

Annex A

Agendas and Joint Summaries of the Chairs

GEF/C.1/1
June 15, 1994

GEF COUNCIL MEETING
July 11 - 13, 1994

PROVISIONAL AGENDA

Monday, July 11, 1994

6:30 p.m. Reception (Kennedy Center)

Tuesday, July 12, 1994

8:30 - 9:00	Registration
9:00 - 9:30	Opening of meeting and introduction of Council Members
9:30 - 9:45	Election of Chairperson
9:45 - 10:00	Adoption of agenda
10:00 - 10:15	Appointment of CEO
10:15 - 10:45	Coffee
10:45 - 12:30	Proposed Statement of Work for the Council
12:30 - 2:30	Lunch ¹
2:30 - 4:00	Proposed Statement of Work (continued)
4:00 - 4:30	Coffee
4:30 - 6:30	Draft Rules of Procedure

¹ A lunch will be organized for Council Members and Alternates.

Wednesday, July 13, 1994

8:30 - 10:00	Draft Rules of Procedure (continued)
10:00 - 10:30	Coffee
10:30 - 12:00	Discussion of STAP Issues Paper
12:00 - 12:30	Other business
12:30 - 2:30	Lunch
2:30 - 4:00	Chairman's report on pilot phase <ul style="list-style-type: none">• Review of project proposals• Other pilot phase business
4:00 - 4:30	Coffee
4:30 - 5:00	Joint summary of elected Chairperson and CEO
5:00 - 5:30	Closing of meeting

**GLOBAL
ENVIRONMENT
FACILITY**

JOINT SUMMARY OF THE CHAIRS

**GEF COUNCIL MEETING
July 12 - 13, 1994**

1. The first meeting of the Council following the adoption of the *Instrument for the Establishment of the Restructured GEF* and the new governance arrangements agreed upon in Geneva, took place in Washington, D.C., on July 12 - 13, 1994. The meeting was opened by Mohamed T. El-Ashry, Chairman of the pilot phase of the GEF. Council Members introduced themselves and their Alternates and advisors.

Election of Chairperson

2. The Council elected Mr. N.K. Singh (India) as its elected Chairperson.

Adoption of agenda

3. The Council adopted the provisional agenda set forth in document GEF/C.1/1.

Appointment of CEO

4. On the basis of the joint recommendation made by the heads of the three Implementing Agencies, the Council appointed Mr. Mohamed T. El-Ashry to serve for three years as the Chief Executive Officer/Chairperson of the Facility.

Proposed Statement of Work for the Council

5. The Council reviewed the proposed schedule of work for the Council during the next twelve months (document GEF/C.1/2). In reviewing the document, the Council agreed:
 - a. the regular meetings of the Council would be held semi-annually in April and October of each calendar year;
 - b. during its first year of meetings (July 1994 to July 1995), the Council would meet quarterly;

- c. the two-track approach proposed in the document was considered useful, and would facilitate a balance between strategic policy development and operational activities. It was felt that quality projects should be presented to the Council after these have been carefully designed and prepared;
 - d. the GEF should seek close, collaborative and active relationships with the Climate Change and Biodiversity Conventions;
 - e. the Council at its meeting in October 1994 should give high priority to reviewing and, if possible, adopting guidelines on the project cycle. The project cycle should consider, among other things, the issue of country coordination and the policies of the Implementing Agencies concerning information disclosure and consultation with, and the participation as appropriate of, non-governmental organizations and local communities in the preparation and implementation of projects;
 - f. at its meeting in October 1994, the Council should consider, in addition to the items proposed in Annex 1 of the document, a preliminary policy paper on incremental costs; a checklist addressing the recommendations set forth in the Independent Evaluation of the GEF; and a preliminary issues paper on land degradation (desertification and deforestation). If necessary, it could postpone the consideration of the preliminary issues paper on Climate Change until the Council meeting in January 1995;
 - g. as an input to the development of an operational strategy, each Implementing Agency is invited to submit, through the Secretariat, a paper that discusses its strategy for fulfilling the responsibilities assigned to it in the Instrument;
 - h. in developing the operational strategies in the four substantive areas the objectives of the Desertification Convention should be taken into account;
 - i. in developing the operational strategies, in particular those for Climate Change, International Waters and Biodiversity, the recommendations of the Conference on Small Island Developing States should also be taken into account; and
 - j. the Secretariat should update and resubmit for Council consideration the paper which addresses the issue of broad range interaction of non-governmental organizations with the GEF.
6. The Secretariat was advised to review the proposed dates of the Council meetings to avoid conflicts with other international meetings concerned with environment and development issues.
7. It was agreed that the Secretariat should prepare a note that more specifically addresses the second track of the work program. This note would include interim guidance for the size of initial financial commitments, type of project/activities to be funded, how "incremental

costs" will apply, and distribution among focal areas. In preparing the note the Secretariat would take into account the discussions held at the meeting, and would undertake intensive consultations with the Members, the Secretariats of the Conventions and the Implementing Agencies. The Secretariat will circulate the note well in advance of the next meeting with a request for written comments. On the basis of the comments received the Secretariat will prepare a revised note for consideration at the next Council meeting.

Draft Rules of Procedure

8. The Council reviewed the draft Rules of Procedure (document GEF/C.1/3) prepared by the Secretariat. In reviewing the rules, agreement was reached on the following major amendments:
 - a. paragraph 2 would be revised to include definitions of "participate", "attend", and "observe";
 - b. paragraph 6 would specify that the CEO may call special meetings of the Council after consultation with the Members;
 - c. the notice of the date and place of each regular meeting will be given by the CEO eight weeks prior to the meeting, and the notice of the date and place of each special meeting will be given four weeks prior to the meeting;
 - d. the Member and Alternate may be accompanied by two advisors;
 - e. representatives of the Desertification Convention and the Montreal Protocol will be invited to attend the Council meetings; and
 - f. documentation for the Council meetings would be distributed to all those invited to the meeting in accordance with paragraphs 8 to 13 of the proposed rules of procedure. In accordance with paragraph 9, this would include all Participants in the GEF.
9. The Secretariat will revise the draft rules on the basis of the discussions during the meeting. The revised rules will be transmitted to all those invited to attend the Council meetings six weeks prior to the next Council meeting with a request that comments on the rules be submitted to the Secretariat before the next Council meeting.

Technical Note on NGO relations with the GEF

10. In connection with its discussion on the proposed rules of procedure the Council reviewed the technical note on NGO relations with the GEF (GEF/C.1/4)). In reviewing the document, the Council agreed that:

- a. NGOs have played an important and creative role in the GEF, and this must be sustained and fostered;
- b. the NGO consultations conducted during the GEF pilot phase proved very useful and need to be continued;
- c. Council Members generally felt that semi-annual consultations are appropriate, and several Members also noted the value of regional consultations in addition to such consultations;
- d. with a few exceptions, the Council widely felt that NGOs should be invited to observe Council meetings and that somewhere in the order of 8 NGO observers may be considered appropriate for this purpose; and
- e. constraint of funds should not act as a constraint for effective NGO participation in consultative meetings, especially for recipient country NGOs. While some Members expressed a preference for providing funds through the Small Grants Programme, it was broadly considered that it would better promote efficiency of resources and enable the monitoring of its optimal use if the funds for consultations are provided from the Secretariat's administrative budget. Several Members expressed a preference for the use of voluntary funds in financing the consultations.

Discussion of the Pilot Phase Work Program

11. The Council reviewed the work program for the Pilot Phase and endorsed the work program subject to comments made at the meeting. It was agreed that written comments may be provided by Members to the Secretariat within the next four weeks.

Discussion of STAP Issues Paper

12. UNEP provided a briefing to the Council on the issues paper on STAP. It was agreed that Members may provide additional comments on the draft issues paper within four weeks.

Members generally shared the feeling that the challenges and responsibilities enjoined on the Council would require continued close cooperation and support, not only among themselves and the constituencies they represent, but also with all implementing and executing agencies, COPs and secretariats of the Conventions, NGOs and the private sector. Such cooperation is needed in order to enable the GEF to fulfill its promise and meet these daunting challenges.

GEF COUNCIL MEETING
November 1-3, 1994

GEF/C.2/1
October 21, 1994

PROVISIONAL AGENDA

1. Opening of meeting
2. Election of Chairperson
3. Adoption of agenda
4. Statements on behalf of Biological Diversity and Climate Change Conventions followed by questions and answers
5. Draft Rules of Procedure for the GEF Council
6. Question of NGO Observers at Council Meetings and NGO Consultations
7. Proposed GEF Project Cycle
8. Role and Mandate of STAP
9. Guidance for Programming GEF Resources in 1995
10. Incremental Costs and Financing Policy Issues
11. Issues concerning administrative budget management
12. Follow-up to recommendations set forth in the Independent Evaluation of the GEF pilot phase
13. Scoping of GEF activities concerning International Waters
14. Preliminary Issues relating to GEF activities concerning Land Degradation
15. Other business
16. Joint Summary of the Chairs

**GLOBAL
ENVIRONMENT
FACILITY**

December 22, 1994

**JOINT SUMMARY OF THE CHAIRS
GEF COUNCIL MEETING**

NOVEMBER 1-3, 1994

OPENING OF THE MEETING

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

ELECTION OF CHAIRPERSON

2. The Council elected Mr. Lennart Bage (Sweden) as its elected Chairperson.

ADOPTION OF THE AGENDA

3. The Council adopted the provisional agenda set forth in document GEF/C.2/1.

**STATEMENTS ON BEHALF OF BIOLOGICAL DIVERSITY AND CLIMATE CHANGE CONVENTIONS
FOLLOWED BY QUESTIONS AND ANSWERS**

4. Statements were made to the Council by Ms. Angela Cropper, Executive Secretary, Interim Secretariat for the Convention on Biological Diversity, and Mr. Michael Zammit Cutajar, Executive Secretary, Interim Secretariat for the Framework Convention on Climate Change. The two representatives responded to questions from Council Members after their statements. Mr. Jurgen Holst, Senior Economic Affairs Officer, UN DPCSD, also made a statement to the Council on behalf of the Commission on Sustainable Development.

DRAFT RULES OF PROCEDURE FOR THE GEF COUNCIL

5. The Council continued its review of the draft Rules of Procedure for the GEF Council which it had begun at its first meeting. The Council had before it a revised draft of the rules that had been prepared by the Secretariat on the basis of the discussions during the first Council meeting (document GEF/C.1/3/Rev. 1). At its session on November 3, 1994, the Council

adopted its rules of procedure. The adopted rules are appended to this summary. In reviewing and revising the rules, the following clarifications and interpretations were made.

6. The Council agreed that it was not necessary to include in the rules a definition of "consensus", since paragraph 25(b) of the Instrument for the Establishment of the Restructured GEF addressed this issue.
7. With regard to paragraph 8, the Council agreed to maintain the paragraph as agreed in July: two advisors may accompany each Council Member. In explaining this rule, it was noted that a number of possibilities had been explored for ensuring that the meeting was as open as possible while maintaining a business-like culture for the Council proceedings. There was no limit on the number of representatives who could register at the meeting. The number of Members, Alternates, and advisors was concerned with the format and number of representatives in the meeting room. Members were free to rotate the individuals advising him/her at the meeting.
8. In discussing Section X of the Rules, "Languages", the CEO/Chair explained to the meeting the practice of the Secretariat. Documents for GEF Council meetings will be prepared in English. Interpretation at the meetings will be available in English, French and Spanish. Correspondence and other incoming communications can be submitted to the Secretariat in any of the three languages. Important documents, such as the *Instrument for the Establishment of the GEF*, and general information on the GEF are available in the three languages. This will include final Council documents on substantive operational matters, such as the GEF Annual Report, Rules of Procedure or the GEF Project Cycle, once the Council had approved such documents. In addition, documentation concerning projects will be translated into the appropriate language or languages for those interested in the project at the local and national level. The Secretariat was requested to prepare a note on this matter for the Council's review and approval.
9. In reviewing the section on "Interventions", the Council agreed to delete paragraph 26 on the understanding that all speakers would need to be invited by the Chair to take the floor before addressing the Council.

QUESTION OF NGO OBSERVERS AT COUNCIL MEETING AND NGO CONSULTATIONS

10. The Council continued the review it began at its first meeting of this issue, and adopted the decision appended to this summary.
11. In accordance with the decision, the Secretariat is requested to prepare, in consultation with NGO's, more specific criteria for the selection of NGO representatives to attend or observe Council meetings. Such criteria should be based on the general principles of broad-based representation and of self selection of NGO's. The Council is to review and approve the criteria at its third session.

PROPOSED GEF PROJECT CYCLE

12. The Council reviewed the proposed GEF Project Cycle and requested that, in light of its decision to approve an interim project cycle, a summary of the key steps and decision points in the interim project/program cycle be provided. This together with a summary of understandings on the "interim" guidance on the implementation of the GEF project/program cycle are attached.

PRELIMINARY ISSUES RELATING TO GEF ACTIVITIES CONCERNING LAND DEGRADATION

13. Mr. Hama A. Diallo, Executive Secretary, Interim Secretariat of the United Nations Convention to Combat Desertification made a statement to the Council and responded to questions from the Members.

DECISIONS OF THE COUNCIL

14. The Decisions approved by the Council are appended to this summary.

CLOSURE OF THE MEETING

15. The meeting was closed by the Chairs on November 3, 1994.

APPENDIX TO CHAIRS' JOINT SUMMARY

COUNCIL DECISIONS

Decision on Agenda Item 5

Draft Rules of Procedure for the GEF Council

At its second meeting, after reviewing draft Rules of Procedure, the Council adopted the attached Rules of Procedure for the GEF Council.

Decision on Agenda Item 6

*Question of NGO Observers at Council Meetings and
NGO Consultations*

At its second meeting, the Council considered the issue of NGO representation at Council meetings and NGO consultations. In this regard, the Council decided:

Council Meetings:

- a. For purposes of paragraph 13 of the Council's rules of procedure, the CEO shall invite five NGO representatives to attend Council meetings and five NGO representatives to observe the meetings. Such representatives will be invited to attend or observe, as the case may be, Council discussions on all agenda items except those considered in executive session as provided for in paragraph 14 of the rules of procedure. The GEF administrative budgets should always be considered in executive session as well as decisions on amendments to the rules of procedure. Since the administrative budget will be on the agenda of each Council meeting, either for approval or review, an executive session should be scheduled for each meeting. The executive session could also be used by the Chair to take decisions relating to the allocation of funds.
- b. The Council invites the Secretariat, in consultation with NGOs, to develop criteria for selection of NGO representatives to attend or observe Council meetings. Such criteria should be based on the principles of regional representation and of self selection by the NGOs, taking into account the GEF thematic scope. The Secretariat should submit proposed criteria to the Council for review and approval at its third meeting.
- c. The cost of NGO attendees from recipient countries should be provided for in the administrative budget of the GEF Secretariat. Such financing should be clearly identified in a separate line item in the budget. In accordance with paragraph 20(j) of the *Instrument for the Establishment of the Restructured GEF*, the Secretariat's budget will be approved by the Council.

NGO Consultations:

- d. The Council requests the Secretariat to prepare a paper on NGO consultations for consideration at its third meeting in January 1995. The paper should elaborate further on the information presented in the *Technical Note on NGO Relations with the GEF* (document GEF/C.1/4) and in particular should address the scope of such consultations, cost implications and other modalities for their organization.
- e. Pending a decision on the scope and funding of NGO consultations, the Council requests the CEO to convene an NGO consultation in accordance with pilot phase practice prior to the Council meeting in January 1995.

Decision on Agenda Item 7

Proposed GEF Project Cycle

The Council reviewed document GEF/C.2/3, *Proposed GEF Project Cycle*, and agreed that further work should be undertaken in light of the discussions and a revised paper submitted to the fourth Council meeting in April. Members were invited to submit written comments to the Secretariat by December 1, 1994. Pending the adoption of a final project cycle, the Council agreed that projects could be developed in accordance with the interim project cycle as revised by the Council and attached to this decision.

The Council agreed that the Secretariat should establish the Project Development Facility (PDF) with an initial allocation of \$15 million. The Secretariat was requested to submit to the Council meeting in January 1995 a note further elaborating on the PDF, including criteria for the selection of projects, monitoring of resource allocations, Implementing Agencies best practice on project preparation funding during the project cycle, and regular reporting on PDF activities. It was agreed that no Block C funds would be committed until the Council had reviewed the paper on the PDF at its January meeting.

Decision on Agenda Item 8

Role and Mandate of STAP

The Council reviewed document GEF/C.2/4, *Role and Mandate of STAP*. The Council invited UNEP to revise the paper on the basis of its discussions. UNEP is also requested to proceed with the establishment of STAP on the basis of Option 3 in the paper and the comments made during the Council review. STAP, once established, is requested to propose for Council approval criteria to guide the selective review of projects by STAP.

Decision on Agenda Item 9

Guidance for Programming GEF Resources in 1995

The Council reviewed the proposed programming guidance in document GEF/C.2/5 for the three program components. Notwithstanding reservations expressed by certain Members on certain aspects of the document, the Council expressed general support for the ranges of funding. The Council agreed that the funding levels are programmatically oriented and are indicative figures, not targets. There should be flexibility in the allocation of funds within ranges and between focal areas. The Council approved continued funding for the Small Grants Program subject to the conclusions of an independent review of its pilot phase activities. In addition, international waters should be

included under enabling activities. When operational strategies for international waters and land degradation activities are approved by the Council, funding for priority activities would be included in 1995 programming. The Secretariat was requested to inform the Conferences of the Parties to the Convention on Biological Diversity and the Framework Convention on Climate Change of the Council's approach to programming of GEF resources in each of the relevant focal areas in 1995 and to invite the Conference of the Parties to consider the categories of activities selected for implementation.

Decision on Agenda Item 10

Incremental Costs and Financing Policy Issues

The Council did not review the document prepared for this agenda item, but Members were invited to submit written comments to the Secretariat by December 1, 1994. It was agreed that this matter should be included on the agenda of a future Council meeting.

Decision on Agenda Item 11

Issues concerning administrative budget management

The Council reviewed document GEF/C.2/7, *Issues Concerning Administrative Budget Management*, and Members were requested to submit additional comments in writing to the Secretariat by December 1, 1994. During its review, the Council expressed its serious concern with the proposed budgets for the administrative expenditures of the Implementing Agencies for FY95 as presented in Annex C to the document. The Council noted, in particular, that it was unable to judge whether the proposed increases in expenditures were warranted, since the Council did not have before it any information to justify such increases.

The Council requests that a full consideration and approval of FY95 administrative budgets be included on the agenda for the next Council meeting. In order to assist the Council in its deliberations, the Secretariat is requested to prepare a detailed analysis of the administrative expenditures and requirements of each of the Implementing Agencies and the Secretariat and to recommend a process for ensuring regular planning, review and analysis of administrative expenditures. The Implementing Agencies are requested to provide the Secretariat with detailed information and supporting documentation so as to enable the Secretariat to assess their proposed expenditures. In providing such information, the Implementing Agencies are requested to breakdown the information in accordance with the budget categories proposed for FY96 on page 4 of document GEF/C.2/7 with a view to facilitating an assessment of specific categories of expenditures and an identification of opportunities for cost savings among the Agencies.

Pending the Council's review and approval of FY95 administrative budgets, the Implementing Agencies are requested not to exceed the levels of administrative expenditures for FY94 by more than 10%, excluding those administrative expenditures relating to the establishment of the new STAP, but not the STAP secretariat, according to the guidance of the Council at this meeting.

Decision on Agenda Item 12

Follow-up to recommendations set forth in the Independent Evaluation of the GEF pilot phase

The Council reviewed document GEF/C.2/8, *Follow-up to Recommendations Set Forth in the Independent Evaluation of the GEF Pilot Phase*. Council Members were invited to submit written

comments on the document to the Secretariat by December 1, 1994. The Council agreed that it would be useful to keep the response to the recommendations of the Evaluation under review through regular reports to the Council, including a more analytical report in July 1995, and the Secretariat was requested to reflect the recommendations in its work on developing GEF policy for Council consideration. The Secretariat and the Implementing Agencies were requested to take the recommendations fully into account as they develop and implement the operational activities of the GEF.

Decision on Agenda Item 13

*Scoping of GEF activities concerning
International Waters*

The Council provided initial comments on the document GEF/C.2/9, *Scoping of GEF Activities concerning International Waters*. Further written comments were invited by December 1, 1994. The Secretariat was requested to revise the scoping paper on the basis of the discussions of the Council and the comments received in writing, and to submit the revised text and an operational strategy for consideration and approval by the Council at its third meeting.

Decision on Agenda Item 14

*Preliminary Issues relating to GEF activities
concerning Land Degradation*

The Council provided comments on the document GEF/C.2/10, *Preliminary Issues relating to GEF Activities concerning Land Degradation*. Further written comments were invited by December 1, 1994. The Secretariat was requested to revise the paper on the basis of the discussions of the Council and the comments received in writing, and to submit the revised text and an operational strategy for consideration and approval by the Council at its third meeting.

Decision on Agenda Item 15

Other business

*Response to Decision 10/3 of the Intergovernmental Negotiating Committee for a Framework
Convention on Climate Change at its Tenth Session*

The Council reviewed the document including the draft report. The Council approved the report for submission to the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change at its eleventh session in February 1995.

*Information Note on Collaboration between the World Bank and the Regional Development
Banks in GEF Implementation: A Status Report*

The Council reviewed the information document, and requested the Secretariat to prepare a paper on the relationship, including the monitoring of GEF resources, between Implementing Agencies and executing agencies identified in paragraph 28 of the Instrument for consideration at its meeting in January 1995.

ATTACHMENT TO DECISION ON AGENDA ITEM 5

RULES OF PROCEDURE FOR THE GEF COUNCIL

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INTRODUCTION

These rules provide the procedures that will be applied by the Council of the Restructured Global Environment Facility in the conduct of its business. The rules were adopted by the Council at its meeting on November 3, 1994. These rules complement the ones contained in the Instrument for the Establishment of the Restructured Global Environment Facility, accepted by representatives of the States participating in the GEF at their meeting in Geneva, Switzerland, from March 14 to 16, 1994, and subsequently adopted by the Implementing Agencies. The rules that are drawn from the Instrument are presented in this text in boxes with a reference to the appropriate paragraph of the Instrument. It should be noted that the text cited in the boxes is not necessarily the complete text of the referenced paragraph.

I. SCOPE

1. These rules of procedure shall apply to the conduct of business of the Council of the restructured Global Environment Facility.

II. DEFINITIONS

2. For the purposes of these rules:

- a. "Instrument" means the Instrument for the Establishment of the Restructured Global Environment Facility, accepted by representatives of the States participating in the GEF at their meeting in Geneva, Switzerland, from March 14 to 16, 1994, and subsequently adopted by the Implementing Agencies.
- b. "GEF" means the restructured Global Environment Facility established in accordance with, and for the purposes set forth in, the Instrument.
- c. "Council" means the Council of the GEF established in accordance with paragraphs 11 and 15 to 20 of the Instrument.
- d. "Elected Chairperson" means the Member elected Chairperson by the Council for the duration of a meeting in accordance with paragraph 18 of the Instrument.
- e. "CEO" means the Chief Executive Officer/Chairperson of the Facility appointed by the Council in accordance with paragraph 21 of the Instrument.
- f. "Chair" means the Elected Chairperson and/or the CEO, as the case may be, who is responsible for conducting the deliberations of the Council meeting in accordance with paragraph 18 of the Instrument.
- g. "Trustee" means the International Bank for Reconstruction and Development (IBRD or World Bank) acting as Trustee of the GEF Trust Fund in accordance with paragraph 8 of the Instrument.
- h. "Implementing Agencies" means the United Nations Development Programme (UNDP), the United Nations Environment Programme (UNEP) and the World Bank in accordance with paragraph 22 of the Instrument.
- i. "Secretariat" means the Secretariat of the GEF established in accordance with paragraph 21 of the Instrument.
- j. "Participants" means States which have become Participants in the GEF in accordance with paragraph 7 of the Instrument.

- k. "GEF Trust Fund" means the trust fund established in accordance with paragraph 8 of the Instrument.
- l. "GET" means the Global Environment Trust Fund established for the GEF pilot program by Resolution No. 91-5 of the Executive Directors of the World Bank.
- m. "STAP" means the Scientific and Technical Advisory Panel established by UNEP in accordance with paragraph 24 of the Instrument.
- n. "Attend" means that a representative shall be permitted to be present in the Council meeting room and, at the invitation of the Chair, may address the Council.
- o. "Observe" means that a representative shall be permitted to observe the Council proceedings from a viewing room. At the invitation of the Chair, an observer may address the Council.
- p. "Meeting" means any regular or special meeting of the Council.
- q. "Session" means a period of a meeting.

III. COUNCIL

Members and Alternates

Paragraph 16 of the Instrument provides:

The Council shall consist of 32 Members, representing constituency groupings formulated and distributed taking into account the need for balanced and equitable representation of all Participants and giving due weight to the funding efforts of all donors. There shall be 16 Members from developing countries, 14 Members from developed countries and 2 Members from the countries of central and eastern Europe and the former Soviet Union, in accordance with Annex E. There shall be an equal number of Alternate Members. The Member and Alternate representing a constituency shall be appointed by the Participants in each constituency. Unless the constituency decides otherwise, each Member of the Council and each Alternate shall serve for three years or until a new Member is appointed by the constituency, whichever comes first. A Member or Alternate may be reappointed by the constituency. Members and Alternates shall serve without compensation. The Alternate Member shall have full power to act for the absent Member.

- 3. In the event that both a Member and his/her Alternate are unable to attend a Council meeting, the Member may designate a temporary Alternate to act for him/her.

4. Except as may be expressly provided otherwise in these rules, any reference in these rules to a Member shall be deemed to include his/her Alternate or temporary Alternate when such Alternate acts for such Member.

Constituencies

Annex E, paragraph 1, of the Instrument provides:

GEF Participants shall be grouped in 32 constituencies, with 18 constituencies composed of recipient countries (referred to as "recipient constituencies"), and 14 constituencies composed principally of non-recipient countries (referred to as "non-recipient constituencies").

Annex E, paragraph 6, of the Instrument provides:

The grouping of constituencies as communicated to the Secretariat, including any adjustments pursuant to paragraph 8 of this Annex, shall be subject to confirmation by the Council after the effective date of the establishment of the GEF Trust Fund, taking into account the instruments deposited in accordance with Annex A to the Instrument.

Annex E, paragraph 8, of the Instrument provides:

Any State that becomes a Participant in accordance with paragraph 7 of the Instrument after the formation of constituencies pursuant to paragraphs 3 to 6 above shall, after consultation with the Participants in the constituency concerned, notify the Secretariat as regards the constituency in which it wishes to be grouped and shall be grouped in that constituency subject to agreement by the Participants in that constituency and subsequent confirmation by the Council at its next meeting.

5. At its first meeting after the effective date of the establishment of the GEF Trust Fund, the grouping of constituencies shall be subject to confirmation by the Council. At any meeting subsequent to notification to the Secretariat by a Member that a Participant has joined the Member's constituency, that notification shall be subject to confirmation by the Council.

IV. MEETINGS

Frequency

Paragraph 17 of the Instrument provides:

The Council shall meet semi-annually or as frequently as necessary at the seat of the Secretariat to enable it to discharge its responsibilities.

6. The CEO shall convene two regular meetings of the Council in each calendar year. Such meetings shall normally be convened in April and October. Special meetings of the Council may be called by the CEO, after consultation with Members, when necessary decisions have to be made that cannot await adoption in a regular meeting or that are not taken pursuant to paragraphs 34 through 36.

7. The CEO shall give notice of the date of each regular meeting of the Council not less than eight weeks prior to the date of such meeting. The CEO shall give such notice for any special meeting of the Council not less than four weeks prior to the date of such meeting. Notice shall be conveyed to all those invited to the meeting in accordance with paragraphs 8 to 13 below.

Attendance

8. Council meetings shall be open to Members, Alternates and the CEO or his/her representative. Two advisors may accompany each Member.

9. Representatives of each of the Participants shall be invited to observe the Council meetings.

10. Representatives of the Implementing Agencies, the Trustee and STAP shall be invited to attend the Council meetings.

11. Consistent with paragraph 27 of the Instrument, representatives of the United Nations Framework Convention on Climate Change and the Convention on Biological Diversity shall, on a reciprocal basis, be invited to attend the Council meetings and, as appropriate, to make a general introductory statement at each regular Council meeting and shall be provided with an opportunity after their statements to respond to questions from Members. In addition, such representatives, subject to paragraphs 25 and 26, may intervene in the discussions of relevant agenda items before the Council.

12. Representatives of the Montreal Protocol on Substances that Deplete the Ozone Layer and its Multilateral Fund, the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, Particularly in Africa, and the United Nations Commission on Sustainable Development shall also be invited to attend the Council meetings.

13. The CEO may, in consultation with the Council, invite representatives of other organizations and entities, including NGOs, to attend or observe the Council meetings.

Executive Sessions

14. Executive sessions of Council meetings may be held by decision of the Council. Executive sessions shall be open to Members, Alternates, advisors, and the CEO or his/her representative. The Council may invite representatives of bodies referred to in paragraphs 10 to 12 to attend an executive session. The CEO may designate an official of the Secretariat to serve as the Secretary of an executive session.

Quorum

Paragraph 17 of the Instrument provides:

Two-thirds of the Members of the Council shall constitute a quorum.

V. AGENDA FOR MEETINGS.

15. A provisional agenda for each regular meeting of the Council shall be prepared by the CEO, and a copy of such provisional agenda, together with the notice of the meeting, shall be transmitted to all those invited to the meeting in accordance with paragraphs 8 to 13 of these rules.

16. Additions to the provisional agenda of a regular meeting may be proposed to the CEO by any Member and incorporated in the final agenda provided that the Member shall give notice thereof to the CEO not less than fourteen days prior to the date fixed for the opening of the meeting. The final agenda for the meeting shall be transmitted by the CEO to all those invited to the meeting in accordance with paragraphs 8 to 13 of these rules seven days prior to the date fixed for the opening of the meeting.

17. An agenda for each special meeting of the Council shall be prepared by the CEO, and a copy of such agenda, together with the notice of the meeting, shall be transmitted to all those invited to the meeting in accordance with paragraphs 8 to 13 of these rules.

18. The Council shall, at the beginning of each meeting, adopt the agenda for the meeting.

19. Any item included on the agenda for a meeting of the Council, consideration of which has not been completed at that meeting, shall, unless the Council decides otherwise, be automatically included on the provisional agenda for the next meeting.

VI. TRANSMITTAL OF DOCUMENTATION

20. The CEO shall transmit the documentation relating to items on the provisional agenda to all those invited to the meeting in accordance with paragraphs 8 to 13 of these rules at least four weeks before the start of a regular meeting and as soon as possible before a special meeting. The CEO shall transmit documentation relating to new items on a final agenda at the time of transmitting that agenda.

VII. ELECTED CHAIRPERSON

Paragraph 18 of the Instrument provides:

At each meeting, the Council shall elect a Chairperson from among its Members for the duration of that meeting.

The position of elected Chairperson shall alternate from one meeting to another between recipient and non-recipient Council Members.

21. For purposes of this paragraph and paragraph 18 of the Instrument, the non-recipient Members shall include the Members from developed countries and the Members from countries of central and eastern Europe and the former Soviet Union. The Members from the group that is entitled to the position of elected Chairperson for any meeting shall nominate a Member to be elected by the Council at that meeting.

22. The elected Chairperson shall serve in the meeting in that capacity, without the right to vote. The Alternate to the Member elected Chairperson shall act for the Member in the meeting. If during the meeting the elected Chairperson should no longer be able to serve in that capacity, the group that is entitled to the position for such meeting shall nominate another Member to serve as elected Chairperson.

VIII. CHIEF EXECUTIVE OFFICER/CHAIRPERSON OF THE FACILITY (CEO)

Paragraph 21 of the Instrument provides:

The CEO shall be appointed to serve for three years on a full time basis by the Council on the joint recommendation of the Implementing Agencies. Such recommendation shall be made after consultation with the Council. The CEO may be reappointed by the Council. The CEO may be removed by the Council only for cause.

IX. SECRETARY OF THE COUNCIL MEETINGS

23. An official of the Secretariat designated by the Chief Executive Officer shall serve as Secretary of the Council meetings.

X. LANGUAGES

24. Interventions shall be made at the Council meetings in either English, French or Spanish and shall be interpreted into the other two languages.

XI. CONDUCT OF BUSINESS

Chair of Deliberations

Paragraph 18 of the Instrument provides:

The elected Chairperson shall conduct deliberations of the Council at that meeting on issues related to Council responsibilities listed in paragraphs 20(b), (g), (i), (j) and (k). The position of elected Chairperson shall alternate from one meeting to another between recipient and non-recipient Council Members. The Chief Executive Officer of the Facility (CEO) shall conduct deliberations of the Council on issues related to Council responsibilities listed in paragraphs 20(c), (e), (f) and (h). The elected Chairperson and the CEO shall jointly conduct deliberations of the Council on issues related to paragraph 20(a).

Paragraph 20 of the Instrument provides:

The Council shall:

- (a) keep under review the operation of the Facility with respect to its purposes, scope and objectives;
- (b) ensure that GEF policies, programs, operational strategies and projects are monitored and evaluated on a regular basis;
- (c) review and approve the work program referred to in paragraph 29, monitor and evaluate progress in the implementation of the work program and provide related guidance to the Secretariat, the Implementing Agencies and the other bodies referred to in paragraph 28, recognizing that the Implementing Agencies will retain responsibility for the further preparation of individual projects approved in the work program;
- (d) arrange for Council Members to receive final project documents and within four weeks transmit to the CEO any concerns they may have prior to the CEO endorsing a project document for final approval by the Implementing Agency;

(cont.)

(cont.)

- (e) direct the utilization of GEF funds, review the availability of resources from the GEF Trust Fund and cooperate with the Trustee to mobilize financial resources;
- (f) approve and periodically review operational modalities for the Facility, including operational strategies and directives for project selection, means to facilitate arrangements for project preparation and execution by organizations and entities referred to in paragraph 28, additional eligibility and other financing criteria in accordance with paragraphs 9(b) and 9(c) respectively, procedural steps to be included in the project cycle, and the mandate, composition and role of STAP;
- (g) act as the focal point for the purpose of relations with the Conferences of the Parties to the conventions referred to in paragraph 6, including consideration, approval and review of the arrangements or agreements with such Conferences, receipt of guidance and recommendations from them and compliance with requirements under these arrangements or agreements for reporting to them;
- (h) in accordance with paragraphs 26 and 27, ensure that GEF-financed activities relating to the conventions referred to in paragraph 6 conform with the policies, program priorities and eligibility criteria decided by the Conference of the Parties for the purposes of the convention concerned;
- (i) appoint the CEO in accordance with paragraph 21, oversee the work of the Secretariat, and assign specific tasks and responsibilities to the Secretariat;
- (j) review and approve the administrative budget of the GEF and arrange for periodic financial and performance audits of the Secretariat and the Implementing Agencies with regard to activities undertaken for the Facility;
- (k) in accordance with paragraph 31, approve an annual report and keep the UN Commission on Sustainable Development apprised of its activities; and
- (l) exercise such other operational functions as may be appropriate to fulfill the purposes of the Facility.

Interventions

25. Debate shall be confined to the question before the Council, and the Chair may call a speaker to order if his/her remarks are not relevant to the subject under discussion.

26. With the consent of the Council, the Chair may limit the time allowed to speakers and the number of times a speaker may speak on any question.

Closure of list of speakers

27. During the course of a debate, the Chair may announce the list of speakers and, with the consent of the Council, declare the list closed. When there are no more speakers on the list, the Chair shall declare the debate closed.

XII. DECISIONS OF THE COUNCIL

Paragraph 25(b) of the Instrument provides:

Decisions of the Council shall be taken by consensus. In the case of the Council if, in the consideration of any matter of substance, all practicable efforts by the Council and its Chairperson have been made and no consensus appears attainable, any Member of the Council may require a formal vote.

Paragraph 25(c) of the Instrument provides:

Unless otherwise provided in the Instrument, decisions requiring a formal vote by the Council shall be taken by a double weighted majority, that is, an affirmative vote representing both a 60 percent majority of the total number of Participants and a 60 percent majority of the total contributions.

Each Member of the Council shall cast the votes of the Participant or Participants he/she represents. A Member of the Council appointed by a group of Participants may cast separately the votes of each Participant in the constituency he/she represents.

For the purpose of voting power, total contributions shall consist of the actual cumulative contributions made to the GEF Trust Fund as specified in Annex C to the Instrument and in subsequent replenishments of the GEF Trust Fund, contributions made to the GET, and the grant equivalent of co-financing and parallel financing made under the GEF pilot program, or agreed with the Trustee, until the effective date of the GEF Trust Fund. Until the effective date of the GEF Trust Fund, advance contributions made under paragraph 7(c) of Annex C of the Instrument shall be deemed to be contributions to the GET.

28. The Chair shall ascertain a consensus. Whenever decisions require a formal vote, the written text of the motion shall be distributed to all Members. Except in the case of a proposed decision transmitted in accordance with provided in paragraphs 34 to 36, a formal vote shall only be taken at the Council meeting succeeding the meeting at which the written motion is distributed.

29. If an amendment to a proposal before the Council is presented by a Member or Members, voting shall take place first on this amendment. In case of more than one amendment, voting shall take place first on the amendment furthest removed from the original proposal.

Method of voting

30. Voting shall be by roll-call, which shall be taken in alphabetical order of the names of the Members, beginning with the Member whose name is drawn by lot by the Chair. The name of each Member shall be called in all roll-calls, and he/she shall indicate the votes ("yes" or "no"), abstention or non-participation of the Participants in the constituency.

31. Votes cast by each Member on behalf of each Participant participating in a roll-call shall be recorded in the Chairs' joint summary of the meeting.

Conduct of voting

32. The Chair shall announce the start of voting, after which no one shall be permitted to intervene until the results of the vote have been announced, unless an issue is raised in connection with the process of voting.

33. Members may, before the announcement of the start of voting or after the results of the vote have been announced, make brief statements consisting solely of explanation of their votes.

Decisions without Meeting

34. Whenever, in the judgment of the CEO, a decision must be taken by the Council which should not be postponed until the next regular meeting of the Council but does not warrant the calling of a special meeting of the Council, the CEO shall transmit to each Member by any rapid means of communication a proposed decision with an invitation to approve the decision on a no objection basis. Such communication shall also be transmitted to all those who would be invited to a meeting in accordance with paragraphs 8 to 13.

35. Each Member's comments on the proposed decision on behalf of his/her constituency shall be sent to the CEO during such period as the CEO may prescribe, provided such period is not less than two weeks.

36. At the expiration of the period prescribed for comments, the decision shall be approved unless there is an objection. If there is an objection raised by any Member or if replies are not received from at least two-thirds of the Members, the CEO shall include consideration of the proposed decision as an item on the agenda for the next meeting of the Council. The CEO shall

notify all those that received the communication referred to in paragraph 34 of the action he/she takes pursuant to this paragraph.

XIII. RECORD OF THE MEETING

37. Before the end of each meeting, the Chairs shall present a joint summary of the main discussions and conclusions of the meeting. Any decision approved by the Council at a meeting shall be appended to the Chairs' joint summary. The Chairs' joint summary and the Council decisions shall be a public document.

38. The Secretariat will arrange for sound recordings of the proceedings of each meeting. The sound recordings of the meetings of the Council shall be kept by the Secretariat.

XIV. AMENDMENTS TO THE RULES

39. These rules may be amended by consensus of the Council.

XV. OVERRIDING AUTHORITY OF THE INSTRUMENT

40. In the event of any conflict between any provision of these rules and any provision of the Instrument, the provisions of the Instrument shall prevail.

ATTACHMENT TO DECISION ON AGENDA ITEM 7

INTERIM PROJECT CYCLE

STEPS AND DECISION POINTS IN THE "INTERIM" PROJECT/PROGRAM CYCLE

- * Council approves establishment and policy framework for PDF taking fully into account this Interim Project Cycle and the Council decision on the project cycle.

Phase One Steps (project concept to work program submission):

- * Government endorses and/or approves project/program concept(s) and their preparation. Subject to Government approval, PDF funds could be used for this purpose.
- * GEFOP recommends allocations for further development of project concept and project/program development. Secretariat approves allocations.
- * Government endorses project proposal prior to presentation to GEFOP for consideration with a view to including the proposal in the joint work program.
- * STAP is member of GEFOP and, through its expert roster, reviews each project/program to determine technical and scientific soundness of project concepts and proposals. STAP chair provides report to Council.
- * Council approves work program submission including all project/program proposals in work program.

Phase Two Steps (approval by Council of project/program proposal to final Implementing Agency approval)

- * Implementing Agency follows own rules with respect to approval of projects.
- * Government endorses final project document before submission to CEO for his/her endorsement.
- * Council can review project prior to final approval if at least four Members request.

Phase Three Steps (from project approval to project completion)

- * Responsibility for project implementation rests typically with country-level institution, agency or company.
- * Implementing Agencies are responsible for supervision of projects.
- * Secretariat, in collaboration with Implementing Agencies, reviews each year all projects in the GEF portfolio with a view to determining progress, status of implementation and proposed project modifications. The review also assists Secretariat in assessing the effectiveness of its Operational Policy Guidelines (OPGs). Findings of the review are incorporated into a GEF Annual Report submitted to Council for review and approval.

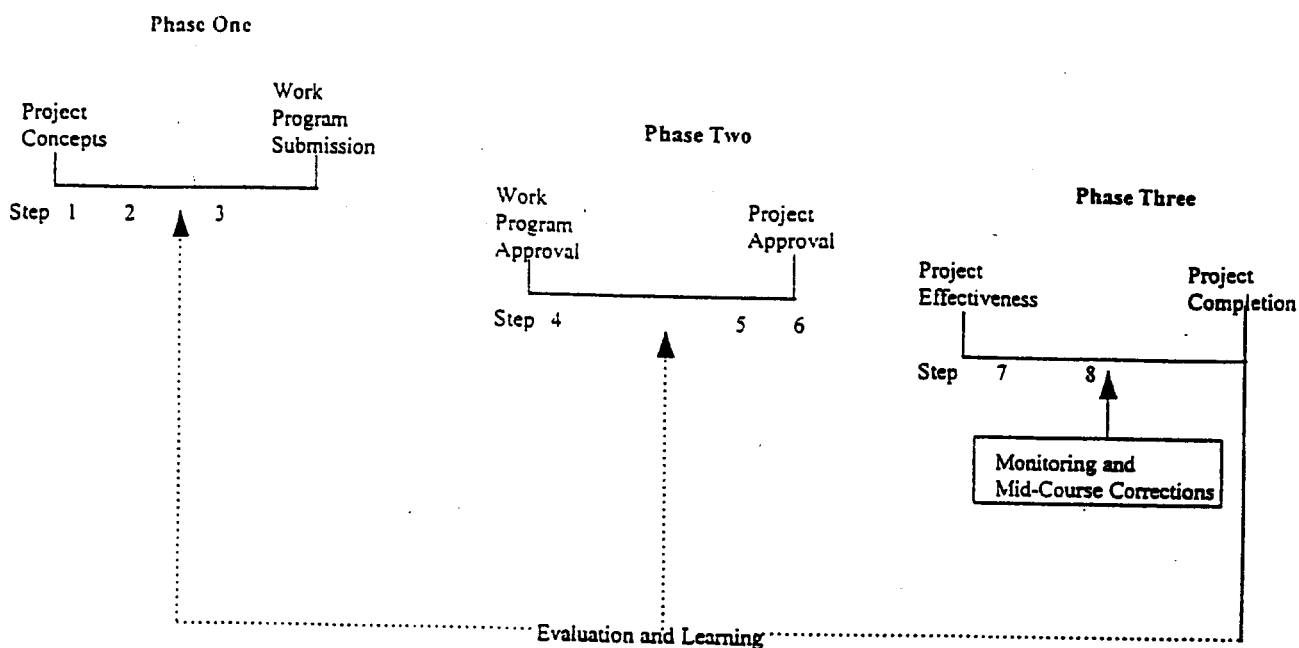
Monitoring and evaluation

- * Council will approve a paper on Monitoring and Evaluation (M&E) Guidelines throughout the "interim" Project Cycle. M&E reports will be available to Council.

Operational Policy Guidelines (OPGs)

- * Secretariat will prepare and issue OPGs to provide guidance to Implementing Agencies on minimum standards for GEF operations which will be applied by the Implementing Agencies in a manner consistent with their own operational policies and directives.
- * Council will, in the context of its discussion of the Annual Report, review the effectiveness and direction of the OPGs.
- * For the "interim" Project Cycle OPGs will be issued on those items noted in the Project Cycle paper. OPGs will be sent to Council for information.

Project/Program Cycle



MAIN PROJECT/PROGRAM CYCLE PROCEDURAL STEPS:

1. **Government** endorses/approves project concept and project proposal prior to inclusion in the Work Program. PDF may be used to assist in concept development.
2. **GEFOP** recommends and **Secretariat** approves allocations of PDF funds as appropriate.
3. (a) **STAP**, through its expert roster, provides objective technical and scientific review of project proposals.
(b) **GEFOP** (Secretariat, Implementing Agencies, STAP, Chair, COP secretariats as appropriate) reviews project proposal submissions together with technical reviews (3a above) and decides which projects should be included in six monthly Work Program which is submitted to Council.
4. Council approves Work Program at its regular (six monthly) meetings. Work Program consists of project proposals and associated STAP roster technical and scientific reviews; **STAP** briefs Council every meeting.
5. **CEO** endorses final project document. Council may also review if required (see: Instrument, Article 30).
6. **Implementing Agency** approves final project document under its own procedures.
7. **National Executing Agency(s)** (Governments, private companies, NGOs, other bodies) execute project. Implementing Agency supervises and monitors project.
8. **Secretariat** undertakes annual implementation review to assess status of GEF portfolio. Findings are included in GEF Annual Report. Council reviews and approves Annual Report and provides Secretariat with guidance on GEF operational policies.

**UNDERSTANDINGS ON THE "INTERIM" GUIDANCE
ON THE IMPLEMENTATION OF THE GEF PROJECT/PROGRAM CYCLE**

1. Council reviewed the paper "the GEF Project Cycle" and noted that it presents a useful framework. However, the GEF project/program cycle will continue to evolve over time and continued development, clarification and modifications will be needed. Therefore Council has agreed to the following interim guidance pending a final decision on the project cycle.

A. The Central Importance of a "Country Driven" Project/Program Cycle

2. The two key aspects of a "country driven" project cycle are:
- (i) all project concepts under review for GEF funding must be endorsed and/or approved by the host government.
 - (ii) all project concepts and proposals must "fit" into a national strategic framework and be considered by government as a priority. Such proposals could be developed through a national consultative process.
 - (iii) in the case of regional and global projects, the commitment of countries to regional/global objectives, institutions and/or frameworks would be stressed.

B. Phases of the Interim Project Cycle

3. The three phases are:

*** Phase One (Preparation):**

Project Development Fund to be established provided that

- * priority is given to the development and appropriate distribution of the GEF information kit.
- * eligible expenditure items are clearly identified and are linked to in-country project development expenditures and do not substitute for Implementing Agency and/or executing agency administrative overhead.
- * funding thresholds of \$50,000 for Block A components, \$350,000 for Block B components and \$1 million for Block C components are treated as "ceilings" not entitlements and that Implementing Agencies program such funds efficiently.
- * PDF funds could also be utilized by national entities to prepare programs in order that GEF funded activities are clearly linked to national programs and priorities.

- * \$15 million be allocated initially to the PDF but that at the end of its first year of operation the PDF be comprehensively reviewed and evaluated.
 - * at each meeting Council be informed of progress and status of implementation of the PDF.
 - * the period between project initiation and approval within the work program be kept under continuous review with a view to expediting project preparation to the greatest extent possible and to eliminating bottlenecks.
 - * Secretariat consults with Implementing Agencies and then develops and issues the relevant OPGs.
- * Phase Two (Project Approval):
- * each implementing agency will conduct the project approval process according to its own rules and consistent with Article 30 of the Instrument with respect to endorsement by CEO and review by Council prior to final project approval.
- * Phase Three (Implementation):
- * an annual review of project performance will be undertaken by the Secretariat during the first year of the "interim" project cycle. The results will be incorporated into the Annual Report of the GEF for discussion and approval by Council.
- C. Monitoring and Evaluation**
- * A Monitoring and Evaluation paper will be sent to Council for consideration and approval at its Fourth meeting. The paper will propose evaluation criteria applicable to all aspects of the project Cycle and, once approved, will be implemented.
- D. The role of STAP**
- * Secretariat will ensure that STAP's role in the "interim" project cycle fully conforms to the Council agreements reached with respect to the paper " the Role and Mandate of STAP".
- E. The role of the GEF Operations Committee (GEFOP)**
- * GEFOP will be established immediately.
 - * GEFOP will include representatives of each Implementing Agency and the Chairperson (or his/her designate) of STAP.
 - * representatives of the Biological Diversity Convention and of the Climate Change Convention will be invited to attend all relevant GEFOP meetings.

GEF COUNCIL MEETING
February 22-24, 1995

GEF/C.3/1
December 20, 1994

PROVISIONAL AGENDA

1. Opening of the meeting
2. Election of the Chairperson
3. Adoption of the agenda
4. Statements on behalf of Biological Diversity and Climate Change Conventions followed by questions and answers
5. Statement on behalf of NGOs participating in the NGO consultation
6. Projects proposed for Council approval
7. Administrative Budget of the GEF for 1995 ¹
8. Project Development and Preparation Facility (PDF)
9. Criteria for selection of NGOs to attend/observe Council meetings and information on NGO consultations
10. Scope and preliminary operational strategy for International Waters
11. Scope and preliminary operational strategy for Land Degradation
12. Accountability of Implementing Agencies for activities of executing agencies
13. Report by the GEF to first Conference of the Parties of the Framework Convention on Climate Change
14. Other business
15. Joint summary of the Chairs

¹ This item will be considered in Executive Session on Thursday morning, February 23, 1995.

**GLOBAL
ENVIRONMENT
FACILITY**

February 28, 1995

**JOINT SUMMARY OF THE CHAIRS
GEF COUNCIL MEETING**

FEBRUARY 22-24, 1995

OPENING OF THE MEETING

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

ELECTION OF CHAIRPERSON

2. The Council elected Mr. Mathias Benedict-Keah (Kenya) as its elected Chairperson.

ADOPTION OF THE AGENDA

3. The Council adopted the provisional agenda set forth in document GEF/C.3/1 with the addition of an agenda item related to an update on the establishment of STAP.

**STATEMENTS ON BEHALF OF BIOLOGICAL DIVERSITY AND CLIMATE CHANGE CONVENTIONS
FOLLOWED BY QUESTIONS AND ANSWERS**

4. Statements were made to the Council by Ms. Angela Cropper, Executive Secretary, Secretariat for the Convention on Biological Diversity, and Mr. Michael Zammit Cutajar, Executive Secretary, Interim Secretariat for the Framework Convention on Climate Change. The two representatives responded to questions from Council Members after their statements.

STATEMENT ON BEHALF OF NGOS PARTICIPATING IN THE NGO CONSULTATION

5. A statement was made to the Council by Ms. Alicia Iglesias, representative of the NGO community. Ms. Alicia Iglesias informed the meeting of the discussions held, and the recommendations agreed, at the NGO consultation held the day before the Council meeting.

UPDATE ON THE ESTABLISHMENT OF THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP)

6. The representative of UNEP briefed the Council on the steps that had been undertaken since the second Council meeting to establish STAP. In particular, he informed the Council of the establishment of a Search Committee, of the criteria used for selecting candidates who may serve on STAP, and of a preliminary list of STAP candidates. The Council confirmed the decision it reached at its second meeting that STAP should be composed of a maximum of 12 members. The Council recalled that UNEP is to prepare a revised version of its earlier document, *Role and Mandate of STAP*, document GEF/C.2/4, using Option 3 in the paper as a basis. This revised document should serve as a reference document for the future development of STAP. It was also recalled that STAP, once established, is requested to prepare for Council approval criteria to guide the selective review of projects by STAP.
7. UNEP agreed to continue the process of selecting the twelve members of STAP. In finalizing the selection of members, UNEP will ensure that there are no conflicts of interest for any designated STAP member.

DECISIONS OF THE COUNCIL

8. The Decisions approved by the Council are appended to this summary.

CLOSURE OF THE MEETING

9. The meeting was closed by the Chairs on February 24, 1995.

APPENDIX TO CHAIRS' JOINT SUMMARY

COUNCIL DECISIONS

DECISION ON AGENDA ITEM 6

Work Program Proposed for Approval

1. In reviewing the work program proposed for approval, documents GEF/C.3/3 and GEF/C.3/Add.1 and Add.2, the Council stressed that its role should be to review GEF programming and associated policy issues and not to enter into micromanagement of projects. The need for transparency in project preparation and a clear understanding of the procedures and processes for project development and approval was stressed.
2. The Council requested the Secretariat to prepare an analytical report to accompany future work programs. The analysis should elaborate upon the policy issues raised by the program and projects and should draw to the Council's attention any matter which requires Council guidance. The Council stressed the need for consistency in the format and information presented in project proposals contained in the work program.
3. The Council requested the Secretariat to prepare, for consideration at its October meeting, a document proposing GEF policies for information disclosure and public participation.
4. With regard to eligibility, the Council agreed that when a project in the focal area of climate change or biological diversity concerns a country which has deposited its instrument of ratification to the convention concerned but for which the convention has not yet entered into force that country may be deemed to have satisfied the eligibility criterion that it be a party to the convention on the understanding that no actual disbursement would occur until such time as the convention was effective for the country.
5. The Council approved the proposed work program on climate change and biodiversity and directed the component projects to be developed further taking into account the comments raised by the Council and any subsequent comments to be submitted in writing by the Members by March 15, 1995:

Climate Change projects

- | | |
|------------|---|
| Argentina: | Country Study on Climate Change |
| Botswana: | Enabling Botswana to fulfill its commitments to the UN Framework Convention on Climate Change |
| China: | Energy Conservation and Pollution control in Town and Village Enterprises (TVEI) |
| Jordan: | The Hashemite Kingdom of Jordan - Building Capacity to respond to the challenges and opportunities created by national response to the Framework Convention on Climate Change |

- Maldives: National GHG inventory and adaptation assessment to Climate Change
Uruguay: Institutional Strengthening and Enabling Activities to comply with the UN Framework Convention on Climate Change
Global: Country Case Studies on Climate Change impacts and adaptation assessment - Phase I
Global: Economics of GHG Limitations - Phase I: Establishment of a Methodological Framework for Climate Change Mitigation Assessment

Biodiversity projects

- Djibouti: Development of a National Biodiversity Strategy
Bolivia
and Peru: Conservation of Biodiversity in the Lake Titicaca Basin
China: Nature Reserves Management

6. The Council specifically noted the following:
- (a) Concerning the Maldives project, the Secretariat will consult with the Secretariat of the Framework Convention on Climate Change on the elements of the proposed projects that may not be consistent with the guidance provided by the Convention.
 - (b) With regard to the China climate change project, the Council agreed that phase 2 of the project should not be implemented until an evaluation, which *inter alia* takes into account the comments raised during the Council meeting, is undertaken after phase I.
 - (c) The Secretariat will explore with UNEP the participation of one of the other Implementing Agencies in the implementation of the project on Country Case Studies on Climate Change Impacts and Adaptation Assessment at the country level.
7. At its first meeting after the deadline for written comments, the GEFOP will review all comments received and address the specific technical comments. The Secretariat is requested to ensure that the guidance of the Council is reflected in the projects and to inform the Council of the discussions and decisions of the GEFOP on the approved projects.

DECISION ON AGENDA ITEM 7

Administrative Budget of the GEF for 1995

8. During its review of the proposed budget for Fiscal Year 1995, there was general agreement that for future fiscal years, the Secretariat should manage the preparation of a single, negotiated corporate budget. This budget should be based upon a two year business plan/work program that will be presented with the budget for the Council's approval. The Council specified that pursuant to Paragraph 21(i) of the Instrument, the Secretariat is mandated to negotiate and present to the Council a corporate budget for its approval.

9. The FY96 budget should be prepared from a zero base taking into account the needs and responsibilities of the restructured GEF. This budget should be prepared on the basis of cost consciousness, transparency, increased productivity, avoidance of duplication of efforts, and coordination of common services.
10. The Secretariat will establish a GEF Budget Committee as a mechanism to facilitate the preparation of a corporate budget. The Committee will be composed of representatives of the Implementing Agencies and the Secretariat. The Secretariat will chair the committee.
11. In reviewing the proposed budget for FY95, the Council stressed its concerns about the proposed budgetary increases and emphasized the need to ensure cost consciousness and cost cutting efforts. The Secretariat will work closely with the Implementing Agencies to identify cost cutting efforts consistent with the comments made by the Council. In particular, the recruitment of new permanent staffing during the remainder of FY95 is to be kept to the minimum required to carry out the agreed functions of the Secretariat and the Implementing Agencies. The FY95 budget was approved at a total \$26 million, which represents a 15% increase over the FY94 budget as presented in Table 3 of GEF/C.3/4. Furthermore, the CEO is authorized to approve additional expenditures in exceptional circumstances where such expenditures are necessary in order not to disrupt the agreed work program provided that the total GEF FY95 budget with such additional expenditures does not exceed a ceiling of 20% above the budget expenditures for FY94. Any such exceptional expenditures will be reported to the Council at its next meeting. The Council emphasized that staffing and other budgetary commitments to be made during the remaining period of FY95 should not preempt the 1996 budget planning process and subsequent decisions.

DECISION ON AGENDA ITEM 8

Project Development and Preparation Facility (PDF)

12. The Council reviewed document GEF/C.3/6 and approved the policies on eligibility for, and use of, PDF resources presented therein, subject to the comments and revisions agreed to during the Council meeting. The Secretariat was requested to revise the paper on the basis of the Council's discussions and to make it available as a reference document. The Council confirmed that when GEF funds are allocated for project preparation and development, the recipient Government is to endorse/approve the project concept and the project proposal prior to inclusion in the work program. A number of Members expressed concerns about the proposed ceilings for the three Blocks and the inclusion of non-project and non-program activities. With regard to Block A, the Council agreed to lower the ceiling to \$25,000, subject to review in July 1995 if necessary. The lower ceiling, however, does not apply to the non-project and non-program activities that were described in the Secretariat paper. The ceiling for these activities remains at \$50,000. With regard to the non-project and non-program activities described under Block A, the Secretariat was requested to identify expeditiously alternative vehicles for the funding of such activities. In addition, the Secretariat and the Implementing Agencies were requested to keep preparatory expenses and incremental costs analysis under close scrutiny through the GEFOP and to evaluate the process of allocating project preparatory funds after a year of operation. The need to involve

local and national experts of the recipient country to the greatest extent possible in the preparation of projects was stressed.

DECISION ON AGENDA ITEM 9

*Criteria for selection of NGOs to attend/observe
Council meetings and information on NGO consultation*

13. The Council reviewed document GEF/C.3/5 and approved the criteria for selection of NGO representatives to attend or observe GEF Council meetings and the procedures for accrediting NGOs to the GEF, subject to the following comments made by the Council. With regard to the process of identifying those NGO representatives who will observe or attend Council meetings, the Council agreed that the NGOs should be able to select their own representatives, taking into account the criteria, while the Council clearly retains the authority to review whether such criteria are being followed. The Council also noted that the NGOs should not be required to select their representatives until after they have received the proposed agenda for the Council meeting, which according to the rules of procedures, is to be distributed eight weeks in advance of the Council meeting. With reference to paragraph 5 of the document, the Council agreed that the aspect of relevancy to the work of the GEF should be stressed and asked that representatives of the business community should be included. With reference to paragraph 9, the Council agreed that continuity in representation should be emphasized. The Council also emphasized the need for balance in representation between non-recipient and recipient country NGOs. Concerning accreditation, the Secretariat was requested to apply the procedures in a flexible manner so as not to hinder the participation of smaller, grass roots organizations. With regard to the accreditation form to be submitted by an NGO, a provision designating specific employees who are authorized on behalf of that NGO to disseminate documents at Council meetings in accordance with the Council's rules of procedure may be included.
14. With regard to the convening of NGO consultations prior to the regular Council meetings, a few Council Members remarked that they did not think that it was necessary to convene such consultations, since, unlike the pilot phase, the NGOs were now invited to attend/observe the Council meetings. The majority of Council Members, however, did find the NGO consultations to be valuable, and they wished to ensure that the results of the consultations could be taken into account in the Council's deliberations. These same Council Members were also of the view that since the consultations contributed to the effective operation of the GEF, the Secretariat's administrative budget should be drawn upon to cover their costs, including the travel and subsistence of twelve NGO representatives from recipient countries. However, some Members opposed the use of the administrative budget and preferred that the Secretariat explore whether there are alternative sources for financing such consultations, including the establishment of a voluntary fund with contributions from Governments, NGOs and the business community.
15. Pending further informal discussions by the Members, the Council understands that the Secretariat should not convene nor finance any regional consultations.

DECISION ON AGENDA ITEM 10

*Scope and preliminary operational strategy for
International Waters*

16. The Council reviewed the *Scope and Preliminary Operational Strategy for International Waters*, document GEF/C.3/7, and endorsed the technical aspects of the paper. Members were invited to submit written comments on the paper to the Secretariat. The Council expressed concern with regard to the political and legal framework in which some of the technical discussions and definitions were placed and agreed that references to legally and politically controversial concepts should be avoided. The Council also expressed caution with GEF acting as a broker in conflict resolution or as coordinator of international actions in this focal area given the limited resources and capabilities. The Council recommended that GEF should play principally a catalytic role. The Secretariat was requested to revise the paper taking into account the comments made during the Council meeting together with written comments that may be submitted by the Members. The revised paper is to be incorporated in the proposed GEF operational strategy to be reviewed by the Council at its July meeting.
17. Pending the discussion of the GEF operational strategy, the Council approved the program priorities for 1995 and the project eligibility criteria, subject to the amendments proposed, such as including coastal and marine issues among the priorities and including national planning documents among the selection criteria. Considerations of global benefits and incremental costs as well as revisions of language that is legally and politically sensitive will also be included in the guidance to be given to the Implementing Agencies by the Secretariat.

DECISION ON AGENDA ITEM 11

*Scope and preliminary operational strategy for
Land Degradation*

18. The Council reviewed the *Scope and Preliminary Operational Strategy for Land Degradation*, document GEF/C.3/8, and endorsed the paper, subject to the comments made during the Council meeting together with the written comments to be submitted by Members after the meeting. A statement was made at the beginning of the Council's consideration of this agenda item by Mr. Hama A. Diallo, Executive Secretary, Interim Secretariat of the United Nations Convention to Combat Desertification, on behalf of the convention. Members were invited to submit written comments on the paper to the Secretariat. The revised paper is to be incorporated in the proposed GEF operational strategy to be reviewed by the Council at its July meeting. Pending the discussion of the GEF operational strategy, the Council approved the program priorities for 1995 and the project eligibility criteria, subject to the amendments proposed. Guidance will be given to the Implementing Agencies by the Secretariat to facilitate the development of appropriate projects.

DECISION ON AGENDA ITEM 12

Accountability of Implementing Agencies for activities of executing agencies

19. The Council reviewed the submissions of the Implementing Agencies presented in document GEF/C.3/9 concerning the accountability of Implementing Agencies for the activities of executing agencies working with them. The Council welcomed the confirmation made by UNDP and UNEP that each agency assumes full accountability for all GEF projects executed under its sponsorship. By the same token, the Council confirmed that the World Bank as an Implementing Agency shall be accountable to the Council for its GEF-financed activities in accordance with paragraph 22 of the Instrument. The Council requested UNDP to prepare a note for consideration at the next meeting of the Council on the administrative costs, overhead, and management costs of GEF-financed projects charged by the UN specialized agencies with which it cooperates and the services provided for such financial resources.
20. In considering the submission made by the World Bank, the Council reiterated its desire to facilitate the role of Regional Development Banks as executing agencies of the GEF. Nonetheless, the World Bank was requested to review with the Regional Development Banks the requirements of the Instrument that each Implementing Agency be fully accountable to the Council for their GEF-financed activities, and to explore whether World Bank and the Regional Development Banks can provide the Council with confirmation that their cooperative arrangements can ensure such accountability.

DECISION ON AGENDA ITEM 13

Report to first Conference of the Parties to the Framework Convention on Climate Change

21. The Council took note of the Report presented in document GEF/C.3/11 and approved its submission to the first meeting of the Convention of the Parties to the Framework Convention on Climate Change.

DECISION ON AGENDA ITEM 14

Other business

22. The Council took note of document GEF/C.3/Inf.2, *Provision of Assistance for Enabling Activities and National Communications concerning the Framework Convention on Climate Change*.
23. The Council also took note of document GEF/C.3/Inf.6, *Decision of the First Meeting of the Parties to the Convention on Biological Diversity on Financial Resources and Mechanism*, and authorized the Secretariat to carry out appropriate consultations with the Secretariat of the Convention on Biological Diversity on the content of a memorandum of understanding to govern the relations of the Convention and the GEF.

GEF/C.4/1
March 8, 1995

GEF COUNCIL MEETING
MAY 3-5, 1995

PROVISIONAL AGENDA

1. Opening of the meeting
2. Election of a Chairperson
3. Adoption of the agenda
4. Statements on behalf of Biological Diversity and Climate Change Conventions followed by questions and answers
5. Monitoring and Evaluation Policy for the GEF
6. Executive Session on Administrative Costs:¹
 - (a) GEF Budget for FY96 and two-year business plan
 - (b) Administrative costs, overhead and other management costs of GEF-financed projects executed by UN specialized agencies
7. Work program proposed for Council approval
8. GEF Policy on Incremental Costs
9. GEF Project Cycle
10. Arrangements with the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change
11. Other business
 - (a) Draft response to inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the convention
12. Joint summary of the Chairs

¹ This item will be considered on Thursday morning, May 4, 1995.

**GLOBAL
ENVIRONMENT
FACILITY**

May 9, 1995

**JOINT SUMMARY OF THE CHAIRS
GEF COUNCIL MEETING**

MAY 3 - 5, 1995

OPENING OF THE MEETING

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

ELECTION OF CHAIRPERSON

2. The Council elected Mr. Hans-Peter Schipulle (Germany) as its elected Chairperson.

ADOPTION OF THE AGENDA

3. The Council adopted the provisional agenda set forth in document GEF/C.4/1.

**STATEMENTS ON BEHALF OF BIOLOGICAL DIVERSITY AND CLIMATE CHANGE CONVENTIONS
FOLLOWED BY QUESTIONS AND ANSWERS**

4. Statements were made to the Council by Ms. Angela Cropper, Executive Secretary, Convention on Biological Diversity, and Mr. Michael Zammit Cutajar, Executive Secretary, Framework Convention on Climate Change. The two representatives responded to questions from Council Members after their statements.

STATEMENT BY THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP)

5. Dr. Pier Vellinga, Vice-Chair designate of STAP, reported to the Council on the first meeting of the Scientific and Technical Advisory Panel that was held in April 1995. He responded to questions from Council Members after his statement. The Council took note that an agenda item on STAP would be included in the provisional agenda for its July meeting, and for that purpose the Council will have before it the revised terms of reference for STAP, the proposed STAP business plan, and proposed criteria for the selective review of projects by STAP.

STATEMENT BY THE COMMISSION ON SUSTAINABLE DEVELOPMENT

6. The representative of the Commission on Sustainable Development briefed the Council on the Commission's third session that was held in April 1995.

DECISIONS OF THE COUNCIL

7. The decisions approved by the Council are appended to this summary. The following are some explanatory points concerning certain decisions:

GEF Business Plan FY96-97 and Budget FY96

8. With regard to the Secretariat's staffing, it was agreed that no new permanent hiring would take place under the FY96 budget until the Council has reviewed and discussed the justification for the Secretariat staffing at its July meeting.
9. With regard to the staffing of the STAP secretariat, the Council agreed that no new permanent hiring would take place under the FY96 budget until the Council has considered and discussed the STAP secretariat in the light of the STAP terms of reference and business plan at its July meeting.

Work Program

10. In the discussion of the section of the work program concerning ozone depletion, it was the understanding that the Russian government would communicate to the Parties of the Montreal Protocol its national program for the gradual phasing out of ozone depleting substances and its plans for dealing with its contributions to the Montreal Protocol Multilateral Fund.

Incremental Costs and Financing Modalities

11. The Council recognized the need for a flexible application of the concept of incremental costs. When considering such issues as domestic costs and benefits, the Council recommended that the notion of "environmental reasonableness" be a guiding principle so as not to penalize progressive environmental action in recipient countries. The Council noted that Part II of the paper on financing modalities required serious consideration by the Council before approval of non-grant approaches to financing of GEF activities. The Council agreed that should an interesting idea for non-grant financing in a GEF activity emerge, that idea could be considered by the Council as to whether it merited further development.

GEF Project Cycle

12. The Council stressed the need to apply the procedures of the project cycle flexibly, recognizing the differences that may exist between projects, focal areas, and regions. The Council agreed that the project cycle should be kept under review, in particular in light of

the information and analysis that will be generated through monitoring and evaluation activities.

13. It was noted that the project cycle document should not recommend formation of national GEF contact groups. The Council, however, noted the importance of country ownership, national consultation and interaction among different actors concerning GEF activities, and noted that the Secretariat should elaborate on ways to assist any recipient country that so requests to strengthen country coordination activities and consultative processes.
14. The Secretariat will need to rethink in the context of the GEF information kit how "casting the net widely" for project concepts will be accomplished in the absence of "contact groups".
15. The Council noted that further work should be undertaken to clarify how the project cycle would be applied in the development and implementation of regional and global projects.
16. The Council agreed that the following steps would be followed with regard to the technical comments submitted by the Members on individual projects approved in the work program:
 - (a) Members would be invited to submit written technical comments on any project approved in the work program to the Secretariat within three weeks of the closure of the Council meeting.
 - (b) The Secretariat was requested to consider, in consultation with the Implementing Agencies, the usefulness of developing a common format for the purpose of submitting technical comments.
 - (c) The Secretariat would prepare and transmit to Council Members a summary of the technical comments within six weeks of the closure of the Council meeting. A Member may inform the Secretariat that its comments are already publicly available or may authorize the Secretariat to distribute its comments to other Members who request them.
 - (d) The Secretariat, after consultation with the Implementing Agency and, if appropriate, the secretariat of the relevant convention, would keep a record of any significant technical comments which it considers should be tracked in the further development of the project proposal.
 - (e) The Implementing Agency will take appropriate action on the comments, recognizing that the Instrument provides that the Implementing Agencies are accountable to the Council for their GEF-financed activities. If any comment leads to an important change in the project proposal, the Implementing Agency will, through the Secretariat, inform the Council.

Arrangements with Conventions

17. The GEF and the Framework Convention on Climate Change were invited to consult with a view to avoiding a conflict between their respective meetings in October 1995.

CLOSURE OF THE MEETING

18. The meeting was closed by the Chairs on May 5, 1995.

APPENDIX TO CHAIRS' JOINT SUMMARY

COUNCIL DECISIONS

DECISION ON AGENDA ITEM 5

Monitoring and Evaluation

1. The Council reviewed document GEF/C.4/6 and agreed that it provided a useful basis for beginning discussions on a monitoring and evaluation system for the GEF. In reviewing the document, the Council agreed on the following principles:
2. The Council recognizes its responsibilities for monitoring and evaluation as defined in paragraphs 20(a), (b) and (c) of the Instrument and the need for an efficient monitoring and evaluation system. The GEF system should include operational monitoring and evaluation, scientific and technical monitoring and evaluation, and the evaluation of strategic and cross-program issues.
3. With regard to operational monitoring and evaluation, the system should be based on the existing monitoring and evaluation systems of the Implementing Agencies, while recognizing the need to harmonize the activities of the agencies for purposes of the GEF.
4. With regard to scientific and technical evaluation, it was recognized that STAP has an important role to play.
5. A Senior Monitoring and Evaluation Coordinator should be nominated by the CEO, after consultation with Council Members, and appointed by the Council. For the purpose of evaluation studies and other tasks requested by the Council, the Senior Monitoring and Evaluation Coordinator will consult with the Secretariat and the Implementing Agencies and will report directly to the Council. He/she would report through the CEO to the Council on monitoring activities related to GEF operations.
6. Concerning next steps, the Council requests the Secretariat, in consultation with the Implementing Agencies, to prepare for consideration by the Council at its October meeting: (1) a systemic framework of monitoring and evaluation; (2) a proposed work program (including for the evaluation of strategic and cross-program issues) and budget ; and (3) a proposal for further work on methodology. This work should consider the incorporation of a project framework approach to facilitate the monitoring and evaluation system. The systemic framework should clarify the roles of the Council, the Secretariat, the Implementing Agencies, STAP and other actors. It should also specify the functions, reporting arrangements and accountability of the Senior Monitoring and Evaluation Coordinator.

DECISION ON AGENDA ITEM 6

GEF Business Plan FY96-97 and Budget FY96

7. The Council reviewed document GEF/C.4/4 and approved the GEF business plan FY 96-97 and the FY 96 budget, and the proposed future planning/budget cycle described in paragraph 6 of that document. In approving the budget, the Council agreed to the following understandings:
- (a) The FY97 budget and the FY97-99 business plan would be prepared from a zero-base and on the basis of an analysis of the needs and objectives of the GEF. The Council requests that in presenting the budget an effort be made to more clearly show the linkages between budget categories and outputs.
 - (b) As agreed at its third Council meeting, the Council confirmed that it has mandated the Secretariat to negotiate, within the budget committee established by the Secretariat, a corporate budget and to present it to the Council for approval. The Council requests the CEO to ensure that divergent views within the budget committee are made known to the Council. In preparing the budget, the CEO and the budget committee are requested to carefully consider the detailed comments made by the Council.
 - (c) The Council will undertake a mid-year review of the FY96 budget and consider whether adjustments are needed based on information on actual expenditures and taking into account the recommendations of the Budget Committee.
 - (d) The Secretariat should include in the budget and business plan a detailed staffing plan and justification for the Secretariat budget. With regard to the FY96 budget, the Secretariat was requested to provide justification for its staffing plan at the July Council meeting. The Secretariat was also requested to take into account the Council's concerns regarding its own administrative costs consistent with its responsibility to facilitate effective GEF projects and functions assigned to it by the Council.
 - (e) The Secretariat should provide regular reports (semi-annual) to the Council on its expenditures.
 - (f) The Implementing Agencies should provide explanatory notes and summary tables describing functions and outputs as they relate to their proposed budgets.
 - (g) Considering the fact that STAP is in early stages of its formation and is in the process of preparing its own business plan, the Council requests a report on staffing of the STAP secretariat be presented together with the STAP business plan. The Council also requests UNEP to ensure technical and professional representation in the context of land degradation consistent with the Instrument as it finalizes arrangements for STAP and its secretariat.

- (h) In referring to the scope of GEF and the role of the Secretariat and the Implementing Agencies, the budget documents should conform to relevant formulations in the Instrument.

DECISION ON AGENDA ITEM 7

Work program proposed for approval

8. The Council reviewed and approved the work program proposed in document GEF/C.4/3. In presenting the work program, the Secretariat informed the Council that the project proposal, "Sustainability of Amazonian Development: Criteria, Policies, Capacity Building", had been withdrawn, at the request of the Secretariat of the Amazon Cooperation Treaty, from consideration at this Council meeting. The Council requests the Implementing Agencies to develop the projects in the approved work program further, taking into account comments raised by the Council and any subsequent technical written comments to be submitted within three weeks of the Council meeting.
9. In reviewing the work program, the Council noted that certain projects raised policy issues that the Council will need to consider further in the context of future work programs. In particular, the Council noted the following:
 - (a) CC:TRAIN: this project should be further developed in conjunction with the on-going work of the Secretariat, the Implementing Agencies, and the Convention's secretariat on a programmatic approach to enabling activities.
 - (b) Caribbean: the Implementing Agency is requested to review further the project's proposed categories of activities with the secretariat of the Climate Change Convention in light of the guidance of the Parties on adaptation.
 - (c) Slash and Burn: that at this time the GEF does not have a policy on research, the project also raises the question of sustainability of funding, and the question of how best to utilize evaluations when approving phased projects.
10. In addition to these three projects, the proposal, "Sudan: Enabling Activity (Capacity Building to Enable Response and Communications to the UN Framework Convention on Climate Change)", raises issues regarding external technical reviews and how they should be reflected in proposals in the work program.
11. The Council requests the Secretariat, in preparing the ozone depletion operational strategy for consideration by the Council at its July 1995 session, to take into account a number of policy elements and concerns expressed by some Members, in particular those related to the guidelines for country eligibility by which Implementing Agencies have been operating in this focal area and which should reflect the provisions of the Instrument properly. In the interim, no more ozone projects will be considered for funding by the Council until the relevant operational strategy is approved.

DECISION ON AGENDA ITEM 8

Incremental Cost and Financing Modalities

12. The GEF Council reviewed document GEF/C.2/6/Rev.2 and approved the approach on estimating agreed incremental costs set out in Section I of the document, subject to the comments agreed to during the Council meeting. The Council requests the Secretariat to develop operational guidelines to implement this approach in consultation with the Implementing Agencies. Taking into account guidance from the Conferences of the Parties of the Convention on Biological Diversity and the Framework Convention on Climate Change, the Secretariat and the Implementing Agencies are requested to incorporate the policy and related guidelines into their project preparation, and in particular, in negotiations with recipient countries on the agreed incremental costs of GEF financed activities.
13. The Council also reviewed the proposed financing modalities presented in Section II of the document. The Secretariat is requested to develop further the proposals for additional financing policies, taking into account the comments made during the Council meeting, and to prepare a policy paper for consideration by the Council at its meeting in April 1996. In preparing the paper, the Secretariat is requested to reflect the operational strategy to be adopted by the Council in October 1995.

DECISION ON AGENDA ITEM 9

GEF Project Cycle

14. The Council reviewed and approved the GEF project cycle described in document GEF/C.4/7, subject to the revisions agreed and comments made at the Council meeting. The Council agreed that the project cycle should be updated by the Secretariat, as necessary to reflect any additional policies approved by the Council as a result of its future work.
15. The Council requests the Secretariat to explore the formulation of a project framework approach as a means for further streamlining the project cycle, without sacrificing project appraisal and participation. The Council also requests the Secretariat to inform recipient Governments of the GEF project cycle and to invite them to identify national operational focal points. The Council requests the Secretariat, in consultation with the Implementing Agencies, to use the project cycle paper as a basis to prepare and widely distribute a GEF information kit that would inform interested parties how to present project concepts and develop project proposals for GEF financing.

DECISION ON AGENDA ITEM 10

Arrangements with the Convention on Biological Diversity and the United Nations Framework Convention on Climate Change

16. The Council reviewed the information on progress that had been made within the context of the Convention on Biological Diversity and the Framework Convention on Climate Change towards developing arrangements with their financial mechanisms. The Council took note of the request of each convention that its secretariat consult with the GEF on the content of

such arrangements. The Council requests the GEF Secretariat to carry out appropriate consultations on its behalf with each of the convention secretariats with a view to simultaneously transmitting to the Parties to the Convention and the GEF Council a jointly-prepared draft text for their consideration. The Council also requests the Secretariat to submit to the Council at its July meeting a report on its consultations with the Secretariat of the Convention on Biological Diversity and the Secretariat of the Framework Convention on Climate Change including the most current elements of the draft arrangements.

DECISION ON AGENDA ITEM 11 (a) *Draft response to inquiry made by the Chairman of the Intergovernmental Negotiating Committee for the Convention to Combat Desertification as to whether the GEF has the interest and capacity to host the Global Mechanism to be established under the Convention*

17. The Council invites the CEO to continue his consultations with Council Members on this matter in order to obtain further views and to present a draft response based on those consultations to the July Council meeting.

DECISION ON AGENDA ITEM 11 (b) *Effectiveness of GEF Trust Fund*

18. The Council reviewed document GEF/C.4/10 and congratulated donors for their efforts in making the GEF Trust Fund effective. The Council took note of the implications of such effectiveness. In accordance with paragraph 6 of Annex E of the Instrument, the Council confirmed the grouping of constituencies as communicated to the Secretariat. Recognizing that the number of Participant-countries in the GEF has increased significantly since regional consultations were first carried out to identify the constituency groupings before May 15, 1994, that countries are continuing to become Participants in the GEF, and that some Participants are not yet included, or are included on a preliminary basis, in a constituency grouping, the Council decided that a country could choose to change its constituency grouping or a region could choose to revise the groupings allocated to its region. Any change in constituency groupings shall be subject to agreement by the Participants in the constituency or constituencies concerned and to subsequent confirmation by the Council.

DECISION ON AGENDA ITEM 11 (c) *NGO Consultations*

19. The Council requests the Secretariat to take steps to create a voluntary fund for the purpose of financing two global NGO consultations and, if desirable, other consultations in relation to Council meetings.
20. The Council requests the Secretariat to disburse the amount of \$50,000 from the administrative budget into this voluntary fund which will cover the costs of one global NGO consultation per year.

21. The Council requests the Secretariat to seek additional funds for the purpose of financing a second annual NGO Consultation. The Council requests the Secretariat to actively seek voluntary contributions to the voluntary fund from interested non-governmental sources.
22. The Secretariat will manage the voluntary fund under guidelines to be approved by the Council at its meeting in July 1995. The Council requests the Secretariat to prepare a proposal on these guidelines for Council approval.
23. The voluntary fund will be reviewed at the second regular Council meeting in 1996.