



Global Environment Facility

October 20, 1998

JOINT SUMMARY OF THE CHAIRS GEF COUNCIL MEETING OCTOBER 14-16, 1998

OPENING OF THE MEETING

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

ELECTION OF A CHAIRPERSON

2. The Council elected Mr. James Carruthers, the Member representing the constituency of Canada, as its elected Chairperson.

ADOPTION OF THE AGENDA

3. The Council adopted the provisional agenda set forth in document GEF/C.12/1 with the addition of an agenda item entitled "First GEF Assembly."

STATEMENT ON BEHALF OF BIOLOGICAL DIVERSITY CONVENTION AND CLIMATE CHANGE CONVENTION

4. Statements were made to the Council by Mr. Michael Zammit Cutajar, Executive Secretary, United Nations Framework Convention on Climate Change, and Mr. Hamdallah Zedan, Officer in Charge, Convention on Biological Diversity. Messrs. Zammit Cutajar and Zedan responded to questions from Members.

STATEMENT BY THE CHAIR OF STAP

5. The Chair of STAP, Dr. Madhav Gadgil, reported on the first meeting of the newly reconstituted STAP and drew the Council's attention to the priority issues that STAP proposes to address. The Council warmly welcomed the new Chair of STAP and noted that it looked forward to working with the new members of STAP.

DECISIONS OF THE COUNCIL

6. The Council approved the following decisions:

Decision on Agenda Item 6 Work Program

7. The Council reviewed the proposed work program submitted to the Council in document GEF/C.12/3, and approves it subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by November 6, 1998.

*Decision on Agenda Item 7 Implementing Agencies' strategies for
integrating global environmental
activities*

8. The Council welcomed the reports submitted by the three Implementing Agencies¹ as an initial step in putting forward useful ideas, identifying important issues, and recognizing progress made concerning the integration of global environmental issues into, or complementarity of such issues with, the regular programs of the Implementing Agencies. The Council invited the Implementing Agencies to continue their efforts to develop a strategic approach to the matter, including preparation by UNDP and the World Bank of action plans for integrating global environmental activities in their regular operations and preparation by UNEP of an action plan on complementarity and additionality, taking into account the comments made at the meeting. The action plans should include clear objectives, specific measures and time frames for their achievement, and measurable indicators. The Implementing Agencies were requested to submit the action plans (status report for the World Bank) on their preparation to the Council at its next meeting.

*Decision on Agenda Item 8 Action plan on follow-up to Overall
Performance Study*

9. The Council, having reviewed document GEF/C.12/7, *Actions to Implement the Recommendations of the Study of GEF's Overall Performance* and the *Policy Recommendations for the Second Replenishment Period*, takes note of the actions that the Secretariat and Implementing Agencies have undertaken since the last Council meeting to follow-up on the evaluation report and the policy recommendations endorsed by the Council. The Council approves the proposed actions, subject to the comments made at the meeting and consistent with its decisions on other relevant agenda items before the meeting. The Council requests the Secretariat and the Implementing Agencies to take the

¹ See GEF/C.12/4, *Mainstreaming Global Environmental Issues: Report of UNDP to the GEF Council*, GEF/C.12/5, *Complementarity of UNEP's Core Activities and its GEF Interventions*, GEF/C.12/5/Add.1, *Information Note on the Measures Initiated by UNEP to Mainstream GEF Operations in its Regular Activities*, and GEF/C.12/6, *Mainstreaming the Global Environment in World Bank Group Operation*.

necessary steps to carry out the approved actions and to report regularly to the Council at its meetings on progress made in implementing such steps.

Decision on Agenda Item 9 Country Ownership of GEF Projects

10. The Council, having reviewed document GEF/C.12/8, *Country Ownership of GEF Projects: Elements for strengthened country level coordination and ownership and greater outreach and communication*, approves the proposed elements for an action plan to strengthen country level coordination and a strategy for greater outreach and communication, subject to the comments of the Council. The Secretariat, in consultation with the Implementing Agencies as well as with national focal points and other appropriate actors, is requested to proceed to prepare and, where possible, to implement activities necessary to achieve those elements.

11. The Secretariat is also invited to include in the proposed corporate budget for FY00, to be considered by the Council at its meeting in May 1999, administrative resources necessary to carry out the activities foreseen under the elements of the action plan and strategy.

Decision on Agenda Item 10 Streamlining the Project Cycle

12. The Council, having reviewed document GEF/C.12/9, *Streamlining the GEF Project Cycle*, takes note of the steps that have been undertaken since the project cycle was first approved in May 1995 to streamline and expedite the preparation and implementation of GEF-financed projects. In particular, the Secretariat and the Implementing Agencies are encouraged to proceed with their efforts to clarify and make more pragmatic the determination of incremental costs and to report to the Council on these efforts at its meeting in May 1999.

13. In order to expedite further the project cycle process, the Council agrees that in approving work programs, it would indicate the following:

The Council finds that, with the exception of [_____], each project presented to it as part of the Work Program (i) is or would be consistent with the Instrument and GEF policies and procedures and (ii) may be endorsed by the CEO for final approval by the Implementing Agency, provided that the CEO circulate to the Council Members, prior to endorsement, draft final project documents fully incorporating the Council's comments on the Work Program accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

With respect to [_____], the Council requests the Secretariat to arrange for Council Members to receive project documents and within four weeks transmit to the CEO any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing

Agency. Such projects may be reviewed at a further Council meeting at the request of at least four Council Members.

14. The Council requests the Secretariat and Implementing Agencies to continuously seek ways to simplify and facilitate the preparation and implementation of projects, and to bring to the Council's attention any proposals to this end..

Decision on Agenda Item 11 Expanded Opportunities for Executing Agencies

15. The Council reviewed document GEF/C.12/10, *Expanded Opportunities for Executing Agencies*. The Council notes the current efforts of the Implementing Agencies and the Secretariat to expand the opportunities for all executing agencies. The Council, after having discussed the options outlined in the paper for further enhancing the opportunities for executing agencies, especially the regional development banks, in GEF projects, requests the Secretariat, in consultation with the Implementing Agencies and selected executing agencies and based on the Council discussions, to prepare a more detailed analysis of the three options for Council consideration at its next meeting.

Decision on Agenda Item 12 Corporate Business Plan FY00-02

16. The Council reviewed document GEF/C.12/11, *GEF Corporate Business Plan FY00 - FY02* and GEF/C.12/11/Add.1, *Priorities Proposed for the Reconstituted STAP for FY00-02*. The Council requests the Secretariat and the Implementing Agencies to take into account its decisions on other agenda items and its comments on the business plan when they carry out GEF activities and when they propose the FY00 budget for approval by the Council at its meeting in May 1999. The Council further requests the Secretariat to continue to work with the Implementing Agencies to introduce a comprehensive fee-based system.

Decision on Agenda Item 13 Relations with Conventions

17. The Council, having reviewed document GEF/C.12/12, *Relations with Conventions*, takes note of the developments within the various international global agreements concerning the GEF, and encourages the Secretariat and the Implementing Agencies to continue their efforts towards active dialogue and collaboration with the Parties to the Conventions and the Convention secretariats, including the Secretariat of the Convention to Combat Desertification. In particular, the Council requests the Secretariat and Implementing Agencies to continue their efforts to implement the guidance to the GEF approved by the Conferences of the Parties to the Convention on Biological Diversity and the UN Framework Convention on Climate Change. The Council also agrees to include in the agenda for its meeting in May 1999 an item on the relationship of the GEF to the work of the intergovernmental negotiating committee for an international instrument for action on certain organic pollutants.

Decision on Agenda Item 14 First GEF Assembly

18. The Council welcomed the New Delhi Statement of the First GEF Assembly and expressed its satisfaction with the success of the Assembly. The Council echoed the Assembly in expressing its sincere appreciation to the Government and people of India for the hospitality and generosity extended to all Participants, including the Council. The Council also recognized with appreciation the efforts of the Secretariat and the Implementing Agencies that contributed to the success of the Assembly. The Council noted that many of the agenda items before it at the present meeting respond to the New Delhi Statement, the recommendations of the *Study of the GEF's Overall Performance*, and the policy recommendations of the replenishment that were endorsed by the Council at its meeting in April, and agreed that the statement and policy recommendations provided a sound basis for maximizing the effectiveness and impacts of the GEF.

Decision on Agenda Item 15 Draft Annual Report

19. The Council reviewed the draft Annual Report covering the activities of the GEF during FY98, documents GEF/C.12/13 and GEF/C.12/13/Add.1 and approves it subject to the comments made by the Council. The Council requests the Secretariat to publish the report and disseminate it widely.

Decision on Agenda Item 16 Elements of an Operational Program on Transport

20. The Council reviewed the document GEF/C.12/14, *Elements of a GEF Operational Program on Transport*. The Council requests the Secretariat to develop the operational program, taking into consideration Council comments on the elements paper and in consultation with the Implementing Agencies, other experts and appropriate operational entities.

HIGHLIGHTS OF COUNCIL'S DISCUSSION

21. The following explanations and clarifications were made during the Council's discussion of its agenda items and related decisions.

Agenda Item 6 Work Program

22. The Council recalled its earlier request that the Secretariat prepare a paper for Council review on the private sector and the GEF. The paper should address modalities to facilitate private sector involvement in GEF-financed activities, including partnerships with the private sector to promote the transfer of technology. The paper should also consider the issues of intellectual property rights and the potential use by other industries of technology developed with GEF financing.

23. One Council Member, due to its country's national policy, objected to the project proposals for *Pakistan, Mountain Areas Conservation* and *India, National Biodiversity Strategy and Action Plan*.

24. One Council Member, in light of national legislation regarding its country's voting position for development projects financed by certain development institutions, opposed the following projects proposals: *Cuba, Camaguey Ecosystem; India, National Biodiversity Strategy and Action Plan; Pakistan, Mountain Areas Conservation; Regional, Building Partnerships for the Environmental Protection and Management of the East Asian Seas; and Regional, Addressing Transboundary Environmental Issues in the Caspian Environmental Programme.*

25. On the project, *Kenya, Removal of Barriers to Energy Conservation and Energy Efficiency in Small and Medium Scale Enterprises*, some Council Members indicated serious concern regarding impediments to the successful implementation of the project. UNDP, as the Implementing Agency, indicated that this is a special situation and that a number of provisions will be included in the final project document submitted for CEO endorsement to ensure that the project achieves its ultimate objectives.

26. When preparing the final project document for the East Asian Seas project, UNDP, as the Implementing Agency for the project, will ensure that necessary conditions are in place in all countries for successful project implementation. Should these conditions not be adequately met in any of the participating countries, that country will not be included in the draft final project document submitted for CEO endorsement.

27. With regard to the proposal to provide additional financing for the Small Grants Program, many Council Members welcomed the evaluation that had been completed and the incorporation into the program of lessons learned. A number of Council Members expressed their interest in seeing an increase in the number of countries benefiting from the Small Grants Program. It was suggested that there is a need to give serious consideration to the continuity of projects financed under the small grants program once GEF financing is fully utilized. UNDP was requested to report to the Council at its next meeting on progress made in consolidating a strategic framework for the program.

Agenda Item 7

*Implementing Agencies' strategies for
integrating global environmental
activities*

28. The Council expressed its appreciation to the Administrator of UNDP, the Executive Director of UNEP, and the Managing Director of the World Bank for introducing the reports of their agencies, noting that their personal participation at the Council meeting was a clear indication of the seriousness with which their institutions were addressing the issue of integrating global environmental concerns into their regular activities.

29. The Council noted its general dissatisfaction with the reports prepared by the Implementing Agencies and requested the CEO to communicate the highlights of its discussions on this agenda item to senior management of each of the agencies.

30. The Council noted the need for a clearer definition of the concept of mainstreaming and called upon the Implementing Agencies to consult with one another and with the Secretariat on a common approach to preparing their strategies and action plans, while recognizing the unique mandate of each agency and their different roles in the GEF.

31. The Council noted that the Secretariat may play a useful role in promoting coordination of the work of the Agencies to prepare their strategies and action plans, particularly through the meetings of the CEO with the heads of the Implementing Agencies.

Agenda Item 8

Action plan on follow-up to Overall Performance Study

32. The Council noted that conclusions and actions approved by the Council in the context of other agenda items before the meeting should be incorporated into the action plan for responding to the overall performance study and the policy recommendations endorsed by the Council.

33. The Council expressed strong support for efforts to facilitate and promote greater use of local and regional consultants in GEF project activities.

34. The Council welcomed the recognition in the action plan that STAP's work is to be more tightly integrated with the overall GEF work program for operations, policy development, and monitoring and evaluation.

Agenda Item 9

Country Ownership of GEF Projects

35. The key importance of national focal points to country level coordination and country ownership was stressed by the Council. The Secretariat was requested to elaborate upon practical measures that might be undertaken to strengthen the national focal points, especially through the field offices of the Implementing Agencies, and to improve information that would allow countries to monitor the status of projects.

36. The Council invited Council Members to propose to the CEO what approaches may usefully be considered to help improve coordination and consultations within constituencies.

37. It was recognized that the designation of political and operational focal points was a matter fully under the authority of the recipient country.

38. The need for the GEF family and recipient countries to seek synergies in their activities through better coordination at the national level through the national focal point was recognized. In this regard, the Secretariat, Implementing Agencies and national focal points should ensure that the country workshops contribute to this objective and involve all major stakeholders involved in environment, development planning and relevant conventions.

Agenda Item 10

Streamlining the Project Cycle

39. The Council agreed to review the procedures referred to in its decision on this agenda item after their application to two regular work programs.

40. The Council requested the Secretariat, in consultation with the Implementing Agencies, to prepare for consideration by the Council at its next meeting a quantitative assessment of the cumulative efforts to streamline the project cycle and a review of what additional steps could be undertaken.

Agenda Item 12

Corporate Business Plan FY00-02

41. The Council emphasized the importance of priority setting, especially for STAP, and of integrating in a strategic fashion the major elements of the GEF agenda in a manner that ensures effectiveness and accountability.

42. The Council highlighted the continued importance of GEF support for land degradation and desertification activities.

43. Several Council Members expressed doubts about the feasibility of the projected growth in operations forecast in the corporate business plan.

Agenda Item 15

Draft Annual Report

44. The Council indicated its concern regarding the information in UNEP's Audit Report concerning the initiation of GEF projects prior to their approval. UNEP clarified that no projects were initiated prior to CEO endorsement and subsequent approval. The Council requested UNEP to report on its management follow up to the Audit Report at the November 1999 Council meeting.

45. The CEO proposed to submit on an annual basis information to the Council on GEF procurement.

CLOSURE OF THE MEETING

46. The meeting was closed by the Chairs on October 16, 1998.