



# Global Environment Facility

GEF/C.31/2  
May 14, 2007

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GEF Council  
June 12-15, 2007

Agenda Item 3

## ANNOTATED PROVISIONAL AGENDA

**AGENDA ITEM 1. OPENING OF THE MEETING**  
*(CEO Chairs)*

1. The meeting will be opened by Monique Barbut, CEO/Chairperson of the Facility.

**AGENDA ITEM 2. ELECTION OF A CHAIRPERSON**  
*(CEO Chairs)*

2. In accordance with paragraph 18 of the Instrument, a Chairperson will be elected from among the Members of the Council. Paragraph 18 provides that the position of elected Chairperson will alternate from one meeting to another between recipient and non-recipient Council Members. The elected Chairperson at the previous Council meeting was Ambassador Thomas Kolly, representing Azerbaijan, Kazakhstan, Kyrgyz Republic, Switzerland, Tajikistan, Turkmenistan, and Uzbekistan.
3. Consistent with paragraph 18 of the Instrument, the elected Chairperson is expected to chair the Council meeting during discussions on agenda item 3, "Adoption of the agenda," agenda item 4, "Statement by the Executive Secretaries of the Conventions", agenda item 5 "Relations with Conventions and other Institutions", agenda item 6, "Annual Performance Report", agenda item 7, "Country Portfolio Evaluation: Philippines", agenda item 8, "Country Portfolio Evaluation: Samoa", agenda item 9, "Four year rolling work plan and budget of the Evaluation Office", agenda item 10, "STAP", agenda item 12, "Proposed policy on fiduciary standards and financial accountability", and agenda item 15, "Business plan FY08-10 and FYY08 Corporate budget".
4. The elected Chairperson and the CEO will jointly chair the Council meeting during discussions on agenda item 19, "Other Business," and agenda item 20 "Joint Summary of the Chairs."
5. The CEO/Chairperson of the Facility will chair the Council meeting during discussions of the other items on the agenda.

**AGENDA ITEM 3. ADOPTION OF THE AGENDA**  
*(Elected Chairperson Chairs)*

6. A provisional agenda for consideration by the Council has been circulated to all Council Members as document GEF/C.31/1/Rev.1. *The Council is invited to adopt the agenda for the meeting.*

**AGENDA ITEM 4. STATEMENTS BY THE EXECUTIVE SECRETARIES OF THE CONVENTIONS**  
*(Elected Chairperson Chairs)*

7. The representative of the Stockholm Convention on Persistent Organic Pollutants will report on Third Meeting of the Conference of the Parties of the Stockholm Convention and the representative of the UN Convention to Combat Desertification will report on the fifth session of the Committee for the Review of the Implementation of the Convention (CRIC 5).

**AGENDA ITEM 5. RELATIONS WITH CONVENTIONS AND OTHER INSTITUTIONS**  
*(Elected Chairperson Chairs)*

8. Document GEF/C.31/3, *Relations with Conventions and other Institutions*, reports on developments of interest to the GEF occurring since the GEF Council meeting in June 2006 within the context of the Convention on Biological Diversity (CBD), the UN Framework Convention on Climate Change (UNFCCC), the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention), the UN Convention to Combat Desertification in those countries experiencing serious drought and/or desertification, particularly in Africa (UNCCD), and the Montreal Protocol on Substances that Deplete the Ozone Layer (the Montreal Protocol). A brief report is also included on the Conference of the Parties to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.
9. *The Council is invited to review the report and the proposed activities to implement the guidance and decisions that have been approved by the Conferences of the Parties to the global environmental conventions.*

**AGENDA ITEM 6. ANNUAL PERFORMANCE REPORT (EO)**  
*(Elected Chairperson Chairs)*

10. Document GEF/ME/C.31/1, *Annual Performance Report 2006*, to be presented by the Director of the GEF Evaluation Office contains an account of project results, processes that may affect project results, and M&E arrangements in completed projects, and looks for the first time at the quality of supervision of GEF projects by implementing agencies and makes an assessment of the Management Action Record. The Council is invited to review and comment on the document.
11. GEF/ME/C.31/2, *Management Response to the Annual Performance Report 2006*, prepared by the GEF Secretariat and

the GEF Agencies, provides GEF management's response to the review conducted by the GEF Evaluation Office, *GEF Annual Performance Report 2006* (GEF/ME/C.31/1).

12. *The Council is invited to review the Annual Performance Report and its recommendations, as well as the proposed Council decision, which has taken into consideration the GEF Management Response.*

**AGENDA ITEM 7. COUNTRY PORTFOLIO EVALUATION: THE PHILIPPINES (EO)**  
*(Elected Chairperson Chairs)*

13. The Director of the GEF Evaluation Office will present document GEF/ME/C.31/3, *GEF Country Portfolio Evaluation: the Philippines (1992 – 2007)*. The document presents an assessment of the relevance and efficiency of the GEF support to the Philippines and the results of this support. The Council is invited to review the GEF Country Portfolio Evaluation, taking note of the report's recommendations.
14. GEF/ME/C.31/4, *Management Responses to the Country Portfolio Evaluation: the Philippines (1992 – 2007)* prepared by the GEF Secretariat and the Implementing Agencies, provides GEF management's response to the evaluation conducted by the GEF Evaluation Office.
15. *The Council is invited to review the Country Portfolio Evaluation: the Philippines (1992-2007) and its recommendations, as well as the proposed Council decision, which has taken into consideration the GEF Management Response.*

**AGENDA ITEM 8. COUNTRY PORTFOLIO EVALUATION: SAMOA**  
*(Elected Chairperson Chairs)*

16. Document GEF/ME/C.31/5, *GEF Country Portfolio Evaluation: Samoa (1992 – 2007)* presents an assessment of the relevance and efficiency of the GEF support to Samoa and the results of this support. The Council is invited to review the GEF Country Portfolio Evaluation, taking note of the report's recommendations.
17. GEF/ME/C.31/6, *Management Response to the Country Portfolio Evaluation: Samoa (1992-2007)* prepared by the GEF Secretariat and the GEF Agencies, including a letter from the government of Samoa in response of the evaluation.
18. *The Council is invited to review the Country Portfolio Evaluation: Samoa and its recommendations, as well as the proposed Council*

*decision, which has taken into consideration the GEF Management Response.*

**AGENDA ITEM 9. FOUR YEAR ROLLING WORK PLAN AND BUDGET OF THE EVALUATION OFFICE (EO)**

*(Elected Chairperson Chairs)*

19. Document GEF/ME/C.31/7, prepared by the GEF Evaluation Office, presents the *Four Year Rolling Work Plan FY07-10 and FY08 budget of the Evaluation*. This report contains a detailed proposal for the budget for FY08, as well as the outlook for the following years leading to an eventual OPS4.
20. *The Council is invited to review and comment on the document. Council Members are requested to approve the proposed budget for FY08.*

**AGENDA ITEM 10. STAP**

*(Elected Chairperson)*

21. The Chair of STAP will be invited to make a statement to the Council on the work of STAP.
22. The GEF Council in June 2006 requested the Executive Director of UNEP and the Chair of STAP to review the current terms of reference of the STAP and to develop a proposal for the Council to update the STAP's terms of reference to enhance its effectiveness and relevance to the GEF. Document GEF/C.31/4, *Proposal of the Executive Director of UNEP on Enhancing the Impact of the Scientific and Technical Advisory Panel*, presents UNEP's proposed revised Terms of Reference and details proposed changes to the composition and role of STAP.
23. *The Council is invited to review and approve the revised Terms of Reference of the STAP presented in the paper.*

**AGENDA ITEM 11. COMPARATIVE ADVANTAGES OF THE GEF AGENCIES**

*(CEO Chairs)*

24. In December 2006, the Council requested the Secretariat to elaborate on the comparative advantages of the GEF agencies, taking into consideration the evaluation of the experience of the Executing Agencies presented to the Council by the Evaluation Office. In document GEF/C.31/5, *Comparative Advantages of the GEF Agencies*, the Secretariat proposes a typology for the roles and comparative advantages of the GEF agencies in relation to

their preparation and management of GEF projects. The proposed typology intends to provide a basis for a clearer division of labor and a more level playing field among the GEF agencies.

25. *The Council is invited to review and comment on the description of the comparative advantages of the GEF agencies and to request the Secretariat, in consultation with countries, to assess the comparative advantage of the GEF agency proposed to manage a project during the PIF review.*

**AGENDA ITEM 12. PROPOSED POLICY ON FIDUCIARY STANDARDS AND FINANCIAL ACCOUNTABILITY**  
(Elected Chairperson Chairs)

26. Document GEF/C.31/6, *Recommended Minimum Fiduciary Standards for GEF Implementing and Executing Agencies*, presents the Trustee's policy proposals for strengthened accountability for GEF Implementing and Executing Agencies, consistent with the GEF Council's request in the policy recommendations for the fourth replenishment of the GEF Trust Fund.
27. *The Council is invited to review and approve the minimum fiduciary standards for GEF Implementing and Executing Agencies and to request each GEF agency to report to the June 2008 Council meeting on how it is implementing the fiduciary standards or on a monitorable program with a target date for implementation.*

**AGENDA ITEM 13. REVISED PROJECT CYCLE**  
(CEO Chairs)

28. The GEF Evaluation Office conducted an evaluation of the GEF project cycle in 2006. At its meeting in December 2006, after taking note of the conclusions of the evaluation, the GEF Council agreed that no gains would be achieved by streamlining the current project cycle at the margins. The Council requested the Secretariat, in consultation with all the GEF entities, to present for Council review in June 2007 options for a new project cycle, with the objective of processing a proposal from identification to start of implementation in less than 22 months without compromising project quality or undermining financial accountability
29. Document GEF/C.31/7, *GEF Project Cycle*, proposes a revised project cycle that is based on Council's guidance to the Secretariat, GEF Evaluation Office recommendations, as well as the CEO's proposals for reforming the GEF as presented to the Council in

December 2006. The revised project cycle describes the decision steps involving the Secretariat, the CEO, and the GEF Council in the development and approval of a project requesting GEF financing.

30. *The Council is requested to approve the revised project cycle for immediate application and to invite the Secretariat, in consultation with the GEF agencies, the Trustee and the Evaluation Office, to prepare an operational manual to support the implementation of the project cycle and to facilitate access to GEF resources.*

**AGENDA ITEM 14. WORK PROGRAM**  
(CEO Chairs)

31. Document GEF/C.31/8, *Work Program*, contains the proposed work program comprised of project proposals that are recommended by the CEO for Council approval. This is the first work program presented by the CEO for Council review and approval in GEF-4. It is also the first work program prepared under the Resource Allocation Framework applicable to the biodiversity and climate change focal areas. The work program requests \$561.73 million in GEF financing.
32. With respect to the proposal in the work program for financing the Small Grants Program, the Council is invited to take into account document GEF/ME/C.31/Inf.1, *Technical paper of the on-going GEF Small Grants Programme evaluation of the SGP management cost.*
33. *The Council is invited to review the proposed work program with a view to approving it for further development.*

**AGENDA ITEM 15. BUSINESS PLAN AND FY08 CORPORATE BUDGET**  
(Elected Chairperson)

34. *The Council is invited to take note of the business plan for FY08-10 and approve the FY08 corporate budget for the GEF Secretariat and STAP that are presented in document GEF/C.31/7. The Council is also invited to approve the FY08 budget for the Trustee presented in GEF/C.31/13.*
35. *With respect to a special initiative proposed to be undertaken in FY08, the Council is requested to approve the terms of reference for a review of GEF-related administrative expenses in the Implementing Agencies (see Annex 10 to document GEF/C.31/7).*

**AGENDA ITEM 16. FOCAL AREA STRATEGIES AND STRATEGIC PROGRAMMING FOR GEF-4**  
(CEO Chairs)

36. The policy recommendations for the fourth replenishment of the GEF Trust Fund requested the Secretariat to review and revise as necessary the six focal area strategies, taking into account cross-cutting issues of sustainable forest management and sound chemicals management. The revised strategies were also to provide the basis for a simplified approach to the GEF's operational programs and strategic objectives for the fourth replenishment of the GEF Trust Fund.
37. Working drafts of focal area strategies were presented to Council in December 2006. When presenting the working drafts, the Secretariat recognized the need for further development in order to sharpen the strategies, to harmonize and integrate the approaches in the different focal areas, and to empower the GEF to respond to the operational and strategic challenges of the coming decade.
38. Document GEF/C.31/10, *Focal Area Strategies and Strategic Programming for GEF-4*, presents revised focal area strategies and proposed strategic programming for GEF-4 for the six focal areas and for two cross-cutting areas (sustainable forest management and sound chemical management).
39. *The Council is requested to review the document and to approve the strategies as a basis for guiding the programming of resources during GEF-4.*

**AGENDA ITEM 17. RESULTS-BASED MANAGEMENT FRAMEWORK**  
(CEO Chairs)

40. At its December 2006 meeting, the Council requested the Secretariat to submit a results-based management framework for consideration at the June 2007 meeting. Document GEF/C.31/11, *Results-Based Management Framework*, outlines the conceptual and methodological building blocks of how the GEF as an institution intends to measure progress toward results and the associated monitoring activities that the Secretariat will undertake in collaboration with the GEF agencies.
41. *The Council is invited to review the proposed approach to monitoring performance and achievement of outcomes and impacts of GEF-financed activities and for annual reporting to the Council and to request the GEF Secretariat, in consultation with the GEF agencies and the Evaluation Office, to further elaborate the specific elements of the results-based management framework necessary to*



*fully operationalize it. The Council is also invited to request the Secretariat to submit the first annual monitoring review to the Council in June 2008.*

**AGENDA ITEM 18. OPERATIONAL GUIDELINES FOR THE APPLICATION OF THE INCREMENTAL COST PRINCIPLE**  
*(CEO Chairs)*

42. The GEF Instrument states that “the GEF...shall operate for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits” in the GEF focal areas. On the basis of the *Evaluation of Incremental Cost Assessment* reviewed by the Council in December 2006, the Secretariat was requested to prepare new operational guidelines to implement the agreed recommendations of the evaluation concerning the determination of incremental costs.
43. Document GEF/C.31/12, *Operational Guidelines for the Application of the Incremental Cost Principle*, presents a five step process for negotiating incremental costs, clarifies definitions and links incremental cost analysis to results-based management and the GEF Project cycle. *The Council is invited to approve the operational guidelines.*

**AGENDA ITEM 19. OTHER BUSINESS**  
*(Jointly Chaired)*

44. Members and the Chairs may raise any other business under this agenda item.

**AGENDA ITEM 20. JOINT SUMMARY OF THE CHAIRS**  
*(Jointly Chaired)*

45. The elected Chairperson and the CEO/Chairperson will present a joint summary of the conclusions of the meeting. Decisions approved by the Council during the meeting will be included in the Chairs’ joint summary.

## PROVISIONAL TIMETABLE

### ***Tuesday, June 12, 2007***

#### *Morning Session*

09:30 – 10:00	Agenda Item 1	Opening of the Meeting (CEO)
	Agenda Item 2	Election of Chairperson (CEO)
	Agenda Item 3	Adoption of agenda (Elected Chair)
10:00 – 11:30	Agenda Item 4	Statements by the Executive Secretaries of the Conventions (Elected Chair)
	Agenda Item 5	Relations with Conventions and other Institutions (Elected Chair)
11:30 – 1:00	Agenda Item 6	Annual Performance Report (Elected Chair)

#### *Afternoon Session*

2:30 – 6:30	Agenda Item 7	Country Portfolio Evaluation: Philippines (Elected Chair)
	Agenda item 8	Country Portfolio Evaluation: Samoa (Elected Chair)
	Agenda item 9	Four year rolling work plan and budget of the Evaluation Office (Elected Chair)

### ***Wednesday, June 13, 2007***

#### *Morning Session*

9:30 – 11:00	Agenda item 10	STAP (Elected Chair)
11:00 – 1:00	Agenda item 11	Comparative advantages of the GEF agencies (CEO)

#### *Afternoon Session*

2:30 – 4:00	Agenda item 12	Proposed policy on fiduciary standards and financial accountability (Elected Chair)
4:00 – 6:30	Agenda item 13	Revised project cycle (CEO)

### ***Thursday, June 14, 2007***

#### *Morning Session*

9:30 – 11:30	Agenda Item 14	Work Program (CEO)
11:30 – 1:00	Agenda Item 15	Business Plan FY08-10 and FY08 Corporate Budget (Elected Chair)

#### *Afternoon session*

2:30 – 5:30	Agenda Item 16	Focal area strategies and strategic programming for GEF-4 (CEO)
	Agenda Item 17	Results-based management framework (CEO)
5:30 – 6:30	Agenda Item 18	Operational guidelines for the application of the incremental cost principle (CEO)

*Friday, June 15, 2007*

**9:00 – 11:30**                    *Meeting of the LDCF/SCCF Council*

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**12:30 – 1:30**                    *Meeting of donors to pledge for the climate change funds*

*Afternoon session*

3:00 – 3:30                    Agenda Item 19                    Other business (Jointly chaired)

3:30 – 5:00                    Agenda Item 20                    Joint Summary of the Chairs (Jointly Chaired)