



Global Environment Facility

GEF/C.18/10

November 8, 2001

GEF Council
December 5-7, 2001
Agenda Item 11

**A PROPOSAL FOR THE
GEF ANNUAL CORPORATE BUDGET
REPORTING CYCLE AND REPORT FORMATS**

Recommended Council Decision

The Council reviewed document GEF/C.18/10, *A Proposal for GEF Annual Corporate Budget Reporting Cycle and Report Formats*, and approves, subject to the comments made during the Council meeting, the proposed corporate budget reporting cycle and report formats for each Fiscal Year comprising:

- a) a GEF Corporate Budget for each fiscal year, which is presented to Council for its review and approval at its May meeting preceding that fiscal year;
- b) a Corporate Budget Mid-Year Report to be submitted for Council review in the third quarter of each fiscal year; and.
- c) an annual Corporate Budget Retrospective to be provided to Council as an information document during its second regular meeting of each year.

Table of Contents

Introduction	1
Proposed Corporate Budget Reporting Cycle	1
Proposed Format for the Annual GEF Corporate Budget.....	1
Proposed Format for the Mid-Year Report	4
Annual Corporate Budget Retrospective	4
Annex A: (PROPOSED FORMAT) GEF FY02 Corporate Budget.....	A1
Annex B: (PROPOSED FORMAT) GEF FY01 Corporate Budget Mid Year Report.....	B1

Introduction

1. At its May 2001 meeting, in approving the proposed FY02 GEF Corporate Budget, the Council “requested that more detailed information be given in the corporate budget so as to provide more transparency and to demonstrate operation efficiency. In this regard, it was agreed that the Secretariat would prepare for the Council meeting in December a more detailed breakdown of the FY02 Corporate Budget. This would provide the Council with an opportunity to review the more detailed presentation and to provide guidance to the Secretariat for the preparation of the FY03 Corporate Budget”¹. In response to this request, GEF Secretariat has consulted with the three Implementing Agencies, and seeks Council approval for the proposed corporate budget reporting cycle and report formats for each Fiscal Year, which are discussed in this paper.

Proposed Corporate Budget Reporting Cycle

2. For each fiscal year (i.e., July 1st to June 30th), GEF Secretariat proposes the following corporate budget reporting cycle, which will provide timely expedient and comprehensive reporting of budget status to Council and, also, streamline the reporting processes.

- (a) Presentation of the annual GEF Corporate Budget for each fiscal year, in a consistent agreed format, to Council for review and approval at its May meeting preceding that fiscal year (paragraphs 3 - 6);
- (b) Submission of a Corporate Budget Mid-Year Report, in a short-form format, for Council review in the third quarter of each fiscal year (paragraphs 7 - 8);
- (c) Provision of an Annual Corporate Budget Retrospective, as an information document, at the second Council meeting each year (paragraph 9).

Proposed Format for the Annual GEF Corporate Budget

3. For the purpose of this discussion, the FY02 GEF Corporate Budget, which was presented and approved by Council in May 2001, is used as a model to illustrate the proposed changes to the document format. A revised version of the approved FY02 GEF Corporate Budget document is attached as Annex A. In essence, the proposed format incorporates the following two primary improvements:

- (a) an additional section (Section V – Proposed FY02 Corporate Budget by Expense Categories) which analyses and discusses the GEF’s corporate budget in terms of common expense categories; and

¹ *Joint Summary of the Chairs*, GEF Council Meeting, May 9-11, 2001

- (b) provision of the comparative figures for the previous year's actual expenditures (i.e., FY00), in addition to the current year's budget and estimated expenditures (i.e., FY01) and following year's proposed budget (i.e., FY02), which are presently provided.

4. In Section V, to complement the discussion of the corporate budget in terms of corporate management activities, the corporate budget is analysed and discussed in terms of the expense categories listed below. All the GEF Units have reviewed and agreed upon the use of these common expense categories. In general, within each GEF Unit, these expense categories are governed by the relevant policies, guidelines and practices of the respective parent agency.

- (a) Staff Salaries and Benefits: Salaries and benefits that pertain to the regular and term staff of each GEF Unit.
- (b) Staff Travel: Travel related to corporate GEF activities (such as Convention-related meetings, Council, inter-agency/bilateral/multi-lateral meetings and international conferences/workshops) that is incurred by the staff of the GEF Unit.
- (c) Consultant Fees and Travel: Fees paid to consultants and their associated travel costs in support of corporate work program and activities.
- (d) Contractual Services: The contractual provision of goods and services by vendors, such as publications, translations, etc.
- (e) Meetings/Conferences/Workshops: Meeting services (includes costs of interpretation and hospitality) and travel costs for recipient-country Council Members/Alternates and NGOs to attend NGO consultations, Council meetings and workshops convened by GEF Secretariat.
- (f) Office Equipment: Office technology and communication equipment.
- (g) General overheads: Office occupancy facilities and services (e.g., office space, utilities, communications, systems support, and equipment supplies and fixtures) provided by the respective parent agency and charged to each GEF Unit on some agreed basis (e.g., square footage of space occupied).
- (h) Institutional services: Central services (e.g., personnel, treasury, accounting, security, travel, information systems, general services, etc.) provided by the respective parent agency and charged to each GEF Unit on some agreed basis (e.g., a percentage of net staff salaries).

5. At present, the annual GEF Corporate Budget document, which proposes the corporate budget for the next fiscal year, provides comparative data on the current fiscal year's *budgeted* and *estimated*

expenditures. The proposed format for the document will include the comparative numbers for the previous year's *actual expenditures.* For example, the proposed corporate budget for FY02, presented to Council in May 2001, will provide comparative numbers for the FY01 Budget and Estimated Expenditures and the FY00 Actual Expenditures. This is demonstrated in the following two basic tables, which are used for reporting each GEF Unit's corporate management activities and expense categories, in the annual corporate budget document.

Table 1: Proposed Table for Reporting Corporate Management Activities

<i>FY00 Actual</i>		<i>Corporate Management Activity</i>	<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>		<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
		Institutional Relations						
		Policy & Program Development						
		Communications & Outreach						
		Management & Finance						
		Monitoring & Evaluation						
		TOTAL						

Table 2: Proposed Table Format for Reporting Corporate Expense Categories

<i>FY00 Actual</i>	<i>Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimate</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
	Staff Salaries and Benefits			
	Staff Travel			
	Consultant Fees and Travel			
	Contractual Services			
	Meetings/Conferences/Workshops			
	Office Equipment			
	General Overheads			
	Parent Agency Institutional Services			

6. In summary, for its May meeting each year, the annual GEF Corporate Budget document presented to Council will discuss the proposed corporate budget for the following fiscal year in terms of:

- (a) Proposed Corporate Budget by Corporate Management Activities
- (b) Proposed Corporate Budget by Expense Categories
- (c) Proposed Corporate Budget - Summary

Proposed Format for the Mid-Year Report

7. Presently, a Mid-Year Report for each fiscal year is prepared and disseminated to Council in March, about three months after mid-year end. Consequently, this document is typically available just before the Corporate Budget document is provided to Council for its review and approval. As such, the information and data in the Mid-Year Report is either replicated or superseded by the more current information provided in the Corporate Budget document. This renders the Mid-Year Report somewhat duplicative in terms of reporting up-to-date budgetary information.

8. To provide a more timely report on the mid-year budget status, a short-form mid-year report is proposed, that can be prepared more expediently and disseminated by about February 15th, after the mid-year. As a sample, a revised version of the GEF FY01 Corporate Budget Mid-Year Report is attached as Annex B. This short-form report would provide (i) a quantitative status of the estimated year-end expenditures, as of December 31st, in relation to the approved budgets and (ii) qualitative information pertinent to the status of the corporate management activities by reporting only on the budgetary impact and implications of identified variances and related resource requirements and expenditures.

Annual Corporate Budget Retrospective

9. A Corporate Budget Retrospective is prepared for each fiscal year and provided to Council as an information document during its November meeting, following the end of that fiscal year. This Retrospective report discusses the annual corporate budget and activities, service outputs and financial outcome for the fiscal year just completed.

ANNEX A: (PROPOSED FORMAT) GEF FY02 CORPORATE BUDGET



Global Environment Facility

GEF/C.17/11
April 10, 2001

GEF Council
May 9-11, 2001
Agenda Item 12

(PROPOSED FORMAT)

GEF FY02 CORPORATE BUDGET

Recommended Council Decision

The Council reviewed document GEF/C.17/11, GEF FY02 Corporate Budget, and approves the proposed FY02 corporate budget of \$22.272 million, subject to the comments made during the Council meeting, comprising:

- (a) an amount of \$20.019 million for the resource requirements of the six GEF units (the three Implementing Agencies, GEF Secretariat; Trustee and the Scientific and Technical Advisory Panel) in the provision of corporate management services; and
- (b) an amount of \$2.253 million to support the proposed special initiatives of (i) the Second GEF Assembly; (ii) the World Summit on Sustainable Development; and (iii) the final phase of the Country-Level Coordination and Country Ownership of GEF-Financed Activities.

Table of Contents

Executive Summary	6
I. Introduction	7
Proposed FY02 Corporate Budget	7
Formulation of GEF Annual Corporate Budget	7
II. Business and Operational Development	8
Interim Financial Mechanism for Persistent Organic Pollutants Convention.....	8
Growth of Expanded Opportunities for Executing Agencies.....	9
III. Special Initiatives	9
Review of FY01 Special Initiatives	9
Review of Special Initiatives Approved Prior to FY01.....	10
Proposed FY02 Special Initiatives.....	11
IV. Proposed FY02 Corporate Budget by Corporate Management Activities	12
Common Corporate Management Activities.....	12
GEF Secretariat	13
GEF Secretariat – Monitoring & Evaluation.....	15
Implementing Agencies Corporate Management Activities.....	17
UNDP-GEF	18
UNEP-GEF.....	19
IBRD-GEF.....	20
Scientific and Technical Advisory Panel	22
Trustee	23
V. Proposed FY02 Corporate Budget by Expense Category	24
Corporate Expense Categories.....	24
GEF Secretariat	25
GEF Secretariat – Monitoring & Evaluation.....	26
Implementing Agencies Corporate Management Activities.....	27
UNDP-GEF	27
UNEP-GEF.....	29
IBRD-GEF.....	30
Scientific and Technical Advisory Panel	31
VI. Proposed FY02 Corporate Budget - Summary	32

List of Tables

Table 1: Proposed FY02 Special Initiatives.....	11
Table 2: Proposed FY02 GEF Secretariat Budget	14
Table 3: Proposed FY02 GEF Secretariat: Monitoring & Evaluation Budget.....	16
Table 4: Proposed FY02 GEF Implementing Agencies' Budgets	17
Table 5: Proposed FY02 UNDP-GEF Budget	18
Table 6: Proposed FY02 UNEP-GEF Budget.....	19
Table 7: Proposed FY02 IBRD-GEF Budget	20
Table 8: Proposed FY02 STAP Budget	22
Table 9: Proposed FY02 Trustee Budget.....	23
Table 10: Proposed FY02 GEF Secretariat Budget	25
Table 11: Proposed FY02 GEF Secretariat: Monitoring & Evaluation Budget.....	26
Table 12: Proposed FY02 GEF Implementing Agencies' Budgets	27
Table 13: Proposed FY02 UNDP-GEF Budget	28
Table 14: Proposed FY02 UNEP-GEF Budget.....	29
Table 15: Proposed FY02 IBRD-GEF Budget	30
Table 16: Proposed FY02 STAP Budget	31
Table 17: Proposed FY02 Corporate Budget.....	32

EXECUTIVE SUMMARY

1. The GEF FY02 Corporate Budget seeks Council approval for a proposed budget of \$22.272 million comprising: \$20.019 million for the resource requirements of the GEF Units (GEF Secretariat, the three Implementing Agencies, Trustee, the Scientific and Technical Advisory Panel); and \$2.253million for Special Initiatives to be task-managed and implemented by the GEF Units.
2. The FY02 Corporate Budget supports the planned activities and deliverables for the first year of the GEF FY02-FY04 Corporate Business Plan by providing the GEF units with the budgetary resources for their corporate services for the fiscal year. To address the earliest challenges of the Corporate Business Plan period in implementing GEF's Operational Strategy to meet the threats to the global environment, the FY02 Corporate Budget will fund GEF's efforts in achieving positive and measurable impact, strengthening country ownership, deepening the commitment of its Implementing Agencies, broadening partnerships with a wide range of organizations and improving its institutional effectiveness and efficiency.
3. The budget is based on the resource requirements of the GEF Units for their planned corporate management activities (i.e., institutional relations; policy and program development and coordination; outreach, knowledge management, and external relations; management and finance; and monitoring and evaluation) in support of GEF's operational activities and special initiatives. The proposed budget incorporates a volume increase of 5.4 per cent to meet new and additional corporate management demands (viz., designation of GEF as interim financial mechanism for the Persistent Organic Pollutants Convention and evolution of expanded opportunities for executing agencies) and a price adjustment of 3 per cent to accommodate the impact of annual inflation.
4. The proposed FY02 special initiatives are (i) the Second GEF Assembly; (ii) the World Summit on Sustainable Development; and (iii) the final phase of the Constituencies and Assistance for Country-Level Coordination.

I. INTRODUCTION

Proposed FY02 Corporate Budget

5. The GEF FY02 Corporate Budget seeks Council approval for a proposed budget of \$22.272 million comprising:
- (a) \$20.019 million for the resource requirements of the six GEF units (GEF Secretariat, the three Implementing Agencies, Trustee and the Scientific and Technical Advisory Panel) in the provision of corporate management services for Fiscal Year 2002 (July 1, 2001 - June 30, 2002); and
 - (b) \$2.253 million for FY02 Special Initiatives for: (i) the Second GEF Assembly; (ii) the World Summit on Sustainable Development; and (iii) the final phase of the Constituencies and Assistance for Country-Level Coordination.

Formulation of GEF Annual Corporate Budget

6. The GEF Annual Corporate Budget, which is determined by the rolling three-year GEF Corporate Business Plan for implementing GEF's Operational Strategy, has been formulated consistent with the same general planning principles: integration of planning; corporate identity, realism, steady and stable growth, cost-effectiveness, and flexibility. The FY02 Corporate Budget supports the planned activities and deliverables for the first year of the GEF FY02 - FY04 Corporate Business Plan² by providing the six GEF organizational functions³ (GEF Units) with the budgetary framework and resources for programming their corporate services for the fiscal year. Additionally, during the year, as appropriate, the GEF CEO may authorize supplemental budgetary resources, within the existing approval authority given to him by Council,⁴ on the basis of estimated year-end expenditures.

7. Thus, in FY02, to address the earliest challenges of the FY02-FY04 Corporate Business Plan period in the implementation of GEF's Operational Strategy to meet the threats to the global environment, the FY02 Corporate Budget will fund an annual corporate work program to support GEF's efforts in:

- (a) achieving sustained positive and measurable impact on the global environment through the actions it finances;
- (b) strengthening country ownership of actions and link GEF activities to countries' sustainable development priorities, since sustained, measurable impact will depend critically on the involvement and commitment of the countries where actions take place;

² *GEF Corporate Business Plan FY02-FY04*. GEF/C.16./8, October 4, 2000.

³ GEF Secretariat (including the Monitoring & Evaluation Team); the three Implementing Agencies' coordination functions; Trustee; and the Scientific and Technical Advisory Panel (STAP)

⁴ *Joint Summary of the Chairs, April 9, 1996, para 22.*

- (c) deepening the commitment of its Implementing Agencies and executing agencies to the global environment;
- (d) broadening partnerships with a wide range of organizations in order to expand the delivery capacity of the GEF, increase responsiveness to countries, leverage additional financial resources, and diversify approaches; and
- (e) striving, as a model for international cooperation, to continuously improve its institutional effectiveness and efficiency of its organization, relationships, and operations.

8. The GEF corporate budget provides the funding for the core corporate activities and special initiatives which are fundamental to accomplishing the above five objectives of the Corporate Business Plan. These core corporate activities (i.e., institutional relations; policy and program development and coordination; outreach, knowledge management, and external relations; management and finance; and monitoring and evaluation) are commonly carried out by the GEF Units, as further discussed in Section IV.

II. BUSINESS AND OPERATIONAL DEVELOPMENT

9. This section highlights new business and operational developments that impact upon the formulation of the FY02 Corporate Budget; and the annual work program and corporate activities of the GEF Units.

Interim Financial Mechanism for Persistent Organic Pollutants Convention

10. In December 2000, the 5th session of the Intergovernmental Negotiating Committee (INC) for an “International Legally Binding Instrument for Implementing International Action on certain Persistent Organic Pollutants” concluded the negotiations for a persistent organic pollutants convention. GEF was designated, on an interim basis in the draft “Stockholm Convention on Persistent Organic Pollutants” (POPs), as the “principal entity entrusted with the operations of the financial mechanism”. The GEF Council, in its 16th Session, recognized that “should the GEF be the financial mechanism for the legal agreement it would be willing to initiate early action with regard to the proposed enabling activities with existing resources”. As an immediate response to this Council decision, GEF plans in FY02 to assist countries to implement the Convention through the preparation of National Implementation Plans (NIPs) which the Parties have an obligation to develop under Article 7 of the Convention. This type of support is provided by the GEF as “enabling activities”, similar to assistance provided by the GEF in the context of the Climate Change and Biodiversity Conventions. The initial “Guidelines for Enabling Activities for the Stockholm Convention on Persistent Organic Pollutants” are being submitted to Council for approval at its May 2001 meeting

Growth of Expanded Opportunities for Executing Agencies

11. Partnerships have been and are being developed by GEF with a wide range of organizations in order to expand the capacity of the international system to provide the needed resources and assistance for the global environment undertaking. GEF's Implementing Agencies have made impressive efforts to expand opportunities in GEF activities for executing agencies --such as non-governmental organizations, regional development banks, bilateral development cooperation agencies, United Nations agencies, and others.⁵ Six agencies (ADB, AfDB, EBRD, FAO, IADB, and UNIDO) have been approved by Council for direct access to PDF-B funds for preparing project proposals and to implement approved projects. A number of such projects are already included in GEF's portfolio and several are currently in the GEF Pipeline. Cooperation is also being sought with bilateral development agencies and the European Commission in terms of co-financing, coordination and collaboration.

III. SPECIAL INITIATIVES

Review of FY01 Special Initiatives

12. *GEF Project Management Information System* (\$250,000): The design, development and implementation of the core functions of the Project Management Information System (PMIS) has been substantially completed and tested. Data from the various separately maintained databases in GEF Secretariat have been consolidated into this centrally maintained database. Currently, data is being validated and agreed with the databases of the respective Implementing Agencies; and a mechanism is being established for future data-transfers. The six-monthly Operational Report of GEF Projects (ORGP) is being prepared from the PMIS, and other standard reporting requirements are also being determined. A direct link has also been established between the PMIS and the Project Tracking and Mapping System, which is maintained on the GEF website, for updating purposes. Work continues in establishing the PMIS as a central database, repository and tool for all information and knowledge management of GEF projects, accessible to both GEF and all interested external users.

13. *Greater Outreach and Communications* (\$430,000): The Secretariat organized outreach activities including GEF project presentation workshops, a GEF exhibition, and media relations activities at relevant events including the FCCC and CCD meetings. The GEF was also present at the International Negotiation Commission session of the Convention on Persistent Organic Pollutants held in Johannesburg, South Africa in December 2000. Video production, under the GEF's partnership with the International Television Trust for the Environment (TVE) continues. A new PowerPoint presentation on the GEF has been completed. The Secretariat has increased the number of its news releases produced and distributed, and has placed several articles on the GEF's operations in newspapers and other serial publications. The 6,000 members of the International Federation of Environmental Journalists are now receiving GEF news releases and project stories.

⁵ See *Expanded Opportunities for Executing Agencies*, GEF/C.13/3

14. *Country-Level Coordination and Country Ownership of GEF-Financed Activities* (\$588,000): As of mid-FY01, over 100 GEF focal points have identified the respective Implementing Agency which they chose to work with in order to receive in-kind support for their coordination activities; and more than 65 budget plans have been approved and funded. This support can be used effectively to continue the national dialogue and, also, to enhance constituency coordination. In addition, a reference library of relevant information and publications in country offices with access to electronic information networks will be established under this initiative. A status report has been prepared "Review of GEF Support to National Focal Points and Council Members" (GEF/C.17/Inf.9). This issue of country-level coordination and country ownership is also being addressed in the Second Study of GEF's Overall Performance (OPS2).

Review of Special Initiatives Approved Prior to FY01

15. The following paragraphs review a number of special initiatives, approved in previous fiscal years, which are multi-year in their implementation.

16. *Country Dialogue Workshops*: To date, nine workshops have been held in Algeria, Cuba, Malawi, Nigeria, the Philippines, Sri Lanka and Tanzania, including two sub-regional workshops in the Caribbean. The Secretariat and the Implementing Agencies continue to develop country-specific documentation and are continuing the dialogue.

17. *GEF/UNDP Strategic Partnership for a Capacity-Development Initiative (CDI)*: A comprehensive assessment of countries' capacity building needs have been completed with an extensive consultative process through regional workshops, convention outreach meetings, and regular meetings of the CDI steering committee. The World Bank and UNEP are represented on the Capacity Development Initiative Steering Committee. They have participated in the assessment phase by conducting a portfolio assessment and are now providing their perspective in the development of a Capacity Development strategy and action plan⁶. In October 2000, the partners began planning for a concerted effort of capacity building which, after another round of CDI regional consultative meetings in February and March 2001, now being presented to the GEF Council May 2001 meeting. This second phase of activities has benefited from a contribution from the Government of Finland. It is anticipated that the CDI will be completed in May 2001.

18. *GEF/UNEP Strategic Partnership*: This special initiative, which covered scientific and technical analyses and assessments, as well as mobilization of the scientific and technical community, in close co-operation with STAP, includes ongoing activities that:

- (a) assess the potential for the commercialization of conjunctive photovoltaic (PV)-hydro power generation, in co-operation with the German development bank, Kreditanstalt für Wiederaufbau (KfW). UNEP has undertaken a study to determine sites for grid-

⁶ "Elements of Strategic Collaboration and a Framework for GEF Action for Capacity Building for the Global Environment", GEF/C.17/6

connected PV in conjunction with hydropower, with a view to identifying opportunities of a magnitude that would allow market-transforming reductions in manufacturing cost;

- (b) develop a Technology and Know-How Transfer Clearinghouse as a public-private partnership, to provide information and advisory services that promote private sector investments in environmentally sound technologies in the GEF focal areas. The GEF Program Tracking and Mapping System has been developed and implemented to provide GEF and stakeholders with an advanced environmental database on GEF projects, accessible through the GEF Website. In addition, a metadatabase of environmental information sources and data was developed and is accessible via the Internet; and
- (c) contribute to the GEF global environment outreach strategy by mobilizing the scientific and technical community around GEF issues. Interactive forums on global environmental issues, such as biosafety and agrobiodiversity, and a regional forum on land and water degradation in Africa, were established on the internet to encourage debate, discussion and advice on the issues.

Proposed FY02 Special Initiatives

19. The FY02 Corporate Budget incorporates funding for the proposed corporate and operational work program initiatives, which are summarized in Table 1 and described in the following paragraphs.

Table 1: Proposed FY02 Special Initiatives

Special Initiatives	\$m
Second GEF Assembly	0.266
World Summit on Sustainable Development	1.399
Country-Level Coordination and Country Ownership of GEF-Financed Activities	0.588
TOTAL	2.253

Second GEF Assembly

20. During its meeting in May 2000, the GEF Council considered the timing of the second GEF Assembly and agreed that it should be linked with the completion of the Third GEF Replenishment discussions and after the convening of the Rio+10 Conference to allow the Assembly to take into account the results and new directions agreed to by the Conference. The GEF Secretariat has prepared “A Note on GEF Assembly and Associated Meetings” (GEF/C.17/10), which (i) outlines the steps that the Secretariat will be taking to continue the organization of the Second Assembly over FY02 and FY03; and (ii) seeks the Council’s approval for the budgetary resources needed to cover the costs of these activities.

World Summit on Sustainable Development

21. At its meeting in December 1999, the GEF Council requested the CEO/Chairman to reflect upon, and to consult with the interested parties on, the best way that the GEF could make a substantial contribution to the process and to the ten-year review of progress in the implementation of UNCED at the World Summit on Sustainable Development (WSSD). In this regard, the document “*CEO Note on GEF Activities related to the World Summit on Sustainable Development*” (GEF/C.17/9), prepared for the May 2001 Council meeting, provides a proposal on a substantive GEF contribution to the World Summit and its preparations.

Country-Level Coordination and Country Ownership of GEF-Financed Activities – Final Phase

22. At its meeting in May 1999, the GEF Council reviewed the document “*Constituencies and Assistance for Country Level Coordination*”(GEF/C.13/13), and approved the proposed activities and associated financial resources to strengthen country level coordination for a three-year period, beginning in FY00. The FY02 Corporate Budget, accordingly, includes the amount of \$588,000 for the third and final year of this initiative, as provided for and substantiated in the said proposal. A review of progress on this initiative has been prepared for Council review for the May 2001 meeting, “*Review of GEF Support to National Focal Points and Council Members*” (GEF/C.17/Inf.9). GEF Secretariat and the three Implementing Agencies will continue to collaborate and participate substantially in the implementation of this initiative.

IV. PROPOSED FY02 CORPORATE BUDGET BY CORPORATE MANAGEMENT ACTIVITIES

23. This section discusses the proposed FY02 Corporate Budget in terms of the GEF Units’ resource requirements for the planned corporate management activities that support GEF’s business and operational work program. The proposed FY02 budget incorporates a price adjustment of 3% over the FY01 budgetary level to accommodate the impact of annual inflation.

Common Corporate Management Activities

24. This section outlines (i) the typical yearly proceedings and events supported by each corporate management activity; and (ii) the corporate tasks, specifically programmed for FY02, that will be carried out in common by the GEF Units with the exception of Trustee.

25. Institutional Relations: GEF Units coordinate and collaborate in their participation in GEF policy paper development, reviews and discussions, conferences (including the GEF Council, COP and STAP meetings) and in servicing GEF corporate responsibilities vis-à-vis the global conventions, their secretariats and subsidiary bodies. Staff participate in key Convention meetings and conferences (e.g., the various Conference of the Parties; the INC on Persistent Organic Pollutants; and the Special Session of the UN General Assembly on Small Island Developing States). In FY02, GEF Units will

participate in preparations for the World Summit on Sustainable Development in September 2002 and the Second GEF Assembly in October 2002.

26. Policy and Program Development and Coordination: GEF Units contribute to operational policy and program development through participation in inter-agency task forces on operational and technical issues (e.g., streamlining of project-cycle and incremental costs methodology; development of operational criteria for reviewing GEF project proposals; increasing private sector involvement in GEF operations). GEF Units will continue to promote partnerships with executing agencies; as reflected in their participation in Project Review meetings, assistance with development of policies, administrative and legal arrangements, and the eventual servicing of these partnerships.

27. Outreach and Communications: To increase awareness of GEF, GEF Units participate in corporate GEF outreach efforts at major international events (e.g., workshops, exhibits, production and dissemination of communication material, press releases) and coordination of publications. In FY02, GEF Units will continue to collaboratively support the Country Dialogue Workshops project by participating in an inter-agency Steering Committee, providing resource persons for workshop organization and administration and for developing workshop materials.

28. Management and Finance: In FY02, major efforts will focus on: (i) preparation of papers and coordination of meetings for the Third GEF Replenishment; (ii) an assessment and enhancement of the fee-based system, together with the definition of the implementation services it covers; (iii) further development of the Project Management Information System (PMIS) as an integrated project information and knowledge management system; (iv) the enhancement of management and reporting of corporate activities; (v) an inter-agency review of financial management systems/processes governing GEF project expenses; (vi) improvement of annual audits of project disbursements; and (vii) development of financial performance indicators.

29. Monitoring and Evaluation: GEF Units will devote resources to corporate monitoring & evaluation activities, including the Project Implementation Review, GEF Lessons Notes, M&E Standards and Guidelines, thematic reviews and the development and revision of program-level indicators. In FY02, the planned Secretariat-Managed Project Reviews will also be carried out. The Second Study of GEF's Overall Performance will be completed at the end of 2001.

GEF Secretariat

30. GEF Secretariat's estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 2, and are discussed in the following paragraphs. GEF Secretariat's FY02 budget reflects the resource implications of GEF's designation as interim financing mechanism for POPs, the

mainstreaming of certain outreach activities⁷ and management information functions⁸, escalating travel associated with Convention relations, and annual focal point workshops.

Table 2: Proposed FY02 GEF Secretariat Budget

<i>FY00 Actual</i>			<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>	<i>Corporate Management Activity</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
3.1	0.863	Institutional Relations 1/	3.0	1.011	3.1	1.077	3.6	1.205
13.0	3.610	Policy & Program Development	13.7	3.932	13.4	3.790	14.9	4.140
3.6	1.000	Outreach & Communications	3.0	.862	3.2	0.834	3.4	1.284
4.0	1.100	Management & Finance	4.0	1.148	4.0	1.242	4.7	1.393
23.7	6.573	TOTAL	23.7	6.953	23.7	6.953	26.6	8.022

1/ includes FY01 approved adjustments of \$100,000 for Council alternate travel costs to attend Council meetings; and \$50,000 for pre-Assembly planning activities.

FY01 Performance Highlights

31. In response to the Stockholm Convention on Persistent Organic Pollutants (POPs), GEF had prepared an elements paper for an operational program on POPs and guidelines on enabling activities for consideration and approval by the GEF Council in May 2001. Efforts to expand opportunities to executing agencies have progressed well in FY01 and have resulted in the finalization of relevant Memorandums of Understanding and Financial Procedures Agreements with the Asian Development Bank, the Inter-American Development Bank and the European Development Bank; in the processing of a number of PDF-Bs for their project preparation; and in several approved projects. The Secretariat convened, in cooperation with the Trustee, the Planning Meeting for the Third GEF Replenishment in November 2000, which agreed on the schedule of meetings for the Replenishment, the next being in May 2001. The third GEF Familiarization Seminar was conducted in Washington, DC in November 2000 and a special familiarization workshop will be held for new Council members and alternates in May 2001. Publications distributed included “*GEF Contributions to Agenda 21: The First Decade*”, new reports on technology transfer, renewable energy and energy efficiency, poverty and combating land degradation, and GEF's partnership with IUCN - The World Conservation Union. In March 2001, a GEF Secretariat delegation to Beijing initiated the process of organizing the Second Assembly of the GEF and the preparation of an official Memorandum of Understanding with the Government of China.

FY02 Proposal Highlights

32. To support country-driven activities on reducing POPs, GEF plans to provide enabling activities to help countries prepare National Implementation Plans (NIPs). These enabling activities would be

⁷ Joint Summary of the Chairs, GEF Council Meeting, May 2000 – “*The Council agreed that in future budgets the financing of outreach activities that is included in the current budget under special initiatives should be mainstreamed in future budgets of the Secretariat*”.

⁸ GEF/C.15/5 “*GEF Corporate Budget FY01*”

similar to the assistance provided to support such plans related to commitments under Framework Convention on Climate Change and the Convention on Biological Diversity. Towards this, GEF Secretariat will provide specialized technical skills to (i) develop familiarization workshops at regional and sub-regional levels on the application of the enabling activity guidelines; (ii) assist countries to assess their capacity building priorities that need to be addressed to enhance their ability to effectively undertake the enabling activities; and (iii) assist countries to develop mechanisms to exchange information and experiences on enabling activities. GEF Secretariat will also build on the POPs elements paper approved by Council to develop an operational program.

33. To integrate GEF into the World Summit on Sustainable Development processes, GEF Secretariat would prepare and conduct panels in conjunction with several of the regional meetings that precede the WSSD and will arrange for side events during the Prepcom meetings scheduled between April 2001 and May 2002⁹. GEF Secretariat would proceed with planning for the Second GEF Assembly in FY02, finalization of the Memorandum of Understanding with the People's Republic of China and confirmation of logistical arrangements and prepare an Assembly Information Booklet for all Participants and interested parties. GEF Secretariat, with the Trustee, would (i) develop standard legal agreements for executing agencies under expanded opportunities; and (ii) prepare all documentation and coordinate meetings for the Third GEF Replenishment. Certain outreach and communication efforts will be mainstreamed in FY02, including continuation of the audiovisual program, and continued updating, revision and publication of policy documents. Financial management initiatives will include a review of the fee-based system and its operation, analyses of GEF corporate, Implementing Agencies and executing functions and budget categories and the development of implementing services contracts. The database administration function will be mainstreamed and efforts will continue to enable information access to external clients and partners; including enhancement of the GEF website.

34. GEF will organize annually one or two regional GEF focal points good practice workshops to share and disseminate experiences in coordinating GEF activities towards further strengthening focal points, country ownership and sustainability. In view of the country coordination with regard to GEF matters and preparations for the Second GEF Assembly, GEF proposes to convene one meeting in FY02 in Africa, to which the GEF operational focal points of all countries in the region would be invited. Also, representatives from the Implementing Agencies' country offices, the Implementing Agencies, and the Convention Secretariats (CBD, UNFCCC and UNCCD) will be invited. To ensure broader coverage prior to the Assembly, in early FY03, it is proposed that two other regional meetings be held; one in Asia and one in Latin America.

GEF Secretariat – Monitoring & Evaluation

35. GEF Secretariat's Monitoring & Evaluation estimated FY01 expenditures and proposed FY02 Corporate Budget is summarized in Table 3, and discussed in the following paragraphs. The FY02

⁹ Further discussed in GEF/C.17.9 – “*CEO Note on GEF Activities related to the World Summit on Sustainable Development*” to be presented to the Council in May 2001.

budget reflects the increase in budgetary resources required for a newly introduced evaluation of Medium-Sized Projects modality.

Table 3: Proposed FY02 GEF Secretariat: Monitoring & Evaluation Budget

<i>FY00 Actual</i>		<i>Corporate Management Activity</i>	<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>		<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
3.0	0.860	Thematic Reviews/PIR	3.0	0.956	3.3	.956	1.8	0.603
1.3	0.370	Communication/Dissemination	1.4	0.446	1.1	.446	1.4	0.468
-	-	Secretariat-Managed Project Reviews	-	-	-	-	1.4	0.468
4.3	1.230	TOTAL	4.4	1.402	4.4	1.402	4.6	1.539

FY01 Performance Highlights

36. A progress report on corporate monitoring and evaluation activities - “*Progress Report on Monitoring and Evaluation Activities* (GEF/C.16 /Inf. 11) - was prepared for the November 2000 Council meeting. Four evaluations and reviews (namely; the Review of Climate Change Enabling Activities and thematic reviews in biodiversity, climate change, and international waters) and reports on program level indicators in biodiversity and climate change were also completed during this period. The Project Implementation Review for FY00 was completed; and its conclusions and recommendations, together with other reviews and evaluations, will be submitted to the May 2001 Council meeting. Dissemination of evaluation results through GEF Lessons Notes and the GEF website have also been important activities. Program studies in biodiversity, climate change, and international waters -- together with a linkage desk study of existing land degradation components in the GEF portfolio -- were completed. These studies form an important data and information basis for the Second Overall Performance Study (OPS2). These activities were accomplished collaboratively with the Implementing Agencies, and significant support is being provided to carry out the studies associated with the OPS 2.

FY02 Proposal Highlights

37. The OPS2 initiated in FY01, under a separately approved budget, will be completed at the end of 2001. Apart from OPS2, work program priorities will be: the Secretariat Managed Project Reviews¹⁰ (SMPRs), new thematic reviews in biodiversity and international waters, work on program indicators (for international waters, land degradation and biodiversity) and the annual Project Implementation Review. In early FY02, a review of the Medium Sized Project modality will be carried out. Implementing Agencies will be invited to participate in supportive, training and development assignments within the context of these SMPRs, which would be funded by a redeployment of existing

¹⁰ As part of the agreement between the GEF Secretariat and the Implementing Agencies, related to the implementation of the “Driving for Results” strategy, the corporate Monitoring and Evaluation Team will develop the Secretariat Managed Project Reviews as a specific review modality, which will focus on the projects’ adherence to GEF policies, principles and review criteria in their early stages of implementation. During FY02, there will be a pilot review of a cohort of projects and one additional cohort review based on the pilot results.

resource allocations. The formats and style of monitoring and evaluation reports will be reviewed, as well as general and targeted dissemination strategies through various media.

Implementing Agencies Corporate Management Activities

38. The Implementing Agencies' corporate budget is expressed in terms of the staff-year efforts and corresponding dollar-value for the five corporate management activities. The respective Implementing Agency's FY02 budgets continue to reflect ongoing stabilization of the resource requirements for their core corporate services encompassing institutional relations, policy & program development/coordination, outreach and communications, management & finance and monitoring & evaluation. The proposed FY02 corporate budget for the three Implementing Agency coordination units, totalling \$8.086 million, is summarized in Table 4 and further discussed in the following paragraphs.

Table 4: Proposed FY02 GEF Implementing Agencies' Budgets

FY01 Budget		Corporate Management Activity	Implementing Agencies							
TOTAL			UNDP		UNEP		IBRD		TOTAL	
StYrs	\$m		StYrs	\$m	StYrs	\$m	StYrs	\$m	StYrs	\$m
2.1	0.546	Institutional Relations	0.4	0.098	1.3	0.332	1.0	0.290	2.7	0.720
16.5	4.235	Policy & Program Development/Coordination	6.8	1.703	5.1	1.303	6.0	1.620	17.9	4.625
1.9	0.487	Outreach & Communications	0.6	0.145	0.7	0.179	0.8	0.170	2.1	0.494
5.8	1.529	Management & Finance	1.8	0.461	1.9	0.485	2.2	0.600	5.9	1.546
2.4	0.562	Monitoring & Evaluation	1.0	0.200	1.0	0.255	0.8	0.245	2.8	0.700
28.7	7.359	TOTAL	10.6	2.607	10.0	2.554	10.8	2.925	31.4	8.086

UNDP-GEF

39. UNDP-GEF's estimated FY01 expenditures and the proposed FY02 Corporate Budget is summarized in Table 5; and, discussed in the following paragraphs.

Table 5: Proposed FY02 UNDP-GEF Budget

<i>FY00 Actual</i>			<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>	<i>Corporate Management Activity</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
0.4	0.092	Institutional Relations 1/	0.4	0.095	0.4	0.095	0.4	0.098
6.8	1.605	Policy & Program Development	6.8	1.653	6.8	1.653	6.8	1.703
0.6	0.137	Outreach & Communications	0.6	0.141	0.6	0.141	0.6	0.145
1.8	0.435	Management & Finance	1.8	0.448	1.8	0.448	1.8	0.461
1.1	0.215	Monitoring & Evaluation	1.0	0.194	1.0	0.237	1.0	0.200
10.7	2.484	TOTAL	10.6	2.531	10.6	2.574	10.6	2.607

FY01 Performance Highlights

40. UNDP-GEF was actively engaged in supporting the expanded opportunities for executing agencies initiative. High-level meetings were convened with the regional development banks and technical support was provided in individual project development and submission to GEF Council. UNDP provided biodiversity and climate change support. Proactive advice on the operational implications was provided to GEF Secretariat on current efforts to streamline the GEF project cycle, adapt the implementing agency fee and put greater emphasis on driving for results. UNDP-GEF has also been responsive to the project cycle changes by adapting its own internal business procedures to accommodate these changes while absorbing the associated transaction costs.

FY02 Proposal Highlights

41. UNDP-GEF will continue to (a) provide support to strengthen the coordination of the GEF government operational focal points in over 65 countries by assisting them in the retrieval and dissemination of GEF documents from the GEF web site, and access to UNDP country office libraries; and (b) provide overall management and technical support of the Country Dialogue Workshop, Climate Change and Biodiversity Support Programs. Additionally, UNDP-GEF will (a) manage an expanding work program of US\$150-200 million; (b) mobilize an estimated US\$150-200 million of cofinancing, including building growing partnerships with the European Commission and other bilateral development agencies; (c) increase efforts to develop solid partnerships with a growing number of executing agencies; (d) participate in preparing the POPs and biosafety operational programs and guidelines in support of Countries' demands; (e) support the enhancement of GEF Secretariat's PMIS, based on lessons of UNDP-GEF's own database development; (f) participate in the thematic reviews on the capacity development in biodiversity; the TDA/SAP approach in international waters; biodiversity, international waters, and land degradation indicator studies; the Project Implementation Review and Secretariat-

Managed Project Reviews; and (g) developing and distributing materials, such as press releases and Guidebooks, especially for the build-up to the WSSD; and (h) proactive participation in other preparations for the WSSD.

UNEP-GEF

42. UNEP-GEF's estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 6 and discussed in the following paragraphs. It should be noted that, as a consequence of UN-system wide changes, staff costs for Nairobi duty station have risen by an average of 7 per cent in the first quarter of 2001.

Table 6: Proposed FY02 UNEP-GEF Budget

<i>FY00 Actual</i>			<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>	<i>Corporate Management Activity</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
1.2	0.300	Institutional Relations	1.3	0.336	1.4	0.313	1.5	0.332
5.0	1.200	Policy & Program Development	5.1	1.266	5.2	1.181	5.3	1.303
0.6	0.140	Outreach & Communications	0.7	0.155	0.8	0.145	0.9	0.179
2.0	0.499	Management & Finance	2.1	0.516	2.0	0.481	2.1	0.485
0.7	0.180	Monitoring & Evaluation	0.8	0.207	1.1	0.194	1.2	0.255
9.5	2.319	TOTAL	10.0	2.480	10.5	2.314	11.0	2.554

FY01 Budget Performance

43. Significant contributions were provided to GEF's initial strategy for biosafety, which was approved by Council in November 2000. Direct assistance was also provided to GEF Secretariat in the elaboration of its strategy and operational program drafts for POPs; including seconding of a staff member to the Secretariat for two weeks to assist the Secretariat in the preparation of its enabling activities approach to POPs. UNEP-GEF strongly supported the GEF expanded opportunities initiative by convening more than 22 workshops with its traditional partners, including IUCN, FAO, UNIDO, ADB. During the COPs and the subsidiary bodies meetings of the GEF-related conventions including POPs and biosafety, on behalf of the GEF secretariat, UNEP-GEF organized the GEF exhibit and the six workshops held on the margins of COP5 of the CBD, in May 2000 in Nairobi. A field trip was also organized to two GEF project sites, which involved the participation of more than 120 delegates attending the COP. It has also publicized the work of the GEF through exhibits and workshops at the 20th session of the Governing Council of UNEP, and for other specialist meetings (e.g. of environmental journalists, and lawyers) convened by UNEP at its headquarters in Nairobi. UNEP participated in all eleven Country Dialogue Workshops and, as a member of the steering committee, the Capacity Development Initiative. For the Land and Water Initiative for Africa, UNEP convened a meeting in Nairobi in May 2000 with more than 60 representatives of African institutions and sub-regional

organizations, in collaboration with the World Bank. Improvements were made to its (i) financial and project management systems, reducing significantly the time between project entry into work program and first disbursement; and (ii) service standards for fund disbursement and management of implementation services.

FY02 Proposal Highlights

44. UNEP-GEF will (i) participate actively in the Country Dialogue workshops and the activities convened under the Capacity Development Initiative; (ii) contribute to all outreach activities held at COPs and subsidiary bodies meetings of GEF-related conventions, including POPs and biosafety; (iii) support the implementation of the GEF expanded opportunities with executing agencies by furthering dialogue with its traditional partners; (iv) take part actively in the planning and preparations for the World Summit on Sustainable Development and for the Second GEF Assembly; (v) play an active role in planned monitoring & evaluation activities such as the review of MSPs, thematic reviews, further development of indicators and providing substantial inputs to OPS2; and vi) collaborate with the GEF Secretariat in the development of the second phase of the GEF Project Management and Information System. UNEP will continue its collaboration with UNDP (in the areas of international waters, and land degradation) and with the World Bank (in the areas of scientific assessments and coral reefs). Implementation of enhanced UNEP-GEF project portfolio/financial database and time-management system will continue to be pursued.

IBRD-GEF

45. IBRD-GEF's estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 7, and discussed in the following paragraphs.

Table 7: Proposed FY02 IBRD-GEF Budget

<i>FY00 Actual</i>		<i>Corporate Management Activity</i>	<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>		<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
0.5	0.154	Institutional Relations 1/	0.7	0.197	0.9	0.280	1.0	.290
4.7	1.430	Policy & Program Development	5.1	1.541	5.7	1.541	6.0	1.620
0.7	0.210	Communications & Outreach	0.8	0.236	0.8	0.168	0.8	.170
2.0	0.595	Management & Finance	2.1	0.627	2.3	0.612	2.2	.600
0.6	0.167	Monitoring & Evaluation	0.8	0.236	0.8	0.236	0.8	.245
8.5	2.556	TOTAL	9.5	2.837	10.5	2.837	10.8	2.925

FY01 Performance Highlights

46. In FY01, IBRD accelerated efforts to expand collaborative partnerships with new executing agencies in response to GEF's policy on Expanded Opportunities. This included the preparation of a IBRD Board paper on IBRD's accountability for GEF projects prepared and implemented by executing agencies, and finalization of Memoranda of Agreement with ADB, AfDB and IFAD for transfer of GEF

resources. IBRD's incremental cost of the increased effort to support implementation of the Expanded Opportunities policy was accommodated through internal redeployment of corporate budget resources in particular from Outreach and Knowledge Management to Institutional Relations. IBRD-GEF supported GEF Secretariat's monitoring and evaluation program through the delivery of the FY00 GEF Project Implementation Review and contributed to the FY00 Annual Review of Project Performance for the GEF portfolio. In addition, IBRD-GEF participated in the three GEF M&E Program Studies and contributed to the Solar PV and Climate Change Enabling Activity Reviews. Significant effort in support of OPS2 is planned for the remainder of FY01. IBRD furthered its efforts in developing a user-friendly IBRD-GEF database designed to monitor more efficiently IBRD-GEF program deliverables and budget. Updates of IBRD-GEF Operations Portal Page/website and improvements in the systems for accounting and reporting of PDF resources were also undertaken. Enhanced guidelines were developed for streamlining GEF Focal Point funding. IBRD-GEF staff attended at six GEF Country Dialogue Workshops, and will participate in and contribute significantly to the GEF International Waters Conference. IBRD-GEF was represented on the Capacity Development Initiative Steering Committee, and participated in the Portfolio Assessment and the development of the Capacity Development Strategy and Action Plan.

FY02 Proposal Highlights

47. IBRD-GEF' FY02 budget anticipates that activities related to the replenishment of the GEF, along with preparations for the Second GEF Assembly in 2002 will figure prominently in the IBRD-GEF FY02 program. The IBRD-GEF proposed FY02 budget envelope will also support: (i) management of a IBRD-GEF overall work program totalling approximately \$275 million for approximately 40 total full and medium size projects, under the challenge of the current funding restrictions upon the mainstreaming efforts; (ii) management of implementation of collaborative arrangements with new Executing Agencies under Council's policy of Expanded Opportunities, and the IBRD Board's directives to management; (iii) revisions of IBRD internal Operational Policies and Bank Procedures to reflect the introduction new IBRD and GEF business products and procedures; (iv) development of new programs to respond to client demand in emerging areas including POPs and Biosafety; (v) further integration of database tools with IBRD institutional systems and with GEF's Project Management Information System; (vi) contributions to GEF's FY02 Corporate M&E Program – including inputs to the FY01 Project Implementation Review and OPS2, participation in at least three focal area thematic reviews and further development of M&E indicators; and (vii) participation in and support to the Capacity Development Initiative, delivery of GEF Country Dialogue Workshops and continued support to GEF Focal Points in IBRD country offices.

Scientific and Technical Advisory Panel

48. The Scientific and Technical Advisory Panel's (STAP) estimated FY01 expenditures and proposed FY02 Corporate Budget is summarized in Table 8, and discussed in the following paragraphs.

Table 8: Proposed FY02 STAP Budget

<i>FY00 Actual</i>			<i>FY01 Budget</i>		<i>FY01 Estimated</i>		<i>FY02 Proposed</i>	
<i>StfYrs</i>	<i>\$m</i>	<i>Corporate Management Activity</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>	<i>StfYrs</i>	<i>\$m</i>
		<i>STAP Secretariat -</i>						
0.6	0.139	Institutional Relations	0.6	0.170	0.6	0.129	0.6	0.194
0.5	0.116	Policy & Program Development/Coordination	0.5	0.142	0.5	0.108	0.5	0.156
0.7	0.162	Outreach & Communications	0.7	0.199	0.7	0.151	0.7	0.213
0.2	0.046	Management & Finance	0.2	0.057	0.2	0.045	0.2	0.071
2.0	0.463	Sub-Total	2.0	0.568	2.0	0.433	2.0	0.634
		<i>STAP Members -</i>						
	0.417	Honoraria & Logistical/Secretarial Support		0.395		0.320		0.384
	0.421	STAP Meetings/Workshops		0.493		0.236		0.531
	0.838	Sub-Total		0.888		0.556		0.915
2.0	1.301	TOTAL	2.0	1.456	2.0	1.456		1.549

FY01 Performance Highlights

49. Two meetings of STAP, two expert group meetings and two brainstorming and planning sessions were convened during FY01. Considerable attention was directed to the preparation for GEF Second Overall Performance Study; and substantive contributions were provided to the operational program on Agrobiodiversity and Integrated Ecosystem Management as to policy frameworks on persistent organic pollutants and the policy on production forests and biosafety. STAP collaborated with the wider scientific and technical community on the operationalization of Integrated Ecosystem Management and the Land and Water Initiative for Africa. In this regard, STAP began work on a Sourcebook on Integrated Land and Water Management and a Handbook on Integrated Ecosystem Management. In addition, STAP contributed substantively to review of the technologies and emerging issues in climate change through the Program Status Reviews.

FY02 Proposal Highlights

50. In a direct response to the corporate priorities identified by the GEF Secretariat, STAP will undertake a number of additional activities including the preparation and publication of a Source Book on Community-Based Integrated Land and Water Management and a Handbook on Integrated Ecosystem Management in support of the Land and Water Initiative for Africa and the Agrobiodiversity operational program. In addition, STAP will convene the first GEF Science Congress on the Global Environment in support of the objectives outlined by the First GEF Assembly which mandated the GEF

to build strong relationships and networks with the global scientific community, especially with national scientists and scientific institutions in recipient countries. STAP will also implement a number of activities to support both the Protocol on Biosafety and the recently adopted Convention on Persistent Organic Pollutants (POPs). Strengthening the scientific and technical soundness of GEF projects through the STAP Roster of Experts will be intensified through the process of filling the gaps in the Roster to reflect the additional issues being addressed by the GEF (i.e. integrated land and water management, POPs, biosafety, etc.).

Trustee

51. Trustee's estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 9; and, further discussed in the following paragraphs.

Table 9: Proposed FY02 Trustee Budget

<i>FY00 Actual</i>		<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>	<i>Corporate Management Activity</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
0.434	Resource Mobilization and Management	0.400	0.400	0.408
0.052	Legal services	0.070	0.070	0.083
0.197	Accounting & Reporting	0.197	0.197	0.156
0.117	Investment Management	0.117	0.117	0.123
	Administration and Technology services **			0.053
0.800	TOTAL	0.784	0.784	8.022

** For FY01, these services were not separately identified.

FY01 Performance Highlights

52. Using the World Bank's Integrated Control Self-Assessment Framework, the Trustee completed an extensive assessment of the financial risks and controls associated with the resource management of the GEF Trust Fund. Through this process, Trustee has already begun implementing a control framework, which includes bringing the Financial Statements into compliance with GAAP/International Accounting Standards, streamlining financial procedures (commitments and disbursements) for implementing and executing agencies, modernizing the financial management of the Trust Fund, reducing unnecessary business/financial risks, improving the Trustee's capacity to project commitment capacity and liquidity needs/uses, and strengthening business processes. In collaboration with the GEF Secretariat, Trustee coordinated and participated in the planning session and the first of the meeting for the Third GEF Replenishment, including reviewing burden-sharing and exchange rate issues associated with donor contributions.

FY02 Proposal Highlights

53. The Trustee will be substantially involved in the Third GEF Replenishment negotiations as well as continue the major initiatives begun in FY01 (strengthening the financial management of the GEF Trust Fund, developing analytical tools to assess financial risks, and remodelling the GEF Financial Statements to be in compliance with GAAP/International Accounting Standards).

V. PROPOSED FY02 CORPORATE BUDGET BY EXPENSE CATEGORY

Corporate Expense Categories

54. The proposed FY02 Corporate Budget is further discussed in this section in terms of the corporate expense categories, which are typically and commonly experienced by the GEF Units. These common expense categories, which have been agreed with all GEF Units, are defined and described below. In general, within each GEF Unit, these expense categories are governed by the relevant policies, guidelines and practices of the respective parent agency providing administrative support to that GEF Unit.

- Staff Salaries and Benefits: Salaries and staff benefits pertaining to regular/term staff.
- Staff Travel: Travel related to corporate activities such as Convention-related meetings, Council, inter-agency/bilateral/multi-lateral meetings and international conferences/workshops.
- Consultant Fees and Travel: Long/short-term consultant fees and associated travel to support corporate work program and activities.
- Contractual Services: Contractual provision of goods and services by vendors; primarily related to publications costs (design, printing, translation).
- Meetings/Conferences/Workshops: Meeting services and travel for recipient-country Council members and NGOs to attend GEF Council meetings and workshops convened by GEF Secretariat; and includes costs of interpretation and hospitality.
- Office Equipment: Office technology and communication equipment.
- General overheads: Office occupancy services (e.g., office space, utilities, communications, systems support, and equipment supplies and fixtures) provided by the respective parent agency and charged to each GEF Unit on some agreed basis (e.g., square footage of space occupied).

- Institutional services: Central services (e.g., personnel, treasury, accounting, security, travel, information systems, general services, etc.) provided by the respective parent agency and charged to each GEF Unit on some agreed basis (e.g., a percentage of net staff salaries).

GEF Secretariat

55. GEF Secretariat’s estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 10, and discussed in the following paragraph.

Table 10: Proposed FY02 GEF Secretariat Budget

<i>FY00 Actual</i>	<i>Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
3.480	Staff Salaries and Benefits	4.285	4.304	5.140
0.540	Staff Travel	0.540	0.609	0.560
0.775	Consultant Fees and Travel	0.395	0.290	0.400
0.210	Contractual Services	0.270	0.280	0.320
0.555	Meetings/Conferences/Workshops	0.550	0.550	0.600
0.176	Office Equipment	0.293	0.300	0.350
0.434	General Overheads	0.440	0.440	0.452
0.403	Parent Agency Institutional Services	0.180	0.180	0.200
6.573		6.953	6.953	8.022

FY01 Estimated

56. In FY01, GEF Secretariat’s had a staff complement of 25 professional-level staff. Higher than budgeted staff travel costs result from an increased demand for Secretariat participation at international convention-related events. Consultant fees and travel costs are expected to be lower than planned due to lower actual demand and most of external affairs-related consultant services being provided for under the special initiative for greater outreach and communication, as detailed in the FY01 corporate budget¹¹. The remaining expense categories are expected to be within the budgeted amounts

FY02 Proposed

57. Staff salaries and benefits in FY02 reflect three additional professional staff positions in support of the POPs work program and the mainstreaming of GEF Secretariat’s database administration function¹². This increases GEF Secretariat’s staffing to a total of 28 professional-level positions. Expenditures for staff travel are expected to decrease from the higher FY01 demand levels. The

¹¹ GEF/C.15/5 “GEF Corporate Budget FY01”

¹² GEF/C.15/5 “GEF Corporate Budget FY01”

proposed mainstreaming of GEF Secretariat’s core outreach and communication activities¹³ result in additional expenditures in FY02 for consultant fees and travel, contractual services and meetings/workshops. The FY02 office equipment budget shows an increase due to the annual revision of institutional leasing charges. Increased budgets for office occupancy charges, institutional services and office equipment all manifest the impact of the three additional staff.

GEF Secretariat – Monitoring & Evaluation

58. GEF Secretariat’s Monitoring & Evaluation estimated FY01 expenditures and proposed FY02 Corporate Budget is summarized in Table 11, and discussed in the following paragraph.

Table 11: Proposed FY02 GEF Secretariat: Monitoring & Evaluation Budget

<i>FY00 Actual</i>	<i>Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
0.463	Staff Salaries and Benefits	0.660	0.630	0.690
0.115	Staff Travel	0.110	0.145	0.123
0.444	Consultant Fees and Travel	0.460	0.419	0.500
0.090	Contractual Services	0.075	0.087	0.085
0.001	Meetings/Conferences/Workshops	0.005	0.005	0.005
0.024	Office Equipment	0.026	0.050	0.070
0.038	General Overheads	0.040	0.040	0.040
0.055	Parent Agency Institutional Services	0.026	0.026	0.026
1.230		1.402	1.402	1.539

FY01 Estimated

59. Staff salaries and benefits are estimated to be slightly lower than budgeted due to a partial-year staff vacancy in the core staff complement of 4 professional-level positions. Estimated staff travel costs are higher due to the need for additional travel associated with the coordination of evaluations and studies. Consultant fees and travel are expected to be lower than budgeted due to delayed completion and corresponding payment of several large contracts until FY02. Contractual costs reflect the higher than anticipated translation costs. Increased office equipment and communications costs result from a new cost structure applied by the Bank for the leasing of computers and, also, the costs of additional network communication connections for OPS-2 team.

FY02 Proposed

60. Staff salaries represent anticipated annual salary adjustments associated with a full complement of 4 professional-level staff. Staff travel costs are expected to decrease with the elimination of the

¹³ Joint Summary of the Chairs, GEF Council Meeting, May 2000 – “The Council agreed that in future budgets the financing of outreach activities that is included in the current budget under special initiatives should be mainstreamed in future budgets of the Secretariat”.

previous year's additional travel related to the coordination of a number of evaluations and studies. The higher consultant fees and travel budget include the carried-forward costs of the delayed contracts from FY01. Office equipment and communications costs continue to reflect the charges for additional network accounts for the OPS-2 team, which will continue its work into and through the first half of FY02.

Implementing Agencies Corporate Management Activities

61. The proposed FY02 corporate budget for the three Implementing Agency coordination units, totalling \$8.086 million, is summarized in Table 12 and further discussed in the following paragraphs.

Table 12: Proposed FY02 GEF Implementing Agencies' Budgets

<i>Total</i>	<i>Expense Categories</i>	<i>Implementing Agencies</i>							
		<i>UNDP</i>		<i>UNEP</i>		<i>IBRD</i>		<i>Total</i>	
		<i>FY01</i>	<i>FY02</i>	<i>FY01</i>	<i>FY02</i>	<i>FY01</i>	<i>FY02</i>	<i>FY01</i>	<i>FY02</i>
		<i>Budg</i>	<i>Prosd</i>	<i>Budgt</i>	<i>Prop</i>	<i>Budgt</i>	<i>Prop</i>	<i>Budgt</i>	<i>Propd</i>
<i>Actual</i>									
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
4.297	Staff Salaries and Benefits	1.146	1.180	1.635	1.764	1.980	2.048	4.761	4.992
0.691	Staff Travel	0.255	0.263	0.304	0.050	0.189	0.200	0.748	0.513
0.283	Consultant Fees and Travel	0.156	0.161	0.050	0.288	0.115	0.090	0.321	0.539
0.181	Contractual Services	0.024	0.025	0.083	0.047	0.045	0.064	0.152	0.136
0.038	Meetings/Conferences/Workshops	0.020	0.021	0.000	0.000	0.011	0.015	0.031	0.036
0.215	Office Equipment	0.015	0.016	0.162	0.153	0.020	0.022	0.197	0.191
0.828	General Overheads	0.384	0.395	0.146	0.152	0.277	0.287	0.807	0.834
0.829	Parent Agency Institutional Services	0.532	0.549	0.100	0.100	0.200	0.200	0.832	0.849
7.359	TOTAL	2.531	2.607	2.480	2.554	2.837	2.925	7.848	8.086

UNDP-GEF

62. In general, UNDP-GEF's proposed FY02 expenditures, as summarized in Table 13, have been kept constant in order to accommodate budgetary constraints, except for the annual price increases.

Table 13: Proposed FY02 UNDP-GEF Budget

<i>FY00 Actual</i>	<i>Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1.113	Staff Salaries and Benefits	1.146	1.146	1.180
0.248	Staff Travel	0.255	0.298	0.263
0.149	Consultant Fees and Travel	0.156	0.156	0.161
0.023	Contractual Services	0.024	0.024	0.025
0.025	Meetings/Conferences/Workshops	0.020	0.020	0.021
0.018	Office Equipment	0.015	0.015	0.016
0.381	General Overheads	0.384	0.384	0.395
0.529	Parent Agency Institutional Services	0.532	0.532	0.549
2.484		2.531	2.574	2.607

FY01 Estimated

63. Staff salaries represent 11 full-time professional posts performing corporate management and coordination activities. The increase in estimated FY01 staff travel relates to the additional Monitoring & Evaluation requirements. Consultant fees and travel represent the usage of support staff for corporate activities, as well as consultant services for the technical advisory tasks in all the thematic areas, plus monitoring and evaluation activities.

FY02 Proposed

64. Corporate management and coordination staffing level remains at 11 full-time professional posts. All the expense categories have been simply factored for a 3% inflation increase over the FY01 Budget. The principle is to maintain a zero-growth budget in order to accommodate budgetary constraints and stabilization within the GEF.

UNEP-GEF

65. UNEP-GEF's estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 14 and discussed in the following paragraph. It should be noted that, as a consequence of UN-system wide changes, staff costs for Nairobi duty station have risen by an average of 7 per cent in the first quarter of 2001.

Table 14: Proposed FY02 UNEP-GEF Budget

<i>FY00 Actual</i>	<i>Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1.376	Staff Salaries and Benefits	1.635	1.647	1.764
0.353	Staff Travel	0.304	0.276	0.288
0.074	Consultant Fees and Travel	0.050	0.054	0.050
0.044	Contractual Services	0.083	0.066	0.047
0.002	Meetings/Conferences/Workshops	0.000	0.000	0.000
0.177	Office Equipment	0.162	0.055	0.153
0.193	General Overheads	0.146	0.116	0.152
0.100	Parent Agency Institutional Services	0.100	0.100	0.100
2.319		2.480	2.314	2.554

FY01 Estimated

66. FY01 staff costs reflect the (i) filling of vacant positions, bringing the professional staff complement from 9.5 in FY00 to a planned 11 in FY02; and (ii) normal Nairobi duty station annual increment of about 7 percent. Total FY01 estimated expenses are \$0.166 million (6.7%) below budget due mainly to the reversal of expenses accrued in FY00, which proved to be in excess of requirements, and management's decision to postpone the replacement of certain office equipment until FY02.

FY02 Proposed

67. FY02 expenses are expected to be in line with FY01. Staff costs will be consistent with the increased complement of staff shown above, and staff travel costs are expected to remain at current levels. Expenses on office equipment are expected to return to the levels of FY00 and the FY01 budget.

IBRD-GEF

68. IBRD-GEF’s estimated FY01 expenditures and proposed FY02 Corporate Budget are summarized in Table 15, and discussed in the following paragraphs.

Table 15: Proposed FY02 IBRD-GEF Budget

<i>FY00 Actual</i>	<i>Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
1.808	Staff Salaries and Benefits	1.980	1.980	2.048
0.090	Staff Travel	0.189	0.189	0.200
0.060	Consultant Fees and Travel	0.115	0.115	0.090
0.114	Contractual Services	0.045	0.045	0.064
0.011	Meetings/Conferences/Workshops	0.011	0.011	0.015
0.020	Office Equipment	0.020	0.020	0.022
0.253	General Overheads	0.277	0.277	0.287
0.200	Parent Agency Institutional Services	0.200	0.200	0.200
2.556		2.837	2.837	2.925

FY01 Estimated

69. Staff costs reflect inputs from staff across IBRD engaged in GEF corporate activities. Among those activities expected to claim a larger share of resources in FY01 is the work related to implementing Expanded Opportunities with Executing Agencies. In order to ensure that experienced Bank staff were tasked to carryout this important work, some back-filling by consultants was required (thereby increasing the share of expenditures for consultants and consultant travel in FY01 relative to FY00). Expenditures for contractual services, which include publication costs and other dissemination tools, are cyclical and reflect production of GEF products and web site development efforts.

FY02 Proposed

70. The expenditure pattern (by type of expense) for FY02 is projected to continue along the lines of FY01 actuals. Expenditures for staff related charges claim the largest share of expenses (at approximately 70% in both years), with consultant services engaged only in one-off studies. The increase in staff inputs to the Corporate GEF program from FY00 to FY01 and continuing through FY02 reflect the significant increase in effort required, in particular by legal staff, to prepare and conclude agreements for Expanded Opportunities with Executing Agencies. Experience in FY01

indicates that even when a Memorandum of Understanding is executed, and individual project agreements are in place, Executing Agencies deviate from precedents with each new project, and required significant legal inputs continue to be required. Other expenditure categories are expected to remain largely at FY01 levels.

Scientific and Technical Advisory Panel

71. The Scientific and Technical Advisory Panel's estimated FY01 expenditures and proposed FY02 Corporate Budget is summarized in Table 16, and discussed in the following paragraph.

Table 16: Proposed FY02 STAP Budget

<i>FY00 Actual</i>	<i>STAP – Secretariat Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
0.240	Staff Salaries and Benefits	0.279	0.249	0.284
0.087	Staff Travel	0.090	0.055	0.100
0.014	Consultant Fees and Travel	0.042	0.000	0.040
0.003	Contractual Services	0.040	0.000	0.027
0.005	Office Equipment	0.025	0.001	0.025
0.114	General Overheads	0.092	0.128	0.158
0.000	Parent Agency Institutional Services	0.000	0.000	0.000
0.463		0.568	0.433	0.634
<i>FY00 Actual</i>	<i>STAP – Members Expense Category</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>	<i>FY02 Proposed</i>
<i>\$m</i>		<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
0.417	Honoraria & Logistical/Secretarial Support	0.395	0.320	0.384
0.421	STAP Meetings	0.493	0.236	0.531
0.838		0.888	0.556	0.915
1.301	STAP Total	1.465	0.989	1.549

FY01 Estimated

72. Staff costs covering the two professional staff complement of two have remained constant. Owing to the postponement of the Adaptation workshop, anticipated expenditure on temporary assistance did not materialise; and has been included in the FY02 budget. The increase in general overheads relates primarily to communication costs, the largest element of this expense category, and freight. Honoraria and Logistical/Secretarial Support which includes special service agreements with the twelve STAP members for their corporate responsibilities and for logistical and secretarial support, have remained constant. Following the June 2000 retreat chaired by the CEO, a decision was taken to reduce the current number of STAP meetings from three to two with an increase of additional working days. The STAP Expert Group on Adaptation and Vulnerability was postponed to FY02 in order to take into account the final decisions of the resume session of COP 6 and COP 7 of UNFCC.

FY02 Proposed

73. Provisions for temporary assistance are again included for FY02, otherwise staff costs and staff complement remain constant but with provision for normal increments. General overhead costs are expected to be consistent with FY01 with adjustment related to the costs of the rescheduled activities. STAP meeting costs will increase as a result of increased planned activities; in particular, for preparation of STAP's contribution to the Second GEF Assembly; the preparation of the triennial report; the convening of scientific events in the margin of the Assembly; and a joint meeting between the incoming STAP III and the outgoing members of STAP II to be held in June 2002.

VI. PROPOSED FY02 CORPORATE BUDGET - SUMMARY

74. The estimated FY01 expenditures and proposed FY02 Corporate Budget for all GEF Units are summarized in Table 10.

Table 17: Proposed FY02 Corporate Budget

<i>FY00 Actual</i>		<i>GEF Units</i>	<i>FY01 Budget</i>		<i>FY01 Estimate</i>		<i>FY02 Budget</i>	
<i>SffYrs</i>	<i>\$m</i>		<i>SffYrs</i>	<i>\$m</i>	<i>SffYrs</i>	<i>\$m</i>	<i>SffYrs</i>	<i>\$m</i>
23.7	6.573	GEF Secretariat: Core 1/	23.7	6.953	23.7	6.953	26.6	8.022
4.3	1.230	GEF Secretariat: Monitoring & Evaluation Unit	4.4	1.402	4.4	1.402	4.6	1.539
10.7	2.484	UNDP-GEF	10.6	2.531	10.6	2.574	10.6	2.607
9.5	2.319	UNEP-GEF	10.0	2.480	10.5	2.314	11.0	2.554
8.5	2.556	IBRD –GEF	9.5	2.837	10.5	2.837	10.8	2.925
2.0	1.301	Scientific Technical Advisory Panel	2.0	1.456	2.0	0.989	2.0	1.549
		Trustee 2/		0.784		0.784		0.823
58.7		Sub-Total	63.2	18.443	61.2	18.019	65.6	20.019
		Special Initiatives						
		Project and Management Information System		0.250		0.250		
		Greater Outreach & Communications – Phase II		0.430		0.430		
		Country-Level Ownership and Coordination of GEF-Financed Activities - Third Year		0.588		0.588		0.588
		Second GEF Assembly						0.266
		World Summit on Sustainable Development						1.399
		Sub-Total		1.268			65.6	2.253
58.7		TOTAL	63.2	19.711			65.6	22.272

1/ FY01 includes adjustments for Council Alternates travel (\$100,000) and Assembly preparation (\$50,000)

2/ Services provided by Trustee cannot appropriately be expressed in terms of Staffyears.

ANNEX B: (PROPOSED FORMAT) GEF FY01 CORPORATE BUDGET MID YEAR REPORT



Global Environment Facility

March 16, 2001

(PROPOSED FORMAT)

GEF FY01 CORPORATE BUDGET MID-YEAR REPORT

OVERVIEW

1. This document presents the FY01 mid-year status report (as of December 31, 2000) of estimated expenditures for the six GEF Units.
2. In May 2000, the Council approved an FY01 budget of \$19.661 million. This budget is comprised of: (i) an amount of \$18.393 million for the organizational units which includes an amount of \$100,000 to the Secretariat budget to cover travel costs for Alternates from recipient country constituencies to attend Council meetings; and (ii) an amount of \$1.268 million to support the proposed special initiatives of (a) a project tracking and management information system; (b) the second year of the strengthening of country-level ownership and coordination of GEF-financed activities; and (c) the continuation of greater outreach and communications efforts.
3. The following annexes provide, for each GEF Unit, the estimated end-year expenditures by corporate management activity and by expense category; and any expected variance (over- or under-run) from the original budgeted resources. Each GEF Unit applies the principle that any under runs in the corporate management budget will be returned to the GEF Trust Fund at year's end.

ANNEX A:

GEF SECRETARIAT (INCLUDING MONITORING & EVALUATION)

By corporate management activity:

<i>Corporate Management Activity</i>	<i>GEF Secretariat</i>	
	<i>FY01 Budget</i>	<i>FY01 Estimated</i>
Institutional Relations	1.011	1.077
Policy & Program Development	3.932	3.790
Communications & Outreach	0.862	0.834
Management & Finance	1.148	1.252
Monitoring and Evaluation	1.402	1.402
TOTAL	8.355	8.355

By expense category:

<i>Expense Category</i>	<i>GEF Secretariat</i>		<i>GEF M & E</i>	
	<i>FY01 Budget</i>	<i>FY01 Estimate</i>	<i>FY01 Budget</i>	<i>FY01 Estimated</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Staff Salaries and Benefits	4.285	4.304	0.660	0.630
Staff Travel	0.540	0.609	0.110	0.145
Consultant Fees and Travel	0.395	0.290	0.460	0.419
Contractual Services	0.270	0.280	0.075	0.087
Meetings/Conferences/Workshops	0.550	0.550	0.005	0.005
Office Equipment	0.293	0.300	0.026	0.050
General Overheads	0.440	0.440	0.040	0.040
Parent Agency Institutional Services	0.180	0.180	0.026	0.026
	6.953	6.953	1.402	1.402

Identified Budget Variance:

- At the November 2000 Council meeting, an additional allocation of \$50,000 was approved in addition to GEF Secretariat's budget to cover preliminary costs associated with planning the GEF Assembly.

ANNEX B

IMPLEMENTING AGENCIES

By corporate management activity:

<i>Corporate Management Activity</i>	Implementing Agencies							
	UNDP		UNEP		IBRD		TOTAL	
	<i>FY01 Budg</i>	<i>FY01 Estm</i>	<i>FY01 Budg</i>	<i>FY01 Estm</i>	<i>FY01 Budg</i>	<i>FY01 Estm</i>	<i>FY01 Budg</i>	<i>FY01 Estm</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Institutional Relations	0.095	0.095	0.336	0.336	0.197	0.280	0.628	0.711
Policy & Program Developmt/Coordination	1.653	1.653	1.266	1.266	1.541	1.541	4.460	4.460
Outreach/Knowledge Mngnt/Ext Relations	0.141	0.141	0.155	0.155	0.236	0.168	0.532	0.464
Management & Finance	0.448	0.448	0.516	0.516	0.627	0.612	1.591	1.576
Monitoring & Evaluation	0.194	0.237	0.207	0.207	0.236	0.236	0.637	0.680
TOTAL	2.531	2.574	2.480	2.480	2.837	2.837	7.848	7.891

By expense category:

<i>Expense Category</i>	Implementing Agencies							
	UNDP		UNEP		IBRD		Total	
	<i>FY01 Budg</i>	<i>FY01 Estm</i>	<i>FY01 Budg</i>	<i>FY01 Estm</i>	<i>FY01 Budg</i>	<i>FY01 Estm</i>	<i>FY01 Budg</i>	<i>FY01 Estm</i>
	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
Staff Salaries and Benefits	1.146	1.146	1.635	1.647	1.980	1.980	4.761	4.773
Staff Travel	0.255	0.298	0.304	0.292	0.189	0.189	0.748	0.637
Consultant Fees and Travel	0.156	0.156	0.050	0.054	0.115	0.115	0.321	0.467
Contractual Services	0.024	0.024	0.083	0.086	0.045	0.045	0.152	0.155
Meetings/Conferences/Workshops	0.020	0.020	0.000	0.000	0.011	0.011	0.031	0.031
Office Equipment	0.015	0.015	0.162	0.155	0.020	0.020	0.177	0.170
General Overheads	0.384	0.383	0.146	0.146	0.277	0.277	0.826	0.826
Parent Agency Institutional Services	0.532	0.532	0.100	0.100	0.200	0.200	0.832	0.832
TOTAL	2.531	2.574	2.480	2.480	2.837	2.837	7.848	7.891

Identified Budget Variance:

- UNDP expects to exceed its FY01 corporate M&E budget of \$194,000 by \$43,360 due to greater than anticipated staff resources required to carry out its M&E activities.

ANNEX C

STAP AND TRUSTEE

By corporate management activity:

Scientific and Technical Advisory Panel	<i>FY01 Budget</i>	<i>FY01 Estimated</i>
<i>Corporate Management Activity</i>	<i>\$m</i>	<i>\$m</i>
<i>STAP Secretariat -</i>		
Institutional Relations	0.170	0.170
Policy & Program Development/Coordination	0.142	0.142
Outreach/Knowledge Mngmt/Ext Relations	0.199	0.199
Management & Finance	0.057	0.057
Sub-Total	0.568	0.568
<i>STAP Members -</i>		
Honoraria & Logistical/Secretarial Support	0.395	0.395
STAP Meetings/Workshops	0.493	0.493
Sub-Total	0.888	0.888
TOTAL	1.456	1.456

Trustee	<i>FY01 Budget</i>	<i>FY01 Estimated</i>
<i>Corporate Management Activity</i>	<i>\$m</i>	<i>\$m</i>
Resource Mobilization and Management	0.400	0.400
Legal services	0.070	0.070
Accounting & Reporting	0.197	0.197
Investment Management	0.117	0.117
TOTAL	0.784	0.784

Identified Budget Variance:

Work program is progressing as planned with no identified budgetary variances expected.