

Ref.: SCBD/ITS/YX/fb/72592

05 July 2010

NOTIFICATION

Joint Summary of the Chairs, GEF Council Meeting, June 29 – 1 July 2010

Dear Madam/Sir,

The thirty-eighth meeting of the Council of the Global Environment Facility was held from 29 June - 1 July 2010 in Washington, D.C.

The GEF Council agreed to a new standard of 18 months between PIF approval and CEO endorsement for full-sized projects as well as to the two types of GEF programmatic approaches, and approved the proposal for eligible national entities in recipient countries to receive resources from the GEF Trust Fund directly to undertake on a voluntary basis, GEF National Portfolio Formulation Exercises to produce portfolio formulation documents, and prepare Convention Reports which include national communications/reports/national implementation plans that are undertaken as obligations under the Conventions. The GEF Council also approved *Operational Procedures for the System for a Transparent Allocation of Resources (STAR)*.

I have the honor to transmit, for your information, the Joint Summary of the Chairs of this meeting.

Please accept, Sir/Madam, the assurances of my highest consideration.

Ahmed Djoghlaif
Executive Secretary

Attachment

To: CBD National Focal Points, CPB National Focal Points, and Resource Mobilization Focal Points

**JOINT SUMMARY OF THE CHAIRS
GEF COUNCIL MEETING
JUNE 29 - JULY 1, 2010**

OPENING OF THE MEETING

1. The meeting was opened by Ms. Monique Barbut, Chief Executive Officer/Chairperson of the Facility.

ELECTION OF A CHAIRPERSON

2. The Council elected Mr. Frank Fass-Metz, the Council Member representing the constituency of Germany, as its elected Co-Chair.

ADOPTION OF THE AGENDA

3. The Council approved the provisional agenda set forth in document GEF/C.38/1/Rev.1.

STATEMENTS BY THE EXECUTIVE SECRETARIES OF THE CONVENTIONS

4. The Council heard statements from Ms. Preeti Bhandari, representative of the Executive Secretary of the UN Framework Convention on Climate Change, Mr. David Ogden, representative of the Executive Secretary of the Stockholm Convention on Persistent Organic Pollutants, and Ms. Marcia Levaggi, the Manager of the Adaptation Fund Board Secretariat.

REPORT BY THE CHAIR OF STAP

5. Mr. Thomas Lovejoy, Chair of STAP, reported on the recent achievements of STAP and received comments from the Council on the work of the Panel.

INVESTMENT GUIDELINES FOR GEF'S SUSTAINABLE FOREST MANAGEMENT AND REDD-PLUS PROGRAM

6. The Council discussed document GEF/C.38/Inf.4, *Investment Guidelines for GEF's Sustainable Forest Management and REDD-Plus Program*. The document explains the rationale and provides a detailed investment strategy for the GEF's Sustainable Forest Management (SFM) and REDD-plus program, which expands on the financial incentive mechanism dedicated to forests that was created in GEF-4.

DECISIONS

7. The Council approved the following decisions with respect to items on its agenda.

Decision on Agenda Item 5 Relations with the Conventions and Other International Institutions

8. The Council, having considered document GEF/C.38/3/Rev.1, *Relations with the Conventions and Other International Institutions*, welcomed the report and requested the GEF partnership to continue to work with recipient countries to reflect the guidance of the conventions and national priorities in their GEF programming and activities.

Decision on Agenda Item 7 Four-year Work Program and Budget of the GEF Evaluation Office

9. The Council, having reviewed document GEF/ME/C.38/1, *Four-year Work Program and Budget of the GEF Evaluation Office*, approved the general direction taken for the preparation of the Office's work during GEF-5, and requested the Office, taking into account comments made during the meeting, to prepare for consideration at its June meeting in 2011 a work program budget in two parts:

- (a) An annual budget for fiscal year 2012 of fixed costs, such as salaries and general operational costs; and
- (b) A multi-annual budget for evaluations

10. The annual budgets and the four-year evaluation budget will need to be within the cap for GEF-5 to be established for the Evaluation Office, which will also be taken up in the budget proposal to be presented in June 2011.

Decision on Agenda Item 8 Annual Country Portfolio Evaluation Report – 2010

11. The Council, having reviewed document GEF/ME/C.38/2, *Annual Country Portfolio Evaluation Report – 2010*, as well as document GEF/ME/C.38/3, *Management Response to the Annual Country Portfolio Evaluation – 2010*, and having taken note of the two Country Portfolio Evaluations in Turkey and Moldova (GEF/ME/C.38/Inf. 2 and GEF/ME/C.38/Inf. 1), requested:

- (a) The GEF Agencies to systematically involve Operational Focal Points in M&E activities by sharing M&E information with them in a timely manner;
- (b) The Secretariat to consider provision of specific M&E training to the national focal point mechanism through the Country Support Program; and
- (c) The Evaluation Office to strengthen, in collaboration with the Secretariat on monitoring issues, the role of Operational Focal Points in monitoring and evaluation in the proposals for revision of the M&E policy.

12. The Council also encouraged the GEF Agencies to give stronger support to environment issues outside their GEF supported projects, and promoted up-scaling with partner governments. The Evaluation Office is further encouraged to keep this general issue under review.

Decision on Agenda Item 9 Annual Performance Report 2009

13. The GEF Council, having reviewed document GEF/ME/C.38/4, *Annual Performance Report 2009*, as well as GEF/ME/C.38/5, *Management Response to the Annual Performance Report 2009*, requested the GEF Evaluation Office, the Secretariat and the Agencies to work together in identifying and implementing measures to improve the quality of information available through PMIS on the status of projects through the project cycle, including agency compliance with deadlines for terminal evaluations. The Evaluation Office is requested to report on the progress made in the Annual Performance Report 2010.

Decision on Agenda Item 10 Annual Monitoring Report (AMR FY2009)

14. The Council, after reviewing document GEF/C.38/4, *Annual Monitoring Report (AMR) FY2009*, welcomed the progress the GEF has made in monitoring and reporting portfolio level results as well as measuring performance.

15. The Council also requested the Secretariat to continue to strengthen its role in portfolio monitoring by enhancing the tools it employs to track cohorts of projects in a given fiscal year and over the different GEF replenishment periods, as outlined in paragraphs 85-87 of the document. The Secretariat, in its portfolio monitoring role, can, at its discretion and in collaboration with GEF Agencies, visit projects to review specific monitoring issues as well as for learning purposes. The Council further requested the Agencies to support the Secretariat's monitoring and learning roles by facilitating the missions and reviews.

Decision on Agenda Item 11 Streamlining the Project Cycle & Refining the Programmatic Approach

16. The Council, having reviewed document GEF/C.38/5, *Streamlining the Project Cycle and Refining the Programmatic Approach*, agreed to the proposed changes to the project cycle as well as to the two types of GEF programmatic approaches, as described in the document.

17. The Council noted that the current project cycle business standard of 22 months between PIF approval and CEO endorsement for full-sized projects has been met by a large share of projects, and agreed to a new standard of 18 months, which will be reviewed at the June 2011 Council meeting.

18. The Council emphasized the imperative to maintain quality at entry in projects and programs, and requested the Secretariat to include the Secretariat review sheets along with the project and program documentation submitted for Council approval.

19. The Council requested the Agencies, in collaboration with the Secretariat, to identify streamlining measures in the project cycles of the Agencies. The Council further requested the Secretariat, in collaboration with the Agencies, to recommend: (i) business standards for

Agencies' engagements with the recipient countries and with the GEF Secretariat; and (ii) elapsed time standards between key project cycle milestones, which are:

- (a) Time elapsed between submission of a project concept to a GEF Agency and the submission of the PIF to the GEF Secretariat;
- (b) Time elapsed between PIF approval by the GEF Council and CEO endorsement;
- (c) Time elapsed between CEO endorsement and the first project disbursement.

20. The Council requested the Secretariat to track and report on the elapsed times in the Annual Monitoring Report (AMR)

21. The Council requested the Secretariat to develop the capacity of the GEF Project Management and Information System (PMIS) to gather data throughout the project cycle. The Council requested the Agencies to input the relevant data into the PMIS.

22. The Council requested the Secretariat to prepare a policy paper detailing the full project cycle and the two programmatic approaches, including the changes approved by the Council, and submit it as an Information Document for the November 2010 Council Meeting.

Decision on Agenda Item 12 Policies and Procedures for the Execution of Selected GEF Activities—National Portfolio Formulation Exercises and Convention Reports—with Direct Access by Recipient Countries

23. The Council, having reviewed the proposed document GEF/C.38/6/Rev.1, *Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Convention Reports - with Direct Access by Recipient Countries*, approved the proposal contained therein for eligible national entities in recipient countries to receive resources from the GEF Trust Fund directly to:

- (a) undertake on a voluntary basis, GEF National Portfolio Formulation Exercises to produce portfolio formulation documents; and
- (b) prepare Convention Reports which include national communications/reports/national implementation plans that are undertaken as obligations under the Conventions.

24. The Council additionally requested the GEF Secretariat, with the CEO acting under delegated authority from the World Bank President, to approve and supervise the activities involved in the provision of GEF resources to such national entities.

25. The Council further endorsed the provision that the costs incurred by the GEF Secretariat and the World Bank with respect to the preparation and supervision of such projects will be fully funded by the GEF.

26. The GEF Council also agreed that the Bank shall not have any liability to the GEF under such instruments signed by the GEF CEO under authority delegated from the President of the World Bank in connection with the provision of grants from the GEF to recipient countries to finance the voluntary preparation of portfolio formulation documents or Convention Reports or for the actions of staff assigned to the GEF with respect to such instruments. The Council further agreed that the Bank shall be indemnified out of the GEF trust fund for any liability toward third parties, and costs and expenses related to any such liability or claims of liability with respect to such instruments.

27. The Council noted that in approving this document, it is approving the amount in the Contingent Budget that was approved by the Council at the 37th Special Council Meeting to support the Secretariat's facilitation of activities under direct access for the preparation of Convention Reports and portfolio formulation exercises.¹

28. The Council noted that the monitoring and evaluation policy of the GEF applies to all activities supported under direct access.

29. The Council requested the Secretariat to report on implementation progress annually.

30. The Council requested the GEF Evaluation Office to undertake a mid-term review and report to the Council at its spring meeting in 2013.

Decision on Agenda Item 13 Reforming the Country Support Program and Procedures for Implementation

31. The Council reviewed the proposed document submitted to Council GEF/C.38/7/Rev.1 *Reforming the Country Support Program and Procedures for Implementation*.

32. The Council approved the proposal for the Secretariat to execute a reformed Country Support Program according to the procedures contained in this document. The reformed Country Support Program will be comprised of the following elements, funded with a total allocation from the GEF Trust Fund of \$26 million, allocated across each activity as specified below:

- (a) Support for country-executed National Portfolio Formulation Exercises (NPFEs): \$3 million;
- (b) Multi-stakeholder dialogues: \$2 million;
- (c) Expanded constituency-level workshops: \$10 million;
- (d) Constituency Meetings: \$3.5 million;
- (e) Direct support to operational focal points: \$5.5 million;
- (f) Knowledge management: \$125,000; and

¹ See Annex 1 for an account of the resources approved at this Council meeting.

(g) Familiarization seminars: \$1.875 million.

33. The Council directed the Trustee to set aside \$26 million in GEF Trust Fund resources for use by the Secretariat to fund these activities.

34. The Council decided that the GEF Secretariat shall facilitate the NPFs according to the policies and procedures contained in this document, as well as those in document GEF/C.38/6/Rev.1, *Policies and Procedures for the Execution of Selected GEF Activities – National Portfolio Formulation Exercises and Convention Reports – with Direct Access by Recipient Countries*.

35. The Council noted that in approving this document, it approved the amount in the contingent budget that was approved by the Council at the 37th Special Council Meeting to support the Secretariat's facilitation of NPFE grants under direct access and transition to a Secretariat-executed Country Support Program.²

36. The Council requested the GEF Secretariat to monitor the impacts of the Country Support Program using criteria to be identified with the help of the Evaluation Office.

Decision on Agenda Item 14 Broadening the GEF Partnership by Operationalizing Paragraph 28 of the GEF Instrument

37. The Council, having reviewed document GEF/C.38/8, *Broadening the GEF Partnership by Operationalizing Paragraph 28 of the GEF Instrument*, noted the benefits to the GEF from broadening its partnership network.

38. The Council recommended that a sub-committee of the Council be established, chaired by the CEO and including six Council Members, three from non-recipient constituencies and three from recipient constituencies, to advise on the development, in a transparent manner, of eligibility criteria for the potential partners.

39. The Council requested the Secretariat, in cooperation with the Trustee, to establish a task force comprised of up to four qualified independent experts from appropriate disciplines to further develop an accreditation procedure.

40. The Council requested the Secretariat to present for decision at the November 2010 Council meeting, a document containing the main findings of the above activities.

Decision on Agenda Item 15 Operational Procedures for the System for a Transparent Allocation of Resources

41. The Council, having reviewed document GEF/C.38/9/Rev.1, *GEF-5 Operational Procedures for the System for a Transparent Allocation of Resources (STAR)*, approved the

² See Annex 1 for an account of the resources approved at this Council meeting.

procedures described in the document, and requested the GEF Secretariat to implement the STAR accordingly and to comply with the timeline described in paragraph 21 of the document.

Decision on Agenda Item 16 Agency Process on Meeting GEF's Minimum Fiduciary Standards

42. The Council, having reviewed document GEF/C.38/10, *Agency Progress on Meeting GEF's Minimum Fiduciary Standards*, was pleased with the progress made by the Agencies to come into compliance with the fiduciary standards and expects to see the Agencies meeting their proposed timelines for compliance over the course of the next several years.

43. The Council requested:

- (a) The Asian Development Bank (ADB) to report to Council by November 2010 on steps taken by the ADB to introduce an annual certification to be signed by staff indicating that their actions are in compliance with ADB's code of conduct and ADB's Anticorruption Policy by November 2010
- (b) The Food and Agriculture Organization (FAO) to report to Council on steps taken to establish an Ethics Committee and to issue Investigation Guidelines by November 2010.
- (c) FAO to report to Council by November 2010 on what actions it will take with a clear timeline for meeting GEF fiduciary standards on Financial Management and Control Frameworks, including the implementation of a formal internal control framework
- (d) FAO to meet GEF standards for investigations and whistle blower protection, including the revision of its investigation guidelines and harmonization with the Uniform Guidelines for International Investigations, by its updated timeline of July 2010.
- (e) IFAD to meet GEF standards on financial disclosure by its updated timeline of December 2010.
- (f) UNEP Division of Global Environment Facility (DGEF) Coordination to implement GEF standards on external audit, and to meet the intent of IPSAS accounting standards by 2012. UNEP to provide additional documentation on the outstanding standards:
 - (i) financial statements prepared in accordance with recognized international accounting standards;
 - (ii) management assertion to agency governing body that the internal controls over financial reporting are adequate; and
 - (iii) annual audit opinion on the financial statements issued by the external auditor and made public.

44. The Council approved FAO's approach to meet the GEF's procurement process standard by disclosing procurement awards for GEF projects. The Council requested that the GEF Secretariat work with FAO to reach an agreement on the contents and methods of publication by November 2010.

GEF SELECTION AND REVIEW COMMITTEE

Decision on Agenda Item 19 GEF Selection and Review Committee

45. The Council, having reviewed document GEF/C.38/11, *SRC Proposal for Reviewing the Salary of the GEF CEO*, agreed to the process set forth in the document for reviewing the salary of the GEF CEO and to continue to work to increase transparency.

46. The Council, having reviewed, document GEF/C.38/CRP.9, *Proposal for the Rotation of SRC Committee Members*, agreed to the process set forth in the document for rotating committee members.

47. The Council noted the SRC's finding of the outstanding performance of the CEO.

48. The Council requested feedback from the World Bank on adjustments for World Bank Vice Presidents for FY11.

49. The Council may consider an adjustment for the CEO in November 2010.

OTHER BUSINESS

50. The Council decided to hold the spring 2011 Council meeting during the week of May 23, 2011.

CLOSURE OF THE MEETING

51. The meeting closed on July 1, 2010.

Global Environment Facility Trust Fund

**Table 1: Record of Resources Requested for Corporate Budget and Special Initiatives and Resulting Council Decisions
Council Meeting of 06/29/2010**

Corporate Budget and Special Initiatives			
	<u>Amounts Requested for Funding</u>	<u>Amounts Approved by Council</u>	<u>Comments</u>
FY08 Corporate Budget			
GEF Secretariat	1,173,000	1,173,000	Support to GEF5 reforms on the Country Support Program and Direct Access*
GEF Evaluation Office		-	
STAP		-	
Trustee			
Sub-total Corporate Budget	1,173,000	1,173,000	
Special Initiatives			
GEF Secretariat	26,000,000	26,000,000	Reforming the Country Support Program and Procedures for Implementation**
GEF Evaluation Office	-	-	
STAP	-	-	
Trustee		-	
Sub-total Special Initiatives	26,000,000	26,000,000	
Total Corporate Budget and Special Initiatives	27,173,000	27,173,000	

* As presented in the GEF Corporate Budget for FY 2011 in GEF/C.37/5

** Includes :

- (i) Support for country-executed National Portfolio Formulation Exercises (NPFs): \$3 million;
- (ii) Multi-stakeholder dialogues: \$2 million;
- (iii) Expanded constituency-level workshops: \$10 million;
- (iv) Constituency Meetings: \$3.5 million;
- (v) Direct support to operational focal points: \$5.5 million;
- (vi) Knowledge management: \$125,000; and
- (vii) Familiarization seminars: \$1.875 million.