan, the Secretariat, in partnership with the Agencies and Conventions, has started implementation of five key actions: (1) review and, where necessary, upgrade all results frameworks at the GEF with a focus on alignment, efficiency, and relevance; (2) strengthen corporate-level results reporting; (3) review and upgrade GEF's IT platform to support the RBM system; (4) review and, where necessary, strengthen management and working capacity for RBM in the GEF Secretariat; and (5) conduct an independent assessment of the

⁴ GEF Business Plan adopted by Council at its 46th meeting in May 2014 (GEF/C.46/08/Rev.01).

⁵ The work program and budget of the GEF Independent Evaluation Office is presented in Document GEF/ME/C.48/.01, *Work Program and Budget of the GEF Independent Evaluation Office*.

⁶ The policy recommendations and programming priorities established for the GEF-6 Replenishment, which are included in the *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* (Council Document GEF/C.46/07). The Action Plan for implementing the *GEF-6 Policy Recommendations* is attached as Annex 1.

⁷ See *Long-Term Strategy for the GEF – GEF 2020*.

improved RBM system (see GEF/C.48/Inf.07, *Progress Report on the Implementation of the Results-based Management Action Plan*).

7. Under the proposed KM approach, the Secretariat, working with the Agencies and other stakeholders, will pursue two main objectives: first, to inform global, regional and national policy dialogues on options and approaches to reverse the course of environmental degradation; and second, to improve the impact of GEF-supported projects and programs. The Secretariat proposes a number of initial actions to these ends, including: (1) setting up a new KM team in the GEF Secretariat; (2) establishing an inter-agency KM Working Group (WG) to support the GEF KM agenda; (3) working with the KM WG to prepare a more detailed implementation plan that builds on the initial actions; (4) engaging with the upgrade for IT to ensure KM support tools are part of the future vision and implementation, with the “open-access” approach to information fully embedded; and (5) and engaging on the RBM action plan implementation to ensure strong synergy and support in these actions (see GEF/C.48/07, *GEF Knowledge Management Approach Paper*).

Revamped technology platform

8. The Secretariat is taking several steps to revamp its technology platform in support of its work on RBM, KM, programming and other activities, and in response to the recommendations from the Replenishment. These steps are being taken in coordination with, and built on, earlier efforts with the Trustee to enhance in particular the project management information system (PMIS).

9. In FY15, the Secretariat commissioned a strategic stock-take of its information technology (IT) needs, which is now being followed up by intensive engagement with the World Bank’s Information Services Technology Department (the GEF’s service supplier for IT). A significant upgrading of the GEF Secretariat’s IT use and platforms is required to tool the GEF for the future and for more efficient working. Key areas that will be significantly enhanced by an upgraded platform include RBM and KM, Document Management, Project Lifecycle Management, Communication and Stakeholder Engagement, Event Management and Data Analytics. The Secretariat is working with the World Bank Department of Information Technology Services (ITS) Department to upgrade GEF’s IT toolkit by introducing new off-the-shelf software, customized to reflect the GEF’s various business needs in each of these areas.

Country and Stakeholder Engagement and Partnership

Enhancing Gender Mainstreaming

10. The GEF is committed to strengthening its gender mainstreaming efforts and contributing to gender equality and women’s empowerment through its operations in GEF-6. The Secretariat will work as a matter of priority in implementing the [*Gender Equality Action Plan*](#). In this regard, the Secretariat recently created a Gender and Social Issues core team and retained an experienced extended term consultant with gender-specific expertise to advise and support the effective implementation of the Gender Equality Action Plan and interlinked social dimensions as part of the core team of these actions, including the assessment of the internal capacity and provision of options to strengthen them. The Secretariat is continuing to work in partnership in

implementing the Gender Equality Action Plan by engaging the GEF Agencies and other partners through the Inter-Agency Working Group on Gender for timely and effective implementation, monitoring and reporting of the Gender Equality Action Plan.

Civil Society and Indigenous Peoples Engagement

11. The Secretariat and its partners recognize the positive and crucial roles played by Civil Society Organizations (CSOs), including indigenous peoples, in safeguarding the global environment and contributing to the work of the GEF. In support of this engagement, the Secretariat developed in FY15 new GEF Guidelines to better implement the GEF's [Public Involvement Policy](#). These guidelines include guidance and an action plan, and the Secretariat will work with stakeholders and partners to translate this into reality. As part of these efforts, the Secretariat is working with civil society, agencies and other partners to set up a working group to discuss ways to follow-up on these efforts and actions. Plans are underway to schedule a meeting of the working group on June 1, 2015, a day in advance of the Council meetings.

12. The Secretariat will also continue and strengthen its engagement with Indigenous Peoples in its projects and operations. The GEF Indigenous Peoples Advisory Group (IPAG), consisting of members of Indigenous Peoples, Indigenous Peoples expert, GEF Agency, and GEF Secretariat representatives, will continue to play a key role in implementing the [GEF Principles and Guidelines on the Engagement with Indigenous Peoples](#) (2011). The 3rd Meeting of the IPAG was held at the margin of the GEF Assembly in May 2014, which discussed monitoring, capacity development, financial windows/mechanisms, and outreach related to GEF projects that involve Indigenous Peoples. The GEF Secretariat, together with the IPAG, will work on concrete products and outreach activities to enhance Indigenous Peoples involvement in GEF projects and operations.

Enhancing Engagement with the Private Sector

13. During GEF-6, the GEF will continue efforts to mainstream private sector engagement in its projects and programs, including in the GEF focal areas, and through the IAPs and projects accessing the Non-grants Instrument Pilot window. These efforts will build on the outlines of the Secretariat's report to Council in October 2014 on actions to enhance private sector engagement.

14. Specific steps for implementation are underway, including the promotion of greater private sector engagement during NPFEs, which has already been emphasized in the new NPFE guidelines, and outreach to operational focal points and integration of private sector engagement in the Expanded Constituency Workshops (ECWs), with an emphasis on focal areas with barriers to private sector engagement. GEF's private sector engagement will continue to focus on cutting edge innovation and risk-taking, building on experience and lessons learned.

15. The Secretariat has already initiated a number of activities in GEF-6 under the Country Support Programme (CSP), and is encouraging recipient countries to engage with a broad set of stakeholders, including civil society, indigenous peoples and the private sector, in decisions on the programming of GEF-6 resources. These dialogues provide important opportunities to review and encourage new approaches and priorities for programming in GEF-6. A full list of country and regional dialogues carried out so far in FY15 is in Annex 2.

Strategic and Effective Resource Programming

Programming Activities

16. The GEF programming work puts emphasis on supporting projects and programs that ignite new and innovative approaches to achieving global environmental benefits and provide opportunities to scale-up benefits. Through enhanced engagement with the private sector and other stakeholders, the GEF will pursue opportunities for cutting-edge practices and technologies to accelerate achievement of Global Environmental Benefits (GEBs). The Secretariat will also ensure best use of its technical and environmental specialists to work in cross-sectoral regional teams and to more effectively interact and respond to country needs under GEF-6.

17. The Secretariat, in collaboration with the Agencies, recipient countries and STAP, is providing financial resources under the approved GEF-6 programming strategies. As part of GEF-6, the Secretariat will be presenting the largest single Work Program ever to this June Council meeting. This program will collectively propose to program over \$700 million of GEF resources to 40 projects, programs, and Integrated Approach Pilot (IAP) programs to deliver a significant proportion of the GEBs that are targeted in the GEF-6 programmatic directions.

18. The GEF has also begun implementation of the Non-Grant Instrument Pilot adopted by Council in October 2014. This June Work Program proposal includes the first three non-grant pilot project proposals for Council deliberation.

Efficiency of the Project Cycle

19. The Secretariat and the Agencies will work to implement the efficiency measures identified and developed in recent years. In October 2014, the Council approved a new Cancellation Policy⁸ for projects that may become overdue, to enhance predictability and reinforce incentives to speed up project preparation. The Secretariat is now proposing an approach, in Council Document GEF/C.48/04, *Expediting the Preparation of the Stock of Delayed Projects*, to address the existing stock of overdue projects.

20. The Secretariat will continue to implement the updated Policy on the Programmatic Approach to expand the opportunities to develop more impactful and better resourced investment packages, and the updated and more uniform approach to Agency fees.⁹

Engaging in Global Policy Discussions

21. The GEF aims to take part in shaping global policy dialogues, building on its accumulated knowledge, its convening power, and its mandate across a range of environmental domains. This requires a strong communication and outreach strategy that helps bring messages and knowledge from within the GEF to the right fora at the right time. There will be a number of opportunities in this regard in the coming year.

⁸ Amended by Council in October 2014, this Policy (*Cancellation of Projects*) has been posted to the GEF's webpage at: https://www.thegef.org/gef/policies_guidelines/project_cancellation.

⁹ Adopted by GEF Council in October 2014, see GEF.C.47.07, *Improving the GEF Project Cycle*, October 2014.

22. For example, through its KM and RBM efforts, the GEF intends to achieve greater information exchange and communication about key global environmental challenges and potential solutions, in light of the experience and lessons learned through its work.

23. In line with its mandate, the GEF is also taking concerted action to support important near-term priorities in climate change. The Secretariat will provide priority support for actions in the lead-up to COP 21 in Paris, including support for development of Intended Nationally Determined Contributions (INDCs) under the UNFCCC, participation in key events in preparation for a new global climate change agreement, including the High-Level Event on Climate Change convened by the President of the United Nations General Assembly and others, continued support through GEF programming, and proactive discussions with the Green Climate Fund (GCF) and other climate funds to foster complementarity and effectiveness in climate change financing going forward.

24. The GEF will also pursue outreach to support ratifications by developing countries of the Minamata Convention on Mercury and the Nagoya Protocol on Access and Benefit Sharing. Moreover, the GEF will continue to follow closely, and contribute as necessary to, the ongoing discussions regarding the post-2015 development agenda, notably the UN Summit for the adoption of the post-2015 development agenda in September 2015, where the Sustainable Development Goals (SDGs) are to be discussed, and the Third International Conference on Financing for Development to be held in July 2015.

GEF Secretariat Organization

25. In FY15, the Secretariat has embarked on reorganizing its internal structure to ensure full alignment with new strategic directions and key priorities of GEF-6, and to enhance efficiency and effectiveness of delivery. A key objective of the reorganization has been to move away from a “silo-based” programming model toward a more integrated and region-oriented model, and to strengthen GEFSEC’s policy and partnership capabilities. The Secretariat is now organized in two main units, each headed by a Director: a Programming unit responsible *inter alia* for work program development and relations with the Convention Secretariats, and a Policy and Partnership unit responsible for full implementation of GEF-6 policy priorities, including Gender Equality and Social Issues, RBM and KM, stakeholder relationships, and associated Information Technology needs. While effective as of May 2015, full adjustment to the new structure will only happen during FY16.

FOUR YEAR GEF TRUST FUND CORPORATE BUDGET PROJECTION

26. It was agreed under the GEF-6 replenishment negotiation that the budgetary envelope for the GEF Trust Fund for the Secretariat, STAP and the Trustee will be \$106 million for four years (FY16-19) (see *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund*, Table 1, GEF/C.46/07/Rev.01). Of this amount, approximately \$80 million is allocated to the GEF Secretariat core budget (see Table 1, below). In preparing its FY16 budget request, which is the first year of four year budget period, the Secretariat projected a year-by-year budgetary plan to implement reforms, initiatives and policies agreed under the GEF6 replenishment to ensure the overall budget remains within the budgetary envelope. The four-year projection,

developed in consultation with STAP and the Trustee, also allows modest increases in the STAP and Trustee budgets during FY17-19.

27. For the Secretariat, an important feature of the projection is that in order to embark on key reforms, including RBM and KM, IT upgrading, the Gender Equality Action Plan, and the Public Engagement Policy, the increase in budgetary needs during the first year (FY16) in our transition is larger than in the outer years (FY17-19). Specifically, the FY16 budget request is 4.4% higher than FY15, followed by a more steady-state trend at an average of less than 1% per year increase for the core budget in the following years to FY19. This is reflected in Table 1, below.

Table 1: GEF Trust Fund Corporate Budget Projections for FY16-19

GEF Entities	FY16 Request	FY17 Projection	FY18 Projection	FY19 Projection	FY16-19 TOTAL
Secretariat Core Budget	19.831	19.979	19.996	20.292	80.098
Secretariat Special Initiative	0.000	0.000	1.825	0.000	1.825
Secretariat Total	19.831	19.979	21.821	20.292	81.923
STAP Total	2.540	2.628	2.690	2.753	10.611
Trustee Core Budget	3.037	3.201	3.361	3.516	13.115
Trustee Special Initiative	0.000	0.000	0.351	0.000	0.351
Trustee Total	3.037	3.201	3.712	3.516	13.466
Total Corporate Budget	25.408	25.808	28.223	26.561	106.000

FY16 GEF TRUST FUND CORPORATE BUDGET REQUEST

28. The GEF corporate budget finances the administrative and other costs of three of the central entities of the GEF – the Secretariat, STAP, and the Trustee under the GEF Trust Fund (the budget for the IEO is presented separately). As shown in Table 2 below, the total GEF Trust Fund budget request for FY16 is \$25.408 million, as compared to \$24.668 million for FY15. This consists of the following:

- (a) A core budget increase requested by the GEF Secretariat of \$843,000 or 4.4 percent.
- (b) No increase requested by STAP.
- (c) A decrease in the Trustee’s core budget of \$102,500 or about 3 percent.
- (d) No additional request for “Special Initiatives” (see Annex 2).

Table 2: FY16 GEF Trust Fund Corporate Budget Request

GEF Entities and Budget Items	FY15 and FY16 Budgets (\$ million)	
	FY15 Approved Budget	FY16 Budget Request
Secretariat Core Budget	18.988	19.831
STAP Core Budget	2.540	2.540
Trustee Core Budget	3.140	3.037
Core Budget Subtotal	24.668	25.408
Secretariat Special Initiatives	0.000	0.000
Trustee Special Initiative	0.000	0.000
Special Initiative & Multi-Annual Subtotal	0.000	0.000
Total Corporate Budget	24.668	25.408

Secretariat FY16 Budget, Activities, and Outputs

29. Specifically, under the GEF Trust Fund, the Secretariat is requesting a core FY16 budget of \$19.831 million. Estimated actual expenditures during the current fiscal year, FY15, are indicated in Table 3 below, and show a projection of full use of budgeted funds.

30. The requested FY16 budget will enable the Secretariat to kick-start implementation of the key priorities noted above, in particular to: (1) implement the RBM and Gender Equality Action Plans, the proposed approach on KM, and new private sector initiatives, in response to requests by Council; and (2) upgrade the Secretariat’s Information Technology systems to support these priority initiatives and GEF programming work. It also contains a budget to cover potential relocation nearby due to planned major structural work on the GEF’s building facilities.¹⁰

31. The Secretariat is reinforcing its capacity to implement these Action Plans and initiatives, and FY16 will be a critical year in this work. The Secretariat recently has created core teams on RBM and KM, Gender and Social Issues, and Stakeholder Engagement and Partnerships, and has strengthened its focus on private sector engagement.

32. The planned upgrade of the Secretariat’s IT system will also be a key investment to support this work. As described in the Business Plan above (paragraphs 8 and 9), this will entail a substantial investment to ensure that Secretariat systems are fully fit for purpose to deliver the core GEF-6 priorities. For much of this IT cost, the Secretariat intends to draw on the balance remaining in the Special Initiative on the GEF Management Information System (\$463,759) and

¹⁰ The Secretariat also would like to flag that it has been alerted to a possible increase in charges by the World Bank, our host institution, to cover staff overheads and benefits; such increase has not been planned for in the budget.

the Performance Based Allocation System (\$222,229) (see Annex 2). The remainder of these costs are included in the core budget request, and are one reason that FY16 is relatively higher than other years.

33. The Secretariat’s FY16 request is set out in Table 3 below. Further details on the activities carried out by the Secretariat in FY15, and on Special Initiative Funds available for specific purposes, are set out in Annex 2.

Table 3: FY16 GEF Secretariat Core Budget Request

Expense Category	(\$ million)			
	FY14 Approved Budget	FY15 Approved Budget	FY15 Estimated Actual	FY16 Request
Staff Costs	13.758	14.217	14.254	15.197
Salaries and Benefits	11.875	12.517	12.290	13.247
Travel	1.760	1.600	1.900	1.850
Training	0.123	0.100	0.064	0.100
Consultant Costs	0.600	0.700	0.740	0.700
Council Costs	0.721	0.721	0.721	0.721
Logistics	0.314	0.314	0.314	0.314
Council & NGO Travel	0.407	0.407	0.407	0.407
Cross Support from World Bank	0.286	0.150	0.123	0.123
External Outreach, Publications, Media, and Web	1.169	1.200	0.900	0.950
General Operations Costs	1.991	2.000	2.199	2.140
Office, Equipment, Supplies, Communications & Internal Computing	1.923	1.930	2.127	2.080
Representation and Hospitality	0.068	0.070	0.066	0.060
TOTAL	18.525	18.988	18.937	19.831

34. Table 4 below shows the projected budgetary needs over the four-year GEF-6 replenishment period for the Secretariat. While these longer-term projections are subject to adjustment in a year-by-year review with Council, they indicate how the Secretariat is planning to meet its budget needs within the budget envelope of approximately \$80 million of the \$106 million overall budget envelope agreed during replenishment, as reflected in Table 1 above.

Table 4: GEF Secretariat Core Budget Projections for GEF-6 (FY16-19)

GEF Secretariat	FY16 Request	FY17 Projection	FY18 Projection	FY19 Projection	FY16-19 TOTAL
Staff Costs	15.197	15.252	15.401	15.805	61.675
Salaries and Benefits	13.247	13.302	13.451	13.855	53.875
Travel	1.850	1.850	1.850	1.850	7.400
Training	0.100	0.100	0.100	0.100	0.400
Consultant Costs	0.700	0.700	0.700	0.700	2.800
Council Costs	0.721	0.721	0.721	0.721	2.884
Logistics	0.314	0.314	0.314	0.314	1.256
Council & NGO Travel	0.407	0.407	0.407	0.407	1.628
Cross Support from World Bank	0.123	0.123	0.123	0.123	0.492
External Outreach, Publications, Media, and Web	0.950	0.975	1.025	1.000	3.950
General Operations Costs	2.140	2.208	2.026	1.943	8.297
Office, Equipment, Supplies, Communications & Internal Computing	2.080	2.148	1.966	1.883	8.057
Representation and Hospitality	0.060	0.060	0.060	0.060	0.240
TOTAL	19.831	19.979	19.996	20.292	80.098

STAP FY16 Budget, Activities, and Outputs

35. The STAP budget request for FY 16 reflects a balance between the imperative for financial restraint as well as effective implementation of the STAP Work Program for GEF-6¹¹. The STAP Work Program, in turn, seeks to address the challenges of supporting greater program integration in the GEF as outlined in the GEF 2020 Strategy¹² and the STAP Report to the 5th GEF Assembly¹³. Throughout GEF-6, STAP will build on existing experience – and greatly amplify the integrative nature of its work – to help ensure that GEF activities are evidence-based, that we are extracting maximum learning and knowledge benefit from the existing repository of

¹¹ GEF/STAP/C.47/Inf.02, *Work Program of the Scientific and Technical Advisory Panel* – An update on status of implementation will be presented at the 49th Meeting of Council.

¹² GEF/C.46/10, *GEF 2020 – Strategy for the GEF*.

¹³ GEF/A.5/03, *Report of the Scientific and Technical Advisory Panel*.

projects, and that future initiatives – particularly the new integrated approaches – are predicated on the best available science.

36. The current STAP Budget and Work Program document also seeks to address the key recommendations contained in the OPS5 review of STAP. The review addressed the effectiveness of STAP, and its growing responsibilities and functions in support of the GEF program. The report underscored the fact that STAP resources have changed very little in comparison to other GEF corporate entities over the years, although programmatic responsibilities have increased substantially.

37. This budget request recognizes the growing expectations from the GEF Partnership for STAP to engage more proactively and in an iterative fashion in the development of new GEF programs. These include the Integrated Approach Pilots as well as new GEF operational initiatives such as the Knowledge Management Strategy. STAP looks forward to working closely with the GEF Secretariat, Agencies, Conventions, and country partners in moving forward with these new initiatives.

38. Over the coming year, STAP will complete work on measuring and evaluating the impact of climate adaptation initiatives as well as assessing resilience in social-ecological systems. We are making plans to present the results of these efforts on the margins of UNFCCC COP 21 in Paris later this year. The results of these activities will also contribute to addressing the challenge of improving climate resilience in the GEF Program¹⁴. STAP will of course continue to implement other key components of its Work Program, including assessing potential governance arrangements in areas beyond national jurisdiction, improving management and safe disposal of mercury, guidance for project developers to maximize socio-economic benefits in biodiversity conservation initiatives, and proposing approaches for mainstreaming how GEF initiatives address black carbon mitigation in design and implementation, among others.

FY16 STAP Budget Request

39. STAP's expected FY15 expenditures and the requested FY16 corporate budget are summarized in the Table 5 below. STAP work program activities for FY 15 have been implemented within the approved budget. Due to the differing fiscal years between UNEP and the GEF, STAP wishes to stress that FY 15 expenditures are estimates at this time.

¹⁴ GEF/ME/C.39/4, *Evaluation of the Strategic Priority for Adaptation*.

Table 5: FY15 STAP Budget Request

STAP -- Secretariat Expense Category	<i>FY14 Approved Budget (\$ million)</i>	<i>FY15 Approved Budget (\$ million)</i>	<i>FY15 Estimated Actual (\$ million)</i>	<i>FY16 Request (\$ million)</i>
<u>Staff Costs</u>	<u>1.108</u>	<u>1.283</u>	<u>1.283</u>	<u>1.283</u>
Salaries and Benefits	0.995	1.170	1.170	1.170
Travel	0.107	0.107	0.107	0.107
Training	0.006	0.006	0.006	0.006
<u>Consultant Costs</u>	<u>0.295</u>	<u>0.325</u>	<u>0.325</u>	<u>0.325</u>
Fees (long-term)	0.220	0.250	0.250	0.250
Travel	0.075	0.075	0.075	0.075
<u>General Operations Costs</u>	<u>0.248</u>	<u>0.253</u>	<u>0.253</u>	<u>0.253</u>
Office Space, Equipment, and Supplies	0.120	0.125	0.125	0.125
Communications and Internal Computing	0.041	0.041	0.041	0.041
Corporate Services	0.085	0.085	0.085	0.085
Representation and Hospitality	0.002	0.002	0.002	0.002
SUB-TOTAL	<u>1.651</u>	<u>1.861</u>	<u>1.861</u>	<u>1.861</u>
STAP -- Panel Member Expense Category				
Honoraria & Logistical/Secretarial Support	0.277	0.300	0.300	0.300
MOUs with Expert Institutions	0.120	0.100	0.100	0.100
STAP Meetings	0.220	0.240	0.240	0.240
STAP Publications	0.044	0.039	0.039	0.039
SUB-TOTAL	<u>0.661</u>	<u>0.679</u>	<u>0.679</u>	<u>0.679</u>
TOTAL	<u>2.312</u>	<u>2.540</u>	<u>2.540</u>	<u>2.540</u>

Trustee FY16 Budget, Activities, and Outputs

40. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

41. According to Annex B of the *Instrument for the Establishment of the Restructured Global Environment Facility* (in paragraph 8), the “reasonable expenses incurred by the Trustee for the administration of the Fund and for expenses incurred in administratively supporting the Secretariat” are reimbursed annually, on the basis of estimated cost, subject to end-of-year adjustment. At its June 2007 meeting, the GEF Council approved the methodology for reimbursement of the Trustee’s costs and expenses as follows: The Trustee presents its projected budget for the coming fiscal year based on the expected work program and associated staff costs

and expenses, and receives an allocation from the GEF Trust Fund; at the end of each fiscal year, the Trustee reports the actual staff costs and expenses incurred to the Council, and reconciles this amount against the allocation provided.

42. In May 2014, Council approved a core budget estimate of \$3.14 million for FY15 to cover Trustee's services and the cost of external audit of the GEF Trust Fund. The Trustee estimates that expenses for FY15 are expected to be \$3.04 million, reflecting a decrease of \$103,750 compared to the approved budget. The decrease was largely on account of the decrease in investment management costs as a result of the lower than expected level of liquidity (fund balance) in GEF.

Trustee FY16 GEF Trust Fund Budget

43. In addition to standard trustee services, the FY16 work program will include the following items:

- (a) Implementation of the GEF-6 replenishment resolution, including working with donors to facilitate deposit of Instruments of Commitment, ensuring compliance with replenishment resolution policies.
- (a) Finalize Financial Procedures Agreements (FPA) with newly accredited GEF Project Agencies.
- (b) On-going negotiations to revise and update FPA with the original ten GEF Agencies.
- (c) Ensure Agencies' compliance under their FPAs, including periodic financial reports related to GEF financed activities implemented by the Agencies.
- (d) Administrative support to the GEF Secretariat in implementing policies approved by the Council.

5. The Trustee's core budget estimate for FY16 amounts to \$3.04 million as shown in Table 6 below. This represents a decrease of \$102,500 from the FY15 approved amount and is consistent with FY15 estimated actuals reflecting efficiency gains in Trustee services. The Trustee requests a budget of \$3.037 million for FY16.

Table 6: Proposed Trustee Budget for GEF Trust Fund (FY16)

(in USD)

Trustee Services	FY14 Actual	FY15 Approved	FY15 Expected Actual	FY16 Budget Request
Standard Services				
Financial Management and Relationship Management	1,192,000	1,252,500	1,264,000	1,259,000
Investment Management <i>a/</i>	1,432,000	1,428,000	1,315,000	1,341,000
Accounting and Reporting	174,000	172,000	173,000	173,000
Legal Services	216,000	167,000	163,000	144,000
Sub-total, Standard Services	3,014,000	3,019,500	2,915,000	2,917,000
Audit				
External Audit of Trust Fund	134,400	120,000	120,750	120,000
Agency Audits	0	0	0	0
Total Core Budget	3,148,400	3,139,500	3,035,750	3,037,000
Special Initiatives	0	0	0	0
Special Initiatives - Replenishment <i>b/</i>	315,000	0	0	0
Total Costs, including Special Initiatives	3,463,400	3,139,500	3,035,750	3,037,000

a/ Investment Management fees are calculated based on a cost of 3.5 basis points against the average annual balance of the Trust Fund.

b/ Represents costs associated with the Sixth Replenishment of GEF Resources (GEF-6).

FY16 NAGOYA PROTOCOL IMPLEMENTATION FUND BUDGET REQUEST

44. The GEF Secretariat and Trustee request a total of \$39,000 from the NPIF to support their respective activities to administer the trust fund. The separate budget requests and the related background and justifications are presented in Table 7 below.

Table 7: FY16 NPIF Budget Request

(in USD)

GEF Entities and Budget Items	FY15 Approved Budget	FY15 Estimated Expenses	FY16 Budget Request
Secretariat - NPIF Administrative Budget	25,000	22,000	20,000
Trustee NPIF Budget	24,600	24,000	19,000
Total – NPIF Budget Requests	49,600	46,000	39,000

45. Since the inception of the NPIF in the summer of 2011, the GEF CEO has approved a total of 13 NPIF project proposals, totaling \$15.1 million (including Agency fee) and leveraging \$32.4 million in co-financing. These projects have benefited a total of 52 countries in support of Nagoya Protocol ratification and have included: 10 country-based projects (in Argentina, Bhutan, Cameroon, Colombia, Cook Islands, Costa Rica, Fiji, Gabon, Kenya and Panama), two regional projects (one in Central Africa, for the 10 member states of the Central African Forest Commission (COMIFAC), and another in the Pacific region, for the 12 member countries of the Secretariat of the Pacific Regional Environment Programme (SPREP), and one global project (in 21 different countries).

Secretariat Activities in FY15

46. The 46th GEF Council in May 2014 took note of the GEF Secretariat's good progress in managing the NPIF. It decided to extend the operation of the NPIF to December 31, 2020 for operational reasons to allow continued project preparation and implementation of projects for which a Project Identification Form (PIF) had already been approved. Consistent with the GEF Council decision on the NPIF from May 2011, the Council has not approved new PIFs under the NPIF since June 30, 2014.

47. During FY15, the Secretariat staff have worked closely with and provided necessary guidance to the GEF Agencies on continued preparation of the PIF-approved projects. GEF Secretariat staff also attended the 12th Conference of the Parties (COP) of the Convention on Biological Diversity (CBD) and reported on the progress made under the NPIF and its projects focused on ratification and early implementation of the Nagoya Protocol.

Secretariat Activities and Budget for FY16

48. The GEF Secretariat will continue to work with the GEF Agencies on final approval of PIF-approved projects, portfolio monitoring and reporting, and other necessary oversight functions. The GEF will also continue to report on the projects' progress and results to the GEF Council, to the CBD COP, and to the COP serving as the Meeting of the Parties to the Nagoya Protocol on Access and Benefit Sharing. To cover these minimum functions, and as reflected in Table 8 below, the GEF Secretariat requests an administrative budget of \$20,000, all of which will cover staff costs.

Table 8: GEF Secretariat FY16 NPIF Budget Request

(in USD)

Expense Category	FY15 Approved Budget	FY15 Estimated Expenses	FY16 Budget Request
Staff Costs (Salaries & Benefits)	25,000	22,000	20,000
Total	25,000	22,000	20,000

Trustee FY16 NPIF Budget

49. As agreed with NPIF donors under the relevant Trust Administration Agreements, the Trustee receives an annual administrative fee to cover the reasonable actual expenses incurred by the Trustee in carrying out its function for the NPIF.

50. The core elements of the Trustee's work program in FY16 include: (i) management of donor contributions, (ii) financial and investment management of resources, (iii) commitments and disbursements to the Agencies, (iv) infrastructure and systems support, and (v) accounting and reporting for the financial and operational activities of the NPIF. Table 9 below shows the breakdown of the Trustee fee by services provided to the NPIF.

51. To cover its expenses for FY16, the Trustee requests a budget of \$19,000 as presented in Table 9 below. This represents an overall decrease of \$5,000 compared to the FY15 estimated

actual cost of \$24,000. It is anticipated that FY16 requirements for Trustee services will be reduced compared to FY15 levels.

Table 9: GEF Trustee FY16 NPIF Budget Request

(in USD)

Trustee Services	FY15 Approved Budget	FY15 Estimated Expenses	FY16 Budget Request
Financial Management and Relationship Management	9,200	9,000	5,000
Investment Management a/	4,300	4,000	5,000
Accounting and Reporting	3,900	4,000	4,000
Legal Services	7,200	7,000	5,000
Total Costs	24,600	24,000	19,000
a/ Investment Management fees are calculated based on a cost of 3.5 basis points against the average annual balance of the portfolio.			

ANNEX 1: ACTION PLAN FOR IMPLEMENTING GEF-6 POLICY RECOMMENDATIONS

The Table below presents the Action Plan developed at Replenishment, and approved by Council, for implementing GEF-6 Policy Recommendations. Each of the recommended actions has been completed (as noted also in Business Plan, above).

Date	Action
46 th Council Meeting, May 2014	<ol style="list-style-type: none"> 1. Council to consider a proposal for updating the STAR for GEF-6, including the following modifications: (i) increasing the weight of the GDP per capita index to 0.08; (ii) lowering the ceilings imposed on each focal area to 10 percent; and (iii) increasing the aggregate floor to \$6 million for LDCs. The Secretariat, in line with the mid-term evaluation of the STAR and OPS5 recommendations, to include a review of the feasibility of changing other elements of the STAR system, and the procedures for flexible use of country allocations. 2. Council to consider a policy for providing clarity in definitions and approaches to promoting effective co-financing; indicate a level of ambition for the overall portfolio to reach a co-financing ratio of at least 6:1; and create expectations for greater co-financing for upper middle income countries that are not SIDS.
47 th Council Meeting, October 2014	<ol style="list-style-type: none"> 1. Council to consider a proposal for a non-grant instrument pilot employing resources from the non-grant set-aside, including updated tools. 2. Council to consider further measures to improve the policies and procedures associated with the project cycle, including the programmatic approach, and a portfolio management system to keep track of project progress through the partnership. 3. Council presented with a report on actions taken to enhance private sector engagement. 4. Council to consider a gender action plan, for enhancing gender mainstreaming, including use of gender sensitive indicators and sex-disaggregated data. 5. Council to consider a comprehensive work plan for further strengthening results-based management system and for building a knowledge management system, supported by a revamped technological platform that is fit for this purpose. 6. Council presented with public involvement guidelines.

ANNEX 2: GEF SECRETARIAT - FY15 REVIEW OF ACTIVITIES AND ACHIEVEMENTS

1. This annex provides further detail on the Secretariat's FY15 activities, accomplishments and expenditures. It includes an accounting of spending under its core budget as well as the status of the activities and outputs under the multi-year special initiatives approved in previous years.

Expenditure under FY15 Budget

2. During the past two years, the Secretariat strengthened budget control in the Secretariat by making team leaders accountable for expenditures in their respective units. This has significantly strengthened the budget planning process and monitoring of expenditures.

3. Simultaneously, the Secretariat has been given important new tasks and responsibilities in its core work as part of its responsibility to deliver GEF-6. These tasks are described in the sections on the main text of the Business Plan and in the following section, Key Developments and Accomplishments.

4. As noted previously, the Secretariat has been carrying out an internal reorganization to better integrate its programming and policy-related work to be well aligned with GEF-6, and to move away from the more "silo-based" structure of separated focal areas of the past. The internal budget process has been adjusting to this new structure, which is expected to be fully in place by the end of this fiscal year.

5. The Secretariat projects that actual FY15 spending through June 2015 will total approximately \$18.937 million, as shown in Table 10 below. This reflects a close and careful approach to budget planning and tracking this past fiscal year, in line with the amount approved by Council and very little underrun overall. The slight underrun in the category of salaries and benefits is due to the fact that certain positions have been filled in the latter part of the fiscal year.

Table 10: Comparison of FY14 and FY15 Expenditures

Expense Category	FY14 Approved Budget (\$ million)	FY15 Approved Budget (\$ million)	FY15 Estimated Actual (\$ million)
Staff Costs	13.758	14.217	14.254
Salaries and Benefits	11.875	12.517	12.289
Travel	1.760	1.600	1.900
Training	0.123	0.100	0.064
Consultant Costs	0.600	0.700	0.740
Council Costs	0.721	0.721	0.721
Logistics	0.314	0.314	0.314
Council & NGO Travel	0.407	0.407	0.407
Cross Support from World Bank	0.286	0.150	0.123
External Outreach, Publications, Media, and Web	1.169	1.200	0.900
General Operations Costs	1.991	2.000	2.199
Office, Equipment, Supplies, Communications & Internal Computing	1.923	1.930	2.217
Representation and Hospitality	0.068	0.070	0.066
TOTAL	18.525	18.988	18.937

Key Developments and Accomplishments in FY15

6. Several key developments and accomplishments of the GEF during FY 15 are noted below:

- (a) Programming. Continued work on programming of GEF Trust Fund resources during FY15. As indicated in the Work Program presented to Council, this program will collectively propose to program over \$700 million of GEF resources to 40 projects, programs, and Integrated Approach Pilot (IAP) programs to deliver Global Environmental Benefits targeted in the GEF-6 programmatic directions
- (b) Policies, Guidelines and Action Plans. All policy recommendations of the GEF 6 replenishment, adopted by Council, were carried out in FY15 (see Annex 1). This included the development and adoption of new policies, guidelines and action plans relating to Cancellation of Projects, Programmatic Approach, Agency Fees, Non-Grant Instruments, Gender Equality, Results Based Management (RBM), Knowledge Management (KM) (proposed at this meeting) and Public Involvement. The GEF Secretariat has been working to implement the new RBM action plan, is proposing a new set of actions to enhance KM, and is working to revamp and upgrade the technology platform to support these efforts. This work is described in the Business Plan, above, and in the related papers being submitted to Council.

- (c) GEF 2020. In October 2014, the Council endorsed intersessionally the *Long-Term Strategy for the GEF – GEF 2020*.¹⁵ GEF 2020 sets out an overall vision and strategic directions that strengthen the ability of the Secretariat and the GEF partnership to deliver programming and key priorities agreed by Council for GEF-6, and lays the foundation for the longer term.
- (d) Integrated Approach Pilots. Three major Integrated Approach Pilot Projects have been submitted for council deliberation, on Food Security, Taking Deforestation out of Supply Chains, and Sustainable Cities. If approved, these will become major steps toward delivering more impactful integrated finance packages to countries that deliver results across two or more focal areas of the GEF.
- (e) Country Support Programme. The Secretariat, together with its partners, has convened a number of Country Support Programme (CSP) activities to build awareness and advance implementation of new strategic directions, priorities, and programming activities for GEF-6. As described in further detail in the Business Plan, below, these include several Extended Constituency Workshops (ECWs), National Dialogues, and voluntary National Portfolio Formulation Exercises (NPFs), and a three day introductory training session in Washington for a number of country Operational Focal Points (OFPs) and new members of GEF implementing agencies.
- (f) Minamata Convention on Mercury. There have been a number of projects and other actions to support ratification and early actions under the *Minamata Convention on Mercury*.
- (g) Accreditation. The Secretariat took further steps toward implementing GEF Council policies and decisions on Accreditation of new GEF Project Agencies (see Council Paper GEF/C.48/Inf.08, *Progress Report on the Pilot Accreditation of GEF Project Agencies*).
- (h) Review of Agencies on Safeguards and Gender Mainstreaming: In 2011, the Secretariat reviewed all ten GEF Agencies as to whether they met the minimum requirements of the *Policy on Gender Mainstreaming*, and it reviewed nine GEF Agencies (except the World Bank) as to whether they met the minimum requirements of the *Policy Agency Minimum Standards on Environmental and Social Safeguards*. The Council reviewed the findings and asked those Agencies that were found not to meet all the standards of either policy to devise action plans to come into compliance. Reports on implementation of the action plans were submitted to the Council in May and October 2014. A final implementation report covering both policies as well as the *Policy Minimum Fiduciary Standards for GEF Partner Agencies* is being submitted to this Council meeting for decision.
- (i) Communications and outreach: In FY15, the Secretariat embarked on a strengthened effort to boost its outreach activities through a range of channels. GEF was present and made dedicated outreach efforts at numerous

¹⁵ The Council endorsed GEF 2020 intersessionally on a no-objection basis in October 2014.

global meetings and events, including GEF-relevant COPs (in FY15: CBD, UNFCCC, and the BRS COPs), and other events, for example the Small Islands Developing States (SIDS) Conference in Samoa, AMCEN, the UN Conference on Disaster Risk Reduction in Sendai, the ICLEI world conference the Delhi Sustainable Development Summit in New Delhi, the Global Forum for Innovations in Agriculture in Abu Dhabi, the World Economic Forum in Davos, the World Water Forum in Korea, the Global Citizens Earth Day event in Washington DC, and the UN Forum on Forests in New York. Dedicated efforts have been made to promote GEF strategic priorities, for example the production and dissemination of information material about the Non-grant instrument pilot, the newly-agreed Public Involvement Policy Guidelines and others. Over the last year the Secretariat produced over 90 news features, posted on the GEF website – that receives about 48 thousand visits per month – and issued over 20 joint press releases with partners. The Secretariat has also increased its efforts to produce multimedia communication products that have been viewed 16K times and have been disseminated through different communications channels, including TV and major news outlets (Reuters, El Pais, Huffington Post, Hindu Business line, etc.). GEF’s social media outreach is increasing – Facebook followers went up from 34 thousand to 51 thousand, and Twitter followers from 9 thousand to 17 thousand.

- (j) Kyoto Protocol Adaptation Fund Board Secretariat: In addition to the services provided by the dedicated team of officials that constitutes the Adaptation Fund Board secretariat, the Secretariat continued to provide services to the Adaptation Fund Board on an interim basis, including administrative support as it relates to the budget, human resources, and information technology functions; providing co-reviews of project proposals, and technical assistance on the Fund's online accreditation application process (e.g. the workflow).
- (k) Private Sector Strategy/Engagement: Lessons learned from the GEF’s private sector experience during GEF-4 and GEF-5, as reflected in the Information Note on Private Sector engagement submitted by the Secretariat to Council in October 2014, are being used to further develop the GEF-6 strategy to mainstream private sector engagement. Activities to promote engagement conducted during this period include: private sector engagement presentation integrated into the GEF New Agency Orientation; GEF Familiarization Workshop; National Dialogues and ECWs. A special briefing, organized by the French government, was provided by the GEF Secretariat to private sector companies interested in working with the GEF. GEF side-event on private sector engagement sponsored during UNFCCC COP20. Brochures and web-site updated.
- (l) Non-Grant Instrument Pilot: The GEF Council, at its 47th meeting, approved the implementation modalities for the GEF-6 Non-Grant Instrument Pilot. The GEF Secretariat thereafter utilized multiple communication and outreach channels to inform potential public and private sector recipients, along with the GEF Partner Agencies, on the availability and scope of the Pilot. Eight submissions from six GEF Partner Agencies were received for Phase I of the Pilot, requesting a total of \$93 million in non-grant funding from the GEF Trust Fund. An extensive review

process culminated in a set of three high-quality, innovative project proposals as presented in document GEF/C.48/08, *Work Program*.

- (m) Country Support Program: As of end-April 2015, the Secretariat organized, among other things, five Expanded Constituency Workshops, six regular Constituency Meetings, and four National Dialogues. Three additional ECWs with the expected participation of 33 countries; five additional regular Constituency Meetings and four additional National Dialogues are expected to happen before the end of FY15. As of mid-April, the Secretariat had provided funding for 31 NPFs. In particular, as of the date of this writing, the Secretariat has helped to convene: five Expanded Constituency Workshops (ECWs) in Namibia, Nicaragua, Sri Lanka, Paraguay and Cape Verde with the participation of fifty countries; 31 voluntary National Portfolio Formulation Exercises (NPFs) in Pakistan, Burkina Faso, Cameroon, Congo DR, Cote d'Ivoire, Eritrea, The Gambia, Ghana, Guinea, Kenya, Liberia, Madagascar, Mali, Mauritania, Mauritius, Mozambique, Senegal, Seychelles, Tanzania, Togo, Uganda, Bangladesh, Bhutan, Cambodia, Fiji, Mongolia, Maldives, Myanmar, Armenia, St. Kitts and Nevis and St. Lucia; six Constituency Meetings for Easter Africa in Nairobi, Southern Cone in Paraguay, Easter Europe in Bulgaria, Central Asia in Switzerland, Western Africa in United Arab Emirates and Northern Africa in Egypt; and four National Dialogues in Sri Lanka, Vietnam, Indonesia and Turkey. The Secretariat will continue to work with GEF recipient countries in these settings to build awareness and capacity, and foster dialogue about the work of the GEF, and encourage them to undertake voluntary NPFs and other activities under the CSP as early as possible to facilitate strategic programming of GEF-6 country allocations.
- (n) Gender Mainstreaming Activities: During FY15, the GEF Secretariat, in close consultation with GEF Agencies and partners, has gone through a series of consultative process and prepared a comprehensive Gender Equality Action Plan to further strengthen gender equality and women's empowerment through the GEF operations, which was discussed and approved at the October 2014 GEF Council. In order to effectively meet the challenges of gender mainstreaming in GEF operation, policy and projects, the action plan addresses five key elements: 1) project cycle; 2) programming and policies; 3) knowledge management; 4) results-based management; and 5) capacity development. The implementation of the Action Plan has started in early 2015 with the creation of a Gender and Social Issues core team, hiring of an extended term consultant with gender specific expertise, incorporating gender in project templates, and outreach activities with the partners at the country and regional levels. In addition, the results and approach on gender mainstreaming of the GEF projects is presented through the *FY14 Annual Monitoring Report – Part II* at this June 2015 Council. The GEF Secretariat has also highlighted and promoted its work on gender equality and women's empowerment through various events and communications, including the Conventions' COPs, UN Conferences, high-level forums, and International Women's Day.

(o) Conferences of the Parties (COPs) and other International Events. The Secretariat participated in several COPs and related meetings for various multilateral conventions for which the GEF is a financial mechanism, including: the Convention on Biodiversity (CBD) COP 12 in Pyeongchang, Republic of Korea, in October 2014; the sixth session of the Intergovernmental Negotiating Committee on mercury (INC6) in Bangkok, Thailand, in November 2014; the UN Framework Convention on Climate Change (UNFCCC) COP 20 in Lima, Peru, in December 2014, and related meetings; and the Basel, Rotterdam, and Stockholm Conventions' COPs in Geneva, Switzerland, in May 2015, and related meetings. The Secretariat also participated in the Third International Conference on Small Island Developing States (SIDS), in Apia, Samoa, in September 2014; the UN Secretary General's Climate Summit, in New York, USA, in September 2014; the Seventh World Water Forum, in Daegu and Gyeongbuk, South Korea, in April 2015; and the 11th Session on the UNFF, in New York, USA, in May 2015. A more complete list is below:

(i) Climate Change: The UNFCCC COP 20 was held in Lima, Peru in December 2014. The CEO led the GEF delegation to the COP. Key contributions included the CEO participation in the Ministerial Dialogue on Climate Change Finance, interventions on the GEF annual report, national communications and biennial update reports, a field trip to GEF project sites, and provision of inputs to Parties during negotiations on GEF-relevant topics as requested. The Secretariat also took part in other key climate-related events, including the UN Secretary General's Climate Summit, in New York, USA, in September 2014, where key action agenda items with GEF support were announced. Additional UNFCCC-related meetings with GEF participation include the following:

- Second meeting of the National Adaptation Plan (NAP) Task Force of the Adaptation Committee on September 2014 in Bonn, Germany;
- Sixth meeting of the Adaptation Committee on September 2014 in Bonn, Germany;
- Eighth meeting of the Standing Committee on Finance on October 2014 in Bonn, Germany;
- Eighth meeting of the Board of the Green Climate Fund on October 2014 in Bridgetown, Barbados;
- Sixth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) on October 2014 in Bonn, Germany;
- Least Developed Countries Expert Group (LEG) regional training workshop on National Adaptation Plans for the Pacific on November 2014 in Port Vila, Vanuatu;
- Regional Technical Dialogue on intended nationally determined contributions on November 2014 in Mexico City, Mexico;
- Regional Technical Dialogue on intended nationally determined contributions on January 2015 in Addis Ababa, Ethiopia;

- Eighth part of the second session of the Ad Hoc Working Group on the Durban Platform for Enhanced Action (ADP) on February 2015 in Geneva, Switzerland;
 - Least Developed Countries Expert Group (LEG) regional training workshop on National Adaptation Plans for Eastern and Southern Africa on February 2015 in Livingstone, Zambia;
 - Adaptation Committee workshop on the means of implementation for enhancing adaptation action on March 2015 in Bonn, Germany;
 - Stocktaking meeting of the Least Developed Countries Expert Group (LEG) on March 2015 in Bangkok, Thailand;
 - Tenth meeting of the Technology Executive Committee (TEC) on March 2015 in Bonn, Germany;
 - Ninth meeting of the Standing Committee on Finance (SCF) on March 2015 in Bonn, Germany;
 - Ninth meeting of the Board of the Green Climate Fund on March 2015 in Songdo, Republic of Korea;
 - Third NAP Expo on April 2015 in Bonn, Germany; and Workshop on experiences, good practices, lessons learned, gaps and needs on the process to formulate and implement NAPs, organized by the Adaptation Committee and the LEG on April 2015 in Bonn, Germany.
- (ii) Land Degradation: The GEF Secretariat participated in two major events of the UNCCD, including the Third Scientific Conference and Fourth Session of the Committee on Science and Technology (CST-4) in March 2015, and the 13th Session of the Committee to Review Implementation of the Convention (CRIC13) in March 2015. The GEF Secretariat also participated in a regional workshop on alignment of National Action Programs (NAPs) for Parties from the Pacific region in March 2015.
- (iii) Chemicals and Wastes: The GEF Secretariat participated in the joint Basel, Rotterdam, and Stockholm Convention COPs (BRS COPs), held in May 2015 in Geneva, Switzerland. The delegation was led by the CEO, who participated in the opening session. The GEF Secretariat also participated in two regional workshops in preparations for the BRS COPs in Africa (March 2015) and Latin America and Caribbean (April 2015). GEF Secretariat presented the Chemicals and Waste Strategy for GEF-6 and interacted with participating countries about priority projects and programming.
- (iv) Mercury: The GEF Secretariat attended the 6th Meeting of the Intergovernmental Negotiating Committee on the Minamata Convention (INC6) in Bangkok, Thailand in November 2014. The GEF Secretariat also attended several Regional Workshops of the Minamata Convention in January, March, and April 2015 to aid countries with ratification in the interim period. The GEF Secretariat attended two forums on artisanal and small scale gold mining (ASGM) in March and April 2015.

- (v) Biodiversity: The Secretariat participated in the CBD COP 12 in October 2014, with the CEO leading the delegation. Secretariat staff also participated in several CBD meetings during the year. In addition, the GEF Secretariat and the CBD Secretariat jointly developed a half-day workshop agenda for delivery at the GEF Extended Constituency Workshops implemented for Southern Africa (February 2015), Mesoamerica and Venezuela (March 2015), and East Asia and China (March 2015).
- (vi) International Waters: The GEF delegation, led by the CEO, participated in the 7th World Water Forum, in Daegu and Gyeongbuk, South Korea, in April 2015.
- (vii) UN Forum on Forests (UNFF): The GEF delegation, led by the CEO, took part in the 11th Session on the UNFF, held in New York, USA, in May 2015. The GEF support to forest, through the Sustainable Forest Management incentive structure, was featured.
- (viii) Post-2015 Development Agenda: The GEF continued its engagement with the post-2015 development agenda process towards the UN Sustainable Development Goals (SDGs). The GEF Secretariat has been a co-lead of the sub-group working on the issue of Means of Implementation of SDGs, providing input based on the requests of the co-facilitators and the UN Statistical Commission. The GEF Secretariat also participated in various preparatory meetings for the 2015 Summit as well as for the third International Conference on Financing for Development.
- (ix) Third International Conference on Small Island Developing States (SIDS): the GEF delegation, led by the CEO, participated in the SIDS Summit in Apia, Samoa, in September 2014 to showcase GEF's targeted support for SIDs and to discuss programming opportunities.

Special Initiatives

7. The sections below report on activities conducted during FY15 (and FY14) under the various special initiatives approved by Council in previous years. Table 11 provides a consolidated summary of expenditures under these initiatives through end-March 2015.

8. As indicated below, the Secretariat intends to draw on the available balance in two of these Special Initiatives to help finance the upgrading of its IT systems. These are the initiatives on the GEF Management Information System and the Performance Based Allocation System.

Table 11: Special Initiatives

<i>Special Initiative Name</i>	<i>Approved Amount</i>	<i>Available Balance</i>
Rio+20 Special Initiative	\$210,000	\$110,639
Performance Based Allocation System	\$1,356,000	\$222,229
GEF Management Information System	\$700,000	\$463,759
Results Based Management	\$408,000	\$13,233
GEF Fifth Assembly	\$2,118,528	\$275,456
Total	\$4,792,528	\$1,085,317

Rio+20 – Special Initiative

9. Since June 2012, the Secretariat has used funding from this special initiative to support follow-on work from the Rio+20 Conference, including staff travel to meetings relating to the post-2015 sustainable development agenda. This work will continue into FY16.

Performance Based Allocation System

10. This initiative has supported development of the STAR and associated information systems and technology in support of performance-based on allocation and results. The Secretariat proposes to draw on the available balance of this Special Initiative in FY16 in the amount of \$222,229 to support its overall IT upgrade, as described in the Business Plan, as part of further improvements to performance-based approaches to allocation of resources and programming.

Management Information System

11. This initiative has supported development of improved management information system to enable the GEF and its partners to improve effectiveness across all areas of GEF business operations. For FY16, the Secretariat proposes carrying over remaining resources of \$463,759 to help implement the actions mentioned above to upgrade the GEF’s IT platform, together with resources from the previous initiative and the core budget. This investment will support, among other key priorities, the enhanced RBM and KM systems, as well as greater public involvement as indicated in the new GEF Guidelines on Public Involvement, including systems to foster enhanced access to documents, outreach and consultations/dialogue with stakeholders

Results-based Management

12. Resources from this special initiative have supported, among other things, the cost of GEF learning missions to the field and World Bank cross support to the GEF Secretariat on further development of the RBM framework for GEF-6. The Secretariat proposes carrying over remaining resources (\$13,233) to support further strengthening of RBM, including possible learning missions, in the first year of GEF-6.

GEF Fifth Assembly

13. The funds in this Special Initiative supported a range of costs for holding the GEF Fifth Assembly, including travel costs for representatives from GEF recipient countries, travel for GEF Secretariat staff, hospitality, translation and interpretation, website development, exhibition costs, communications and general operations.

ANNEX 3: STAP PUBLICATIONS AND DOCUMENTS, GEF-5 TO PRESENT

STAP 2010. *Programming Approach for Utilization of the Resources Set-Aside Outside the STAR*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.39/Inf.10**

STAP 2010. *The Evidence Base for Community Forest Management as a Mechanism for Supplying Global Environmental Benefits and Improving Local Welfare. A STAP advisory document*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.39/Inf.14**

STAP 2010. *Environmental Certification and the Global Environmental Facility: A STAP advisory document*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.39/Inf.15**

Institute for Transportation and Development Policy (Prepared on behalf of STAP) 2010 Manual for Calculating Greenhouse Gas Benefits of Global Environmental Facility Transportation Projects. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.39/Inf.16**

STAP 2010. *Advancing Sustainable Low-Carbon Transport through the GEF. A STAP advisory document*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C. 39/Inf.17**

STAP 2010. *Enhancing Resilience to Reduce Climate Risks: Scientific Rationale for the Sustained Delivery of Global Environmental Benefits in GEF Focal Areas*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.39/Inf.18**

STAP 2010. *Recommendations of the GEF-STAP Cross-Focal Area Workshop: Approaches to Address Carbon Benefits in the context of Multiple Global Environmental Benefits in Implementing the SFM/REDD+ Program in GEF-5*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.39/Inf.19**

STAP 2011. *Marine Debris: Defining a Global Environmental Challenge*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.40/Inf.14**

STAP 2011. *Hypoxia and Nutrient Reduction in the Coastal Zone*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.40/Inf.15/Rev.1**

STAP 2011. *Selection of Persistent Organic Pollutant Disposal Technology for the Global Environment Facility*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.40/Inf.16**

STAP 2011. *Review of Tools and Methods to Increase Climate Resilience of GEF Project and Programs*. Global Environment Facility, Washington, DC. **GEF ID: GEF/C.41.Inf.16**

STAP 2011. *Biodiversity and Ecosystems Policy Brief to Inform the United Nations Conference on Sustainable Development (Rio+20)*. Global Environment Facility, Washington, DC. **GEF ID: GEF.C41.Inf.17**

STAP 2011. *Environmental Project Design in the GEF: Designing Projects to Create Evidence and Catalyze Investments to Secure Global Environmental Benefits*. Global Environment Facility, Washington, DC. **GEF ID: GEF.C.41.Inf.18**

STAP 2012. *Research within the GEF: Proposals for Revising the Targeted Research Modality*. Global Environment Facility, Washington, DC. **GEF ID: GEF/STAP/C.43/Inf.02**

STAP 2012. *Climate Change: Scientific Assessment for the GEF*. Global Environment Facility, Washington, DC. **GEF ID: GEF/STAP/C.43/inf.03**

Secretariat of the Convention on Biological Diversity and STAP 2012. *Impacts of Marine Debris on Biodiversity: Current Status and Potential Solutions*. Technical Series No. 67. Montreal, Canada. **GEF ID: GEF/STAP/C.43/Inf.04**

Secretariat of the Convention of Biological Diversity and STAP 2012. *Marine Spatial Planning in the Context of the Convention of Biological Diversity*. Technical Series No. 68. Montreal, Canada. **GEF ID: GEF/STAP/C.43/Inf.05**

STAP 2012. *GEF Guidance on Emerging Chemicals Management Issues in Developing Countries and Countries with Economies in Transition. A STAP Advisory Document*. Global Environment Facility, Washington, DC. **Retrieved from: <<http://www.stapgef.org/emerging-chemicals-management-issues-in-developing-countries-and-countries-with-economies-in-transition/>>**

STAP 2012. *Revised Methodology for Calculating Greenhouse Gas Benefits of GEF Energy Efficiency Projects (Version 1.0)*. Global Environment Facility, Washington, DC. **Retrieved from: <<http://www.stapgef.org/revised-methodology-for-calculating-green-house-gas-benefits-of-gef-energy-efficiency-projects-version-1-0/>>**

Govers, G., Merckx, R., Van Oost, K. and van Wesemael, B. 2013. *Managing Soil Organic Carbon for Global Benefits: A STAP Technical Report*. Global Environment Facility, Washington, DC. **Retrieved from: <<http://www.stapgef.org/managing-soil-organic-carbon-for-global-benefits/>>**

STAP 2013. *Enhancing the GEF's contribution to Sustainable Development*. Global Environment Facility, Washington, DC. **GEF ID: GEF/R.6/Inf.03**

Yengoh, G., Dent, D., Olsson, L., Tengberg, A. and Tucker, C. 2014. *The use of the Normalized Difference Vegetation Index (NDVI) to assess land degradation at multiple scales: a review of the current status, future trends, and practical considerations*. Lund University Center for Sustainability Studies (LUCSUS), Sweden and The Scientific and Technical Advisory Panel of the Global Environment Facility (STAP/GEF), Washington, DC.

O'Connell, D., Walker, B., Abel, N., Grigg, N. 2015. *The Resilience, Adaptation and Transformation Assessment Framework: from theory to application*. CSIRO, Australia.

STAP 2014. (in press) *Optimizing the Global Environmental Benefits of Transport Biofuels*. Scientific and Technical Advisory Panel of the Global Environment Facility, Washington, DC. Authored and edited by Bierbaum R., Cowie A., Gorsevski V., Simrs R. (STAP); Rack M., Strapasson A., Woods J. (Imperial College, London) and Ravindranath N. (Indian Institute of Science, Delhi).

Sims, R., Gorsevski, V., and Anenberg, S. 2015. (in press) *Black Carbon Mitigation and the Role of the Global Environment Facility: A STAP Advisory Document*. Global Environment Facility, Washington, D.C

ANNEX 4: TRUSTEE -- FY15 REVIEW OF ACTIVITIES AND ACHIEVEMENTS

1. The World Bank as Trustee provides a range of services, broadly defined in the *Instrument for the Establishment of the Restructure Global Environment Facility*, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

2. In addition to these services, additional activities supported by the Trustee in FY15 included: facilitating approval by the World Bank Executive Directors, the GEF-6 Replenishment resolution and amendment of GEF Instrument, implementation of the GEF-6 Replenishment resolution, including working with donors to facilitate deposit of Instruments of Commitment, addressing donor inquiries regarding GEF-6 cash outlays, credits and discounts, tracking donor commitments for purposes of the GEF-6 Advance Contribution Scheme and Replenishment Effectiveness; enhancements to the internal control related to the preparation of financial statements; work with the Secretariat on policy initiatives, implementation of several Council approved policies in the context of streamlining procedures; negotiation of Financial Procedures Agreements (FPA) with the new GEF Agencies; and revisions to FPA with the existing GEF Agencies.

FY15 Projected vs. Estimated Actual

3. Based on the first nine-month period ended March 31, 2015 and projections for the remaining three months, the estimated actual expenditure for FY15 for Trustee services is \$3.04 million, reflecting a decrease of \$103,750 compared to the approved budget. The marginal increase in financial management cost was offset by the decrease in investment management costs due to lower than anticipated liquidity in the GEF Trust Fund in FY15.

4. Liquidity levels are influenced by donor contributions and cash drawdown by Agencies. Investment management cost is a variable cost that is calculated based on 3.5 basis points against the average annual balance of the Trust Fund. The net cash inflows during FY15 resulted in decreased liquidity of the GEF from a projected average of \$3.70 billion to \$3.41 billion, thereby decreasing investment management costs.

FY14 Actual expenses

5. The actual amount of Trustee expenses incurred for FY14 was \$3.46 million including the cost of audit. This is consistent with the expected actual expenditure that was reported in the Council meeting in May 2014.