

**HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS
56TH GEF COUNCIL MEETING
JUNE 11 - 23, 2019, 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 56th GEF Council meeting by citing the IPCC 1.5-degree Celsius report and the recent IPBES report which are sending a clear message based on scientific evidence of environmental degradation, ecosystem depletion and the massive plastic waste issues. Despite the daunting challenges, Ishii noted the positive momentum created by various coalitions around the world emphasizing the nature and the strong engagement by non-government actors. Ishii thanked all GEF partners for stepping up and leading the GEF where we are - driver for the transformational change and multi-stakeholder partnership.
2. Ishii highlighted that this Council will see the single largest Work Program in the GEF history. Reflecting on the challenges in bringing all the key national stakeholders together during the GEF-7 Impact Program development process in many recipient countries, Ishii pointed out the instrumental role and the remarkable achievement of all the GEF partners on the ground. Looking forward to the greater opportunities, Ishii stated that she will dedicate her last year as the GEF CEO in making sure the GEF-7 priorities and ambition are delivered with higher results and impact.

Agenda Item 4 Policy on Monitoring

3. Many Council members emphasized the recipient countries' key role in the project monitoring activities and requested the proposed policy specify the OFP's roles and

responsibilities. A few Council members requested the Secretariat provide the GEF Portal access to the OFPs and develop project templates and guidelines to reflect the OFP's actions during the monitoring process.

4. A few Council members noted the importance of systematic capture of learning, knowledge sharing, and adaptive management throughout the monitoring process. Specific questions on knowledge management and dissemination as well as results measurement of the IPs (Impact Programs) were raised. In response, the Secretariat explained that each IP requires detailed knowledge management plans throughout the project cycle as a main component and that the Lead Agencies will take the lead role in measuring and reporting actual results and disseminating knowledge and lessons.

5. Several Council members requested the annual monitoring report presents *expected* results as well as *achieved* results. The Secretariat responded that it will be reflected in the annual monitoring report noting that the *achieved* results corresponding to the GEF-7 indicators can only be measured at the mid-term evaluation stage.

6. A few Council members inquired how the Secretariat will monitor Agencies' compliance with the implementation of the proposed policy.

7. A few Council members inquired about the monitoring process and the application of the proposed policy with respect to the Non-Grant Instrument (NGI). The Secretariat clarified that the proposed policy applies to all GEF project modalities, including the NGI, with different sets of monitoring criteria and methodologies for each modality.

8. A few Council members inquired whether the proposed Evaluation policy is well aligned with this policy. The Secretariat responded that the Secretariat and the IEO worked very closely when developing their respective policies as clearly reflected in both proposed policy documents.

Agency Item 5 Report on the Working Group on the GEF Partnership

9. While acknowledging the Agency concentration issue needs to be resolved, the Council urged the proposed measurement should not negatively affect the country ownership principle and the country driven process in selecting the Agencies. In this regard, several Council members noted the issues associated with the proposed 30% portfolio funding cap across all 18 Agencies and the potential un-intended consequence noted by several OFPs in limiting the choices of Agencies.

Agenda Item 6 *Informing the Council on Possible Non-Compliance with Environmental and Social Safeguards*

10. The Council welcomed the proposed real-time grievance reporting mechanism. In addition to the amendment to the policy, some Council members underscored the issue of reputational risk that may arise in the absence of a formal complaint. It was considered important that where the GEF Secretariat is made aware of allegations of non-compliance with safeguards relating to a GEF-funded project, it would alert the implementing agency for that project of these allegations for consideration of appropriate actions. The Secretariat will reflect this point in Guidelines to implement the Policy that are under development.

11. To further strengthen accountability and transparency, a few Council members urged the Secretariat consider how to handle the claims which are registered outside the scope of the Agencies' grievance mechanisms, such as press release or media, which in fact presents serious reputational risks. The Secretariat explained although the proposed policy does not cover such circumstances, pursuant to the existing practice the Secretariat will notify the relevant Agency and promptly report to the Council who will make the final judgment call.

12. With respect to the grievance cases which arise outside the Agency's grievance mechanism, recipient country Council members urged these issues must be handled in a very careful manner and should not be subject to the proposed real-time reporting requirement. Instead, it would be prudent to provide appropriate due process by involving key local stakeholders, including the OFPs, to verify the claims.

13. Where a case posing a serious reputational risk arises, the Council requests to be notified and updated on any further development in a prompt manner as key piece of information becomes available. The Secretariat explained that it will closely monitor the cases presenting severe reputational risks, coordinate with the relevant Agency and pro-actively provide status update to the Council.

Agenda Item 8 *Status of Agencies' Compliance with Minimum Requirements on AML-CFT*

14. A few Council members emphasized the urgency of this issue and requested 3rd party comprehensive assessment on the Agencies' compliance as a pro-active management measurement to prevent any possible reputational risks.

Agenda Item 10 *Semi-Annual Evaluation Report June 2019 and Management Response*

15. The IEO presented to the council the 2019 Semi-Annual Evaluation Report and findings and recommendations from the Annual Performance Report with a special focus on transport,

the evaluation of GEF Support to scaling-up and the value for money analysis of GEF interventions in sustainable forest management projects. The Council thanked the Independent Evaluation Office (IEO) for the evaluations and welcomed the findings of the SAER.

16. The Council welcomed the results of the Value for Money analysis in sustainable forest management projects and several Council members commended the IEO for the use of innovative tools and approaches in the analysis. The Council expressed concern over the large difference in GHG emission reductions between what was planned ex-ante and what was achieved and requested for clarity on the methods used. The IEO assured the Council that the IEO reported on figures provided by implementing agencies through terminal evaluations.

17. One Council member requested the IEO to evaluate the performance of implementing agencies and their comparative advantage by region, considering that the last comparative advantage study of GEF Agencies was done in 2007.

18. The Council asked the IEO and the GEF Secretariat for clarification on the process in revising the recommendations on the scaling up evaluation. The IEO provided the assurance that the essence of the recommendations was maintained, and the revised recommendation was stronger. The CEO stated that the Secretariat was in agreement with the revised recommendations. The Council stressed the importance of the independence of the IEO and the importance of communication between the IEO and the GEF Secretariat. Several Council members commended the GEF on the positive findings on GEF's efforts in enabling scaling-up and on the innovation and demonstration from the pilots. One Council member indicated that where scaling-up has a limited scope, assurance from the GEF SEC that countries are not penalized for lack of scaling-up is needed. The IEO thanked the Council for support and assured the Council that evaluations are conducted in a fully independent manner. The GEF Secretariat agreed with the Council on the importance of independence of the IEO.

19. The council welcomed the terms of reference of the peer review of the IEO.

Agenda Item 11 The GEF Evaluation Policy

20. The Council welcomed the GEF Evaluation Policy and supported the continued coordination between the IEO and the GEF Secretariat on both the Monitoring and Evaluation policies. The Council asked for clearance on minimum timeline requirements for evaluations. The Council encouraged the IEO to move towards a more gender responsive approach and stressed the importance of cultural responsiveness and inclusion of Indigenous Peoples throughout the evaluation process. The Council additionally requested that policy reflects the GEF's programmatic evolution as well as principles of transformational change, systems change, as well as sustainability. Members of the Council requested the IEO to conduct post-completion

evaluations for a sample GEF projects in a timely and a cost-effective manner and requested post-completion evaluations to be included in the policy.

21. The IEO agreed to explicitly reflect points on the cultural responsiveness of the evaluations, country ownership, and transparency in the policy. The IEO additionally noted the request for post-completion evaluation to be included in the policy and indicated that the IEO has been and will continue to do post-completion evaluations for completed projects in the context of the evaluations.

Agenda Item 12 Four-Year Work Program and Budget of the GEF Independent Evaluation Office – GEF-7

22. The Council welcomed the fiscal year 2020 IEO work program and budget. The Council noted an increase in the IEO budget and encouraged the IEO to rigorously apply the efficiency measures introduced and adopted in GEF-7 as part of the World Bank Capital Increase Package. The IEO assured the Council that it will identify areas in which it can reduce costs and enhance efficiency consistent with the replenishment and capital increase.

23. The Council stressed the importance of the comprehensive evaluation of the GEF towards the end of GEF7 for the next replenishment negotiations and encouraged the office to focus on the themes of on additionality, innovation, and transformational change, results, impacts, and sustainability. The Council additionally welcomed the inclusion of the evaluation of integrated programs (IAP) and formative review of the IPs in the work program. The IEO welcomed the Council's suggestion to focus OPS7 on the issues of additionality, sustainability, transformational change, results, and impacts.

Agenda Item 13 Work Program for GEF Trust Fund

24. The Council welcomed the Work Program and acknowledged its significance with respect to both its size, positive geographical spread and ambitious targets.

25. The Council also welcomed the focus on results and the strong contribution of the Impact Programs to the delivery of the proposed GEF-7 results framework.

26. The Council also congratulated the GEF for its focus on gender and showing good gender balance in the co-benefits of the projects and programs included in this work program.

27. There was a discussion on procedures applied during the launching of the IPs, including regarding transparency. A decision on this issue was adopted and the Secretariat sent out a descriptive paper as requested.

Agenda Item 14 *Relations with the Convention and Other International Institutions*

27. The Council welcomed the report on the Relations with the Convention and Other International Institutions, and presentations made by the Executive Secretaries of the Basel, Rotterdam and Stockholm Convention, Minamata Convention, and the UN Convention to Combat Desertification.

28. The Council appreciated the efforts made by the GEF in enhancing collaboration and creating synergy with the Conventions and relevant international institutions. Many Council Members took note with appreciation on the LDCF project in Lao PDR that have been designed in collaboration with the Green Climate Fund. The Council encouraged the GEF to continue working in this direction.

29. Some Council Members requested to received additional update from the President of the fifth International Conference on Chemicals Management, Ms. Gertrud Sahler and UNFCCC. The UNFCCC representative provided a brief update on the topics to be discussed at the upcoming UNFCCC Subsidiary Body meetings. Ms. Sahler updated the Council about the preparations for ICCM 5 and on the intersessional process of the post 2020 agenda.

30. Some Council Members encouraged the GEF to work further on the plastic issues. In particular, it was re-emphasized that marine litter / micro-plastics will need to be dealt with across both the Chemicals / Waste and International Waters focal areas. The GEF Secretariat responded that it was engaged in dialogue with the Stockholm Convention on relevant follow-up.

31. Some Council Members requested the GEF to make an update on other Conventions they serve including Montreal Protocol in the future Council Meeting. One Council member also requested the GEF Secretariat to provide an update on the NDC partnership.

32. The CEO and the Council took a moment to recognize Mr. Jozef Buys, Council Member from Belgium, appreciating his many years of dedication and support to the GEF.

Agenda Item 15 *Approval of the Memorandum of Understanding Between the Conference of the Parties to the Minamata Convention on Mercury and the Council of the Global Environment Facility*

33. The Council expressed support for the Memorandum of Understanding between the Conference of the Parties to the Minamata Convention on Mercury and the Council of the Global Environment Facility and approved the document.

Agenda Item 16 **Further Work on the Sustainability of GEF Projects and Programs**

34. Referencing the STAP's analysis and presentation on 'durability', the Council requests the Secretariat collaborate with the STAP to further analyze the sustainability issue and to develop concrete plans for the Council's approval. The Secretariat and the STAP confirmed their commitment to closely coordinate, continue the dialogue with the Agencies, and come up with a set of actions to take to enhance sustainability and durability of GEF projects and programs. There was broad agreement on the need to do systematic climate risk screening in future programs and projects.

Agenda Item 17 **Report of the Selection and Review Committee.**

35. The SRC discussed the proposed procedures for the selection of the next CEO and agreed to launch the process as well as the immediate steps necessary. Council Member agreed to send their comments to the Chair of the SRC by June 28.

Agenda Item 18 **Other Business**

The Council agreed on the dates for the 60th and 61st Council Meetings in 2021.