



**Global Environment Facility**

GEF/C.19/8/Add.1  
April 23, 2002

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GEF Council  
May 15-17, 2002

**CLARIFYING THE ROLES AND RESPONSIBILITIES  
OF THE GEF ENTITIES**

**Administrative Arrangements to Enhance the Functional  
Independence and Effectiveness of the GEF Secretariat**

**Recommended Council Decision**

The Council, having reviewed document GEF/C.19/Add.1 concerning the administrative arrangements to enhance the functional independence and effectiveness of the GEF Secretariat, fully supports the administrative arrangements and understandings presented in the paper.

## INTRODUCTION

1. After reviewing Part III of document GEF/C.18/8, *Overall Structure, Processes and Procedures of the GEF*, at its meeting in December 2001, the Council requested the Secretariat and the World Bank to consider administrative arrangements aimed at enhancing the functional independence and effectiveness of the GEF Secretariat. This note addresses those arrangements.

## SIGNING AUTHORITY OF THE CEO/CHAIRPERSON OF THE FACILITY

2. The arrangements with respect to which the issue has been raised of conferring signing authority on the GEF CEO/Chairman of the Facility are: (a) arrangements with various entities pursuant to paragraph 28 of the GEF Instrument; and (b) arrangements and agreements with the Conferences of the Parties to conventions for which the GEF serves as the financial mechanism.

### *Arrangements for GEF project preparation and execution*

3. Paragraph 28 of the GEF Instrument reads, in part, as follows:

“The Secretariat and the Implementing Agencies under the guidance of the Council shall cooperate with other international organizations to promote achievement of the purposes of the GEF. The Implementing Agencies may make arrangements for GEF project preparation and execution by multilateral development banks, specialized agencies and programs of the United Nations, other international organizations, bilateral development agencies, national institutions, non-governmental organizations, private sector entities and academic institutions, taking into account their comparative advantages in efficient and cost-effective project execution. Such arrangements shall be made in accordance with national priorities. Pursuant to paragraph 20(f), the Council may request the Secretariat to make similar arrangements in accordance with national priorities.”<sup>1</sup>

### *Arrangements for Cooperation with the Conventions*

4. Paragraph 27 of the Instrument provides that the Council will consider and approve cooperative arrangements or agreements with the conference of the parties to the conventions referred to in paragraph 6 of the Instrument, including reciprocal arrangements for representation in meetings. Both the CBD and the UNFCCC provide that the Conferences of the Parties are to agree with the entity or entities entrusted with the operation of the financial mechanism arrangements to give effect to their collaboration. Article 7 of the Stockholm Convention provides that the Conference of the Parties shall at its first meeting adopt appropriate guidance to be provided to the mechanism and shall agree with the entity or entities participating in the financial mechanism upon arrangements to give effect thereto.

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<sup>1</sup> Pursuant to paragraph 20(f), the Council shall “approve and periodically review operational modalities for the Facility, including operational strategies and directives for project selection, means to facilitate arrangements for project preparation and execution by organizations and entities referred to in paragraph 28, additional eligibility and other financing criteria in accordance with paragraphs 9(b) and (c) respectively, procedural steps to be included in the project cycle, and the mandate, composition and role of STAP”.

5. Paragraph 7 of Annex B of the Instrument provides:

“The Trustee may enter into arrangements and agreements with any national or international entity as may be needed in order to administer and manage financing for the purpose of, and on terms consistent with, the Instrument. Upon the request of the Council, the Trustee will, for the purposes of paragraph 27 of the Instrument, formalize the arrangements or agreements that have been considered and approved by the Council with the Conferences of the Parties of the conventions referred to in paragraph 6 of the Instrument.”

6. The practice for developing cooperative arrangements between the GEF and the Conferences of the Parties for each of the CBD and the UNFCCC was similar. The GEF Secretariat and the Convention Secretariat jointly prepared a draft memorandum of understanding (MOU) detailing such arrangements that was approved by the Council and the Conference of the Parties.

7. The MOU sets out the roles and responsibilities of, and relationship between, the Council and the Conference of the Parties and their respective secretariats. They do not involve the administration and management of financing, nor financial obligations, but rather address such issues as guidance from the conventions, reporting, monitoring and evaluation, assessment of financing needs, representation and inter-secretariat cooperation.

8. It can be foreseen that the GEF will be called upon in the future to agree with other conventions on cooperative arrangements relating to the operation of their financial mechanisms. For example, if the Assembly agrees with the amendments proposed in document GEF/C.19/14, the Stockholm Convention will be included among the conventions referred to in paragraph 6 of the Instrument, thereby triggering the operation of paragraph 27, which would call for the Council to consider and approve cooperative arrangements or agreements with the Conference of the Parties to the Stockholm Convention. Should this occur, it is expected that the Council will request the Secretariat to carry out appropriate consultations on its behalf with the convention secretariat, with a view to transmitting to the Conference of the Parties and to the Council an agreed draft MOU specifying such arrangements for their consideration and approval.

#### *Conclusions on Signing Authority of GEF CEO*

9. Paragraph 20(i) of the GEF Instrument provides that the Council shall:

“Appoint the CEO in accordance with paragraph 21, oversee the work of the Secretariat, and assign specific tasks and responsibilities to the Secretariat.”

10. Pursuant to this provision and paragraph 7 of Annex B quoted above, it is agreed that the GEF CEO/Chairperson of the Facility, as the head of the GEF Secretariat, has signing authority with respect to any arrangements or agreements referred to in paragraphs 27 or 28, at the request of the Council, without any need for amending the GEF Instrument or obtaining any delegation of authority, provided that such arrangements do not give rise to financial obligations. In the case of an arrangement or agreement that gives rise to a financial obligation, the GEF

CEO/Chairperson of the Facility will request delegation from the Trustee before signing both as CEO/Chairperson of the Facility on behalf of the Council as well as on behalf of the Trustee of the GEF Trust Fund.

11. Procedurally, it is understood that when preparing arrangements or agreements for review by the Council, the GEF Secretariat will consult with the Trustee so as to determine whether the arrangement or agreement under consideration gives rise to any financial obligation. In the event of a disagreement as to whether it constitutes an arrangement or agreement with financial obligations, the matter will be referred to the Council for determination.

12. The Trustee, following its administrative procedures, will delegate the authority provided to it in paragraph 7 of Annex B of the Instrument for signing such agreements or arrangements to the CEO/Chairperson of the Facility. Such delegation of authority will also provide for the authorization procedures to be followed by the CEO/Chairperson before such authority is exercised.

### **HUMAN RESOURCE ISSUES**

13. At present, the World Bank's Vice-Presidency for Human Resources ("HR") has assigned an HR team to handle all HR issues of the GEF. Staff members working for the GEF Secretariat hold various types of appointments and are subject to the Bank's Staff Rules. The Bank's HR practices are applied to the GEF Secretariat, with one exception: the GEF may hire staff members for term appointments without the concurrence or approval of the relevant World Bank sector board. In addition, GEF staffing is not included in the Bank's staffing plans or management processes.

14. The CEO/Chairperson of the Facility is carrying out consultations with senior management of the World Bank to seek codification of the practice described above as well as some further flexibility with regard to the length of fixed-term appointments and the appointment of administrative staff. The CEO will report to the Council on the outcome of his consultations.