



Global Environment Facility

November 6, 2000

JOINT SUMMARY OF THE CHAIRS GEF COUNCIL MEETING NOVEMBER 1-3, 2000

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 Ms. Susanne Jacobsson, the Member representing Estonia, Finland, and Sweden, as its elected Co-Chair.

ADOPTION OF THE AGENDA

3. The Council approved the provisional agenda set forth in document GEF/C.16/1/Rev.1.

STATEMENT BY THE CHAIR OF STAP

4. The Chair of STAP, Dr. Madhav Gadgil, reported on STAP's work program and the progress that had been made since the last Council meeting. Dr. Gadgil also responded to questions from the Council Members. The Council supported the recommendation of the STAP Chair that the GEF policy on public participation should be interpreted as calling for the involvement of the scientific and technical community in stakeholder participation concerning GEF activities. The Council also agreed that there was a need to seek ways to involve more developing country experts in the work of STAP, and particularly to increase the participation of developing country experts on the STAP roster in project reviews. In this regard it was agreed that a GEF orientation should be provided to roster experts, especially those who have been newly added to the roster or who have not prepared a previous STAP review.
5. The Chair of STAP was requested to circulate his statement to Council Members in advance of the Council meeting.

STATEMENTS ON BEHALF OF THE CONVENTION ON BIOLOGICAL DIVERSITY, THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE, AND THE UNITED NATIONS CONVENTION TO COMBAT DESERTIFICATION

6. Statements were made to the Council by Mr. Hamdallah Zedan, Executive Secretary, Convention on Biological Diversity, Mr. Michael Zammit Cutajar, Executive Secretary, United Nations Framework Convention on Climate Change, and Ms. Aira Kalela, Deputy Executive Secretary, United Nations Convention to Combat Desertification. The representatives of the convention secretariats responded to questions from the Council Members.

DECISIONS OF THE COUNCIL

7. The Council approved the following decisions.

Decision on Agenda Item 5(b) Relations with Conventions

8. The Council, having reviewed document GEF/C.16/3, *Relations with Conventions*, takes note of the developments of relevance to the GEF within the various international agreements, and invites countries, the Implementing Agencies and the Secretariat to continue to develop country-driven projects consistent with the policies and program priorities identified in the guidance from the Conferences of the Parties to the Convention on Biological Diversity and the UN Framework Convention on Climate Change. The Council also welcomes the progress that is being made in implementing action pursuant to the Action Plan for Enhancing GEF Support for Activities to Address Land Degradation.

9. The Council requests the CEO to explore the best options for enhancing the support of the GEF in assisting affected countries, especially those in Africa, to implement the UN Convention to Combat Desertification, taking into account the third replenishment, and to report to the Council at its meeting in May 2001.

10. The Council requests the CEO to continue to observe the negotiations for an international legally binding instrument for implementing international action on certain persistent organic pollutants and to inform the next meeting of the negotiating committee of the Council's discussions concerning the operational role that the GEF can play in assisting countries to implement the new convention.

11. The Council welcomes the information in the paper on the work of the Convention on Wetlands of International Importance especially as Waterfowl Habitats, the Convention on International Trade in Endangered Species of Wild Fauna and Flora and the Convention on the Conservation of Migratory Species of Wild Animals, and encourages the GEF Secretariat to enhance its cooperation with such conventions. The Council agrees that representatives of these conventions should be invited to observe Council meetings when project proposals aimed at assisting countries to meet the objectives of their conventions are included in the work program.

Decision on Agenda Item 5(c)

Initial Strategy for Assisting Countries to Prepare for Entry Into Force of the Cartagena Protocol on Biosafety

12. The Council, having reviewed the proposed *Initial Strategy for Assisting Countries to Prepare for the Entry into Force of the Cartagena Protocol on Biosafety*, approves the strategy as a basis for guiding GEF action and requests the GEF Secretariat, in collaboration with the Secretariat of the Convention on Biological Diversity and the Implementing Agencies, to work with interested countries to assist them. The Secretariat is requested to report to the Council regularly on the implementation of the strategy, including the project entitled, *Development of National Biosafety Frameworks*, for which UNEP is the Implementing Agency.

13. The GEF Secretariat is requested to collaborate with the Convention Secretariat, the GEF Implementing Agencies, bilateral and other multilateral organizations with a view to facilitating better coordination among them for the provision of assistance to interested countries and to explore opportunities to strengthen partnerships for the provision of capacity building activities.

14. The GEF Secretariat is requested to inform the Intergovernmental Committee on the Cartagena Protocol (ICCP) of this strategy and the efforts that are underway through the GEF to build the capacity of countries to address the objective of the Protocol. The strategy should be kept under review so as to incorporate relevant decisions of the ICCP.

Decision on Agenda Item 6

Report on replenishment of the GEF Trust Fund

15. The Council takes note of the summary of the Co-Chairs of the Planning Meeting for the Third GEF Replenishment which was held in Washington, D.C., on October 30, 2000.

Decision on Agenda Item 7

Driving for Results in the GEF: Streamlining and Balancing Project Cycle Management

16. The Council reviewed document GEF/C.16/5, *Driving for Results in the GEF: Streamlining and Balancing Project Cycle Management*, and endorses the overall approach towards improving GEF responsiveness and achieving better on-the-ground results and high project quality. The Council commends the progress that has already been made by the Secretariat and the Implementing Agencies to streamline and balance operations and requests them to continue to develop the options for further improvements outlined in the paper.

17. The Council approves the following revisions to the project cycle, identified in Section II of this document:

- (a) The CEO is authorized to approve PDF-B resources for projects requiring preparation in multiple countries up to a ceiling of US\$700,000.
- (b) The CEO is authorized to approve PDF-C resources up to a ceiling of US\$1 million.
- (c) All technical comments by Council Members on project proposals will be submitted to the Secretariat in writing within two weeks after the conclusion of the Council meeting.
- (d) A country endorsement by the national operational focal point provided at the time a request is submitted for GEF PDF-B funding, or for PDF-A funding for a medium-sized project, will suffice as the country endorsement for the project proposal submitted for inclusion in the work program, unless the national focal point specifically requests that a second endorsement be sought prior to work program inclusion. The Secretariat may request a second country endorsement when a project proposal is to be included in the work program if:
 - (i) the Secretariat determines that the project design has fundamentally changed since the PDF-B proposal was endorsed, or
 - (ii) there are specific country commitments, such as co-financing, that require confirmation.

18. The Council agrees that with regard to projects prepared and executed by an organization identified in the GEF expanded opportunities for executing agencies (to date, these are the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the Food and Agricultural Organization of the United Nations, and the United Nations Industrial Development Organization), an Implementing Agency should continue to have direct accountability to the GEF Council for its GEF-financed activities. However, for executing agencies identified under the GEF expanded opportunities, such accountability should be limited in the following manner. The exercise of the Implementing Agency's accountability to the GEF Council will be in the context of the Implementing Agency's initial due diligence work in the process of identifying executing agencies and in ensuring consistency with GEF policies and procedures together with implementation by that executing agency of its own policies and procedures and not the policies and procedures of the Implementing Agencies. The Council confirms that executing agencies identified in the GEF expanded opportunities will have direct access to PDF-B Grants through the GEF Secretariat.

19. The Council calls upon the Implementing Agencies to ensure that the GEF has the capacity and agility to manage small projects, including enabling activities, and to ensure that disbursement of funds for such projects can be achieved in an efficient and timely

manner. In this regard, the Implementing Agencies are requested to provide a report to the Council at its next meeting on the mechanisms and arrangements through which they can expedite the disbursement of GEF funds for small projects.

20. The Council requests the CEO to convey this decision on streamlining of GEF procedures and its determination to continue that process to the Conferences of the Parties to the CBD, UNFCCC, and UNCCD as well as the upcoming fifth session of the International Negotiating Committee (INC) for an International Legally Binding Instrument for Implementing International Action on Certain Organic Pollutants.

Decision on Agenda Item 8

Draft Elements of an Operational Program for Reducing and Eliminating Releases of Persistent Organic Pollutants into the Environment

21. The Council reviewed document GEF/C.16/6, *Draft Elements of an Operational Program for Reducing and Eliminating Releases of Persistent Organic Pollutants*, and takes note of the elements as a basis for preparing an operational program, subject to the conclusions and decisions of the International Negotiating Committee (INC) for an International Legally Binding Instrument for Implementing International Action on Certain Organic Pollutants.

22. The Council agrees that should the GEF be designated as the financial mechanism for the legal agreement to address persistent organic pollutants, additional financial resources for this purpose will be made available through the third replenishment. The Council also recognizes that should the GEF be the financial mechanism for the legal agreement it would be willing to initiate early action with regard to the proposed enabling activities with existing resources.

23. The Council requests the CEO to work with UNEP, in its capacity as Secretariat of the INC, to officially circulate the elements of the proposed operational program together with information on the Council's discussions and other relevant decisions, including its decision on streamlining and balancing project cycle management, to the participants at the fifth session of the INC in December 2000 with a view to ensuring that they are fully informed of the operational role that the GEF can play in assisting countries to implement the new convention.

Decision on Agenda Item 9

Work Program Submitted for Council Approval

24. The Council reviewed the proposed Work Program submitted to Council in document GEF/C.16/7 and approves it¹ subject to comments made during the Council

¹ One Council Member, in light of national legislation regarding its country's voting position for development projects financed by certain development institutions, did not support the project proposal *UNEP: Solar and Wind Energy Resource Assessment* and *UNEP/FAO: Reduction of Environmental Impact from Tropical Shrimp Trawling through Introduction of By-catch Technologies and Change of Management*.

meeting and additional comments that may be submitted to the Secretariat by November 17, 2000.

25. The Council finds that, with the exception of:

- (a) UNEP: Development of National Biosafety Frameworks, and
- (b) UNEP: Solar and Wind Energy Resource Assessment,

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 circulates 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.

26. With respect to the two projects listed above, the Council requests the Secretariat to arrange for Council Members to receive draft final project documents so that Council Members may transmit to the CEO within two weeks 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 future Council meeting at the request of at least four Council Members.

27. With regard to projects for which GEF financing is to be approved in tranches, the Council agrees that after the initial approval of the project proposal and the first tranche of financing by the Council, the CEO may approve subsequent tranches of financing in accordance with the provisions of the project proposal, provided that Council Members receive the proposal for additional financing for a three-week review period prior to CEO approval. If at least four Council Members request that the proposal be reviewed at a Council meeting, the CEO shall submit the proposal, for consideration and approval, to the next Council meeting.

Decision on Agenda Item 10

Corporate Business Plan FY02-FY04

28. The Council reviewed the *GEF Corporate Business Plan FY02-04* (document GEF/C.16/8) and provided comments on the business plan. The Council notes that the forecast of resource allocations beyond FY02 will be subject to the negotiations for the third replenishment as well as developments within the context of the conventions related to the global environment considered under agenda items 5 and 8. The Council requests the Secretariat and the Implementing Agencies to take into account its comments on the business plan and its decisions on other agenda items in carrying out GEF activities and in preparing the proposed FY02 budget for approval by the Council at its meeting in May 2001.

*Decision on Agenda Item 11
GEF Assembly*

Note on Organization of Second

29. The Council reiterates its sincere appreciation for the generous offer of the Government of China to host the second GEF Assembly. The Council agrees that the Assembly will be held in October 2002 so as to allow the Assembly to take into account the results of Rio+10. The Council agrees that the organization and structure of the Assembly proposed in the note prepared by the Secretariat, document GEF/C.16/9, provides a sound basis for planning and requests the Secretariat to begin taking steps necessary to organize the Assembly. In this regard, the Council approves the additional resources to the GEF Secretariat's corporate budget for FY01 detailed in the note for purposes of initiating the planning and organization of the Assembly and recognizes that the Secretariat will include in its proposal for the FY02 corporate budget to be considered by the Council in May 2001 a proposed budget for the full costs of the Assembly.

Decision on Agenda Item 12

*Review of Climate Change Enabling
Activities*

30. The Council reviewed document GEF/C.16/10, *Review of Climate Change Enabling Activities*. The Council notes the recommendations contained in the review, and requests the Secretariat and the Implementing Agencies to take the report into consideration in future climate change enabling activity efforts. This applies particularly to the work of the Capacity Development Initiative, including the development of elements of a strategy and an action plan for capacity development in the area of climate change. The Council also invites the Secretariat to submit the review to the sixth session of the Conference of the Parties to the United Nations Framework Convention on Climate Change pursuant to paragraph 6 of the Memorandum of Understanding between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Council of the Global Environment Facility.

Decision on Agenda Item 13

New Participants in Constituencies

31. The Council confirms the following constituency groupings:

- (a) Azerbaijan, Kyrgyz Republic, Switzerland, Tajikistan, Turkmenistan and Uzbekistan; and
- (b) Benin, Cote d'Ivoire, Ghana, Guinea, Nigeria, Sierra Leone and Togo.

Decision on Agenda Item 14

*Proposed Amendment to the Rules of
Procedure for the GEF Council*

32. The Council, in reviewing a proposed amendment to the rules concerning decision by mail, confirms that intersessional work programs may be approved by mail on a no objections basis. The Council also confirms that policy decisions should not be approved by mail.

33. The Council agrees to amend rule 45 of its Rules of Procedure to read as follows:

“45. At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If a proposed decision has financial implications, approval of the decision will require replies from at least two-thirds of the Members. If there is an objection raised by any Member to any proposed decision, the CEO shall include consideration of the proposed decision as an item on the agenda for the next meeting of the Council. The CEO shall notify all those that received the communication referred to in paragraph 43 of the action he/she takes pursuant to this paragraph.”

Decision on Agenda Item 16

Other Business

34. The Council requests the GEF Secretariat to make available on the GEF website statistical information on GEF and co-financing commitments and disbursements. This information should be presented according to countries, regions, and focal areas. These statistics should be regularly updated.

35. The Council requests the CEO to ensure the active participation of the GEF in Rio+10 and its preparatory process. In this regard, the CEO is requested to share with the Council a note on his proposals for integrating the GEF into the Rio+10 process. The Council requests the Secretariat to strengthen its partnership with the GEF NGO network in these efforts.

36. The Council requests the Secretariat to prepare for the next Council meeting a paper on expanded opportunities for executing agencies that would include criteria for the expansion of such opportunities to other agencies as well as a discussion of the implications of the decision reflected in paragraph 18 for the GEF monitoring and evaluation system.

37. The Council requests the Secretariat to organize a familiarization seminar for new Council Members and Alternates in conjunction with Council meetings.

HIGHLIGHTS OF COUNCIL’S DISCUSSION

38. The following comments, understandings and clarifications were made during the Council’s discussions of its agenda items and related decisions.

Agenda Item 5

Relations with Conventions

39. The Council noted the importance of the second review of the financial mechanism to be carried out under the Convention on Biological Diversity, and it requests that the GEF Secretariat keep the Council informed of progress in carrying out the review.

40. The Council stressed that the GEF should take steps to increase its responsiveness to countries, and in this regard, welcomed initiatives to streamline the project cycle. The

Council requested the GEF Secretariat and the Implementing Agencies to ensure that they respond promptly to the guidance approved by the Conferences of the Parties.

41. The Council also recognized that convention guidance, particularly that which might emerge from the sixth session of the Conference of the Parties to the UN Framework Convention on Climate Change, will have an impact on the third replenishment of the GEF Trust Fund.

42. The Council welcomed the participation of representatives of the Indigenous International Forum on Biodiversity in the Council meeting, particularly in light of their close collaboration in the Convention on Biological Diversity, and recognized the crucial role of civil society, including local communities and indigenous peoples, in achieving the objectives of the global environment conventions.

43. In preparing the document on best options for enhancing the support of the GEF in assisting affected countries, especially those in Africa, to implement the UN Convention to Combat Desertification, the CEO was requested to take into consideration countries affected by recurring droughts, including those in Asia.

Agenda Item 5(c)

*Initial Strategy for Assisting
Countries to Prepare for Entry Into
Force of the Cartagena Protocol on
Biosafety*

44. The Council underscored the importance of regional and sub-regional approaches to capacity building for biosafety, especially those that promote South-South collaboration and exchange of experiences.

45. The crucial role of the biosafety clearinghouse-mechanism to the achievement of the objectives of the Protocol was recognized, and the GEF was called upon to provide support for capacity building with respect to the operation of the clearing-house, including any related pilot program.

46. The GEF strategy should be consistent with the indicative framework for capacity building that is being developed by the Convention Secretariat for review by the Intergovernmental Committee on the Cartagena Protocol.

47. All assistance provided by the GEF within the framework of the strategy should be country-driven in order to ensure country ownership.

48. The GEF should develop clear milestones to implement the strategy, and should report to the Council on the achievement of such milestones.

49. The Council stressed that streamlining is an on-going process, and in particular, called upon the Secretariat to propose to the Council additional streamlining measures to the GEF project cycle on the basis of the conclusions and recommendations of the second Study of the GEF's Overall Performance.

50. GEF assistance to countries should be country-driven and carried out within the context of a country's national sustainable development priorities and its efforts to alleviate poverty. In providing assistance to countries the GEF, including its Implementing Agencies and executing agencies, should minimize bureaucratic obstacles and transaction costs without sacrificing project quality. In this regard, the Council particularly welcomed the steps to be taken to streamline the GEF project cycle.

51. The Secretariat was requested to include a flow chart with time lines of decision points and responsibilities when it publishes the project cycle.

52. With regard to monitoring and evaluation activities for projects executed by agencies identified under the expanded opportunities, the Council requested that duplication be avoided between the monitoring and evaluation activities of the executing agency and the GEF.

53. The Council requested access to project completion reports of the Implementing Agencies and the executing agencies.

54. The Council underlined that GEF is a partnership involving the Council, the Secretariat, the Implementing Agencies and countries, and that improvements in streamlining the project cycle are the responsibility of all partners. The Council encouraged countries to consider actions identified in Section III of the document and to implement them if appropriate.

55. The Council noted that the Secretariat will work with UNDP and the World Bank to review cost-norms for support to the country operational focal points.

56. The Implementing Agencies should ensure that the operational focal points are fully informed before a project proposal is submitted to the Secretariat for inclusion in the work program.

57. The Implementing Agencies were requested to broaden their use of experts from the STAP roster, and STAP was requested to monitor the use of experts and to keep the Council informed.

Agenda Item 8

Draft Elements of an Operational Program for Reducing and Eliminating Releases of Persistent Organic Pollutants into the Environment

58. In the further development of the *Elements of an Operational Program for Reducing and Eliminating Releases of Persistent Organic Pollutants*, the GEF will be guided by the decisions of the Intergovernmental Negotiating Committee and future guidance of the Conference of the Parties to the legal agreement under consideration.
59. With regard to assisting countries to address the issue of persistent organic pollutants, the Council underscored the importance of the inclusion of FAO and UNIDO among the executing agencies under the expanded opportunities for implementing GEF projects.
60. Collaboration of the private sector, the scientific and technological community, and NGOs should be sought in GEF activities to address persistent organic pollutants.
61. Should the GEF be designated as the financial mechanism for the POPs agreement, the Secretariat, together with the Implementing and executing agencies, should prepare for consideration by the Council an initial assessment of financial resources necessary to ensure a prompt start to providing assistance to eligible countries.

Agenda Item 9

Work Program Submitted for Council Approval

62. The Council expressed its serious concern over the financial constraints that had been faced in determining the proposed work program. The Council strongly urged donors to address any arrears in their payments as promptly as possible.
63. The Council requested the CEO to inform them of the criteria that will be followed in setting priorities for including projects in work programs constrained by the availability of financial resources.
64. The Council reiterated that a fundamental principle of the GEF is country-drivenness. In this respect, the Council expressed its concern about a perceived trend in the number of global projects as opposed to national projects.
65. The Council agreed that the GEF should develop the five fuel cell bus projects currently in its pipeline taking into account the recommendations made by STAP and the technical comments of Council Members. Before proceeding with additional fuel cell bus projects, the Secretariat and Implementing Agencies should present to the Council a strategy on the further development of activities addressing this technology, taking into consideration the experience and lessons learned from demonstration projects.

66. The Secretariat and Implementing Agencies were requested to strategically assess their experience in developing the international waters portfolio, particularly Strategic Action Plans (SAPs), with a view to presenting to the Council for its consideration a strategic approach to the further development of this focal area, including the follow up to SAPs.

Agenda Item 10

Corporate Business Plan FY02-FY04

67. The Secretariat was requested to share with the Council at its next meeting an updated paper on the programmatic approach, recognizing that it is still a “work in progress.”

Agenda Item 12

Monitoring and evaluation

68. The Council stressed the importance of the second Overall Performance Study to the third replenishment of the GEF Trust Fund and the second Assembly, and it was requested that the composition of the independent team should be finalized in the next few weeks. The Council also requested that an interim report should be available in July 2001 and a draft report in September 2001. It was agreed that the Council Members’ comments received in writing and during the meeting will be incorporated in the inception report for the study.

69. The Council requested early data generated for the study to be shared with it as early as possible. The Council noted that the final program studies covering the focal areas of climate change, biodiversity and international waters and the 2000 Project Implementation Review will be available to the Council for its meeting in May 2001.

70. With regard to the review of climate change enabling activities, the Implementing Agencies were requested to encourage countries that have received assistance under the enabling activities to submit their first national communication to the UN Framework Convention on Climate Change.

Agenda Item 13

Participation in Constituencies

71. The Secretariat was requested to clarify the constituency grouping of which Gabon is a member.

CLOSURE OF THE MEETING

72. The meeting was closed by the Chairs on November 3, 2000.