

Global Environment Facility  
GEF/C.9/9/Rev.1  
May 6, 1997

**JOINT SUMMARY OF THE CHAIRS  
GEF COUNCIL MEETING  
APRIL 30 - MAY 1, 1997**

**OPENING OF THE MEETING**

1. The meeting was opened by Mr. Mohamed T. El-Ashry, Chief Executive Officer/Chairperson of the Facility.

**ELECTION OF A CHAIRPERSON**

2. The Council elected Mr. M. Mahmoud Ould El-Ghaouth, the Member representing the constituency comprising Burkina Faso, Cape Verde, Chad, Guinea-Bissau, Mali, Mauritania, Niger, Senegal, and the Gambia, as its elected Chairperson.

**ADOPTION OF THE AGENDA**

3. The Council adopted the provisional agenda set forth in document GEF/C.9/1/Rev.1 with the addition of an agenda item on monitoring and evaluation.

**CEO APPOINTMENT**

4. Following the reappointment by acclamation of the CEO for another term, the Council indicated its concern over the timeliness, as well as the extent of, the consultation by the Implementing Agencies with Council Members. In the future, the Council should be informed at the preceding Council meeting of the impending conclusion of the term of the CEO, and the process of consultation with Council Members should be conducted at least two months before the Council meeting.

**STATEMENTS ON BEHALF OF BIOLOGICAL DIVERSITY CONVENTION,  
CLIMATE CHANGE CONVENTION, STAP AND THE UN COMMISSION ON  
SUSTAINABLE DEVELOPMENT FOLLOWED BY QUESTIONS AND ANSWERS**

5. Statements were made to the Council by Mr. Claude Ducret, Principal Officer, Intergovernmental Processes and Cooperative Affairs, Convention on Biological Diversity, and Mr. Tahar Hadj-Sadok, Coordinator, Financial and Technical Cooperation Programme, United Nations Framework Convention on Climate Change. Messrs. Ducret and Hadj-Sadok responded to questions from Members.

6. In commenting on the statement on behalf of the United Nations Framework Convention on Climate Change, the Council encouraged the Secretariat and the Implementing Agencies to make every possible effort to assist in the preparation of national communications by recipient

countries for purposes of the third session of the Conference of the Parties to be held in Kyoto, Japan, in December 1997.

7. Mr. Jurgen Holst, Chief, Finance and Trade Unit, Division for Sustainable Development, United Nations, made a statement informing the Council of the work of the Commission on Sustainable Development and preparations underway for the Special Session of the United Nations General Assembly in June 1997 .

8. The Chairman of STAP, Dr. Pier Vellinga, also made a general statement to the Council on the work undertaken by STAP, and he responded to questions from the Members. In commenting on Dr. Vellinga's statement, the Council expressed its interest in the revision of the STAP roster, and requested STAP to seek to include experts with cross-cutting expertise as well as individuals with expert knowledge of the interests of local stakeholder groups, such as indigenous people and farmers. The Council also requested that when STAP undertakes a selective review of projects, the Implementing Agencies provide the Council with information on how they are responding to the recommendations of the STAP review as well as the project's technical review. This issue should be addressed on a generic level in the issues paper to be prepared by the Secretariat for the November Council meeting on the experience of the Implementing Agencies in incorporating the work of STAP in general in their activities, follow-up to the work undertaken to date, and plans for publication and dissemination of STAP's work.

## **REPORT ON REPLENISHMENT**

9. The CEO introduced the *Summary of the Co-Chairs Planning Meeting for the Second GEF Replenishment, Paris, March 12, 1997*, document GEF/C.9/Inf.6. The Council took note of the proposed meeting schedule and work plan for the replenishment. In reviewing the summary of the planning meeting, Members stressed the importance of the replenishment of the GEF as the leading multilateral funding mechanism for the global environment. The Council also noted the importance of equitable burden sharing, and the need to address the question of arrears in commitments to the GEF Trust Fund. NGO's indicated the interest and willingness of the NGO community to assist in support of the replenishment process.

## **DISCUSSIONS OF THE COUNCIL**

10. The decisions approved by the Council are appended to this summary. The following explanatory notes highlight some of the Council discussions.

### *Agenda Item 7 Work program*

11. The Council welcomed the Secretariat's cover note to the work program as a useful tool to assist the Council in its review of the work program. It supported the proposal that the Secretariat and the Implementing Agencies should develop a standard project format, based on the logical project framework, so as to streamline project documentation. In reviewing the standard project format, consideration should be given to using clear definitions for project financing other than that provided by the GEF, which among other things distinguish between the Implementing Agencies and other co-financing. This should assist the Council, *inter alia*, in understanding the

extent to which GEF projects are helping in mainstreaming global environment objectives in the regular activities of the Implementing Agencies.

12. In the view of many Members of the Council, the projects should also include, as appropriate, more information on:

(a) the public participation process, issues raised through this process and plans for public involvement in project implementation;

(b) the project's economic and environmental sustainability as well as its operational viability;

(c) how the project relates to the GEF operational programs, national strategies, action plans and other national activities, and planned and existing projects of the Implementing Agencies and other development organizations; and

(d) incremental costs analysis, reference to global environmental benefits and indicators of cost effectiveness

13. Gender concerns should be appropriately integrated into the projects and project development.

14. In the biodiversity focal area, the Council called for an appropriate balance between activities addressing conservation and those addressing sustainable use and welcomed the collaboration of the Convention Secretariat and the GEF Secretariat in preparing a proposal on the means to address the fair and equitable sharing of benefits arising out of genetic resources, including assistance to developing country Parties.

15. The Secretariat and the Implementing Agencies were requested to explore ways to further develop effective incentive systems for the staff of the Implementing Agencies working on GEF-related activities and for efficiency gains.

16. The Council requested the Secretariat, in consultation with the Implementing Agencies, to prepare for Council review a note on the issues of intellectual property rights and potential use by other industries of technology developed with GEF financing.

17. The Council also requested the Secretariat to examine closely the share of GEF financing in total project costs and the incremental costs analysis in relation to the size of the project financing, particularly in the case of climate change projects involving large GEF grants.

18. The Council requested UNEP, in close consultation with the GEF Secretariat and STAP, to incorporate Council comments in the preparation of the final project document for global project entitled, *People, Land Management and Environmental Change - PLEC*.

*Agenda Item 8 GEF corporate budget for FY98*

19. In reviewing the proposed budget, the Council welcomed the shift in focus from primary emphasis on project development to project implementation as the portfolio matures. The Council nevertheless expressed concern over the rate of growth in the administrative budget.

20. The Secretariat was requested to prepare a note for the November 1997 Council meeting on disbursements, their linkage to administrative costs and projected trends in costs associated with project implementation. This note should provide clarification of the differences in disbursement rates among the Implementing Agencies.

21. The Council welcomed the efforts of the CEO to assess the staffing needs of the GEF in order to ensure the most effective and efficient use of resources.

22. The Implementing Agencies were requested to enhance their efforts to mainstream the GEF activities into their regular work while not compromising the achievements that have been made in streamlining the project cycle.

23. The Council endorsed the development of incentives for mainstreaming and cost sharing.

*Agenda Item 9 Principles for GEF financing of targeted research*

24. The Council welcomed the paper *Principles of GEF Financing of Targeted Research*, GEF/C.9/5. In approving the document as a basis for considering GEF funding of targeted research, the Council made the following comments:

(a) targeted research proposal should include a strategy for disseminating the results of the research;

(b) targeted research proposals concerning biodiversity and climate change should be consistent with the guidance of the relevant Conference of the Parties;

(c) there should be good coordination between GEF targeted research and the scientific and technical subsidiary bodies of the Conventions so as to avoid duplication of effort;

(d) with regard to paragraph 19(a) it was agreed that projects should be primarily carried out by recipient country research institutions. However, when appropriate, research institutions from developed countries could assist in project activities, particularly through twinning arrangements with recipient country institutions. Such twinning arrangements should contribute to capacity building and training of recipient country experts;

(e) it was noted that targeted research projects would be approved in accordance with the GEF procedures for project approval (medium-sized project procedures or the normal project cycle procedures) with the addition of the Research Committee described in paragraph 20 of the document;

(f) the principle of incremental costs should apply to targeted research projects;

(g) targeted research projects should normally not require PDF resources beyond those available through PDF Block A.

*Agenda Item 10 Follow-up action to STAP workshop on land degradation*

25. The Council welcomed the Secretariat paper as an important step forward in advancing the provisions of the GEF Instrument with regard to land degradation as it relates to the four focal areas and in supporting the objectives of the Convention on Combating Desertification. The Council noted that land degradation should be addressed within the context of the Operational Programs. Projects concerning land degradation should be consistent with the principles of incremental costs, the achievement of global environmental benefits, cost effectiveness and national policies and priorities.

*Agenda Item 12 GEF Assembly*

26. The Council reiterated its appreciation to the Government and people of India for their generous offer to host the first GEF Assembly.

27. It was proposed that a panel of NGOs be included in the Assembly events described in paragraph 12 of the note.

*Agenda Item 13 Monitoring and Evaluation*

28. The Council had an extensive and long discussion on the monitoring and evaluation work program (document GEF/C.8/4/Rev.1), and in particular, on the scope and timing of the overall performance evaluation. It was clarified that the target of the evaluations are GEF policies and GEF country-based activities.

29. One Member expressed concern over the preparation of new studies and new analyses.

*Agenda Item 14 Other business*

30. The Secretariat is invited to explore with the Implementing Agencies possibilities for providing the Council with regular information on GEF project proposals in the pipeline.

31. The Secretariat is requested to explore ways in which it could assist Council Members who so request to communicate with their constituencies and to facilitate access to GEF information.

32. The CEO reminded constituencies that appointed their Members in July 1994, that in accordance with paragraph 16 of the Instrument, the three year term of some Members is coming to its close. Such constituencies are invited to consult on the appointment or reappointment of their Member and Alternate for the next three years. For any Member or Alternate whose term is expiring in July 1997, the Secretariat would appreciate being informed of the constituency's decision on that seat by July 1, 1997. The Secretariat will be available to assist any constituency that requests assistance in this regard.

## **CLOSURE OF THE MEETING**

33. The meeting was closed by the Chairs at 12:30 am on May 2, 1997.

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## **APPENDIX TO CHAIRS' JOINT SUMMARY**

### **COUNCIL DECISIONS**

#### ***Decision on Agenda Item 4 CEO Appointment***

1. On the basis of the joint recommendation made by the heads of the three Implementing Agencies, the Council reappoints by acclamation Mr. Mohamed T. El-Ashry to serve for an additional three years as the Chief Executive Officer/Chairperson of the Facility beginning July 12, 1997.

#### ***Decision on Agenda Item 7 Work Program***

2. The Council reviewed the proposed work program submitted in document GEF/C.9/3, and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by May 22, 1997. The Council also agrees to the continued application of the procedures for the approval of inter-sessional work programs by mail approved by the Council on a one-year pilot basis at its meeting in April 1996.

#### ***Decision on Agenda Item 8 GEF corporate budget for FY98***

3. The Council reviewed document GEF/C.9/4, *GEF Corporate Budget for FY98*, and approves the proposed budget for FY 98 subject to the comments made during the Council meeting and with the addition of two items: \$60,000 for two replenishment meetings, and \$50,000 to provide for an additional fixed-term position for monitoring and evaluation.

4. The Chief Executive Officer is requested to meet with the Implementing Agencies to discuss their experience in applying the three-tier budget approach with a view to reducing costs while enhancing project quality, and to consider how their experience may contribute to development of a fee-based budgetary system.

#### ***Decision on Agenda Item 9 Principles for GEF financing of targeted research***

5. The Council reviewed document GEF/C.9/5, *Principles for GEF Financing of Targeted Research*, and approves the document subject to the comments made at the Council meeting as a basis for considering GEF funding of goal-oriented research that supports the GEF operational strategy. The GEF Secretariat is requested to organize the Research Committee referred to in paragraph 20 of the document.

#### ***Decision on Agenda Item 10 Follow-up action to STAP workshop on land degradation***

6. The Council, having reviewed the recommendations contained in report GEF/C.9/6, *Follow-up action to the STAP workshop on land degradation*, agrees with the course of action proposed in the document, subject to the comments made by the Council, and requests the Implementing Agencies and the Secretariat to take appropriate steps, consistent with the recommendations and in full consultation with interested recipient countries, to identify, prepare and implement GEF-financed land degradation activities as they relate to biodiversity, climate change and international waters. The Secretariat, in consultation with the Implementing Agencies, is requested to report back to the Council on a regular basis on developments in this area, starting with the Council meeting in November 1997.

#### ***Decision on Agenda Item 11 Relations with Conventions***

7. The Council, having reviewed document GEF/C.9/7, *Relations with Conventions*, approves the *Memorandum of Understanding between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility* set forth in Attachment A of the document. The Council also approves the *Annex on the Determination of Funding Necessary and Available for the Implementation of the Convention to the Memorandum of Understanding between the Conference of the Parties to the UN Framework Convention on Climate Change and the Council of the Global Environment Facility* set forth in Attachment B of the document and invites the Conference of the Parties to the Climate Change Convention to approve the annex at its next session.

8. The Council takes note of the decisions of the third meeting of the Conference of the Parties to the Convention on Biological Diversity and the early initiatives of the Secretariat and Implementing Agencies to respond to the decisions. The Council invites recipient countries, the Secretariat and Implementing Agencies to reflect the Convention's guidance in the identification and preparation of biodiversity projects proposed for GEF financing.

9. The Council further notes the review process of the GEF that has been initiated by each of the Conventions. The Council requests the Secretariat to inform the GEF political and operational focal points of this process and to invite them to share their views and experiences through their governments' responses to the Convention Secretariats.

10. The Council notes with appreciation the efforts that have been made by the GEF Secretariat and Implementing Agencies, with the cooperation of the Convention Secretariats, to disseminate information on GEF project activities and to facilitate access to GEF funding.

#### ***Decision on Agenda Item 12 Note on the Organization of the GEF Assembly***

11. The Council reviewed document GEF/C.9/8, *Note on the Organization of the GEF Assembly*, and approves the approach described therein for organizing the first GEF Assembly in India in April 1998, subject to the comments made at the meeting. The Council agrees that its first regular Council meeting in 1998 will be convened in conjunction with, and at the same location as, the Assembly meeting. The Secretariat is requested to prepare for Council review at its November meeting a provisional agenda and draft rules of procedure for the Assembly together with other initial documentation identified in paragraph 11 of the note. The Secretariat is also

requested to submit to the Council for its approval at the November meeting the proposed budget for the Assembly.

***Decision on Agenda Item 13 Monitoring and Evaluation***

12. Noting the introduction and explanations provided by the Senior Monitoring and Evaluation Coordinator on his work program in preparation for the Assembly, as described in the synopsis of the study of the GEF's overall performance, the Council agrees that the terms of reference for the studies highlighted in the synopsis are acceptable. In preparing the study of the GEF's overall performance, the Senior Monitoring and Evaluation Coordinator is encouraged by the Council to seek expert advice and to establish an advisory panel for that purpose. In establishing the panel, he should ensure a broad representation in terms of focal areas and equitable geographic representation and participation by NGOs. The report of the advisory panel should be submitted to the Council together with the evaluation report.

13. The terms of reference of the panel and the studies should be circulated to the Council and made available for public comment by May 8. Comments will be expected on the terms of reference during a ten day period.

14. Additional costs of the panel will be covered by the monitoring and evaluation budget. The CEO will report on these costs in the mid-term review of the budget and will seek additional resources if necessary.