

GLOBAL ENVIRONMENT FACILITY

JOINT SUMMARY OF THE CHAIRS GEF COUNCIL MEETING

JULY 18 - 20, 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. Carlos Sersale di Cerisano (Argentina) as its elected Chairperson.

ADOPTION OF THE AGENDA

3. The Council adopted the provisional agenda set forth in document GEF/C.5/1/Rev.1, with the amendment that agenda item 13 should read: "Funding country-based preparation activities".

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

4. Statements were made to the Council by Ms. Song Li, Convention on Biological Diversity, and Mr. Tahar Hadj-Sadok, United Nations Framework Convention on Climate Change.

STATEMENT BY THE SCIENTIFIC AND TECHNICAL ADVISORY PANEL (STAP)

5. Dr. Pier Vellinga, Vice-Chair of STAP, reported to the Council on the work of STAP since the last Council meeting. Mr. Vellinga responded to questions from Council Members after his statement and during the Council's discussions concerning STAP under agenda item 7.

DECISIONS OF THE COUNCIL

6. The decisions approved by the Council are appended to this summary. The following are some explanatory notes elaborating upon certain aspects of the Council discussions.

GEF Secretariat Staffing plan for FY96

7. While many of the Council Members who intervened on this item were appreciative of the transparency of the document and supportive of the staffing plan, some reservations were made about the plan.
8. In discussing the Secretariat staffing plan, a proposal was made that a Council budget committee be established. This proposal was supported by those who intervened in the discussion, and no objection was made.

World Bank Accountability

9. The Council requests IFC to present to the Council for information at its October meeting a breakdown of its administrative costs (total \$512,500) requested in document GEF/C.5/13/Rev.1. With regard to the regional development banks, the Council noted its understanding that the GEF would not finance free-standing projects.

Guidelines for management of GEF voluntary fund

10. Apart from the voluntary fund, the Council agreed that it should consider at a future meeting the possible role of business groups as observers.

Funding of country-based preparation activities

11. The Council agreed to postpone consideration of this item until its October meeting.

CLOSURE OF THE MEETING

12. The meeting was closed by the Chairs on July 20, 1995.

APPENDIX TO CHAIRS' JOINT SUMMARY

COUNCIL DECISIONS

DECISION ON AGENDA ITEM 5 *GEF Operational Strategy*

1. The Council reviewed document GEF/C.5/3, a preliminary draft operational strategy. The Council notes that the document is a "work in progress", and confirms its expectation that the operational strategy would be approved at its October meeting. In this regard, the Council requests the Secretariat to continue its efforts, in consultation with the Implementing Agencies, STAP, and the convention secretariats to prepare a revised draft text of the operational strategy for review by the Council at its meeting in October 1995. In preparing the revised document, the Secretariat is requested to take into account the comments made by the Council, including written comments submitted by the Council Members. Council Members are invited to submit written comments on the draft operational strategy to the Secretariat as early as possible.

DECISION ON AGENDA ITEM 6 *GEF Secretariat Staffing Plan for FY96*

2. The Council reviewed document GEF/C.5/4, *GEF Secretariat Staffing Plan for FY96*. The Council takes note of the justification for the Secretariat staffing as amended by the CEO and finds it consistent with the FY96 budget approved by the Council at its meeting in May 1995.
3. In recognizing the need to establish a budget committee, the Council requests the CEO to propose terms of reference for such a committee to be reviewed at the sixth session.

DECISION ON AGENDA ITEM 7 *STAP*

4. The Council reviewed the documents concerning STAP that had been prepared by UNEP and STAP (GEF/C.5/5, *Terms of Reference of the Scientific and Technical Advisory Panel (STAP) - Mandate, Composition and Role*; GEF/C.5/6, *STAP Business Plan, Staffing Plan and Budget FY96* and GEF/C.5/7, *STAP Recommendations for Selective Review of Projects*), and confirmed the importance it assigns to the work of STAP. The Council invites UNEP and STAP to revise these documents, taking into account the comments made by the Council and written comments submitted by Council Members.
5. In particular, with regard to documents, the Council notes:
 - (a) the paper should more clearly and concisely reflect STAP's mandate as defined in the Instrument and subsequent Council guidance. STAP's role is advisory and not operational. STAP should integrate its advisory role with the activities of the Secretariat and Implementing Agencies;

- (b) project reviews by experts from the STAP roster are integrated in the project cycle. Selective project reviews by STAP should not delay the project approval process. Such reviews should aim to provide objective scientific and technical advice relevant to the project;
 - (c) the Council reiterates the importance of the roster of experts and emphasizes the need to undertake a review and revision, as soon as possible, of the roster to improve the quality of the outputs. STAP is responsible for ensuring the quality of the roster of experts and the experts' work;
 - (d) in document 5, paragraph 26, the language should be adjusted to ensure that the appropriate relationship among the subsidiary bodies referred to in the said paragraph is fully respected. In carrying out its mandate, STAP should interact in a collaborative and cooperative manner with the scientific and technical bodies of the conventions. STAP's work should be complementary, and not duplicative, to the work of the convention bodies;
 - (e) in document 5, the last sentence of paragraph 29 should be deleted;
 - (f) in document 5, the phrase "upon the recommendation of UNEP" should be deleted in paragraph 30; and
 - (g) the selective review criteria proposed in document 7 should be revised to conform to the STAP terms of reference as amended by the Council.
6. The revised documents should be submitted to the Council for information at its October meeting.
 7. In accordance with paragraph 20(f) of the Instrument, the Council approves the mandate, composition and role of STAP, subject to the decision of the Council at its May 1995 meeting that "UNEP ensure technical and professional representation in the context of land degradation consistent with the Instrument".
 8. The Council reviewed the STAP business plan and budget proposal for FY96 presented in document GEF/C.5/6. The Council requests UNEP to prepare a revised business plan and budget taking into account the Council's discussions on the proposed business plan and budget as well as its discussions on the STAP terms of reference.
 9. The Council approves the STAP FY96 budget annexed to this decision on the understanding that the staffing of the Secretariat will include one full-time professional post to service STAP and one consultant/fixed term professional for a period of one year to help in preparing the STAP roster and in evaluating the roster's operation. The Council will review the new proposed budget, and any proposed revisions to ensure consistency with the revised business plan, during its mid-term review of the GEF budget in October 1995.

10. UNEP is requested to submit to the Council at its October meeting an audit of the STAP FY95 budget. This audit should be carried out in accordance with UN audit procedures.

DECISION ON AGENDA ITEM 8 *World Bank Accountability for Executing Agency Activities*

11. The Council reviewed the paper prepared by the World Bank concerning its accountability for the activities of executing agencies working through it. The Council welcomes the World Bank's assurance that it is accountable to the GEF Council for GEF projects executed under its sponsorship and takes note of the steps outlined in the paper that will allow the World Bank to fulfill its accountability.
12. The Council approves the administrative budget requests presented in document GEF/C.5/13/Rev.1 to cover the administrative expenses which may be incurred by the International Finance Corporation (IFC) in preparing and executing GEF-financed activities. The Council recommends that from FY97 onwards these administrative expenses should be included in the World Bank submission to the GEF budget.
13. The Council welcomed the information in the paper concerning the Bank's collaboration with regional development banks and IFAD. It agreed to allocate to the World Bank the resources to cover the RDB's and IFAD's administrative costs related to GEF projects. The RDBs and IFAD are requested to incorporate GEF-related concerns into their regular programs of assistance.
14. The Council agreed that cooperative projects with regional development banks should be considered and developed on a case-by-case basis, and that any administrative costs incurred by the regional development banks in preparing and managing co-financed projects should be included in the project costs.
15. The Council also agreed that collaboration with IFAD should proceed on a project by project basis, moving towards a programmatic approach, and that project and program preparation should be financed through the PDF.

DECISION ON AGENDA ITEM 9

Arrangements with the Conventions on Biological Diversity and the Framework Convention on Climate Change

16. The Council reviewed document GEF/C.5/8, *Arrangements with the Conventions*, including the *Draft Memorandum of Understanding between the Conference of the Parties to the Convention on Biological Diversity and the Council of the Global Environment Facility regarding the Institutional Structure Operating the Financial Mechanism of the Convention* and the *Draft Memorandum of Understanding between the Conference of the Parties to the United Nations Framework Convention on Climate Change and the Council of the Global Environment Facility*. The Council noted with appreciation the significant progress that had been made by the secretariats of the conventions and the Secretariat of the GEF in preparing the draft memorandums.
17. With regard to the bracketed text in the draft memorandum of understanding for purposes of the Convention on Biological Diversity, the Council suggests that consideration be given to including in the draft memorandum the text of paragraph 4.3(c) that was suggested by the GEF Secretariat and the text of paragraph 4.5 that was suggested by the Convention secretariat.
18. The Council requests the Secretariat to continue its consultations with the Secretariat of the Convention on Biological Diversity with a view to preparing a consensus draft of the memorandum of understanding for consideration by the second meeting of the Conference of the Parties to the Convention.
19. The Council also requests the Secretariat to review with the two convention Secretariats the drafting of the memorandums with a view to promoting consistency in the drafting of similar provisions, taking into account the written comments submitted by Council Members.

DECISION ON AGENDA ITEM 10

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

20. The Council reviewed and endorses the CEO's letter in response to the 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. The CEO is requested to transmit the letter to the Executive Secretary of the Convention.

DECISION ON AGENDA ITEM 11

Draft Report of GEF to Second Meeting of the Conference of the Parties to the Convention on Biological Diversity (November 1995)

21. The Council reviewed the proposed draft report of the GEF to the second meeting of the Conference of the Parties to the Convention on Biological Diversity. The Council requests the Secretariat to prepare the report for submission to the second meeting of the Conference of the Parties in November 1995, taking into account the comments made by Council Members.

DECISION ON AGENDA ITEM 12 *Guidelines for Management of the GEF Voluntary Fund*

22. Further to the decision of the Council concerning NGOs taken at its meeting in May 1995, the Council approves the establishment of the GEF Voluntary Fund in accordance with the administrative arrangements described in document GEF/C.5/11 and invites the World Bank, as Trustee of the GEF Trust Fund, to administer the Voluntary Fund.
23. The Council agrees that the purpose of the fund is to provide financing for NGO consultations in Washington at the time of regular Council meetings. Remaining budgetary resources can be used for regional and/or sub-regional consultations on the implementation of the GEF operational strategy.
24. The Secretariat is requested to report on the activities of, and status of commitments to, the voluntary fund in the GEF Annual Report.

DECISION ON AGENDA ITEM 14 (a) *Small Grants Programme*

25. The Council reviewed and approves the proposal prepared by UNDP for Interim Funding of the Small Grants Programme set forth in document GEF/C.5/14. The Council was informed that this funding is primarily to enable the maintenance of the existing in-country infrastructure as well as in-country evaluation of each country program. The Council requests UNDP to submit a progress report on these activities to the Council meeting in October.
26. The Council was concerned that the interim funding request did not foresee new project activities, and it urged UNDP to make every effort to prepare for early funding of projects in the next phase of the program.

DECISION ON AGENDA ITEM 14 (b) *Proposed meeting dates for the Council in 1996*

27. The Council takes note of the following meeting dates proposed for the two regular Council meetings in 1996:

(a) April 2-4, 1996; and

(b) October 8-10, 1996.

Attachment to Decision on Agenda Item 7: STAP

REVISED STAP BUDGET FY 96

| STAP PANEL EXPENSES | |
|--------------------------------|----------------|
| | Proposed FY 96 |
| Honoraria | 342,000 |
| Meetings, Working groups | 350,000 |
| Total Panel Expenditure | 692,000 |

| STAP BUDGET REVISION | |
|--|-------------------------------|
| Admin. Head of STAP | 132,000 |
| 1 Professional Consultant/Fixed-term staff (for Roster of Experts) | 120,000 |
| Functions not covered under this proposal - administrative work related to STAP - (meeting organization, document distribution, travel arrangements, DSA, tickets) | |
| Travel: 1 person - 2 council meetings | 11,000 |
| 3 STAP meetings for STAP head | 15,000 |
| 2 STAP meetings for consultant | 10,000 |
| Operating Costs | 10,000 |
| Communication Costs | 20,000 |
| Miscellaneous | 2,000 |
| Audit Costs | 20,000 (preliminary estimate) |
| Total | 340,000 |

| TOTAL EXPENDITURE ON STAP | |
|---------------------------|--------------------|
| | Proposed FY 96 |
| Total Expenditure | \$1,032,000 |