



Global Environment Facility

Summary of Document GEF/C.30/6

GEF Business Plan FY07-10

Recommended Council Decision

The Council reviewed, GEF/C.30/6, *GEF Business Plan, FY07-10*, and notes the approaches proposed in the document towards implementing the recommendations of the Fourth Replenishment of the GEF Trust Fund, and programming GEF-4 resources. Council requests the Secretariat, in consultation with GEF entities, to present the next Business Plan for Council discussion at its June 2007 meeting, reporting on the accomplishments of fiscal year 07 and outlining a plan for FY08-10.

The last business plan for the GEF-3 period, GEF/C.24/9/Rev.1, GEF Business Plan, FY05-06, was presented to the Council at its meeting in November 2004. The Plan reported on the FY03-04 period, and drew the Council's attention to challenges and issues in the FY05-06 period.

The purpose of this business plan, the first proposed for GEF-4, is to inform the Council of the challenges for the upcoming GEF-4 period and steps to be taken during FY07 to begin to meet those challenges. Beginning with the Council meeting in June 2007, the Secretariat will prepare for Council review an annual up-dated business plan for the remainder of the GEF-4 period which will review the work that has been accomplished as well as the outstanding challenges to meet the objectives and policy recommendations for GEF-4.

At the conclusion of the negotiations for the fourth replenishment of the GEF Trust Fund in June 2006, 31 donor countries agreed to replenish the Trust Fund with 3.13 billion dollars for the four year period, FY07-FY10. Agreement was also reached on the policy recommendations to be implemented during GEF-4. The Council reviewed the *Summary of Negotiations on the Fourth Replenishment of the GEF Trust Fund* (GEF/C.29/3) at its meeting held on August 28, 2006, in Cape Town, and endorsed the Replenishment Resolution, the policy recommendations, and the allocation of resources among focal areas set forth in the programming paper. As requested by the Council, the CEO/Chairperson transmitted the *Summary* to the World Bank with a request that the World Bank Executive Directors be invited to adopt the Replenishment Resolution agreed during the negotiations, thereby authorizing the World Bank, as the Trustee of the GEF Trust Fund, to manage the resources made available under GEF-4. The Executive Directors of the World Bank approved the resolution authorizing the GEF-4 replenishment on October 19, 2006.

The Business Plan describes the status of policy development underway, or to be undertaken, in the following areas to: (i) implement the policy recommendation of the fourth replenishment; and (ii) to further develop the GEF as an institution well-placed to meet the challenges of assisting countries deliver global environmental benefits. The Plan describes work that needs to be undertaken in the following five broad areas: (i) Policy Development; (ii) Institutional Reform; (iii) Managing for Results; (iv) Operational Reforms; and (v) Performance Evaluation. The major challenge facing the GEF is to implement the GEF Resource Allocation Framework in the biodiversity and climate change focal areas, and the possible expansion of the framework to a GEF-wide system.

The Plan also presents resource programming targets in the different focal areas and strategic objectives during the FY07-10 period. Given the late replenishment agreement, transition to the RAF in the biodiversity and climate change focal areas, and the ongoing revision of the focal area strategies, there are expected to be some start-up delays in programming. Programming during the first two years (FY07-08) is expected to be around 35%-40% of the total resources available during GEF-4, with a larger share of programming expected to occur during FY09-10.

The Plan concludes by outlining the specific activities to be carried out in the policy development and programming areas during FY07 as a first step towards meeting the challenges of GEF-4.