

**HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS
51ST GEF COUNCIL MEETING
OCTOBER 25-27, 2016, WASHINGTON, D.C.**

The following is a record prepared by the GEF Secretariat of comments, understandings, and clarifications made by Council Members. These points are supplemental to the Joint Summary of the Chairs, which records the decisions agreed by the Council.

Agenda Item 1 Opening of the Meeting

1. The CEO and Chairperson of the GEF, Naoko Ishii, opened the 51st GEF Council meeting by presenting the GEF 25th anniversary commemorative publication - *25 years of the GEF* – featuring the stories from GEF partner countries, agencies, STAP, Conventions, CSO Network, Small Grants Program, Indigenous Peoples Advisory Group, and private sector, among others.
2. Ishii stated that there is strong demand coming from countries to integrate the SDGs and the climate commitments into the national development strategies, and noted that the GEF has initiated the Global Commons Partnership Dialogue, in partnership with IUCN, in order to safeguard the health of the global commons while addressing national development and growth plans. As the GEF is entering into the GEF-7 replenishment process, Ishii expressed her commitment to be bold and innovative in response to the Council's request, and thanked the Council for their encouragement and confidence.

Agenda Item 4 Annual Portfolio Monitoring and Results Report

3. The Council appreciated GEF's Annual Portfolio Monitoring Report (APMR) and Corporate Scorecard. Several Council members provided useful suggestions to further improve the documents, for example, producing the reports jointly with the IEO and incorporating useful IEO data such as the indicators that: assess the quality of M&E of GEF programming, track the level of innovation and risk across the portfolio, and track the sustainability of and incorporate lessons learned from Non-Grant Instruments. The Secretariat, in coordination with the GEF Agencies and the IEO, will explore options to take some of those suggestions on board.

Agenda Item 5 Update on the Capacity-building Initiative for Transparency

4. Several Council members thanked the Secretariat and the Trustee for the speedy establishment and operationalization of the Capacity-building Initiative for Transparency (CBIT).
5. Two Council members highlighted the progress made by the Secretariat in coordination with other platforms that are relevant to capacity building for transparency and encouraged the GEF to continue this work. One Council member suggested that reporting to the Council on CBIT progress be more specific in the future, to include details on consultations and ongoing items.
6. They emphasized the need for CBIT to remain strictly aligned with the Paris Agreement, including by avoiding additional burden on countries and by addressing Measuring, Reporting and Verification of emissions, support, adaptation and Nationally Determined Contributions.
7. The Council agreed to the Secretariat’s request that the information document which was considered by the Council be submitted to the COP as an addendum to the GEF’s COP report.

Agenda Item 6 Update on GEF-6 Resource Availability

8. While many Council members expressed concerns with regard to the potential indicative reduction of country STAR allocations for non-LDCs and non-SIDS, the Council recognized the difficulty of this topic and in general agreed with the Secretariat’s recommendations.
9. It was recognized that the situation of a potential shortfall occurred in both GEF-5 and GEF-6, and suggestions were made to the Secretariat to explore possible ways to mitigate a reoccurrence in GEF-7, including the Trustee’s financial management policy and practice and explore potential risk mitigation measures, to be considered during the GEF-7 replenishment process. A number of Council members stressed the importance of STAR allocations for their investments in sustainable development.
- 10.
11. Some Council members requested the Secretariat to work with recipient countries on the operationalization of the consequences of the potential shortfall and pro-actively engage recipient countries in their programming activities. The Council requested to be continually updated on the latest financial situation including the US dollar exchange rate movement, funds from cancelled projects, and any reflows from the Non-Grant Instrument projects. Therefore, the Secretariat was requested to provide updates on the projected indicative shortfall in subsequent Council meetings.

Agenda Item 7 Work Program

12. The Council welcomed the strong focus on International Waters and Biodiversity and the increased share of programming by the Project Agencies.

13. The Council reiterated the importance of adhering to the GEF Environmental and Social Safeguard Standards and the Gender Mainstreaming policy, and especially the need for *prior and informed consent* in relevant projects.

14. The Council requested to receive the Work Program in a timely manner (4 weeks prior to the Council meeting) in order to have sufficient time to make informed decisions.

15. The Council noted that the demand for approvals was greater than the resources available for programming. In this context, the Council expressed concerns that projects which have been technically cleared could not be included in the Work Program with the disadvantage of a pipeline building up.

Agenda Item 9 Semi-Annual Evaluation Report

16. The Council re-iterated the importance of having evaluations made available to the Council as soon as they are ready. The IEO will provide preliminary findings of all ongoing evaluations in time for the March replenishment meeting. The Council was specifically pleased with the Land Degradation study indicating that similar value for money analysis in other focal area studies would be a strong argument for a robust replenishment. The council had concerns regarding measuring outcomes in the gender sub-study, however the IEO assured that the approach paper for the gender sub study will address this in revisions. The Council stressed the importance of the Private Sector evaluation and asked the IEO to pay special attention to the non-grant instrument. The Council also expressed an interest in the study on GEF's role in legal and regulatory reforms. The Council encouraged the IEO to present the evidence on the OPS6 studies website as they are available.

Agenda Item 10 Relations with the Conventions and Other International Institutions

17. Mr. Rolph Payet, Executive Secretary of the Basel, Rotterdam and Stockholm Conventions, provided an update on the COP scheduled for 2017, including in particular as it relates to a high level segment with three conventions to debate on issues focused primarily on the Sustainable Development Goals (SDGs), oceans and mobilizing financial resources. Payet thanked the GEF for the approval of chemicals projects in 2016 and confirmed his commitment to maximize the impact of GEF funding at the local level, also taking into account the resource implications of fluctuating exchange rates. He also stressed that the decision taken by the

Parties must be translated into effective actions at the local level, and emphasized the role of the GEF in supporting this link.

18. The Coordinator of the Interim Secretariat of the Minamata Convention, Mr. Jacob Duer, addressed the Council in view of moving toward the convention's first COP to be held in Geneva, Switzerland. He thanked the GEF for supporting 130 countries with their Minamata Initial Assessments, and 28 countries with their artisanal gold mining issues. Coal-fired power plants are an important area for cross-sectoral approaches in climate change mitigation and mercury elimination, according to Duer, hence deserving increased attention by the GEF.

19. Several Council members thanked the Secretariat and the Minamata Interim Secretariat for their fruitful collaboration. One Council member highlighted the GEF's successful engagement in the Our Oceans' conference. Several Council members emphasized that the GEF's core business is to support the implementation of the Conventions. In this vein, one Council member suggested that in the future more input be requested from the secretariats of the multilateral environmental agreements for this Council document.

20. One Council member highlighted the importance of GEF's work related to POPs, given the increasing number of POPs. Many Council members emphasized the progress made by the GEF in utilizing integrated approaches for synergies between the conventions. Several Council members stressed the need to reflect recent developments such as the adoption of the SDGs and the Land Degradation Neutrality target in GEF programming.

21. The CBD Secretariat representative highlighted the integrated fashion in which meetings will be held at this year's COP in Mexico, and the UNFCCC Secretariat representative emphasized the entry into force of the Paris Agreement in 2016 and that the first COP serving as the Meeting of the Parties to the Paris Agreement (CMA 1) will take place in conjunction with COP 22 in Morocco. The UNFCCC Secretariat representative outlined the draft guidance that was finalized by the Standing Committee on Finance and welcomed the Secretariat's participation. The UNCCD Secretariat representative confirmed that the Land Degradation Neutrality target is now also in the area of GEF's work and that this provides a good example how SDGs can be implemented through the conventions' work.

Agenda Item 12 Monitoring Agency Compliance with GEF Policies on Environmental and Social Safeguards, Gender and Fiduciary Standards: Implementation Modalities

22. The text of the Annex I to the paper was amended based on the comments and proposals made by several Council members.

Agenda Item 13 *Recommendations from the Working Group on Public Involvement*

23. Several Council members welcomed the proposal to update the policy in a consultative manner and they emphasized the importance of including the private sector as an important stakeholder in the new policy. One Council member expressed the need to update the policy based on recognized best practices. The CSO Network supported the proposal, including that all stakeholders should have access to full information and that the policy requirements apply to all GEF projects.

Agenda Item 14 *Memoranda of Understanding with the United Nations Convention to Combat Desertification and with the Minamata Convention on Mercury*

24. Several Council members inquired on the process toward finalizing the memoranda for consideration by Parties. The Secretariat confirmed that the documents will be circulated for comments by the Council. The Co-Chair reminded Council members to submit written comments no later than January 31, 2017.

Agenda Item 16 *Other Business*

25. One Council member requested that the Council discuss Transparency International's recent *Progress Update on the GEF's Anti-Corruption Policies and Practices*. The Secretariat provided a brief summary of the key findings and recommendations of the report, along with proposed follow-actions by the Council and the Secretariat.

26. The date for the Spring Council meeting in 2018 will be decided in conjunction with the decision on the date for the 6th GEF Assembly.