



SUMMARY OF THE CO-CHAIRS MEETING ON THE THIRD REPLENISHMENT OF THE GEF TRUST FUND WASHINGTON D.C., AUGUST 6-7, 2002

Agenda Item 1. Opening of the meeting

1. The meeting was opened by Mr. Motoo Kusakabe, Vice President, Resource Mobilization and Co-Financing of the World Bank, and Mr. Mohamed T. El-Ashry, Chief Executive Officer/Chairman of the Facility.
2. In addressing the meeting, Mr. El-Ashry emphasized that this was the final meeting of the replenishment process, and he stressed the importance of the GEF replenishment to the success of the World Summit on Sustainable Development (WSSD) to be convened in Johannesburg, South Africa, at the end of the month. He noted that expectations of the international community for a successful replenishment were high, and he urged all participants to exercise the needed leadership, generosity and good will in order to arrive at the highest possible level of replenishment.

Agenda Item 2 GEF-2 Funding Status

3. Document GEF/R.3/35 on the current funding situation of the GEF Trust Fund and the projected resources available through the end of FY03 was introduced by the Trustee.
4. The Participants confirmed their approval of the proposed amendment to Resolution No. 98-2 of the World Bank's Executive Directors (see Annex C of the document) so as to extend the period during which the Trustee is authorized to accept contributions to the GEF Trust Fund under the second replenishment until such time as the resolution for the third replenishment becomes effective.

Agenda Item 3. Replenishment document in the form of a World Bank Resolution

5. Participants reviewed document GEF/R.3/36, *GEF Trust Fund Replenishment Document in the Form of a World Bank Resolution*, which included changes made to earlier draft texts in response to comments made by participants during the May replenishment meeting as well as additional changes suggested by participants since that meeting. Participants agreed on the final text of the draft resolution

to be submitted to the World Bank Executive Directors for adoption as a Resolution authorizing the World Bank as Trustee of the GEF Trust Fund to manage the resources made available under GEF-3.

Agenda Item 4. Policy Recommendations

6. Participants approved the policy recommendations presented in document GEF/R.3/37, subject to the editorial changes agreed by the meeting.

Agenda Item 5. GEF-3 Replenishment Amount

7. Participants agreed to a replenishment amount for GEF-3 of 2.31 billion SDR (USD 2.92 billion). In approving this amount, Participants recognized the substantial effort that had been made to increase the level of the GEF financing. Many Participants, despite the impact of foreign exchange movements, agreed to an increase ranging from 30 to 60% in their national currency contributions over their GEF-2 contributions.

8. In view of existing and clearly identified needs for global environmental protection, a number of Participants indicated that their governments would consider making additional supplemental contributions so as to further raise the level of the GEF-3 replenishment.

9. In agreeing upon the replenishment amount, Participants noted the importance of consensus and collective decision making in a multilateral process. Participants welcomed the agreed policy recommendations and approach to strategic business planning that will guide the GEF during the third replenishment period. Many Participants expressed concern over individual donors placing unilateral conditions on their contributions. Recognizing the importance of concluding the current replenishment discussions, Participants agreed to show flexibility in accommodating all Participants, but noted that such conditionality should not be considered a precedent for future multilateral negotiations.

10. In explaining its contribution to GEF-3, the representative of Norway noted his country's traditional strong support for the GEF and the fact that its contribution to previous GEF replenishment had represented an exceptionally high basic share for Norway. In agreeing to maintain its GEF-2 national currency contribution for GEF-3, Norway was still maintaining a relatively high share. Norway will continue to make environment a priority in its development assistance, and it will seriously consider providing additional resources to the LDC Fund to be managed by the GEF. Furthermore, the Norwegian Government has announced its intention to increase its ODA to 1% of GNP by 2005.

Agenda Item 6. Summary of the negotiations

11. The meeting reviewed document GEF/R.3/38, Draft Summary of Negotiations, and approved it subject to the comments made at the meeting.

Agenda Item 7. Other Business

12. The meeting noted its disappointment that a number of donors to GEF-1 and GEF-2 were not participating in the GEF-3 replenishment. The Trustee and the Secretariat were requested to continue their efforts to mobilize additional financing for the GEF with a view to increasing participation in future replenishments.

Agenda Item 8. Conclusion of the meeting

13. In concluding their negotiations on the third replenishment of the GEF Trust Fund, the Participants underscored the significance of the increased level of financing. The new replenishment is clear evidence of the Participants' commitment to the global environment and to the GEF. Since its formation in 1991 the GEF has committed (as at end-June 2002) almost US\$4 billion in project resources and mobilized an additional US\$12 billion in cofinancing. The agreed level of replenishment, the highest level yet achieved for the GEF, will allow the GEF to continue to respond fully and effectively to demands in its existing core focal areas of global environmental activities as well as to those emerging from its new mandate in the areas of persistent organic pollutants and desertification.

14. Participants recognize that the last decade has been a period of significant global challenge. Managing the global environment benefits all people since we live in an integrated and interdependent world. The GEF, as the leading multilateral funding mechanism dedicated to providing grant and concessional financing for global environmental protection, has produced significant results in effectively using its resources for global environmental protection and sustainable development.

15. Participants welcome the World Summit on Sustainable Development and recognize the significant contribution that the GEF has made to advancing the global environmental objectives of Agenda 21 adopted at the United Nations Conference on Environment and Development in 1992 and the message of continuing support that will be conveyed by the third replenishment of the GEF Trust Fund.

16. The meeting reviewed the summary of the Co-Chairs, and closed on August 7, 2002.