



Global Environment Facility

December 10, 1999

JOINT SUMMARY OF THE CHAIRS GEF COUNCIL MEETING DECEMBER 8-10, 1999

OPENING OF THE MEETING

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

ELECTION OF A CHAIRPERSON

2. The Council elected Hans-Peter Schipulle, the Member representing Germany, as its elected Chairperson.

ADOPTION OF THE AGENDA

3. The Council adopted the provisional agenda set forth in document GEF/C.14/1.

STATEMENTS ON BEHALF OF THE UNITED NATIONS FRAMEWORK CONVENTION ON CLIMATE CHANGE AND THE CONVENTION ON BIOLOGICAL DIVERSITY

4. Statements were made to the Council by Mr. Michael Zammit Cutajar, Executive Secretary, United Nations Framework Convention on Climate Change, and Mr. Hamdallah Zedan, Executive Secretary, Convention on Biological Diversity. Messrs. Zammit Cutajar and Zedan responded to questions from Members. Under agenda item 7, *Clarifying linkages between land degradation and the GEF focal areas*, the representative of Mr. Hama Arba Diallo, Executive Secretary of the Convention to Combat Desertification, made a statement to the Council on his behalf.

DECISIONS OF THE COUNCIL

6. The Council approved the following decisions:

Decision on Agenda Item 6 *World Bank Group Progress Report on the Preparation of an Environment Strategy.*

7. The Council, having reviewed document GEF/C.14/3, *World Bank Group Progress Report on the Preparation of an Environment Strategy*, takes note of the progress that has been made by the World Bank Group in developing a strategy for addressing global environmental concerns in World Bank Group policies and programs as a part of a corporate strategy covering local, regional and global aspects of the environment as a whole.

8. The Council expresses its disappointment at the length of time it is taking to prepare the strategy and to clarify its relation to GEF work. The Bank is requested, in finalizing its strategy, to take into consideration the many substantive comments made by Council Members.

9. The World Bank Group informed the Council that it has adopted a schedule of extensive internal and external consultations leading to the completion of its Environment Strategy for presentation to the World Bank's Board of Executive Directors by October 2000. The Council requests the World Bank to submit its draft final report on the Environment Strategy to the Council for its November 2000 meeting and that a comprehensive report setting out the further development of issues addressed in the Strategy be presented to the Council at its meeting in May 2000.

Decision on Agenda Item 7 *Clarifying Linkages between land degradation and the GEF focal areas. An action plan for enhancing GEF Support*

10. The Council, having reviewed document GEF/C.14/4, *Clarifying linkages between land degradation and the GEF focal areas: an action plan for enhancing GEF support*, approves the proposed action plan to enhance GEF support for land degradation activities as they relate to the GEF focal areas, subject to the comments made by the Council. The Council requests the Secretariat and the Implementing Agencies to help countries prepare project proposals in the GEF focal areas that include land degradation measures, consistent with the action plan. The Council also requests the Secretariat, in cooperation with the Implementing Agencies, to report regularly

Decision on Agenda Item 9 *Work Program Submitted for Council Approval*

11. The Council reviewed the proposed Work Program submitted to Council in document GEF/C.14/6¹ and approves it², subject to comments made during the Council meeting and additional comments that may be submitted to the Secretariat by December 31, 1999.

12. The Council finds that, with the exception of:

- (a) Colombia, Conservation of Biodiversity in the Sierra Nevada de Santa Marta;
- (b) Brazil, Hydrogen Fuel Cell Buses of Urban Transport; and
- (c) Mexico, Hybrid Solar Thermal Power Plant;

each project presented to it as part of the Work Program (i) is or would be consistent with the Instrument and GEF policies and procedures and (ii) may be endorsed by the CEO for final approval by the Implementing Agency, provided that the CEO circulates to the Council Members, prior to endorsement, draft final project documents fully incorporating the Council's comments on the Work Program accompanied by a satisfactory explanation by the CEO of how such comments and comments of the STAP reviewer have been addressed and a confirmation by the CEO that the project continues to be consistent with the Instrument and GEF policies and procedures.

13. With respect to the three projects listed in the above paragraph, the Council requests the Secretariat to arrange for Council Members to receive 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.

Decision on Agenda Item 10 *Draft Annual Report*

14. The Council reviewed the draft annual report (Volumes I and II) covering the activities of the GEF during FY99, documents GEF/C.14/7 and GEF/C.14/8, and approves it subject to the comments made by the Council. The Council requests the Secretariat to publish the report and disseminate it widely.

¹ In introducing the work program, the CEO noted that UNDP had withdrawn the project proposal entitled, *Brazil, Promoting Biodiversity Conservation and Sustainable Use in the Frontier Forests of Northwestern Mato Grosso*, from consideration at the Council meeting, making the proposed total GEF allocation for the work program

Decision on Agenda Item 11 *Corporate Business Plan FY01-03*

15. The Council, having reviewed the *GEF Corporate Business Plan FY01-03* (document GEF/C.14/9), approves the business plan subject to comments made at the meeting. The Council requests the Secretariat and the Implementing Agencies to take into account the business plan and its decisions on other agenda items in carrying out GEF activities and in preparing the proposed FY01 budget for approval by the Council at its meeting in May 2000.

16. The Council supported in principle the proposed evolution of GEF support to recipient countries through a more programmatic approach, and requests the Secretariat to prepare, in consultation with the Implementing Agencies, a paper detailing the criteria and process for its implementation. The paper should be posted on the GEF Website for comment. The Council could consider at its May 2000 meeting a pilot program applying this approach if such a pilot has been adequately prepared in time for the meeting.

Decision on Agenda Item 12a *Second Progress Report on Actions to Implement the Recommendations of the Study of GEF's Overall Performance and the Policy Recommendations for the Second Replenishment Period*

17. The Council, having reviewed document GEF/C.14/10, *Actions to Implement the Recommendations of the Study of GEF's Overall Performance and the Policy Recommendations to the Second Replenishment*, takes note of the actions that the Secretariat and Implementing Agencies have undertaken. The Council requests the Secretariat and the Implementing Agencies to continue their efforts to address the recommendations and to report to the next Council meeting on additional progress made in this regard.

Decision on Agenda Item 12b *An Interim Assessment of Biodiversity Enabling Activities*

18. The Council reviewed document GEF/C.14/11, *An Interim Assessment of Biodiversity Enabling Activities*. The Council notes the recommendations contained in the evaluation, and requests the Secretariat and the Implementing Agencies to take the report into consideration in future enabling activity efforts. This applies particularly to the work of the Capacity Development Initiative, including the development of elements of a strategy and an action plan for capacity development in the area of biodiversity. The Council also invites the Secretariat to submit the

collaboration with the Parties to the Conventions and the Convention Secretariats. The Council encourages recipient countries, the Implementing Agencies and the GEF Secretariat to continue their efforts to develop country-driven projects consistent with the policies and program priorities identified in the guidance from the Conferences of the Parties to the Convention on Biological Diversity and the UN Framework Convention on Climate Change.

20. The Council takes note of progress that has been made by the Secretariat and the Implementing Agencies in preparing revised operational criteria to guide revisions to enabling activities in light of the increased funding approved by the Council at its last meeting. Such increasing funding should respond to immediate capacity building priorities of countries consistent with the guidance on capacity building from the conventions pending the results of the Capacity Development Initiative.

21. The Council requests the CEO to continue to observe the negotiations for an international legally binding instrument for implementing international action on certain organic pollutants and to keep the Council informed of progress made in the negotiations.

Decision on Agenda Item 13a *Draft Report of the GEF to the Fifth Meeting of the Conference of the Parties to the Convention on Biological Diversity*

22. The Council having reviewed the *draft Report of the GEF to the fifth meeting of the Conference of the Parties to the Convention on Biological Diversity*, approves the report, subject to the comments made at the meeting, and requests the Secretariat to submit it to the fifth meeting of the Conference of the Parties to the Convention.

HIGHLIGHTS OF COUNCIL'S DISCUSSION

23. The following explanations and clarifications were made during the Council's discussion of its agenda items and related decisions.

Agenda Item 6 *World Bank Group Progress Report on the Preparation of an Environment Strategy*

24. Several Council Members expressed concern that narrowing the scope of the World Bank environment strategy to poverty alleviation might reduce attention in the World Bank to the global environment, and suggested that it might be more appropriate to place the strategy in the

27. Council Members stressed the need for strengthening of the internal capacity of the World Bank, particularly in the area of energy efficiency and renewable energy.

Agenda Item 7

Clarifying Linkages between land degradation and the GEF focal areas. An action plan for enhancing GEF Support

28. The Council requested the Implementing Agencies to give high priority to the implementation of the action plan.

29. The Council called upon the GEF, particularly its Implementing Agencies, to work cooperatively with the Global Mechanism of the Convention to Combat Desertification.

30. The Council requested the Implementing Agencies to enhance their efforts to develop and implement the Integrated Land and Water Initiative, with a special emphasis on countries with low forest cover vulnerable to land degradation, and in particular countries in Africa.

31. The Council suggested that aspects of development and poverty alleviation be more clearly articulated in the action plan, which would serve to better recognize co-funding and complementary of GEF activities with the regular activities of the Implementing Agencies.

32. It was also suggested that stronger consideration be given in the action plan and in its implementation to the underlying causes of land degradation.

Agenda Item 9

Work Program Submitted for Council Approval

33. The GEF Secretariat and Implementing Agencies were requested to continue their efforts to expedite and streamline the project cycle. The Implementing Agencies were also requested to enhance their cooperation at the country and regional levels.

34. The Council underlined the importance of efforts, and the development of criteria, to ensure that replicability, replication and sustainability is built into project design.

35. The Council also recognized the importance of co-financing and an appropriate level for GEF support as an indication of the sustainability of projects.

36. The Council expressed its concern that there was not a better balance in the biodiversity

further efficiency and to ascertain that projects are correctly characterized for the purposes of determining fees.

39. The Secretariat and the Implementing Agencies were requested to include capacity building for land degradation within the enabling activities under the GEF focal areas of biodiversity, climate change and international waters and to promote synergies among the enabling activities in the different focal areas.

40. The Secretariat was requested to include in future cover notes to the work program a better analysis of the risks and assumptions associated with the projects in the work program.

41. With regard to the project proposal, *Tajikistan: Phaseout of Ozone Depleting Substances*, the Council was informed that the Swiss government had extended a technical assistance offer that would allow the consideration of dual CFC alternatives at the Pamir refrigerator factory. UNDP indicated that it would provide an up-dated project document for endorsement by the CEO allowing for the implementation of the dual use option if additional technical assessments confirmed its feasibility.

Agenda Item 10

Draft Annual Report

42. The Council expressed its satisfaction with the well-designed format and user-friendly style of the draft annual report.

43. The Council underlined the importance of the Country Dialogue Workshops, and many Council Members requested more information on the content, timing and host countries of workshops. The Secretariat was requested to provide such information together with regular progress reports to the Council, possibly through the GEF Website.

44. The Secretariat was requested to consider options for presenting the draft annual report to the Council for approval as closely as possible to the close of the fiscal year, including the possibility of circulating the draft report to the Council for approval by mail on a no objections basis.

Agenda Item 11

Corporate Business Plan FY01-03

45. With regard to the proposed programmatic approach to determining GEF programming and financing, the Council underlined that the effectiveness of such an approach will depend on

- (e) consideration of the guidance provided by the relevant Conventions to which the GEF serves as the financial mechanism,
- (f) consideration of the resources available through the GEF Trust Fund and flexibility in budgeting,
- (g) indication of expected results at the programmatic level and adequate monitoring and evaluation of those results.

46. The Council urges donors who have not yet done so, to deposit expeditiously their Instruments of Commitment and Notes for the second GEF replenishment in order to cover the financial requirements envisaged in the Corporate Business Plan.

47. The Council recognized that projections for the third year of the business plan were dependent upon the next GEF replenishment.

48. The Implementing Agencies were requested to strengthen their efforts to involve more countries in the GEF process and to identify particularly innovative projects.

49. With reference to paragraph 15 of the business plan which addresses emerging issues in the global environment agenda, it was suggested that that the biosafety protocol and possibly forests be included as emerging issues for GEF's attention. The Secretariat was requested to assess the implications for GEF activities of the negotiations on persistent organic pollutants (POPs).

50. The Council requested the Secretariat to prepare for consideration at its meeting in May 2000 a proposal for the evaluation of GEF operations prior to the next replenishment.

51. Several Council Members called for continued strengthening of the capacity for monitoring and evaluation of GEF-financed activities.

52. The Secretariat was requested to maintain an up-dated list of the GEF national focal points on the GEF Website. The Secretariat was also requested to post on its Website lists of the Conventions' focal points in an effort to contribute to consistency of positions in different fora.

53. Several Council Members requested the Secretariat to include financial projections for the crossing-cutting area of land degradation in future business plans.

56. The Council noted with satisfaction the progress that is being made in strengthening the collaboration with regional development banks in the preparation and execution of GEF-financed projects.

57. The CEO was requested to reflect upon, and to consult with interested parties, on how the GEF could make a substantial contribution to the process as well as the events connected to Rio+10 in 2002 that would demonstrate what the GEF has achieved since UNCED. The CEO was requested to share his ideas with the GEF Council at a future meeting.

Agenda Item 12a

Second Progress Report on Actions to Implement the Recommendations of the Study of GEF's Overall Performance and the Policy Recommendations for the Second Replenishment Period.

58. The Council requested the Implementing Agencies to provide to the Council through the Secretariat information on the policies and criteria applied by the agencies in involving local and regional consultants in the preparation, implementation and evaluation of projects.

59. The Secretariat was requested to explore, in consultation with the Implementing Agencies, special evaluations of innovative technology projects financed by the GEF.

60. It was recommended that the quality of project status reports could be enhanced by including information on percentages with regard to completion of project activities and disbursement of project financing.

61. The Council welcomed the offer of the NGOs to provide a roster of experts in various regions and requested the Secretariat and Implementing Agencies to increase the involvement of NGO-expertise in monitoring and evaluation activities.

Agenda Item 12b

An Interim Assessment of Biodiversity Enabling Activities

62. The Council recommended that more attention and efforts be given to the timely completion and submission of the biodiversity strategies and action plans.

63. The Council underlined that the GEF should continue its catalytic role in mobilizing

Agenda Item 13

Relations with Conventions

65. The Council recognized the joint program of work that had been agreed between the Convention on Biological Diversity and the Ramsar Convention on Wetlands, and called for the further strengthening of the relationship between the Secretariats of the Ramsar Convention and the GEF.
66. The Secretariat was requested to continue to strengthen its relationships with the Secretariats of the CBD, UNFCCC and CCD.
67. The Secretariat was requested to continue its work on the issue of incremental costs in the biodiversity focal area.
68. The Secretariat was requested to inform the Council of its preliminary conclusions on its assessment of the relationship between the negotiations on POPs and the GEF and the options for including activities related to POPs in the work of the GEF.

Agenda Item 14

Other Business

69. The US Council Member described the recently concluded FY2000 budget negotiations. He indicated that, while the final funding level for the GEF was not satisfactory, two important steps have been taken. First, Congressional authorization of participation in the GEF for future replenishments will no longer be necessary. Second, the final FY2000 contribution will provide \$25 million to complete GEF-1 commitments and \$10.8 million as an initial payment towards GEF-2 commitments. This means that the US will deposit its instrument of commitment for GEF-2.
70. The Council Member from Italy informed the Council that earlier this year, the Parliament approved a bill for clearing all the major arrears of Italy to GEF-1, IDA and other multilateral development banks. The approval of the bill regarding GEF-2 is well advanced: The first House of the Parliament has approved the bill, and it is waiting for approval by the Senate. If no major obstacles occur, the Italian Government expects to deposit its instrument of commitment to GEF-2 before the next Council meeting.
71. The Council Member from Spain informed the Council that the law that authorizes Spain to submit its instrument of commitment for the second GEF replenishment is in the process of being approved by the Senate. As soon as the law is endorsed by the Senate, Spain will deposit

74. The Council recommended that in preparing Council documentation, an executive summary is included in longer documents.
75. The Council invited the Secretariat and the Implementing Agencies to contribute lessons and experiences to the work of the CSD on energy and sustainable development.
76. Several Council Members requested the Council to consider the matter of facilitating attendance by Alternates at Council Meetings. The CEO suggested that he consult further on the issue and share with the Council the conclusions of his consultations.
77. The Secretariat agreed to circulate to the Council Members for comment its proposal prepared in collaboration with the Implementing Agencies as to how the GEF will implement the decision of the FCCC Conference of the Parties concerning second national communications of non-Annex I Parties.