

**HIGHLIGHTS OF THE COUNCIL'S DISCUSSIONS
61ST GEF COUNCIL MEETING
DECEMBER 6-10, 2021, 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. The full video of the Council Meeting can be found here: <https://www.youtube.com/user/GEFSecretariat>

Agenda Item 1 Opening of the Meeting

1. The CEO and Chairperson of the GEF, Carlos Manuel Rodriguez, and Mette Møglestue, Elected Chairperson, opened the 61st GEF Council meeting.

Agenda Item 2 Adoption of the Agenda

2. The Secretariat indicated that the date for the 62nd meeting as well as the composition of the WG on Governance and the composition of the Ethics Committee would be addressed under Other Business. No other issues were mentioned at this time.

3. Agenda was adopted.

Agenda Item 3 The GEF Monitoring Report 2021

4. The Secretariat presented the GEF Monitoring Report 2021 that covers the period from July 1, 2020, to June 30, 2021. It appraises the progress made by the portfolio of projects under implementation with financing from the GEF Trust Fund over the past year. The Monitoring Report presents the results of the GEF partnership's efforts to strengthen its portfolio and make projects and programs more effective. The report continues to provide an overview of the size and distribution of the portfolio of projects under implementation. The report provided an

update to the Portfolio Scorecard and on results achievement. The report also reviewed the timely and effective use of Mid-Term Reviews (MTRs).

5. The Council welcomed the report and its analysis of operational effectiveness and efficiency along Portfolio Scorecard metrics, now disaggregated by region and country group. They acknowledged the importance of this tracking tool in a period marked by important operational challenges caused by the COVID-19 pandemic and related mobility restrictions. They noted that projects are being approved and disbursement is occurring faster, and projects closed on time. They stressed the value of MTRs. Areas for improvement were also mentioned, including co-financing, and more detailed knowledge sharing. The impact of pandemic on the regions should also be noted.

6. Other Council members commented on the good balance of progress; better distribution among agencies; satisfactory level of project performance; need for more involvement of the OFPs. Council members welcomed the report and its analysis of operational effectiveness and efficiency along Portfolio Scorecard metrics, now disaggregated by region and country group. They acknowledged the importance of this tracking tool in a period marked by important operational challenges caused by the COVID-19 pandemic and related mobility restrictions.

7. Addressing Council Members' requests the Secretariat presented an update on the submission rate of Project Implementation Reports and on Financial Closure. It committed to ramp up engagement with Agencies to ensure full compliance with policy requirements in these areas.

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9. Several Council Members stressed the importance of project MTRs as a tool for stock taking, adaptive management and learning. They underlined the need for the Secretariat to work with Agencies in ensuring that MTRs take place early enough in project life for prompt implementation of MTR findings.

10. In addition, challenges to materializing co-financing by the time projects reach MTR in Africa and Least Developed Countries were also noted in the COVID-19 context.

Agenda Item 4 *UNDP: Independent Third-Party Review of Compliance with GEF Minimum Fiduciary Standards.*

11. The Secretariat introduced the Third-Party Review followed by the author of the report, Mr J. Graham Joscelyne, who presented the findings and conclusions. Mr. Pradeep Kurukulasuriya, Executive Coordinator and Director, Global Environmental Finance, at UNDP, offered additional comments on how UNDP is improving its procedures and addressing the issues raised.

12. Council members appreciated the report, noting the importance attached to this issue and process. They expressed satisfaction with the transparency and frankness of the views expressed as well as with the seriousness with which the UNDP Administrator and Staff have addressed the situation. The recommendations were all welcomed. They expressed the desire to see tangible evidence that there is change at the operational level while noting the need for time for this to happen. Monthly reports by UNDP were requested to continue.

13. Some Council members expressed concern about delays in project development and implementation caused by the measures taken to address the issues raised. Checklists and other new procedural steps have had a negative impact on timely completion of project related processes.

14. The Secretariat welcomed the comments and requests and highlighted the implications and the roles of Executing and implementing functions. Mr Joscelyne stressed the need to allow adequate time to be given for adoption of new policies and measures as well as their implementation in the field. UNDP stressed the completion of PIRs, MTRs and multiple duties so that countries would not be affected by management actions. A management response to the review will be prepared by UNDP with action plan to be communicated in March 2022.

15. An Executive Session was held on Tuesday December 7 with the presence of the UNDP Administrator Achim Steiner. This was followed by an explanation of a proposed amended draft decision responding to comments received. The text was distributed on Tuesday December 7 and another Executive Session was held on Wednesday December 8.

Agenda Item 5 *Follow up of UNDP related decisions from the 59th Council meeting*

16. The Secretariat introduced the item, referring to the decisions of the 59th Council including the request for UNDP projects to be sent for Council reviewed four weeks before CEO endorsement/approval. This has been done for all UNDP projects. The Third Party Review discussed in the previous item took place and the cover note highlighted the recommendations. UNDP submits monthly reports that are forwarded to the Council. There was an additional report

at the 60th Council meeting. Mr. Kurukulasuriya also presented his report on the actions taken since the 59th Council. Screening of risks has been done for every project through check lists that certify that governance arrangements have been scrutinized, that separation between oversight and execution is in place; that the capacities of executing agencies has been reviewed, that the UNDP country offices are capable for oversight and that all recommendations have been taken care of. Awareness and sensitization activities have also taken place to make sure all changes are fully understood. Uptake testing has also been done to minimize risk. A new audit review of implementation is being carried out and will be published in January 2022.

17. The Council took note of actions and appreciated progress achieved. Mention was made to actions of control that could be taken at the country level with more capacity building as part of the CSP. Another comment referred to bringing these lessons to the broader partnership.

Agenda Item 6 The share of GEF financing in agencies' portfolios

18. The Secretariat introduced information to Council on the relative levels of GEF financing in each GEF Agency's overall operations. This is the second report responding to request from the replenishment that agencies report on the volume of their non-GEF activities starting in 2020. It is meant to help Council to better understand the applicability of a 30% ceiling, i.e., that the total of GEF projects and programs that any agency manages at any given time does not exceed 30% of their total projects and programs funded from all sources. This is distinct from concentration being discussed in GEF-8 replenishment which looks at the share of the GEF funding that each agency accounts for. The methodology is Annual flows of approvals and annual flows of disbursements. GEF funding is not close to the 30%. The draft decision is based on the fact that this is not an issue of concern.

19. The Council welcomed the reports and the distinction between dependency and concentration was recognized. Several members indicated that this analysis and any decision taken should not impair the right of any recipient country to choose the agency most suited to its objective. Differences among the agencies in terms of coverage, presence in countries and tradition of relations with those countries were also highlighted. Other Council member mentioned the need to compare Agencies' work with the GEF as a percentage of their work in the field of environment rather than a percentage of total flows.

20. The Secretariat confirmed that this analysis does in no way intends to reduce the range of agencies that recipient countries can select. The issue of capacity of focal points is being discussed under the CSP and this decision has no impact upon it. Structural differences among agencies is also relevant as has been taken into account.

Agenda Item 7 Work Program for GEF Trust Fund

21. The Secretariat presented the Work Program with 26 projects and programs for a total request of \$190.7 million that represents 5% of the replenishment portfolio. The GEF has reached 85% of its timeline; 84% of STAR utilization reached 84% and overall financing reached 87% of the replenishment amount. One project (\$6M) is proposed under NGI window, with 95% of NGI funding programmed to date. \$1.4B is expected as co-financing which includes \$1.1B of investment mobilized (80%); ratio stands at 1:8.2; GEF-7 to date 1:7.9. Eight out of 18 Agencies were represented with more equitable distribution among the top three agencies- UNDP (39.7%), World Bank (16.8%) and UNEP (16.9%). In terms of regional spread, Asia was the most heavily programmed regions with \$81.3M followed by SIDs (\$26.5M) and Africa (\$24.6M). Countries programmed funding across all focal areas, with International Waters and Chemicals and Waste having the largest share.

22. The Council expressed satisfaction at the progress achieved in programming overall and in the quality of the projects included in this work program. The high proportion of C&W and IW projects as well as the lower level of CC projects were mentioned. The GEF was commended for almost reaching targets for 7 of the 10 core indicators, yet some questions were asked about the reasons for the few that are lagging. Greater breakdown of co-financing was requested by a few Council Members. The high proportion of projects implemented by UNDP was mentioned by some Council members thus recalling the issue of concentration. The broad inclusion of gender dimensions in many projects was praised while the need to move to a point where all projects do this was emphasized. A number of comments on specific comments were also made.

23. The Secretariat said that CC FA has utilized the smallest net transfer, but also contributed to the largest amounts of flexibility and noted that in November 2021, the core indicator on GHG emissions was well on the way to achieve the GEF-7 target despite only representing 18% of GEF-7 notional resources programmed. On co-financing the Secretariat pointed to the Private Sector Engagement Strategy which provides a full breakdown in industry type. For more fine-grained information, Secretariat will see what is possible and if we can provide information in the next WP or scorecard. Regarding low delivery towards core indicators 1 and 4 the Secretariat recalled that it is difficult to set targets, and yet GEF-7 target are close to being met. Country ownership makes it hard to predict exact outcomes. Targets are estimated based on past trends and on projections on what countries might do.

24. An update was requested on efforts to improve transparency as discussed in last meeting. The Secretariat replied that the ratings in the report mentioned were linked to the facts that at the time, GEF had not yet reported the GEF portfolio into the IATI framework, which has been done since then and an update has been provided. Will do that again before end of the year.

Increased transparency will be made available through unified standards for all GEF projects, will improved quality of writing in the future. On concentration the Secretariat cautioned against judging based on a single work program. The Secretariat said it will collect all comments on projects and ensure these are considered for the next preparation phase. The decision was amended and approved.

Agenda Item 9 *Working Toward a Greener Global Recovery - Executive Summary of OPS7*

25. The GEF IEO presented to the council the Seventh Comprehensive Evaluation of the GEF: Working Toward a Greener Global Recovery, followed by a Management Response by the GEFSEC. The GEFSEC and the Council Members were very appreciative of the dedicated work of the IEO to produce a report that is providing guidance on the design of a wider GEF partnership. The CEO acknowledged that the findings and recommendations have been included in policies and programing directions for GEF-8.

26. The GEF CEO indicated that the GEFSEC was not given enough time to prepare an in-depth management response that can effectively respond to all evaluation findings. The GEF CEO is committed to having all the documents posted on time, as requested by the GEF Council. In the future, the GEFSEC should receive evaluation reports 4 weeks in advance in order to prepare management responses. IEO agreed.

27. The Council expressed its sincere gratitude to the entire IEO team for the tremendous effort to conclude OPS7. Some commented that the number of IPs may be too ambitious and may create too many different thematic areas; that there should be coordination with other environmental funds; and supported conclusion that highlighted the importance of the STAR system. They also requested to see more clarity on how the country engagement strategy will be developed into the existing CSP.

28. Some Council Members expressed support for having nature and biodiversity at the center of GEF-8; for giving more support to LDCs and SIDS; and for encouraging policy coherence. Working with the private sector and in particular the NGI also received broad support.

Agenda Item 10 *Relations with the Conventions and Other International Institutions*

29. The Co-chair introduced the item explaining that it included three sections: a) Presentation by the Executive Secretaries of the conventions that the GEF serves; b) Update on the UNFCCC COP26 outcomes; and c) Consideration of the Report on Relation with Conventions.

30. The co-chair introduced and welcomed the Executive Secretaries of Conventions present in the meeting – Ibrahim Thiaw (UNCCD), Elizabeth Maruma Mrema (CBD), Rolph Payet (Basel, Rotterdam, Stockholm Conventions) and Monika Stankiewicz (Minamata Convention), and Ovais Sarmad, Deputy executive secretary (UNFCCC).

31. Ibrahim Thiaw (UNCCD) thanked for the opportunity to brief the GEF Council again as land restoration becomes more relevant, as millions of trees planted now need to be translated into hectares of land restored, because it generates revenue, brings food, and restores ecosystems and biodiversity. Tree planting also enhances climate resilience while sequestering large quantities of carbon. He highlighted the importance of the UNFCCC Glasgow Declaration, as well as of the Bezos Earth Pledge of 1 billion dollars for land restoration in Africa, especially for implementation of the *Great Green Wall Initiative* (GGWI), now totaling more than 19 billion dollars, that would not have been possible without the incubation of the GEF. He also mentioned the *Middle East Green Initiative*, announced in March 2021, that aims to restore 200 million ha across the Middle East, and the green initiative launched by Saudi Arabia which aims to restore 40 million ha of degraded land. He added that initiatives are in place in India, Pakistan, China, Mongolia, Latin America, and Southern Africa.

32. UNCCD is now focusing on the upcoming COP15 in Abidjan, Cote D'Ivoire, 2nd and 3rd week of May 2022. Two topics are likely to be discussed: the report of the Intergovernmental Working Group on Drought set up by the previous COP in New Delhi; and large-scale land restoration is likely to come up as a big topic at next COP, as the world seems to finally wake up to the importance of Nature-based Solutions. He added that it is a critical moment for the GEF, as we have on site the early results of our 30 years of investments in nature and thanked STAP for their great work.

33. Elizabeth Maruma Mrema (CBD) recalled that in the June council meeting, CBD had just completed the first parts of the meetings of the subsidiary bodies online. Since then, the online segment of third meeting of the open-ended working group on the Post-2020 Biodiversity Framework, as well as first part of the COP in Kunming, China, were held. This first part was convened to address the interim budget for 2022 and to build political momentum for the the Post-2020 Biodiversity Framework.

34. On the role of the GEF she mentioned that the unfortunate delays caused by the pandemic has affected the timeliness of COP guidance to inform GEF-8 strategy and programming directions. Proposals for a four-year oriented framework of program priorities for GEF-8 period, aligned with Post-2020 Global biodiversity Framework, are to be considered by parties at COP15. Close collaboration and consultation between CBD Sec and GEF Secretariat in the development of developing the Post-2020 Global Biodiversity Framework and GEF- 8 Programming Directions are aligning well with the objective of the convention and its protocols.

She was optimistic that with the draft GEF-8 Programming Directions, and corresponding funding, GEF is well positioned to respond to expectations of parties and needs of recipient countries.

35. Rolph Payet (Basel, Rotterdam, Stockholm Conventions) mentioned that In July 2021, over 165 parties of BRS conventions took two decisions and documents relevant for GEF Council and ongoing replenishment: 1) The Fifth Review of the Financial Mechanism of the Stockholm Convention, 2) A Report of full assessment of funding necessary and available for implementation of the Stockholm Convention for 2022-2026.

36. The review of the financial mechanism concluded that although GEF has responded adequately to COP decisions, the resources of POPs in the GEF have not been commensurate with the evolution of the convention. Even though 18 new chemicals have been listed under the Stockholm Convention, resources for POPs have remained stable or even decreased at times when funding was available for distribution among other Focal Areas, which is becoming a growing concern. In light of 2025 and 2028 deadlines set out in the conventions, significant GEF resources will have to be set aside. At the same time, focus in GEF-8 and 9 will need to shift to newly listed POPs with close links to other FAs and IPs. A strong message has been received from online segment of COP10 of Stockholm Convention, whereby donors are encouraged to significantly increase their allocations for the conventions in GEF-8. The mission for GEF-8 and 9 is to find ways to secure the much-needed funding to meet 2025 and 2028 deadlines and safeguard the world from the newly listed chemicals.

37. Monika Stankiewicz (Minamata Convention) said that Minamata held its online with a very limited agenda including the 8th replenishment of GEF and she expects intense deliberation of the financial mechanism in the resumed meetings of the COP in person in Bali, Indonesia, next year. Her takeaways from the COP4 side event: 1) We must make the science-based rationale for the work clear and accessible for decision-makers and stakeholders. The role of national focal point in this is very important. 2) The first full national reports on implementation of the convention are due end of the month and hopes these will provide new information and ensure GEF investments lead to effective, integrated, and inclusive responses. The Minamata secretariat will continue to increase the knowledge base in countries and work closely with GEF Secretariat and its KM initiatives. The Youth forum held during this 61st Council Meeting reminded us of how to protect communities from pollution.

38. Council members expressed their appreciation for the presence and contributions of the Executive Secretaries. The main issues mentioned were concern over the delays of CoP meetings, the value and importance of integration and the relevance of the different focal areas especially C&W and IW.

39. Ovais Sarmad (UNFCCC) provided an update on the UNFCCC CoP 26 outcomes noting it was one of the biggest UNFCCC conferences in history, despite the pandemic, which is demonstrating the commitment of countries and the criticality of addressing climate change. He recalled that the Paris Agreement rulebook and the enhanced transparency framework had been completed after six years of intense negotiations. He added that another major achievement was the phasing down of coal power, which was mentioned for the first time in a UNFCCC decision text, along with phasing out inefficient fossil fuel subsidies. He further noted that adaptation was central to the discussion and given equal urgency and importance as mitigation. He mentioned that a big accomplishment was to reach compromise on article 6 of the Paris Agreement. Operationalizing this will allow scale up collaboration, mobilize finance and private sector engagement, and ensure same rules for everyone. The enhanced transparency framework now allows to build enhanced trust in the process.

40. The Co-Chair opened the floor for comments on the Report on Relations with Conventions and other International Institutions. Council members welcomed the report, supported the draft decision and encouraged GEF to continue exploring synergies with conventions and multilateral climate funds.

Agenda Item 11 Assessment of the pilot on adjusted co-chairing arrangements

41. The Secretariat presented the report referencing the relevant Council decisions. The Co-Chair spoke about her experience as a chair for a full year.

42. The Council expressed its appreciation for the work of the Co-Chair and her team. There was a brief exchange of views on the draft decision supporting an amendment.

Agenda Item 12 Note on the organization of the Seventh GEF Assembly

43. The Secretariat presented the report explaining the impact of the pandemic on the dates and the location of the 7th Assembly. The Secretariat further highlighted the need for the Council to approve use of funding as soon as a host country had been identified.

44. Council members appreciated the explanation, suggestions were made concerning postponement, virtual and hybrid formats depending on the prevailing circumstances and some clarifications were requested. The Secretariat took note of the comments, answered the questions and the Council approved the decision.

Agenda Item 14 Other Business

45. The Council elected a co-Chair for 2022 from among the developing countries. The Council also appointed members of the Ad-Hoc Working Group on Governance and of the Ethics Committee. The Council also approved the date for the 62nd Meeting.

46. One Council Member raised the issue of gender under various funds. Progress has been made in the GEF on gender mainstreaming. Challenges still exist specially at the level of GEF Agencies. It appears that actions taken, while very positive, could be strengthened. What are intended actions? How can GEF align its actions with GCF and Adaptation Fund? The Secretariat responded that these issues can be discussed at the June 2022 Council on the basis of its scheduled report.

Agenda Item 16 Celebration: GEF 30th Anniversary

47. The GEF CEO and Co-chair highlighted the anniversary. The Secretariat presented a video.

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