



Global Environment Facility

GEF/C.30/6
November 7, 2006

GEF Council
December 5-8, 2006

Agenda Item 13

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.

EXECUTIVE SUMMARY

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.

TABLE OF CONTENTS

Background.....	1
GEF-4 Replenishment.....	1
Policy Recommendations of the Fourth Replenishment.....	1
Policy Development.....	4
GEF-4 Operational Programs and Strategies.....	4
Private Sector.....	4
Incremental Costs.....	4
Institutional Reform.....	5
Resource Allocation Framework.....	5
Partnership with Implementing and Executing Agencies.....	5
Managing for Results.....	6
Country Relations and Capacity Building.....	6
Results-Management Framework.....	6
Operational Reforms.....	7
Project Cycle and Business Processes.....	7
Fiduciary Responsibility.....	8
Corporate Communications and Transparency.....	8
Management Information System.....	8
Lesson Learning and Dissemination.....	8
Budget Reform.....	9
Performance Evaluation.....	9
Resource Programming in GEF-4.....	10
Specific Activities for FY07.....	12
Work Programs.....	13
Annex	
Annex 1. GEF-3 Retrospective.....	14

Background

1. 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 Council reviewed the business plan and took note of the information on the performance in FY03-04 and the strategy for managing the pipeline of proposals for the remainder of GEF-3 and into GEF-4. A brief retrospective on GEF-3 is presented in Annex 1.

2. This business plan is the first proposed for the fourth replenishment period of the GEF Trust Fund which covers FY07-10. Its purpose 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.

GEF-4 Replenishment

3. 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.

4. 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.

Policy Recommendations of the Fourth Replenishment

5. The main policy recommendations agreed during the replenishment negotiations and endorsed by the Council are outlined in Table 1.

Table 1: Action Plan for Implementing GEF-4 Policy Recommendations

Date	Action
Council meeting in December 2006	<ul style="list-style-type: none"> • Council to review Secretariat proposals regarding the review and revision, as necessary, of the six focal areas strategies, taking into account the cross cutting issues of sustainable forest and sound chemicals management. • Council to consider Office of Evaluation review of the experience of Executing Agencies. • Council to decide on action plan for strengthening involvement of executing agencies in GEF operations. • Council to decide on proposed results management framework . • Council to decide on clear rules, procedures and objective criteria for project selection and management of the pipeline, including a policy for cancellation of projects.
Council meeting in May/June 2007	<ul style="list-style-type: none"> • Council to decide on proposals for a simplified approach to operational programs and strategic objectives. • Council to decide on proposals of Secretariat and agencies for clearer operational guidelines for the application of the incremental cost principle. • Council to decide on proposed specific steps for project cycle streamlining. • Council to decide on Trustee’s proposed policy on strengthened accountability for Implementing and Executing Agencies.
Council meeting in November/December 2007	<ul style="list-style-type: none"> • Council to review agencies’ reports on efforts to mainstream global environmental challenges into core development work. • Council to decide on proposed communications and outreach strategy. • A performance and outcome matrix in line with international methods and standards will be included in the Annual Performance Report, and realistic and international best practice targets for ratings will be set. The goal is to achieve satisfactory ratings in all categories by 2010. Consistent with international best practices, the target for satisfactory outcome ratings should be 75%.
Council meeting in May/June 2008	<ul style="list-style-type: none"> • Council to review report on implementation of <i>Strategic Approach to Enhance Capacity Building</i>.
Council meeting in November/December 2008	<ul style="list-style-type: none"> • Council to consider independent mid-term review of the RAF and review progress in developing indicators. • Secretariat to prepare midterm review of progress in implementing GEF-4 policy recommendations.
Council meeting in May/June 2009	<ul style="list-style-type: none"> ○ Taking into account (i) the findings of the mid-term review, (ii) the progress in developing indicators for other focal areas, and (iii) subsequent decisions by the Council on the GEF-wide RAF framework, the Secretariat will implement a GEF-wide RAF by 2010, if feasible.

6. The policy recommendations of the Fourth Replenishment fall within the following framework:

I. PROGRAMMING DIRECTIONS IN GEF-4

- A. Synergies among objectives of the global environmental conventions
- B. Strengthening linkages between environment and development

II. STRATEGIES AND POLICIES

- A. Policy Development
- B. Institutional Reforms
- C. Managing for Results

III. OPERATIONAL REFORMS

- A. Project Cycle Streamlining
- B. Pipeline Management
- C. Fiduciary Responsibility
- D. Communications and Transparency
- E. Lesson Learning and Dissemination
- F. Budget Reform
- G. Institutional effectiveness

IV. MONITORING AND EVALUATION

- A. Quality of Monitoring and Evaluation Systems
- B. Compliance with GEF M&E Policy Minimum Monitoring and Evaluation Requirements
- C. Performance and Outcomes Matrix (Scorecard)

V. MID-TERM REVIEW OF POLICY RECOMMENDATIONS

7. In responding to the policy recommendations and the agreed timetable, it is important that there be appropriate sequencing of work to ensure that Council decisions on any one issue are well-reflected in other relevant areas. In this context, the Secretariat will make recommendations to the Council with respect to the timetable outlined in Table 1 if it becomes necessary to better align the timing for completing the proposed activities. For example, given the late date on which the replenishment negotiations were concluded, it has not been possible to complete the revision of the focal area strategies for review by the Council at this meeting. Instead, the Council will be presented with a “work in progress” for its review and comment, and revised strategies will be submitted to the Council for approval at its meeting in June 2007.

Policy Development

GEF-4 Operational Programs and Strategies

8. Working drafts of the strategies for the six focal areas and two cross cutting issues of sustainable forest management and sound chemicals management have been submitted for Council review and comment (GEF/C.30/5). These strategies were also submitted to Council Members by mail for comment prior to the Council meeting. The working drafts include indicators and targets for the strategic objectives that were presented to the Council in the programming paper for the fourth replenishment.

9. After discussion of the working drafts of the strategies by Council at the present meeting, the Secretariat will continue its work to revise and focus the strategies. To assist it in this effort, the Secretariat proposes to seek the advice of, and proposals from, the Council, Implementing and Executing Agencies, STAP, the conventions, NGOs and other external experts. The goal is to submit to the Council for its review and approval in June 2007 focal area strategies that are more focused and streamline, that are integrated with each other, and that include measurable indicators of global outcomes and impacts. The strategies will also incorporate proposals for a simplified approach to the GEF's operational programs and strategic objectives.

Private Sector

10. A strategy to enhance engagement with the private sector (GEF/C.28/14) was presented for Council review at its June 2006 meeting. Council requested the Secretariat to further develop the strategy. As part of its effort to develop a robust strategy, the Secretariat, in consultation with the IFC and the private sector, has embarked on an initiative to establish a GEF for the private sector with substantial private sector financing. New proposals for a comprehensive strategy will be presented to the Council in June 2007.

Incremental Costs

11. The Evaluation Office will submit to the December 2006 Council meeting the *Evaluation of the Incremental Cost Assessment*, GEF/ME/C.30/2. The evaluation confirms that the application of incremental costs should be adapted to become a more transparent, cost-effective and useful tool in project preparation and implementation. It is recommended that the current application of the incremental cost principle, especially the assessment and reporting of incremental costs, should be replaced by a more pragmatic and strategic approach. The new approach would be rooted in incremental reasoning and the focal area strategies, and would take into consideration the RAF programming framework. After discussion of the evaluation by the Council and based on Council's guidance, the GEF Secretariat will work with the GEF agencies to propose a new approach to the application of the incremental cost principle. Work will also be undertaken to develop an outreach program on related operational issues. A proposal for a new approach will be presented to the Council for review and approval at its June 2007 meeting.

Institutional Reform

Resource Allocation Framework

12. Following agreement on the GEF-4 replenishment, the initial indicative allocations under the RAF were publicly disclosed in August 2006. Please refer to GEF/C.30/11, *Progress Report on the Implementation of the RAF*, for details regarding the country and group allocations.
13. The Secretariat is consulting directly with recipient countries to facilitate the transition to the RAF in the biodiversity and climate change focal areas.
14. An inter-agency group has worked on RAF implementation issues and developed operational guidelines to support its implementation. The team recognizes that the implementation of a new system may lead to unforeseen issues. Therefore, the team developed an operational approach that seeks to provide flexibility to meet unexpected challenges while keeping within the rules of the RAF as approved by the Council.
15. One of the major challenges in the implementation of the RAF is to program towards the targets agreed for the biodiversity and climate change focal areas for GEF-4. As outlined in the focal area strategies, projected outcomes and results are proposed for each strategic objective under the focal areas. Consequently, achieving these outcomes and results is very much linked to the activities financed under each of the strategic objectives. As programming unfolds under the RAF, recipient countries, both those with indicative country allocations and those in the group, will indicate their national priorities for GEF financing. A challenge for the Secretariat and the GEF agencies is to work with the countries so that the aggregation of individual country programming leads to a portfolio that will achieve the outcomes and results projected in the focal area strategies.
16. RAF in the other focal areas. The Secretariat has initiated preliminary consultation with the inter-agency focal area task forces to identify appropriate indicators to expand the RAF to other focal areas, and expects to report to the Council on progress achieved in June 2008 in conjunction with the Evaluation Office's review of the RAF in biodiversity and climate change focal areas.

Partnership with Implementing and Executing Agencies

17. The GEF Evaluation Office has concluded an evaluation of the experience with the Executing Agencies under expanded opportunities. The Secretariat welcomes the findings and recommendations of the evaluation and, after consultation with the Implementing and Executing Agencies, has proposed a set of recommendations (GEF/ME/C.30/5) to ensure equal access to the GEF for the Implementing and Executing Agencies. The proposed actions include abolishing the corporate budget for the three Implementing Agencies beginning in FY08; increasing the fees for all GEF agencies from 9 percent to 10 percent,¹ with the increased fee amount being used by all GEF agencies to participate in GEF corporate activities; and ensuring that each agency

¹ The total fee amount for any Implementing Agency in a fiscal year will be capped at what it would have received under the present system of a 9% fee plus \$3 million in the corporate budget.

operates within the scope of comparative advantages that it brings to the GEF partnership. These arrangements are expected to enhance the engagement of the Executing Agencies in the GEF.

18. It is also proposed that the Implementing Agencies, which have developed a depth of experience of the GEF and its activities, continue to play a strategic role in partnership with the GEF Secretariat. One proposal is for an Implementing Agency to assume a lead role to coordinate work on emerging themes or programs across the entire GEF partnership in areas where the agency has particular expertise or a leadership advantage: e.g., World Bank may assume a lead role on investments in land degradation in Africa through TerraAfrica, UNEP can play a lead role in biosafety, and UNDP can have a lead role in enabling activities. The lead agency will work with all the other GEF agencies to assure that the GEF-financed activities are consistent with a programmatic approach and contribute to common corporate objectives.

19. Each GEF agency will continue to monitor progress in mainstreaming global environmental challenges into its core development work. The GEF agencies will be requested to report to the Council in November/December 2007 on their mainstreaming efforts.

Managing for Results

Country Relations and Capacity Building

20. In GEF 4, corporate activities for capacity building will build upon initiatives started in GEF-3 and will focus on: (i) delivery and management of enabling activities required by the Conventions in GEF eligible countries to facilitate implementation of the convention at the country level and consistent with convention guidance; (ii) enhancing the impact of capacity building activities through self-assessments of capacity needs and the implementation of the approved *Strategic Approach to Capacity Building* to strengthen management of global environmental issues; (iii) promoting GEF governance at the national level through the National Dialogue Initiative (NDI) and Country Support Program, (CSP); and (iv) supporting civil society to contribute to global environmental management at the national level through the Small Grants Program and the Development Marketplace. The GEF Public Involvement Policy will continue to be applied rigorously to ensure appropriate involvement of all stakeholders, including civil society, identification, preparation and implementation of projects.

21. New approaches and modalities will be developed to further operationalize the *Strategic Approach to Capacity Building*, support countries in implementation of the RAF, align on-going activities to ensure cost-effective management and to demonstrate impact. A report on the implementation of the capacity building strategy will be presented for Council review in May/June 2008.

Results-Management Framework

22. Measurement of, and managing for, results is a major challenge for the GEF. While the issue of project level indicators in the context of project monitoring and evaluation systems has been sufficiently dealt with, and considerable progress has been achieved in some focal areas in developing portfolio level indicators, further work, both at a conceptual and empirical level, needs to be undertaken. Towards this objective, the policy recommendations call for developing a results management framework for the GEF.

23. The Secretariat and the GEF agencies have begun to develop a comprehensive results management framework for GEF-4, incorporating monitoring and reporting at three levels: (i) corporate level; (ii) programmatic (focal area) level; and (iii) project-level. Among other things, this framework is intended to address: (i) progress towards/achievement of focal area targets; (ii) outcomes achieved by projects that have completed implementation; (iii) issues associated with implementation of the portfolio; and (iv) quality-at-entry of project proposals. In undertaking this task, it is understood that there is need to build on results management frameworks, including projects-at-risk systems, currently in place or under development in GEF agencies. This exercise is being carried out in parallel with the review and revision of the GEF focal area strategies so that the targets and indicators developed in the strategies are appropriately built into the results-based management framework. A *Progress Report on the Development of the Results-based Management Framework*, GEF/C.30/4, is presented for Council review and comment.

24. In order to be able to collectively address the results management framework, an inter-agency working group on results-management, chaired by the Secretariat and comprised of representatives from the Implementing and Executing Agencies and STAP has been established.² This Group will develop an overall GEF Results Management Framework for review by the Council at its June 2007 meeting.

Operational Reforms

Project Cycle and Business Processes

25. The joint evaluation of the GEF project cycle, undertaken by the GEF Evaluation Office, concludes that the current project cycle and associated procedures are inefficient and ineffective, and that it takes up to 66 months for a proposal to progress from identification to start of implementation.³ This conclusion vindicates the long-standing concern among all GEF partners that the GEF project cycle, has over the years, become unviable.

26. The Secretariat, in collaboration with the GEF Implementing and Executing Agencies, has initiated an exercise to re-think the project cycle and its associated procedures. The approach is to “wipe the slate clean” and think anew to develop business procedures that can process proposals in a timely manner through the project cycle (not exceeding 22 months from project identification to start of project implementation) towards developing implementing quality projects that deliver outputs and impacts. The cycle will have clearly targeted due diligence systems and procedures for Council oversight. Proposal(s) will be submitted for Council review at its June 2007 meeting that will clearly propose drastic changes at all levels (Secretariat, GEF agencies, Council, and countries) in managing the project cycle.

27. As outlined in GEF/C.30/3, in redesigning the project cycle, a “disciplining” system will be introduced to manage concepts and proposals in the project pipeline with clearly identified elapsed time benchmarks between key milestones. Proposals not meeting these standards will be dropped from pipeline/cancelled as a standard practice unless there are exceptional

² The GEF Evaluation Office has offered to provide advice to the group.

³ Elapsed times have been aggravated by resource constraints that have adversely affected the GEF project processing cycle for both GEF-2 and GEF-3. A similar situation is evolving with the delayed effectiveness of GEF-4.

circumstances. This system will be incorporated with an alert mechanism into the new management information system that is under development.

Fiduciary Responsibility

28. The Trustee will develop a policy on minimum fiduciary standards for Council review in June 2007. Such standards are to be applied and monitored across all Implementing and Executing Agencies. The fiduciary standards will be consistent with international best practice, including: independent oversight, audit, evaluation and investigation functions; external financial audit, financial management and control frameworks; project appraisal standards, including environmental assessments and other safeguard measures as appropriate; monitoring and project-at-risk systems; procurement, financial disclosure; hotline and whistleblower protection and codes of ethics.

Corporate Communications and Transparency

29. Corporate communications will encompass global messaging, products and services, and coordination of communications on GEF activities across the GEF agencies. Steps are being taken to ensure that GEF support and activities are publicly recognized in the countries. The purpose of a GEF-wide communications approach is to ensure that the GEF: (i) speaks with one compelling voice from a coherent set of public messages; (ii) acts as an effective advocate for the global environment; (iii) systematically embeds strategic communications in its outreach; (iv) regularly disseminates “stories” of GEF accomplishments; (v) builds a stronger public awareness of the GEF role; and (vi) has a coordinated and streamlined means of sharing communications messages, tools and products throughout the GEF agencies. A corporate communications strategy will be presented for Council review in December 2007.

Management Information System

30. The Secretariat, in consultation with the Trustee and the GEF agencies, is developing a management information system to support the business processes within the Secretariat and between the Secretariat, the GEF agencies and the Trustee. Secured access to the system will be provided through web-based portals for all GEF stakeholders to get up-to-date information on the status of concepts, proposals and projects. This information will also be linked to RAF-related information in the biodiversity and climate change focal areas such as indicative allocations for countries and the group, resources utilized, and resources remaining for programming in countries and the group. The system is slated to be operational in July 2007.

Lesson Learning and Dissemination

31. Knowledge management has been on the GEF agenda for several years, and the focal area task forces, the GEF agencies, the Secretariat and the Evaluation Office have approached knowledge management from their different perspectives. There has yet to be agreement on a coherent and common GEF concept and vision for lesson learning and dissemination, and there are significant gaps in the information and systems needed to sustain a common GEF knowledge management system.

32. The potential added value of a common knowledge system for GEF lies in achieving the following objectives: (i) better and more efficient projects by reducing development costs and development time, avoiding repeated errors, and improving performance of GEF projects; (ii) better and more targeted development of programs, strategies, and policies; (iii) increased catalytic impact of GEF projects through dissemination of knowledge and information (including best practices), in order to foster replication; and (iv) stronger role of the GEF in advocacy for achieving global environmental objectives.

33. An interagency working group has been established to facilitate the development of the knowledge management framework and coordinate supportive tasks in consultation with the focal area task forces and the interagency working groups on results management framework and on the management information system. Among the working group's immediate tasks is to prepare a work program for FY07 -08 with activities with assigned roles and responsibilities.

Budget Reform

34. The CEO will submit to the Council at its June 2007 meeting, proposals to reform: (i) the corporate budget; and (ii) the project cycle management fee. As noted in GEF/C.30/9, *Roles of and Comparative Advantages of GEF Agencies*, in order to create a level playing field for all GEF agencies, the CEO proposes abolishing the corporate budget for the three Implementing Agencies, beginning in FY08. The project cycle management fee will be increased from 9 percent to 10 percent⁴ to all GEF agencies to cover costs of project administration and corporate services; the 10 percent fee will be applicable for the Executing Agencies when Council approves the decision in GEF/C.30/9.

35. The Secretariat also proposes to undertake audits of the administrative budgets associated with GEF-financed projects and corporate budgets of the Implementing Agencies. The Secretariat, in consultation with the GEF agencies, will develop a pragmatic and cost-effective approach towards this objective.

Performance Evaluation

36. The progress report on the implementation of the work program of the GEF Evaluation Office, GEF/ME/C.30/1 describes details of the implementation of M&E policy that was agreed as part of the GEF-4 replenishment negotiations.

⁴ The total fee amount for any Implementing Agency in a fiscal year will be capped at what it would have received under the present system at a 9% fee plus \$3 million in the corporate budget.

Resource Programming in GEF-4

37. The agreed focal area allocations for GEF-4 are shown in Table 2.

Table 2. GEF-4 Targeted Allocation to Focal Areas, Corporate Programs, and Corporate Budget (Revised to reflect final replenishment amount)

GEF Focal Areas and Corporate Program	Targeted Allocations (millions of USD equivalent)	Share of Resources to be Programmed
Biological diversity	1000	33%
Climate change	1000	33%
International waters	355	12%
Ozone layer depletion	40	1%
Persistent organic pollutants	300	10%
Land degradation	300	10%
Corporate Programs	15	1%
<i>Sub-total: Resources Programmed</i>	<i>3010</i>	<i>100%</i>
Corporate budget	120	
TOTAL	3130	

38. The current focal area strategies, that are under review and revision by the Council, set forth the following strategic objectives and projected levels of programming. These will need to be aligned with the focal area strategies for GEF-4 that are to be approved by the Council in June 2007.

Table 3. Focal area Strategic Objectives and Programming Targets for GEF-4

Focal Areas/Themes and Strategic Objectives	Programming Target (\$ million)
Biodiversity	
Catalyzing Sustainability of Protected Areas Systems at National Levels	450
Mainstreaming Biodiversity in Production Landscapes and Sectors	300
Capacity Building for the Implementation of the Cartagena Protocol on Biosafety	100
Generation and Dissemination of Best Practices for Addressing Current and Emerging Biodiversity Issues	100
Total	950
Climate Change	
Energy Efficient Building and Appliances	150
On-Grid Renewable Energy	200
Market Transformation of Sustainable Mobility	170
Rehabilitation of Power Plants	100
Renewable Energy for Rural Energy Services	150
Industrial Energy Efficiency	100
Emerging Low-GHG Emitting Electricity Generating Technologies	50
Piloting an Operational Approach to Adaptation	30
Total	950

Focal Areas/Themes and Strategic Objectives	Programming Target (\$ million)
International Waters	
Catalyze Implementation of Agreed Reforms and on-the ground stress reduction investments to address transboundary water concerns.	155
Expand Foundational Capacity Building to a Limited Number of Transboundary Systems through integrated approaches and foster replication through targeted learning for the IW portfolio.	100
Undertake innovative demonstrations addressing key program gaps with a focus on SIDS water supply/coastal protection and IWRM	80
Total	335
Ozone	
Addressing HCFCs, residual use of MeBr, and Institutional Strengthening and other non-investment activities	40
Persistent Organic Pollutants	
NIP Program and Dissemination of Best Practices	30
Strengthening Capacity for NIP Implementation	100
Partnering in Investments for NIP Implementation.	122
Partnering in Demonstration of Innovative Technologies and Practices for POPS Reduction	30
Total	282
Land Degradation (Desertification & Deforestation)	
Foster System-wide change through the removal of policy, institutional, technical, capacity and financial barriers to SLM focusing at the country level.	100
Demonstration and up-scaling successful SLM practices for the control and prevention of desertification and deforestation.	90
Generating and Disseminating Knowledge Addressing Current and Emerging Issues in SLM	10
Cross Focal Area Synergies and Integrated Ecosystem Approaches to SLM	82
Total	282
Core Corporate Programs	
Support to National Focal Points and Council Members	7
Multi-stakeholder Participatory Dialogues	8
Total	15
Corporate Programs	
Small Grants Program	110
Cross-cutting Capacity Building	24
LDC/SIDS program	22
Total	156
Total – Focal Areas/Themes	3010
Corporate Budget	82

Notes:

The above focal area/theme allocations include Implementing/Executing Agency fees for project cycle management services. The corporate budget projects reflect the budget reform -- abolishing the corporate budgets for the three Implementing Agencies beginning in FY08-- that the CEO intends to propose to the Council at the June 2007 meeting. The resulting projected savings of \$ 32 million needs to be reprogrammed to the focal areas/themes to account for the associated proposed reform of increasing the Implementing/Executing Agencies fees to 10 percent for project cycle management services. The re-programming will be reflected in the next business plan to be presented for Council consideration in June 2007. The corporate budget projections do not include provisions for any special initiatives that may be requested by any of the GEF entities during GEF-4.

39. 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.

Specific Activities for FY07

40. Since this business plan is being discussed after the start of the fiscal year, several key activities foreseen for this fiscal year have already been accomplished:

- (a) Third Assembly. The Third GEF Assembly was hosted by the Republic of South Africa in Cape Town in August 2006. It was attended by approx 1200 participants representing over 130 countries, and a large number of GEF partner agencies.
- (b) RAF Programming. As detailed in GEF/C.30/11, the Secretariat is working with countries to facilitate programming under the RAF. This process was initiated with eight sub-regional consultations held from March to September 2006 to discuss RAF implementation.

41. The following will be completed in FY07:

- (a) Policy Papers presented for Council review in December 2006:
 - (i) Preliminary Strategies for the GEF Focal Areas;
 - (ii) Business Plan
 - (iii) Rules, Procedures and Objective Criteria for Project Selection, Pipeline Management, Cancellation Policy, and approval of sub-projects;
 - (iv) Preliminary work on Developing a Results Management Framework
 - (v) Roles and Comparative Advantages of Implementing and Executing Agencies
 - (vi) Strategy for Financing Biosafety Activities and Management Response to the Evaluation Office review of the Initial Strategy for Financing Biosafety Activities
 - (vii) Progress Report on Implementation of the Resource Allocation Framework
 - (viii) Management Responses to the following evaluations/review of the GEF Evaluation Office:
 - a. Incremental Cost
 - b. GEF Activity Cycle and Modalities
 - c. Experience of Executing Agencies

- (b) The following policy issues are scheduled for discussion at the June 2007 Council meeting.
 - (i) Review and Revision of GEF Focal Area Strategies;
 - (ii) Proposal for clearer operational guidelines for the application of the incremental cost principle;
 - (iii) Streamlining of the GEF Project Cycle;
 - (iv) Results-based management framework;
 - (v) Review of project cycle management fee policy;
 - (vi) Corporate Budget, FY08;
 - (vii) Minimum Fiduciary Standards for GEF agencies;
 - (viii) Private Sector Strategy.

Work Programs

42. At the June 2006 Council meeting, 76 project proposals were presented for Council review. Given the unprecedented number of proposals in the work program, Council approved only 6 proposals and requested that the remaining 70 proposals be submitted as an intersessional work program following the Council meeting. 54 proposals were approved in the intersessional work program, and 16 proposals were deferred for discussion at the August 28 Council meeting. During the August Council meeting, 14 proposals were approved by the Council, and one proposal was later approved by mail.

43. As the GEF-4 replenishment is not yet effective,⁵ no work program is being submitted for Council approval at the December 2006 meeting. Anticipating that GEF-4 will be effective in early 2007, it is expected that two work programs will be submitted for Council review in fy07 – an intersessional work program in February 2007 and work program for the Council meeting in June 2007. Once GEF-4 is effective, the CEO will also be able to approve medium-sized projects, enabling activities, and project development facility funds under delegated approval authority.

⁵ GEF-4 will become effective on the date when the Trustee has received Instruments of Commitment or Qualified Instruments of Commitment from Contributing Participants whose contributions aggregate not less than SDR 929 million (60 percent of pledged contributions). The Advance Contribution Scheme for GEF-4 will become effective on the date when the Trustee has received Instruments of Commitment or Qualified Instruments of Commitment from Contributing Participants whose contributions aggregate not less than SDR 310 million (20 percent of the pledged contributions).

GEF-3 RETROSPECTIVE

44. The GEF-3 period covering four fiscal years – 2003-2006 – saw a major evolution of the GEF. Besides further developing its portfolio in the established focal areas such as biodiversity, climate change, and international waters, the GEF and its partners embarked on supporting recipient country activities in two new focal areas -- land degradation, and persistent organic pollutants. In addition to supporting project activities, the Council approved and guided implementation of a number of policy recommendations agreed upon as part of the Third Replenishment.

GEF Operations

45. The GEF was replenished at \$ 3 billion for the GEF-3 period. The first business plan and the successive ones prepared through the GEF-3 period targeted project approvals totaling \$2.9 billion, after setting aside \$100 million to support the corporate budgets for the GEF-3 period. During GEF-3, \$ 3.13 billion was approved for projects as shown in Table 1.

Table A.1: GEF -3: Resource Programming: Targets vs Actuals (\$ millions)

Focal Area/Theme	Targets: Business Plan FY05- 06	Actuals (net of cancellations) Total - GEF 3
Biodiversity Conservation	800	973.59
Climate Change	840	973.96
International Waters	398	402.37
Ozone	12	14.28
Sustainable Land Mgmt	250	264.14
POPs	250	182.00
Small Grants Program	170	171.49
Cross cutting capacity building	68	52.42
IEM OP#12	112	99.45
<i>Sub-total: Project Approvals</i>	<i>2900</i>	<i>3133.7</i>
Corporate Budget (incl special initiatives approved)	100	107.42
TOTAL	3000	3241.12

46. Extra financial resources were available due to: (i) fluctuations in exchange rates; and (ii) additional resources from projects that were approved during GEF-1 and GEF-2, but which were cancelled⁶ during GEF-3 and resources returned to the Trust Fund (nearly \$ 250 million).

47. In terms of focal areas, programming targets were achieved in all focal areas, except in POPS, where about 73 percent of the program target was achieved, reflecting that in the initial stages of development of this focal area, support to countries have focused on enabling activities, through the preparation of National Implementation Plans. See Table 2 for details regarding achievements in the different focal areas.

⁶ Implementing and Executing Agencies are expected as part of their due diligence responsibilities to supervise projects during implementation, cancel non-performing projects and return the resources to the GEF Trust Fund.

Table A.2. Programming Performance Measures & Achievements during GEF -3

Focal Area/Theme	Performance Measure (Targets and associated indicators)	Achievement (FY03-06)
Biodiversity	<p><u>Catalyzing sustainability of protected area systems at national levels.</u></p> <ul style="list-style-type: none"> At least 15 countries receive support for strengthening PA systems to ensure their long-term sustainability. At least 400 PAs supported (through about 80 projects) – of which at least 20% should be new additions. At least 70 million ha of PAs supported. Number of protected areas and total hectares under any “global priority lists”. <p>At least 30% of total resources dedicated to capacity building with special attention to indigenous and local communities.¹</p> <p><u>Mainstreaming Biodiversity Conservation in Production Landscapes and Sectors.</u></p> <ul style="list-style-type: none"> At least 5 projects in each of the targeted sectors (agriculture, forestry, fisheries, and tourism) focused on mainstreaming biodiversity into the sector. At least 20 million ha in production landscapes and seascapes that contribute to biodiversity conservation or the sustainable use of its components. <p>At least 5 countries promote conservation and sustainable use of wild species and landraces, taking into consideration their real and potential contribution to food security.</p>	<ul style="list-style-type: none"> Forty -one (41) countries. 566 protected areas. 137,234,149 hectares supported. 63 protected areas are new totaling 20,004,213 hectares. Total number of protected areas that are new is about 11 % in terms of total number of PAs supported and in terms of coverage this translates into 14.6 % of the total hectares covered. 10 World Heritage Sites (5,868,817 hectares; about 4.4 % of total coverage.) 47 WWF 200 sitesⁱⁱ (41,314,416 hectares; about 30 % of total coverage) 32 Biosphere Reserves (26,389,842 hectares; about 20 % of total coverage.) 40 Ramsar sites (3,060,447 hectares about 2.3 % of total coverage.)ⁱⁱⁱ Total Hectares under global lists: 76,633,522 hectares or about 55.8 % of total coverage. <p>Agriculture : 43 projects Fisheries : 21 projects Forestry : 26 Projects Tourism : 23 projects Mining : 3 projects</p> <ul style="list-style-type: none"> Other areas of engagement with productive sectors: water management; solid waste management; pastoralism; and frog-rearing. At least 98,596,081^{iv} hectares in landscapes and seascapes. 33 countries with projects on wild species and landraces conservation and sustainable use:

Focal Area/Theme	Performance Measure (Targets and associated indicators)	Achievement (FY03-06)
	<p><u>Capacity Building on the Cartagena Protocol on Biosafety.</u></p> <ul style="list-style-type: none"> • All (GEF eligible) Parties to the CBD that are signatories to the Protocol or have expressed the intention of becoming Parties to it, for a basic level of capacity building to prepare for entry into force of the Protocol. • All (GEF eligible) Parties to the Protocol for more advanced capacity building for implementation of the Protocol. 	<ul style="list-style-type: none"> • 124 countries participating in the project “Development of National Biosafety Frameworks”. Of the participating countries, 94 CP Parties and 32 not Parties. • 12 countries participating in the implementation of NBFs project (11 Parties).
Climate Change	<p><u>Effectiveness Targets</u></p> <p>1) Co-financing Ratio 6-7⁷</p> <p>2) Market Expansion (replication influenced by GEF) 1-10</p> <p>3) Technological Diversity (cumulative number main applications) 18</p> <p>4) Cost Effectiveness (\$/T of C) >4 \$/T C</p> <p>5) Private Sector Co-financing 1-1.25 \$B committed</p> <p><u>Performance Measure</u></p> <p>1) Avoided CO2 emissions 400 million tons⁸</p>	<p>Overall: 5.24⁹</p> <p>Overall: between 4 and 6¹⁰</p> <p>>18¹¹</p> <p>Unclear due to methodological changes in carbon dioxide accounting¹²</p> <p>PENDING INFORMATION¹³</p> <p>FY03–04: ¹⁴</p>

⁷ The performance target was established before the clarification of the cofinancing policy. The target was set to include various forms of co-financing that were not reported on in projects afterwards, for example associated and parallel financing.

⁸ The target of 800–1200 million tons of carbon dioxide emissions reductions stated in the GEF III Climate Change Targets (stated in the Reporting on Performance Targets document to Council) is understood to be cumulative, requiring GEF III to produce a total of 400 million tons of emissions reductions (direct and indirect).

⁹ This figure was established on the basis of the reported cofinancing in projects, and excludes parallel financing and some other components, which based on the clarification of the cofinancing policy in 2003 were not included in project reporting anymore. Thus, even though the number is actually below the target range, the performance target was achieved.

¹⁰ An estimation for projected market expansion catalyzed by GEF activities can be obtained by comparing indirect with direct carbon dioxide emissions reductions. The indirect measure of CO2 accounts for long-term emissions reductions occurring outside the project supervised implementation period, but would not have otherwise occurred

Focal Area/Theme	Performance Measure (Targets and associated indicators)	Achievement (FY03-06)
		Direct – 180 million tons Indirect – 410 to 1860 million tons FY05–06: Direct – 208 million tons Indirect – 1316 million tons Overall: Direct: 388 million tons Indirect: 1726 to 3176 million tons
International Waters	# of transboundary waterbodies with countries agreeing to new management frameworks (11-21) # of countries agreeing to new management frameworks (10-20) # of countries implementing policy/legal/institutional reforms or investments in agreed management frameworks (70-80) # of regional bodies/management institutions with strengthened capacity (4-8) # of countries implementing demonstration scale technologies/management practices (6-12)	11 waterbodies 48 different countries 46 different countries 9 management institutions 21 countries
Ozone Depletion	Methyl Bromide phase out: 206-454 ODP tons. HCFCs phase out: 45-363 ODP tons.	Projects initiated during GEF-3 will see the phase out of consumption of 285 ODP tons of MeBr.

without the catalytic effect of the project. Thus, by comparing this figure to the projects direct emissions reductions, an estimation of replication is obtained.

¹¹ Technologies include: wind, small, mini, and micro hydro, solar PV, solar water heating, solar thermal electricity generation, biomethanation, biomass-based cogeneration, biomass gasification, biomass gasification combined cycle, at least three different geothermal technologies, various energy-efficient products and technologies (e.g., light bulbs, refrigerators, air-conditioners), energy-efficient industrial boilers, energy-efficient technologies for manufacturing and industrial processes, energy-efficient district heating and building technologies, fuel cells, and fuel-cell buses.

¹² Carbon dioxide emission reductions are now accounted for in direct and indirect terms (see next footnote). 'Direct' emissions reductions refers to activities within the project's supervised implementation period reducing carbon dioxide emissions, and 'indirect' reductions refers to long term emissions reductions occurring outside the project's supervised implementation period that would not have occurred without the project. This makes \$/T C an unclear measure, as multiple results with wide variation are possible across the GEF III CC portfolio.

¹³ Due to a change in the cofinancing policy, private sector cofinancing now is typically not committed at WP entry, but will be leveraged during the project implementation while still counting towards the project's cofinancing.

¹⁴ In order to assess whether this target has been fulfilled, and in implementing recommendations from the Climate Change Program Study 2004 and OPS3, the methodology for estimating avoided CO₂ emissions has been clarified, and now consists of two categories: CO₂ emissions that are generated under the financing of the project, and CO₂ emissions that result from the strategic impact of the GEF project on the market. These are reported separately here. For FY03-04, the figures have already been reported to Council in the context of the performance indicators, together with a validation from the Office of Evaluation.

Focal Area/Theme	Performance Measure (Targets and associated indicators)	Achievement (FY03-06)
		Not done ¹⁵ : only a few GEF eligible countries might require assistance to meet the 2010 65% consumption phase out target under the Montreal Protocol – this will be addressed during GEF-4.
Land Degradation	<p>Projects will be approved to protect between 10 -20 million hectares of land area from degradation.</p> <p># of countries that have finalized their NAP # of countries with National Reports for CRIC of UNCCD</p>	<p>19.21million ha of land directly protected from land degradation 27.84million ha of land indirectly protected from land degradation</p> <p>47 countries that have finalized their NAP (LDC, SIDS) 120 countries with National Reports for CRIC of UNCCD</p>
Persistent Organic Pollutants	<p><u>Declines in POP stockpiles</u> The targeted impact from the Africa Stockpile program alone would be the elimination of an estimated 150,000 tons of obsolete pesticides (30% to 40% of which are among the twelve POPs covered by the convention).</p> <p><u>Technology Introductions</u> About 5 technological packages (field tested for viability and cost effectiveness)</p> <p><u>Process Indicators</u> Number of National Implementation Plans – about 100 countries</p> <p>Number of countries strengthening policies, legislation, and institutions – about 30-40 countries</p>	<p>Projects initiated during GEF-3 will see the destruction of POPs wastes by at least¹⁶:</p> <ul style="list-style-type: none"> - 8000 tons of pesticides; - 5300 tons of PCBs. <p>1000 tons of DDT will be phased out from use as antifouling paint.</p> <p>Production of 150 tons of Chlordane and Mirex will be permanently reduced, with corresponding 150 tons phased out from use as termiticide.</p> <p>5 sets of technologies and practices were approved during GEF-3 covering:</p> <ul style="list-style-type: none"> - integrated pest management (6 countries); - alternatives to DDT (4 countries); - strategies for the management of contaminated land (2 countries); - hospital waste management to reduce releases of dioxins and furans (8 countries); - POPs destruction technologies (2 countries). <p>79 new countries received funding for NIP development.</p> <p>No stand alone project to strengthen capacities has been approved. Most projects dealing with phasing out the use of POPs, reducing their releases, or destruction of POPs wastes, include elements addressing policies, regulation and institutions: approximately 26 countries in total.</p>

¹⁵ The allocation for Ozone was reduced accordingly.

¹⁶ Further sound disposal of POPs wastes after the life of the projects is not taken into account here. The actual amount that we anticipated will be disposed of after the end of the projects is higher.

48. A major challenge identified in the last Business Plan was the projected excess demand for GEF resources compared to the expected level of resources available in the GEF Trust Fund; with the excess demand more in some focal areas than in others. The Plan also informed the Council of the understanding that concepts were being entered into the pipeline in GEF-3 with the understanding that they need to be reviewed in GEF-4 for consistency with: (i) any resource allocation framework that may be in place; and (ii) any strategies/policies that may be agreed as part of the GEF-4 replenishment discussion, subject to any transitional arrangements agreed to by the Council. This challenge has been managed, though with much difficulty, through the different work programs of FY06

Implementation of Policy Recommendations

49. The GEF-3 Replenishment negotiations resulted in a set of policy recommendations that were endorsed by the Council at its October 2002 meeting. The major policy recommendations have been implemented as shown in Table A.3. In addition to the list in the table, the Council, with the support of the Secretariat and the GEF agencies, worked on other key policy initiatives during GEF-3, such as: (i) the new fee policy; (ii) process for Selecting the CEO; (iii) strategy to support biosafety; (iv) programming to implement the special funds under the UNFCCC.

Table A.3: Status of Major GEF-3 Policy Recommendations

No	Policy Recommendation	Proposed Action	Status
1	Improvement of Country Based Performance	<p>Enhance country contributions on a range of GEF assistance and on efforts to achieve sound environmental policies and frameworks.</p> <p>Enhance partnership with civil society.</p> <p>IAs/EAs to intensity consultations on indicators related to country-level performance. Agencies to rigorously address performance indicators related to project success.</p> <p>Strengthen national focal points.</p> <p>Strategic approach to capacity building for global environment to be presented to Council.</p> <p>Develop indicators for monitoring of stakeholder participation</p>	<p>National Dialogue Initiative to enhance country dialogue approved by Council in May 2003.</p> <p>Sub-regional meetings held in 2006 to advise countries on programming under the RAF.</p> <p>Review of NGO network undertaken in 2005 and an Action Plan to respond to the review approved by the Council in June 2006.</p> <p>The Evaluation Office has initiated country portfolio reviews to assess country-level performance. Thematic reviews and evaluations by the Evaluation Office review performance against these indicators.</p> <p>Country Support Program approved by Council in June 2005, and currently under implementation.</p> <p><i>Strategic Approach to Enhance Capacity Building</i> approved by Council in November 2003. It is currently under implementation.</p> <p>The Evaluation Office presented the Local Benefits Study to the Council in November 2005. Indicator development work is ongoing in the context of the focal area strategies.</p>
2	Strategic Planning and Resource Allocation	<p>Develop a Performance-based Allocation System.</p> <p>Present a strategic approach to business planning.</p> <p>Operationalize the two new focal areas for POPs and land degradation.</p>	<p>A GEF Resource Allocation Framework (RAF) was approved by the Council in September 2006 for the biodiversity and climate change focal areas to be implemented for GEF-4.</p> <p>Business Plans with allocation to strategic priorities/objectives have been presented to the Council since May 2003.</p> <p>Operational programs finalized by 2004. Programming objectives achieved in land degradation, and 75 % of programming objective achieved in POPs.</p>
3	Measuring	Meet projections of outcomes for GEF-3	The GEF Secretariat and the task forces compiled the data and

No	Policy Recommendation	Proposed Action	Status
	Performance	<p>replenishment as outlined in Schedule 1 of the Attachment1 of GEF-3 report. Office of Monitoring and Evaluation to asses whether the above targets have been achieved.</p> <p>An overall Performance Study (OPS3) will be prepared prior to the fourth replenishment and will include results and impacts from the GEF-3 period.</p> <p>For GEF-4 replenishment, Secretariat to make projection of outcomes for the GEF-4 period.</p> <p>Indicators to be designed with a view to assessing global environmental impacts achieved from GEF resources.</p> <p>Monitoring and reporting of quality at entry of projects.</p>	<p>presented the information to the Council in November 2004. The Office of Monitoring and evaluation provided verification of the performance targets to the Council in November 2004, and the Council determined that the GEF had achieved six of the seven performance measures.</p> <p>OPS3 reviewed by the Council in June 2005.</p> <p>Indicators and targets for outcomes in the different focal areas are presented in the programming document for GEF-4.</p> <p>Indicators were development for the GEF-4 programming document. Further indicator development is underway.</p> <p>The Annual Performance Report from the Evaluation Office has reported on quality at entry of GEF projects.</p>
4	Mainstreaming and Confinancing	<p>Establish co-financing policy</p> <p>Establish concrete indicators to measure progress in mainstreaming. IAs and EAs to report annually on mainstreaming status.</p>	<p>Co-financing Policy approved by the Council in May 2003.</p> <p>Evaluation Office is collaborating with IAs and EAs to developing mainstreaming indicators.</p>
5	Private Sector Engagement	Propose strategy on how to engage the private sector.	Strategy presented for Council discussion in November 2005 and June 2006. Currently, details of the strategy are being developed.
6	Strengthening Institutional Arrangements	<p>Review Project Cycle to make it more simple.</p> <p>Based on an annual review of experience with Executing Agencies, Council to decide whether additional agencies to be provided with direct access.</p>	<p>Office of Evaluation has just completed a substantive evaluation of the project cycle. Revised project cycle proposal (s) to be presented to the June 2007 Council meeting.</p> <p>The following Executing Agencies have signed agreements with the GEF Secretariat and the Trustee for direct access to GEF resources, and started developing projects for approval: African Development Bank, Asian Development Bank, Inter-American Development Bank, Food and Agriculture Organization, United Nations Industrial Development Organization, International Fund for Agricultural Development.</p>

No	Policy Recommendation	Proposed Action	Status
		<p>Review and approve agreed plan to develop clear accountabilities and responsibilities between the Implementing Agencies and the Secretariat.</p> <p>STAP. UNEP and the Secretariat to present</p>	<p>Agreements are being finalized with the European Bank of Reconstruction and Development.</p> <p>Paper on roles reviewed by Council in May 2002. Revised paper, based on Council comments, submitted to the May 2003 Council meeting for information.</p> <p>Council approved in June 2005 proposal from the Evaluation Office to transfer responsibilities for overall portfolio monitoring to the Secretariat and the Agencies.</p>
7	Monitoring and Evaluation	<p>Make GEF Monitoring and Evaluation Unit, for purposes of evaluation, independent. New head appointed for five-year term.</p> <p>A process for Council oversight of monitoring and evaluation should be established, including annual M&E report to the Council.</p> <p>Secretariat and Agencies to establish a procedure to draw lessons, disseminate lessons learned and best practices emanating from monitoring and evaluation activities.</p>	<p>TOR for newly independent monitoring and evaluation unit approved by the Council in August 2003. New Director took office in September 2004. Evaluation Office with GEF M&E policy adopted in November 2005.</p> <p>The Evaluation Office presents an Annual Performance Report, and the Secretariat presents an Annual Portfolio Performance Report every year to the Council.</p> <p>The Secretariat, in collaboration with the Agencies, has initiated the development of a knowledge management framework.</p>

ⁱ Attempts to extract an accurate number for resources dedicated to capacity building proved futile as capacity building is integrated within and across virtually all project components.

ⁱⁱ Hectare coverage for sites that are counted as both a WWF 200 site and another global designation are counted under the other global designation in terms of hectare coverage but the numbers of sites are counted under each designation.

ⁱⁱⁱ Twelve identified Ramsar Sites are not given hectare coverage in their project documentation.

^{iv} Indirect coverage in hectares has not been counted. This does not include Protected Areas covered by project.