

GEF Council Meeting
June 18 - 20, 2013
Washington, D.C.

Agenda Item 6

UPDATE ON GEF-5 PROGRAMMING

Recommended Council Decision

The Council, having reviewed document GEF/C.44/07, *Update on GEF Programming*, took note of the approach to future programming presented by the Secretariat for a projected envelope of \$4,066 million for GEF-5.

The Council noted its appreciation of all Contributing Participants that have delivered on their pledges in a timely manner and cleared their deferred contributions, thereby mitigating the potential shortfall of resources in GEF-5.

The Council agreed to the continuation of the approach it recommended in November 2012, whereby programming would be undertaken for the remainder of GEF-5 maintaining the balance among the original allocations in the GEF-5 replenishment decision, assisting least developed countries (LDCs) and small island developing states (SIDS) in accessing resources, and supporting core obligations to the conventions for which the GEF is a or the financial mechanism.

The Council requested the Secretariat to report on the progress in programming at the next Council meeting.

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INTRODUCTION

1. At its meeting in November 2012, under agenda item 15, the Council reviewed document GEF/C.43/08, *Financial Projections for GEF-5 Programming Options*, in which the Secretariat presented three illustrative scenarios for future programming in the light of estimated potential shortfalls of approximately \$590 million in the GEF-5 resource envelope of \$4,250 million.
2. The Council regretted that the potential shortfall is a result of some Contributing Participants not fulfilling their financial pledges and the contribution deferrals they have brought about. The Council noted its appreciation of Contributing Participants who have delivered on their pledges. The Council urged all Contributing Participants to undertake efforts to make good on their pledges, which will allow release of deferred contributions.¹
3. The Council agreed that, as a contingency measure, the Secretariat undertakes programming maintaining the balance among the original allocations in the GEF-5 replenishment decision, assisting least developed countries (LDCs) and small island developing states (SIDS) in accessing resources, and supporting core obligations to the conventions for which the GEF is a or the financial mechanism.²
4. The Council requested the Secretariat to report on the progress in programming and the status of any shortfall as well as proposed programming measures to manage the shortfall at the 44th meeting of the GEF Council in June 2013.³

CURRENT PROJECTIONS

5. Following the November 2012 Council meeting, actions taken by the governments of France, Germany and Japan to release their deferred contributions, together with timely payment of installments from Contributing Participants, have reduced the potential shortfall.
6. At the beginning of GEF-5, programming was planned on the basis of an overall envelope of \$4,250 million for the replenishment period. As of May 15, 2013, \$2,485.42 million has been programmed; additional resources for the work program and the FY14 corporate budget for a total of \$ 402.59 million will be requested at the June 2013 Council meeting, bringing the total GEF-5 programming to \$ 2,888.01 million.
7. Currently, the estimated GEF-5 resource envelope, which is based on projections for foreign exchange rate fluctuations, investment income rate movement, and projected donor inflows, is about \$4,066 million. This indicates a possible shortfall in GEF-5 resource envelope of about \$184 million, or 4.33 percent, against the original target envelope of \$4,250 million.

PROPOSED PROGRAMMING MEASURES

8. The Secretariat proposes the continuation of the approach recommended by the Council in November 2012, whereby for the remainder of GEF-5, programming would be undertaken maintaining the balance among the original allocations in the GEF-5 replenishment decision, assisting least developed countries (LDCs) and small island developing states (SIDS) in

¹ Joint Summary of the Chairs, GEF Council Meeting, November 2012.

² *ibid.*

³ *ibid.*

accessing resources, and supporting core obligations to the conventions for which the GEF is a or the financial mechanism.

9. The Secretariat and the Trustee will work together to ensure accurate and appropriate resource envelope projections. The Secretariat will report to the Council at its next meeting on the progress in programming.