

**HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS
59TH GEF COUNCIL MEETING
DECEMBER 7-11, 2020, VIRTUAL MEETING**

The following is a record prepared by the GEF Secretariat of comments, understandings, and clarifications made by Council Members. These points are supplemental to the Joint Summary of the Chair, which records the decisions agreed by the Council.

Agenda Item 1 Opening of the Meeting

1. The CEO and Chairperson of the GEF, Carlos Manuel Rodriguez, opened the 59th GEF Council meeting

Agenda Item 2 Adoption of the Agenda

2. The CEO explained that consulting with IEO Director, they reached the conclusion that item 13, "Update on the Evaluation Policy", required further discussion and redrafting before being considered by the Council. Therefore, he suggested that this item be removed from the agenda. This proposal was accepted.
3. The Agenda was adopted.

Agency Item 3 The GEF Monitoring Report 2020

4. The Secretariat highlighted the main characteristics of the Monitoring Report adopting a portfolio scorecard with a new traffic light system that can be used at various levels. In parallel there is an update of the existing portfolio. There is also an update on the GEF-7 results architecture seeking to measure actual results.
5. The Council welcomed the report, including its tracking framework assessing portfolio progress, the focus on actual results and deep dive on Integrated Approach Pilot programs.

6. Some Council members highlighted that the tracking framework was timely to assess the impact of the crisis on projects under implementation, supported by separate analyses focusing on risk. They underscored the importance of continuing to monitor progress going forward. The Secretariat suggested providing an additional portfolio progress update at the 60th Council as the pandemic continues to unfold.
7. Several Council members also stressed the need to provide countries and Operational Focal Points with tools that allow to program projects and exercise portfolio oversight. This aspect is being addressed by the Country Support Program through the roll-out of the Country Factsheets — a tool providing data on the use of GEF-7 resources and assess the health of the ongoing portfolio along key metrics.
8. A number of Council Members noted the progress in reporting on actual results in the Monitoring Report. They appreciated the fact that this exercise will become more comprehensive and systematic as a higher number of projects start reporting on Core Indicator results when reaching the Mid-Term Review and Terminal Evaluation milestones. They also expressed interest in seeing results at sub-Core Indicator level.
9. A few Council Members welcome the progress made by Integrated Approach Pilots programs under implementation, including in terms of portfolio performance, results and cross-cutting areas. They valued the focus of embedding a gender equality approach in program design and in reporting on gender-sensitive and sex-disaggregated indicators.
10. The challenges posed by COVID-19 to delivering on co-financing commitments was also mentioned.
11. Separately, the Council Member from France noted as a procedural matter that the virtual setting of this Council Meeting in future should comply with GEF Rules of Procedure requirements on interpretation into three languages.

Agenda Item 4 Eighth Replenishment of the GEF Trust Fund

12. The GEF CEO and Chairperson Carlos Manuel Rodríguez urged the Council to lay a solid foundation for an ambitious GEF-8 strategy to build back better, greener and leaving no one behind. The Council adopted the decision for the Trustee, in cooperation with the Secretariat, to initiate the discussions on the 8th replenishment of resources of the GEF Trust Fund.
13. Council members stressed an emphasis that the 8th replenishment should address the following issues:
14. In regard to the STAR allocation, Council members from developing countries called for an increase in country allocations during the 8th replenishment process and negotiations.

15. Some Council Members noted the increasing need to finance activities within the thematic areas of the conventions and towards financing the sustainable and gender responses and recovery to COVID 19 by building back better and greener and leaving no one behind.
16. Several Council Members suggested the GEF should play a catalytical role in reaching towards SDG goals such as SDG 12 (Ensure sustainable consumption and production patterns), SDG 2 (End hunger, achieve food security and improved nutrition and promote sustainable agriculture) and SDG 3 (Ensure healthy lives and promote well-being for all at all ages).
17. Others suggested an expansion of the integrated approach as reflected in the impact programs in GEF 7.
18. The decision was approved.

Agenda Item 5 The GEF Private Engagement Strategy

19. The Secretariat recalled that the Council had considered the Private Sector Engagement Strategy (PSES) at the previous two Council meetings and had requested the addition of a section dedicated to risk management and deliverables. The GEF Secretariat held a series of consultations with a Working Group of 18 Council Members that resulted in several inclusions and revisions plus an Implementation Plan (IP).
20. **In the PSES vision the GEF acts as a catalyst to engage and enable private sector at all scales to tackle the drivers of environmental degradation to reverse the unsustainable global trends and to expand delivery of Global Environmental Benefits (GEBs). It has three strategic core elements; (a) working with multi-stakeholder platforms to drive systematic transformation, (b) multiple private sector entry points across the GEF partnership, and (c) systematically crowding-in the private sector.**
21. The enhancements to the strategy include documentation of roles and responsibilities of key organizations, a section for risk management and implication of COVID-19 having on private sector, broader description of the engagement modalities supporting core element (b). The Implementation Plan has a reporting framework with a two-year Gantt chart along with work plan deliverables. The first report will be presented to the Council at its 61st Meeting, and subsequently on an annual basis.
22. The Council expressed overall support for the enhanced strategy and Implementation Plan. Most Council members commented and the Secretariat highlighted: the importance of good outreach efforts to inform all possible stakeholders; the need to increase the capacity of Operational Focal Points to engage in PSES; feeding the experience of PSES in to the GEF-8 replenishment process and creating proper policy and incentive framework for private sector; potential financial resources that can be directed to public sector. CEO will work with Agencies and countries to design projects to engage PS strategically and comprehensively.

23. The Secretariat further confirmed that PSES is a living document and open for future revision; that there would be close tracking/monitoring of the progress achieved; that the engagement of multi-stakeholder platforms had already started and would be expanded to other platforms. The Strategy will achieve a more systematic outreach to large private sector actors that do not know the potential of the GEF. The GEF will assess additionality, involving PSES in COVID-19 and green recovery, and ensure OFP and CSO involvement. In addition, the Secretariat recognized the need for additional resources to carry out this task; the need for PSES to respond to national priorities and to build a relationship with public sector.

24. A proposal was made to amend the draft decision to ensure that countries are informed through their GEF OFPs on private sector activities. After two additional rounds of discussion an amended decision was adopted.

Agenda Item 6 Work Program for the GEF Trust Fund

25. The Secretariat presented the work program with 62 projects and programs for a total request of \$409.2 million, that delivers results across all 10 indicators and responds to the COVID impacts.

26. The Council welcomed the quality and level of ambition of the work program. Several Council members expressed concern over projects implemented by UNDP and requested a second review of these projects. A few Council members expressed the need for close collaboration with and better information to Governments on NGI projects.

27. The Council adopted the decision.

Agenda Item 8 Report of the Working Group on Governance

28. The Council overwhelmingly welcomed the report, the findings and endorsed the proposed recommendations from the working group noting that the latter will contribute to strengthening the governance of the GEF.

29. Council members were in agreement to pilot an adjusted co-chairing arrangement for one year and requested GEF Secretariat to provide clarifications on the elected Co-Chair's function and mandate in terms of input into the preparation of the agenda, the chairing and the reporting of Council meetings.

30. On the future management responses and management actions records, the Council requested the GEF Secretariat to provide more analytical and thorough management responses addressing IEO evaluations and each recommendation for its discussion and endorsement. The Council also requested to receive at its 60th meeting an update report on the implementation of the working group recommendations.

31. Finally, after consideration of the Working group recommendations and recognizing the additional work left to be done in respect to addressing issues around accountability, transparency in programming decisions, and strengthening the role of the Focal Points, the Council also decided to extend the mandate for the Ad-hoc Working on Governance till June 30, 2022.

Agenda Item 9 ***Evaluation of GEF Engagement in Fragile and Conflict-Affected Situations***

Agenda Item 10 ***Evaluation of GEF Interventions in the Artisanal and Small-Scale Gold Mining Sector***

Agenda Item 11 ***Evaluation of the Role of Medium Size Projects (MSP) in the GEF Partnership Knowledge Management***

Agenda Item 12 ***Evaluation of Knowledge Management in the GEF (2020)***

32. The GEF IEO presented a progress update of its work plan and the completed evaluations. The Council thanked the Independent Evaluation Office (IEO) for the evaluations and welcomed the recommendations and the management response provided by the GEF Secretariat.

33. Regarding the *Evaluation of GEF Engagement in Fragile and Conflict-Affected Situations*, the Council requested the GEF to develop a comprehensive risk management approach including a policy framework guiding the work in fragile and conflict affected situations. The GEF Secretariat assured the Council that it will begin to work with GEF agencies to develop guidance on conflict sensitive programming and this will build on the extensive experience of the agencies.

34. Regarding the *Evaluation of GEF Interventions in the Artisanal and Small-Scale Gold Mining Sector*, the Council echoed the recommendation for seeking a holistic approach for ASGM and issues such as deforestation, land degradation, biodiversity, water resource management, and impact on human health. The Council additionally stressed the importance of enhanced efforts for knowledge management.

35. The Council supported the recommendation on the use of MSPs for developing innovative projects and highlighted the recommendation from the governance working group on added visibility of the MSP pipeline to the Council.

36. The Council additionally welcomed *Evaluation of Knowledge Management in the GEF (2020)* and noted the progress and steps taken in order to improve the knowledge management in the past years. The Council additionally acknowledge the remaining challenges and limitations and supported the recommendations of the evaluation.

37. Finally, the Council stressed the need for management responses to be more analytical and to present timelines on implementation, and the need for enhanced dissemination and sharing of information and knowledge at the country level.

38. The decisions were adopted.

Agenda Item 14 Proposal for Responsible Investment Options for the GEF Trust Fund

39. The Trustee and the WB Treasury provided a detailed presentation on the key aspects of the proposed Sustainable Bond Strategy for the GEF Trust Fund Portfolio. Council members welcomed the proposal while stressing the importance of ensuring that the strategy be aligned with the Paris Agreement on climate change and global goals on sustainable and inclusive development.

40. While Council members expressed their support towards investments in the Green and Blue Bonds and other sub-groups, they equally highlighted their skepticism (or were less inclined) in providing a blank approval on the unlabeled bond issuance by multilateral banks, development finance institutions, export credit agencies and national development banks because it was unclear if these institutions are fully compliant with global goals.

41. The Council welcomed the suggested special report on developmental effects of the strategy and requested more clarity on the timing of the report to the Council and on the reporting metrics.

42. The Council requested that the WB in collaboration with the Secretariat monitor the impact of invested sustainable bonds and report back on the findings to the Council for consideration.

43. The decision was adopted.

Agenda Item 15 The Impact of COVID-19 on GEF Project Preparation and Implementation: Overview of Responses from across the GEF Partnership

44. The Secretariat presented the paper that addresses operational aspects of COVID impact. The paper reported on the information received through surveys with agencies, consultations with countries and discussions at the Agency retreat. The challenges have been varied and the Agencies have taken measures to address them. As a response, the CEO has

used the flexibility that exist in the policy. The Council is requested to authorize the CEO to grant exceptional extension of preparation times.

45. Council Members expressed appreciation for the information and the work undertaken by the agencies and countries. They also expressed the need to ensure broad consultations despite the difficulties. They noted the use of technology to overcome the challenges.

46. The decision was adopted.

Agenda Item 16 *Report on the Assessment of GEF Agencies' Compliance with the GEF Minimum Fiduciary Standards.*

47. The Secretariat introduced the document, reminding Council that the policy aimed to improve financial accountability across the partnership and that Council approved an update of the Policy in 2019. As part of this update, it had requested Agencies to conduct self-assessments within 9 months.

48. The 17 agencies completed assessment process; 5 of them in full compliance + AfDB requesting an extension. The UNDP assessment report was revised and additional proposed decision language was inserted calling for an accelerated independent expert review on UNDP by December 2021 for Council decision plus regular updates to Council.

49. Council comments were mainly centered on concerns about the case of UNDP and how to address those challenges.

50. The Secretariat appreciated guidance on how to proceed and confirmed it had been working closely with UNDP on details, reflected in the revised draft decision, while noting the Secretariat doesn't have investigative power. It clarified that Agencies' audits and external assessments would be included as part of the review and that some Agencies still have progress to make on separation of functions. The consequences of non-compliance are not spelled out in the policy, just the process and the authorization to act. The Secretariat took note of the urgency and need for collaboration and will further scope 3rd party review and confirmed implementation. ESS and Gender will be included in the 3rd party review.

51. On oversight of Executing Entities the Secretariat noted that accountability for MFS lies with the Implementing Agency. The UNDP timeline concentrates most action before Sept 2021 so the Secretariat will seek to align action on others. The UNDP review will be a pilot of sorts to inform future capacity building, prevention with countries, etc. The Secretariat is committed to

work dynamically with Council and continue to report. Monthly reports will give account of progress.

52. The revised decision was adopted.

Agenda Item 17 *Relations with the Conventions and Other International Institutions*

53. The CEO invited four Executive Secretaries of Conventions - Elizabeth Mrena (CBD), Ibrahim Thiaw (UNCCD), Monika Stankiewicz (Minamata Convention) and Rolph Payet (Basel, Rotterdam, Stockholm Convention) to update the Council on the state of negotiations for the COPs in 2021.

54. Council Members appreciated the presence of the Executive Secretaries and stressed the strong links existing between the conventions and the GEF. They further encouraged that this engagement be strengthened and that more information on this be included in the AMR.

55. The decision was adopted.

56. The Council concluded with a special recognition to the Council Member from Switzerland who is retiring for his years of service on the GEF Council and his substantive contributions to the organization.