



Global Environment Facility

GEF/C.23/2/Rev.1
April 21, 2004

GEF Council
May 19-21, 2004

Agenda Item 3

ANNOTATED PROVISIONAL AGENDA

AGENDA ITEM 1.

OPENING OF THE MEETING

(CEO chairs)

1. The meeting will be opened by Leonard Good, CEO/Chairperson of the Facility.

AGENDA ITEM 2.

ELECTION OF A CHAIRPERSON

(CEO chairs)

2. In accordance with paragraph 18 of the Instrument, a Chairperson will be elected from among the Members of the Council. Paragraph 18 provides that the position of elected Chairperson will alternate from one meeting to another between recipient and non-recipient Council Members. The elected Chairperson at the previous Council meeting was Mr. Leander Treppel, the Member representing Austria, Belgium, Czech Republic, Hungary, Luxembourg, Slovak Republic, Slovenia and Turkey.

3. Consistent with paragraph 18 of the Instrument, the elected Chairperson is expected to chair the Council meeting during discussions on agenda item 3, "Adoption of the agenda," agenda item 4, "Statement by the Chair of STAP," agenda item 5, "Appointment of the Independent M&E Director," agenda item 6, "Report of the Monitoring and Evaluation Unit", agenda item 7, "Terms of Reference for the third Overall Performance Study of the GEF", agenda item 9, "Institutional Relations," agenda item 12, "Corporate Budget FY05," agenda item 13, "LDC Trust Fund Budget," and agenda item 16, "Process for appointment of GEF CEO/Chairman,".

4. The elected Chairperson and the CEO will jointly chair the Council meeting during discussions on agenda item 17, "Other Business," and agenda item 18, "Joint Summary of the Chairs."

5. The CEO/Chairperson of the Facility will chair the Council meeting during discussions on the other items on the agenda.

AGENDA ITEM 3.

ADOPTION OF THE AGENDA

(Elected Chairperson chairs)

6. A provisional agenda for consideration by the Council has been circulated to all Council Members as document GEF/C.23/1/Rev.1. *The Council is invited to **adopt** its agenda for the meeting.*

AGENDA ITEM 4.

STATEMENT BY THE CHAIR OF STAP

(Elected Chairperson chairs)

7. The Chair of STAP will be invited to make a statement to the Council on the work of STAP. An opportunity will be provided for Council Members to address questions to the Chair of STAP.

AGENDA ITEM 5

APPOINTMENT OF MONITORING AND EVALUATION DIRECTOR

(Elected Chairperson chairs)

8. In July 2003, the Council approved the terms of reference for an independent monitoring and evaluation unit and requested the CEO to initiate an open and transparent recruitment process for the Director of the Monitoring and Evaluation Unit with a view to proposing to the Council at its November 2003 meeting a candidate for appointment to the position.

9. At the Council meeting in November 2003, the CEO provided the Council with information on the progress that had been made in the selection of a candidate and proposed that he undertake further consultations with other members of the selection committee with a view to proposing to the Council the next steps to be followed in the process.

10. In January 2004, the CEO proposed to the Council that a new search process for the Director of the Monitoring and Evaluation unit be launched with a view to proposing a candidate to the Council for appointment at the Council meeting in May 2004.

11. The CEO expects to circulate a letter to all Council Members by May 1, 2004, in which he will nominate a candidate for the position of Director of the Monitoring and Evaluation Unit.

12. The Council is invited to **review** the proposal with a view to **approving** the appointment of the candidate to the position of Monitoring and Evaluation Director.

AGENDA ITEM 6.

REPORT OF THE MONITORING AND EVALUATION UNIT

(Elected Chairperson chairs)

13. Document GEF/C.23/3, *Report of the Monitoring and Evaluation Unit*, prepared by the GEF Monitoring and Evaluation Unit, provides an overview of activities carried out and reports

prepared by the GEF M&E unit since the last Council meeting in November 2003.

14. *The Council is invited to **review and comment** on the appropriate action to be taken in response to the report.*

AGENDA ITEM 7.

TERMS OF REFERENCE FOR THE THIRD OVERALL PERFORMANCE STUDY OF THE GEF

(Elected Chairperson chairs)

15. At its meeting in November 2003, the Council agreed that the terms of Reference for the Third Study of GEF's Overall Performance (OPS3) should be concluded as early as possible in 2004 and should be circulated to all Council Members for approval by mail.

16. On February 6, 2004, the GEF CEO and Chairman circulated to all Council Members for approval the proposed Terms of Reference for OPS3 (TORs). The TORs had been developed by the Canadian Council Member based on an consultations with Members.

17. In response to the decision proposed by mail to approve the TORs, three Council Members indicated that they could not support the decision. Consequently, in accordance with paragraph 45 of the Rules of Procedure of the Council, the CEO included consideration of the TORs as an item on the agenda of this Council meeting.

18. Document GEF/C.23/4 includes the text of the proposed TORs prepared by the Canadian Council Member and circulated for approval on February 6, 2004 and a table summarizing the comments that were received concerning the TORs.

19. *The Council is invited to **consider** the proposed TORs with a view to **reaching a consensus** on their approval.*

AGENDA ITEM 8.

WORK PROGRAM

(CEO chairs)

20. Document GEF/C.23/5, *Work Program*, (this document includes a cover note together with the project proposals), contains the proposed work program comprised of project proposals that have been developed by Implementing and Executing Agencies, reviewed by the GEF Operations Committee (GEFOP), and

recommended by the CEO for Council approval. The document also includes two additional projects, one in biodiversity and another in climate change, that are being resubmitted from the last Intersessional Work Program upon the request of one Council member to have these discussed in the Council meeting due to significant policy issues. The Secretariat has prepared an introductory note to the proposed work program in which it reports on policy and programming issues associated with it. *The Council is invited to review the proposed work program with a view to approving it for further development.*

AGENDA ITEM 9.

INSTITUTIONAL RELATIONS

(Elected Chairperson chairs)

(a) *Statements on behalf of the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification and the Stockholm Convention on Persistent Organic Pollutants*

21. Representatives of the Convention on Biological Diversity, the United Nations Framework Convention on Climate Change, the United Nations Convention to Combat Desertification and the Stockholm Convention on Persistent Organic Pollutants will be invited to make a short statement to the Council.

(b) *Council review of institutional relations*

22. Document GEF/C.23/6, *Institutional Relations*, replaces the report previously presented to the Council under the title, *Relations with Conventions*. This change has been made to reflect the fact that the scope of the paper has been evolving to include information on GEF's relations and activities with respect to other international institutions and organizations beyond simply the global environmental conventions. The broader scope of the paper also provides an opportunity to report on policy issues requiring Council's decision related to the institutional relations among the GEF partners. The revised title more accurately reflects the enlarged scope of the paper.

23. The document reports on developments of interest to the GEF occurring since the GEF Council meeting in November 2003 within the context of the Convention on Biological Diversity (CBD), the UN Framework Convention on Climate Change (UNFCCC), the UN Convention to Combat Desertification in

those countries experiencing serious drought and/or desertification, particularly in Africa (UNCCD), the Stockholm Convention on Persistent Organic Pollutants (the Stockholm Convention), and the Montreal Protocol on Substances that Deplete the Ozone Layer (the Montreal Protocol).

24. The document also covers GEF collaboration with the UN Commission on Sustainable Development (CSD).

25. In addition, the document briefly summarizes developments concerning the composition of STAP. More information on the reconstitution of STAP is contained in information document GEF/C.23/Inf.10.

26. The document also includes information on arrangements that have been agreed between the Trustee and the Implementing Agencies regarding access to GEF funds. The Trustee is seeking Council's confirmation that such arrangements are satisfactory and should be applied to the Executing Agencies benefiting from direct access to the GEF Trust Fund. The Trustee is also seeking Council's agreement on proposed steps to address non-compliance with reporting obligations. More information on this issue is presented in document GEF/C.23/Inf.3.

27. *The Council is invited to **review** the report and to take note of the work that has been undertaken with the framework of the global environmental conventions, in particular the guidance to the GEF recently approved by the Conference of the Parties to the CBD and to the UNFCCC, and the proposals of the GEF to respond to the guidance; to **approve** the reconstituted STAP III Members for the period July 1, 2004 to June 30, 2006; and to **approve** the Trustee's proposals for monitoring the application of GEF resources, including the suspension of the commitment and disbursement of GEF funds when an agency is out of compliance with its reporting obligations.*

AGENDA ITEM 10.

PERFORMANCE BASED ALLOCATION FRAMEWORK *(CEO chairs)*

28. At its meeting in November 2003, the GEF Council requested the Secretariat to develop a GEF-wide system to strengthen the current method of allocating resources based on global environmental priorities and country-level performance relevant to those priorities. Document GEF/C.23/7, *Performance Based Allocation Framework for GEF Resources*, summarizes the

progress that has been achieved in the design of such a system and outlines the various issues that need to be resolved before the system can be operational.

29. *The Council is invited to **review** the proposals presented in the paper and to agree on the future work to be undertaken by the Secretariat.*

AGENDA ITEM 11.

REVIEW OF FEE SYSTEM

(CEO chairs)

30. In fiscal year 2000, the GEF introduced a fee-based system for cost recovery by the Implementing and Executing Agencies (acting under expanded opportunities) for the provision of project cycle management services on GEF-funded projects. Since the inception of the system, several steps have been taken in order to develop a more efficient and sustainable fee structure.

31. In May 2003, the Council reviewed a new proposal for the fee system. After discussion of the proposal, the Council agreed that the system existing at the time should continue to be applied and requested that the Secretariat, based on Council's guidelines and comments, present a new fee structure proposal for Council review at its May 2004 meeting.

32. Document GEF/C.23/8 presents a proposal for revising the fee system on all GEF projects. *The Council is invited to **review** the proposal and **approve** it for application with respect to all GEF projects approved by the Council/CEO commencing July 1, 2004.*

AGENDA ITEM 12.

CORPORATE BUDGET FY05

(Executive Session - Elected Chairperson chairs)

33. The proposed Corporate Budget for FY05 is presented in document GEF/C.23/9. *The Council is invited to **review** the proposed budget with a view to approving it.*

AGENDA ITEM 13.

LDC TRUST FUND BUDGET

(Elected Chairperson chairs)

34. At its meeting in May 2003, the Council took note of the resource mobilization for, and operations under, the Least Developed Countries Trust Fund for Climate Change (LDCTF) established by the GEF in accordance with the decisions of the United Nations Framework Convention on Climate Change

(UNFCCC), and approved a corporate budget and Implementing Agency fee proposal for the two year period, FY 03-04. The Council requested the GEF Secretariat to keep it and the Conference of the Parties informed of progress made in regard to the LDCTF.

35. Document GEF/C.23/10/Rev.1 reports on the current status of the Fund and approved operations. It also seeks Council approval of an administrative budget for the Trustee's administration of the Fund and the Secretariat's supervision of its operations for the two year period FY05-06.

36. *The Council is invited to **review** the operations carried out under the LDCTF and to **approve** the administrative budget for FY05-06.*

AGENDA ITEM 14.

PRINCIPLES FOR ENGAGING THE PRIVATE SECTOR (CEO chairs)

37. As agreed in the *Action Plan to Respond to Recommendations for Improving GEF's Performance*, the GEF Secretariat, in consultation with the Implementing Agencies, have prepared for Council review document GEF/C.23/11 *Principles for Engaging the Private Sector*. In preparing these principles, and as requested by the Council, the GEF Secretariat and the Implementing Agencies consulted the private sector.

38. *The Council is invited to **review** and **approve** the principles as well as **follow-up action** to: (i) prepare for Council's review detailed strategic approaches for engaging the private sector in one or more business sectors; (ii) amend the GEF Project Review Criteria to address the specific project issues identified in the paper; (iii) develop, as part of the GEF on-going corporate communications strategy, information material and a web-based project tracking system; and (iv) prepare for Council's consideration in November 2004 an issues paper, detailed proposal, and cost estimate for a system to collect, analyze, and disseminate procurement data by country of origin.*

AGENDA ITEM 15.

PROPOSALS TO STRENGTHEN NATIONAL FOCAL POINTS AND COUNCIL MEMBERS (CEO chairs)

39. In May 1999, in response to the findings of the Overall Performance Study of the GEF and the New Delhi Statement of the

first GEF Assembly, the Council approved a program of support to Council Members and focal points. The program was designed to provide financing for services that would be delivered through the country office of an agreed Implementing Agency to help the GEF national focal points and Council Members in recipient countries carry out their responsibilities more effectively and raise awareness of the goals and opportunities offered by the GEF.

40. At the Council meeting in May 2003, the Council agreed to continue the focal point support program pending a review of the program by the Council and a decision as to a means to continue strengthening focal points as agreed at the second GEF Assembly. In addition, the Council authorized an independent evaluation of the program to provide information that would assist it in considering whether and how it should be extended in the future.

41. The evaluation of the program was completed in March 2004, and the evaluation report is before the Council meeting as document GEF/C.23/Inf.11.

42. *Document GEF/C.23/12 draws upon the evaluation, OPS2, consultations with the Implementing Agencies, and other relevant information to present proposals for Council consideration on means to strengthen GEF national focal points and to assist Council Members in their constituency coordination. The Council is invited to **review** the proposals and to **approve** appropriate follow-up action.*

AGENDA ITEM 16.

PROCESS FOR APPOINTMENT OF CEO/CHAIRMAN
(Elected Chairperson chairs)

43. At its meeting in May 2003, the Council requested the Secretariat to prepare a note exploring means to enhance the process for selecting the CEO. The Council also requested that an interim note should be presented for its review at its meeting in November 2003.

44. At its meeting in November 2003, the Council reviewed *Initial Proposals for the Process of Selecting the CEO/Chairman of the Facility* (document GEF/C.22/14), and underscored that the process for selecting the CEO should be built upon the principles of transparency of information throughout the process, objectivity in applying clear selection criteria approved by all and independence of the selection process. The Council requested the Secretariat to prepare a revised proposal, on the basis of the

discussions during the Council meeting, for its review and approval in May 2004.

45. Document GEF/C.23/13 proposes a series of steps to be followed in appointing the CEO/Chairman of the Facility. The document has been prepared taking into account the comments made by Council Members at their last meeting as well as the provisions of the Instrument.

46. *The Council is invited to review and **approve** the proposed process for selecting the CEO/Chairperson of the Facility.*

AGENDA ITEM 17.

OTHER BUSINESS

(Jointly chaired)

47. Members and the Chairpersons may raise any other business under this agenda item. In particular, the Council's attention is drawn to the information papers before it.

AGENDA ITEM 18.

JOINT SUMMARY OF THE CHAIRS

(Jointly chaired)

48. The elected Chairperson and the CEO/Chairperson will present a joint summary of the conclusions of the meeting. Decisions approved by the Council during the meeting will be included in the Chairs' joint summary.

ANNEX A: PROVISIONAL TIMETABLE

Wednesday, May 19, 2004

Morning session

09:30 - 10:00	Agenda Item 1	Opening of the Meeting (CEO)
	Agenda Item 2	Election of a Chairperson (CEO)
	Agenda Item 3	Adoption of agenda (Elected Chair)
10:00 - 10:30	Agenda Item 4	Statement by the Chair of STAP (Elected Chair)
10:30 – 11:00	Agenda Item 5	Appointment of Monitoring and Evaluation Director (Elected Chair)
11:00 – 1:00	Agenda Item 6	Report of Monitoring and Evaluation Unit (Elected Chair)

Afternoon session

2:30 – 4:00	Agenda Item 7	Terms of Reference for OPS3 (Elected Chair)
4:00 – 6:00	Agenda Item 8	Work Program (CEO)

Thursday, May 20, 2004

Morning session

9:00 – 11:00	Agenda Item 9	Institutional relations (Elected Chair)
11:00 – 1:00	Agenda Item 10	Performance Based Allocation Framework (CEO)

Afternoon session

2:30 – 3:30	Agenda Item 10	Performance Based Allocation Framework (continued)
3:30 – 4:30	Agenda Item 11	Review of fee system (CEO)
4:30 – 6:30	Agenda Item 12	Corporate Budget (Executive Session) (Elected Chair)
	Agenda Item 13	LDC Trust Fund budget issues (Elected Chair)

Friday, May 21, 2004

Morning session

9:00 – 10:30	Agenda Item 14	Principles for Engaging Private Sector (CEO)
10:30 – 11:30	Agenda Item 15	Proposals to strengthen national focal points and Council Members (CEO)
11:30 – 12:30	Agenda Item 16	Process for appointment of CEO/Chairman (Elected Chair)
12:30 – 1:00	Agenda Item 17	Other Business (Jointly Chaired)

Afternoon session

5:00 – 6:00	Agenda Item 18	Joint Summary of the Chairs (Jointly Chaired)
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