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**SUMMARY OF THE CO-CHAIRS  
PLANNING MEETING FOR THE SECOND  
GEF REPLENISHMENT,  
PARIS, MARCH 12, 1997**

Global Environment Facility  
March 13, 1997

1. The planning meeting was opened by Mr. Mohamed T. El-Ashry, Chief Executive Officer/Chairperson of the Facility. He introduced Mr. Hiroo Fukui, Vice President Resource Mobilization and Co-Financing of the World Bank. As Trustee of the Global Environment Facility Trust Fund, the World Bank has been requested by the GEF Council to initiate the discussions on the second GEF replenishment in cooperation with the CEO/Chairman of the Facility. Mr. El-Ashry and Mr. Fukui co-chaired the meeting.
2. At the meeting, representatives from 39 prospective donor countries to the replenishment discussed the work plan for the Second GEF Replenishment as well as the meeting arrangements. Messrs. Fukui and El-Ashry will co-chair the replenishment process. Countries intending to contribute at least SDR 4 million to the second GEF replenishment will be invited to participate in the meetings. Other contributors, GEF Participants, and representatives of the Framework Convention on Climate Change and the Convention on Biological Diversity secretariats, are welcome to attend the meetings as observers.
3. The meeting welcomed the initiation of the Second GEF Replenishment process and noted the importance of the GEF as the leading multilateral funding mechanism for global environmental protection. The meeting emphasized the importance of initiating the replenishment at a time when the accomplishments of Rio are being reviewed in a number of meetings, especially the Special Session of the General Assembly in June 1997. It stressed the importance of a successful replenishment of GEF resources for international cooperation in all four focal areas, including action concerning climate change and biological diversity through the effective implementation of the conventions. There was consensus that the second GEF replenishment process would focus on resource mobilization and not on restructuring the Facility.
4. The Chairs summarized the current status of the GEF Trust Fund and explained the reasons for initiating the replenishment process at this time. They explained that taking into account Council-approved work programs and experience with delays in contributions to date, commitment authority remaining by mid-1998 might amount to less than a year's expected commitments. In order to assure continuity of GEF operations, the meeting agreed to aim to complete the second GEF replenishment process by the end of 1997. The critical importance of appropriate burdensharing for the second GEF replenishment was noted. In this regard, new donors were particularly welcome, and their contributions will be reflected in the burdensharing formula of the replenishment.
5. Some countries in arrears provided information as to how they are addressing this issue:

Brazil restated its intention to contribute its full obligation to the first replenishment of the GEF, and also said that it intended to contribute SDR 4 million to the second GEF replenishment. Both contributions are subject to legislative approval.

Ireland said that its arrears to the first replenishment are due to legislative delays and noted that Ireland continues to fully support the GEF.

Italy noted that it was committed to clearing all arrears and that the legislation should be approved soon. Accordingly, it expects to pay its arrears before summer 1997. The same legislation also authorizes the fourth tranche payment in the 1998 budget, which could then be paid early next year.

Spain explained that it is expecting Parliamentary approval in a very short time and that it expects its arrears to be paid in full, soon thereafter.

The U.S. said that it had a three year plan for paying its arrears to international organizations. The first year would focus on arrears to IDA. The arrears to others, including the GEF, are expected to be paid over the following two years, subject to Congressional approval.

6. The meeting endorsed the proposed meeting schedule and supporting work plan attached to this summary. It stressed the need for timely information in performance and achievements of the GEF since its establishment. In particular, the Chairs informed the meeting of their plans to produce three papers concerning the performance of the GEF: (i) the annual Project Implementation Review that will be available in May 1997; (ii) an assessment of GEF performance; and (iii) lessons learned from GEF projects. The meeting noted the importance of ensuring the credibility of these documents by securing the involvement of key stakeholders in their preparation. The need to provide timely information on what has been achieved at both programmatic and project levels as well as information that could lead to improved performance was also noted.

7. The meeting expressed its interest in receiving information concerning the evolution of the GEF's administrative budget and associated outputs. The Chair indicated that this information will be included in the forthcoming GEF budget paper to be reviewed at the next Council meeting, and that this paper will also be made available to the replenishment meeting.

8. The Secretariat was requested to make available to the replenishment process copies of the Council document on financing modalities, entitled "Financing of GEF Projects" GEF/C.7/Inf.4, as well as a summary of the highlights of the Council discussions on the document and implications for the replenishment meeting.

9. Noting the important relationship between the GEF and the Framework Convention on Climate Change and the Convention on Biological Diversity, the Secretariat was requested to obtain information from the convention Secretariats on the conventions' on-going processes to review their financial mechanism.

10. The CEO was requested to report to the GEF Council at its next meeting on April 30, 1997, on the conclusions of the planning meeting.

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**ATTACHMENT**

## **MEETING SCHEDULE AND WORK PLAN FOR THE GEF REPLENISHMENT**

It is planned that the second GEF replenishment be discussed and agreed over the course of three meetings:

### **MAY 2, 1997: ASSESSMENT & PROGRAMMING OF RESOURCES - WASHINGTON**

This meeting will follow the April/May GEF Council meeting and will include an assessment of GEF performance to date, as well as the GEF's financial status. It will also include the proposed GEF programming of resources during the period of the second replenishment. The specific papers that are proposed are as follows:

#### *GEF Implementation Review*

Discussion Paper - This assessment document will examine progress in the GEF portfolio during 1996 and is being prepared by the GEF's Secretariat in cooperation with the Implementing Agencies.

#### *The GEF as Operator of the Financial Mechanisms for the Convention on Biological Diversity and the UN Framework Convention on Climate Change*

Technical Note - This background note will review the GEF's role on an interim basis as the financial mechanism of the two conventions, including how the GEF relates to the conventions and how the sequence of its meetings and activities dovetails into those of the conventions.

#### *Current Pledges, Commitments, Encashments and Disbursements*

Technical Note - This will provide more detail on the current financial condition of the GEF, showing commitment authority and proposed work program projections through FY98.

#### *GEF Procurement Report*

Technical Note - This will present an overview of the GEF procurement experience to date.

#### *GEF Programming of Resources during the Second Replenishment*

Discussion Paper - This paper will outline the proposed programming of resources for the second GEF replenishment cycle, building on convention guidance, as reflected in the agreed operational programs and project pipelines of the GEF Implementing Agencies. A more detailed work program will be presented for the September meeting.

#### *Burdensharing Framework*

Technical Note on burdensharing.

### **SEPTEMBER 4, 1997: ASSESSMENT & PROGRAMMING OF RESOURCES II, & BURDENSARING I - LOCATION TO BE DETERMINED**

#### *Project Lessons*

Discussion Paper - This report will build on May's project implementation review and will draw out the

lessons learned from successful and less successful features of projects in the GEF portfolio.

*Overall GEF Performance*

This report will also assess the GEF programmatic and project performance to date.

*GEF Programming of Resources - Second Replenishment*

Discussion Paper - This paper will lay out in more detail the proposed GEF work program, reflecting the May discussion of the earlier outline paper.

*Burdensharing in the Second GEF Replenishment*

Discussion Paper - Assuming appropriate scenarios for the size of the replenishment, this paper will provide background material for the burdensharing discussions.

**NOVEMBER 6, 1997: BURDENSARING II - WASHINGTON**

*Follow-up Burdensharing Paper*

Discussion Paper - Reflecting the results of the September burdensharing discussions, this paper will set out definitive burdensharing options for donor consideration. It will reflect the conclusion of burdensharing negotiations and set out agreements reached in the replenishment discussions.

*GEF Replenishment Agreement - Pledges to Contribute to the Second Replenishment of the GEF Trust Fund*

This document will formally record the Replenishment Agreement, including pledges.