



## **GEF COUNCIL DECISIONS 2005**

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## Decision by Mail – February 2005

### Decision 1/2005      Appointment of STAP Chair

1. The Council fully supports the recommendation made by the Executive Director of UNEP to appoint Ms. Yolanda Kakabadse as the Chair of STAP to serve from January 1, 2005 through June 30, 2006.

## Decision by Mail – April 2005

### Decision 2/2005      Intersessional Work Program

1. The Council reviewed the proposed [work program](#) transmitted to the Council, and approves it subject to comments submitted to the Secretariat by April, 4, 2005.
2. The Council finds that with the exception of:
  - 1) Regional (Ethiopia, Uganda, Zambia, Ghana): Removing Barriers to Invasive Plant Management in Africa
  - 2) Turkmenistan: Conservation and Sustainable Use of Globally Significant Biological Diversity in Khazar Nature Reserve on the Caspian Sea Coast

each project presented to it as part of the work program is or would be consistent with the Instrument and GEF Policies and procedures and may be endorsed by the CEO for final approval by the Implementing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents fully incorporating the [Council's comments on the work program](#) accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

3. With respect to *Regional (Ethiopia, Uganda, Zambia, Ghana): Removing Barriers to Invasive Plant Management in Africa*, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing the project document for final approval by the Implementing Agency. The project may be reviewed at a subsequent Council meeting at the request of at least four Council Members.
4. With respect to the *Turkmenistan: Conservation and Sustainable Use of Globally Significant Biological Diversity in Khazar Nature Reserve on the Caspian Sea Coast*, the Council requests that the project proposal be deferred for consideration at the June 2005 Council meeting.

## 25<sup>th</sup> Council Meeting – June 2005

### Decision 3/2005      Annual Performance Report

1. The Council, having reviewed the document GEF/ME/C.25/1, [Annual Performance Report 2004](#), takes note of the findings and the report's recommendations. The Council requests the GEF Office of Monitoring and Evaluation to report at the May 2006 meeting on the follow-up to the following recommendations:
  - (a) The transparency of the GEF project approval process should be increased. The GEF Secretariat is requested to prepare for Council review, options for making project proposal status information available to proponents through Internet accessible databases and project tracking tools. The GEF Secretariat, Implementing Agencies and Executing Agencies are also requested to update project information on the current projects.
  - (b) GEF Secretariat should, in consultation with the Implementing and Executing Agencies, develop: (i) an active management approach to the project approvals process, including accountability for processing time standards within the GEF Secretariat and Implementing Agencies; (ii) a system, including criteria, for actively reviewing projects to determine which should be canceled, and (iii) report annually to the Council on progress in these areas.
  - (c) UNDP and UNEP are requested to set in place terminal evaluation review processes for GEF projects to improve their quality and meet the concerns of the GEF Council about the quality and credibility of their terminal evaluations and ratings. OME is requested to review consistency of evaluations and ratings. The Implementing and Executing Agencies are also requested to include in their project terminal evaluations an assessment of project monitoring and evaluation systems.
  - (d) OME is requested to issue more rigorous monitoring and evaluation standards as soon as possible. The GEF Secretariat is requested to ensure that projects included in the work programs meet minimum monitoring and evaluation standards.

### Decision 4/2005      Four Year Rolling Work Program and Budget of OME

1. The Council reviewed document GEF/ME/C.25/3, [Four Year Work Program and Budget of the Office of Monitoring and Evaluation – FY06-09 and Results in FY05](#), and approves the proposed principles underlying the work program. The Council approves a budget of US\$2,821,975 for FY06 to cover the costs of core tasks and new modalities. In addition, Council approves an additional amount of US\$150,000 for the special initiative to

prepare a joint evaluation of the activity cycle, modalities and the fee system, and US\$125,000 for the special initiative to evaluate GEF's strategy and support for the implementation of the Cartagena Protocol (biosafety).

2. Council notes with gratitude UNEP's agreed support of US\$225,000 for the biosafety evaluation (50% of the total \$450,000 cost of the evaluation). This amount is to be transferred to the GEF Office of Monitoring and Evaluation from UNEP through the GEF Trustee. The Council recognizes that UNEP is able to provide this support since the biosafety evaluation of the OME will replace the need for UNEP to organize a full terminal evaluation of the global development project.
3. In preparing its next four-year rolling work program, to be presented to the Council in May 2006, the Office of Monitoring and Evaluation will take into account:
  - (a) The terms of reference of the OME approved by the Council in July 2003.
  - (b) Recommendations from OPS3 incorporated in the policy recommendations associated with the fourth replenishment of the GEF Trust Fund.
  - (c) Policy and program streamlining, actual trends in commitments, disbursements and number of projects in the GEF.
  - (d) The outcomes of the consultative process, the new GEF monitoring and evaluation policy, and the new division of labor on monitoring and evaluation, which may lead to efficiencies in actual costs.
  - (e) Overall budget discipline.
  - (f) The possibility of OPS4 building upon the evaluations of OME.

**Decision 5/2005      Draft Third Overall Performance Study (OPS3)**

1. Council takes note of the [draft of the Third Overall Performance Study \(OPS3\)](#) and requests the GEF Office of Monitoring and Evaluation and ICF Consulting to prepare the final document by June 30, 2005, taking into consideration comments made at this meeting and written comments to be received. In addition, Council requests that the document be forwarded to the replenishment process and presented at its meeting on June 9, 2005.
2. Council Members are requested to provide written comments on or before June 15, 2005, to assist ICF Consulting in finalizing OPS3 by June 30, 2005.

**Decision 6/2005      Review of the GEF Operational Program 12**

1. The Council, having reviewed the document, *GEF Office of Monitoring and Evaluation Review of the GEF Operational Program 12: Integrated Ecosystems Management* (GEF/ME/C.25/5), requests the OPS3 team to take the evaluation into consideration when preparing their final report. The Council also requests the GEF Office of Monitoring and Evaluation to report on follow-up actions taken to implement the management response in June 2006, taking into account the decision of the Council on the management response.

**Decision 7/2005      Relations with Conventions and Other Institutions**

1. The Council reviewed document GEF/C.25/3, *Relations with Conventions and other Institutions*, and welcomed the progress made in support of international environmental conventions and GEF collaboration with the UN Commission on Sustainable Development.
2. The Council requests the GEF Secretariat and the Implementing and Executing Agencies to continue to seek opportunities to work with recipient countries to develop and implement projects consistent with the decisions of the Conventions. The GEF Secretariat is requested to maintain its consultations with the Implementing Agencies, Executing Agencies and Convention Secretariats to promote continued responsiveness to convention guidance and to keep the Council informed of the progress that is being made.
3. The Council reviewed and approves the proposed interim approach to the financing of biosafety capacity building activities in accordance with the guidance from the Convention pending the completion of the evaluation of activities carried out under the initial strategy to assist countries to prepare for the entry into force of the Cartagena Protocol. The Council requests the Secretariat to prepare, in consultation with the Implementing Agencies, a proposed strategy on the most efficient and effective means to provide additional support to countries to strengthen their capacity to implement national biosafety frameworks, as called for in the guidance of the Convention, once the evaluation expected in November 2005 is completed.
4. The Council requested the GEF Secretariat and Implementing Agencies to take steps to avoid duplication with the activities of other donors and countries in the funding of biosafety activities.
5. The Council requests the GEF Secretariat to prepare a report for the November Council meeting on GEF activities related to forests, including:

- (a) GEF's potential to enhance sustainable forest management objectives in GEF operational programs, including activities in OP3 and OP15, and an identification of difficulties and obstacles together with strategies to enhance support.
  - (b) An indicative breakdown of the types of GEF funding for forests (e.g., protected areas, sustainability forest management of productive forests, including production, reforestation and forest rehabilitation).
  - (c) Ways to enhance PDF financing for the development of sustainable forest management, including through attracting matching financing from CPF members.
6. The Council requests the Secretariat and the Convention Secretariats to work together to include in reports on relations with conventions updated information on progress being made in:
- (a) Submission of national communications to the UNFCCC and national reports to the CBD.
  - (b) Progress being made towards ratification of the Cartagena Protocol and the Stockholm Convention by those countries who have expressed their intention to do so in order to access GEF financing.
  - (c) Status of ODS phase out by economies in transition receiving GEF financing for ODS projects.

**Decision 8/2005      Report on Climate Change Funds**

1. The Council, having reviewed GEF/C.25/4, [\*Status Report on the Least Developed Countries Fund for Climate Change and the Special Climate Change Fund\*](#), welcomes the first completed NAPA from the Islamic Republic of Mauritania and the progress that has been made in financing the preparation of National Adaptation Programs of Action (NAPAs) by the LDC Parties to the UNFCCC. The Council also welcomes the formulation of policies and procedures for the support of projects under the SCCF, and the successful outcome of the meeting of donors for resource mobilization. The Council requests the Secretariat and the Implementing Agencies to expedite processing of projects under the funds. The Council approves an administrative budget of US\$ 466,400 and US\$ 538,200, respectively, to cover the expenses of the GEF Secretariat and the Trustee in administering the LDCF and the SCCF for FY06 and FY07



**Decision 9/2005      Scope and Coherence of the Land Degradation Activities  
in the GEF**

1. The Council, having reviewed document GEF/C.24/6/Rev.1, [Scope and Coherence of the Land Degradation Activities in the GEF](#), welcomes the revisions that have been made to the earlier draft of the paper. The Council requests the GEF Secretariat, in consultation with the Implementing and Executing Agencies and the UNCCD Secretariat, to continue its work on elaborating the paper, taking into account the comments and revisions noted by the Council Members. The Council agrees to revisit the paper at a later date.

**Decision 10/2005      Memorandum of Understanding between UNCCD and the GEF**

1. The Council, having reviewed the [Proposed Memorandum of Understanding between the United Nations Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa and the Global Environment Facility](#), jointly prepared by the Executive Secretary of the UNCCD and the CEO/Chairman of the Facility, requests the CEO/Chairman of the Facility to transmit the MOU to the Executive Secretary of the UNCCD for submission to the seventh session of the Conference of the Parties to the UNCCD with a view to its consideration and adoption by the COP in order to support collaboration with, and implementation of, the Convention. Once approved by the COP, the MOU should be submitted to the Council for approval.

**Decision 11/2005      Work Program**

1. The Council reviewed the proposed [work program](#) submitted to Council in document GEF/C.25/6, and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by June 22, 2005.
2. The Council also reviewed and approved *Turkmenistan: Conservation and Sustainable Use of Globally Significant Biological Diversity in Khazar Nature Reserve on the Caspian Sea Coast* (UNDP), a project proposal that was initially submitted for Council review in the February 2005 intersessional work program<sup>1</sup>.
3. The Council finds that with the exception of:
  - *Regional (Cook Islands, Fiji, Kiribati, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu): Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project (PIGGAREP) (UNDP)*

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<sup>1</sup> The Council Member representing the United States objected to the project proposal due to concerns regarding governance in the country.

- *Regional (Ethiopia, Madagascar, Namibia, South Africa): Demonstrating Cost Effectiveness and Sustainability of Environmentally-sound and Locally Appropriate Alternatives to DDT for Malaria Control in Africa (UNEP)*
- *Regional (Benin, Guinea, Mali, Mauritania, Senegal, Niger): Reducing Dependence on POPs and other Agro-Chemicals in the Senegal and Niger River Basins through Integrated Production, Pest and Pollution Management (UNEP)*
- *China: Demonstration of Alternatives to Chlordane and Mirex in Termite Control (World Bank)*

each project presented to it as part of the work program is or would be consistent with the Instrument and GEF policies and procedures and may be endorsed by the CEO for final approval by the Implementing or Executing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents fully incorporating the Council's comments on the work program accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

4. With respect to the projects listed above, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and to transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing or Executing Agency. Such projects may be reviewed at a further Council meeting at the request of at least four Council Members. Before circulating the projects to the Council, the CEO is requested to check that Council comments have been adequately responded to in the draft final project. 28. With respect to *Global: Development of National Biosafety Frameworks Project (10 additional countries) – Add On (UNEP)* a project document that was submitted to the Council for review prior to CEO endorsement, the Council agrees that the project should be endorsed by the CEO.
5. The Council requests UNEP to report in May 2006 on the steps it has taken to incorporate agreed recommendations from the biosafety evaluation into its biosafety portfolio of activities.
6. Council's approval of the project proposal, *Global: Renewable Energy Enterprise Development - Seed Capital Access Facility (UNEP)*, is contingent upon UNEP securing agreement prior to CEO endorsement from the World Bank/IFC or one of the regional development banks or another credible financial institution to jointly implement the project. If after one year UNEP has not found a partner from amongst such financial

institutions, the project is to be removed from the work program and returned to the pipeline until an appropriate partner can be found<sup>2</sup>.

7. With respect to *Brazil: EFCC Advanced Technology Cogeneration Project for the Costa Pinto Sugar Refinery in Piracicaba SP Brazil* (World Bank/IFC), the Council confirms that:
  - (a) Any replication of this project should be conditional upon an independent evaluation of the project.
  - (b) Tranche 2 of the project should be circulated to Council prior to CEO endorsement, subject to the standard procedures for CEO endorsement.
  - (c) The project should be subject to rigorous GEF pipeline management procedures by the GEF Secretariat and the World Bank. In this context, Council requests a status report for this project for the November 2007 Council Meeting, at which point the Council will decide whether adequate progress has been made towards achievement of financial closure.
8. With regard to the project proposal, *China: Demonstration of Alternatives to Chlordane and Mirex in Termite Control* (World Bank), it was agreed that the project proposal would be changed to address the concerns raised by the Council Members, and with these changes, the proposal would be circulated to the Council prior to CEO endorsement.
9. Regarding the project proposal, *Regional (Cook Islands, Fiji, Kiribati, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu): Pacific Islands Greenhouse Gas Abatement through Renewable Energy Project (PIGGAREP)* (UNDP), the Council requested that more information be provided on the feasibility of the objectives of the program in the final project document.

#### **Decision 12/2005      Corporate Budget FY06**

1. The Council reviewed the proposal for a corporate budget presented in document GEF/C.25/7 ([Corporate Budget FY06](#)) and approves a FY06 Corporate Budget of US\$24.928 million comprising:
  - (a) US\$23.373 million for the resource requirements of the six GEF units (Secretariat, UNDP, UNEP, World Bank, STAP, and Trustee) for their planned corporate management activities and deliverables.

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<sup>2</sup> One Council Member opposed the project on the grounds that UNEP is not qualified to manage such a capital facility or make an assessment about the credibility of a financial institution, and because the GEF Instrument does not provide for UNEP to do so.

- (b) Special Initiatives in the amount of US\$ 0.55 million to operationalize the Resource Allocation Framework, US\$0.075 million for the fourth replenishment of the GEF Trust Fund, and US\$0.93 million to prepare for the Third Assembly.
- 2. The Council notes that the budget for the independent Office of Monitoring and Evaluation, the seventh GEF unit, was considered and approved under a separate agenda item.

**Decision 13/2005      Process for Selecting CEO/Chairman of the Facility**

- 1. The Council, reviewed document GEF/C.24/11/Rev.1, [Process for Selecting the CEO/Chairperson of the Facility](#), agrees that the process for selecting the CEO/Chairperson of the Facility should be transparent, efficient, inclusive of all Council Members, merit-based, and six months in length.
- 2. Recognizing the provisions of paragraph 21 of the Instrument pertaining to the appointment of the CEO/Chairperson of the Facility, the Council approves the following steps to be followed in selecting the CEO/Chairperson of the Facility:
  - (a) At the Council meeting at least six months prior to the expiration of the term of the CEO, Council decides either: (i) to reappoint the incumbent CEO; or (ii) to start the process for selection of a new CEO.
  - (b) If a new CEO is to be selected, at the same Council meeting, the Council will approve the terms of reference for the CEO, the process for advertising the position, the terms of reference for an independent consulting firm, and the budget to support the process.
  - (c) An independent firm will be selected by the Implementing Agencies to screen all applicants and to choose those who meet the criteria/qualifications specified in the TOR.
  - (d) Position is advertised.
  - (e) Initial screening to prepare a list of all applicants meeting criteria/qualifications (done by outside consulting firm with advice of representatives of the human resource departments of the three Implementing Agencies).
  - (f) Committee comprising senior representatives designated by the three Heads of the Implementing Agency prepares preliminary short list of up to ten candidates, which will be a closed list.

- (g) Implementing Agencies to consult with the Council on the preliminary short list.
  - (h) Selection Committee comprised of the Heads of the Implementing Agencies or their representatives prepares a final short list of candidates to be interviewed, interviews candidates, and consults with Council Members.
  - (i) Based on the interviews and consultations carried out by the Selection Committee, the Implementing Agencies will jointly make a recommendation to the Council for the Council's final consideration and decision. The number of candidates to be formally presented to the Council will be agreed in November 2005.
  - (j) The Council appoints the CEO at the Council meeting just prior to the expiration of the term of the incumbent CEO.
3. The Council requests the GEF Secretariat, in collaboration with the Implementing Agencies and taking into consideration proposals made at the Council meeting, to prepare a proposal for a well-defined and time bound process for carrying out robust and transparent consultations with all Council Members during the selection process for review and approval by the Council at its meeting in November 2005. Council Members are invited to submit their written views and suggestions on the consultation process to the Secretariat by September 1, 2005, to assist the Secretariat and the Implementing Agencies in preparing their proposal.
  4. The Council notes that at its meeting in November 2005, the Council will decide: (a) to extend the incumbent CEO for a new term; or (b) start the process for selection of a new CEO.

#### **Decision 14/2005      Resource Allocation Framework**

1. The Council agrees to suspend the three motions that were tabled by Council Members at the meeting in November 2004 with a view to reaching a final decision by consensus (on the [GEF Resource Allocation Framework](#)).
2. The Council notes the [Secretariat's proposal on a Resource Allocation Framework](#) (GEF/C.25/CRP.5), agrees to an extraordinary meeting of the Council in August/September 2005 to finalize the structure of the RAF, and requests the Secretariat to prepare a comprehensive proposal for Council's consideration at the meeting.

## **Decision 15/2005      Fee System**

1. The Council, having reviewed GEF/C.23/8/Rev.1, [Proposal for Revising the Fee System](#), agrees with the proposal to implement a flat fee of 9 percent of the GEF grant<sup>3</sup>. It is clearly understood that with this new system will be reviewed and discussed at the June 2006 Council meeting and that there will be no fee premiums.
2. The Council requests the Secretariat, in collaboration with the Implementing and Executing Agencies, to closely monitor the configuration of projects entering the project pipeline with a view to determining whether the new fee system is having any adverse impacts and to report to the Council at each of its meeting on the results of its monitoring. In monitoring the pipeline, the Secretariat is requested to pay particular attention to medium sized projects and whether the new fee system is adversely impacting the number of quality MSPs being proposed for pipeline entry.
3. The Secretariat is also requested to report to the Council at its meeting in June 2006 on any particular difficulties the Executing Agencies may be experiencing under the new fee structure with a view to allowing the Council to consider options to address those difficulties.

## **Decision 16/2005      Strengthening Focal Points and Council Members**

1. The Council, having reviewed the paper GEF/C.25/9, [Elements for Strengthening National Focal Points and Enhancing Constituency Coordination in GEF Recipient Countries](#), approves a new four year phase of the program of assistance to strengthen national focal points and Council Members. The Council requests the GEF Secretariat and the Implementing Agencies to collaborate in preparing a proposal to operationalize and finance the program for approval by the Council at its meeting in November 2005. In preparing the proposal, a clear separation should be made between administrative costs and capacity building costs with a view to incorporating administrative costs in the corporate budget.

## **Decision 17/2005      Procedures for approval of work programs**

1. The Council, having reviewed GEF/C.25/10, [Clarification of Procedures for Council Review and Approval of the Work Program](#), agrees to the following clarifications:
  - (a) During the four-week review period, Council Members may submit questions of clarification or requests for additional information to the relevant

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<sup>3</sup> The Council Member representing the United States opposed the decision to move to a flat rate system, due to concerns about the appropriate rate, the impact this may have on executing agencies, the portfolio mix and the potential risk of agencies moving to areas not in their comparative advantage.

Implementing/Executing Agency on any project proposal in the proposed work program.

- (b) Implementing/Executing Agencies will make their best efforts to respond to all questions or requests in a timely manner.
  - (c) All written requests and written responses will be copied to the Secretariat, and the Secretariat will post them on the website to ensure transparency and assist other Council Members in their decision-making process.
  - (d) Notwithstanding any questions of clarification posed during the review period, Council Members may submit technical comments for the agencies to take into consideration in the further development of the project proposals to the Secretariat within the specified time available for such comments. The Secretariat will collate all technical comments, share them with the Implementing and Executing Agencies, and post them on the GEF website.
2. Nothing in this clarification or decision will be viewed as limiting Council's authority at any time to ask questions on any GEF issue of management and the Implementing and Executing Agencies or to discuss any GEF matter with management and the Implementing and Executing Agencies.

**Decision 18/2005      Confirmation of constituencies**

- 1. The Council confirms the following [constituency grouping](#):  
Cook Islands, Fiji, Indonesia, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

**Decision 19/2005      GEF Trust Fund Audit Issues**

- 1. The Council discussed GEF/C.25/Inf. 6, [GEF Trust Fund Audit Issues](#), and requests that there be annual Council discussion of financial statements and audits to ensure the adequacy of public financial reports.

**Decision by Mail – July 2005**

**Decision 20/2005      GEF 2004 Annual Report**

- 1. The Council, having reviewed the draft text for the [GEF 2004 Annual Report](#), approves the report.

## 26<sup>th</sup> Council Meeting – August 2005

### Decision 21/2005      Resource Allocation Framework

Based on policy recommendations of the third replenishment, and in particular the recommendation that the GEF should establish a framework for allocation of resources to global environmental priorities and to countries based on performance;

Consistent with the Instrument for the *Establishment of the Restructured GEF* and the global environmental conventions for which the GEF serves as a financial mechanism;

Reflecting the decisions of the Council concerning a resource allocation framework adopted at its meetings in October 2002, May 2003, November 2003, May 2004, November 2004 and June 2005;

Based on assessments of country potential to generate global environmental benefits consistent with the Convention on Biological Diversity and the UN Framework Convention on Climate Change;

Recognizing the need for a transparent, equitable and inclusive system for the allocation of resources within the GEF;

Recognizing further that success in meeting the objectives of the GEF is based on good governance related to environmental sustainability within each country and at the international level.

1. The Council agrees to implement, for the GEF-4 replenishment, a resource allocation framework based on an index of a country's potential to generate global environmental benefits in the biodiversity and climate change focal areas and an index of performance.
2. The RAF will be structured as described in document GEF/C.26/2/Rev.1, [Technical Paper on the GEF Resource Allocation Framework](#), with the following amendments and understandings:
  - (a) With respect to the issue of performance:
    - (i) BFI will be based on the average of the five indicators under the "Public Sector Management and Institutions" cluster of the CPIA.
    - (ii) The weights of the three components of GPI will be as follows:
      - a. PPI = 10 percent



b. CEPIA= 70 percent

c. BFI = 20 percent

(iii) No macroeconomic indicator is included in GPI; should the GEF Council wish to approve a policy permitting GEF financing for budgetary support (as defined in paragraph 21 of the Joint Summary of the Chairs, May 2004<sup>4</sup>) a macroeconomic indicator will need to be included in the GPI.

(b) With regard to the allocation of resources to individual countries and the group in the biodiversity and climate change focal areas, the following steps will be followed:

(i) Step 1. Country score

For each eligible country in each focal area<sup>5</sup>, a *country score* is computed from the GEF Benefits Index (GBI) and the GEF Performance Index (GPI) as follows:

$$\text{Country Score} = \text{GBI}0.8 \times \text{GPI}1.0$$

(ii) Step 2. *Country share*

The country share for each focal area is determined by dividing the country score for the focal area by the sum of the country scores for all eligible countries in that focal area, as follows:

$$\text{Country Share} = \frac{\text{Country Score} \dots \dots \dots}{\text{Sum of Country Scores for all eligible countries}}$$

(iii) Step 3. *Preliminary country allocation*

A *preliminary country allocation* for each country in each focal area is computed as the product of the country share and the total amount of GEF resources available for that focal area under the RAF after the following exclusions:

a. 5 percent of the focal area resources for global and regional allocations.

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<sup>4</sup> In May 2004, the Council agreed that budgetary support was defined as that which involves disbursements other than those required for payments for project-related goods/works/services, and includes all budget support, structural adjustment, sector-wide approach assistance and similar projects.

<sup>5</sup> With the exception of countries referred to in paragraph 24, of GEF/C.26/2/Rev 1 ([Technical Paper on the GEF Resource Allocation Framework](#)).

- b. 5 percent of the focal area resources for small grants program and cross-cutting capacity building activities

Country Preliminary Allocation = Country Share x GEF resources available under RAF after exclusions

(iv) Step 4. *Adjusted allocations for minimum allocations and ceilings*

For each country whose *preliminary country allocation* is less than \$1 million, a targeted supplement will be provided so that the country will have a minimum *adjusted* allocation of \$ 1 million. The *preliminary country allocations* in each focal area are also adjusted for the focal area ceiling. Additional resources that become available after applying the ceiling are reallocated to the remaining countries in proportion to the *country shares*.

The ceiling for biodiversity is 10 percent of the resources available for the focal area in the replenishment period, and the ceiling for climate change is 15 percent of the resources available for the focal area in the replenishment period.

(v) Step 5. Indicative allocations to countries and groups of countries

For each focal area, all eligible countries are listed in decreasing order of *adjusted allocations*. The highest-ranked countries whose cumulative *adjusted allocations* equal 75 percent of the total resources in the focal area will receive country specific indicative allocations equal to their respective *adjusted allocation*<sup>6</sup>.

The remaining countries will be placed in a group with collective access to the *indicative allocations* for countries in the group. The *upper* limit on approved projects for any country in the group will be equal to the *adjusted allocation* of the highest-ranked country in the group.

The total of exclusions, top-ups and group allocation will not exceed 25 percent of the resources in each focal area.

An illustration of the application of the RAF is included as Attachment 1.

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<sup>6</sup> In GEF 3, these two focal areas together account for two-thirds of the resources employed for programming in the GEF.

- (c) With respect to disclosure:
- (i) Allocations for individual countries and the group will be disclosed and GBI for all countries will be disclosed.
  - (ii) Regarding CPIA data used in GPI, a link will be made available from the GEF website to the World Bank website.
- (d) Mid-term reassessment and reallocation will be undertaken as described in paragraph 19 of the technical document. In addition, a country that receives an individual allocation in the first half of the replenishment period will continue to receive an individual allocation in the second half of the replenishment period<sup>7</sup>. In the context of the implementation of the RAF and in the light of the mid-term reassessment and reallocation, it is imperative that the GEF continue to make every effort to streamline its processes for approvals and disbursements.
- (e) The Council will review the RAF after two years of implementation. The review will examine the operational experience with the RAF. It will also consider the feasibility of using indicators available, or to be developed, within the UN system, and an evaluation of the weight of governance within the Country Environmental Policy and Institutional Assessment Indicator (CEPIA).
- (f) The RAF system will undergo an independent review to be concluded at the same time as, or as part of, the fourth independent overall performance study of the GEF (OPS4).
3. The Council confirms the decision taken at its meeting in November 2003 that the Secretariat should work to develop a GEF-wide RAF based on global environmental priorities and country-level performance relevant to those priorities. The Council will review progress in developing indicators for other focal areas in conjunction with the mid-term review.

#### **Decision 22/2005 Two Year Review of the RAF**

1. The Council requests the Office of Monitoring and Evaluation, in collaboration with the Secretariat and Implementing and Executing Agencies, to prepare for Council consideration a review of the RAF after two years of implementation (see paragraph 2(e) of the *Decision on the Resource Allocation Framework*)

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<sup>7</sup> Such a country will continue to be eligible for an individual allocation equal to its adjusted allocation resulting from the re-assessment plus its carryover from the first half of the replenishment period.

## Decision by Mail – September 2005

### Decision 23/2005      Intersessional Work Program

2. The Council reviewed the proposed [work program](#) transmitted to Council, and approves it subject to comments submitted to the Secretariat by September 9, 2005.

3. The Council finds that with the exception of:

- 1) Belarus: Catalyzing Sustainability of Wetland Protected Area System
- 2) Indonesia: Integrated Micro-hydro Development and Application Program
- 3) Croatia: Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development

each project presented to it as part of the work program is or would be consistent with the Instrument and GEF policies and procedures and may be endorsed by the CEO for final approval by the Implementing or Executing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents fully incorporating the [Council's comments on the work program](#) accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

4. With respect to *Belarus: Catalyzing Sustainability of Wetlands Protected Area System* and *Indonesia: Integrated Micro-hydro Development and Application Program*, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing Agency. The project may be reviewed at a subsequent Council meeting at the request of at least four Council Members.
5. With respect to *Croatia: Conservation and Sustainable Use of Biodiversity in the Dalmatian Coast through Greening Coastal Development*, the Council requests that the project proposal be deferred for consideration at the November Council meeting.

## 27<sup>th</sup> Council Meeting – November 2005

### Decision 24/2005      Relations with Conventions and Other Institutions

1. The Council reviewed document GEF/C.27/4, [\*Relations with Conventions and other Institutions\*](#), and welcomed the progress made in support of international environmental conventions and other international processes relevant to GEF's mandate.
2. The Council also took note of the decisions of the first meeting of the Parties to the Stockholm Convention, and invited the GEF Secretariat to work with the Implementing and Executing Agencies to finalize the operational program on POPs, taking into account the guidance approved at the first meeting of the COP.
3. The Council also approved the Memorandum of Understanding between the Conference of the Parties of the Stockholm Convention on Persistent Organic Pollutants and the Council of the Global Environment Facility.
4. The Council requests the GEF Secretariat to report at its next meeting on the conclusions and recommendations of the International Conference on Chemicals Management (Dubai, February 4-6, 2006) which is expected to adopt the Strategic Approach to International Chemicals Management (SAICM).
5. The Council notes the celebration of the forthcoming International Year on Deserts and Desertification and asked the GEF Secretariat to work with the Secretariat of the UNCCD in promoting the goals of the Convention and the IYDD.
6. The Council reviewed document GEF/C.27/9, [\*Status Report on the Climate Change Funds\*](#). The Council approves the allocation of additional budgetary resources from the LDC Fund to pay for the costs of a consultative workshop focusing on NAPA implementation.

### Decision 25/2005      The GEF Monitoring and Evaluation Policy

1. The Council, having reviewed document GEF/ME/C.27/1, [\*The GEF Monitoring and Evaluation Policy\*](#), decides:
  - (a) To request the Office of Monitoring and Evaluation to finalize the policy subject to the incorporation of comments and relevant Council decisions on interaction between the Office and Council and on the MAR, and to circulate a final version of the policy for Council approval on a no-objection basis before the end of 2005.

- (b) To request the Office of Monitoring and Evaluation to develop proposals as necessary for fully reflecting the independence of the Office in the main documents of the GEF such as the Instrument and Rules and Procedures of the GEF Council.
- (c) To request the Secretariat, and the Implementing and Executing Agencies to implement the strengthened minimum requirements for Monitoring and Evaluation that have been adopted through this policy.
- (d) To approve the change of name of the Office of Monitoring and Evaluation to the GEF Evaluation Office.
- (e) To request the Office to prepare administrative procedures to implement the policy, that are fully in line with the Terms of Reference of the Office and with the decisions of the Council on the policy.
- (f) To request the Evaluation Office to develop appropriate guidelines and procedures to implement the policy.
- (g) To request the Office to continue to formalize its consultative process with M&E partners in the GEF.
- (h) To request the Office to develop a proposal for an M&E training program to be presented to the GEF June 2006 Council, in order to introduce the new policy and minimum requirements for M&E to the appropriate staff.

The policy and its implementation will be evaluated at the end of GEF-4.

**Decision 26/2005      Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council**

1. The Council, having reviewed documents GEF/ME/C.27/2, [Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council](#) and GEF/ME/C.27/Inf. 2, [Interaction between Evaluation Offices and Governing Bodies: a Comparative Study](#), approves Option 1 presented in Table 1 of GEF/ME/C.27/2 ([Options for Interaction between the GEF Office of Monitoring and Evaluation and GEF Council](#)) and requests the GEF Evaluation Office to operationalize this option, taking into account the discussions and comments at this Council meeting, and to propose appropriate or necessary amendments to main GEF documents, such as 3 the GEF Instrument and the Rules of Procedures of the GEF Council. Council agrees to review this decision on the basis of experiences at a later date.

#### **Decision 27/2005      Procedures and Format of the Management Action Record**

1. The Council, having reviewed document GEF/ME/C.27/3, [\*Procedures and Format of the Management Action Record\*](#), approves the procedures for preparing the GEF Management Action Record (MAR) as well as its format for reporting on follow-up to Council decisions concerning independent evaluation reports and their management responses. The Council requests the GEF Secretariat and the GEF Evaluation Office to prepare the GEF MAR in consultation with the appropriate GEF entities. The GEF MAR will be presented to Council by the GEF Evaluation Office for review and follow-up on an annual basis commencing June 2006.

#### **Decision 28/2005      The Role of Local Benefits in Global Environmental Programs**

1. The Council takes note of document GEF/ME/C.27/4, [\*The Role of Local Benefits in Global Environmental Programs. Part One: Nature and Conclusions of the Study\*](#) and agrees:
  - (a) Where local benefits are an essential means to achieve and sustain global benefits, these should be more systematically addressed in all stages of the project cycle in GEF activities.
  - (b) GEF activities should include processes for dealing with trade-offs between global and local benefits in situations where win-win results do not materialize.
  - (c) In order to strengthen generation of linkages between local and global benefits, the GEF should ensure adequate involvement of expertise on social and institutional issues at all levels of the portfolio.
  - (d) The GEF Evaluation Office should take the study into account in its ongoing evaluation of the calculation of incremental cost.
2. Council requests the GEF Secretariat, with the collaboration of the Implementing/Executing Agencies, to develop an appropriate set of actions to implement this decision. The Council also requests the GEF Secretariat and the GEF Evaluation Office to record follow-up actions taken to implement the management response to the study and to report on these actions through the proposed GEF Management Action Record, to be submitted by the GEF Evaluation Office at the June session of the Council.

#### **Decision 29/2005      Update on RAF**

1. The Council, having reviewed GEF/C.27/5, [\*Implementing the GEF Resource Allocation Framework\*](#), appreciates the work that has been initiated by the GEF Secretariat and the Implementing Agencies to operationalize the September RAF decision and requests the Secretariat to report on progress in June 2006, to continue to consult with countries to

assist them with the transition to the RAF, and to involve the Executing Agencies, especially the regional development banks, in the planning process.

### **Decision 30/2005      Work Program**

1. The Council approved a [work program](#)<sup>8</sup> comprised of projects listed in the [annex](#) to this summary, subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by November 25, 2005.
2. The Council finds that with the exception of:
  - (a) Brazil: GEF Sustainable Cerrado Initiative. (World Bank)
  - (b) Brazil: National Biodiversity Mainstreaming and Institutional Consolidation Project. (World Bank)
  - (c) China: Demonstration of Fuel Cell Bus Commercialization in China, Phase 2. (UNDP)
  - (d) Croatia: Conservation and Sustainable Use of Biodiversity in The Dalmatian Coast through Greening Coastal Development (UNDP)
  - (e) Kenya: Agricultural Productivity and Sustainable Land Management. (World Bank)
  - (f) Mauritania: Adrar Solar Initiative and Decentralized Electrification in the Northern Coastline of Mauritania through Hybrid (Wind/Diesel) Systems. (UNDP)
  - (g) Regional (Belarus, Bulgaria, Kazakhstan, Romania, Russian Federation, Serbia and Montenegro, Ukraine, Macedonia): Financing Energy Efficiency and Renewable Energy Investments for Climate Change Mitigation (UNEP)
  - (h) Regional (Cameroon, Mali, Central African Republic, Benin, Togo, Gabon, Rwanda, Congo, Congo DR, Burundi): First Regional Micro/Mini-Hydropower Capacity Development and Investment in Rural Electricity Access in Sub-Saharan Africa (UNDP)
  - (i) Regional (Yemen, Lebanon, Palestinian Authority, Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Sudan, and Syria): Mainstreaming Conservation of Migratory Soaring Birds into Key Productive Sectors along the Rift Valley/Red Sea Flyway. (UNDP)

each proposal presented to it as part of the work program is or would be consistent with the Instrument and GEF policies and procedures and may be endorsed by the CEO for final approval by the Implementing or Executing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents

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<sup>8</sup> The US Council Member opposed *Cuba, Supporting Implementation of the Cuban National Programme to Combat Desertification and Drought (NPCDD)*, (UNDP), because it benefits Cuba; *Regional, (Yemen, Lebanon, Palestinian Authority, Djibouti, Egypt, Eritrea, Ethiopia, Jordan, Sudan, Syria), Mainstreaming conservation of migratory birds into Key Productive Sectors along the Rift Valley/Red Sea Flyway*, (UNDP), because it benefits Syria and Sudan; *Mauritania Adrar Solar Initiative and Decentralized Electrification in the Northern Coastline of Mauritania through Hybrid (Wind/Diesel) Systems* (UNDP), in light of the recent coup in Mauritania, which puts in serious question the success and sustainability of the project; *Global, Country Support for Focal Points*, because Component 1 is not capacity building and therefore is an inappropriate use of project funds; and *China, Demonstration of Fuel Cell Bus Commercialization in China, Phase 2* (UNDP), on the grounds it is not cost-effective, sustainable or replicable.



fully incorporating the Council's comments on the work program accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

3. With respect to the proposals listed in the paragraph above, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents and to transmit to the CEO within four weeks any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing or Executing Agency. Such projects may be reviewed at a further Council meeting at the request of at least four Council Members. Before circulating the projects to the Council, the CEO is requested to check that Council comments have been adequately responded to in the draft final project.
4. With respect to the following two proposals:
  - (a) Regional (Africa): Strategic partnership for a sustainable Fisheries Investment Fund in the large Marine Ecosystems of Sub-Saharan Africa (Tranche 1 of 3 tranches) (World Bank)
  - (b) Regional (Asia/Pacific): World Bank/GEF Partnership Investment Fund for Pollution Reduction in the Large Marine Ecosystems of East Asia (Tranche 1 of 3 tranches) (World Bank)

The Council approves them with the revised arrangements for results monitoring. The Council finds that both projects presented to it as part of the work program are or would be consistent with the Instrument and GEF policies and procedures. Council requests the Secretariat to arrange for Council Members to receive draft final sub-project documents and to transmit to the CEO within four weeks any concerns they may have prior to CEO endorsement of the subprojects.

5. The Council requests the Secretariat to prepare, in collaboration with the Implementing and Executing Agencies, a draft policy paper clarifying the roles and comparative advantage of the Implementing Agencies (as referenced in the Instrument) and the Executing Agencies for Council consideration in June 2006.
6. The Council agrees that project proposals that were technically cleared but not included in the work program before the Council due to resource constraints should be given due consideration for the next work program.
7. The Council supports, provided it has sufficient commitment authority, inclusion of additional financing of \$35,000,000 for the SGP in the next intersessional work program.

## **Decision 31/2005      Process for selecting CEO/Chairman of the Facility**

1. The Council, having reviewed document GEF/C.27/7 ([Note on Process for selecting CEO/Chairman of the Facility](#)), welcomes and approves the proposal of the Implementing Agencies for a well-defined and time-bound process for carrying out robust and transparent consultations with all Council Members during the agreed process for selecting the CEO/Chairman of the Facility. In light of the consultations that are to occur throughout the process, the Council agrees that the Implementing Agencies should recommend one candidate to the Council for appointment as the CEO/Chairman of the Facility<sup>9</sup>.
2. The Council invites the Implementing Agencies to initiate the agreed process for selection of a CEO/Chairman of the Facility who will be expected to begin a three-year term on July 14, 2006. In this regard, the Council approves the terms of reference for the CEO, the process for advertising the CEO position, and the terms of reference for an independent consulting firm to assist in screening applications. The Council also approves US\$180,000 to fund the selection process. This amount is to be added to the World Bank component of the GEF Corporate Budget for FY06.

## **Decision 32/2005      Third GEF Assembly**

1. The Council expresses its sincere appreciation for the generous offer of the Government of South Africa to host the [Third GEF Assembly](#) and agrees that the Assembly and associated meetings will be held in Cape Town, South Africa, from August 27-September 1, 2006.
2. The Council notes the offer of South Africa to contribute cash, services and in-kind contributions to the Assembly valued at US\$666,000. To cover additional expenses that may be incurred by South Africa in hosting the Assembly, the Council requests the Secretariat to:
  - (a) Reduce costs by convening the Assembly for two days and lowering catering costs.
  - (b) Solicit contributions from additional donors.
  - (c) Examine other possibilities for cost savings.
3. The Council agrees that if any shortfall remains, beyond the steps in (a) and (b) above, the Secretariat may draw upon the GEF Trust Fund.

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<sup>9</sup> In light of the inherent conflict of interest in the CEO selection process, the US Council Member does not support the decision that Implementing Agencies nominate only one candidate for CEO, and believes that three candidates should be nominated.

4. The Secretariat is requested to prepare a budget for the Assembly to be included in the FY07 corporate budget as a special initiative

**Decision 33/2005      Strengthening Council Members**

1. The Council, having reviewed GEF/C.27/8, [Administrative Costs of Council Member Support Program](#), approves<sup>10</sup> the Council Member Support Program and agrees that US\$64,000 should be included as an addendum to the GEF Secretariat corporate budget for FY06 to cover the costs of the program during this fiscal year.

**Decision 34/2005      Management Information System**

1. The Council, having reviewed GEF/C.27/10, [Management Information System](#), recognizes the need to establish a reliable management information system to enable the GEF and its partners to improve effectiveness across all areas of GEF business. The Council endorses the proposal outlined in the document for developing a management information system and approves US\$700,000 as a supplementary special initiative to be included in the FY06 Corporate Budget.
2. The Council requests the Secretariat to report on progress in establishing the management information system at the Council meeting in December 2006.

**Decision 35/2005      International Year of Deserts and Desertification**

1. The Council recognizes that the [International Year of Deserts and Desertification](#) in 2006, agreed to by the UN General Assembly, offers a unique opportunity for the GEF to contribute to raising global awareness of the threats of land degradation and avenues for addressing the challenges of land degradation and sustainable development. The Council approves<sup>11</sup> US\$275,000 as a special initiative to be added to the GEF Secretariat's corporate budget for FY06-FY07 to support the following activities:
  - (a) A review of resource mobilization and status of funding for desertification to be prepared jointly by the GEF Secretariat, the Implementing and Executing Agencies, and the Global Mechanism.
  - (b) A forum at the GEF Assembly in 2006 on sustainable land management.
  - (c) A special session on indicators for sustainable land management at the UNESCO international scientific conference on the future of arid lands.

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<sup>10</sup> The US Council Member opposed approval of the doubling of support to Council Members on the grounds that it is not offset by a commensurate reduction of other items in the corporate budget.

<sup>11</sup> The US Council Member opposed approval of this budget item on the grounds that it is not a justifiable use of the special initiative designation for the corporate budget.

- (d) A contribution to the UNU Algiers final policy conference for the IYDD to facilitate participation of key stakeholders, including women and youth, from affected countries.
- (e) Presentation of GEF projects by developing country executing agencies at appropriate meetings and conferences organized as part of IYDD.

**Decision 36/2005      Elements of a Biosafety Strategy**

1. The Council reviewed the [Elements for a GEF Biosafety Strategy](#) (document GEF/C.27/12) and welcomes the substantive elements (recognizing that funding is a separate issue) as a basis for developing a strategy to guide the provision of GEF assistance to support the Cartagena Protocol on Biosafety, taking into account the comments made at the Council meeting. The GEF Secretariat is invited to prepare, in consultation with the Implementing and Executing Agencies, a draft biosafety strategy for Council review and comment in early 2006. On the basis of the comments received, and taking into account the outcome of COP/MOP3 in March 2003, the Secretariat will prepare a proposed strategy for Council review and approval by mail prior to the Council meeting in June 2006.

**Decision 37/2005      Private Sector Strategy**

1. The Council, having reviewed document GEF/C.27/13, [GEF Strategy to Enhance Engagement with the Private Sector](#), underscores the importance of strengthening the engagement of the private sector in the work of the GEF. Council Members are invited to submit written comments on the proposed strategy to the Secretariat by December 31, 2005. The Council requests the Secretariat to develop the strategy further, on the basis of the Council discussions and written comments, and to submit the strategy for review and approval at the June 2006 Council meeting.

**Decision 38/2005      GEF Activities Related to Forests**

1. The Council, having reviewed document GEF/C.27/14, [GEF Activities Related to Forests](#), welcomes the paper as a description of GEF support for sustainable forest management to date and notes that the paper provides a good basis for future work on this issue. The GEF Secretariat and Implementing and Executing Agencies are requested to undertake further analysis of potential benefits of further GEF support for sustainable forest management and to set out costed options for further action where indicated. This work should take into account any RAF implications and should contribute to the on-going work to clarify the focal area strategies and operational programs.

**Decision 39/2005      Review of Action Plan**

1. The Council took note of GEF/C.25/12, [Review of Action Plan to Respond to Recommendations for Improving GEF's Performance](#). The Council requests the Secretariat to keep the Action Plan under review and to present an updated Action Plan to the Council in December 2006.

**Decision 40/2005      Cost Effectiveness of GEF Projects**

1. The Council, having reviewed GEF/C.25/11, [Cost Effectiveness Analysis in GEF Projects](#), urges the Secretariat and the Implementing and Executing Agencies to strengthen cost-effectiveness analysis in GEF project preparation and to document their cost-effectiveness analysis more clearly in the project proposals submitted for work program inclusion.

**Decision 41/2005      Review of the NGO Network of the GEF**

1. The Council takes note of the documents GEF/C.27/Inf.5, [Review of the Non-Governmental Organization Network of the GEF](#), and GEF/C.27/Inf.13, [GEF-NGO Network Response to the Independent Review of the GEF-NGO Network](#), and requests the Secretariat to prepare, in consultation with key stakeholders, including the GEF-NGO network, a paper to present to the Council.