

GEF Council Meeting
May 25 – 27, 2014
Cancun, Mexico

Agenda Item 9

GEF BUSINESS PLAN AND FY15 CORPORATE BUDGET

¹ This revision reflects a small update in the budget request of the Independent Evaluation Office.

Recommended Council Decision

The Council, having reviewed document GEF/C.46/08, *GEF Business Plan and FY15 Corporate Budget*, took note of the business plan, and approved a FY15 corporate budget from the GEF Trust Fund of \$24.668 million, comprised of:

- (a) \$18.988 million for the GEF Secretariat,
- (b) \$2.540 million for the STAP, and
- (c) \$3.140 million for the Trustee,

In addition, under agenda item 17, the Council, having reviewed document GEF/ME/C.46/01, *Work Program and Budget of the GEF Independent Evaluation Office (IEO)*, approved a FY15 budget of \$3.912 million for the IEO, comprising \$3.242 million for its annual budget and \$0.670 million to support multi-annual evaluations.

The Council also approved a total FY15 administrative budget for the Nagoya Protocol Implementation Fund (NPIF) of \$49,600, comprised of the following allocations from the NPIF to cover the Secretariat's and Trustee's expenses for NPIF administration and implementation:

- (a) \$25,000 for the GEF Secretariat; and
- (b) \$24,600 for the Trustee;

The Council requested the Secretariat, in consultation with the STAP and Trustee, to present a combined FY16 corporate budget and business plan for discussion at its spring 2015 meeting. The corporate budget should include the budgets of the Secretariat, STAP, and Trustee. This combined budget and business plans should report on the use of GEF resources during FY15 and GEF accomplishments over the same period.

EXECUTIVE SUMMARY

1. Fiscal year 2015 (FY15) is the first year of the GEF sixth replenishment (GEF-6) period, July 2014 – June 2018. The present document is a combined business plan and FY15 budget request to cover expenses of four of the central GEF entities for their activities under the GEF Trust Fund: the Secretariat; the Scientific and Technical Advisory Panel (STAP); the Trustee; and the Independent Evaluation Office (IEO).² It also includes budget requests for the Secretariat and Trustee for their activities under the Nagoya Protocol Implementation Fund (NPIF).³

2. The document summarizes the GEF's key accomplishments in FY14, including the GEF-6 replenishment negotiations and progress made in implementing reforms and programming resources. It also describes the key tasks that the entities of the GEF network will undertake during the first year of the GEF-6 replenishment period.

GEF Trust Fund Budget Request

3. The total FY15 budget request from the GEF Trust Fund for the four GEF entities amounts to \$28.580 million, which is comprised of:

- (a) Secretariat: \$18.988 million;
- (b) STAP: \$2.540 million;
- (c) Trustee: \$3.140 million; and
- (d) Evaluation Office: \$3.912 million, of which \$3.242 million is for its annual operations budget and \$0.670 million for its multi-annual evaluation budget.⁴

Nagoya Protocol Implementation Fund Budget Request

4. In addition, a total administrative budget of \$49,600 is requested to cover the expenses for the Secretariat and Trustee for the administration and implementation of the Nagoya Protocol Implementation Fund during FY15:⁵ (i) \$25,000 for the Secretariat; and (ii) \$24,600 for the Trustee.

² Beginning in the next fiscal year, it is planned that the IEO budget request will be presented separately from those of the other three GEF entities.

³ The FY15 budget for the LDCF and SCCF Trust Funds are being presented separately to the LDCF/SCCF Council.

⁴ Refer to GEF/ME/C.46/03, *Work Program and Budget of the GEF Evaluation Office*, for details.

⁵ Resources are requested from the Nagoya Protocol Implementation Fund.

TABLE OF CONTENTS

Introduction.....	1
Key Developments During FY14	1
Business Plan	2
Strategic Resource Programming.....	2
Country Engagement and Partnership.....	3
Results-based Management & Knowledge Management	3
Improving Efficiency of the Project Cycle	3
Differentiation	3
Enhancing Engagement with the Private Sector	4
Civil Society Engagement.....	4
Enhancing Gender Mainstreaming.....	4
Enhancing STAP’s Strategic Role	5
Accreditation of GEF Project Agencies	5
Engaging in Global Policy Discussions	5
FY15 GEF Trust Fund Corporate Budget Request.....	6
Secretariat FY15 Budget, Activities, and Outputs	7
STAP FY15 Budget, Activities, and Outputs	8
Trustee FY15 Budget, Activities, and Outputs	9
Projected Total Budget Expenditures for FY12-FY15	11
FY15 Nagoya Protocol Implementation Fund Budget Request	12
Secretariat Activities in FY14.....	12
Secretariat Activities and Budget for FY15	13
Trustee FY15 NPIF Budget	13
List of Annexes	
Annex 1: Action Plan for Implementing GEF-6 Policy Recommendations	15
Annex 2: Resources Programmed During GEF-5 to Date.....	16
Annex 3: GEF Secretariat - FY14 Review of Activities and Achievements	17
Annex 4: STAP – FY14 Review of Activities and Achievements	25
Annex 5: Trustee – FY14 Review of Activities and Achievements	29

INTRODUCTION

1. This document presents the GEF Business Plan and its budget request for FY15 to cover expenses of the four GEF entities – GEF Secretariat, STAP, Trustee, and Independent Evaluation Office (IEO). This budget request will draw from the GEF Trust Fund and the Nagoya Protocol Implementation Fund (NPIF), as appropriate. It does not include the administrative costs associated with the Least Developed Country Fund (LDCF) and the Special Climate Change Fund (SCCF), which are being presented separately to the LDCF/SCCF Council. The document also summarizes developments and accomplishments of the GEF during FY14 and describes the key activities for FY15.

KEY DEVELOPMENTS DURING FY14

2. FY14 was characterized by the following key developments and accomplishments:

- (a) Programming of \$839.47 million of GEF Trust Fund project and program resources, accompanied by co-financing of approximately \$4.255 billion. This programming amount includes \$597.69 million in GEF Trust Fund resources for GEF projects and programmatic approaches as of mid-April, and a final work program of \$241.78 million being presented to Council for its consideration.⁶
- (b) Completion of negotiations on the Sixth Replenishment of the GEF Trust Fund, resulting in a replenishment of \$4.433 billion.⁷
- (c) Completion of the *Long-Term Strategy for the GEF – GEF 2020*, which is being presented for Council's endorsement as Council Document GEF/C.46/10.
- (d) Completion of the Fifth Overall Performance Study of the GEF (OPS5).⁸
- (e) Adoption of the *Minamata Convention on Mercury*, which has been signed by 97 countries and received one ratification as of end-March 2014. Amendment to the GEF Instrument to define the GEF's role as the financial mechanism for the *Minamata Convention* will be formally adopted by the 5th GEF Assembly in May 2014.
- (f) Continued implementation of key GEF-5 reforms, including:
 - (i) The accreditation of two entities as new GEF Project Agencies and the continued review of applicants for accreditation by the GEF Accreditation Panel;⁹
 - (ii) Provision of financing through the GEF's direct access modality to support interested countries to undertake Convention reports and enabling activities; and

⁶ See Council Document GEF/C.46.06, *Work Program*. These numbers include GEF grants and Agency fees.

⁷ This figure is as of the last meeting of the Sixth Replenishment negotiations, April 16, 2014, and is subject to final adjustment/confirmation. The *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* is presented as Council Document GEF/C.46/07.

⁸ OPS5 is available at: <http://www.gefio.org/ops/ops-5>

⁹ Refer to Council Document GEF/46/Inf.04, *Progress Report on the Pilot Accreditation of GEF Project Agencies*.

- (iii) Continued progress on streamlining the GEF project cycle, including implementation of the pilot harmonization of the GEF project cycle with that of the World Bank.¹⁰
- (g) The start of discussions to enhance the strategic role of the STAP.¹¹
- (h) Programming of \$6.7 million from the NPIF, accompanied by \$13.8 million in co-financing. Before the end of the fiscal year, it is expected that all the remaining NPIF resources will be programmed.
- (i) Provision of secretariat services for the Adaptation Fund Board, and collaboration between the GEF Secretariat and the UNFCCC Secretariat to manage the Interim Secretariat of the Green Climate Fund, which ended in December 2013.

BUSINESS PLAN

3. FY15 is the first year of GEF-6. The business plan set out below reflects the policy recommendations and programming priorities established for the GEF-6 Replenishment, which are included in the *Summary of Negotiations of the Sixth Replenishment of the GEF Trust Fund* (Council Document GEF/C.46/07). The Action Plan for implementing the *GEF-6 Policy Recommendations* is attached as Annex 1.

4. The business plan is also guided by the *Long-Term Strategy for the GEF – GEF 2020*,¹² which emphasizes the importance of the GEF helping to create partnerships and support coalitions around solutions to complex environmental challenges and the creation of innovative and scalable interventions focusing on the underlying drivers of environmental degradation.

Strategic Resource Programming

5. Under GEF-6, the Secretariat, in collaboration with the Agencies and STAP, will program resources under the agreed GEF-6 focal area strategies to support implementation of the GEF's work program, with the aim to achieve strengthened results, synergies across focal areas, and support innovation.

6. Integrated approaches will be one important feature designed to improve efficiencies and strengthen impact in GEF-6. A key value added of the GEF is found in its unique position as a financial mechanism of several multilateral environmental agreements, which allows it to focus its support on priorities that have been agreed upon internationally and are acted upon in a catalytic way at national, regional and global levels. The need for GEF investments to become more effective through synergies derives directly from the conventions themselves, as they highlight the linkages that exist between their respective objectives.

¹⁰ These efforts are reported on in Council Document GEF/C.46/Inf.14, *Progress Report on the GEF Project Cycle Streamlining and Harmonization Process*.

¹¹ For more information, see Council Document GEF/STAP/C.46/Inf.01, *Report of the Chairperson of the Scientific and Technical Advisory Panel*.

¹² See Council Document GEF/C.46/10, *Long-Term Strategy for the GEF – GEF 2020*.

Country Engagement and Partnership

7. The GEF will continue to emphasize the importance of country ownership, engagement, and partnership in its work. The GEF will continue to implement the Country Support Program (CSP) and to encourage recipient countries to engage a broad set of stakeholders, including civil society, indigenous peoples and the private sector in decisions on the programming of GEF-6 resources. The Secretariat will work with GEF recipient countries and encourage them to undertake voluntary National Portfolio Formulation Exercises (NPFs) as early as possible to facilitate more strategic programming of GEF-6 country allocations.

Results-based Management & Knowledge Management

8. The Secretariat will collaborate with Agencies, IEO, and STAP to improve the utility and efficiency of RBM and KM systems by: (i) rationalizing the indicators in the focal area tracking tools, with particular focus on multi-focal area projects; and (ii) improving the uptake of lessons learned through the establishment of a learning platform. The Secretariat will also collaborate with other GEF entities and other bodies, to develop a comprehensive work plan for further strengthening the RBM system and building a KM system. This will be supported by a revamped technology platform. The Secretariat, IEO, and STAP will also seek to ensure that there is better update of key IEO findings and STAP advice into the GEF's RBM system. The Secretariat will present the RBM and KM work plan to Council in October 2014.

Improving Efficiency of the Project Cycle

9. The Secretariat and the Agencies have been discussing further means to streamline the project cycle. Taking OPS5 findings and discussions with the Agencies and STAP into account, the Secretariat will submit for Council consideration in October 2014 further measures to improve the efficiency and effectiveness of the full project cycle. This will include a portfolio management system to track project progress through the partnership and a policy for cancellation of projects that exceed time-frame targets for project preparation. The reform measures will aim for faster processing while ensuring that quality-at-entry is not compromised.

Differentiation

10. The GEF will strive to program resources recognizing that countries contribute in different ways in the generation of global environmental benefits, according to their particular country capacities and circumstances. Resources will be allocated to countries in a transparent and consistent manner, based on global environmental priorities and country capacities, and reflecting the economic strengths of recipient countries. Initiatives in support of this objective include the updating of the System for Transparent Allocation of Resources (STAR), further efforts to seek high levels of co-financing, and implementation of a non-grant instrument pilot, which are described below.

11. Updating the STAR. The STAR has been one of the key reforms during GEF-5. The Secretariat's proposal for an updated STAR is outlined in Council Document GEF/C.46/08, *Proposal for the System of Transparent Allocation of Resources for GEF-6*. This proposal takes into consideration the findings and recommendations of the *Mid-Term Evaluation of the STAR* and OPS5 and *GEF-6 Policy Recommendations*. Under the updated STAR, more resources will

be provided to least developed countries (LDCs) and small island developing states (SIDS), reducing the concentration of resources in a small number of countries.

12. Co-financing. The GEF recognizes that co-financing plays a critical role in creating strong partnerships on the ground. During GEF-6, co-financing will continue to be sought as a means to achieve greater environmental impact and to encourage country ownership. In particular, the GEF will encourage greater levels of co-financing in countries with greater capacity for co-financing, particularly upper middle income countries (UMICs) and high income countries. The Secretariat and the GEF Agencies have collaborated to develop an improved approach to co-financing, including a revised *Co-Financing Policy* for Council's consideration and approval, which is included in Council document GEF/C.46/09, *Co-Financing Policy*.

13. Non-Grant Instrument Pilot. The GEF will place a greater emphasis on non-grant instruments. In consultation with other GEF entities, the Secretariat will develop for the Council's consideration in October 2014 a proposal for a non-grant instrument pilot that will support projects from both the private sector and public sectors in GEF recipient countries, relying on updated tools to program resources included in the GEF-6 non-grant set aside.

Enhancing Engagement with the Private Sector

14. During GEF-6, the GEF will support a more holistic and comprehensive approach that mainstreams private sector engagement across GEF focal areas and the proposed integrated approach pilot. In this context, the Secretariat will work with partners to: (i) foster enabling policy environments; (ii) pioneer risk mitigation and innovative financial products; (iii) forge corporate alliances; and (iv) provide capacity building and incubation. Specific action steps are starting immediately, including the promotion of greater private sector engagement during NPFs, which has already been emphasized in the new NPFE guidelines.

15. Additional action steps will include outreach to operational focal points and integration of private sector engagement in the expanded constituency workshops, with an emphasis on focal areas with barriers to private sector engagement. GEF's private sector engagement will continue to focus on cutting edge innovation and risk-taking, based on lessons from the Earth Fund and the GEF-5 private sector set-aside. The Secretariat, in collaboration with the Agencies, will present a report on actions taken to enhance private sector engagement in October 2014 with a time-line for further actions on mainstreaming.

Civil Society Engagement

16. The GEF and its partners acknowledge the positive and crucial roles played by Civil Society Organizations (CSOs), including indigenous peoples, in safeguarding the global environment and contributing to the work of the GEF. In support of this engagement, the Secretariat will provide new public involvement guidelines for information of the GEF Council in October 2014. These guidelines will include an action plan and clear guidance for the effective implementation and monitoring of the policy.

Enhancing Gender Mainstreaming

17. The GEF is committed to strengthening its approach on gender mainstreaming and to promoting gender equality through its operation in GEF-6. While an increased proportion of projects have strengthened reporting on gender mainstreaming since adoption of the *GEF Policy*

on Gender Mainstreaming in 2011, the GEF recognizes the need for more concerted actions. The Secretariat, in collaboration with the GEF Agencies and IEO, will develop a comprehensive Gender Action Plan to enhance GEF's approach on gender mainstreaming, which will include the use of relevant gender sensitive indicators and sex-disaggregated data, and present it to the Council at its October 2014 meeting. This plan will, among other things, outline steps and reforms that the Secretariat and partners will need to undertake to gain necessary capacity to develop and implement the action plan.

Enhancing STAP's Strategic Role

18. Building on existing experience, STAP will aim to play an increasingly important strategic role in supporting the GEF program during GEF-6. STAP started discussions towards this end at a retreat in Stockholm, Sweden, in January 2014. Over the next four years STAP will move to a more integrated work program to help ensure that GEF activities are evidence-based, provide maximum learning and knowledge, and are built on the best available science. STAP has started discussion with other GEF entities in support of these directions. The Panel's initial proposal in this regard will be discussed with other GEF entities at the STAP meeting, to be held in Cancun in May 2014 just prior to the Council Meeting.

Accreditation of GEF Project Agencies

19. The Secretariat will continue to implement this important GEF-5 reform which began during GEF-5. In June 2012, the GEF Council approved 11 applicant agencies to progress to Stage II of the accreditation process. In 2013, two agencies, World Wildlife Fund, Inc. (WWF-US) and Conservation International (CI), passed this stage and were accredited as GEF Project Agencies by the independent GEF Accreditation Panel. Stage II reviews of the remaining first round applicants are on-going¹³ and are expected to be completed by the end of 2014.

Engaging in Global Policy Discussions

20. GEF is an important partner in many global policy efforts and plays a critical role in helping to shape global initiatives and dialogues, building on its accumulated knowledge, its convening power, and its mandate across a range of environmental domains. This requires a strong communication and outreach strategy that help bring messages and knowledge from the GEF to the right forums at the right time. There will be a number of opportunities in this regard in the coming year.

21. For example, the GEF intends to support a platform for greater information exchange, knowledge, and learning in support of its work program in biodiversity, including around the meeting of the Conference of the Parties to the CBD in October 2014. To assist and guide innovative programs in support of promoting transformational change and achieving impacts at scale, the GEF will develop new evidence-based analytical products pertaining to key challenges facing the global environment.

22. The GEF will also take concerted action to support important near-term priorities in climate change, including preparations for a new global climate change agreement through the UN Secretary General's Climate Summit in September, 2014, COP20 in Lima, and COP 21 in

¹³ Refer to Council Document GEF/46/INF.04, Progress Report on the Pilot Accreditation of GEF Project Agencies.

Paris. The GEF will also pursue outreach to support ratifications by developing countries of the Minamata Convention on Mercury and the Nagoya Protocol on Access and Benefit Sharing. Moreover, the GEF will continue to follow closely, and contribute as necessary, to the ongoing discussions regarding the 2015 Sustainable Development Goals and other initiatives, e.g. the Sustainable Energy for All initiative and the Summit for Small Island Developing States to be held in September 2014.

FY15 GEF TRUST FUND CORPORATE BUDGET REQUEST

23. The GEF corporate budget finances the administrative and other costs of the four central entities of the GEF - the Secretariat, STAP, the Trustee, and the IEO - under the GEF Trust Fund. The budget includes both core administrative budget requests as well as funding for multi-year activities, such as special initiatives by the GEF Secretariat and Trustee, and the IEO's multi-annual evaluation budget.

24. As shown in Table 1 below, the total GEF Trust Fund budget request for FY15 is \$28.580 million, as compared to \$30.975 million for FY14. This reflects an increase of \$0.616 million, or 2.2 percent, in the core budget request, and a decrease of \$2.407 million, or 7.7 percent, in the total corporate budget, including both core budget and special initiative requests. This reflects the following factors:

- (a) Core budget increases requested by the GEF Secretariat of \$463,000, or 2.5 percent, and by STAP of \$229,000 or 9.9 percent.
- (b) A decrease in the core budget request by the IEO of \$38,000 or 1.1 percent.
- (c) A decrease in the Trustee's core budget of \$76,000 or 2.36 percent.
- (d) A \$3.023 million decrease in requests for multi-annual (special) initiatives, which results mostly from the completion of the GEF-6 replenishment negotiations and OPS-5 and the convening of the GEF Fifth Assembly. The GEF Secretariat is making no special initiative requests in FY15, and IEO's request for its multi-annual evaluation budget is \$280,000 less than in FY14.

Table 1: FY15 GEF Trust Fund Corporate Budget Request

GEF Entities and Budget Items	FY14 and FY15 Budgets (\$ million)	
	FY14 Approved Budget	FY15 Budget Request
Secretariat Core Budget	18.525	18.988
STAP Core Budget	2.311	2.540
Trustee Core Budget	3.216	3.140
Evaluation Office Annual Operations Budget	3.280	3.242
Core Budget Subtotal	27.332	27.948
Secretariat Special Initiatives	2.419	0.000
Trustee Special Initiative	0.324	0.000
Evaluation Office Multi-Annual Evaluations Budget	0.900	0.670
Special Initiative & Multi-Annual Subtotal	3.643	0.620
Total Corporate Budget	30.975	28.580

Secretariat FY15 Budget, Activities, and Outputs

25. Under the GEF Trust Fund, the Secretariat is requesting a core FY15 budget of \$18.988 million, which is reflected in Table 2 below. This represents a 2.5 percent increase compared with the approved FY14 core budget. This slight increase follows three consecutive years of an absolute freeze in the Secretariat's budget and continues to demonstrate strict budget discipline. This increase is needed to carry out the important new priorities for the replenishment period as set out in the Business Plan above. These priorities include strengthening the core RBM and KM functions, including data management; preparing a gender action plan; and enhancing capacity to implement these reforms and other initiatives, including the innovative elements of GEF-6 programming such as the integrated approach pilots. Also, in comparison to FY14, the Secretariat will not need to request any new special initiative allocations for FY 15, as reflected in Table 1. The FY15 budget request is reflected in Tables 1 and 2.

26. Estimated actual expenditures during FY14 are explained in Annex 3. Further detail on activities supported under the FY14 budget and expenses during FY14, including special initiatives for the replenishment and Fifth Assembly, is included in Annex 3.

Table 2: FY15 Secretariat Core Budget Request

Expense Category	(\$ million)			
	FY13 Approved Budget	FY14 Approved Budget	FY14 Estimated Actual	FY15 Request
Staff Costs	13.825	13.758	13.080	14.217
Salaries and Benefits	12.225	11.875	11.610	12.517
Travel	1.500	1.760	1.430	1.600
Training	0.100	0.123	0.040	0.100
Consultant Costs	0.450	0.600	0.530	0.700
Council Costs	0.574	0.721	0.970	0.721
Logistics	0.260	0.314	0.530	0.314
Council & NGO Travel	0.314	0.407	0.440	0.407
Cross Support from World Bank	0.100	0.286	0.150	0.150
External Outreach, Publications, Media, and Web	1.100	1.169	0.910	1.200
General Operations Costs	2.476	1.991	2.010	2.000
Office, Equipment, Supplies, Communications & Internal Computing	2.406	1.923	2.000	1.930
Representation and Hospitality	0.070	0.068	0.010	0.070
TOTAL	18.525	18.525	17.650	18.988

27. Reflecting the business plan, the Secretariat's FY15 GEF Trust Fund core budget will enable the Secretariat to undertake critical activities in terms of institutional governance, program management, and relations with countries and key partners. Some of the key activities are listed below:

- (a) Coordinating programming of GEF resources with the GEF Agencies according to the GEF-6 focal area strategies and managing for results;
- (b) Implementing the GEF-6 policy recommendations;

- (c) In consultation with the GEF Agencies, continuing to explore streamlining measures for the project cycle, with the aim to submit recommendations to improve project cycle performance to Council at the October 2014 meeting;
- (d) Continuing to provide opportunities to countries to access resources directly from the GEF for preparing (1) GEF resources programming documents through the NPFs and (2) Reports to the Conventions;
- (e) Continuing GEF's new role in supporting the recently adopted Minamata Convention on Mercury;
- (f) Maintaining relations with constituents and partners, through implementation of the Country Support Program (CSP), engagement with CSOs, media outreach, and addressing complaints;
- (g) Organizing two Council meetings – October 2014 and June 2015 – and preparing all necessary documentation to support Council decision making;
- (h) Representing the GEF at important international meetings, particularly the Conferences of the Parties and other key meetings of the conventions to which the GEF is a or the financial mechanism, including the upcoming UNFCCC Conference of the Parties in 2015 and its preparatory meetings; and
- (i) Continuing the accreditation process of GEF Project Agencies under the GEF pilot to broaden the GEF network.

STAP FY15 Budget, Activities, and Outputs

Maximizing STAP value to the GEF

28. Throughout GEF-6, STAP will build on existing experience – and greatly amplify the integrative nature of its work - to help ensure that GEF activities are evidence-based, that we are extracting maximum learning and knowledge benefit from the existing repository of projects, and that future initiatives, particularly the new integrated approaches, are built on the best available science. The recent review of STAP contained in OPS5 concluded that the Panel requires the “...necessary resources to increase its effectiveness” given its growing responsibilities and functions in support of the GEF program. The report underscored that STAP resources have changed very little in comparison to other GEF corporate entities and the Secretariat staff complement has remained flat – although responsibilities have increased substantially over this period in terms of new thematic responsibilities, additional project screening work, and an increasing number of work program activities and deliverables.

29. The STAP budget request reflects the urgent need for building STAP Secretariat staff capacity particularly in the areas of Biodiversity/natural resource management and Knowledge Management. With a professional staff complement of four, the STAP Secretariat is currently stretched to the limit in support of current activities, with each staff member juggling multiple thematic support and coordination responsibilities. At current staffing levels, the Secretariat will not be able to provide the support needed to deliver its full expected responsibilities across six focal areas, a suite of new pilot programs, and much greater engagement in knowledge management of past, current, and future projects. Nor will the staff be able to support the Chair in her mandate to make the STAP and the GEF more visible via greater impact reports, workshops and outreach to Countries and Agencies. This budget request recognizes the

expectations for far greater strategic support to the GEF while at the same time recognizing the need for budget constraint.

FY15 STAP Budget Request

30. STAP's expected FY14 expenditures and requested FY15 corporate budget are summarized in the table below. STAP work program activities for FY 14 have been implemented within the approved budget. STAP wishes to stress that FY 14 expenditures are estimates at this time.

Table 3: FY15 STAP Budget Request

STAP – Secretariat Expense Category	FY13 Approved Budget (\$ million)	FY14 Approved Budget (\$ million)	FY14 Estimated (\$ million)	FY15 Request (\$ million)
Staff Costs	1.086	1.108	1.108	1.283
Salaries and Benefits	0.966	0.995	0.995	1.170
Travel	0.110	0.107	0.107	0.107
Training	0.010	0.006	0.006	0.006
Consultant Costs	0.288	0.295	0.295	0.325
Fees (long-term)	0.220	0.220	0.220	0.250
Travel	0.068	0.075	0.075	0.075
General Operations Costs	0.245	0.247	0.248	0.253
Office Space, Equipment, and Supplies	0.119	0.120	0.120	0.125
Communications and Internal Computing	0.035	0.041	0.041	0.041
Corporate Services	0.090	0.085	0.085	0.085
Representation and Hospitality	0.001	0.002	0.002	0.002
SUB-TOTAL	1.618	1.650	1.650	1.861
STAP – Members Expense Category				
Honoraria & Logistical/Secretarial Support	0.280	0.277	0.282	0.300
MOUs with Expert Institutions	0.150	0.120	0.120	0.100
STAP Meetings	0.220	0.220	0.220	0.240
STAP Publications	0.043	0.044	0.039	0.039
SUB-TOTAL	0.693	0.661	0.661	0.679
TOTAL	2.311	2.311	2.311	2.540

Trustee FY15 Budget, Activities, and Outputs

31. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management, investment and cash flow management, management of GEF partner relationships and transactions, accounting and reporting, legal services, commitment and disbursement of trust fund resources, systems infrastructure and maintenance, and resource mobilization.

32. According to Annex B of the *Instrument for the Establishment of the Restructured Global Environment Facility* (in paragraph 8), the “reasonable expenses incurred by the Trustee for the administration of the Fund and for expenses incurred in administratively supporting the Secretariat” are reimbursed annually, on the basis of estimated cost, subject to end-of-year adjustment. At its June 2007 meeting, the GEF Council approved the methodology for reimbursement of the Trustee’s costs and expenses as follows: The Trustee presents its projected budget for the coming fiscal year based on the expected work program and associated staff costs and expenses, and receives an allocation from the GEF trust fund; at the end of each fiscal year, the Trustee reports the actual staff costs and expenses incurred to the Council, and reconciles this amount against the allocation provided.

33. In June 2013, the Council approved a core budget of \$3.216 million for FY14 to cover Trustee services and the cost of external audit of the GEF Trust Fund. The Trustee estimates that expenses for FY14 are expected to be \$3.18 million, reflecting a decrease of \$32,000 compared to the approved budget. The decrease is on account of efficiency gains in individual elements of Trustee services, notably from changes in the financial reporting activity due to shifting of the basis of preparation of the GEF Trustee’s financial statements (details provided under Annex 4).

Trustee FY15 GEF Trust Fund Budget

34. In addition to standard trustee services, the FY15 work program will include the following items:

- (a) Implementation of the GEF-6 replenishment resolution, including working with donors to facilitate deposit of Instruments of Commitment, tracking donor commitments for purposes of the GEF-6 Advance Contribution Scheme or Replenishment Effectiveness, ensuring compliance with replenishment resolution policies, and addressing donor inquiries regarding GEF-6 cash outlays, credits and discounts.
- (b) Finalize Financial Procedures Agreements (FPA) with newly accredited GEF Project Agencies.
- (c) On-going negotiations to revise and update FPAs with the existing GEF Agencies.
- (d) Ensure Agency compliance under the FPA including periodic financial reports related to GEF financed activities implemented by the Agencies.
- (e) Administrative support to the GEF Secretariat in implementing policies approved by the Council.

35. The Trustee’s core budget request for FY15 amounts to \$3.140 million as shown below. This represents a decrease of \$76,500 from the FY14 approved amount, and a \$44,500 decrease compared to estimated FY14 actual expenses of \$3.184 million, reflecting efficiency gains in Trustee services.

Table 4: Proposed Trustee Budget for GEF Trust Fund (FY15)

Trustee Services	FY13 Actual	FY14 Approved Budget	FY14 Estimated	FY15 Budget Request
Standard Services				
Financial Management and Relationship Management	1,356,000	1,300,000	1,294,600	1,252,500
Investment Management <i>a/</i>	1,417,000	1,410,000	1,416,000	1,428,000
Accounting and Reporting	198,000	202,000	172,000	172,000
Legal Services	164,000	169,000	167,000	167,000
Sub-total, Standard Services	3,135,000	3,081,000	3,049,600	3,019,500
Audit				
External Audit of Trust Fund	301,700	135,000	134,400	120,000
Agency Audits	0	0	0	0
Total Core Budget	3,436,700	3,216,000	3,184,000	3,139,500
Special Initiatives <i>b/</i>	850,000	0	0	0
Special Initiatives - Replenishment <i>c/</i>	0	324,000	315,000	0
Total Costs, including Special Initiatives	4,286,700	3,540,000	3,499,000	3,139,500

a/ Investment Management fees are calculated based on a cost of 3.5 basis points against the average annual balance of the Trust Fund.

b/ Represents GEF Trust Fund's share of World Bank's IT system development to facilitate GEF's participation in the integrated platform for Financial Intermediary Funds.

c/ Represents costs associated with the Sixth Replenishment of GEF Resources (GEF-6).

PROJECTED TOTAL BUDGET EXPENDITURES FOR FY12-FY15

36. The Fifth Replenishment provided a \$120 million envelope to cover corporate budget expenses for the four central GEF entities for FY12 through FY15. Reflecting strict budget discipline by the four central GEF entities, the Secretariat estimates that total corporate budget expenditures during this period will total approximately \$114.917 million, as reflected in Table 5, below. This takes into account (i) actual expenditures in FY12 and FY13, (ii) estimated FY14 expenditures, (iii) requested FY15 funding levels.

Table 5: GEF Trust Fund Corporate Budget Projections for GEF-5

	Corporate Budget Resources; FY12-15 (\$ millions)				
GEF Entities	FY12 Actual	FY13 Actual	FY14 Estimate	FY15 Request	FY12-15 Total
Secretariat Core Budget	15.995	17.662	17.650	18.988	70.295
Secretariat Special Initiative	0.260	0.000	2.419	0.000	2.679
Secretariat Total	16.255	17.662	20.069	18.988	72.974
STAP Total	2.238	2.209	2.311	2.540	9.298
Trustee Core Budget	3.199	3.437	3.184	3.140	12.960
Trustee Special Initiative	0.000	0.850	0.315	0.000	1.165
Trustee Total	3.199	4.287	3.499	3.140	14.125
IEO Core Budget	2.733	2.733	3.242	3.242	11.950
IEO Multi-Annual Evaluations	2.000	3.000	0.900	0.670	6.570
IEO Total	4.733	5.733	4.180	3.900	18.520
Total Corporate Budget	26.425	29.891	30.021	28.580	114.917

FY15 NAGOYA PROTOCOL IMPLEMENTATION FUND BUDGET REQUEST

37. The GEF Secretariat and Trustee request a total of \$49,600 from the NPIF to support their respective activities to administer the trust fund. The separate budget requests, and the related background and justifications, are presented below.

Table 6: Total FY15 NPIF Budget Request

GEF Entities and Budget Items	FY14 Approved Budget (\$)	FY14 Estimated Expenses (\$)	FY15 Budget Request (\$)
Secretariat - NPIF Administrative Budget	342,000	155,161	25,000
Trustee NPIF Budget	40,300	26,200	24,600
Total - NPIF Budget Requests	382,000	181,361	49,600

38. During the past three years, eleven PIFs have been approved and a total of \$14.1 million in NPIF grants have been committed. There are a few more PIFs that are under development, which will fully commit the remaining NPIF funds during GEF-5.

39. As of March 2014, six out of the total eleven approved PIFs have come back to the GEF Secretariat for final CEO approval and/or endorsement. The disbursement of NPIF resources through these projects has reached a total of \$8.8 million. Remaining five PIF-approved projects are still under preparation for CEO endorsement, with support from Project Preparation Grants (PPGs).

Secretariat Activities in FY14

40. During FY14, the GEF CEO approved NPIF projects for a total of \$6.7 million, accompanied by \$13.8 million in co-financing. This included both country and regional level projects. In terms of country-based projects, two PIFs (Bhutan and Cook Islands) and a MSP (Kenya) were approved. In terms of regional projects, one was for Central Africa (Burundi, Central African Republic, Congo, Cameroon, Gabon, Equatorial Guinea, Rwanda, Sao Tome and Principe, Chad, Congo DR) and another was for the Pacific (Micronesia, Kiribati, Marshall Islands, Nauru, Niue, Papua New Guinea, Palau, Solomon Islands, Tonga, Tuvalu, Vanuatu, Samoa). Two more PIFs are expected before the end of the fiscal year. These two projects will make use of all the remaining NPIF finance.

41. In addition, the NPIF supported the organization of a high-level meeting titled “Private Sector and Biodiversity-based Innovation: Forward Looking” on November 12, 2013. The event was convened by the GEF in cooperation with The ABS Capacity Development Initiative & the Union for Ethical Bio-Trade. The panelists for the high-level meeting included representatives of the following companies of from the pharmaceutical- and cosmetics-body care industries.

- (a) Pharmaceutical: Eisai Inc., Nimura Genetic Solutions Co. Ltd., Institut de Recherche Pierre Fabre and Eli Lilly.
- (b) Cosmetics: Natura – Brazil, Business Movement for Biodiversity in Brazil – MEBB, Candela Peru, L'Oreal, MANE Flavor & Fragrance.

- (c) There was also participation from the academic and research institutions: United Nations University, Institute of Advanced Studies, and Fogarty International Center, National Institutes of Health.

42. The recommendations that resulted from this high level meeting provided useful inputs to further elaborate the GEF-6 strategies on both ABS and private sector engagement.

Secretariat Activities and Budget for FY15

43. Based on an earlier Council decision, after June 30, 2014, the GEF Secretariat will not consider any new PIFs until the Council decides on the future of the Fund, taking into consideration the decision of the 12th Conference of the Parties of the Convention on Biological Diversity, which is scheduled in October 2014. However, the GEF Secretariat will continue to work with the GEF Agencies on final approval of PIF-approved projects, portfolio monitoring, and other necessary oversight functions.

44. To cover these minimum functions, and as reflected in Table 7 below, the GEF Secretariat requests an administrative budget of \$25,000, all of which will cover staff costs.

Table 7: GEF Secretariat FY15 NPIF Budget Request

Expense Category	FY14 Approved Budget (\$)	FY14 Estimated Expenses (\$)	FY15 Budget Request (\$)
Staff Costs (Salaries & Benefits)	282,000	89,000	25,000
Staff Travel	10,000	12,000	
Publications, Media, and External Outreach	0	1,269	
General Operations Costs (Meetings)	50,000	52,892	
Total	342,000	155,161	25,000

Trustee FY15 NPIF Budget

45. As agreed with NPIF donors under the relevant Trust Administration Agreements, the Trustee receives an annual administrative fee to cover the reasonable actual expenses incurred by the Trustee in carrying out its function for the NPIF.

46. The core elements of the Trustee's work program in FY15 include: (i) management of donor contributions, (ii) financial and investment management of resources, (iii) commitments and disbursements to the Agencies, (iv) infrastructure and systems support, (v) accounting and reporting for the financial and operational activities of the NPIF, and (vi) finalization of Financial Procedures Agreements (FPAs) between the Trustee and the Agencies. Table 1 below shows the breakdown of the Trustee fee by services provided to the NPIF.

47. Based on the first nine-month period ended March 31, 2014 and projections for the remaining three months, it is expected that the actual cost for Trustee standard services for FY14 will be \$26,200, which is \$14,100 lower than the approved budget of \$40,300. The lower expected actual cost in FY14 is mainly due to lesser than anticipated level of financial management, legal, accounting, and reporting services rendered for the NPIF.

48. To cover its expenses for FY15 related to the above work program, the Trustee requests a budget of \$24,600 as presented in Table 1 below. This represents an overall decrease of \$1,600 compared to the FY14 estimated actual cost of \$26,200. It is anticipated that FY15 requirements

for investment management, accounting and reporting, and legal services will be consistent with FY14 levels.

Table 8: GEF Trustee FY15 NPIF Budget Request

Trustee Services	FY14 Approved Budget (\$)	FY14 Estimated Expenses (\$)	FY15 Budget Request (\$)
Financial Management and Relationship Management	14,000	9,600	9,200
Investment Management a/	5,300	5,200	4,300
Accounting and Reporting	3,800	3,900	3,900
Legal Services	17,200	7,500	7,200
Total Costs	40,300	26,200	24,600
a/ Investment Management fees are calculated based on a cost of 3.5 basis points against the average annual balance of the portfolio.			

ANNEX 1: ACTION PLAN FOR IMPLEMENTING GEF-6 POLICY RECOMMENDATIONS

Date	Action
Council meeting in May 2014	<ol style="list-style-type: none"> 1. Council to consider a proposal for updating the STAR for GEF-6, including the following modifications: (i) increasing the weight of the GDP per capita index to 0.08; (ii) lowering the ceilings imposed on each focal area to 10 percent; and (iii) increasing the aggregate floor to \$6 million for LDCs. The Secretariat, in line with the mid-term evaluation of the STAR and OPS5 recommendations, to include a review of the feasibility of changing other elements of the STAR system, and the procedures for flexible use of country allocations. 2. Council to consider a policy for providing clarity in definitions and approaches to promoting effective co-financing; indicate a level of ambition for the overall portfolio to reach a co-financing ratio of at least 6:1; and create expectations for greater co-financing for upper middle income countries that are not SIDS.
Council meeting in October 2014	<ol style="list-style-type: none"> 1. Council to consider a proposal for a non-grant instrument pilot employing resources from the non-grant set-aside, including updated tools. 2. Council to consider further measures to improve the policies and procedures associated with the project cycle, including the programmatic approach, and a portfolio management system to keep track of project progress through the partnership. 3. Council presented with a report on actions taken to enhance private sector engagement. 4. Council to consider a gender action plan, for enhancing gender mainstreaming, including use of gender sensitive indicators and sex-disaggregated data. 5. Council to consider a comprehensive work plan for further strengthening results-based management system and for building a knowledge management system, supported by a revamped technological platform that is fit for this purpose. 6. Council presented with public involvement guidelines.

ANNEX 2: RESOURCES PROGRAMMED DURING GEF-5 TO DATE**Programming targets**

1. The *GEF Business Plan for FY11-14* established a total programming target of \$4.25 billion for the GEF-5 period, including expenses for the corporate budget. Table 11 below compares the GEF-5 focal area programming targets with levels of resources programmed through end-March 2014. It also shows the level of resources, by focal area, requested in the May 2014 Work Program.

2. With the approval of the May 2014 Work Program, GEF-5 project and program approvals will reach 87.9 percent of total resources for focal areas, themes, and programs.

Table 9: GEF-5 Resources Programmed; FY2011-2014

Focal Areas, Themes, and Programs	GEF-5 Programming Targets		Resources Programmed through mid-April 2014		May 2014 Proposed Work Program	Total including May 2014 Work Program	
	Amount (\$ million)	Share of GEF-5	Grants and Fees Approved (\$ million)	Share of Focal Area	Project Grants & Fees (\$ million)	Totals w/ May WP (\$ million)	Share of GEF-5 Resources ³
Biodiversity	1,080	25.4%	950.04	88.0%	71.96	1,022.00	94.6%
Climate Change	1,260	29.7%	1,031.67	81.9%	65.24	1,096.92	87.1%
International Waters	440	10.4%	323.36	73.5%	78.67	402.03	91.4%
Land Degradation	385	9.1%	307.77	79.9%	13.59	321.35	83.5%
Chemicals, of which	425	10.0	404.23	95.1%	-	404.23	95.1%
<i>Persistent Organic Pollutants (POPs)</i>	375	8.8%	363.29	96.9%	-	363.29	96.9%
<i>Ozone Depletion</i>	25	0.6%	23.36	93.4%	-	23.36	93.4%
<i>Sound Chemicals Management & Mercury Reduction</i>	25	0.6%	17.57	70.3%	-	17.57	70.3%
CSP and Capacity Building ¹	70	1.7	40.80	58.3%	-	40.80	58.3%
Small Grants Program	140	3.3	140.00	100.0%	-	140.00	100.0%
SFM/REDD-Plus Program	250	5.9	136.52	54.6%	6.92	143.44	57.4%
Outreach to Private Sector	80	1.9	54.20	67.8%	5.40	59.60	74.5%
Total - Focal Areas, Themes, and Programs	4,130	97.2%	3,388.58	82.0%	241.78	3,630.37	87.9%
Corporate Budget ²	120	2.8%	86.37	72.7%	28.58	114.95	95.8%
Total	4,250	100.0%	3,474.95	81.7%	270.35	3,745.32	88.1%

1. The \$26 million for the CSP was approved in June 2010 out of GEF-4 resources and does not appear in this table.

2. This table is updated as of the current date to include estimated actual corporate budget expenses for FY14. The corporate budget amount represents the total of (1) actual FY12 and FY13 expenditures (\$26.42 million and \$29.89 million, respectively) and (2) the estimated actual FY14 expenditures of \$30.06 million. The amount included in the column for the May 2014 work program represents the FY15 budget request.

3. These figures will change with the processing of an estimated \$50-70 million of MSPs prior to June 30, 2014.

ANNEX 3: GEF SECRETARIAT - FY14 REVIEW OF ACTIVITIES AND ACHIEVEMENTS

1. This annex provides further detail on the Secretariat's FY14 activities, outputs and expenditures. It includes an accounting of spending under its core budget as well as the status of the activities and outputs under the multi-year special initiatives approved in previous years.

Expenditure under FY14 Budget

2. During the past year, the Secretariat strengthened budget control in the Secretariat by making team leaders accountable for expenditures in their respective units. This has significantly strengthened the budget planning process and monitoring of expenditures. The Secretariat projects that actual FY14 spending through June 2014 will total approximately \$17.650 million, as shown in Table 10 and explained below.

- (a) Expenditures on salaries and benefits will be less than budgeted because of the departure of several staff during the year and vacant positions that are still pending. The underrun in this category is less than during FY13 and will continue to shrink in the coming year as vacant positions are filled.
- (b) Expenses for outreach and publications will be less than projected as few new GEF publications are produced in the final year of a replenishment period.
- (c) Holding the 46th Council meeting outside of Washington is projected to increase Council costs by approximately \$250,000

Table 10: Comparison of FY13 and FY14 Expenditures

Expense Category	FY13 Approved Budget (\$ million)	FY13 Actual (\$ million)	FY14 Approved Budget (\$ million)	FY14 Estimated (\$ million)
Staff Costs	13.825	13.314	13.758	13.080
Salaries and Benefits	12.225	11.505	11.875	11.610
Travel	1.500	1.739	1.760	1.430
Training	0.100	0.069	0.123	0.040
Consultant Costs	0.450	1.162	0.600	0.530
Council Costs	0.574	0.622	0.721	0.970
Logistics	0.260	0.244	0.314	0.530
Council & NGO Travel	0.314	0.378	0.407	0.440
Cross Support from World Bank	0.100	0.076	0.286	0.150
External Outreach, Publications, Media, and Web	1.100	0.911	1.169	0.910
General Operations Costs	2.476	1.578	1.991	2.010
Office Equipment, Supplies, Communications & Internal Computing	2.406	1.552	1.923	2.000
Representation and Hospitality	0.070	0.025	0.068	0.010
TOTAL	18.525	17.662	18.525	17.650

FY14 GEF Secretariat Activities and Highlights

3. Work Programs: As of mid-April 2014, the Secretariat will have facilitated Council and CEO approval of \$597.69 million in GEF Trust Fund resources (including Agency Fees) for GEF projects and programmatic approaches, including through one regular and two intersessional work programs. A final work program of \$241.78 million is being presented to the Council for its consideration (see Council Document GEF/C.46.06, *Work Program*). If approved in its entirety, this will bring total GEF Trust Fund project and program approvals during FY14 to approximately \$839.47 million.
4. Continued Implementation of GEF-5 and Other Reform Initiatives: During FY14, the Secretariat undertook the activities listed below to continue to implement GEF-5 reforms.
 - (a) Accreditation: Under the GEF-5 pilot on accreditation of GEF Project Agencies, two entities have been accredited by the independent GEF Accreditation Panel to serve as GEF Project Agencies: WWF-US and Conservation International. The GEF Accreditation Panel is continuing its review of the remaining applicants.
 - (b) Direct Access Financing for Convention Reports: The Secretariat has reviewed 32 applications, entered into grant agreements with 16 countries, and disbursed funding to 9 countries as of end-February 2014.
 - (c) Reformed Country Support Program: The Secretariat has continued to implement CSP activities so that country focal points, civil society representatives, and other stakeholders better understand the GEF policies, procedures, and goals; improve internal coordination; resolve pending issues; share experiences across regions; and interact with various partners in the Facility. These activities are described further below.
 - (d) Results-based Management & Knowledge Management: The Secretariat continued its work under previously agreed work plans to strengthen results based management and knowledge management in the GEF. These efforts are described further below.
5. GEF Long-Term Strategy: In early 2013, the Secretariat initiated a long-term planning exercise for the GEF with a consulting team (a consortium consisting of McKinsey and Co, World Resources Institute and the Ateneo School of Government, Philippines). The final product, which reflects the input received from Council Members and all GEF entities – is being presented in Council Document GEF/C.46/10, *Long-Term Strategy for the GEF – GEF 2020*.
6. Private Sector Strategy/Projects: Important private sector engagement activities are listed below. Lessons learned from the GEF's private sector experience during GEF-4 & 5 will be used to develop the GEF-6 strategy to mainstream private sector engagement.
 - (a) As of March 2014, the Council has approved four programs funded with \$65 million from the GEF-5 private sector set-aside.
 - (b) Two of the programs – IDB/MIF PPP Program (#4959) and AfDB PPP Program (#4929) - have been CEO endorsed, and the other two programs - EBRD South Eastern Mediterranean Energy Efficiency/ESCO Markets Platform (#5318) and IDB Sustainable Caribbean Basin Private Equity Fund (#5388) - will be endorsed by end-FY14.

- (c) The Secretariat has concurred on an investment project under the AfDB PPP for a \$4.5 million investment in the *Africa Renewable Energy Equity Fund (AREF)* that can leverage up to \$200 million additional equity, aiming to generate substantial debt funding for renewable energy projects in Africa.
 - (d) The *GEF/UNIDO Cleantech Programme for SMEs*, aligned with the GEF-5 private sector strategy, has so far partnered with six countries (Armenia, India, Malaysia, Pakistan, South Africa, and Turkey) to support entrepreneurs and innovators in the *clean energy* and *clean water* sectors.
 - (e) In cooperation with *ABS Capacity Development Initiative & Union for Ethical BioTrade*, the Secretariat hosted a workshop, *Private Sector and Biodiversity-based Innovation: Looking Forward*, attended by world renowned leaders from the pharmaceuticals, bio-tech, cosmetics, and body-care industries.
7. Conventions & Other Meetings: The Secretariat led the GEF's participation in the key meetings listed below:
- (a) UNFCCC COP -19: held in Warsaw, Poland in November 2013. The CEO led the GEF delegation to the COP and received prominent press coverage.
 - (b) UNCCD COP-11: held in Windhoek, Namibia in September 2013. The CEO led the GEF delegation to this COP.
 - (c) Meetings Related to the Minamata Convention on Mercury: The GEF Secretariat participated actively in preparatory meetings that led to the Conference of Plenipotentiaries (Diplomatic Conference) on the Minamata Convention on Mercury held in October 2013 in Kumamoto and Minamata, Japan. The CEO led the GEF delegation to the Diplomatic Conference and received prominent coverage in the Japanese press.
 - (d) Biodiversity: The Secretariat participated in the Biodiversity Mainstreaming Workshop organized by STAP in Cape Town South Africa in September 2013. Secretariat staff also participated in several CBD meetings during the year.
 - (e) International Waters: Important meetings include: the 7th International Waters Biennial Waters Conference (IWC-7), held in Barbados in October 2013, and the Budapest Water Summit in October 2013.
 - (f) Collaborative Partnership on Forests (CPF): in support of the UN Forum on Forests and the International Arrangement on Forests, the Secretariat attended three CPF meetings during the year.
8. Green Climate Fund Interim Secretariat: Through end-2013, the GEF Secretariat continued to support the Interim Secretariat of the Green Climate Fund (GCF) with: (i) preparation of key documents for the meetings of the GCF Board; (ii) recruitment of consultants for the work of the Interim Secretariat; and (iii) facilitating discussions of documents at the GCF Board meetings. The GEF Secretariat's support of the GCF Interim Secretariat concluded in December 2013 after the GCF Board approved the establishment of a permanent GCF Secretariat, which is now operating in Songdo, South Korea.
9. Results-based Management: The GEF RBM team has been working to strengthen the Annual Monitoring Report so that it generates more targeted and substantive lessons learned and

highlights how the GEF can play an increasingly catalytic role in influencing policies, leveraging financing, and scaling up and mainstreaming best practices. The result of these efforts will be the *Annual Monitoring Report 2013: Part II*, which will be presented to Council in May 2014. It will include in-depth analyses of outcomes, experiences, and lessons learned from the GEF's active portfolio of projects in FY13, focusing on those at mid-term and at completion. It will also analyze how socio-economic, gender, and indigenous peoples issues have been integrated into GEF project design.

10. Knowledge Management: In FY14, the Secretariat completed the design of its long-term knowledge management strategy, which became an integral part of the GEF-6 programming document. Key activities undertaken in the past year include - learning missions in Land Degradation and Biodiversity; reports and information sharing on the lessons learned from the missions; and the ongoing work to merge PMIS data with the GEF website to allow project data visualization and dissemination on a larger scale.

11. Country Support Program: As of end-March 2014, the Secretariat organized, among other things, six expanded constituency workshops, six regular constituency meetings, and two multi-stakeholder dialogues. Ten additional regular constituency meetings and two additional multi-stakeholder dialogues are expected to happen before the end of FY14. As of mid-March, the Secretariat had provided funding for 32 NPFEs, and 29 NPFD reports are now posted on the GEF website.

12. Gender-related Activities: During FY14, the GEF Secretariat, in consultation with GEF Agencies and partners, has prepared a comprehensive strategy for GEF-6 to further strengthen gender mainstreaming and women's empowerment, which was presented at the replenishment meetings. The approach includes development of a Gender Action Plan (to be presented for Council review in October 2014) as well as reviewing GEF project cycle and increasing capacity of GEF on gender mainstreaming. In addition, the results and approach on gender mainstreaming of the GEF projects will be presented through the *FY13 Annual Monitoring Report – Part II* at the May 2014 Council. The GEF Secretariat has also highlighted its work contributing for gender equality through various events and communications, including the International Day on Women and learning missions.

13. Review of Agencies on Safeguards and Gender: Assisted by three expert consultants, the Secretariat reviewed all ten GEF Agencies as to whether they met the minimum requirements of the *Policy on Gender Mainstreaming*, and it reviewed nine GEF Agencies (except the World Bank) as to whether they met the minimum requirements of the *Policy on Agency Minimum Standards on Environmental and Social Safeguards*. The findings of this review were presented to the Council at its 45th Meeting in November 2013, in Council Document GEF/C.45/10, *Review of GEF Agencies on Environmental and Social Safeguards and Gender Mainstreaming*. Those Agencies found not to meet all applicable standards of either policy were required to submit action plans to come into compliance, which were circulated to the Council in late December 2013. The Secretariat has compiled update reports submitted by these Agencies, which are presented in Council Document GEF/C.46/Inf.06, *Agency Process on Meeting the GEF Environmental and Social Safeguards & Gender Mainstreaming*.

14. Communications: The Secretariat created two films on Climate Change and Gender, a film on Persistent Organic Pollutants (POPs) projects, four films on GEF-6 programming, and an animated video on Sustainable Forest Management. The Secretariat also undertook significant

outreach and communications activities to heighten the presence of the GEF at UNFCCC COP 19 in Warsaw and the UNCCD COP 11 in Windhoek. Using social media and multimedia approaches, the Secretariat also actively collaborated with Connect4Climate, a global partnership and campaign to raise awareness and mobilize youth for action on climate change, using social media and multimedia approaches.

15. Kyoto Protocol Adaptation Fund Board Secretariat: In addition to the services provided by the dedicated team of officials that constitutes the Adaptation Fund Board secretariat, the Secretariat continued to provide services to the Adaptation Fund Board on an interim basis, including administrative support as it relates to the budget, HR, and IT functions; providing co-reviews of project proposals, and technical assistance on the Fund's online accreditation application process (e.g. the workflow). Please see Council Document GEF/C.46/Inf.07 for further details.

A. Special Initiatives

16. The sections below report on activities conducted during FY14 under the various special initiatives approved by Council in previous years. Table 11, below, provides a consolidated summary of expenditures under these initiatives through end-March 2014.

Table 11: Special Initiatives

<i>Special Initiative Name</i>	<i>Approved Amount</i>	<i>Disbursements: Inception through end-March 2014</i>	<i>Available Balance</i>
Rio+20 Special Initiative	\$210,000	\$93,331	\$116,669
Performance Based Allocation System	\$1,356,000	\$1,133,771	\$222,229
GEF Management Information System	\$700,000	\$236,241	\$463,759
Results Based Management	\$408,000	\$359,725	\$48,275
GEF Fifth Assembly	\$2,118,528	\$22,860	\$2,095,668
GEF-6 Replenishment	\$300,000	\$545,492	\$-245,492 ¹⁴
Total	\$5,092,528	\$2,145,928	\$2,946,600

Rio+20 – Special Initiative

17. In May 2011, the GEF Council approved \$210,000 to support activities by the GEF Secretariat related to the GEF's participation in the Rio+20 Summit held in Rio de Janeiro in June 2012. This special initiative supported the writing and publication of a retrospective book titled *From Rio to Rio: A 20-year Journey to Green the World's Economy*, which highlighted the key contributions that the GEF has made over the past 20 years in empowering developing countries to green their own economies and take action to improve the global environment. This special initiative also supported the publication of a book on the GEF's experience in investing in energy efficiency: *Closing the Gap: GEF Experiences in Global Energy Efficiency*.

¹⁴ As of end-March, the Secretariat's costs for the GEF-6 replenishment exceeded the amount of the special initiative by \$245,492. This additional cost was covered by the core budget and is reflected in Table 2.

18. Since June 2012, the Secretariat has used funding from this special initiative to support follow-on work from the Rio+20 Conference. In 2014, \$3,654 supported staff travel to meetings concerning the post-2015 sustainable development agenda. This work will continue throughout FY15.

Performance Based Allocation System

19. Between FY04 and FY07, the GEF Council approved a total of \$1,356,000 to support either the development of a performance-based allocation system (which developed into the RAF) or to refine the RAF, including its potential application to other focal areas. The Secretariat also used resources from these budget allocations to develop the STAR. The Secretariat proposes carrying over remaining resources (\$222,229) to support STAR-related activities during GEF-6, including: (i) ongoing data updates that will facilitate the refinement of the STAR indices for future GEF cycles, (ii) continued research on the feasibility of extending the STAR to other focal areas, (iii) software programming development for the STAR, and (iv) missions for meetings and workshops.

Management Information System

20. In November 2005, the Council approved \$700,000 to develop a management information system to enable the GEF and its partners to improve effectiveness across all areas of GEF business operations. In FY14, the Secretariat continued to make further enhancements to PMIS and the real-time reporting system within PMIS in an access-controlled environment as well as the GEF website for public disclosure. Notable achievements include (i) development and launch of the PIF Template Validator that generates instant feedback when errors or mistakes are detected on the data entered in PIFs; (ii) automation of GEF work program web posting for public disclosure and Council approval through integration of PMIS and the GEF website; and (iii) incorporation of STAP review as part of the core PMIS review process, which was done outside of PMIS previously. These enhancements have reduced operational risks (e.g. through instant alerts for human errors) and enhanced the performance of PMIS, thereby, enabling more efficient and timely processing of project submissions, reviews, and public disclosure.

21. The Secretariat proposes carrying over remaining resources (\$463,759) to continue to support the management information system during GEF-6. Planned activities include (i) further automation of the PMIS workflow to enhance communication channels between Agencies and the Secretariat; (ii) enhanced real-time reporting on GEF projects under implementation as well as portfolio management to be publicly available on the GEF website; and (iii) linkage between the GEF information on protected areas with other sources such as WDPA (World Database on Protected Areas). Additionally, the Secretariat will continue to explore system-to-system connection with Agencies' own project data, which will enable streamlined project cycle management and approval processes with greater transparency among the relevant stakeholders.

Results-based Management

22. In June 2006 (FY2007 budget) and June 2009 (FY2010 budget), the GEF Council approved two special initiatives to further strengthen the GEF's capacity for RBM and learning through specific activities and studies. The Secretariat had earlier combined these budget lines into a single initiative, which focuses on four areas: (i) developing results frameworks and the integration of results data and portfolio monitoring into PMIS; (ii) developing a process to enable the GEF Secretariat to undertake focused learning based on objectives and issues identified through the Secretariat's portfolio monitoring; (iii) developing and further refining tracking tools; and (iv) development of a methodology for improving how GEF incorporates human welfare issues (e.g. social and gender) in its projects, including recommendations on measurement of the GEF projects results on these issues.

23. During FY14, resources from this special initiative have supported the following: (i) the cost of GEF learning missions to the field; (ii) World Bank cross support to the GEF Secretariat on further development of the RBM framework for GEF-6. The Secretariat proposes carrying over remaining resources (\$48,000) to support further strengthening of RBM, including possible learning missions, in the first year of GEF-6.

GEF Fifth Assembly

24. In June 2013, the Council approved \$750,000 to support initial work on planning the Fifth Assembly, to be held in Cancun, Mexico in May 2014. Based on Council Document GEF/C.45/7, *Note on the Organization of the Fifth GEF Assembly*, which included a detailed budget proposal, the Council approved an additional \$1,368,528, resulting in a total budget of \$2,118,528 million to support the organization of the Assembly. These costs will support, among other things, travel costs for representatives from GEF recipient countries,¹⁵ travel for GEF Secretariat staff, hospitality, translation and interpretation, website development, exhibition costs, communications and general operations.

25. Through March 2014, \$22,860 was spent under this special initiative. This included the cost for consultants to assist with Assembly preparations and some Secretariat staff travel to Mexico to meet with organizers and plan the event space. The majority of expenses – related to travel for developing country representatives, interpretation and translation, and hospitality – will be incurred closer to and during the event itself.

GEF Sixth Replenishment

26. In June 2013, the Council approved \$300,000 to cover the Secretariat's costs associated with supporting the Sixth Replenishment process. The Secretariat's special initiative was to cover costs related to travel (both Secretariat staff and non-donor recipient country and recipient country NGO representatives), the renting of meeting spaces, interpretation services, food, and other logistics costs.

¹⁵ The GEF will finance the travel and subsistence costs of one representative from each recipient country and two participants from LDCs and SIDs.

27. Through end-March, total expenses incurred by the Secretariat for the Sixth Replenishment totaled \$545,492. The overage of \$245,492 was paid out of the Secretariat's FY14 administrative budget, and is reflected in Table 2.

ANNEX 4: STAP – FY14 REVIEW OF ACTIVITIES AND ACHIEVEMENTS

1. A detailed record of achievement for STAP may be found in Annex 1 of the *Report of the Chairperson of the Scientific and Technical Advisory Panel*, Council Document GEF/STAP/C.46/Inf.01. STAP achievements during FY14 are highlighted below.

Review of GEF Work Programs

2. Including the April 2013 intersessional work program, STAP has screened a total of 224 full-size projects funded through the GEF Trust Fund, the LDCF, and the SCCF.

Reports Submitted to Council

3. STAP has submitted the five following reports to Council in the past year:
- (a) STAP. (2013). *Report of the Chairperson of the Scientific and Technical Advisory Panel*. Global Environment Facility, Washington, DC. GEF Council Document: GEF/STAP/C.44/Inf.01
 - (b) STAP. (2013). *STAP Work Program for FY14*. Global Environment Facility, Washington, DC. GEF ID: GEF/STAP/C.44/Inf.02
 - (c) STAP. (2013). *Report of the Chairperson of the Scientific and Technical Advisory Panel*. Global Environment Facility, Washington, DC. GEF Council Document: GEF/STAP/C.45/Inf.01
 - (d) Govers, G., Merckx, R., Van Oost, K. and van Wesemael, B. (2013). *Managing Soil Organic Carbon for Global Benefits: A STAP Technical Report*. Global Environment Facility, Washington, D.C. URL: <http://www.stapgef.org/managing-soil-organic-carbon-for-global-benefits/>
 - (e) STAP. (2013). *Enhancing the GEF's contribution to Sustainable Development*. Global Environment Facility, Washington, DC. GEF Council Document: GEF/R.6/Inf.03

Expert Meetings and Events

4. Since March 2013, STAP has organized the 12 scientific events listed below.

Name	URL	Date	Location
Heinz Center Seminar: Engineering a Transformational Shift to Low-Carbon Economies in the Developing World: The Role of the GEF	http://www.stapgef.org/engineering-a-transformational-shift-to-low-carbon-economies-in-the-developing-world-the-role-of-the-global-environment-facility/	March 2013	Washington, DC
Green Chemistry and Bio-based Chemicals Workshop	http://www.stapgef.org/green-chemistry-and-bio-based-chemicals-workshop/	March 2013	Washington, DC
STAP Panel Meeting	http://www.stapgef.org/stap-meeting-march-2013/	March 2013	Washington, DC
The Political Economy of Regionalism and International Waters – Expert Meeting	http://www.stapgef.org/expert-workshop-role-of-regional-organizations-in-the-international-waters-focal-area/	June 2013	Washington, DC
UNCCD COP 11 – 2 side events: “Carbon sequestration – a valuable global benefit of sustainable land management” and “Carbon Benefits Project – new tools to measure carbon and the GEF’s experience applying the tools”	http://www.stapgef.org/staps-participation-at-the-unccd-cop-11/	September 2013	Windhoek, Namibia
Biodiversity Mainstreaming Workshop	http://www.stapgef.org/workshop-mainstreaming-biodiversity-conservation-in-production-sectors/	October 2013	Cape Town, South Africa
STAP Panel Meeting – Open Session	http://www.stapgef.org/stap-meeting-october-2013/	October 2013	Washington, DC
Climate Change Adaption and Climate Resilience brainstorming discussion		October 2013	Washington, DC
STAP Special Session on Sustainable Land Management (including Diana Wall, Cheryl Palm, and Henry Janzen)	http://www.stapgef.org/workshop-soils-food-security-and-global-environment-benefits/	October, 2013	Washington, DC

CBD SBSTTA 17 – side event: Mainstreaming Biodiversity (outcomes of expert meeting)	https://www.cbd.int/doc/meetings/sbstta/sbstta-17/side-events/2982-STAP-GEF-SBSTTA-17-side-event-summary-15-October.pdf	October 2013	Montreal, Canada
Information and Communication Technology for the GEF – Expert Workshop	http://www.stapgef.org/the-gef-ceo-forum-on-innovative-partnership/	December 2013	Washington, DC
Biodiversity and Climate Change Workshop	http://www.stapgef.org/event/biodiversity-and-climate-change-workshop/	January 2014	Washington, DC
STAP Panel - Retreat and strategy meeting	http://www.stapgef.org/stap-retreat-planning-staps-role-in-gef-6/	January 2014	Stockholm, Sweden

5. STAP Panel Members and Secretariat staff have attended the following meetings in the past year.

Name	Date	Location
UNEP SCOPE Meeting	March 2013	Ispira, Italy
UNFCCC Technical Workshop on Ecosystem-based Adaptation	March 2013	Dar es Salaam, Tanzania
GEF 1st Replenishment Meeting	April 2013	Paris, France
UNCCD Second Scientific Conference	April 2013	Bonn, Germany
Negative Emissions and the Carbon Cycle Workshop	April 2013	Vienna, Austria
Chemicals TAG Meeting	May 2013	Geneva, Switzerland
SETAC Europe 23rd Annual Meeting	May 2013	Glasgow, Scotland
2nd STAP meeting regarding marine debris	June 2013	Cape Town, South Africa
7th International Conference on Marine Pollution and Ecotoxicology	June 2013	Hong Kong
GEF Council Meeting	June 2013	Washington, DC
UNEP Meeting – briefing of the STAP Chair to UNEP staff	June 2013	Nairobi, Kenya

Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection Meeting	July 2013	London, England
11th International Conference on Mercury as a Global Pollutant	July 2013	Edinburgh, Scotland
World Water Week	September 2013	Stockholm, Sweden
UNFCCC Adaptation Committee Planning Workshop	September 2013	Nadi, Fiji
ICLEI – EcoCity World Summit: “The city as a vital area of work to grapple with global sustainability issues”, including the GEF 2020 Innovation Workshop/Consultation on Cities.	September 2013	Nantes, France
CSAB Annual Meeting, hosted by CMS	October 2013	Gaeta-Formia, Italy
Preparatory Meeting to the Diplomatic Conference on the Mercury Instrument	October 2013	Kumamoto, Japan
9th meeting of the Stockholm Convention POPs Review Committee Meeting	October 2013	Rome, Italy
GEF IW: LEAEN Conference	October 2013	Barbados
IPBES-2 Plenary Meeting	December 2013	Antalya, Turkey
Meeting with the UNCCD Executive Secretary	December 2013	Bonn, Germany
Expert Workshop on Marine Spatial Planning	January 2014	Cambridge, UK
GEF Chemicals Retreat	January 2014	Montreux, Switzerland

ANNEX 5: TRUSTEE – FY14 REVIEW OF ACTIVITIES AND ACHIEVEMENTS

1. The World Bank as Trustee provides a range of services, broadly defined in the Instrument, in the following categories: financial and risk management; investment and cash flow management; management of GEF partner relationships and transactions; accounting and reporting; legal services; commitment and disbursement of trust fund resources; systems infrastructure and maintenance; and resource mobilization.

2. In addition to these services, additional activities supported by the Trustee in FY14 included: implementation of the GEF-6 Replenishment resolution; enhancements to the internal control related to the preparation of financial statements; work with the Secretariat on policy initiatives, implementation of several Council approved policies in the context of streamlining procedures; negotiation of Financial Procedures Agreements (FPA) with the new GEF Agencies; and revisions to FPA with the existing GEF Agencies.

FY14 Projected Actual

3. Based on the first nine-month period ended March 31, 2014 and projections for the remaining three months, the estimated actual expenditure for FY14 for Trustee services is \$3.18 million, reflecting a decrease of \$32,000 compared to the approved budget. The decrease is due primarily to a decrease in staff costs associated with accounting and reporting as a result of change in the basis for preparing the GEF Trustee's financial statements, from International Financial Reporting Standards (IFRS), to the modified cash basis of reporting. In addition, investment management costs, which are a flat 3.5 basis point fee on average annual trust fund balances, are expected to be \$6,000 higher due to higher than anticipated liquidity in the GEF Trust Fund in FY14. Actual cost of legal service was very close to the approved budget level in FY14.

4. The Trustee estimates the expenses to cover the cost of the Sixth Replenishment to be \$315,000. This is \$9,000 lower than the approved Special Initiative of \$324,000.

FY13 Actual Expenses

5. The actual amount of Trustee expenses incurred for FY13 was \$3.44 million including the cost of audit. This is consistent with the expected actual expenditure that was reported to the Council in June 2013.